

The East-West Transportation Corridor TRACECA and Its Implications for Sub-regional Development: The Case of the Black Sea Region of Turkey

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As a promising route for the promotion of economic development for countries located along the corridor, the East-West corridor has been analyzed overwhelmingly from geopolitical perspectives. This approach, however, fails to consider for the full range of benefits the corridor would provide. The sub-regional benefits, even at the individual country level, are often overlooked. In order to present a subregional/micro level analysis of the implications of the East-West corridor in general, and TRACECA in particular, this paper focuses on the place and position of Turkey's Black Sea region within TRACECA. It evaluates the influence of this cross-continental mega project on a sub-region of Turkey. The paper suggests that TRACECA has significance not only in terms of regional geopolitics but also in regard to sub-regional development. The paper assesses official statements by the Turkish government and the Permanent Secretariat of TRACECA. The authors discuss the opportunities and challenges posed by TRACECA's development targets as well as those of the Turkish government at the local level.



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Introduction

Turkey's role in international projects is a matter of general discussion, given its participation in several multinational and transnational projects including the Turkish Stream, TANAP, and the BTC. The most recent discussions are primarily focused on energy mega projects. However, there are also other larger regional projects, such as the *Transport Corridor Europe-the Caucasus-Asia* (TRACECA), key to developing trans-Eurasian transportation networks. These various initiatives are helping to consolidate Turkey's critical position in regional and global politics. For Turkey, accordingly, TRACECA is perceived as a macro-level project; this view has also been reflected in policy-making and academic circles. As this paper suggests, however, this view may be too narrow. Having acknowledged the macro-level focus of such projects, this paper argues that TRACECA and similar macro-level projects also have important national and sub-regional level implications. In order to demonstrate this and to uncover the sub-regional implications of these macro-level projects, this paper shifts the focus from regional to sub-regional. In order to do so, it evaluates the implications of TRACECA for the Black Sea region, a coastal area in northern Turkey that is key to the realization of the project at the national level. In explaining these implications, we also deal with the challenges at the sub-regional and project-specific levels.

What does TRACECA mean for the individual member states?

The aim of TRACECA is, according to the Ministry of Transport Maritime and Communications of Turkey (MTMC), to support political and economic development in the Black Sea region, Caucasus and Central Asia by improving international transport links.¹ The Permanent Secretariat of TRACECA, on the other hand, states that TRACECA is aimed at gradually developing trade and economic development. According to the project, major traffic flows will pass through Western and Central Europe, and Central and South-East Asia. In addition, TRACECA aims to create a sustainable infrastructure chain ensuring multi-modal transport with the step-by-step integration of the corridor into the Trans-European Transport Networks (TENS).

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At present, the integration between Central and Eastern Europe is actually provided through TENS. However, this integration only

¹ TRACECA (2016). *TRACECA Avrupa- Kafkasya- Asya Ulaşım Koridoru*. Available at: <http://www.traceca.org.tr/> (Accessed: 12 February 2016).

relates to European countries. On the other hand, the integration of transport links between South East and Central Asia has been gradually developing. However, the connection between Asia and Europe was absent, and TRACECA is one of the major projects seeking to fill this gap. TRACECA represents a major link between two existing – or developing – transportation networks between Europe and Asia.²

We would like to highlight the difference between the definitions of TRACECA provided by the Ministry of Turkey and the Permanent Secretariat. While the Ministry of Transport Maritime and Communications of Turkey (MTC) says that the Caucasus, Black Sea and Central Asia is the focus area, for the Permanent Secretariat, the focus extends towards Europe and South Asia. This divergence indicates that Turkey's interests in TRACECA are centered more on the positive implications for Turkey's own development in association with the general aim of this major project. Introducing this difference will enable us to illustrate the links between a major international project and the sub-regional development targets of a member country. We will explain this connection later on in the paper, while presently continuing with our analysis of what TRACECA means for the countries located along its route.

The meanings of TRACECA for its member countries have changed following the increase in the number of member countries. The first meeting of the TRACECA Project was held in 1993 in Brussels, with the Ministries of Transport of Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan in attendance. As a result of the conference, 'members adopted [the] Brussels Declaration, to give rise to implementation of the interregional program of technical assistance TRACECA, financed from the European Union aimed at the development of the transport corridor from Europe, crossing the Black Sea, Caucasus, the Caspian Sea and reaching the Central Asian countries'.³ Since then, new members have joined the initiative. As a result of the participation of new states, the project has extended both eastwards and westwards, covering a wider geography.

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² The expression 'to be exist' is valid for the network in Asia, because there isn't any existing network between South East and Central Asian countries, at all. However, especially China and Russia try to construct such a network.

³ TRACECA (2016). *History of TRACECA* Available at: <http://www.traceca-org.org/en/traceca/history-of-traceca/> (Accessed: 13 February 2016).

However, participation seemed to dwindle after 2007. After 2009, the annual government meetings of TRACECA were not organized. Therefore, TRACECA could not maintain its expansion, weakening its identity as a transport corridor between East and West. In contrast, another purpose of TRACECA gained popularity, namely contributing to the development of member countries. This paper also argues that TRACECA should be re-considered from the perspective of support for sub-regional development of member countries.

Establishing such a major transportation network between Asia and Europe has been also described as the reconstruction of the historical Silk Road. For instance, according to the 2004 report by the Economic Commission for Europe Inland Transport Committee of the United Nations Economic and Social Council, “Countries along this corridor have high regard for its strategic importance in the context of Euro-Asian transport links and consider it as complementary to commercial exchanges between themselves and the Far East, with the possibility of the ancient Silk Route becoming once again a major trade corridor.”⁴ As noted in the report, the revival of the ancient Silk Road means the rejuvenation of historical trade links between Asia and Europe. Therefore, the countries on the Silk Road could benefit from their historical trade wealth, but in cooperation rather than competition. This is why the member countries have supported the project.

How feasible is TRACECA?

The notion of reviving the historical Silk Road is appealing to member countries because it promises a return to a time when the East was wealthier.⁵ This concept has stimulated four projects

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between the East and the West: Trans-Siberian (TSR), TRACECA, Southern Corridor, and North-South Corridor. The Trans-Siberian aims to link Europe, the Russian Federation, Korean Peninsula, and Japan. The Southern Corridor aims at linking South East Europe to Central Asia and China through Turkey and Iran. The North-South Corridor, on the other hand, will link Northern Europe to the Persian Gulf via the Russian Federation,

4 UN Economic and Social Council (2004) *Euro-Asian Transport Links*, Available at: <https://web-cache.googleusercontent.com/search?q=cache:NHY-cmDroJYJ:https://www.unece.org/fileadmin/DAM/trans/doc/2004/sc2/TRANS-SC2-2004-03e.doc+%&cd=1&hl=tr&ct=clnk&gl=tr> (Accessed: 12 February 2016).

5 Here, the point for member countries of TRACECA is not the competition between the West and the East. In contrast, the attractive issue is return to old richer days. Furthermore, we are rejecting to read any issue from the perspective of competition between East and West.

Azerbaijan and Central Asia.⁶ Among these four corridors, TSR warrants particular attention, as it is already operational, and its route seems to be parallel to that of TRACECA. This suggests that they could be complementary. However, as this paper argues, competition between these two routes is highly likely.

Regarding the prospect of competition, it is true that Turkey has a key strategic location between East and West; however, this inference should be made based on an analysis of alternative routes. Therefore, we will first of all demonstrate the linkage between TRACECA and sub-regional development in Turkey by discussing whether it retains its importance in the context of alternative routes.

At present, TSR is also active and seems to be fulfilling its mission. However, there are certain problems too. A report by two representatives of the Coordinating Council on Trans-Siberian Transportation stated that the volume of transit transportation through TSR had fallen between 2006 and 2008. According to Lukov, the Adviser to the Council, the volume of transit transportation declined by 5 percent in 2007 compared to 2006.⁷ Furthermore, there was a decline of 17 percent between 2007 and 2008⁸, according to Sergeev, the Deputy Head of the Council. While imports and exports through TSR increased, transit transportation decreased. This indicates that TSR was being used for Russia's imports and exports. However, transit transportation via TSR has lost its appeal. Lukov stated that the reason for this was the non-competitiveness of the TSR's through rate in comparison to the freight rates offered by deep-sea shipping companies. This is reiterated in 2016 by the Coordinating Council as an obstacle to improving transit transportation via TSR.⁹ Thus it seems that TRACECA has a competitive advantage against TSR.

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6 UN Economic and Social Council, *Euro-Asian Transport Links*.

7 Lukov (2009) *The Transsiberian Rail Corridor: Present Situation and Future Prospects*. Available at: file:///C:/Users/%C4%B1kt2/Downloads/Lukov_CCTT_TSR.pdf (Accessed: 13 February 2016), p. 11

8 Sergeev (2008) *Transsiberian Route: An Effecting Transport Corridor connecting Asia and Europe*. Available at: <http://www.zscargo.sk/files/vystavy/Obch-rok-2009-prezentacie/CCTT.pdf> (Accessed: 13 February 2016), p. 6

9 Coordinating Council on Transsiberian Transport (2015) *Increasing Competitiveness of the TSR*. Available at: <http://en.icctt.com/increasing-competitiveness> (Accessed: 13 February 2016).

ternational project. The challenge of deep-sea shipping between Europe and Asia-Pacific that TSR faces is also, at first glance, relevant for transit transportation via TRACECA. However, TRACECA has two important advantages over TSR. While TSR only runs within Russia from Asia to Europe, TRACECA crosses 8 countries. Trade between these 8 countries means that TRACECA can remain economically feasible, even if is not competitive vis-à-vis deep sea shipping. But without increasing its competitiveness, TSR cannot survive or maintain its importance for transit transportation from Asia/Pacific to Europe. Therefore, TRACECA has better chances of survival, and Turkey’s opportunities to develop its sub-regions remain in play. For instance, the trade flows from 2006 to 2009 through TRACECA have increased and are expected to do so until 2019 for Kazakhstan, Uzbekistan and Tajikistan, as shown in Figure 1.¹⁰ This means that TRACECA has gained importance for freight transit in terms of traffic flow in Central Asia, while TSR has lost its relevance. Therefore, investing in TRACECA project seems very prudent as a course of action for Turkey.

This demonstrates that first of all, TRACECA enables participating states to benefit from the increase in trade between East and West. Secondly, it is reasonable for Turkey to invest in TRACECA compared to its alternatives. The paper will now determine how Turkey can utilize this major project to encourage sub-regional development. In order to do this, we will address the issue of sub-regional development in Turkey’s Black Sea region, which is also included in the vision for TRACECA, though its development also entails a number of different considerations. Establishing the link between TRACECA and sub-regional development of Black Sea region requires an assessment of these distinct and independent characteristics of Eastern Black Sea.

Figure 1



¹⁰ This figure is drawn by the author according to the data from TRACECA. The excel sheet for data could be found by searching the filename 'Country Freight Transit Country TONS06 19' in TRACECA's library. TRACECA (2016) *Country Freight Transit Country TONS06 19*. Available at <http://www.traceca-org.org/en/publications/noc/1/> (Accessed: 13 February 2016).

The Black Sea region and its development action plan 2014-2018

Turkey's efforts "to decrease the developmental differences between regions of Turkey and to increase the competitiveness of each region"¹¹ reflect similar experiences in other countries, such as the US and China. Just as western China is less developed than the eastern part, Turkey's eastern regions are less developed than the western area. Hence, the 'Regional Development Strategy for 2014-2023' prepared by the Ministry of Development addresses these issues as follows:

"Regional differences continue still to be important for many countries, like for Turkey. In some regions employment and level of income are over the average of country while some other regions may be under the average of country's level because of their geographical, social and economic conditions."¹²

Garver has set forth three steps for addressing the developmental gap in China: (i) construction of modern lines of transportation, (ii) exploitation of western resources, and (iii) acceleration of rates of development to achieve levels more nearly approximating China's east.¹³ Turkey faces the same problem. As Garver stated in regard to China, Turkey must construct modern lines of transportation to address its own development gap, in addition to the other steps. At this point, the significance of TRACECA comes to the fore. In order to see the close relationship between TRACECA and the potential to address the developmental gap in Turkey's sub-regions, we will start by discussing the construction of modern lines of transportation via the Eastern Black Sea Development Project (DOKAP), and then continue by showing how this relates to TRACECA.

DOKAP is one of Turkey's 26 Development Agencies, established by the central government with the aim of implementing development projects on site. DOKAP involves seven cities in the Eastern Black Sea: Artvin, Bayburt, Giresun, Gümüşhane, Ordu, Rize and Trabzon. These seven regions comprise of 5% of Turkey's total surface area and of 4.89% of the country's total pop-

11 Davutoglu (2014) Önsöz. Available at: [http://www.kalkinma.gov.tr/Lists/Duyuru%20ve%20Haberler/Attachments/669/DOKAP%20Eylem%20Plan%C4%B1%20\(2014-2018\).pdf](http://www.kalkinma.gov.tr/Lists/Duyuru%20ve%20Haberler/Attachments/669/DOKAP%20Eylem%20Plan%C4%B1%20(2014-2018).pdf) (Accessed: 13 February 2016).

12 Ministry of Development of Turkey (2014) *Bölgesel Gelişme Ulusal Stratejisi 2014-2023*. Available at: <http://www.kalkinma.gov.tr/Lists/Yayinlar/Attachments/641/2014-2023%20B%C3%B6lgesel%20Geli%C5%9Fme%20Ulusal%20Stratejisi.pdf> (Accessed: 13 February 2016), p. 22.

13 Garver, J. (2006) 'Development of China's Overland Transportation Links with Central, South-West and South Asia' *The China Quarterly*, (185), pp. 1-22.

ulation, according to the Turkish Statistical Institute (TUIK).¹⁴ However, the level of development in these cities is below the average for Turkey. In regard to this project, the region's proximity to Central Asia and the South Caucasus - whose importance are increasing in terms of global trade - the economic potential of the Black Sea Cooperation Organization contributed to the establishment of DOKAP.¹⁵ In association with the regional development targets, the Development Agency prepared an action plan in coordination with the central government. This action plan provides clues to the perspectives of local authorities and central government on the region. This enables us analyze whether there is a link between TRACECA and DOKAP.

The DOKAP Action Plan comprises five main sections: Tourism and Environment Sustainability, Economic Development, Infrastructure and Urbanization, Social Development and Improvement of Institutional Capacity at the local level. Although it seems as if that the plan prioritizes some sectors over others for economic development, we will address two sectors that are clearly relevant to TRACECA, namely agriculture and industry.

For agriculture, the action plan sets forth 21 basic steps to improve the sector, from training farmers to food control; from efficient basins for organic production to certified seed and seedling production. The plan aims to establish new investment areas and improve existing investment ones. Investment in agriculture - the main resource of Eastern Black Sea - is important to our discussion, because people in the region will benefit from the opportunity to export their agricultural products to other regions in Turkey, and indeed to other countries. TRACECA will make this possible through modern transportation lines within its network. This may be considered as the first connection between DOKAP and TRACECA.

The second link can be identified in the second sector in DOKAP, industry. The DOKAP plan determines 15 key actions. For example, the plan says that an investment island will be constructed in Arsin, a district of Trabzon that has the biggest economy among DOKAP cities. The island will be 1.8 hectares (ha) and divided to 100 parts. According to statements by the President of Chamber of Commerce and Industry of Trabzon, Suat Hacısalihoğlu,

¹⁴ For the figures follow the following steps on the TUIK website: Statistical Tables> Address Based Population Registration System Statistics> Address Based Population Registration System Statistics> Population by Province, Age Group and Sex. TUIK (2015) *Population of Province, Age Group and Sex*. Available at: http://www.turkstat.gov.tr/PreTablo.do?alt_id=1059 (Accessed: 13 February 2016).

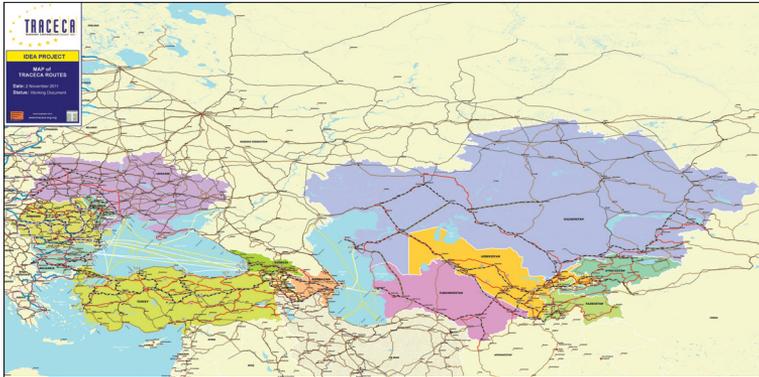
¹⁵ Davutoglu, Önsöz.

environmental impact assessment reports for the fill area have been completed.¹⁶ In addition, an organized industry zone in Kalkandere, a district of Rize, is under construction. The industrial products of these areas will be transported to other regions in Turkey or onwards to other countries via modernized transportation developed through the TRACECA project, along with agricultural products.

The link between TRACECA and DOKAP

The link between TRACECA and DOKAP can be seen more clearly by comparing Figure 2 and Figure 3. The former shows a map of TRACECA, while the latter shows one of the recommended projects for DOKAP. The proximity between TRACECA's routes and the recommended project indicates the possible connection between TRACECA and DOKAP. Beyond proximity, however, we will focus on the economic dynamics of this linkage. Economic dynamics consist of two aspects: economic relations between the sub-regions of Turkey, and economic relations with other countries. We will start with East Anatolia and the East Black Sea, two important sub-regions of Turkey, which are also relevant for TRACECA.

Transportation infrastructure of TRACECA member countries



Source: http://www.traceca-org.org/fileadmin/fm-dam/TAREP/58jh/EXPERT_GROUP_MODEL_GIS/MAP_TRACECA_ROUTES_07_11_2011_300DPI.png

East Anatolia and East Black Sea have been connected via Zigan Gate in Trabzon for years, allowing trade between the two locations. However, trade was costly for Rize and Artvin because

¹⁶ Milliyet (2016) *Trabzon'da Yatırım Adası ile İlgili ÇED Süreci Tamamlandı* Available at: <http://www.milliyet.com.tr/trabzon-da-yatirim-adasi-ile-iligili-trabzon-yerelhaber-1319278/> (Accessed: 26.05.2016).

Geographically, the Black Sea region is separated from other regions by high mountains. The landscape has prevented linkages by road or rail. Therefore, industrial development through trade with other regions of Turkey did not take place in the regions east of Trabzon.

of the distance from Erzurum to these cities. Geographically, the Black Sea region is separated from other regions by high mountains. The landscape has prevented linkages by road or rail. Therefore, industrial development through trade with other regions of Turkey did not take place in the regions east of Trabzon. However, industrial development will be possible following the completion of the Ovit Tunnel.

There are two construction projects that are very important for the development of the Eastern Black Sea: Ovit Tunnel and the Highway between Ordu and Adana, both of which are nearing completion. 80 percent of the Ovit Tunnel has been constructed, and 70 percent of the highway is complete. According to Binali Yıldırım, former Minister of Transportation, excavation work in Ovit Tunnel will be finished in August 2016. This timeline has been echoed by the Ministry of Environment and Urbanization in the official statement to the District Municipality of Iyidere. The statement calls the Ovit Tunnel project “the most critical crossing-point which links Black Sea and Caucasus firstly to South-eastern Anatolia region of Turkey and secondly to Iran and Central Asia.”¹⁷

Figure 3



¹⁷ Karasu et al. (2014) *Doğu Karadeniz Endüstriyel Gelişme Bölgesi Fizibilite Raporu*, a report by a project team comprised from scholars from different Turkish Universities. The project number (BAP) at Recep Tayyip Erdoğan University is 2013.101.10.2.

Ovit Tunnel is one of these most prominent projects for the local community. It will be the longest tunnel in Turkey, and aims to link the Black Sea Region and East Anatolia region, in order to reduce transportation times. On one side of the tunnel is Rize, which is one of the important cities of DOKAP, and at the other end lies Erzurum, the center of the East Anatolia region. Ovit Tunnel holds major significance for sub-regional development as well as TRACECA's linkages to the inner-regions of Turkey and other countries such as Iran. One of the targets of DOKAP and TRACECA is to connect these two regions. For DOKAP, the hope is that trade between different sub-regions will raise welfare standards. TRACECA sees opportunities to integrate the Middle East and southern countries into the transportation network between the global East and West.

Along with the infrastructure that are currently under construction, there are additional other proposed or recommended projects, including the airport in Rize. The Black Sea region has long been forced to rely exclusively on Trabzon Airport. There are no direct air links to the other cities of the East Black Sea region. As a result, commercial travel to other regional cities is harder and more expensive. The completion of the airport in Rize will make transportation to Rize and Artvin easier and probably cheaper, too.

Another proposed investment project is located in Iyidere, Rize, which involves establishing an industrial development area in Iyidere. Iyidere is at the end of the access road from Erzurum to Rize. The feasibility report for the project suggests that Rize is an important development opportunity that can contribute to the larger aims of DOKAP Action plan.¹⁸ An organized industrial zone is already under construction in Kalkandere, which is located along the same route. However, the proposal is not limited to the construction of an industrial zone; it also suggests making Rize a logistics center in the Eastern Black Sea. This would help resolve the problem of its expensiveness, because it is expected that the logistics center will also encourage production activities in Rize and its neighboring cities. When the Ovit Tunnel is completed and if the Rize Airport is constructed, business mobilization and economic activities will be more intensive. TRACECA will contribute to the drive to develop Rize as a logistics center, because it will be one of the logistics centers for East-West trade. Neighboring cities will also benefit. On this basis, we expect that TRACECA represents a key opportunity for sub-regional devel-

¹⁸ Karasu et al, *ibid.*

opment actions in DOKAP cities.

The linkage between TRACECA and sub-regional development of Eastern Black Sea can also be explained in a different way. The proposed projects are very important not only for utilizing TRACECA's network, but also in terms of realizing the goals of TRACECA project. For example, in the original MLA agreement, one of the general principles is the development of economic relations, trade and transport communication in the regions of Europe, the Black Sea, the Caucasus, the Caspian Sea and Asia. In addition, facilitation of access to the international markets via road, air, and railway transport, as well as commercial maritime navigation, was determined as a general principle.

Through these new investments, TRACECA's main objectives will be achieved in line with its general principles. For instance, an integrated multi-modal transport system is one of the main objectives of TRACECA,¹⁹ while development of economic relations in the Black Sea is a general target. In other words, to ensure that a proposed investment project has synergies with TRACECA, it should serve the goal of creating a multi-modal integrated transport system by aiming to develop economic relations within Black Sea. The Ovit Tunnel and the industrial zone in Iyidere are two projects that will serve these two aims of TRACECA. When these two projects are completed, then the manufactured goods in the organized industrial zone in Iyidere can be transported to the interior cities through Ovit Tunnel more cheaply than via than the Zigana Gate in Trabzon. Furthermore, through Ovit Tunnel, the transit goods that come from Central Asian countries or Asian countries can also be sold to Turkey's interior Black Sea cities, where demand has great potential to grow. These two projects may also lead to diffusion of wealth within the DOKAP cities. Right now, Trabzon is the wealthiest city among DOKAP cities because it has the biggest port and the biggest airport in the region. However, when the Ovit Tunnel and the Highway between Ordu and Adana are completed, they will provide alternative routes to Trabzon, meaning that wealth can spread.

In addition to the mutual contributions by TRACECA and DOKAP, the link between them is also expected to have trans-boundary effects. The Iranian market, which is now expected

¹⁹ TRACECA Intergovernmental Commission (2013) *Action Plan 2013-2015 On the Implementation of the Strategy of the Intergovernmental Commission TRACECA for development of the international transport corridor "Europe-the Caucasus-Asia" for the period up to 2015* Available at: http://www.traceca-org.org/fileadmin/fm-dam/pdfs/til_igcmeets/10th/en/Appendix_10_Action_Plan_2013-2015_eng.pdf (Accessed: 12 February 2016), p. 3.

to open up to international trade following the lifting of sanction, will also benefit from the shorter, cheaper route through Ovit Tunnel to transport its goods. Iran's imports and exports can be handled by Mersin port via road transportation. However, the transportation to Mersin port is more expensive than to Black Sea ports via Ovit Tunnel because trucks have to refuel twice to reach Mersin, as opposed to just once to Black Sea ports via Ovit Tunnel.²⁰ Therefore, it seems like that Ovit Tunnel will not only be an opportunity for DOKAP, but also for TRACECA, because it will also stimulate the development of the Southern Corridor from East to West via Iran.

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Challenges for DOKAP and TRACECA

We argue that timing is the biggest challenge entailed by the TRACECA and DOKAP action plan: specifically, the potential for delays. There are two issues in this regard, one of which directly relates to DOKAP, and the other to TRACECA.

The Action Plan states that construction of Organized Industrial Zones (OIZ) in Giresun and Rize were finished at the end of 2015. However, the constructions are far from being finished. Therefore, 21 firms which are expected to operate in the OIZ cannot be active at the proposed time. Moreover, construction work is in the early stages. This means that companies cannot begin operating in line with the original schedule, which poses a major challenge to the DOKAP action plan.

Timing is also a key for TRACECA. However, this time the challenge is not directly related to the projects coordinated by the Permanent Secretariat of TRACECA. Rather:

“A key issue in preparing coordinate actions when developing a large and multimodal transport system, especially considering the recent history of conflicts in the region, is to reconcile national and regional interests. Another relevant question is how to assess their contribution to the wide scope of objectives laid down to tackle the challenges of stability, cooperation and prosperity.”²¹

In these statements, two important issues are set forth by the Permanent Secretariat: (i) that the recent conflicts in the region and

20 Karasu et al, *Doğu Karadeniz Endüstriyel Gelişme Bölgesi Fizibilite Raporu*.

21 TRACECA (2014) *Core Requirements of TRACECA Projects Pipeline*. Available at: http://www.traceca-org.org/fileadmin/fm-dam/Investment_Forum/2015/downloads/en/Core_requirements_of_TRACECA_projects_pipeline_final_eng.pdf (Accessed: 26 May 2016), p. 3.

(ii) cooperation is a challenge when conflicts occur. According to this, it appears that the Secretariat believes that conflicts occur when regional and national interests cannot be reconciled, preventing cooperation. However, we argue that cooperation is also impossible if different parties do not trust on another. The completion of proposed projects according to deadlines is also a very important determinant of trust. Thus if proposed projects cannot be completed to deadline, trust between TRACECA member countries can be damaged. Therefore, timing should also be considered as a challenge, not only at national level, but also at the level of the project as a whole.

Conclusion

Major projects are generally seen to have important impacts on global/regional balances, especially economic balances. However, regional impacts are just one aspect, in our opinion. We argued in this paper that the most significant effects of major projects occur at sub-regional levels. We have analyzed TRACECA as the major project aimed at connecting Europe and Asia, and its impacts on the development of Turkey's Black Sea region. We concluded that the effects of TRACECA on Turkey's Black Sea region are manifested in the reports released by the Investment Support and Promotion Agency of Turkey and in the DOKAP Action plan. Moreover, while the developmental practices such as the new investment projects like Ovit Tunnel and the Ordu to Adana Highway suggest that TRACECA positively influenced sub-regional development expectations and offered opportunities for local development initiations including DOKAP, still timing is the biggest challenge. Moreover, coordination problems between institutions within the DOKAP Action Plan continue posing a great challenge for achieving the highest benefit from TRACECA. Accordingly, in case of coordination problems between institutions and of consolidation problems with TRACECA, Turkey will be unable to achieve its goals in regard to the development of the Black Sea region.