



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

Moscow, 27 May 2016

1. The Meeting of the BSEC Working Group on SMEs was held on 27 May 2016, at the Ministry of Economic Development of the Russian Federation, in Moscow.
2. The Meeting was chaired by Mr. Aleksey SHESTOPEROV, Deputy Head of Department for SME Development and Competition, Ministry of Economic Development of the Russian Federation.
3. The following BSEC Member States attended the Meeting:

Republic of Albania
Republic of Bulgaria
Hellenic Republic
Republic of Moldova
Romania
Russian Federation
Republic of Turkey
4. The representatives of the BSEC Permanent International Secretariat (PERMIS) also participated in the meeting.
5. 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**.

AGENDA ITEM 2: 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, reference was made to the Decisions of the Council regarding the establishment of the BSEC Quality Award for SMEs from the BSEC Region and the Resolution of the Council regarding the appointment of Member States' representatives to the Working Groups on a long-term basis.

9. The Member States, which have not yet done so, were requested to check and update the details of their representatives in the list of National Contact Points to the Working Group, attached as **Annex III**.

10. The BSEC PERMIS once again invited the Member States to ensure the regular participation of their experts to the Working Group on a long-term basis, in order to contribute to the effectiveness, efficiency and consistency of its work.

11. Regarding the establishment of the BSEC Quality Award for SMEs from the BSEC Region, the BSEC PERMIS informed the participants that it has approached the Turkish Quality Association (KalDer) to discuss the possibility of organizing the BSEC Quality Award in partnership with KalDer and that, in the meantime, the Ukrainian Association for Quality has also expressed interest in supporting the BSEC PERMIS in this endeavour. The outcome of the contacts of the BSEC PERMIS will be presented to the next meeting of the Working Group.

AGENDA ITEM 3: IMPLEMENTATION OF THE BSEC ECONOMIC AGENDA 2012: PRIORITIES FOR THE SECOND MEDIUM-TERM (2016-2018)

12. The Working Group confirmed its previous decision to continue holding specialized Workshops once a year, back-to-back with the Meeting of the Working Group on SMEs, in the priority areas identified by the Working Group for the second medium-term (2016-2018) of the implementation of the BSEC Economic Agenda 2012. The participants acknowledged that the specialized Workshops would be the concrete deliverables/outputs of the Working Group in the implementation of the Economic Agenda.

13. In this context, the participants considered and discussed possible themes for the specialized BSEC Workshop to be held in the second half of 2016 or the first half of 2017. The theme of “Promoting Green Businesses” was selected tentatively for the next Workshop.

AGENDA ITEM 4: BSEC PROJECT DEVELOPMENT FUND (PDF) AND PROJECT MANAGEMENT UNIT (PMU) PROJECTS

Project Development Fund (PDF)

14. The BSEC PERMIS provided information on the shortage of funds available for the PDF, which is the financial instrument of BSEC for supporting the pre-feasibility studies of projects.

Project Management Unit (PMU)

15. The BSEC PERMIS provided information on the state of affairs regarding the PMU.

16. The participants were re-invited to propose concrete project ideas in the sphere of SMEs which can be addressed within the PMU in the near future. As follow-up to the previous meeting of the Working Group (BSEC Headquarters, 24-25 November 2015), the participants were especially encouraged to propose project ideas in the field of promoting energy efficiency in SMEs, to elaborate them in line with the PMU Guidelines and to transmit them to the PERMIS in the nearest future.

AGENDA ITEM 5: COUNTRY PRESENTATIONS BY THE REPRESENTATIVES OF THE BSEC MEMBER STATES ON “SMEs AND ACCESS TO FINANCE”

17. The Delegations of the Republic of Albania, the Republic of Bulgaria, the Hellenic Republic, Romania, the Russian Federation and the Republic of Turkey delivered country presentations on the theme of “SMEs and Access to Finance”, which are attached as **Annex IV**.

18. Presentations included legislative framework of finance and microfinance for SMEs; eligibility criteria and modalities of operation of credit lines; public and private institutions which provide finance to SMEs; effects of finance to SMEs on job creation; special strategies/programs of the Government to support access to finance for SMEs; as well as best practices and lessons learned. Presentations were followed by question and answer sessions.

19. At the conclusion of the discussions, participants underlined the importance of having special grants and support mechanisms to promote women and youth entrepreneurship in order to unlock the entrepreneurial potential in societies and to lower unemployment levels in the BSEC Member States.

AGENDA ITEM 6: PRESENTATION OF THE CONCLUSIONS OF THE BSEC-KAS JOINT WORKSHOP ON “SMEs AND GREEN ECONOMY” (KYIV, 14-15 APRIL 2016)

20. The BSEC PERMIS made a presentation on the findings and recommendations of the BSEC-KAS Joint Workshop on “SMEs and Green Economy” held in Kyiv, Ukraine, on 14-15 April 2016. The Summary Proceedings of the said Workshop is attached as **Annex V**.

21. The participants took note of the outcome of the Joint Workshop. Possible practical ways of following-up the recommendations of the Workshop in the BSEC Member States were discussed, such as developing concrete project ideas which could be considered and implemented within the framework of BSEC to promote Green Economy in the BSEC region.

22. The BSEC PERMIS informed the participants that the next BSEC-KAS Joint Workshop is envisaged to take place during the second half of 2016 in the Republic of Armenia, on a topic to be identified in the near future.

23. Through the BSEC PERMIS, the Working Group expressed its gratitude to KAS for its long-standing support to BSEC in promoting regional cooperation in the sphere of SMEs.

AGENDA ITEM 7: ANY OTHER BUSINESS

- **Consideration of the appointment of a new Country-Coordinator for the Working Group**

24. The participants welcomed the readiness of the Republic of Turkey to undertake once again the role of the Country-Coordinator of the Working Group for the 1 July 2016 - 30 June 2018 period and discussed the planned vision and strategy of Turkey for the said term.

25. Within this framework, the Delegation of the Republic of Turkey expressed its intention to coordinate the activities of the Working Group to concentrate on the three priorities identified by the Working Group for the implementation of the Economic Agenda in the second medium-term (2016-2018).

26. The Delegation of the Republic of Turkey stated that, if appointed as Country-Coordinator, Turkey will revise the Action Plan of the Working Group for the 1 July 2016 - 30 June 2018 period in the light of the said three priorities and circulate it to the Member States through the BSEC PERMIS during the second half of 2016.

- **Exchange of views on topics to be discussed by the BSEC Member States in the field of SMEs during future meetings**

27. In order to promote greater participation to the Working Group meetings, to give more dynamism to the discussions and to increase the impact and benefits of participation, the participants continued to exchange views on including in the agendas of future Working Group meetings contemporary issues of interest to the Member States, corresponding to the real needs of the SMEs in the region and international developments.

28. Within this framework, the participants proposed to include the following topics and themes in the agendas of the future meetings of the Working Group:

- Public-Private Partnership Framework in BSEC Member States
- SMEs and Access to Public Procurements
- Promoting Women Entrepreneurship in BSEC Member States
- SMEs and E-Commerce
- Use of ICT for more competitive SMEs
- Socially Responsible SMEs
- Internationalization of SMEs

29. The participants stated that the newly introduced practice to organize the Working Group meeting with a specific theme has facilitated the identification and preparation of the relevant experts from the BSEC Member States to attend the meeting and supported the continuation of the said practice.

AGENDA ITEM 8: 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.

AGENDA ITEM 9: 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 (Sochi, 29-30 June and 1 July 2016).