

Suggestions for the SME development in the Black Sea Region⁵³

The authors of this report suggest the following orientation for action in the field of improvement of the SME sector in the BSEC region:

1. The WG on SMEs should regularly review the implementation of this Declaration and the development of entrepreneurship and the (private) SME sector in BSEC Member States evaluation. This is an urgent task and PERMIS should find a solution jointly with the Chairmanship-in-Charge to carry out this task. This might be a major objective for a Ministerial Meeting during 2008 or 2009. Annex 5. compiles a possible Questionnaire on the implementation of the BSEC Declaration on SMEs.
2. Develop an international body (committee, or it could be an annual conferences or meetings) with the broad functions of support of the

⁵³Prepared by Dr. Irina Y. NAOUMOVA, Dr. Anna PETROSYAN, Dr. Antal SZABÓ, Dr. Alakbar MAMMEDOV and Umut Yılmaz ÇETİNKAYA.

Suggestions for the SME development in the Black Sea Region

SME activities in the Black Sea region. Each of the countries of the region must have a representative to this body, which would be instrumental in the joint strategy of Black Sea Region countries in SME sector development. Among its functions could be making detailed recommendations for each country with the description of possible options of financing and co-financing; informing on existing projects in the other Black Sea countries for the most beneficial for all sides cooperation.

3. Assessment of the dynamic change in demographic, socio-cultural, political/legislative, macroeconomic, technological and global dimensions for each country involved.

- A group of internationally recognized experts should be formed develop a methodology of analysis and qualitative and quantitative standards for the SME sector developments in the region
- Discuss and evaluate suggestions on different forms of cooperation between countries – joint projects and programs

4. Develop a SME Information Network for the Black Sea Region countries and enforce the countries' efforts in implementing IT in the SME businesses. The headquarters for a BSEC SME Network might be either at the PERMIS BSEC, or as an independent web at one of the leading and economically powerful country line Greece, Russian Federation or Turkey.

5. Using the network, share the advancements of laws related to the SME sector in different countries and procedures of doing business that make them more business inspiring. Bureaucratic procedures for

business start-up should be improved.

6. In order to make comparable statistics as well as government support measures, the participants of the Workshop suggest harmonizing the definition for SMEs taking into consideration the EU definition relating number of employees, and limiting the annual turnover in accordance with the local economic performance of the country.
7. It would be useful to organize Annual BSEC Forum on Entrepreneurship similar to the Conference on the Implementation of the European Charter of SMEs supervised and directed by the European Commission. The Black Sea Trade and Development Bank (BSTDB) established in Thessaloniki might finance the organization of such an event. The main purpose of the Forum would be exchange of information and best practices in the major subjects of the BSEC Declaration of SMEs, especially simplification of procedures and reducing red tape, SME support infrastructure, improving entrepreneurial skills, financing SMEs, etc.
8. Elaborate and apply a common granting system for SME development measures/programs in BSEC countries in order to create new opportunities for provision of “on demand” support to SMEs, which in turn will path a way to more efficiently utilize the potential of the SME sector in light with the social-economic development of the BSEC countries.
9. Elaborate effective tools and develop advance financial instruments such as venture capital, private equity etc., at the BSEC region.
10. Share the knowledge of sustainable economic development including environmentally friendly and “green” technologies.

*Suggestions for the SME development
in the Black Sea Region*

11. Increase awareness of the SME products among the other Black Sea Region countries by having supplemental annual exhibitions.
12. Increase awareness towards youth entrepreneurship, women entrepreneurs, disabled undertaking and minorities. It would be advisable to organize an Annual Competition of Best Entrepreneurs of the BSEC region similar to the one organized by the UNECE.
13. Work on a program of cultural events (representing and selling other countries' SME products) in the major tourist cities of the region.
14. Continue the well-established support in organizing SME-related workshops and events with the technical and financial assistance of the Konrad Adenauer Foundation. As further possible subjects we suggest the following: entrepreneurship education, best practices in business incubation, university-based technological parks and business incubators, microfinancing as a tool for poverty alleviation, social corporate responsibilities, internationalization of SMEs, etc.
15. While continuing organizing SME-related workshops by PERMIS BSEC and the Turkish Representative of KAS, it is recommended to contact The Office of the Konrad-Adenauer-Foundation in Tashkent and investigate the possibility of convening joint workshops on SME strategies in Central Asia and the South Caucasus with the support and participation of other BSEC countries.
16. Develop close relationship with the EU and UN Economic Commission, other international organizations, associations and networks.
17. Seek for financial opportunities for joint projects across the region.

*Suggestions for the SME development
in the Black Sea Region*

were closed down in 1999, put differently, the percentage of closure was 26. However, the number of registrations was 120,295 and that of closures was 101,999 in 2001; in other words, the percentage of closure went up to 84. In 2002, although the number of new registries rose to Programming Directorate, Ministry of Development, 2007.

