



BS/SME/WG/R(2002)1

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

Istanbul, BSEC PERMIS Headquarters, 16-17 May 2002

REPORT

1. The BSEC Working Group on SMEs, established by the relevant Resolution of the Fifth Meeting of the Council of Ministers of Foreign Affairs of the BSEC Member States in Antalya on 26 October 2001, held its first Meeting in Istanbul, at the BSEC PERMIS Headquarters on 16-17 May 2002.
2. The Meeting was attended by delegates from the following BSEC Member States:
 - Republic of Albania
 - Republic of Armenia
 - Republic of Azerbaijan
 - Republic of Bulgaria
 - Georgia
 - Hellenic Republic
 - Republic of Moldova
 - Romania
 - Russian Federation
 - Republic of Turkey
 - Ukraine
3. The Meeting was attended by the representative of the Republic of Poland as Observer.
4. The representatives of the BSEC Parliamentary Assembly (PABSEC), the BSEC Business Council (BSEC BC) and the Black Sea Trade and Development Bank (BSTDB) participated in the Meeting in their capacity as BSEC Related Bodies. The representatives of the United Nations Economic Commission for Europe (UN ECE) and the Konrad Adenauer Foundation (KAF) Ankara also participated in the Meeting as guests.

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

5. Mr. Abdurrahman ÖZENBAŞ, Deputy Undersecretary of the Ministry of Industry and Trade of the Republic of Turkey and Mr. Bayram ÇAMKERTEN, Chairman of the Small and Medium-sized Industries Development Organization of Turkey (KOSGEB) delivered inaugural statements.

6. The Meeting was chaired by Mr. Bayram MECİT, Deputy President of the Small and Medium-sized Industries Development Organization of Turkey (KOSGEB).

7. 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: FINALIZATION OF DRAFT TERMS OF REFERENCE OF THE WORKING GROUP ON SMEs

8. The Working Group on SMEs reviewed the draft text of “Terms of Reference of the BSEC Working Group on SMEs”, prepared by the BSEC PERMIS in compliance with the Resolution made by the Fifth Meeting of the Council of Ministers in Antalya on 26 October 2001, on the proposal made by the Ministers responsible for SMEs during their Meeting held in Istanbul on 27 September 2001. The WG finalized the said text and submitted it for approval by the Seventh Council of the BSEC Ministers of Foreign Affairs. The text is attached as Annex III.

9. The Working Group deemed it appropriate to monitor the nature, level and impact of actions and activities in the light of the “Declaration on Small and Medium-Sized Enterprises at the Dawn of the 21st Century”, adopted on 27 September 2001 in Istanbul by the Ministers responsible for SMEs, as well as the set of thoughts, fact findings and suggestions made by 18 BSEC Workshops and Seminars on SMEs which have been organized since 1997.

AGENDA ITEM 3: STATEMENTS/PRESENTATIONS BY NATIONAL DELEGATIONS ON THE POLICIES AND PRACTICES OF SUPPORT TO THE SMES IN THE BSEC MEMBER STATES

10. Under this agenda item, the national delegations delivered their statements and made their presentations on the policies and practices of support to the SMEs in the BSEC Member States. Three main topics were addressed by the national delegations' statements/presentations: (i) potential of SMEs in the country; sectoral distribution and shares in employment, value-added and exports, (ii) national SME support policies; ways and means and mechanisms of support and services to SMEs, (iii) problems encountered by SMEs and SME support institutions.

A question and answer session was held after each presentation.

AGENDA ITEM 4: DISCUSSIONS ON COOPERATION AREAS AND JOINT PROJECTS

11. The Delegations discussed under this item possible areas of cooperation and joint activities in the BSEC Member States. Several project ideas were submitted that can form the basis of future projects. After a thorough examination of the proposals made, four topics emerged where the WG will concentrate its activities and develop useful projects in the future: (i) barriers to cooperation and trade from the point of view of the SMEs, (ii) exchange of best practices on SME support, (iii) formation of a BSEC Observatory on SMEs, (iv) creation of an information network for SMEs in the Black Sea region.

12. The WG decided that the project proposals on (i) barriers to cooperation and trade are to be prepared by Bulgaria, (ii) the exchange of best practices by Turkey and Georgia, (iii) the BSEC Observatory by the UN ECE and (iv) the information network for SMEs by Turkey assisted by Bulgaria, Georgia and Romania.

13. For the proper elaboration of the project proposals, the countries in charge may need some preliminary information from other Member States. The WG agreed that this request for information has to be specified and sent to all other Member States via the BSEC PERMIS by 1 June 2002. Moreover, the WG decided that the countries have to respond to this request for information through the BSEC PERMIS by 30 September 2002.

14. The WG also noted the importance of a common format to be used for the project proposals. The format is to be prepared by the BSEC PERMIS in cooperation with the BSEC Business Council, taking into account the common practice of international organizations. In this regard, the representative of the UN ECE offered to contribute with relevant information.

ANY OTHER BUSINESS

15. No issue was raised by the WG under this agenda item.

DATE AND VENUE OF THE NEXT MEETING

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

EXPRESSION OF THANKS

17. The delegations expressed their sincere gratitude to the Turkish authorities for the kind hospitality extended to them and for the excellent arrangements made for the Meeting.

ADOPTION OF THE REPORT OF THE MEETING

18. The present Report has been adopted for submission to the Seventh Meeting of the Council of Ministers of Foreign Affairs.