Istanbul, 4 July 2006

BS/SME/WG/R(2006)1

REPORT OF THE MEETING OF THE BSEC WORKING GROUP ON SMEs

Istanbul, BSEC Headquarters, 4 July 2006

1. The Fourth Meeting of the BSEC Working Group (WG) on SMEs was held at the BSEC Headquarters in Istanbul on 4 July 2006 under the Chairmanship-in-Office of the Russian Federation.

2. The Meeting was attended by the following BSEC Member States:

Republic of Armenia Republic of Bulgaria Hellenic Republic Romania Russian Federation Republic of Serbia Republic of Turkey Ukraine

3. The Meeting also was attended by the representative of the Republic of Poland as an Observer.

4. The representative of the Parliamentary Assembly of the Organization of BSEC (PABSEC) participated in the Meeting.

5. The representative of the International Network for SMEs (INSME) also participated in the Meeting as a Guest.

The list of participants of the Meeting is attached as Annex I.

6. Ambassador Murat SUNGAR, First Deputy Secretary General of BSEC PERMIS delivered an inaugural statement. The text of the statement of Ambassador M. SUNGAR is attached as Annex II.

7. The Meeting was chaired by Ms. Marina NAUMOVA, Counselor, Department of Economic Cooperation, Ministry of Foreign Affairs of the Russian Federation.

8. The draft agenda of the Meeting was discussed and adopted. The agenda, as adopted by the WG, is attached as Annex III.

<u>CONSIDERATION AND ADOPTION OF THE ACTION PLAN, DRAFTED BY THE</u> <u>REPUBLIC OF TURKEY AS COUNTRY-COORDINATOR OF THE WORKING</u> <u>GROUP</u>

9. The WG discussed the Draft Action Plan for 2005–2007, submitted by the Republic of Turkey as a Country-Coordinator, as well as amendments, proposed by the Republic of Armenia.

10. Following the discussion, the Action Plan was agreed by the participants. The Action Plan, as adopted by the WG, is attached as Annex IV.

11. Upon the proposal of the Delegation of the Republic of Armenia, the WG agreed to include the issue of "BSEC Member States' experience in establishing and developing of business incubators and techno parks" into the agenda of one of its next meetings.

PRESENTATION OF THE STRUCTURE, INSTITUTIONAL FRAMEWORK AND ACTIONS OF THE INTERNATIONAL NETWORK FOR SMES (INSME)

12. The participants welcomed the presentation of Mr. Mariano CORDONE, Deputy Head of INSME Secretariat, on the structure, institutional framework and actions of the INSME and considered the INSME's application for sectoral dialogue partnership with BSEC.

13. The WG recommended to the Committee of Senior Officials to consider positively the issue of granting sectoral dialogue partnership status to INSME. The application of INSME is attached as Annex V.

14. At the same time, the WG instructed PERMIS to disseminate to the Member States the statutory documents, establishing INSME as a legal entity, for consideration and to report to the Committee of Senior Officials if the legal requirements for granting sectoral dialogue partnership status with BSEC were met.

EXCHANGE OF INFORMATION REGARDING THE BEST EXAMPLES OF SUPPORT GIVEN TO SMES IN BSEC MEMBER STATES

15. The WG took note of the presentations of the Hellenic Republic, entitled "Thinking SMALL first in Greece"; Romania, entitled "Situation on SMEs in Romania"; and the Russian Federation, entitled "Latest Russian Government SME support initiatives", on the state support and the latest development in the field of SMEs in the respective countries. The participants also took note of the information presented by the Republic of Armenia on SME sphere overview and activities of the "Small and Medium Entrepreneurship Development National Center of Armenia" Fund (attached as Annex VI).

ANY OTHER BUSINESS

16. No specific issues were taken up under this agenda item.

DATE AND VENUE OF THE NEXT MEETING

17. The WG decided that the date and venue of its next meeting would be communicated by PERMIS to the Member States at a later stage.

ADOPTION OF THE REPORT OF THE MEETING

18. The WG 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 Istanbul in September 2006.

3