



**Committee on Economic and Financial Affairs, Social Affairs and Education of
the Parliamentary Assembly of the Union For the Mediterranean**

Meeting

Friday, 22 November 2013

(10:00 – 18:00)

Istanbul (Turkey)

MINUTES

The Committee on Economic and Financial Affairs, Social Affairs and Education of the Parliamentary Assembly of the Union for the Mediterranean held its meeting on 22 November 2013 in Istanbul (Turkey). The meeting was chaired by Mr. Ali ERÇOŞKUN, Member of the Turkish Grand National Assembly,

Attended the meeting:

- The Head of the Turkish Delegation of PA-UfM, Ass.Prof.Dr. Ms. Zeynep Armağan USLU
- The Chairman of the Committee: Mr. Ali ERÇOŞKUN, member of the Turkish Grand National Assembly.
- The Vice -Chairwoman of the Committee: Ms. Ines Ayala SENDER, Member of the European Parliament.
- The Vice -Chairman of the Committee: Mr. Ouadia BENABDELLAH, Member of the Kingdom's Parliament of Morocco.
- Members of the Committee: Cristina GUTIERREZ CORTINES (Spain), Santiago FISAS AYLXELA (Spain), Mario DAVID (Portugal), Imre SOOAAR(Estonia), Hakima FASLY

(Morocco), Fatna EL-K'HIEL (Morocco), Soraya RODRIGUEZ (Spain), Ulrik Nilsson (Sweden), Ina DRUVIETE (Latvia), Tibor SZANYI (Hungary), Samu BEVK (Slovenia), Zied LADHARI (Tunisia), Chokri ARFAOUI (Tunisia), Romthane DOGHMANI (Tunisia), Rodina ALATTI(Jordan), Haitham ALABBADI (Jordan), Moh'd ALBARAISEH (Jordan)

- Observers: Marie ROMANI (France), Network of Marine Protected Areas in the Mediterranean, Edgardo Maria IOZA, Member of the European Economic and Social Committee.

- Speakers:

- Ms. Annie CORDET-DUPOUY, Sabaudia Consultant Company
- Ms. Selma TEZYETIS, Vice-Chairwoman, Republic of Turkey Small and Medium Enterprises Development Organization (KOSGEB)
- Ms. Şebnem AVŞAR KURNAZ, Deputy Director General of Ministry of General Directorate Family and Social Politics
- Mr. Alper OĞUZ, Senior Financial Sector Specialist, World Bank, Ankara

The meeting discussed the following points:

Item 1: Opening of proceedings:

- Welcoming speech by:

Mrs. Ass. Prof. Dr. Zeynep ARMAĞAN USLU, Head of the Turkish Delegation, Deputy for Şanlıurfa. Pointed out current situation in Syria and criticized international community for not endeavoring for a solution. Stressed that Turkey would continue to host the Syrian refugees.

- Opening speech by:

Mr. Ali ERCOŞKUN, Chairman of the Committee, Deputy for Bolu. The Chairman welcomed the participants, and expressed his deep regret for the former Energy Committee Vice-Chair and former Palestinian deputy Mr. Abu Ayyash, who passed away in June 2013. Recalled the Committee on Political Affairs, Security, and Human Rights meeting held in Brussels in 7th November 2013 and stated that the video image on Syrian people and discussions on the situation of Syria at this meeting was heart-wrenching. Underlined that Turkey and Jordan have taken great responsibilities for Syrian refugees.

Item 2: Adoption of the Draft agenda:

The draft agenda was adopted without modification.

Item 3: Approval of the minutes of the previous meeting:

The minutes of the meeting of the Committee was approved without modification.

Item 4: Exchange of views on “Financing of small and medium sizes enterprises”:

- Ms. Annie CORDET-DUPOUY stressed the importance of the theme "SME's," and clarified the definition of SME's. Focused on access to finance, and in particular to the situation of partially or totally informal enterprises. Acknowledged that informal enterprises represent a significant part of the economy and stated that they are present in all sectors of the economy, and their conversion to formal is a major challenge.

- Ms. Selma TEZYETIS mentioned that 78% of employment in Turkey is provided by SME's and KOSGEB has 88 service centers, 38 technology development centers, 69 R&D, Innovation Cooperation. Explained the KOSGEB support programs for SME's such as Project Support Program, Thematic Project Support Program, Cooperation Collaboration Support Program, R&D, Innovation and Industrial Implementation Support Program, Entrepreneurship Support Program, General Support Program.

Item 5: Exchange of views on “Microfinance and its role in the Mediterranean”:

- Mr. Alper OĞUZ explained that access to financial services for the poor is insufficient. Added three quarters of the world's poor lack a bank account because of poverty, costs, travel distances, and the often burdensome requirements involved in opening an account. Stressed that only 25 percent of adults earning less than \$2 a day have saved at a formal financial institution. Underlined that being “unbanked” is linked to income inequality: the richest 20 percent of adults in developing countries are more than twice as likely to have a formal account. Focused on improving access to finance has a positive impact on :

- Household access, which helps families build assets, manage risks, and smooth consumption.
- Micro, small, and medium enterprises (MSMEs), which are, collectively, the largest employers in many low income countries. About 200 million formal and informal businesses in developing countries lack the financing they need to grow.

- Spurring growth and reducing inequality, which is aided by integrated and universal financial systems.

Defined financial inclusion as households and businesses have access and can effectively use appropriate financial services. Such services must be provided responsibly and sustainably, in a well regulated environment. Explained constraints to financial access and microfinance such as underdeveloped financial infrastructure, underdeveloped regulatory framework, nascent consumer protection and financial education, and limited product offering and delivery channels. Noted that there are presently two non-bank institutions that are authorized to offer microcredit; Maya Enterprise for Microfinance

(“Maya”) and Turkish Grameen Microfinance Program (“TGMP”) and these MFIs (Maya and TGMP) have around 54,000 active borrowers, US \$ 20.8 million active loan portfolio and US \$ 2.6 million deposits by 2012 year end.

- Ms. Şebnem AVŞAR KURNAZ indicated that various tools are used in the fight against poverty in Turkey. Entrepreneurship, agriculture and livestock projects are of utmost importance and poor people are supported financially in order to establish their own business.

- **Date and place of next meeting:**

At the end of the meeting, the Chairman of the Committee informed the members of the possibility to hold the next meeting at the headquarters of the Union for the Mediterranean in Barcelona in January of 2014.