



Organization for Security  
and Co-operation in Europe



United Nations  
Economic Commission  
for Europe

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## SEMINAR

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### Forum “Public-Private Co-operation in Industrial Restructuring”

Almaty, Kazakhstan, 2-3 November 2004

#### Information Notice

##### Introduction

1. This information notice gives details regarding the organization and participation in the Forum “Public-Private Co-operation in Industrial Restructuring”, co-organized by the United Nations Economic Commission for Europe and the Organization for Security and Co-operation in Europe on invitation and in cooperation with the Government of Kazakhstan. The co-organizers of the Forum include the Kazakh Union of Economists, Almaty-based “TENIR Project” and Moscow-based “PACC Consulting i Audit”. The Forum will take place in Almaty, Kazakhstan, on 3 and 4 November 2004.

2. At advanced stages of market reforms, industrial restructuring becomes a major vehicle of adapting the industrial sector in transition economies to the challenges of modern world economy. The supportive legal, regulatory and institutional framework along with the adequate financing for restructuring have proved to be the major prerequisites of its progress. At the same time, the accumulated experience of developed market and transition economies shows that restructuring can bear the expected results when it benefits from an ongoing dialogue, participative decision-making and joint implementation effort of major stakeholders. The close cooperation of Governments, business operators, workers’ unions and public at large at national, regional and municipal levels assures that industrial restructuring is conducted in a socially-responsible way benefiting all strata of population.

##### Objectives and scope

3. The Forum will discuss the major issues of public-private cooperation in the course of industrial restructuring in the ECE region (including its transition economies), focusing on its regional and local aspects. In particular, this event will provide a platform for a dialogue between Government officials and the other social partners on ways and means to strengthen their collaboration. Special attention will be paid to

reconciling the Governmental regional development programmes with enterprise restructuring plans, and encouragement of local entrepreneurial initiative and SMEs.

4. Transition economies face a challenging task of giving a new start to the local economies in underdeveloped and depressed regions. Probably the most difficult part of it consists in restructuring industries in single-industry towns and areas. It is therefore important for Government, local administrations and entrepreneurs to exchange their views on handling jointly the economic, financial and social problems of restructuring, and discuss the potential of new business models, such as subcontracting and outsourcing, clustering etc. The exchange of views at the Forum, its materials and discussion papers are expected to facilitate the preparation of recommendations to government bodies dealing with industrial restructuring and issues of territorial development.

#### Venue

5. The Forum will take place at the Rahat-Palace (Hyatt Regency Almaty) hotel at the following address: Akademik Satpayev Avenue, 29/6, Almaty.

#### Organization

6. The Forum will take place on 2 and 3 November 2004. The registration of participants will start at 8.30 on 2 November. The Forum will start on the same day at 10.00 and finish on 3 November at 18.00. The Forum will be organized into the opening session, four working sessions and a Round Table dedicated to the ways and means of promoting public-private cooperation in industrial restructuring. The session's Chairman will briefly introduce its topic; this will be followed by key-note presentations and a general discussion. The Chairman will conclude by summing up the discussion. The Round Table on the second day will be entirely devoted to the exchange of views between the key-note speakers and the participants of the Forum.

#### Participation

7. Participation is open to interested parties from UNECE member countries and other member States of the United Nations, representatives of United Nations specialized agencies and international organizations participating in the activities of UNECE. Broad participation of government officials, local communities, regional and municipal administrations, academia, and industry representatives is expected.

8. Governments are invited to inform their national and regional bodies, labour unions, professional federations, industry and consulting companies, and other relevant organizations on the Forum so as to ensure participation of the most competent experts dealing with the various aspects of industrial restructuring.

#### Conference fee

9. No conference fee is charged for participation in the Forum. Travel and accommodation expenses are borne by the participants.

#### Passports and visas

10. Participants should be in possession of a valid passport, with an entry visa (if required), which can be obtained from the diplomatic representation of Kazakhstan in their country of residence. It is advisable to make such visa applications well in advance of the date required. The UNECE secretariat will provide letters to the Kazakh authorities (i.e. consulates) confirming the attendance at the Forum for those participants who need such a letter and request it directly from the secretariat.

### Preliminary Registration

11. Interested parties are invited to fill out the attached Registration Form (Annex I) and return it by 22 October 2004 at the latest to the following address:

Mr. Iouri Adjoubei  
Room 429-2, IREEDD, UNECE  
Palais des Nations  
CH-1211 Geneva 10  
Switzerland  
Fax: (+41 22) 917 0178 or 917 0037  
E-mail: [iouri.adjoubei@unece.org](mailto:iouri.adjoubei@unece.org)

### Documentation

12. UNECE member Governments, intergovernmental and non-governmental organizations, companies and individual experts are invited to prepare papers for presentation at the Forum. Topics for such papers are presented in the preliminary Programme of Work (see Annex II).

13. By 8 October 2004, the secretariat should receive papers for presentation in one of the UNECE working languages (English, French or Russian). The secretariat encourages submission of papers in electronic format, preferably by e-mail. The Information notice on the Forum, documents for discussion and papers submitted by participants will be placed on the UNECE WWW site at the following address: <http://www.unece.org/ie/wp8/alm.html>. The papers available electronically will be distributed to registered participants by e-mail approximately two weeks before the Forum. A limited number of paper copies of documents for discussion and papers will be available in the meeting room during the Forum.

### Interpretation and visual aids

14. Simultaneous interpretation in English and Russian, facilities for projecting slides, as well as computer facilities for computer-aided presentations (e.g. Power Point) will be provided.

### Travel and hotel arrangements

15. Participants are requested to make their own hotel and travel arrangements to and from Almaty.

### Possibilities of accommodation

16. The organizers would like to inform the participants of some of the hotels, which are relatively well placed versus the venue of the Forum (rates quoted were taken from the hotels or from the respective WWW sites):

Rahat-Palace (Hyatt Regency Almaty) hotel, Akademik Satpayev Avenue, 29/6 (venue of the Forum)

Single room: USD 205 + 15% VAT; double room: USD 225 + 15% VAT.

Tel/fax: 007 3272 508 888; inquiries: 007 3272 501 234/509 234.

E-mail: [mailbox@hyatt.almaty.kz](mailto:mailbox@hyatt.almaty.kz)

WWW site: <http://almaty.regency.hyatt.com>

Hotel Zhetysu, Abylai Khan Ave., 55 (about 15 – 20 minutes to the venue by trolley bus No 5 or 6, and by bus No 492)

Single room: KZT 2700 – 7000 + 5% obligatory insurance; double room: KZT 4000 – 6000 + 5% obligatory insurance (approximate KZT/USD rate is 135/1).

Tel: 007 3272 500 407.

Fax: 007 3272 500 416.

E-mail: [jjoly@asdc.kz](mailto:jjoly@asdc.kz)

WWW site: <http://www.zhetysuhotel.kz>.

Hotel Almaty, Kabanbai batyr St., 85 (about 10 – 15 minutes to the venue by trolley bus No 5 or 6)

Single room: KZT 4700 – 9200; suite: KZT 15200 (approximate KZT/USD rate is 135/1).

Tel: 007 3272 720 047/720 070

Fax: 007 3272 720 080

E-mail: [hotel\\_almaty@mail.ru](mailto:hotel_almaty@mail.ru); [hotel\\_almaty@nursat.kz](mailto:hotel_almaty@nursat.kz)

WWWsite: <http://www.hotel-almaty.kz>

Hotel Kazakhstan, Dostyk Ave., 52 (about 15 minutes to the venue of the Forum by trolley bus No 19, bus No 79 or mini-buses No 525, 518, 552 and 553)

Single room: KZT 9300; double room: KZT 10500 (approximate KZT/USD rate is 135/1).

Tel: 007-3272 919 600; inquiries : 007 3272 919 101/919 102/919 103

Fax: 007 3272 507-809;

E-mail: [hotel\\_kazakhstan@nets.kz](mailto:hotel_kazakhstan@nets.kz)

WWW site: <http://www.hotel-kazakhstan.kz/>

Hotel Astana International, Baitursynov St., 113 (in about 10 minutes walking distance to the venue)

Single room: KZT 22500; double room: KZT 24000 (approximate KZT/USD rate is 135/1).

Tel/fax: 007 3272 501 060; inquiries 007 3272 507 050.

E-mail: [info@Astana-hotel.com](mailto:info@Astana-hotel.com)

WWW site: <http://www.astana-hotel.com/eng/index.htm>

Regent Ankara Hotel, Zheltoksan St., 181 (about 10 minutes to the venue of the Forum by bus No 128)

Single room: USD 295; double room: USD 315.

Tel: (7 327) 581 1111

Fax: (7 327) 581 1100

E-mail: [business@regent-almaty.kz](mailto:business@regent-almaty.kz)

WWW site:

<http://www.regenthotels.com/hoteldirectory/hotelbio.jsp?hotelCode=KAALMATY>

#### Further information

Further information on the Forum can be obtained from:

Mr. Sailau Baizakov  
Deputy Director General,  
Institute of Economic Research  
Ministry of Economy and Budgetary Planning  
Republic of Kazakhstan  
tel.: (+7 3272) 434 433

Ms. Larissa Neufeld  
Economic and Environmental Officer,  
OSCE Centre in Almaty  
tel.: (+7 3272) 793 762 /793 686/582 309

Mr. Daniel Linotte  
Senior Economic Adviser  
Officer of the Coordinator for OSCE  
Economic and Environmental Activities  
OSCE Secretariat  
tel.: (+43 1) 51436 541

Mr. Iouri Adjoubei  
Economic Affairs Officer,  
UNECE Secretariat  
tel.: (+41 22) 917 2488 or 917 1964

**ANNEX I**  
**REGISTRATION FORM**

This form should be filled in and returned as soon as possible but **not later than 22 October 2004** to:

**Mr. Iouri Adjoubei**  
**IREEDD, Room 429-2**  
**United Nations Economic Commission for Europe**  
**Palais des Nations**  
**CH-1211 Geneva 10**  
**Switzerland**  
**Tel.: (+41 22) 917 24 88 or 917 19 64**  
**Fax: (+41 22) 917 0178**  
**E-mail: [iouri.adjoubei@unece.org](mailto:iouri.adjoubei@unece.org)**

(Please type or write in block capitals in **English**)

Family name (Mr., Ms., Mrs.): .....

First name: .....

Nationality: .....

Professional position: .....

Representing Government or  
international organization or company: .....

Professional address: .....

.....

Telephone (please include country and city codes):

.....

Telefax (please include country and city codes):

.....

E-mail address:.....

ANNEX II

**ORGANIZATION FOR SECURITY AND COOPERATION IN EUROPE  
UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE**

**PROVISIONAL PROGRAMME**



**FORUM  
“Public-Private Cooperation in  
Industrial Restructuring”**

**2 and 3 November 2004, Almaty, Kazakhstan**



**Organization for Security and Co-operation in  
Europe**



**United Nations Economic Commission for  
Europe**

**Tuesday, 2 November 2004**

**10.00 – 10.15      OPENING SESSION**

Welcoming address: Minister of Industry and Trade, Kazakhstan  
Executive Secretary, UNECE  
High level Official, OSCE

**Day 1                      CORPORATE SOLUTIONS TO INDUSTRIAL RESTRUCTURING  
AND IMPEDING EXTERNALITIES**

**10.15 - 13.00      SESSION 1. COOPERATION OF GOVERNMENTS AND PRIVATE SECTOR:  
OUTSTANDING ISSUES**

Chairperson: to be nominated

**10.15 – 12.00      Keynote presentations:**

- (a) Evolution of the institutional and regulatory framework for industrial restructuring in transition economies; objectives of government sectoral and territorial policies and programmes, and the role of the private sector in their development. Government support to enterprises under restructuring, including instruments facilitating their re-profiling and measures alleviating the associated social problems. Regulations governing the establishment and operation of new small and medium sized and spin-off companies, and measures encouraging entrepreneurship;
- (b) Major disagreements among stakeholders in restructuring and persisting problems. Formal and informal obligations of Governments, enterprises and trade unions. Public-private advisory boards and councils, and the experience of their cooperation with national Governments and regional administrations. Ways and means of improving the existing mechanisms of stakeholder involvement in Government decision-making in matters of restructuring;
- (c) The role of international assistance and donor organizations in restructuring. Their interaction with Governments and the private sector. International assistance as a vehicle for emulating other countries' best practices of restructuring. Future objectives and directions of international organizations' activities in this area.

**Speakers:** Representative of the central Government of a transition economy  
Representatives of regional administrations and municipalities  
Representatives of the private sector (enterprises under restructuring and spin-off companies)  
Representatives of international financial institutions

**12.00 – 13.00      General discussion**

**13.00 – 15.00      Lunch break**



**15.00 - 18.00      SESSION 2. NEW BUSINESS MODELS OF RESTRUCTURING: EXPERIENCE FROM DEVELOPED MARKET AND TRANSITION ECONOMIES**

Chairperson: to be nominated

**15.00 – 17.00      Keynote presentations:**

- (a) Restructuring of surplus and underutilized capacities of enterprises; the use of idle infrastructure facilities to establish industrial and technological parks; the experience of new offspring companies; potential for attracting foreign investors. Reconciling restructuring plans with national and regional development programmes. Excess capacity as a basis for industrial cooperation. The experience of outsourcing. Managing the chain of contractors within the integrated industrial site (logistical and technological aspects). Schemes of lean manufacturing;
- (b) Restructuring of auxiliary units and services: their transformation into small and medium-sized service companies and encouragement of entrepreneurial initiative of their personnel; establishment of servicing subsidiaries (service centres); cooperation with external specialized companies based on property re-allocation and managerial contracts. Outsourcing of the auxiliary and servicing activities; mechanics of the “principal-contractor” relationship; pricing of services, competitive bidding and quality control by the principal;
- (c) Managerial aspects of restructuring: project management; planning, control and conflict prevention. Split up of capital assets, current assets and receivables; cutting on the number of employees and their re-allocation; negotiating agreements with external stakeholders (enterprise owners, creditors, Government bodies, contractors and trade unions).

**Speakers:** Managers of enterprises under restructuring  
Representatives of Government economic and social policy bodies  
Representatives of regional administrations and municipalities  
Representatives of labour organizations

**17.00 – 18.00      General discussion**

**Wednesday, 3 November 2004**

**Day 2                      TERRITORIAL ASPECTS OF RESTRUCTURING IN TRANSITION ECONOMIES**

**10.00 – 13.00      SESSION 3. DEALING WITH PROBLEMS OF SINGLE-INDUSTRY TOWNS AND AREAS**

Chairperson: to be nominated

**10.00 – 12.00      Keynote presentations:**

- (a) Problems of single industry towns and areas in developed market and transition economies: common features and peculiarities; legacies of central planning; industrial and geographical profiles of single-industry towns in transition countries. Major

problems to be addressed: the lack of enterprise competitiveness, massive unemployment as a result of enterprise closures and downsizing; lack of employment alternatives; low family incomes and inhibited geographical mobility. Handling the issue of public services previously;

- (b) Provided by core enterprises (medical establishments, nurseries and kindergartens, primary schools etc), responsibilities of local authorities and potential for private initiative;
- (c) Public-private cooperation in solving problems of single-industry towns and areas in developed and transition economies; creation of alternative employment opportunities and the role of retraining programmes; income support for families of laid off workers and assistance to their enhanced mobility; transfer of public services under the aegis of local administrations and/or independent enterprises; the role of spin off companies, business incubators and technology parks.

**Speakers:** Representatives of regional administrations and municipalities  
Manager of a core enterprise (from a single industry town) from a developed market economies  
Managers of core enterprises (from single industry towns) from transition economies

**12.00 – 13.00**      **General discussion**

**13.00 – 15.00**      **Lunch break**

**15.00 – 16.30**      **SESSION 4. INDUSTRIAL AND TERRITORIAL CLUSTERING AS A VEHICLE FOR INDUSTRIAL RESTRUCTURING**

Chairperson: to be nominated

**Keynote presentations:**

- (a) Objectives of sectoral and territorial clustering (better use of local resources and competitive advantages, higher local value added, growth of per capita incomes and employment, import substitution and export growth); the international experience of clustering in depressed and underdeveloped regions and territories. Case studies of clustering in transition economies and mechanisms of cooperation between regional administrations and enterprises;
- (b) Structural transformations through clustering: key conditions of success and limitations. Potential for emulating the experience of clustering in different countries. Unresolved problems and outstanding issues of public-private cooperation at municipal and regional levels. Advice to Governments of transition economies.

**Speakers:** Representatives of clustered enterprises and their associations from developed market and transition economies  
Representatives of regional administrations

**16.30 – 18.00**      **ROUND TABLE: PROMOTING PUBLIC-PRIVATE COOPERATION IN RESTRUCTURING**

The session will be dedicated to the exchange of views between government bodies in charge of industrial restructuring, private companies, labour organization, employers'

associations and international organizations on ways and means to facilitate the dialogue and participative decision-making on issues of socially-responsible industrial restructuring. The discussion will focus on policies and opportunities for co-operation at regional and local levels, and will involve regional and local administrations. The Round Table will endeavour to develop some practical recommendations to government bodies dealing with industrial restructuring and consider some follow-up action.

**Panel:** Speakers from the previous sessions