



PARLIAMENTARY ASSEMBLY OF THE BLACK SEA ECONOMIC COOPERATION
PABSEC

INTERNATIONAL SECRETARIAT

Doc.: GA52/EC51/REC164/18

RECOMMENDATION 164/2018 *

“Development and Support of the Small Business Enterprises in the BSEC Member States”

1. The Parliamentary Assembly of the Black Sea Economic Cooperation (PABSEC) states that the development of small business enterprises is an important indicator of the success of market reforms, of the level of effectiveness of a competitive economy and one of the key factors for the sustainable economic development in the BSEC Member States.
2. The PABSEC is aware of the socio-economic role of small business enterprises in reducing social tension, creating new jobs and recognizes the importance of small entrepreneurship in shaping market infrastructure, stimulating the development of market relations, and saturating the market with goods and services.
3. The Parliamentary Assembly considers that the activities of small business enterprises make a significant contribution to meeting the important economic challenges in the BSEC Member States, like achieving stable economic growth and accelerating its pace, enhancing competition in the economy, increasing the innovative potential of various industries, diversifying the economy, addressing unemployment problems and disparities in socio-economic development of regions.
4. The Assembly highly appreciates the methods of state regulation and support to small business enterprises in the BSEC Member States implemented through the liberal legislation, the development and implementation of target programs in financial, technological, informational and human capacity-building.

* The Assembly debate on 27 November 2018 (see Doc.: GA52/EC51/REP/18, Report of the Economic, Commercial, Technological and Environmental Affairs Committee “Development and Support of the Small Business Enterprises in the BSEC Member States” discussed in Kyiv on 26 September 2018; Rapporteur: Mr. Vahe Enfiadjyan – Armenia)

Text adopted by the Assembly in Yerevan on 27 November 2018.

5. The PABSEC notes that the “Economic Agenda: towards an Enhanced BSEC Partnership” (adopted in Istanbul on 26 June 2012) attributes special importance to the SME sector in the Black Sea region. The Goal 9 of the Economic Agenda “Support for the Sustainable Development of the SME Sector” calls for taking certain strategic measures.
6. The PABSEC considers that achievement of progress in the implementation of small business projects in the BSEC Member States requires innovative financing solutions, including a more active involvement of the Black Sea Trade and Development Bank (BSTDB), as well as other financial institutions. The PABSEC expresses the hope that the BSTDB takes active part in the implementation of regional projects for developing and supporting competitive small business enterprises.
7. Reaffirming the importance of the role of the private sector, including small and medium-sized enterprises, as well as public and private partnerships as a driving force for strengthening economic cooperation in the Black Sea region, the PABSEC welcomes their participation in the development and implementation of concrete projects of common interest for the BSEC Member States.
8. The PABSEC attaches great importance to the role of the business communities of the BSEC Member States in promoting economic cooperation and strengthening of small business enterprises and highly appreciates the contribution of the BSEC Business Council in accelerating the business cooperation and promoting innovation. The PABSEC looks forward to the increase of the role of the Council in the future in facilitating identification and elimination of trade barriers, as well as removing obstacles to small entrepreneurship and investments that contribute to strengthening economic and trade integration and creating a favourable business and investment climate in the Black Sea region.
9. Therefore, **the Assembly** recommends that the Parliaments and the Governments of the PABSEC Member States:
 - i. *take steps* to implement an overall strategy for the development and support of small business enterprises and to pursue policies in accordance with the priorities identified in the BSEC Economic Agenda in this direction;
 - ii. *encourage* the development of programs to support small business enterprises, including special financial schemes, export credit guarantees, support for export marketing and exhibitions;
 - iii. *support* the activities of export-oriented small business enterprises, promote their trade, scientific, technical, informational, industrial relations with other states;
 - iv. *develop* more efficient crediting system for small business enterprises, support microfinancing institutions and create favourable conditions for their development;
 - v. *promote* the establishment of links between scientific institutions engaged in innovative development, small entrepreneurship and mass production enterprises;
 - vi. *pay attention* to the simplified process of establishment and registration of small business enterprises and granting them legal entity status;
 - vii. *pave the way* towards the reduction of the tax burden on small business enterprises, stimulate the development of production and expand these organizations;
 - viii. *stabilize* the current taxation system and strive to simplify and to change complex and time-consuming tax schemes into simpler ones. The simpler the calculation of taxes, the less are the tax violations;

- ix. *improve* tax legislation in order to make tax laws more transparent, expand the tax base, reduce tax rates, ensure tax neutrality in relation to certain categories of taxpayers;
- x. *create* preferential conditions for the use by small business enterprises of state financial, logistical and information resources, as well as research, development and technologies;
- xi. *take* practical measures for further development and increase of effectiveness of the business incubator system for start-up entrepreneurs and innovative small enterprises;
- xii. *organize* special training programs for vocational training, retraining and improving professional skills for employees in small business enterprises;
- xiii. *assist in* the creation of infrastructural facilities to support small business, focused on helping newly created small business entities;
- xiv. *create* a single database of potential investors and exporters in the BSEC Member States in order to facilitate the exchange of information and experience and attract investment;
- xv. *launch* a joint project under the auspices of the BSEC to identify export barriers faced by small enterprises in the Member States and with the aim to remove such barriers and develop policy proposals/recommendations in this field in each country;
- xvi. *encourage* the Black Sea Trade and Development Bank to attract resources from both the Member States and international financial institutions that encourage the implementation of small business projects in the BSEC Member States;
- xvii. *contribute* to the efforts of the BSEC countries to expand multilateral cooperation in the field of small business development and support the work of the BSEC Working Group on SMEs.

10. **The Assembly invites** the BSEC Council of the Ministers of Foreign Affairs to consider this Recommendation.