



ORGANIZATION OF THE BLACK SEA ECONOMIC COOPERATION

Permanent International Secretariat

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REPORT OF THE MEETING OF THE BSEC WORKING GROUP ON SMEs

BSEC Headquarters, 8-9 May 2014

1. The Meeting of the BSEC Working Group on SMEs was held in Istanbul, at the BSEC Headquarters, on 8-9 May 2014.
2. The following BSEC Member States attended the Meeting:

Republic of Armenia
Republic of Azerbaijan
Republic of Bulgaria
Hellenic Republic
Republic of Moldova
Romania
Russian Federation
Republic of Turkey
3. The following BSEC Related Body attended the Meeting:

BSEC Business Council
4. The List of Participants is attached as **Annex I**.
5. The Meeting was co-chaired by Mr. Branimir RADEV, Minister Plenipotentiary, Coordinator of the Bulgarian Chairmanship of the Organization of BSEC, Ministry of Foreign Affairs of the Republic of Bulgaria and Ms. Neriman Pınar IŞIN, Director of International Relations of the Small and Medium Enterprises Development Organization (KOSGEB) of the Republic of Turkey, which is the Country-Coordinator of the Working Group.

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

STATUS OF THE IMPLEMENTATION OF RESOLUTIONS, DECISIONS AND RECOMMENDATIONS OF THE COUNCIL OF MINISTERS OF FOREIGN AFFAIRS RELATED TO SMEs

7. The Working Group took note of the information provided by the BSEC PERMIS on the status of the implementation of the previous Resolutions and Decisions of the Council related to the work of the Working Group on SMEs which require follow-up.

8. In this context, the PERMIS made particular reference to the Decisions of the Council regarding the establishment of the BSEC Quality Award for SMEs from the BSEC Region.

UPDATING THE TERMS OF REFERENCE OF THE WORKING GROUP ON SMEs

9. The participants exchanged views on the content of the Model Terms of Reference (**Annex III**) prepared by the BSEC PERMIS and agreed that the new Terms of Reference of the Working Group be based on the Model.

10. The Working Group instructed the BSEC PERMIS, in cooperation with the Country-Coordinator, to elaborate a new draft Terms of Reference, until 30 June 2014, taking into consideration the BSEC Economic Agenda Towards an Enhanced BSEC Partnership.

11. The Member States were invited to make their contributions to the new draft Terms of Reference thereupon.

DISCUSSION ON THE ITEMS OF THE DRAFT ACTION PLAN OF THE BSEC WORKING GROUP ON SMEs FOR THE 2014-2015 PERIOD

12. The participants discussed, amended and adopted the draft Action Plan for the 2014-2015 period, prepared by the Country-Coordinator (**Annex IV**).

13. The participants expressed their gratitude to the Country-Coordinator for the comprehensive work it has done in the preparation of the new Action Plan.

14. The Working Group underlined the importance of implementing the Action Plan in a sustained manner with the joint efforts of the Country-Coordinator, the Member States, the BSEC PERMIS, the BSEC Related Bodies and other partners.

IMPLEMENTATION OF THE BSEC ECONOMIC AGENDA TOWARDS AN ENHANCED BSEC PARTNERSHIP

- **Discussion on the Project Proposal prepared by the Country-Coordinator of the Working Group on SMEs for the project titled “Project on Promoting Innovation and Entrepreneurial Culture in the BSEC Member States and Exchanging Experience on Energy Efficiency Policies and Practices for SMEs”**

15. The Working Group exchanged views on the follow-up of the implementation of the priorities in the field of SMEs approved at its previous meeting (BSEC Headquarters, 10-11 October 2013), namely priorities no. 2, 5 and 6, out of the 10 priorities listed under Goal 9 of the BSEC Economic Agenda Towards an Enhanced BSEC Partnership, for the medium-term covering the 2013-2015 period.

16. The participants took note of the draft project proposal of the Country-Coordinator titled “Project on Promoting Innovation and Entrepreneurial Culture in the BSEC Member States and Exchanging Experience on Energy Efficiency Policies and Practices for SMEs” which constitutes an Annex to the 2014-2015 Action Plan of the Working Group and thanked the Country-Coordinator for the extensive work it has done in developing a project proposal on a topic of region-wide significance.

17. The participants invited the Country-Coordinator to expand the entrepreneurial training pillar of the project and to further elaborate its financial aspects.

18. The Working Group tasked the BSEC PERMIS, thereupon:

- To invite the Member States to provide feedback and to notify of their interest in participating in the project, taking into account its financial implications.
- To invite the interested Member States to host some of the events and workshops which are envisaged to be organized under the project, in coordination with the Country-Coordinator.
- Simultaneously, to initiate the work on external fundraising for the project, in the framework of the Project Management Unit.

TECHNICAL VISIT TO THE SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ORGANIZATION OF THE REPUBLIC OF TURKEY (KOSGEB) ISTANBUL SERVICE CENTER

19. In the framework of promoting exchange of information and experiences among the public institutions dealing with the support extended to SMEs in the BSEC Member States, with the initiative of the Country-Coordinator of the Working Group, a technical visit was organized to the Small and Medium Enterprises Development Organization of the Republic of Turkey (KOSGEB) Istanbul Service Center, followed by visits to a metallurgy laboratory and shoe making training center and laboratory that are supported by KOSGEB.

20. The technical visit entailed presentations by experts and question and answer sessions.

HOW TO INCREASE THE EFFICIENCY OF THE WORK OF THE WORKING GROUP ON SMEs: OBSERVATIONS AND SUGGESTIONS

21. The participants exchanged views on the ways and means of increasing the efficiency of the Working Group.

22. In this context, the participants requested the BSEC PERMIS to continue taking practical steps towards upgrading the content of the draft agendas of the Working Group meetings in such a way that they include more substantial, project-oriented issues which are of interest to the

Member States. In order to promote greater participation to the Working Group meetings, the importance of having agendas that include current issues of interest to the Member States, which also correspond to the real needs of the SMEs in the region and international developments, was highlighted. Within this framework, the PERMIS reiterated that it will welcome all proposals from the Member States for the draft agendas of the meetings of the Working Group.

23. The BSEC PERMIS highlighted the importance of regularity and continuity in the participation of all Member States to the meetings of the Working Group at the level of experts from the capitals, in order to give dynamism to the discussions and to create impact through efficiency and consistency.

24. In this context, the Member States, which have not yet done so, were invited to nominate experts, in line with the Terms of Reference of the Working Group, on a long-term basis for participating in the Working Group meetings and to inform the Secretariat of the details of their experts before 30 June 2014. A provisional list of national contact points, prepared by the BSEC PERMIS, based on the information received from Member States, is attached as **Annex V**.

25. The BSEC PERMIS and the national contact points of the Member States in the Working Group were encouraged to intensify actions between sessions.

THE NEED FOR COMPARATIVE STATISTICS

26. The participants exchanged views on the types of comparative statistical information and data which could be requested from the BSEC Coordination Center for the Exchange of Statistical Data and Economic Information and that could be useful for the purposes of the work of the Working Group, *inter alia*:

- Number of SMEs and their ratio to the overall number of enterprises,
- Contribution of SMEs to the general economy,
- Unemployment,
- Youth unemployment,
- Women unemployment,
- Number of business incubators.

EXCHANGE OF EXPERIENCES AND BEST PRACTICES WITH OTHER REGIONAL AND INTERNATIONAL ORGANIZATIONS

- **Skype session with the Union for the Mediterranean (UfM) regarding UfM projects and programmes related to the SMEs:**
 - a. **Mediterranean Initiative for Jobs**
 - b. **Euro-Mediterranean Development Centre for Enterprises**
 - c. **Generation Entrepreneur**
 - d. **Women entrepreneurship and employability promotion programme**

27. In a first ever Skype session, the representatives of the Union for the Mediterranean (UfM) Secretariat presented information regarding the state of play within the framework of the UfM projects and programmes related to SMEs.

28. The relevant documents are attached as **Annex VI**.

ANY OTHER BUSINESS

29. Upon the request of the BSEC PERMIS as to the opportunity to re-access the BSEC Innovation Data Bank, the Delegation of the Hellenic Republic informed the participants that the relevant authorities are still examining the possibilities for the recovery and reactivation of the Data Bank and that the Working Group will be informed of the outcome in the near future.

DATE AND VENUE OF THE NEXT MEETING

30. The date and venue of the next meeting of the Working Group on SMEs will be communicated by the BSEC PERMIS to the Member States at a later stage. The said meeting is preliminarily scheduled to take place on 4-5 December 2014, at the BSEC Headquarters.

ADOPTION OF THE REPORT OF THE MEETING

31. 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.
