REPORT — AUTUMN 2021

Murky waters

The Black Sea region and European security

This report is produced in partnership with

Executive summary

By **Paul Taylor**, *Senior Fellow at Friends of Europe*

Long a geopolitical backwater, **the Black Sea has become one of the most bitterly contested and unstable strategic zones around Europe since the end of the Cold War**.

It is the theatre not only of so-called frozen conflicts in breakaway areas of Moldova and Georgia, with the long-term presence of Russian troops, but also of conflicts over Crimea and Donbas, where since 2014 Russian forces and proxies have seized and occupied territory internationally recognised as part of Ukraine. **The region is also a playground for disinformation, sabotage and cyber warfare aimed at destabilisation and disruption** below the threshold of armed conflict.

Russian and Western analysts agree that Moscow's actions are intended to prevent Ukraine and Georgia from joining NATO, which the Kremlin regards as "the reddest of red lines", since it is seen as threatening strategic encirclement of Russia.

It is in Moscow's interest to keep its neighbours weak and poor, dependent and off balance to stymie their aspirations to Euro-Atlantic integration. This also applies to their drive for economic and political convergence with the European Union, seen as going hand-in-hand with NATO membership. **All the states in the region** - including the EU members - **are politically unstable to a greater or lesser**

extent, except for autocratic Russia and Turkey. Most score poorly in perceptions of corruption.

The seizure and annexation of Crimea was launched in response to peaceful pro-European mass demonstrations in Kiev that toppled an elected pro-Russian leader after he backed away under Russian pressure from signing a far-reaching Association Agreement that Ukraine had negotiated with the EU. The overthrow of then president Viktor Yanukovych prompted fears in Moscow that the new Ukrainian authorities would revoke the Russian Black Sea fleet's long-term lease on the Crimean port of Sevastopol.

Ideologically, Russian President Vladimir Putin defended the bloodless takeover of Crimea at the time as a "reunification" and asserted his determination to protect Russians who ended up outside its borders after the collapse of the Soviet Union. He followed that up with a 5,000-word essay "On the Historical Unity of Russians and Ukrainians" in July 2021, asserting that they were fundamentally one people. **Putin accused the West of enrolling Ukraine in an "anti-Russian project" and said "true sovereignty of Ukraine is possible only in partnership with Russia"**.

For its part, NATO denies any hostile intent towards Russia and continues to proclaim that its door is open, that Ukraine and Georgia will one day join the alliance and that all European states have a right to seek their own security arrangements. No third party may have a say in NATO's decision-making process, the alliance's

leaders declared in a summit communiqué in 2021.

In practice, **senior NATO officials and Western diplomats acknowledge that neither aspirant will be admitted for the foreseeable future**, even if the alliance cannot say so publicly. Both have been given the status of Enhanced Opportunities Partners, already held by EU members Sweden and Finland. NATO is helping modernise their armed forces, but they do not benefit from the alliance's Article V mutual defence clause.

This perpetuates strategic ambiguity - some might say strategic hypocrisy - which fuels the geopolitical contest between Russia and the West and remains a source of tension inside the Atlantic alliance.

Fortress Crimea

The unresolved conflicts also have a maritime dimension. Upon annexing Crimea, Russia laid claim to its territorial waters and a vastly expanded exclusive economic zone in the northern Black Sea. It created its own Flight Information Region to control the airspace around Crimea and built a road bridge across the Kerch Strait, preventing larger vessels from entering the Sea of Azov.

The Kremlin has fortified Crimea, modernising the Black Sea fleet and deploying air defence and anti-ship missile systems, strategic bombers, tanks, cruise missiles and possibly nuclear warheads, giving it the ability to interdict shipping and aircraft throughout the region, and

to strike targets across much of Europe from the captured peninsula. It has used Crimean bases to support its military intervention in Syria since 2015 and to project power more widely in the Eastern Mediterranean and North Africa.

In spring 2021, **Russia amassed 100,000 troops with heavy equipment around Ukraine's borders**, leaving much of the weaponry in place after it announced the end of what it called a snap exercise. It issued notices of naval and air exercises covering swathes of the Black Sea for the summer months of 2021, warning foreign aircraft and shipping to keep out. Ukraine hosted a major multinational naval exercise in summer 2021 in areas that partly overlapped. Russian warplanes buzzed a British destroyer and a Dutch frigate that sailed through Crimean waters to assert freedom of navigation.

The West has responded to the Russian build-up in Crimea by increasing its rotating naval presence and NATO air policing in the Black Sea, with bilateral American, British and Turkish military assistance and arms sales to Kiev, and by holding regular exercises with Ukraine and Georgia.

The United States has bilateral defence cooperation agreements with Romania and Bulgaria, dating back to 2005 and 2006, that allow it to station forces, store equipment and have shared use of designated national air bases and training ranges. It can use them as a jumping-off point for missions in third countries - for example, in the Middle East and Central Asia - without requiring specific authorisation by the host government.

Romania, which has significantly modernised its own armed forces, also hosts a US Aegis Ashore missile defence system designed to intercept ballistic missiles from Iran or North Korea, but - NATO insists - not from Russia.

In 2016, the alliance agreed to deploy a "tailored forward presence" in southeastern Europe that includes a nominally multinational brigade in Romania. The land component involves permanent units from Romania, a rotating Polish contingent and temporary reinforcements from Portugal and Spain, but none of the big Western allies. Bucharest has pressed for a higher NATO profile, comparable to the Enhanced Forward Presence of four combat-ready battlegroups in the Baltic states and Poland, which are led by the United States, Britain, Germany and Canada. NATO military staff advised at the time that a bigger land presence was not needed for deterrence and assurance, since there is no land border with Russia. However, the Romanian government argues that the massive military build-up in Crimea now poses such a threat.

Bulgaria and Turkey are more cautious than Romania about rocking the boat due to their historic ties and economic interdependence with Russia, a major source of energy and tourists. **Ankara is engaged in its own geopolitical dance with Moscow** - alternating tests of strength in Libya, Nagorno-Karabakh and Syria with budding arms industry cooperation, to Western dismay.

Sphere of influence?

The Kremlin seeks to assert a sphere of influence in the former Soviet space, which it considers as vital to its interests as Central America is to the United States, or West Africa to France. The US and NATO reject the principle of spheres of influence. But they cannot ignore history, including their own.

Since they first declared in principle in 2008 that Ukraine and Georgia would one day join the alliance, **NATO nations have been unable to agree among themselves on when and how to admit the two former Soviet republics**. France and Germany lead opposition to granting them a Membership Action Plan, a step they argue would be strategically destabilising and provocative to Russia.

Poland, Romania and the Baltic states are energetic cheerleaders for eastward enlargement. Along with other former Soviet bloc countries, they joined together in 2015 in the Bucharest Nine grouping to act as a sort of pressure group for the eastern flank within NATO. Several other Western allies are content to hide behind the Franco-German blockade while paying lip service to the goal of eventual Ukrainian and Georgian membership once the conditions are met.

NATO's enlargement policy states that its door is open to "all European democracies which share the values of our Alliance, which are willing and able to assume the responsibilities and obligations of membership, which are in a position to further the principles of the Treaty, and whose inclusion can contribute to the security of the North Atlantic area".

NATO officials say that despite some reforms and valuable contributions to alliance missions in Afghanistan and Iraq, **both aspirants are far from fulfilling the criteria**, notably concerning the rule of law, democratic stability, reform of the intelligence services, the fight against corruption and, in Ukraine's case, civilian control over the military. Indeed, Georgia has regressed in its political and legal standards lately.

Since NATO's 2008 Bucharest summit declaration, Russia has waged two wars in Georgia and Ukraine to seize or buttress zones of rebel-held territory beyond the control of those countries' governments. **Western countries have denounced the Russian actions** and provided some training, weaponry and intelligence for the Georgian and Ukrainian armed forces **but they made clear by their actions that they are not willing to go to war to defend either country**.

Admitting a state without full control over its territory could immediately bring into play NATO's Article V mutual defence clause, unless the allies agreed that it would not apply to the breakaway areas. Critics argue that such a carve-out would be tantamount to accepting de facto partition. NATO, Ukrainian and Georgian officials prefer not to discuss that conundrum.

Pipeline politics

The standoff is compounded by competing economic interests. The West is keen to develop

an east-west energy and trade corridor from Central Asia to the European Union that does not run through either Russia or Iran. Moscow, on the other hand, has built a network of pipelines across and around the Black Sea to export its natural gas to Turkey, Bulgaria and the Western Balkans, and to Moldova, Romania and central Europe via Ukraine.

While the Southern Gas Corridor from Azerbaijan across Turkey to southern Europe has provided some non-Russian supply since pumping began in 2019, volumes are relatively small and the only way to significantly boost deliveries via this route would be if Turkmenistan were to agree to supply gas through a pipeline across the Caspian Sea that has yet to be agreed or built.

Twelve central European states banded together in a **Three Seas Initiative**, launched by Poland and Croatia in 2016 and backed by the United States, **aiming to build north-south energy, transport and communications highways between the Baltic, Adriatic and Black seas**. The Trump administration was an enthusiastic supporter, seeing it as a counterweight to German power in the EU, as well as an opportunity to export US liquefied natural gas to the region. Five years on, progress on defining projects and securing financing has been slow.

China, the rising global power, is seeking to penetrate the region with its Belt and Road Initiative, investing in industrial and infrastructure projects in Ukraine and the Aegean and Black seas, and looking to extend its land trade routes via central Asia into southeastern Europe. Bulgaria and Romania are members of China's 16+1 format for cooperation with central Europe.

China is now Ukraine's largest single trade partner, although the European Union collectively outstrips it. Under US pressure, Kiev blocked a Chinese investment in Ukraine's strategic manufacturer of plane and helicopter engines. **Beijing has also included Georgia in its New Silk Road initiative**, opening a direct rail freight link from Xi'an to Tbilisi and aiming **to develop a route from its industrial heartland to the Black Sea and Turkey via Georgia**.

Energy exploration in the Black Sea began in the 1980s under the Soviet Union, but to date no oil or gas has been extracted commercially from beneath the waters. The energy contest is fuelled by offshore gas discoveries by Turkey and Romania that have yet to be brought on stream, as well as Russia's capture and operation of Ukrainian drilling platforms off Crimea. It is not clear whether Black Sea gas will become economically viable or significant given the long-term trend away from fossil fuels and towards renewable energy sources to combat climate change. Demand for natural gas is forecast to plateau in Europe from the early 2030s and decline thereafter.

To mitigate Europe's dependency on Russian gas and reduce the vulnerability of central and east European countries to sudden breaks in supply, **the EU has invested in interconnectors and reverse-flow pipeline capabilities in Bulgaria, Romania and Ukraine**. But vested interests in local network

operators and energy companies have slowed progress and so far thwarted their use.

An estimated **5% of the world's oil exports and up to 25% of wheat exports transit from the Black Sea to the Mediterranean via the Turkish-controlled Bosphorus and Dardanelles straits** - two natural choke-points. Yet none of the littoral states has its capital, population centres or main economic production on the Black Sea. Land and river corridors are more important trade arteries than the sea itself for most littoral states except Ukraine. The riparian countries look inland rather than to their common waterway. You might almost call it the Back Sea.

Whose lake?

The Black Sea has been a crossroads for migration and commerce and a melting pot of civilisations for three millennia. Greek merchants established the earliest trading posts around its shores. The Romans colonised Crimea, Romania, Bulgaria and crossed Georgia to the Caspian Sea. Nomadic peoples from central Asia and Iran ruled its northern shores for centuries. Traders from Genoa and Venice plied the sea routes in the Middle Ages, while the Byzantine Empire controlled the southern shore and access to the Mediterranean.

After the fall of Constantinople, **the Black Sea was effectively an Ottoman lake from the mid-15th century until the late 18th century**, when it became the theatre of rivalry between an expanding Russia and the declining Ottoman Empire. Catherine the Great captured Crimea

from the Turks and a swathe of territory she called Novorossiya, or New Russia, building the port of Odessa. West European powers sent expeditionary forces to curb Russia's rising power in the mid-19th century Crimean War. **The 1856 Paris peace treaty** that ended that conflict **banned Russia from having naval bases on the Black Sea, though it cast off those constraints in 1870**.

With the collapse of the Ottoman Empire and the defeat of Western-backed White Russian forces after World War One, the Black Sea became a Soviet-dominated lake with a Turkish cork in the bottle. Moscow controlled the northern and western shores either directly - as Ukraine, Moldova and Georgia were part of the Soviet Union - or indirectly, since communist Romania and Bulgaria were members of the Warsaw Pact from 1955 until its dissolution in 1991.

However, Turkey controlled the strategic straits commanding access to the Aegean Sea and the Mediterranean under the 1936 Montreux Convention, which allows free commercial navigation but regulates the passage of warships. Non-riparian states are subject to strict limits on the number and size of naval vessels permitted there at any one time as well as the duration of their stay. These limits tighten in wartime, when Turkey has the right to prohibit the passage between the Mediterranean and the Black Sea of the warships of nations that are engaged in armed conflict or from which it feels an imminent threat.

Among Black Sea states, Romania and Bulgaria have joined NATO since the fall of

communism, while Ukraine and Georgia both have close partnerships with the alliance and aspire to membership. This raises the **alarming prospect in Kremlin eyes of the Black Sea becoming a NATO lake**, putting the main Russian population centres within near instant missile range. **Moscow's seizure and militarisation of Crimea have tilted the balance of power in the region, restoring Russian maritime dominance**.

Trade and joint economic projects among the Black Sea states are slight, apart from gas pipelines. Romania and Bulgaria are integrated into the EU single market, while Ukraine, Georgia and Moldova have seen their economies turn towards Europe and away from Russia over the last decade. All three are members of the EU's Eastern Partnership and have Deep and Comprehensive Free Trade Agreements with the Union. Their citizens enjoy visa-free travel to the EU's Schengen area.

While low-level economic, environmental and civil society cooperation among countries of the region exists through the post-Cold War institutions of the Organization of the Black Sea Economic Cooperation, the EU-led Black Sea Synergy initiative and the GUAM grouping of Georgia, Ukraine, Azerbaijan and Moldova, their achievements are modest, mostly in areas such as the environment, fisheries and tourism. **Businesses generally see more profit in interaction with the EU than with Black Sea neighbours**. Non-government organisations are often too stretched with domestic struggles over civil rights, freedom of expression and fighting corruption to have the bandwidth or see much benefit in cross-border cooperation.

A better way

Stabilising the region durably and unlocking its economic potential will depend on finding ways to sidestep or defuse the central standoff over Ukraine's and Georgia's NATO ambitions.

To approach the issue as a zero-sum game between 'freedom' and 'authoritarianism' - the dominant perspective in Washington and much of eastern Europe - is to ignore history and carries a serious risk of further armed conflict in those countries. There must be a better way.

Despite Putin's aggressive actions of the last decade, **the view in much of western Europe remains that the West should maintain dialogue and if possible some partnership with Russia** - for economic, energy, geopolitical and cultural reasons - **and avoid poking the Russian bear**.

A grand bargain on the future of the Black Sea region and the security of the states between NATO and Russian borders seems impossible. The countries concerned would reject any deal negotiated over their heads. Nor would they trust any security guarantees offered by Russia in return for military non-alignment. Central European countries that endured Soviet rule and are now NATO members would denounce a betrayal, as would their friends in Washington.

Furthermore, **it is by no means clear that Russia would be willing to make significant concessions to end the frozen conflicts** under such an arrangement. Moscow may well feel it has achieved most of its goals in the region without suffering more than the

inconvenience of limited economic sanctions. It may have squandered any chance of drawing the Ukrainian and Georgian peoples back into its orbit, but it has halted NATO's advance indefinitely. One thing seems certain: no Russian leader is likely to contemplate giving up Crimea.

In the absence of a comprehensive solution, **this report will explore whether there is an alternative to escalating east-west tension in the region**, which carries a non-trivial risk of armed conflict by accident or miscalculation.

Such a path would require reciprocal confidence-building measures, greater military-to-military dialogue and de facto great power understandings to put intractable issues on the back burner in the name of strategic stability. **The closure of Russia's mission to NATO, and of NATO's office in Moscow, has dramatised the deterioration in relations**, but their military commanders are still talking to each other to avoid incidents at sea or in the air.

A fresh start should include **more European political engagement with Black Sea states - an "Eastern Partnership Plus"** for Georgia, Ukraine and Moldova - to accompany the steady advance of the EU's magnetic economic and regulatory pull. **Greater regional cooperation** could unlock foreign investment and build mutual interests over time.

The EU has adopted integrated strategies for the Arctic and the Sahel, yet curiously no such comprehensive approach to the Black Sea. It needs one, which should cover **a full range of engagement on investment, trade, energy, transport, shipping and fisheries,** **environmental protection, biodiversity and people-to-people contacts, as well as security**.

While relations between Brussels and Ankara - and Washington and Ankara - are likely to remain fraught and may deteriorate further as long as Turkish President Tayyip Erdoğan holds power, **the EU should make preparations to reset its political and economic relationship with a more cooperative Turkey** and avoid slamming doors. Terminating Turkey's candidacy for EU membership, however unlikely it is to succeed, would be self-defeating.

Western nations should **continue to help the Ukrainian and Georgian military to reform, modernise and achieve interoperability with NATO forces**, so that they build their own deterrence against further Russian aggression and intimidation, and societal resilience against hybrid warfare. But they should also **counsel caution and not create illusions**.

NATO can give them almost everything but membership - training, joint exercises, inter-operability, intelligence sharing, help with reforming the military and intelligence services, bilateral defence cooperation with individual allies, but not a mutual defence guarantee or a NATO base on their territory. The **allies must balance prudent enhanced security measures with avoiding provocative steps** that would unnecessarily inflame Russia.

Managing and stabilising the contest in the Black Sea may be unsatisfactory for all sides, but it would be better than the current trajectory.