



ORGANIZATION OF THE BLACK SEA ECONOMIC COOPERATION

Permanent International Secretariat

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**REPORT OF THE
MEETING OF THE BSEC
WORKING GROUP ON BANKING AND FINANCE**

Istanbul, BSEC Headquarters, 20 February 2012

1. The Meeting of the Working Group (WG) on Banking and Finance was held in Istanbul, at the BSEC Headquarters, on 20 February 2012.
2. The Meeting was chaired by Dr. Miroslav PROCOVIC, Consul General of the Republic of Serbia in Istanbul and Permanent Representative of the Republic of Serbia to the BSEC PERMIS.
3. The following BSEC Member States attended the Meeting:
 - Republic of Albania
 - Republic of Armenia
 - Republic of Bulgaria
 - Hellenic Republic
 - Romania
 - Russian Federation
 - Republic of Serbia
 - Republic of Turkey
4. The following BSEC Related Body also participated in the Meeting:
 - BSEC Business Council (BSEC BC)
5. The following BSEC Observer attended the Meeting:
 - Czech Republic

The List of Participants is attached as Annex I.

6. The Draft Agenda of the Meeting was discussed and adopted. The Agenda, as adopted by the Working Group, is attached as Annex II.

7. On behalf of PERMIS, Ambassador Traian CHEBELEU, Deputy Secretary General, welcomed the participants and made opening remarks with a number of suggestions regarding issues and activities on which the Working Group should focus its activities in the future.

REVIEW OF THE RECENT DEVELOPMENTS IN THE BANKING AND FINANCE SECTORS IN THE BSEC MEMBER STATES

8. The representatives of the Republic of Bulgaria, the Republic of Serbia and the Republic of Turkey made presentations on the macro-economic situation and on the recent developments in the banking and finance sectors of their respective countries. The presentations are attached as Annex III.

9. The participants took note of the presentations made and agreed that one of the most important function of the Working Group is to serve as a framework for periodic exchange of information and sharing of expertise in banking and finance sectors inviting the representatives from the banking communities of the BSEC Member States to continue this practice on a regular basis.

IMPLEMENTATION OF THE RESOLUTIONS, DECISIONS AND RECOMMENDATIONS OF THE COUNCIL OF MINISTERS OF FOREIGN AFFAIRS

10. The WG instructed BSEC PERMIS to analyze and revise the existing BSEC documents related to cooperation among the BSEC Member States in the field of banking and finance, including the Terms of Reference of the WG on Banking and Finance, to present its proposals on relevant amendments at the next meeting of the said WG for consideration and approval in due course.

11. Considering the fact that the most of the provisions of the Modalities for BSEC-BSTDB Interaction adopted in 2000 were not duly implemented, as well as the latest developments in the area, the WG invited the BSTDB to introduce in due way its proposals for updating the said document.

12. The WG invited Member States to consider undertaking the mandate of Country-Coordinator of the Working Group on Banking and Finance as early as possible.

THE IMPACT OF CURRENT ECONOMIC AND FINANCIAL CRISIS ON THE BLACK SEA REGION. POSSIBLE SUPPORT ROLE OF THE REGIONAL COOPERATION IN THE BSEC FRAMEWORK FOR THE EFFORTS OF MEMBER STATES TO OVERCOME THE CRISIS

13. The participants presented information and exchanged views on the recent developments in the banking and finance sectors in their respective countries, particularly the problems they are facing due to the current economic and financial crisis. They also discussed the necessary efforts by the Member States to overcome the consequences of the crisis and the role the Working Group on Banking and Finance could play.

CONSIDERATION OF THE DRAFT ACTION PLAN FOR THE WORKING GROUP ON BANKING AND FINANCE FOR THE PERIOD 2012-2013

14. The participants expressed their appreciation for the initiative of the Republic of Turkey, in its capacity of Country-Coordinator of the Working Group in the period 2009-2011, to prepare a Questionnaire for the Member States regarding the activities of the Working Group, with the view to collecting information on how they view its role and usefulness, and what should be done in order to make it an instrument of regional cooperation. They took note of the fact that four Member States replied to this Questionnaire.

15. The WG instructed PERMIS to submit by 1 May 2012, a Draft Plan of Action of the Working Group for the period 2012-2013, to be considered at its next meeting.

16. The WG exchanged views on the substance of the above mentioned agenda item and agreed on the following:

a) to elaborate a common vision regarding the cooperation in the field of banking and finance in the BSEC framework, based on contributions of the Member States and Related Bodies, and to identify practical issues on which the Working Group should focus;

b) to invite the BSEC Member States and BSEC Related Bodies to introduce by 1 May 2012, their concrete concept proposals on ways and mechanisms of enhancement of cooperation in the priority areas as well as the means to sustain it.

ANY OTHER BUSINESS

17. No issue was raised under this agenda item.

DATE AND VENUE OF THE NEXT MEETING

18. The date and venue of the next meeting of the WG will be communicated to the Member States through BSEC PERMIS.

ADOPTION OF THE REPORT

19. The Working Group adopted the present Report for its submission to the Committee of Senior Officials and the Council of Ministers of Foreign Affairs for their consideration.
