



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, 7 December 2016

1. The Meeting of the BSEC Working Group on SMEs was held on 7 December 2016, at the BSEC Headquarters, in Istanbul.
2. The Meeting was chaired by Mr. Vladan LAZOVIC, Minister Counsellor, Special Representative of the Serbian Chairmanship-in-Office of BSEC.
3. The following BSEC Member States attended the Meeting:

Republic of Armenia
Republic of Azerbaijan
Republic of Bulgaria
Hellenic Republic
Republic of Moldova
Romania
Russian Federation
Republic of Serbia
Republic of Turkey
Ukraine
4. The representatives of the BSEC Permanent International Secretariat (PERMIS) also participated in the meeting.
5. Ms. Bharati SADASIVAM, Regional Practice Leader for Gender Equality and Women's Empowerment from the UNDP Istanbul Regional Hub for Europe and the CIS, attended the meeting as guest.

6. The List of Participants is attached as **Annex 1**.
7. The draft Agenda of the Meeting was discussed and adopted. The Agenda, as adopted by the Working Group, is attached as **Annex 2**.

AGENDA ITEM 2: CONSIDERATION OF THE DRAFT ACTION PLAN OF THE BSEC WORKING GROUP ON SMEs (1 JULY 2016-30 JUNE 2018)

8. The participants discussed, amended and adopted the draft Action Plan for the July 2016-June 2018 period, prepared by the Country-Coordinator (Republic of Turkey) (**Annex 3**).
9. The participants expressed their gratitude to the Country-Coordinator for the comprehensive work it has done in the preparation of the new Action Plan.
10. The Working Group underlined the importance of implementing the Action Plan in a sustained manner.

AGENDA ITEM 3: IMPLEMENTATION OF THE “BSEC ECONOMIC AGENDA 2012”

- **First year of the second medium-term (2016-2018): Achievements Report for 2016**

11. The Working Group took note of the Achievements Report of the Working Group for 2016 regarding the activities of the Working Group on the implementation of the “BSEC Economic Agenda Towards an Enhanced BSEC Partnership” presented by the Country-Coordinator (**Annex 4**). The said Achievements Report will be submitted to the Committee of Senior Officials and the Council of Ministers of Foreign Affairs, within the overall BSEC PERMIS report on the issue.

- **Envisaged deliverables/projects for 2017**

12. The Working Group discussed and finalized the themes for the specialized BSEC workshops on SMEs which are planned to be held in 2017. It was agreed that the following BSEC workshops will be organized by the Country-Coordinator, with the support of the BSEC PERMIS, in 2017:

- BSEC Workshop on Promoting Entrepreneurial Culture in the BSEC Region (BSEC Headquarters, 9 May 2017)
- BSEC Workshop on Supporting Green Economy and SMEs (BSEC Headquarters, November 2017)

13. The Country-Coordinator presented information regarding the “BSEC Training Program for the Trainers of Young, Women and Disabled Entrepreneurs” which it envisages to organize at the BSEC Headquarters, on 9-10 May 2017.

14. The BSEC PERMIS informed the participants on the upcoming BSEC-KAS Joint Workshop on SMEs which is scheduled to take place on 16-17 March 2017, in Istanbul.

AGENDA ITEM 4: STATUS OF THE IMPLEMENTATION OF RESOLUTIONS, DECISIONS AND RECOMMENDATIONS OF THE COUNCIL OF MINISTERS OF FOREIGN AFFAIRS RELATED TO SMEs

15. The Working Group took note of the information provided by the BSEC PERMIS on the status of the implementation of the Resolutions and Decisions of the Council related to the work of the Working Group on SMEs which require follow-up.

16. In this context, reference was made to the Decisions of the Council regarding the establishment of a 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.

17. The Member States, which have not yet done so, were requested to check and update, by 16 January 2017 via e-mail, the details of their representatives in the list of National Contact Points to the Working Group, attached as **Annex 5**.

18. The BSEC PERMIS 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.

19. Regarding the establishment of a BSEC Quality Award for SMEs from the BSEC Region, it was acknowledged by the Working Group that the relevant two Council decisions dated 2008 and 2009 could not be implemented, among other reasons, due to the absence of a jointly agreed model on how to approach the issue.

20. In this regard, the Country-Coordinator informed the participants that under the new Action Plan of the Working Group, it envisages to organize a one-day “Workshop on Assessing the Possibility of Creating an SME Award System for BSEC Member States” at the BSEC Headquarters, in May 2018, back-to-back with the Meeting of the Working Group on SMEs.

21. The Working Group noted that the envisaged workshop will also constitute a practical follow-up to the Council decisions regarding the establishment of a BSEC Quality Award for SMEs, allowing the representatives of the Member States to jointly assess and decide, at the experts level, whether and how such a regional award system could be created.

AGENDA ITEM 5: COUNTRY PRESENTATIONS BY THE REPRESENTATIVES OF THE BSEC MEMBER STATES ON “PROMOTING WOMEN ENTREPRENEURSHIP IN BSEC MEMBER STATES”

22. The Delegations of the Republic of Azerbaijan, the Republic of Bulgaria, the Hellenic Republic, the Republic of Moldova, Romania, the Russian Federation, the Republic of Serbia and the Republic of Turkey delivered country presentations on the theme of “Promoting Women Entrepreneurship in BSEC Member States”. The representative of the UNDP also made a presentation on the said theme. Some of the presentations delivered during the meeting are attached as **Annex 6**.

23. Presentations included information on general activities of governments on SMEs; statistics on women-owned businesses in BSEC Member States; common issues and challenges facing women-owned businesses; fostering an entrepreneurial culture for women through education and training; improving knowledge about the importance of women entrepreneurship and its role in society; removing obstacles in doing business for women entrepreneurs; improving access to finance for women-owned startups and businesses; as well as the activities and impact of associations of businesswomen and women entrepreneurship networks. Presentations were followed by question and answer sessions.

24. Some of the barriers to women entrepreneurship in some of the Member States were identified as difficulties in accessing finance, credits, land ownership and new technologies; weaker professional networks; unequal access to state-funded programs on business and entrepreneurship development; gender biases towards women’s role in society; gender pay gap; challenges in reconciling family and work responsibilities; and women’s high level of involvement in unpaid domestic and care work.

25. The Working Group underlined the importance of promoting women entrepreneurship in order to strengthen the status of women in economy, to support sustainable economic development and to lower unemployment rates in the BSEC Member States. In this regard, the importance of developing special government policies, as well as targeted programs and activities to provide incentives in order to promote women entrepreneurs was underlined.

AGENDA ITEM 6: BSEC PROJECT DEVELOPMENT FUND (PDF) AND PROJECT MANAGEMENT UNIT (PMU) PROJECTS

Project Development Fund (PDF)

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

Project Management Unit (PMU)

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

28. The Member States were re-invited to propose concrete project ideas in the sphere of SMEs which can be addressed within the PMU in the near future, to elaborate them in line with the PMU Guidelines and to transmit them to the PERMIS in the nearest future.

AGENDA ITEM 7: ANY OTHER BUSINESS

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

29. In order to give more dynamism to the discussions in the Working Group meetings and to increase the impact and benefits of participation, the participants continued to exchange views on contemporary issues of interest to the Member States corresponding to the needs of the SMEs in the region, for their inclusion in the agendas of future Working Group meetings.

30. Within this framework, the Working Group proposed to include the following themes in the agendas of future meetings:

- Internationalization of SMEs
- SMEs and E-Commerce
- Social Entrepreneurship
- Benefits of SME Associations and Clusters
- Challenges and Opportunities of the Digital Era for SMEs

31. The Working Group supported the continuation of the newly introduced practice to organize its meetings with a specific theme, which has facilitated the identification and preparation of the relevant experts from the BSEC Member States to attend the meetings.

AGENDA ITEM 8: DATE AND VENUE OF THE NEXT MEETING

32. The next Meeting of the Working Group on SMEs is envisaged to take place on 11 May 2017, at the BSEC Headquarters in Istanbul.

AGENDA ITEM 9: ADOPTION OF THE REPORT OF THE MEETING

33. 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 (Belgrade, 11-13 December 2016).
