



**BS/SME/WG/R(2008)1**

**REPORT OF THE  
MEETING OF THE  
BSEC WORKING GROUP ON SMEs**

**Kyiv, 5 March 2008**

1. The Meeting of the BSEC Working Group (WG) on SMEs was held in Kyiv, Ukraine, on 5 March 2008.
2. The following BSEC Member States participated in the Meeting:
  - Republic of Armenia
  - Republic of Bulgaria
  - Hellenic Republic
  - Republic of Moldova
  - Romania
  - Republic of Serbia
  - Republic of Turkey
  - Ukraine
3. The representative of the BSEC Business Council also participated in the Meeting as a BSEC Related Body.

The List of Participants of the Meeting is attached as Annex I.

4. The Meeting was chaired by Mr. Gennadiy BILOUS, Deputy Head of the State Committee of Ukraine for Regulatory Policy and Entrepreneurship (SCURPE), who on behalf of the SCURPE, delivered an inaugural statement to the participants. The text of statement of Mr. BILOUS is attached as Annex II.

The Head of the SCURPE, Mr. Kostyantyn VASHCHENKO also welcomed the participants to the WG meeting and presented in general terms the activities of the State Committee. He reiterated the actions of Ukrainian authorities aimed at easing licensing procedures, reducing inspection times and enforcing regulatory legislation for SMEs. He pointed out that these

activities and actions are directed at protecting SMEs and creating favorable conditions for their activities in Ukraine.

5. The President of EOMMEX, Mr. George SOUFLIAS in his function as the representative of the Country-Coordinator of the WG on SMEs in the period of 1 November 2007 – 31 October 2009 delivered a welcome statement and outlined the future activities of the WG on SMEs during the next two years. The text of his statement is attached as Annex III.

6. The Executive Manager of the BSEC Permanent International Secretariat (PERMIS), Mr. Alexei NISTREAN also delivered a statement, the text of which is attached as Annex IV.

7. The Draft Agenda of the Meeting was discussed, amended and adopted by the WG. The Agenda, as adopted, is attached as Annex V.

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

8. The Working Group discussed the ways and means of implementation of the Resolutions and Decisions of the Meeting of the Council of Ministers of Foreign Affairs held in Ankara on 25 October 2007.

9. Following the appointment of the Hellenic Republic as the Country-Coordinator of the Working Group on SMEs the participants discussed, amended and approved the Action Plan for the Working Group for the period 1 November 2007 – 31 October 2009.

10. In conformity with the recommendation of the Council, the Republic of Turkey elaborated an Evaluation Report of the activities of the BSEC WG on SMEs during Turkey's acting as the Country-Coordinator.

11. The participants also took note of the results of the informal meeting between the representatives of the Republic of Turkey as the outgoing Country-Coordinator of the WG on SMEs and the representatives of the Hellenic Republic as the incoming Country-Coordinator held in Istanbul on 23 November 2007, aimed at transferring the experience and knowledge acquired during the two-year period of coordination in order to ensure the continuity of the activities of the WG.

12. In the implementation of the decisions of the 17<sup>th</sup> Meeting of the BSEC Council of Ministers of Foreign Affairs (Ankara, 25 October 2007), the WG continued deliberations on Pilot Project for the implementation of the regulatory reform principles concerning the facilitation of business activities in the area of SMEs, initiated at the Joint Meeting of the BSEC WG on SMEs and the BSEC WG on Institutional Renewal and Good Governance held in Istanbul on 4 October 2007.

## **PRESENTATION BY THE BSEC BUSINESS COUNCIL OF ITS STRATEGIC DIRECTIONS IN THE AREA OF SMES**

13. The Secretary General of the BSEC Business Council, Dr. Costas MASMANNIDIS made a presentation on promoting SME Cooperation and Innovation in the BSEC area.
14. He highlighted the adoption of Strategic Agenda 2010 and establishment of four Task Forces within the Business Council to implement this Agenda.
15. He also outlined the activities of the Business Council aimed at promoting innovation in their everyday work.
16. The two web-sites ([www.bsec-business.org](http://www.bsec-business.org) and [www.bsbin.com](http://www.bsbin.com)) established for this purpose contain plenty of helpful information for SMEs including facilities for trade barrier reporting as well as matchmaking.
17. The Secretary General of the BSEC Business Council also suggested that the third BSEC Business Innovation Forum in 2009 be held in cooperation among the Hellenic Republic as the Country Coordinator for the WG on SMEs, the BSEC Business Council as the representative body of the business community of the BSEC countries, and the BSEC PERMIS.

The text of the presentation is attached as Annex VI.

## **CONSIDERATION OF THE EVALUATION REPORT OF THE ACTIVITY OF THE BSEC WORKING GROUP ON SMES (NOVEMBER 2005-OCTOBER 2007)**

18. The Working Group considered the report entitled “Evaluation of the activity of the BSEC Working Group on SMEs during the Republic of Turkey’s acting as the Country Coordinator (1 November 2005-31 October 2007) and commended the activities carried out by the Republic of Turkey during the last two years.

The representative of the Republic of Turkey made a presentation outlining the said report as well as on the activities of the Small and Medium Industry Development Organization of Turkey (KOSGEB). The presentation is attached as Annex VII.

19. The participants reiterated the need to use the experience and expertise of Turkey, accumulated during the said two years, for the future activities of the WG.

## **CONSIDERATION OF THE TWO-YEAR PLAN OF ACTION IN THE FIELD OF SMES (1 NOVEMBER 2007 - 31 OCTOBER 2009)**

20. The Working Group discussed the two-year Action Plan for the BSEC Working Group on SMEs, elaborated by the Hellenic Republic as the new country coordinator of the Working Group for the next period of two years.

21. The participants reiterated their support for the planned activities, particularly in the field of high technologies, innovation and SMEs, technology parks and incubators.

22. The Working Group invited all the BSEC Member States to contribute to the implementation of the proposed Plan of Action. The BSEC Business Council pledged its full support for the implementation of the activities envisaged by the Action Plan.

23. The said Action Plan, as adopted by the WG on SMEs, is attached as Annex VIII.

24. The Deputy Head of the SCURPE Mr. G. BILOUS made a presentation on “Entrepreneurship Development Policy in Ukraine: Best Practices to be shared within the BSEC Region.” He mentioned the legislative base and entrepreneurship support for the SMEs in Ukraine as well as the Strategic Priorities of State Entrepreneurship Development Policy.

Mr. BILOUS also emphasized the need for innovation development, rising competitiveness and improvement of quality management for SMEs. The text of the presentation is attached as Annex IX.

### **PILOT PROJECT FOR THE IMPLEMENTATION OF REGULATORY REFORM PRINCIPLES CONCERNING THE FACILITATION OF BUSINESS ACTION IN THE AREA OF SMES**

25. The Working Group continued deliberations on the Pilot Project for the implementation of the regulatory reform principles concerning the facilitation of business action in the area of SMEs, initiated at the Joint Meeting of the WG on SMEs and the WG on Institutional Renewal and Good Governance (Istanbul, 4 October 2007).

26. The delegations considered the preliminary information on the implementation of the said Project submitted by the Hellenic Republic.

27. The WG welcomed the willingness of the four BSEC Member States (the Republic of Azerbaijan, the Republic of Moldova, Romania, and the Republic of Turkey) to participate in the said Project.

28. The Working Group agreed to continue deliberations on this topic at the next joint meeting to be held in Istanbul in autumn of 2008.

29. While implementing the above-mentioned Pilot Project it was recommended to take into account the experience of Ukraine in developing the SMEs competitiveness.

### **ANY OTHER BUSINESS**

30. The President of the Ukrainian Association Quality, Mr. Petro KALYTA made a presentation on “Quality and Business Excellence - the Way to Strengthen the SME Competitiveness.” He informed the WG of the European Policy on Quality Management as a tool to increase the quality of products and management of the companies, including SMEs. He also gave information on the system of quality performance competition for companies from Central and Eastern Europe. He proposed to extend the system to the BSEC countries and organize a similar competition among the companies of the Black Sea countries. The text of the presentation is attached as Annex X.

31. The representative of the Hellenic Republic requested the BSEC Member States to provide to the current Country-Coordinator a list of technology parks-incubators, research institutions and innovation poles that would be interested in collaboration among themselves for the successful implementation of the two-year Action Plan proposed by the Hellenic Republic.

### **DATE AND VENUE OF THE NEXT MEETING**

32. The Hellenic Republic expressed its willingness to organize the next meeting of the WG on SMEs. The exact date and venue will be communicated by PERMIS to the BSEC Member States at a later stage.

### **ADOPTION OF THE REPORT OF THE MEETING**

33. The Working Group adopted the present Report for submission to the next Meeting of the Committee of Senior Officials of the BSEC Member States to be held in Kyiv on 15-16 April 2008 prior to the 18<sup>th</sup> Meeting of the Council of Ministers of Foreign Affairs of the BSEC Member States (Kyiv, 17 April 2008).