

Doc. GA22/EC20/REC72/03

**The Twenty Second Plenary Session of the PABSEC General Assembly  
Recommendation 72/2003\***

**on “Shaping A European Economic Space”**

1. The current political economy of Europe is evolving under unprecedented integration and cooperation processes that are focused on the vision of creating a common economic space stretching from the Urals to the Atlantic. The overall objective of shaping a European economic space is to avoid the creation of new dividing lines and prosperity gaps in Europe particular in view of an enlarged European Union.
2. The Black Sea Economic Cooperation being an integral part of this process can influence the shaping of the European economy while given its geostrategic location, large and diversified membership and inclusive/open character it is instrumental for securing a united European economic and political area.
3. The 1992 Summit Declaration on the establishment of the BSEC stressed the member states’ determination to develop economic cooperation as a contribution to a Europe-wide economic area, as well as to the achievement of a higher degree of integration of the participating states into the world economy by continuing efforts to further reduce or eliminate obstacles of all kinds.
4. The Parliamentary Assembly has paid particular attention to the issue of the normative and actual integration of the Black Sea region into the European and world economic structures. Throughout the ten years of its existence it has prepared a number of Recommendations on the most important aspects of the process of integration such as macroeconomic reform, trade and investment facilitation, infrastructure development, sustainable development, technological cooperation etc.
5. The evolution of a Wider Europe and the shaping of a European economic space as part of it pose new challenges for the Organisation of the BSEC and its member states. The BSEC states are called upon to take initiatives involving a) national reform programs and priorities; b) fostering intra-regional integration and cooperation and c) integrating with European and global structures.
6. The European economic space shall be built on a joint commitment of all European states. For the EU to providing a clear and credible roadmap for the eventual integration of the transforming countries into European and global structures and to providing financial and technical and political support to domestic reform programs

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Assembly debate on 9 December 2003 (see Doc.GA22/EC21/REP/03, Report of the Economic, Commercial, Technological and Environmental Affairs Committee on “SHAPING A EUROPEAN ECONOMIC SPACE”, discussed in Tirana on 17 September 2003; Rapporteur: Mrs. Maria ARSENIS, (Greece).

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and regional initiatives. For the BSEC countries which are undergoing structural reforms the commitment is to working towards political and social stability and a determined effort to implement consistent macroeconomic policies and deep structural, institutional, social, environmental reforms (e.g. trade, privatisation, competition policy and financial sector reforms).

**I. The Parliamentary Assembly therefore calls on the National Parliaments and the Governments of the BSEC Member States:**

*i. to pursue* the implementation of *four strategic objectives* as also envisaged by the EU which are of fundamental importance for the realisation of a European economic space, mainly:

- harmonising effectively national legislation with the rules of the single market (approximation, proper enforcement and simplification of rules );
- dealing with key market distortions (tax barriers and anti-competitive behaviour);
- removing sectoral obstacles to market integration (new legislative measures and changing national administrations' attitudes);
- applying a social dimension to economic policies for the benefit of the people;

*ii. to maintain* a sustainable and growth - promoting macroeconomic framework, competitiveness and enforce financial discipline and the rule of law as a prerequisite of securing an equal participation of the BSEC states in the new European economy;

*iii. to speed up* legislative approximation among the BSEC states taken into consideration the commitments of several member states to harmonise national legislation with that of the European Union notably in key areas of the internal market;

*iv. to facilitate* the free movement of the four factors of goods, people, services and capital by: a) developing effective commercial law framework, b) accelerating structural reforms in the financial and enterprise sectors, c) liberalising trade and improving customs performance, d) alleviating constraints to foreign investment flows, e) providing for the movement of workers, freedom of establishment and supply of services;

*v. to promote* further trade liberalisation and continue the efforts for the realisation of a Black Sea Free Trade Area as part of the European economic space through uniform tariff rates and increased transparency by reducing the number of tariff bands; elimination of non - tariff trade barriers through the removal of licenses, quotas and other instruments and strengthening of trade-related institutional capacity;

*vi. to convert* existing pairs of bilateral trade preferences and bilateral investment agreements into multilateral ones, compatible with the WTO in light of the states' current or imminent membership in the Organisation;

*vii. to undertake* common actions for the integration of the Black Sea countries into transport, energy and telecommunications networks and the European Research Area;

*viii. to expedite* cooperation with the European Union with the view to formulate a comprehensive approach or an institutionalised 'Black Sea dimension' which would be developed around the axis of:

- the existing bilateral agreements of the EU with the BSEC states;
- the financial assistance and technical programs towards the region;
- the given preference for a 'project oriented' approach;

*ix. to work* close with the EU on the identification of priority fields of interaction at the regional level focusing on: a) trade cooperation and investment promotion, b) infrastructure development, c) energy dialogue and d) business dialogue;

*x. to coordinate* actions for the introduction of appropriate adjustments to existing EU assistance programs (such as TACIS) so that they will be better tailored to the needs of the region and to cooperate systematically in identifying and developing promising economic projects of mutual interest as well as new sources of financial assistance;

*xi. to organise* joint meetings of relevant working bodies of the BSEC and the EU as well as conferences, workshops and seminars of experts in concrete fields of common interest with the view to preparing sectoral strategic *Action Plans* in partnership with the European Union;

*xii. to involve* more constructively the Black Sea Trade and Development Bank in acting as a focal point for the development of economic projects of a Europe-wide significance in cooperation with other international financial institutions;

*xiii. to continue* developing mutually beneficial cooperation with other relevant organisations and fora, such as: the Central European Initiative, Southern European Cooperative Initiative, the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Council of Baltic Sea States and the Nordic Council of Ministers;

**II. The Parliamentary Assembly invites** the Council of Ministers of Foreign Affairs of the Organisation of the BSEC to consider this Recommendation.