

**ORGANIZATION  
OF THE BLACK SEA  
ECONOMIC  
COOPERATION (BSEC)**

**KONRAD  
ADENAUER  
STIFTUNG  
(KAS)**

**WORKSHOP ON  
“STRATEGIES OF THE DEVELOPMENT OF ENTREPRENEURSHIP AND  
SME SECTOR IN THE  
BLACK SEA ECONOMIC COOPERATION REGION”**

**Istanbul, 22-24 November 2007**

**Summary Proceedings**

**1.** The Workshop on “Strategies of the Development of Entrepreneurship and SME Sector in the Black Sea Economic Cooperation Region” was held in Istanbul on 22-24 November 2007. It was jointly organized by the Permanent International Secretariat of the Organization of the Black Sea Economic Cooperation (BSEC PERMIS) and the Representation of the Konrad-Adenauer-Stiftung (Foundation) (KAS) for Turkey.

**2.** Welcoming statements were delivered by Ambassador Murat SUNGAR, First Deputy Secretary General of BSEC PERMIS; Mr. Jan SENKYR, Resident Representative of KAS for Turkey; and Dr. Antal SZABO, UN ret. Regional Adviser, Director of the Entrepreneurship Research and Education Network of Central European Universities - ERENET, Corvinus University of Budapest.

**2.1.** Ambassador M. SUNGAR welcomed the participants to the Workshop and mentioned that the Workshop was a continuity of fruitful collaboration between BSEC and KAS and that he expected from the participants to analyze the current status of entrepreneurial environment in the BSEC region and explore the possibilities of eliminating the barriers in SMEs development in the BSEC Member States. He also expressed the view that the Workshop would identify the future activities of the BSEC Working Group on SMEs and elaborate concrete recommendations for the Governments of the BSEC Member States aimed at supporting and promoting the activities of SMEs sector. The text of opening statement of Ambassador M. SUNGAR is attached as Annex I.

**2.2.** Mr. J. SENKYR welcomed the Participants of the Workshop on behalf of KAS and explained the importance of this extraordinary meeting organized in cooperation with the BSEC. The aim of this Workshop was to present a current situation of SMEs in the BSEC countries in order to elaborate a policy paper, which could serve as a reference document for further development of entrepreneurship in the BSEC region. He stated that KAS had asked Dr. A. SZABO to call upon and supervise a group of independent experts to prepare analytical document on SMEs in the BSEC countries.

**2.3.** Dr. A. SZABO in his welcoming address highlighted the importance of the largest regional organization in the prosperous Black Sea area adapting to the new responsibilities of the changing world environment. He pointed out that the aims of the Workshop were to:

- (i) review of the current situation in the SME sector in BSEC countries; and
- (ii) provide assistance to strengthening the activities of the BSEC WG on SMEs including cooperation between the stakeholders and SME policy makers.

**3.** The Workshop was co-chaired in rotation by Mr. J. SENKYR; Ambassador M. SUNGAR; and Dr. A. SZABO.

**4.** The Workshop was attended by the Experts from the Republic of Armenia, the Republic of Azerbaijan, the Republic of Serbia, and the Republic of Turkey.

**5.** The Workshop was attended by the Guest Participants from the Hellenic Republic and the Republic of Turkey.

The list of participants is attached as Annex II and the Program of the Workshop is attached as Annex III.

#### **ENTREPRENEURSHIP AND SME-POLICY IN THE BSEC REGION**

**6.** The first speaker of this session, Dr. A. SZABO summarized the history of the various Declarations on SMEs. One of the earliest Declarations was the “BSEC Declaration on SMEs at the Dawn of the 21<sup>st</sup> Century” adopted on 27 September 2001 in Istanbul, which led to the establishment of the BSEC Working Group (WG) on SMEs in May 2002. Analyzing the activities of the BSEC WG on SMEs, the following remarks can be made:

- (i) The WG on SMEs provides a platform for exchange of policies and maintaining a dialogue among BSEC government authorities.
- (ii) The Plan of Actions of the WG shall be more concrete and comprise a few areas of cooperation, rather than trying to include many sectors for cooperation.
- (iii) It is advisable that the delegations of the BSEC Member States to the Meetings of the WG on SMEs include also the representatives of the private sector, particularly owners/founders of SMEs.
- (iv) The initiatives and projects elaborated within the WG on SMEs should be promoted in close cooperation with the Black Sea Trade and Development Bank (BSTDB), thus securing the financial support for their implementation.

7. Dr. A. SZABO stated that the ERENET Experts prepared and presented a report on the current SME sector in the BSEC countries following a methodology agreed with BSEC PERMIS and KAS. Country presentations included the following:

- (i) Presentation of the SME sector development;
- (ii) Legislation and steps of doing business;
- (iii) SME Support Infrastructure;
- (iv) Financing SMEs;
- (v) Tasks for improvement and further development of the SME sector; and
- (vi) SWOT analysis of the SME sector presenting the Strength-Weakness-Opportunities-Threats.

8. Country presentations were made by the following Experts:

- Prof. Dr. Dejan ERIC, School of Economics at the University of Belgrade and the Belgrade Banking Academy, General Manager of Institute of Economic Science, the Republic of Serbia;

- Mr. Umut Yılmaz CETINKAYA, Ph.D. Candidate, Anchora Consultancy, Science and Technology Policies Research Center, Middle East Technical University (METU), the Republic of Turkey;

- Mrs. Anna PETROSYAN, Ph.D. in Economics, Chief Specialist, Department of Small and Medium Entrepreneurship (SME) Development, Ministry of Trade and Economic Development, the Republic of Armenia;

- Prof. Alakbar MAMMADOV, President of the National Confederation of Entrepreneurs (Employers) Organizations, the Republic of Azerbaijan; and

- Dr. Antal SZABO, UN ret. Regional Adviser, Scientific Director of ERENET, Corvinus University of Budapest, Hungary.

A telephone conversation was organized with Dr. Irina NAOUMOVA, Associated Professor at the University of Tennessee, Knoxville, USA and at the State University–Higher School of Economics within the EMBA Program, Moscow.

**ROUND-TABLE DISCUSSION ON SME POLICIES TOWARD A FULL-FLEDGED MARKET ECONOMY, STABILITY AND PROSPERITY IN THE BSEC REGION**

9. During the discussions, the participants made the following recommendations:

1. The BSEC WG on SMEs should regularly review the implementation of the Ministerial Declaration. Suggestion was made for a Questionnaire serving as a base for the evaluation.

2. Based on the reply to the Questionnaire, to organize a Ministerial Meeting during 2008 or 2009.
3. Updating the list of representatives of the BSEC WG on SMEs and putting their names and coordinates on the BSEC PERMIS website.
4. Based on the updated list of representatives of the WG on SMEs, to establish an international body with broad functions of support of SME activities.
5. Developing an SME information network for the BSEC region.
6. Organizing Annual BSEC Forum on Entrepreneurship aiming at exchange of information and best practices in the major items of the SME Declaration.
7. Increasing awareness towards young entrepreneurs, women, disabled and minorities. Considering the possibility of creation of the Annual Competition of Best Entrepreneurs in different categories, similar to the one organized for Women Entrepreneurs by the UNECE.
8. Continuing the well-established support in organizing SME-related Workshops by KAS and BSEC. Possible future subjects to be considered: corporate social and responsible entrepreneurship, best practice in business incubation, entrepreneurship education, cross-border cooperation, micro-financing as tool for poverty alleviation, support of innovation for SMEs, the role of intellectual property for SMEs.
9. Sharing of knowledge on sustainable economic development.
10. Exploring the way of cooperation between the BSEC and Central Asian countries.
11. Working a program of cultural events in major tourist cities of the region through presenting and selling other country's SME products and developing understanding approaches in foreign cultures between entrepreneurs.

**10.** The Participants to the Workshop expressed their deep gratitude to KAS for its financial contribution to the Workshop and for the hospitality extended to them during the meeting in Istanbul.