



ORGANIZATION OF THE BLACK SEA ECONOMIC COOPERATION

Permanent International Secretariat

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5 December 2014

BS/WG/SME/R(2014)2

REPORT OF THE MEETING OF THE BSEC WORKING GROUP ON SMEs

BSEC Headquarters, 5 December 2014

1. The Meeting of the BSEC Working Group on SMEs was held in Istanbul, at the BSEC Headquarters, on 5 December 2014.
2. The following BSEC Member States attended the Meeting:

Republic of Armenia
Republic of Azerbaijan
Republic of Bulgaria
Hellenic Republic
Republic of Moldova
Republic of Turkey
Ukraine
3. The List of Participants is attached as **Annex I**.
4. The Meeting was co-chaired by Ms. Evangelia SOLOMOU, Head of Unit for Industrial Policy and International Industrial Relations, Hellenic Ministry of Development and Competitiveness, General Secretariat for Industry, on behalf of the Hellenic Chairmanship-in-Office of BSEC and Mr. Ömer PAK, Head of EU and Foreign Relations Department of the Small and Medium Enterprises Development Organization (KOSGEB) of the Republic of Turkey, which is the competent national institution from the Republic of Turkey that executes the role of the Country-Coordinator of the Working Group.
5. The representative of the Konrad Adenauer Stiftung (KAS) in Turkey participated in the Meeting as Guest.

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

AGENDA ITEM 2: STATUS OF THE IMPLEMENTATION OF RESOLUTIONS, DECISIONS AND RECOMMENDATIONS OF THE COUNCIL OF MINISTERS OF FOREIGN AFFAIRS RELATED TO SMEs

- **Status of implementation**

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 and the Recommendation of the Council regarding the appointment of Member States' representatives to the Working Groups on a long term basis.

- **Youth and sports issues**

9. The Working Group took note of the information presented by the BSEC PERMIS on the possibility of the inclusion of youth and sports issues in the agenda of the Working Group.

10. The participants discussed the issue and concluded that the mandate of the Working Group does not allow it to cover all youth and sports related issues addressed in the "Joint Declaration of the Ministers in Charge of Youth and Sports of the BSEC Member States on the Promotion of Youth Cooperation in the Region and the Contribution of Sports to Economic Growth and Employment", adopted in Varna, on 25 April 2014.

11. The Working Group agreed to consider the issue within the framework of a separate item in the agenda of the next meeting of the Working Group regarding the sharing of best practices in the BSEC Member States on promoting youth entrepreneurship. Member States were invited to make country presentations on the said topic during the next meeting of the Working Group.

12. The BSEC PERMIS noted that in the future, also joint events could be organized with partners such as the Konrad Adenauer Stiftung (KAS) on youth entrepreneurship.

13. The Member States were invited to communicate to the BSEC PERMIS their additional views on other possible ways of integrating youth and sports issues in the agenda of the Working Group, before 27 February 2015.

AGENDA ITEM 3: DISCUSSION ON THE DRAFT UPDATED TERMS OF REFERENCE OF THE WORKING GROUP ON SMES

14. The Working Group considered, amended and finalized the Draft Revised Terms of Reference of the Working Group and decided to submit it for consideration to the next Meeting of the Committee of Senior Officials. The Draft is attached as **Annex III**.

AGENDA ITEM 4: IMPLEMENTATION OF THE BSEC ECONOMIC AGENDA TOWARDS AN ENHANCED BSEC PARTNERSHIP

- **The “Way Forward for an Action Plan on the Implementation of the Economic Agenda Towards an Enhanced BSEC Partnership” and the Guidelines for the new BSEC Project Management Unit**

15. The Working Group took note of the information presented by the BSEC PERMIS on the implementation of the “Way Forward for an Action Plan on the Implementation of the Economic Agenda Towards an Enhanced BSEC Partnership.”

16. The Country-Coordinator informed the participants that it will present, before the end of December 2014, a report to the BSEC PERMIS regarding the implementation of the Economic Agenda 2012, which will be incorporated in the overall BSEC PERMIS report on the issue.

17. The Working Group took note of the presentation of the BSEC PERMIS on the Guidelines of the BSEC Project Management Unit. The Member States were invited to submit project proposals in compliance with the Guidelines.

- **“Project on Promoting Innovation and Entrepreneurial Culture in the BSEC Member States and Exchanging Experience on Energy Efficiency Policies and Practices for SMEs”**

18. The delegation of the Republic of Turkey informed the Working Group that KOSGEB has decided to implement the content of the project proposal it had presented through the organization of soft activities and joint events, taking into consideration time constraints and administrative difficulties.

19. In this context, the Country-Coordinator referred to the BSEC Workshop on Entrepreneurship and Technology Development which was organized with the initiative of KOSGEB (BSEC Headquarters, 3-4 December 2014).

20. The Country-Coordinator expressed its intention to organize another Workshop on SMEs and Energy Efficiency in Sofia, in March 2015, in the framework of the Working Group’s Action Plan (2014-2015). The Country-Coordinator invited Member States to participate actively in the upcoming Workshop and to make country presentations on best practices related to energy efficiency in SMEs.

- **Consideration of the outcome of the BSEC Workshop on Entrepreneurship and Technology Development (BSEC Headquarters, 3-4 December 2014)**

21. The Chairperson of the Working Group Meeting presented information on the two-day BSEC Workshop on Entrepreneurship and Technology Development which was organized with the initiative of KOSGEB at the BSEC Headquarters, preceding the Working Group Meeting.

22. The Working Group was informed that during the Workshop, the participants had the opportunity to learn about the policies and best practices in the fields of entrepreneurship and technology support. Presentations on these issues were made by experts from the Hellenic

Republic, the Republic of Moldova and the Republic of Turkey, encompassing features such as the state of play of SMEs and SME-related policies in these countries, actions and measures for the promotion of entrepreneurship and systems for the uptake and commercialisation of innovation.

23. During the Workshop, two technical visits were organized to incubators in Istanbul supported by KOSGEB, namely, the Business Development Center for Women in Pendik and the Technology Development Center at the Bogazici University which functions as an incubator for technology-oriented companies and entrepreneurs.

24. The Chairperson informed the participants that a Summary of the Workshop will be disseminated by the BSEC PERMIS in the coming days, along with the country presentations made by the experts.

25. The Chairmanship and the participants thanked the Country-Coordinator for the excellent organization of the Workshop.

AGENDA ITEM 5: PRESENTATION OF THE CONCLUSIONS OF THE BSEC-KAS JOINT WORKSHOP ON SMEs AND MICROFINANCE (BUCHAREST, 13-14 NOVEMBER 2014)

26. The Representative of the Konrad-Adenauer-Stiftung (KAS) in Turkey made a presentation on the findings and recommendations of the Workshop on “Microfinance for SMEs”, which was organized jointly by the BSEC PERMIS and KAS, in Bucharest, on 13-14 November 2014. The Summary Proceedings of the said Workshop is attached as **Annex IV**.

27. The Representative of KAS informed the participants that the next BSEC-KAS Joint Workshop is envisaged to take place in Chisinau, on 16-17 April 2015, on the topic of “SMEs and Social Responsibility”.

28. The participants considered the outcome of the Joint Workshop on “Microfinance for SMEs” and formulated the following draft decision to be submitted for the consideration of the BSEC Committee of Senior Officials and the Council of Ministers of Foreign Affairs regarding the said event:

“The Council took note of the Summary Proceedings of the BSEC-KAS Joint Workshop on “Microfinance and SMEs” (Bucharest, 13-14 November 2014).

The Council expressed its appreciation to the Konrad-Adenauer-Stiftung (KAS) for providing its continued support to the development of the SMEs in the BSEC Region and invited the Member States to take into consideration the recommendations of the Workshop in the elaboration and implementation of their policies regarding microfinance for the SME sector.”

28. The Representative of KAS proposed that, if found suitable by the Working Group, KAS would be pleased to assist BSEC in inviting experts from the Association of Southeast Asian Nations (ASEAN) to the next meeting of the Working Group to share experiences on SME and community-based integrated energy initiatives in the ASEAN countries. In this context, KAS informed the Working Group of its readiness to cover the participation expenses for two representatives from ASEAN.

29. The Working Group expressed its gratitude for the permanent support extended by KAS to BSEC cooperation in the sphere of SMEs and instructed the PERMIS to coordinate with KAS the participation of ASEAN representatives as Guests to its next Meeting.

AGENDA ITEM 6: ANY OTHER BUSINESS

30. Upon the information request of the BSEC PERMIS as to the possibility to re-access the BSEC Innovation Data Bank, the Delegation of the Hellenic Republic informed the participants that the relevant authorities will examine the possibilities for the reactivation of the Data Bank and that the Working Group will be informed of the outcome in the near future.

AGENDA ITEM 7: DATE AND VENUE OF THE NEXT MEETING

31. 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 14-15 April 2015, in Chisinau, back to back with the BSEC-KAS Joint Workshop on SMEs which will be organized on 16-17 April 2015.

AGENDA ITEM 8: ADOPTION OF THE REPORT OF THE MEETING

32. 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.
