

PARLIAMENTARY ASSEMBLY OF THE BLACK SEA ECONOMIC COOPERATION
PABSEC

THE FIFTH PLENARY SESSION OF THE GENERAL ASSEMBLY

Doc.: EC 877/95

RECOMMENDATION 9/1995

ON

THE DEVELOPMENT OF COOPERATION IN BANKING AND FINANCE
AMONG THE BSEC MEMBER COUNTRIES

- I. The Parliamentary Assembly of the Black Sea Economic Cooperation
1. **Reaffirms** its determination for the realization of projects and investments of common interest, reforms in the direction of market economy in economic and financial institutions, enterprises and firms together with the participation and contribution of other regional and international economic and financial institutions in order to improve the overall economic cooperation among the BSEC member countries as stated in the Summit Declaration.
 2. **Cognizant** of the financial, legislative, institutional and infrastructural needs of the member countries in the areas of banking and finance for the materialization of individual and joint projects as well as for the advancement of mutual trade and tourism.
 3. **Advocates** the privatization and rehabilitation of the banking and finance systems of the member countries through the adoption and implementation of contemporary practices and standards in these areas for the purpose of achieving productive and mutually advantageous trade relations, not only among the BSEC member countries but their relations with the nonmember countries as well.
 4. **Supports** the activities performed and **commends** the accomplishments made towards the establishment of the Black Sea Trade and Development Bank.

The Assembly debate on 6 June 1995 (See Doc.: EC 876/95 - Report on The Development of Cooperation in Banking and Finance among the BSEC Member Countries - adopted by the Economic, Commercial, Technological and Environmental Affairs Committee at its Fourth Meeting on 16 March 1995 in Kyiv. Rapporteur: Mr. Cristian Sorin Dumitrescu, Chairman of the Committee).

Text adopted by the Assembly on 6 June 1995 in Moscow.

II. The Assembly, therefore,

1. Urges the National Parliaments of the BSEC member countries:

- a.** To enact and enforce necessary legislation as well as to build sound institutionalization and infrastructure within the shortest possible time in compliance with universal standards in banking and finance.
- b.** To initiate or expedite the legislation efforts towards the materialization of necessary privatization, the protection of all investments and investors' rights and small and medium-scale enterprises as well as other reforms relevant to the smooth and effective operation of the banking and finance system.
- c.** To promote, publicize and build public confidence in the banking and finance systems of the BSEC member countries through the enactment of required laws such as the protection of customer savings and investments, enforcement of effective control and auditing mechanisms and clear definition of the full privileges and responsibilities of customers, Central and/or National and Commercial Banks as well as the relationships between them.
- d.** To speed up individual and joint legislation efforts in generating and prioritizing the projects and investments which may require financing by the Black Sea Trade and Development Bank, the World Bank, the European Reconstruction and Development Bank and other relevant regional and international financial organizations.
- e.** To ensure the process of ratification within the shortest possible time of the Agreement Establishing the Black Sea Trade and Development Bank according to the national legislation of each PABSEC member country in order for the Bank to begin contributing effectively to the promotion and financing of interregional trade and concrete projects in PABSEC member countries, thus facilitating their transition process towards the economic prosperity for the people of the region.

2. Recommends the Governments of the BSEC member countries and the Black Sea Economic Cooperation (BSEC):

- a.** To actively seek the appropriate sources of capital, credit and funding at governmental and non-governmental levels as well as through international financial organizations required for the realization of projects and investments of common interest for the BSEC member countries.

- b.** To sign and implement bilateral and multilateral agreements for the privatization and development of an institutional and infrastructural framework in banking and finance.
- c.** To promote and take active steps for the realization of cooperation in the areas of: joint banking, offshore banking, Eximbank operations, technical and infrastructural assistance, development of a Common Chamber of Commerce and Stock and Commodity Exchange markets, and other dynamics relevant to the betterment of Banking and Finance systems within and among the BSEC member countries.
- d.** To speed up the establishment and activate the Black Sea Trade and Development Bank in its full operation along with the ratification process within the shortest possible time.
- e.** To set up a training center for the bank personnel within the Black Sea Trade and Development Bank.

3. Asks the Economic, Commercial, Technological and Environmental Affairs Committee to report to the Assembly periodically on the progress of the decisions taken and activities performed on the subject as well as the developments related to the ratification process.