



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, 5-6 May 2015

1. The Meeting of the BSEC Working Group on SMEs was held at the BSEC Headquarters in Istanbul, on 5-6 May 2015.
2. The following BSEC Member States attended the Meeting:

Republic of Armenia
Republic of Bulgaria
Hellenic Republic
Republic of Moldova
Romania
Russian Federation
Republic of Turkey
3. The following BSEC Related Bodies also participated in the Meeting:

Parliamentary Assembly of the BSEC (PABSEC)
BSEC Business Council (BSEC BC)
4. The representatives of the Konrad-Adenauer-Stiftung (KAS) in Turkey and Endeavor Turkey participated in the Meeting as Guests.
5. The List of Participants is attached as **Annex I**.

6. The Meeting was chaired by Ms. Neriman Pınar IŞIN, Director of International Relations of the Small and Medium Enterprises Development Organization of the Republic of Turkey (KOSGEB), which is the competent national institution from the Republic of Turkey that executes the role of the Country-Coordinator of the Working Group.

7. The Draft Agenda of the Meeting was discussed, amended 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

8. 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.

9. In this context, particular 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.

10. The Member States, which have not yet done so, were invited to nominate their representatives to the Working Group on a long term basis in order to ensure the effectiveness, efficiency and consistency of its work.

11. The BSEC PERMIS noted that Member States which cannot send an expert to the meeting of the Working Group, could compensate by duly mandating and instructing their consular/diplomatic representative who will attend the meeting on their behalf, in relation to each item on the draft agenda of the meeting, including by sending information and/or a presentation to be shared with the participants, where necessary.

AGENDA ITEM 3: COUNTRY PRESENTATIONS ON EXPERIENCES AND BEST PRACTICES IN PROMOTING YOUTH ENTREPRENEURSHIP

12. Within the framework of the decision taken at the previous meeting of the Working Group (BSEC Headquarters, 5 December 2014), participants were invited to make presentations regarding the best practices for promoting youth entrepreneurship in their countries. Presentations were made by the delegations of the Hellenic Republic, the Republic of Moldova, Romania and the Republic of Turkey, followed by question and answer sessions. The said presentations are attached as **Annex III**.

13. The remaining Member States were invited to share their best practices in promoting youth entrepreneurship during the next meeting of the Working Group.

AGENDA ITEM 4: IMPLEMENTATION OF THE BSEC ECONOMIC AGENDA 2012

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

14. The Country-Coordinator of the Working Group reiterated its decision to implement the content of the said project proposal through the organization of soft activities and joint events, taking into consideration time constraints and administrative difficulties.

15. In this context, the Country-Coordinator, referring to the positive outcomes of the BSEC Workshop on Entrepreneurship and Technology Development (BSEC Headquarters, 3-4 December 2014), informed the participants of its intention to hold another Workshop on Energy Efficiency in SMEs back-to-back with the next meeting of the Working Group.

16. The participants requested from the Country-Coordinator to elaborate and to disseminate, through the BSEC PERMIS, the documents related to the envisaged Workshop well in advance, which will include the program enriched by international keynote speakers, technical/site visits and a session on country presentations. The Country-Coordinator invited the Member States to duly identify and ensure the active participation of competent experts who will be making country presentations.

- **The Way Forward for an Action Plan on the Implementation of the Economic Agenda Towards an Enhanced BSEC Partnership: Launching in June 2015 of the surveys for the next medium-term (2016-2018)**

17. The BSEC PERMIS informed the participants that the timeline in the document titled “The Way Forward for an Action Plan on the Implementation of the Economic Agenda Towards an Enhanced BSEC Partnership” (Istanbul, 15 December 2012) envisages the launching of a second Orientation Survey for the priorities of the next medium-term (2016-2018) in the second half of 2015.

18. In this context, the Working Group on SMEs will be expected to redefine or confirm the priority areas, preferably not more than three themes for the next medium-term (2016-2018), to identify the envisaged deliverables/projects and to submit timely (December 2015) its Medium-Term (2013-2015) Achievement Report.

AGENDA ITEM 5: CONSIDERATION OF PROPOSALS FOR ENHANCING BSEC-INSME COOPERATION

19. The Working Group took note of the information provided by the BSEC PERMIS on the possibilities for enhancing interaction with INSME, which is a BSEC Sectoral Dialogue Partner since 2006.

20. The participants expressed interest in collaborating with INSME and decided to defer the discussion on the topic to the next meeting of the Working Group, with the desire to have the participation of a representative from INSME.

21. The Member States were invited to transmit to the BSEC PERMIS their views and concrete proposals regarding possible cooperation with INSME until 1 June 2015 via e-mail, to be compiled thereupon by the PERMIS.

AGENDA ITEM 6: PRESENTATION BY GUEST SPEAKER FROM ENDEAVOR TURKEY REGARDING THE ENDEAVOR MODEL IN SELECTING, MENTORING AND ACCELERATING HIGH-IMPACT ENTREPRENEURS AROUND THE WORLD

22. Guest Speaker Ms. Didem ALTOP, Co-Founder and Managing Director of Endeavor Turkey, made a presentation regarding the Endeavor Model in selecting, mentoring and accelerating high-impact entrepreneurs, which can be found in **Annex IV** to the Report. A question and answer session followed the presentation by Ms. ALTOP.

AGENDA ITEM 7: PRESENTATION OF THE CONCLUSIONS OF THE BSEC-KAS JOINT WORKSHOP ON SMEs AND SMALL FARMS IN AGRIBUSINESS (CHISINAU, 16-17 APRIL 2015)

23. The Representative of the Konrad-Adenauer-Stiftung (KAS) in Turkey made a presentation on the findings and recommendations of the BSEC-KAS Workshop on “SMEs and Small Farms in Agribusiness”, which was organized jointly by the BSEC PERMIS and KAS in Chisinau, on 16-17 April 2015. The Summary Proceedings of the said Workshop is attached as **Annex V** to the Report.

24. The participants took note of the outcome of the Joint Workshop and the following draft Decision which had already been approved by the BSEC Committee of Senior Officials for submitting to the Council of Ministers of Foreign Affairs that will convene in Chisinau, on 18 June 2015:

“The Council took note of the Summary Proceedings of the BSEC-KAS Joint Workshop on “SMEs and Small Farms in Agribusiness”, held in Chisinau, on 16-17 April 2015, and encouraged the Member States to take into consideration the recommendations of the Workshop.

The Council expressed its appreciation to the Konrad-Adenauer-Stiftung (KAS) for its long-standing support to the development of SMEs in the BSEC Region and instructed the BSEC PERMIS to continue collaborating closely with KAS.”

25. The Representative of KAS informed the participants that the next BSEC-KAS Joint Workshop is envisaged to take place in Ukraine during the first half of 2016 on the topic of “SMEs and Green Economy”.

26. The Representative of KAS reiterated the proposal by the Foundation to cooperate with BSEC in inviting experts from the Association of Southeast Asian Nations (ASEAN) to one of the upcoming meetings of the Working Group to share experiences on SME and community-based integrated energy initiatives in the ASEAN countries. In this context, KAS reconfirmed its readiness to cover the participation expenses for two representatives from ASEAN.

27. The Working Group expressed its gratitude to KAS for its long-standing support to BSEC and to the cooperation in the sphere of SMEs, asking the BSEC PERMIS to coordinate with KAS the participation of ASEAN representatives as Guests to its next Meeting.

AGENDA ITEM 8: BSEC PROJECT DEVELOPMENT FUND (PDF) AND PROJECT MANAGEMENT UNIT (PMU) PROJECTS

Project Development Fund (PDF)

28. 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)

29. During the meeting, the Working Group took note of the information presented by the BSEC PERMIS on the evolution and Guidelines of the PMU. The Member States were re-invited to submit project proposals in compliance with the said Guidelines which were disseminated during the previous meeting of the Working Group (BSEC Headquarters, 5 December 2014).

AGENDA ITEM 9: ANY OTHER BUSINESS

- **Topics of special interest to the BSEC Member States in the field of SMEs which can be taken into consideration in the preparation of the draft agendas of future Working Group meetings**

30. The Member States were invited to share their views on possible contemporary topics and themes of interest to them, with the purpose of including them in the draft agendas of the future meetings of the Working Group. It was acknowledged that this could promote greater interest and participation to the Working Group meetings and give more dynamism to the discussions.

31. The participants proposed to have this as a separate item to be included in the draft agenda of the next meeting of the Working Group.

32. Some delegates stated that the problem of lack of participation of experts does not arise from the content of the draft agendas of the Working Group, but rather from, among other reasons, the budgetary limitations of the Member States' competent institutions from which expert participation is expected.

- **Exchanging views on possible ways of cooperation with the BSEC Related Bodies in the field of SMEs**

33. The participants exchanged views on possible ways of cooperation with the BSEC Related Bodies in the field of SMEs.

34. In this context, the participants proposed the following SME related themes and topics for possible cooperation with PABSEC, inter alia:

- Promoting Entrepreneurship in the BSEC Member States;
- Addressing the Needs of the SMEs in the BSEC Region;
- Supporting the Development of SMEs in the BSEC Region.

35. The participants found it appropriate that the SME-related topics addressed at the previous BSEC-KAS Joint Workshops could also be considered within the context of future cooperation with PABSEC.

- **Possibilities for the reactivation of the BSEC Innovation Data Bank**

36. The discussion on this item was deferred to the next meeting of the Working Group.

AGENDA ITEM 10: DATE AND VENUE OF THE NEXT MEETING

37. 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 11: ADOPTION OF THE REPORT OF THE MEETING

38. 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.
