



ORGANIZATION OF THE BLACK SEA ECONOMIC COOPERATION
Permanent International Secretariat

25 November 2024

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**REPORT OF THE
MEETING OF THE BSEC WORKING GROUP
ON BANKING AND FINANCE**

Online, 25 November 2024

1. The Meeting of the BSEC Working Group on Banking and Finance was held online on 25 November 2024.
2. The Meeting was chaired by Ms. Veronika AVTANDILYAN, Political Officer, Permanent Mission of the Republic of Armenia to the Organization of BSEC.
3. Opening remarks were made by:

Ms. Veronika AVTANDILYAN, on behalf of the Armenian BSEC Chairmanship-in-Office;

Ambassador Dimitrios RALLIS, Deputy Secretary General of the BSEC PERMIS.
4. The Meeting was attended by the following BSEC Member States:

Republic of Armenia
Republic of Azerbaijan
Georgia
Hellenic Republic
Russian Federation
Republic of Türkiye
Ukraine
5. The representatives of the Parliamentary Assembly of BSEC (PABSEC), BSEC Business Council (BSEC BC) and the Black Sea Trade and Development Bank (BSTDB) attended the Meeting as the BSEC Related Bodies.
6. The List of Participants in the Meeting is attached as **Annex I**.

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AGENDA ITEM 1: ADOPTION OF THE AGENDA

7. The Draft Agenda of the Meeting was considered and adopted. The Agenda, as adopted, is attached as **Annex II**.

AGENDA ITEM 2: IMPLEMENTATION OF THE UPDATED BSEC ECONOMIC AGENDA “TOWARDS A SUSTAINABLE FUTURE OF THE WIDER BLACK SEA AREA”

8. The BSEC PERMIS informed the Working Group on the “*BSEC Economic Agenda: Towards a sustainable future of the wider Black Sea area*”, adopted by the BSEC Council of Ministers of Foreign Affairs (BSEC Council) on 15 December 2023, the Decision on Implementation of the BSEC Economic Agenda, adopted by the BSEC Council on 28 June 2024, and the content of Goal 10 of the BSEC Economic Agenda (*Closer Cooperation in the Field of Banking and Finance*).

9. The Working Group discussed the modalities of cooperation in the respective area in accordance with the provisions of the above-mentioned Goal.

AGENDA ITEM 3: REVIEW OF THE RECENT DEVELOPMENTS IN THE BANKING AND FINANCE SECTORS IN THE BSEC MEMBER STATES (ANTI-CRISIS MEASURES, REFORM POLICIES AND AGREEMENTS CONCLUDED OR UNDER DISCUSSION)

10. The Working Group considered the Agenda Item and agreed on usefulness to continue the discussion on the recent developments and activities in the respective field at its next meetings with a view to consider the possible prospects of cooperation among the Member States.

AGENDA ITEM 4: EXPLORING WAYS FOR DEVELOPMENT OF FINANCIAL TECHNOLOGIES IN THE BSEC MEMBER STATES AND FOR THE POSSIBILITIES TO COOPERATE IN THE RESPECTIVE AREA

11. The representative of the Republic of Azerbaijan informed the Working Group on the Fintech ecosystem developed in the respective country, role of the Central Bank of the Republic of Azerbaijan played in this, as well as initiatives towards further digitalization of the banking and finance sector in the country.

12. The representative of Georgia shared information with the participants on the state of affairs with regard to Fintech development in Georgia, highlighting also the positive role Fintech may play in acceleration of the trade and transportation processes in the region.

13. The representative of the Hellenic Republic stressed the importance of Fintech for the future of banking sector and highlighted the necessity to further develop new startups. Need for rules and regulations was also mentioned as the technology, including Artificial Intelligence, has become an indispensable part of the sector. Reference to the “Hub Fintech” project of the Bank of Greece was made during the intervention as well (<https://www.bankofgreece.gr/en/main-tasks/supervision/fintech-innovation-hub>).

14. The Working Group, recognized the interest in developing knowledge sharing activities and exchange of best experiences and practices in the respective area and instructed the BSEC PERMIS to examine the possibilities for multilateral dialogue events on the topic for the BSEC region.

AGENDA ITEM 5: PROMOTING DEVELOPMENT OF FINANCIAL EDUCATION AND THE IMPLEMENTATION OF STRATEGIES TO IMPROVE FINANCIAL LITERACY IN THE BSEC MEMBER STATES

15. The delegations of the Republic of Azerbaijan, Georgia and the Hellenic Republic informed the Working Group on the state of affairs with regard to promotion and development of financial education in their respective countries, highlighting importance of financial education both for banking and finance sectors representatives and for general public.

16. The Working Group, instructed BSEC PERMIS to examine the possibilities for organizing multilateral events aiming at development of knowledge sharing and exchange of best experiences and practices in the respective area in the BSEC region.

AGENDA ITEM 6: NATIONAL DIGITAL CURRENCIES IN THE BSEC MEMBER STATES

17. The representative of Georgia informed the Working Group on the recent and current activities implemented in the respective country with regard to introducing national digital currency, characterizing it as a technically driven innovation able to further develop the banking and financial system. It was mentioned that, the White Paper of Georgian national digital currency (CBDC) is expected to be ready by the first half of 2025.

18. The representative of the Hellenic Republic reminding that his country is in Euro Zone informed that the digital Euro is expected to be released by the end of 2025.

AGENDA ITEM 7: RECENT ACTIVITIES OF THE BLACK SEA TRADE AND DEVELOPMENT BANK (BSTDB) TOWARDS SUPPORTING ECONOMIC DEVELOPMENT AND REGIONAL COOPERATION IN THE BSEC AREA

19. Ms. Larisa MANASTIRLI, Director, Financial Institutions, BSTDB, delivered a presentation on “Recent activities of the BSTDB towards supporting economic development and regional cooperation in the BSEC area”. The presentation is attached as **Annex III**.

AGENDA ITEM 8: ANY OTHER BUSINESS

20. The Working Group invited interested Member States to consider submitting an application for assuming the Country-Coordination of the BSEC Working Group on Banking and Finance which is currently vacant.

AGENDA ITEM 9: DATE AND VENUE OF THE NEXT MEETING

21. The date and venue of the next Meeting of the Working Group will be communicated through diplomatic channels in due course.

AGENDA ITEM 10: ADOPTION OF THE REPORT OF THE MEETING

22. The Working Group adopted the Report for its submission to the Committee of Senior Officials and the Council of Ministers of Foreign Affairs for their consideration.