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# Black Sea and Central Asia Initiative

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**ORGANISATION FOR ECONOMIC  
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## **BLACK SEA AND CENTRAL ASIA INITIATIVE (BSCAI)**

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### **Background**

The Black Sea (BS) and Central Asian (CA) regions are strategically important for both European and Asian countries. Their sound economic and social development is crucial for the future of the world economy. Slowed growth across the European Union (EU), which is these regions' most important trading and investment partner, has weakened economic activity.

The 2008 study from the Development Centre, Black Sea and Central Asia: Promoting Work and Well Being (BSECAO) demonstrated the importance of these regions for OECD countries. The new Initiative builds on the experience accumulated through the BSECAO project, as well as through the continuing work on other regional outlooks on Africa, Latin America and South East Asia. The Centre thus brings its proven expertise to bear on this important group of countries.

### **Objectives**

- Formulate policies adapted to the region designed to support private sector development leading to sustainable growth and poverty reduction;
- Facilitate evidence-based policy dialogue and peer learning between and among OECD Member states and BS-CA countries at national and regional levels;
- Promote private-sector participation in strengthening regional integration initiatives;
- Strengthen OECD co-operation with regional and national development organizations;
- Provide a detailed knowledge base of these two regions.

### **What's New?**

- Construction of a two-region database of economic and social indicators;
- Comprehensive overview of macroeconomic and social conditions at the region and country level;
- OECD participation in policy formulation with governments in the regions
- Surveys on competitiveness perceptions ;
- Direct co-operation with local authorities, business and civil society;
- Introduction to both regions of OECD peer-learning principles.

## Outputs and Policy Impact

The parallel core activities on Black Sea and Central Asia will consist of two parts:

### *Macroeconomic survey and projections*

A database of indicators covering both regions will be created, enhanced and enlarged. It will be used to produce the first part of each of the specific regional studies and will form the basis for projections at both the country and regional levels. Existing Development Centre tools (for example, for the African Economic Outlook) will contribute to the projections.

### *Thematic focus*

The thematic focus will be dedicated to an essential element of the development process in each of the two regions. It will form the basis of the second part of the regional core studies while feeding into country-specific outputs supported by the macroeconomic data.

For 2010-11, the focus is on Private Sector Development and SMEs. The BSCAI will:

- assess the impact of the current financial crisis on the cost of and access to credit for SMEs;
- promote identified opportunities for private enterprise to contribute to economic and social development;
- develop human-capital policies for financial and business service sectors;
- develop investment-policy recommendations to promote both domestic and foreign investment.

The country focus for 2010/2011 will be on six BSEC (Armenia, Azerbaijan, Georgia, Moldova, Serbia and Ukraine) and two Central Asian countries (Kazakhstan, Uzbekistan), respectively. Direct communication has been established between relevant ministries in the participating countries and with private actors.

In addition to publications and web-based materials, the Initiative will also comprise workshops on particular topics in which regional actors, governments and OECD experts will participate. The resulting policy conclusions and recommendations, based on the OECD's core principles of peer learning, will thus be directly applicable to national and regional challenges.

## Co-operation

A joint project with the OECD Directorate for Financial and Enterprise Affairs focuses on three South Caucasus countries (Armenia, Azerbaijan, Georgia) and Ukraine. The Centre also works with and contributes to the OECD Central Asia Programme. The Centre also works with the OECD Investment Compact for South East Europe and other OECD Directorates, as appropriate.

Outside the OECD, the Centre is working with:

- the Organisation of the Black Sea Economic Cooperation (BSEC);
- the Permanent International Secretariat of the Black Sea Economic Cooperation (BSEC PERMIS);
- the International Centre for Black Sea Studies (ICBSS);
- the Asian Development Bank;
- the European Bank for Reconstruction and Development;
- the European Union through the Eastern Partnership Initiative (EPI), the European Neighborhood Policy (ENP), the Black Sea Synergy (BSS).

National contact points will be designated in each capital of the participating countries. In addition, an Informal Advisory Group (IAG) will be established to ensure the flow of information between political supporters/donors and seek expert advice and assistance from specialist constituencies.

***For further information, contact:***

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