Doc. GA15/EC14/REC42/00

THE FIFTEENTH PLENARY SESSION OF THE PABSEC GENERAL ASSEMBLY

RECOMMENDATION 42/2000* ON "PROMOTION OF SMALL AND MEDIUM ENTERPRISES IN THE BLACK SEA REGION"

1. The Parliamentary Assembly of the Black Sea Economic Cooperation appreciates the efforts of the Parliaments and Governments of the member countries with the view to elaborate and implement sound and comprehensive reforms securing sustainable economic development, prosperity and the well being of the peoples of the region which represent the ultimate of both PABSEC and BSEC.

Within this framework SMEs are of paramount significance as they do represent the backbone of a healthy and vigorous economy and at the same time make a major contribution in enhancing cooperation and stability in the Black Sea region and facilitating its integration into the European structures.

- 2. The Assembly welcomes the Istanbul Summit Declaration of the Heads of State or Government of the Member States of the Organisation of the BSEC of 17 November 1999 appealing to the EU "...to develop a comprehensive strategy towards the BSEC area and to assist the BSEC in the elaboration and implementation of concrete regional projects". It restates its firm commitment to the "Platform for Cooperation between the BSEC and the EU" and assesses that the SMEs should become an integral part of this process.
- 3. The members of the Assembly stress the significance of the Resolution of the Meeting of Ministers of Foreign Affairs adopted in Kyiv on 22 October 1997, underlining "...the need for further legislative, administrative and financial instruments in the respective Participating States in order that SMEs can better fulfil their critical role in development strategies..." and recommending that "...the BSEC should seize this subject in a permanent manner and continue to

^{*} Rapporteur: Mr. Theodoros KASSIMIS (Greece), Chairman of the Economic, Commercial, Technological and Environmental Affairs Committee

Assembly debate on 7 June 2000 (see Doc. GA15/EC14/REP/00, Report of the Economic, Commercial, Technological and Environmental Affairs Committee on "PROMOTION OF SMALL AND MEDIUM ENTERPRISES IN THE BLACK SEA REGION", discussed in Tbilisi on 22 March 2000; Rapporteur: Mr. Kemal EJUP, Bulgaria).

organise periodically informative and technical programmes in order to strengthen SMEs and expand their contribution in development".

They also acknowledge the contribution of the BSEC - UN/ECE Workshops on SMEs as well as the role of the Black Sea Trade and Development Bank, the BSEC Business Council, the International Centre for Black Sea Studies and the Balkan Centre for SMEs on SME development in the Black Sea region.

- 4. The PABSEC is aware of considerable difficulties facing most SMEs in most of the member countries. Therefore, it emphasises the need for a strong commitment in order to set up a enabling legal environment securing new and pragmatic prospects for increasing the role of the SMEs.
- 5. The Assembly pays particular attention to developing close cooperation between the BSEC and the European Union, the European Bank for Reconstruction and Development, the UN/ECE, the World Bank, the Council of Europe' Social Development Fund in the field of SMEs.

As far as the Assembly is concerned, it will seek to promote cooperation with the European Parliament.

I. The Parliamentary Assembly therefore recommends the National Parliaments and the Governments of the BSEC Member States:

A. IN THE FIELD OF OVERALL POLICY

- 1. to *promote* sustainable economic development towards market oriented reforms securing the prosperity and well being of the peoples of the region;
- 2. to *elaborate* and *implement* a comprehensive policy including technology and innovation programmes opening new opportunities for the expansion and strengthening of the SME sector;
- 3. to *encourage* the BSTDB to attract resources both of the member countries as well as from international financial institutions stimulating the implementation of SME projects. The PABSEC is committed to assist the BSTDB in its efforts to be granted Observer Status with the IMF and the World Bank;
- 4. to *support* the BSEC Business Council's initiative to establish a business information network which could also meet the requirements of SMEs as well as its efforts to obtain extra funds to back up SMEs;
- 5. to *call upon* the ICBSS to elaborate sectoral studies on economic issues including the SMEs in accordance with the Resolution of the Meeting of the Council of Ministers of Foreign Affairs in Thessaloniki on 27 October 1999;
- 6. to *invite* the European Union, the European Bank for Reconstruction and Development, the World Bank and the UN/ECE to enhance their support for SMEs in the Black Sea notably through intermediate credit institutions and micro-credit programmes and through technical assistance.

B. IN THE FIELD OF LEGAL FRAMEWORK

- 1. *to enact* appropriate legislation aiming to reduce and gradually abolish the obstacles hindering the development of the SMEs so that they can better fulfil their critical role in economic development, taking into consideration also relevant European Union legislation as well as the existing commitments of the PABSEC countries;
- 2. *to review* the appropriateness of existing regulations on the economic environment in order to facilitate harmonisation of legislation in the field of SMEs (legal definition and registration of SMEs, taxation, financing, labour, tendering procedures, training requirements) so as to facilitate multilateral cooperation.

C. IN THE FIELD OF FINANCE

- 1. to *create* a sound financial environment for the SMEs through macroeconomic stability and a functioning healthy banking system which meets the needs of market economy;
- 2. to *provide* financial incentives for new investments especially for those introducing innovative production methods;
- 3. to *undertake* measures facilitating access under privileged terms to investment capital for SMEs especially through continued liberalisation of the banking system.

D. IN THE FIELD OF MARKETING AND PROCUREMENT

- 1. to *consider* steps including tax incentives, modification in public procurement rules, improved sub-contracting procedures to motivate big enterprises to systematically expand their links with SMEs;
- 2. to *encourage* the development of small enterprise export support programmes, including special finance schemes, export credit guarantees, export marketing support and exhibition facilities;
- 3. to *facilitate* the formation of SME interest organisations capable of articulating the companies' particular concerns.

E. IN THE FIELD OF INFORMATION AND TECHNOLOGY

- 1. to *stimulate* exchange of information between the BSEC member in the field of SMEs especially by enhancing cooperation among Black Sea Chambers;
- 2. to *assist* SMEs in accessing information on new technologies (by fairs and exhibitions, demonstration facilities, innovation centres and intermediaries);
- 3. to *encourage* investment on SME infrastructure particularly in telecommunications, research and training.

II. The Parliamentary Assembly invites the Council of Ministers of Foreign Affairs of the BSEC to consider this Recommendation.