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COMMITTEE ON ECONOMIC COOPERATION AND INTEGRATION

Second session
Geneva, 5-7 December 2007

**REPORT OF THE COMMITTEE
ON ECONOMIC COOPERATION AND INTEGRATION
ON ITS SECOND SESSION**

Summary

At its second session, the Committee on Economic Cooperation and Integration: reviewed the implementation of its Programme of Work (paras. 8-20); invited the secretariat to continue its demand-driven capacity-building activities and requested the Member States to support those with extrabudgetary contributions (paras. 34, 36); established the Team of Specialists on Public-Private Partnerships (para. 40); adopted its Programme of Work for 2008 and supported the general orientation of the work in 2009 and beyond (para. 41); discussed and agreed on the expected accomplishments for the 2008-2009 biennial performance evaluations, and on the draft 2010-2011 strategic framework (para. 42); and decided that its third session would take place from 3 to 5 December 2008 (para. 44).

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I. ATTENDANCE

1. The Committee on Economic Cooperation and Integration held its second session on 5-7 December 2007. Representatives of the following countries participated in the session: Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Finland, France, Germany, Greece, Israel, Kazakhstan, Poland, Portugal, Moldova, Montenegro, Serbia, Romania, Russian Federation, Slovakia, Slovenia, Switzerland, The former Yugoslav Republic of Macedonia, Turkey, Ukraine, United States of America and Uzbekistan.
2. Representatives of the United Nations Institute for Disarmament and Research (UNIDIR) and the European Community also participated.
3. The following non-governmental organizations, experts and private companies took part in the session: Association of Entrepreneurial Organizations of Russia (OPORA), Marketing Research Foundation (Russian Federation), Centre for Science Research and Statistics (Russian Federation), Foundation for Assistance to Small Innovative Enterprises (Russian Federation), Institute of Scientific, Technical and Economic Information (Ukraine), Institute for Economics and Forecasting (Ukraine), University of Economics (Czech Republic), Chamber of Commerce (United States of America), University of Missouri (United States of America), Microsoft Europe and Port of Rotterdam (the Netherlands).

II. ADOPTION OF THE AGENDA (Agenda item 1)

Documentation:

Provisional agenda for the second session (ECE/CECI/2007/1)

4. The UNECE Executive Secretary welcomed the Committee's second session and highlighted major challenges facing the economies of the region in the area of innovation and competitiveness. He noted that the activities of the Committee aimed at building competencies of Member States benefit from contributions of networks of experts investing their knowledge and experience into the dissemination of information on good practices and policy advice to Governments. He also emphasized the relevance of the Committee's activities for the other regional commissions and welcomed sharing of outputs among the interested institutions of the United Nations system.
5. In his introductory remarks, the Chairperson highlighted the major outputs delivered since its first session and drew the attention of delegations to the needs to strengthen the participation in the Committee of the Governments of developed Member States as well as to match the capacity-building projects with adequate extrabudgetary resources.
6. The Committee adopted the provisional agenda, as contained in document ECE/CECI/2007/1.

III. MATTERS ARISING FROM THE SIXTY-SECOND SESSION OF THE COMMISSION (Agenda item 2)

Documentation:

Matters arising from the sixty-second session of the Commission (ECE/CECI/2007/CRP.1)

7. The secretariat informed the session on the outcome of the sixty-second session of the Commission and the subsequent decisions of the Executive Committee having implications for the work of the Committee on Economic Cooperation and Integration. The Committee took note of this information.

IV. STATUS OF PROGRAMME IMPLEMENTATION (Agenda item 3)

A. Creating a supportive environment for innovative development and knowledge-based competitiveness (Agenda item 3 (a))

Documentation:

Report of the Annual Meeting of the Team of Specialists on Innovation and Competitiveness Policies (ECE/CECI/ICP/2007/2)

Synopsis of good practices in facilitating the generation and diffusion of innovation (ECE/CECI/2007/3)

8. The secretariat introduced the work accomplished under this thematic area since the first session, including the preparation of a comparative review on creating a conducive environment for higher competitiveness and effective national innovation systems. Several delegations noted with appreciation the outputs produced by the Team and their relevance for the related decision-making.

9. The Committee took note of the results of the work of the Team of Specialists and the progress achieved in the implementation of this subprogramme.

B. Facilitating the effective regulatory protection of intellectual property rights and strengthening their role in innovative development (Agenda item 3 (b))

Documentation:

Reports of the Annual Meetings of the Team of Specialists on Intellectual Property (ECE/CECI/IP/2006/1 and ECE/CECI/IP/2007/2)

Report of the International Conference on intellectual property rights protection and transforming research and development outputs into intangible assets in economies in transition (ECE/CECI/IP/CONF.1/2007/2)

Synopsis of good practices and good policies of intellectual property commercialization and protection in the UNECE member countries with the aim to identify specific areas of action (ECE/CECI/2007/4)

10. The secretariat introduced the work accomplished under this thematic area since the first session, including the work on a comparative review on the commercialization of intellectual assets. Several delegations supported the activities under this thematic area and proposed a number of topics to be addressed in the future. Among those were the use of intellectual property rights (IPR) as a tool for fair competition policy as well as ways and means of raising the IPR culture and awareness among SMEs and government officials.

11. The Committee took note of the results of the work of the Team of Specialists and the progress achieved in the implementation of this subprogramme.

C. Promoting an enabling environment for entrepreneurship and small and medium-sized enterprises development (Agenda item 3 (c))

Documentation:

Report of the International Conference on reducing barriers to entrepreneurship and encouraging enterprise development: policy options (ECE/CECI/2007/5)

Review of policy approaches for solving problems in legal and institutional frameworks which hinder entrepreneurship and enterprise development (ECE/CECI/2007/6)

12. The secretariat introduced the work accomplished under this thematic area since the first session and presented the recommendations of the International Conference on reducing barriers to entrepreneurship and enterprise development. Several delegations supported the activities under this thematic area. One of the subjects to be tackled in the future could be capacity building in the area of pre-venture capital financing of start-ups, as well as assistance to overcoming the enterprise development barriers specific to small and medium-sized enterprises (SMEs), for example through setting up multilingual databases and search tools, so that SMEs could find the innovative solutions and potential international partners more easily.

13. The Committee took note of the results of the work under this thematic area and the progress achieved in the implementation of the related subprogramme.

D. Promoting an enabling environment for efficient financial intermediation in support of innovative development (Agenda item 3 (d))

Documentation:

Report of the Meeting of Experts on Financing for Innovative Development (ECE/CECI/FID/2007/2)

Synopsis of good practices in financial intermediation in support of innovation and knowledge-driven development (ECE/CECI/2007/7)

14. The secretariat introduced the work accomplished under this thematic area since the first session, including the comparative review of the experiences of UNECE countries in early-stage financing. Several delegations supported the activities under this thematic area and emphasized their relevance for catching-up economies. The role of the public sector in developing the early stage financing for start-ups was emphasized.

15. The Committee took note of the results of the work under this thematic area and the progress achieved in the implementation of the related subprogramme.

E. Promoting best practice in efficient public-private partnerships (Agenda item 3 (e))

Documentation:

Report of the International Conference on knowledge sharing and capacity-building on promoting successful public-private partnerships in the UNECE region (ECE/CECI/2007/8)

Summary of the Guidelines to promoting good governance in public-private partnerships (ECE/CECI/2007/9)

16. The secretariat introduced the work accomplished under this thematic area since the first session, including the comparative review of practical experiences of public-private partnerships (PPPs) accumulated so far in the market and transition economies. Several delegations thanked the Government of Israel for organizing the International Conference on knowledge sharing and capacity-building on promoting successful public-private partnerships in the UNECE region. A number of Member-States shared national experiences in PPPs, supported the activities under this thematic area and welcomed the proposal to establish a Team of Specialists on Public-Private Partnerships.

17. The Committee took note of the results of the work under this thematic area and the progress achieved in the implementation of the related subprogramme.

F. Discussion of interlinkages between various thematic areas placed on the CECI Programme of Work, as well as of capacity-building activities (Agenda item 3 (f))

Documentation:

Progress report on related capacity-building activities (ECE/CECI/2007/10)

18. The secretariat introduced this item and presented the progress report on related capacity-building activities. The Committee listened to the presentations by the secretariat on the following cross-cutting topics of relevance to the CECI Programme of Work: environmental policy and international competitiveness in a globalizing world; activities of the Working Party on Regulatory Cooperation and Standardization Policies (WP.6) and in particular the outcome of its international capacity-building seminar on product safety and counterfeits; the UNECE

capacity-building project for the sustainable development of biomass production and marketing in the UNECE region; and gender aspects of business environment and knowledge-based competitiveness in the UNECE region.

19. The Committee took note of the cross-cutting activities within UNECE of relevance to its programme implementation and the progress report on related capacity-building activities.

**G. Progress report on CECI virtual platform for exchange of information
(Agenda item 3 (g))**

20. The secretariat reported on the progress achieved in setting up and expanding the CECI virtual platform for exchange of information. The Committee took note of this progress report and welcomed this platform as an innovative tool of the programme implementation.

**V. POLICY DISCUSSION SEGMENT ON FOSTERING WIDER AND DEEPER
INTERNATIONAL ECONOMIC INTEGRATION IN THE UNECE REGION
(Agenda item 4)**

21. The Policy Discussion Segment was organized as a panel discussion with representatives of Governments, integration structures and the business community. The Chair's summary of the Policy Discussion Segment is presented under agenda item 7.

**VI. DISCUSSION OF THE DRAFT PROGRAMME OF WORK FOR 2008 AND
GENERAL ORIENTATION OF THE WORK IN 2009 AND BEYOND
(Agenda item 5)**

Documentation:

Draft Programme of Work for 2008 and general orientation of the work in 2009 and beyond (ECE/CECI/2007/11)

22. The Committee considered its Programme of Work on the basis of experience gained in 2006–2007. The decisions on the Programme of Work for 2008-2009 and beyond are presented under agenda item 8.

**VII. PERFORMANCE EVALUATION OF THE SUBPROGRAMME
FOR 2008-2009 (Agenda item 6)**

Documentation:

Planning for the performance evaluation of the 2008-2009 Programme of Work (ECE/CECI/2007/12)

23. The secretariat introduced this item and brought to the attention of the Committee the modalities of planning for the performance evaluation of the 2008-2009 Programme of Work. The decision on this item is presented under item 8 of the agenda.

VIII. PRESENTATION OF THE CHAIR'S SUMMARY OF THE POLICY DISCUSSION SEGMENT (Agenda item 7)

24. The Policy Discussion Segment under Item 4 of the Agenda addressed the topic “Regional Economic Integration and Internationalization of Business Activity: Challenges and Opportunities for Innovative and Competitive Industries in the UNECE Region”.

25. The Committee on Economic Cooperation and Integration was honoured by the participation of a high-level panel, including seven distinguished representatives of Member States' Governments, integration organizations and the business community.

26. The Policy Discussion Segment addressed some important issues related to the links between the internationalization of business activity and opportunities for promoting innovative development and higher competitiveness of countries and industries in the UNECE region, such as:

- (a) The experiences of key stakeholders in promoting international economic cooperation conducive to innovative and competitive businesses and sustainable development;
- (b) The role of innovative multinationals for the diffusion of innovation in the region and, in particular, the experiences of internationalization strategies based on strategic partnerships and support to local innovative businesses;
- (c) The existing obstacles to wider and deeper internationalization of business activity in the UNECE region;
- (d) Policy options for Member States' Governments to remove these obstacles and facilitate internationalization;
- (e) The role of small and medium enterprises in the internationalization of business activity in the UNECE region;
- (f) The experiences of Member States' Governments in supporting the internationalization of business activity and promoting international economic cooperation and integration;
- (g) The experiences of the European Union and, in particular the prospects for regulatory convergence within the context of the European Neighbourhood Policy; and
- (h) The role of public-private partnerships for the wider internationalization of business activity and deeper international economic integration.

27. The panellists and the participants in the Policy Discussion Segment made some concrete proposals for fostering wider and deeper international economic integration in the UNECE region that are relevant for the work of CECI, such as:

- (a) Partnerships are at the heart of any collaborative work, be it at the national or international level. This concerns the links between private and public sectors, between SMEs and large enterprises, and those between public research organization and industry. A strong international dimension is a fundamental component of these linkages. UNECE, in particular CECI, has an important role in promoting partnerships in the region in all thematic areas of its work.
- (b) CECI should continue to work closely together with Governments and the business community to help them identify shared objectives in its focus areas, in particular in promoting innovation and competitiveness, reducing the barriers to entrepreneurship, infrastructure development, etc.

- (c) A general agreement among key stakeholders on priorities and a strategic vision are key ingredients of successful and consistent policies at the national level but also of partnerships at different levels. Factoring in the international experiences through an intergovernmental policy dialogue in multilateral organizations, such as UNECE, can be helpful in this regard.
- (d) Support to specific industries is unlikely to be effective in the modern globalized economy. Horizontal policies that target elements with a general positive influence on competitiveness and innovation (such as research and development (R&D), tax policies, etc.) are more effective. This should be reflected in CECI's policy-related work on promoting internalization and knowledge-based development.
- (e) Recognizing the value of protecting intellectual property through adequate legislation is critical for promoting innovative industries. It is also a key factor for attracting foreign direct investment in the catching-up economies. CECI has an important role in promoting a dialogue between all stakeholders, in helping a better mutual understanding of the objectives of governments and the private sector, and identifying shared policy and social concerns and objectives.
- (f) CECI can also help the policy dialogue on promoting collaboration and linkages between public research organizations and the private sector, which is a key driver of innovation. There is a wide range of linkages in the modern economies, and an ongoing dialogue can help identify the most productive partnerships. The prevailing trend is that of a shift from publicly-funded innovation-related activities towards more business-funded R&D.
- (g) All stakeholders of knowledge-based development need more and better information in order to contribute to a more efficient policymaking process. CECI can also be instrumental in spurring the international exchange by all stakeholders of relevant information of joint interest and concern on new policy and business initiatives conducive to knowledge-driven development.
- (h) CECI can have a role to play in promoting a number of initiatives facilitating and promoting knowledge-based development in the UNECE region, such as training and related services, information-sharing initiatives involving the business community and governments, consumer-led initiatives promoting innovation, as well as broader initiatives improving the economic and business environment.
- (i) CECI should promote wide dissemination of the experiences and good practices in the UNECE region in the establishment of seed-and-breed innovation support institutions (science/technology parks, centres of excellence, technology incubators, innovation centres, etc.) and also in promoting linkages between large firms and SMEs (including the promotion of clusters, corporate venture capital, etc.).
- (j) Regulatory harmonization is an important driver of international economic cooperation. Both UNECE and the European Commission have positive experience in this area. CECI could be instrumental in promoting further international regulatory harmonization in the UNECE region based on successful experiences.
- (k) CECI can contribute to mobilizing support to the internationalization and innovative capacity of SMEs, including with the assistance of established private associations, which would be important in helping SMEs become more competitive. In particular, facilitating cooperation between different national and international business associations on the ways and means of building the capacity of SMEs to contribute

more to innovation may lead to important policy and information-sharing initiatives, including cross-border ones.

- (l) International economic cooperation and higher competitiveness are facilitated by good transport connections and infrastructure. As part of its mandate CECI should promote initiatives and good practices facilitating the development of international and national transport connections and infrastructure, in particular through PPPs.

28. The Committee extended its gratitude to the panellists for their valuable contribution to the discussion and the useful and practical suggestions for fostering wider and deeper international economic integration in the UNECE region. The Committee thanked especially the Moderator Mr. Constantin Ciupagea, State Counsellor, Department for Economic Policies of Romania, for skilfully steering the discussion and for his valuable summary of its main conclusions. The Committee also expressed appreciation for the efforts of the secretariat in organizing this policy discussion on an interesting and highly relevant topic.

29. The Committee took note of the interesting issues raised during the Policy Discussion Segment and the proposals regarding the work of UNECE and CECI and invited the Bureau together with the secretariat to take them into account in the future work of CECI.

30. The Committee took note of the Chair's summary of the Policy Discussion Segment and comments from Member States.

31. In the context of the Policy Discussion Segment, several delegations highlighted ongoing work of various regional integration organizations, which promote economic cooperation and internationalisation of business activities within the UNECE region, in particular EU and EurAsEC, and suggested that CECI could continue providing a platform for exchange of their good practices.

IX. ADOPTION OF CONCLUSIONS AND DECISIONS, INCLUDING THOSE ON THE PROGRAMME OF WORK AND ON THE ESTABLISHMENT OF NEW TEAMS OF SPECIALISTS, IF REQUIRED (Agenda item 8)

32. The Committee expressed its appreciation of the work carried out since its first session as reflected in the documents submitted to the second session. It thanked the Teams of Specialists, networks of experts and other stakeholders for their active participation in its programme implementation. It also invited Member States who have not yet done so, to appoint their representatives to the Teams of Specialists or additional representatives to the Teams of Specialists if they deem necessary.

33. The Committee invited Member States to disseminate policy recommendations of expert meetings as well as major findings of synopses of good practices and other policy-relevant documents prepared under the thematic areas in their countries and use them in their policy- and decision-making process. It also asked the secretariat to apply these recommendations and findings when planning and organizing the respective capacity-building activities.

34. The Committee invited the secretariat to continue its demand-driven capacity-building activities within the available resources and its fund-raising efforts. When designing future

capacity-building projects, the secretariat should explore links between different thematic areas and seek synergies between the activities of various Teams of Specialists and networks of experts. It invited the members of the Teams of Specialists and network of experts to actively participate in capacity-building activities.

35. The Committee thanked the Government of Israel for hosting the International Conference on Knowledge Sharing and Capacity-Building on Promoting Successful Public-Private Partnerships in the UNECE Region (Tel Aviv, 5–8 June 2007) and invited other Member States to consider organizing capacity-building events in support of the Committee's work programme.

36. The Committee requested the Member States to support its capacity-building activities with extrabudgetary resources and in-kind contributions.

37. The Committee asked the secretariat to share experiences and the results of its work with the other regional commissions of the United Nations. It also asked the secretariat to further develop cooperation with other relevant international organizations in the implementation of its Work Programme, so as to develop synergies and facilitate transforming the results of normative work into capacity-building tools, including training materials and modules.

38. The Committee asked the secretariat to strengthen cooperation with other subprogrammes of UNECE to fully benefit from potential synergies.

39. The Committee took note of the progress report on the CECI Information Exchange Platform and welcomed it as an innovative tool of the programme implementation. The Committee invited Member States, in particular experts participating in the Teams of Specialists and expert networks, to actively contribute to its further development and make full use of its potential.

40. The Committee agreed to establish the Team of Specialists on Public-Private Partnerships as recommended by the International Conference on Knowledge Sharing and Capacity-Building on Promoting Successful Public-Private Partnerships in the UNECE Region with its Terms of Reference as contained in Annex I. It also recommended that the first meeting of the TOS should take place before the end of March 2008 so that the Team could contribute actively to the implementation of relevant parts of CECI work programme, capacity-building events to be held in 2008.

41. The Committee adopted its Programme of Work for 2008 and supported the general orientation of the work in 2009 and beyond as set out in Annex II. The Committee invited its Bureau in consultation with the Teams of Specialists and expert networks to develop proposals for the work programme for 2009-2010.

42. The Committee discussed and agreed on the expected accomplishments for the 2008-2009 biennial performance evaluations, and on the draft 2010-2011 strategic framework as set out in document ECE/CECI/2007/12. The Committee agreed that the Teams of Specialists should be involved in the evaluation process.

43. The Committee advised the office-bearers of the Teams of Specialists to participate, when feasible, in the meetings of its Bureau.

X. OTHER BUSINESS (Agenda item 9)

A. Dates of the next session (Agenda item 9 (a))

44. The Committee decided that its third session would take place on 3-5 December 2008 (Wednesday – Friday).

B. Procedures for future election of the Chair and Vice-chairs of the Committee (Agenda item 9 (b))

45. The secretariat briefed the Committee on the procedures in question. The Committee took note of this information.

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Annex I

Terms of Reference for the Team of Specialists on Public-Private Partnerships

A. Introduction

1. The Programme of Work of the Committee on Economic Cooperation and Integration envisages an expert group meeting to support the implementation of the Programme of Work in thematic area D, “Promoting Public-Private Partnerships for Domestic and Foreign Investment, as well as Intellectual Property Rights”.

B. Mandate

2. The Team of Specialists on Public-Private Partnerships supports the implementation of the parts of the Programme of Work of CECI related to Focus Area: “Promoting best practice in efficient public-private partnerships”. Its main task is to facilitate information sharing and exchange of practical experience of public-private partnerships among UNECE Member States and to contribute to the preparation, implementation and evaluation of a capacity-building programme for public and private sectors officials from catching-up economies on this topic.

3. On the basis of this work, the Team of Specialists is expected to prepare policy recommendations for consideration and possible adoption by CECI.

4. In its work, the Team of Specialists responds to the needs of governments, and takes into account the needs of the private sector, consumers, the academic and business communities, and civil society. It will also facilitate the cooperation with various international bodies working in this field, in particular the European Bank for Reconstruction and Development (EBRD) and the European Community.

C. Areas of work

5. To support CECI in achieving its relevant objectives, the Team of Specialists on Public-Private Partnerships will engage in the following activities:

- (a) Preparation of training materials to be used in future capacity-building activities, based on the Guidelines on Good Governance in PPPs prepared in 2007;
- (b) Defining a structure and format of the training modules on the institutional, financial, legal and policy requirements for good governance in PPPs, as well as sector-specific topics and contractual and negotiation issues;
- (c) Identifying experts and institutions who will be involved in the preparation and implementation of capacity-building activities;
- (d) Preparation of a comparative review on the legal background for PPPs, with the view of identifying where new legislation needs to be adopted to make these partnerships more efficient;
- (e) Preparation of a synopsis of policy recommendations on improving the legal background for PPPs, which will be submitted for consideration and possible adoption by CECI; and

- (f) Facilitating broad dissemination of good practices and policy options in the area of PPPs subject to the availability of extrabudgetary resources, facilitating and contributing to the organization of a capacity-building event in conjunction with an international conference on sharing of national experiences on PPPs.

D. Membership

6. The Team of Specialists on Public-Private Partnerships comprises government experts, in particular those working in national PPP units, as well as experts from the business community, relevant research and academic institutions and NGOs. National experts are nominated through the respective government authorities responsible for cooperation with CECI. In accordance with United Nations procedures, the Team of Specialists is open for participation of other experts from intergovernmental organizations, national and international business and research institutions and associations, who wish to contribute to the implementation of its work plan.

E. Modalities of operation

7. The Team of Specialists on Public-Private Partnerships operates in accordance with the Guidelines for the Establishment and Functioning of Teams of Specialists within the UNECE (ECE/EX/2).

8. The Team of Specialists is established for a period of two years with a possibility of extension, if so decided by CECI. The Committee may wish to modify the Terms of Reference as required.

9. Secretariat support to the Team of Specialists is provided by the UNECE secretariat. The Team of Specialists will develop its plan of work and reports to the annual session of the Committee on its implementation. At the end of the period, for which it has been established, the Team submits a full report on its accomplishments to the Committee.

10. Expenses associated with the implementation of the Team of Specialists' plan of work are supported through extrabudgetary contributions of Member States and other stakeholders (inter alia, the United Nations Development Account as far as capacity-building is concerned). The funds are to be provided, managed and used in accordance with United Nations rules and regulations.

* * * * *

Annex II

Programme of Work for 2008 and general orientation of the work in 2009 and beyond

I. Programme of Work for 2008

1. The content of the Programme of Work for 2008 is based on the decisions of the first session of the Committee on Economic Cooperation and Integration (CECI), 27-28 September 2006 (document ECE/CECI/2006/6). Modifications in formulations only reflect the results of the work in 2007, including the cases when activities or outputs were already carried out in 2007.
2. All capacity-building activities envisaged in the Programme of Work will be carried out in close cooperation with other relevant organizations and institutions operating in this field, including United Nations agencies, with a view to increasing synergies.

THEMATIC AREA A: STRENGTHENING THE COMPETITIVENESS OF MEMBER STATES' ECONOMIES BY PROMOTING THE KNOWLEDGE-BASED ECONOMY AND INNOVATION

Focus area: Creating a supportive environment for innovative development and knowledge-based competitiveness

Main activities and outputs:

- (a) Taking into account the results of 2007 activities, a comparative review of government policies facilitating technological development and innovation;
- (b) Annual meeting of the Team of Specialists on Innovation and Competitiveness Policies;
- (c) Synopsis of policy options for creating a supportive environment for innovative development (to be discussed at the annual session of CECI);
- (d) Following the annual session of CECI, broad dissemination of the findings by the secretariat, Governments, the private sector and other organizations/institutions in the interested UNECE Member States, to be followed by a non-mandatory monitoring of their implementation; and
- (e) Demand-driven capacity-building activities on selected aspects of innovative development and knowledge-based competitiveness, subject to the availability of extrabudgetary resources.

THEMATIC AREA B: FACILITATING THE DEVELOPMENT OF ENTREPRENEURSHIP AND THE EMERGENCE OF NEW ENTERPRISES

Focus Area: Promoting an enabling environment for entrepreneurship and SME development

Main activities and outputs:

- (a) Synopsis of good practices in promoting an enabling environment for entrepreneurship and SME development, taking into account the results of 2007 activities (to be discussed at the annual session of CECI);
- (b) Subregional capacity-building event in one of the interested Member States. Its focus will be determined in the light of the outcomes and recommendations of the International Conference on “Reducing Barriers to Entrepreneurship and Encouraging Enterprise Development: Policy Options” held in Geneva on 18 and 19 June 2007; and
- (c) Following the annual session of CECI, broad dissemination of the findings by the secretariat, Governments, the private sector and other organizations/institutions in the interested UNECE Member States.

THEMATIC AREA C: FACILITATING EFFECTIVE REGULATORY POLICIES AND CORPORATE GOVERNANCE, INCLUDING THOSE IN THE FINANCIAL SECTOR

Focus Area: Promoting an enabling environment for efficient financial intermediation in support of innovative development

Main activities and outputs:

- (a) Comparative review of the effects of government policies and regulation on financial intermediation supporting knowledge-driven development, taking into account the results of 2007 activities;
- (b) Expert group meeting on financing innovative enterprise in transition economies and the role of Governments, taking into account the results of 2007 activities;
- (c) Policy recommendations on improving the regulatory environment for the financing of innovation-related activities (to be discussed at the annual session of CECI); and
- (d) Following the annual session of CECI, broad dissemination of the findings by the secretariat, Governments, the private sector and other organizations/institutions in the interested UNECE Member States.

THEMATIC AREA D: PROMOTING PUBLIC-PRIVATE PARTNERSHIPS FOR DOMESTIC AND FOREIGN INVESTMENT, AS WELL AS INTELLECTUAL PROPERTY RIGHTS

Focus Area: Facilitating the effective regulatory protection of intellectual property rights and strengthening their role in innovative development

Main activities and outputs:

- (a) Based on 2007 work, a guidebook on commercialization strategies for intellectual property products in the UNECE member countries;
- (b) Ongoing exchange of experience gained on intellectual property rights protection and commercialization, possibly through interactive seminars in Member States or regional events;
- (c) Specific targeted seminars on request in identified areas of need for the UNECE countries with economies in transition, subject to the availability of extrabudgetary resources;
- (d) Capacity-building activities based on specific requests of Member States, subject to the availability of extrabudgetary resources; and
- (e) Annual meeting of the Team of Specialists on Intellectual Property.

Focus Area: Promoting best practice in efficient public-private partnerships

Main activities and outputs:

- (a) Training materials on public-private partnerships (PPPs) based on the Guidebook prepared in 2007 to be used in capacity-building activities;
- (b) Comparative review on the legal background of PPPs, with the goal of identifying whether new legislation needs to be adopted to make them more efficient. The exact thematic focus of this output can be subject to further discussion by the Team of Specialists on PPPs;
- (c) First meeting of the Team of Specialists on PPPs;
- (d) Based on results of 2007 activities and Comparative review, a synopsis of policy recommendations on improving the legal background for efficient PPPs (to be discussed at the annual session of CECI). This work can be taken up by the Team of Specialists on PPPs, and its focus would be aligned to that of the Comparative review;
- (e) Following the annual session of CECI, broad dissemination of the findings by the secretariat, Governments, the private sector and other organizations/institutions in the interested UNECE Member States; and

- (f) Building on the results achieved in 2007, a capacity-building event, in conjunction with an international conference on sharing of national experiences in PPPs, to be funded mainly from resources available from the ongoing United Nations Development Account project “Public-Private Partnership Alliance Programme for Capacity-Building in Infrastructure Development and Provision of Basic Services”.

THEMATIC AREA E: OTHER RELEVANT ASPECTS OF INTERNATIONAL ECONOMIC COOPERATION AND INTEGRATION

Focus Area: Fostering wider and deeper international economic integration in the UNECE region

- (a) Policy discussion meeting at Committee level on fostering wider and deeper international economic integration in the UNECE region; and
- (b) Exchange of experience gained by SMEs aimed at improving their capacity to accede the globalizing market, including global and regional added value chains, integration in the supply chain, role and potential of outsourcing.

II. Programme of Work for 2009 and Beyond

3. The Programme of Work for 2009 will cover the same five thematic areas as in 2007-2008, namely:

- (a) Thematic Area A: Strengthening the Competitiveness of Member States’ Economies by Promoting the Knowledge-Based Economy and Innovation

Focus area: Creating a supportive environment for innovative development and knowledge-based competitiveness

- (b) Thematic Area B: Facilitating the Development of Entrepreneurship and the Emergence of New Enterprises

Focus Area: Promoting an enabling environment for entrepreneurship and SME development

- (c) Thematic Area C: Facilitating Effective Regulatory Policies and Corporate Governance, Including Those in the Financial Sector

Focus Area: Promoting an enabling environment for efficient financial intermediation in support of innovative development

- (d) Thematic Area D: Promoting Public-Private Partnerships for Domestic and Foreign Investment, as well as Intellectual Property Rights

- (i) Focus Area: Facilitating the effective regulatory protection of intellectual property rights and strengthening their role in innovative development
- (ii) Focus Area: Promoting best practice in efficient Public-Private Partnerships
- (e) Thematic Area E: Other Relevant Aspects of International Economic Cooperation and Integration
 - Focus Area: Fostering wider and deeper international economic integration in the UNECE region

4. In accordance with the Work Plan on UNECE Reform (document E/ECE/1434/Rev.1), the Executive Committee will review the Subprogramme on Economic Cooperation and Integration no later than in December 2008 with a view to assessing if the level of resources is appropriate and optimizing the programme if necessary. The secretariat and the CECI Bureau will provide the necessary information and inputs for this review.

5. The specific activities and outputs to be carried out in 2009 and beyond will be determined at the third session of CECI in December 2008 on the basis of the results of the work carried out in 2007-2008, the identified needs and requests of Member States, and the level of resources determined as a result of the review of the Subprogramme. In preparing proposals for the Programme of Work in 2009 and beyond to the Committee, the secretariat will consult with the members of the CECI Bureau, as well as with the Bureaus of the CECI Teams of Specialists and will take into account specific requests by Governments of Member States.

6. The CECI Terms of Reference stress the importance of capacity-building activities in the mandated areas of work. Starting from 2009, capacity-building activities in requesting countries/subregions will be assigned greater emphasis in the Programme of Work. In preparation for this, the results of normative work carried out during the 2007-2008 period will be translated into capacity-building and training materials/modules. This work will start already in 2008 and in 2009 it will be expanded to cover all thematic areas of the Programme of Work.

7. Interested members of the CECI Teams of Specialists and networks of experts will be invited to contribute to these capacity-building activities. The secretariat will also continue developing cooperation in capacity-building with other relevant international organizations. Possibilities for joined capacity-building activities will be further explored (building on experience gained in 2007-2008).

8. Given the increasing focus on capacity-building, the amount of policy development/normative work and the number of related reports and meetings in Geneva would need to be reduced. At the same time, policy development/normative work would continue in order to keep the CECI expert networks operational and continue to add new value in the form of soft regulation/policy recommendations based on exchange of experiences aimed at identification of best practice.

9. Therefore within each thematic area, the scope of policy development/normative work should be focused on a limited number of selected priority issues identified in the course of CECI

work in 2007-2008. In determining the thematic focus of specific activities/outputs for 2009 consideration could be given to the following:

- (a) Selected issues within thematic contents of the 2007-2008 Programme of Work, which may require further and more in-depth consideration;
- (b) Policies and approaches that promote competitiveness and innovative development at the regional (subnational) level;
- (c) Issues that may be better addressed at a “cross-border” level and through subregional cooperation; and
- (d) Specific topics, which link two or more of the five thematic areas in the CECI Programme of Work.

10. The implementation of the CECI Programme of Work for 2008-2009 and beyond will continue to be carried out in close cooperation with partner organizations operating in the UNECE region, in particular the United Nations Department of Economic and Social Affairs (UNDESA), United Nations Conference on Trade and Development (UNCTAD), United Nations Industrial Development Organization (UNIDO), United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), the European Commission (EC), Eurasian Economic Community (EurAsEC), Organisation for Economic Co-operation and Development (OECD), European Bank for Reconstruction and Development (EBRD), the World Bank, European Patent Office, World Intellectual Property Organization (WIPO), International Trade Centre of UNCTAD/WTO (ITC), World Customs Organization, among others. Drawing on its successful experience in 2007, the secretariat will also continue its efforts to actively engage the private sector in programme implementation and to stimulate a broad multi-stakeholder dialogue on issues addressed in the Programme of Work.

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