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COMMITTEE FOR TRADE, INDUSTRY AND
ENTERPRISE DEVELOPMENT

Working Party on Industry and Enterprise Development
Second session, 21-22 March 2001

REPORT OF THE SECOND SESSION

HIGHLIGHTS

At its second session, the Working Party on Industry and Enterprise Development:

- Adopted its Programme of Work for 2001 – 2002, which covers *industrial restructuring, entrepreneurship and sustainable development*, and adopted new activities accordingly.
- Included trade and enterprise finance as an overall theme into the Programme of Work
- Established three new teams of specialists on:
 - Business Advisory, Counselling and Information Services
 - Entrepreneurship and Poverty
 - Women's Entrepreneurship
- Adopted the programmes of work for the existing teams of specialists:
 - Business Incubation
 - Internet Enterprise Development
 - Chemiseed
 - Radioactive Contaminated Metal Scrap

Introduction

1. The Working Party on Industry and Enterprise Development held its second session on 21 and 22 March 2001.
2. Representatives of the following countries took part in the session: Belarus, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Finland, France, Germany, Hungary, Israel, Kazakhstan, Kyrgyzstan, Latvia, Netherlands, Poland, Russian Federation, Spain, Turkey, Ukraine, United Kingdom of Great Britain and Northern Ireland and United States of America.
3. Representatives of the European Community attended the meeting.
4. A representative of the Organisation for Economic Co-operation and Development (OECD) took part in the session.
5. Representatives of two international non-governmental organizations attended the meeting.
6. Ms. Krystyna Gurbiel, Chairperson of the Working Party on Industry and Enterprise Development, opened the meeting. She congratulated the delegations on the Working Party's active start since its establishment in November 2000 and expressed the hope that this session would result in a challenging but feasible programme of work where the activities truly reflected the regional interests of the member States.
7. Ms. Carol Cosgrove-Sacks, Director of the Trade Division, greeted the delegations on behalf of the Executive Secretary, emphasizing that it was the role of the UN/ECE to help Governments in the region, and particularly those in the transition economies, to create a stronger framework for their cooperation with the private sector. She also pointed out that the Working Party would be expected to be increasingly involved in work to enhance the use of new technologies relevant to all aspects of industrial restructuring and enterprise development. She also called on the Working Party to consider specific activities related to medium-sized enterprises.

Item 1: Adoption of the agenda

8. The Working Party adopted its agenda (TRADE/WP.8/2001/1).

Item 2: Ongoing activities

Documentation: TRADE/WP.8/2001/4 Report of the Team of Specialists on Internet Enterprise Development
OPA/AC.20/2 Report of the Regional Adviser on SMEs

9. The Working Party discussed at length the role of the teams of specialists. It was noted that the teams were expected to carry out projects as mandated in the programme of work of the Working Party. Through a Coordinator, the secretariat supports the teams with arranging meetings, with reporting and with publications. Each Team is then responsible for seeking external financing for its activities.
10. The Working Party took note of the reports of the existing teams of specialists and reconfirmed their present one-year mandates until the third session of the Working Party.

11. The Working Party took note of the report of the Team of Specialists on Business Incubators. The Team is reviewing the UN/ECE Guidelines on Best Practice in Business Incubation. The resulting second edition of the Guidelines is scheduled for completion in early autumn 2001. The Team, together with the secretariat, will liaise with the European Commission to prepare a proposal for continued work, expanding the present UN/ECE work to include benchmarking the management of business incubators in cooperation with the European Commission. Member States may propose additional aspects for review by the Working Party.

12. The Working Party took note of the report of the Team of Specialists on Internet Enterprise Development (TRADE/WP.8/2001/4). The Team has had two sessions, the second having been held just before the session of the Working Party on 20 March, at which new proposals from member States were reviewed. The work programme of the Team includes cooperation with four national advisory councils (Belarus, Bulgaria, Estonia and The Former Yugoslav Republic of Macedonia) as well as a number of initiatives, such as centres for digital economy and several activities related to e-government, e-payments, e-startups and e-education.

13. The Working Party took note of the report of the Team of Specialists on Radioactive Contaminated Metal Scrap. The team will finalise a report on the Management of Radiation Protection Aspects in the Recycling of Metal Scrap in the spring of 2001, i.e. within the Team's present one-year mandate. This report will be co-sponsored by the UN/ECE, the International Atomic Energy Agency (IAEA) and the European Commission.

14. The delegation of the Russian Federation emphasized the continuing importance of including industry-related programme elements, such as restructuring basic industries, in the programme of work of the Working Party.

15. The Working Party heard an oral report on the third Seminar on Analysis, Methodology of Treatment and Remediation of Contaminated Soils and Groundwater held in Paris the previous week, and accepted the proposal of the Government of France that a similar seminar be included in the programme of work of the Team of Specialists for 2003, providing resources could be made available.

16. The Working Party also had before it a report on the activities of the ad hoc Group of Experts on the Chemical Industry and endorsed the programme of the Team of Specialists on Chemiseed for carrying out some specific remaining tasks on the environmental aspects of the chemical industry.

17. The Working Party took note of an oral report on the UN/ECE regional advisory services (OPA/AC.20/2). The Regional Adviser on SMEs emphasized the strategic targets of the UN/ECE's work in this area, and particularly the need for giving support to a predictable, supportive business environment in transition economies. The current programme of work concentrates on several subregional groups, including the member States of the Central European Initiative and the Black Sea Economic Cooperation, as well as the Commonwealth of Independent States.

18. The Working Party took note of the oral report of the UN/ECE's regional advisory services related to gender and economy, which were introduced in 2000 as a response to the call put forward by the European regional follow-up to the "Beijing + 5" conference on women. This activity is being developed and will concentrate on improving women's situation in their respective economies through enhanced cooperation and the mainstreaming of gender issues in all areas of work of the UN/ECE and, particularly, in transition economies.

19. In the subsequent comments the European Commission requested the secretariat to ensure that there are sufficient linkages and cooperation with the OECD and the European Bank for Reconstruction and Development (EBRD) to maximize the value added while avoiding duplication and overlapping activities. The delegation of France also reminded the meeting that the International

Labour Organization has a significant work programme for enhancing women's entrepreneurship and also participation in industrial sectors.

20. The representative for Solar Cookers International (in its consultative status with the Economic and Social Council) requested that women's access to all forums of enterprise finance be included as a cross-cutting theme in the work of enterprise development and issues related to gender mainstreaming. Useful elements for such work could be information on national experiences, policy debate, seminars, the dissemination of best practices as well as statistics on start-ups that have become sustainable enterprises.

Item 3: Proposals for new activities

Documentation: TRADE/WP.8/2001/2 Proposals from Member States for New Activities
TRADE/WP.8/2001/2 Addenda 1 – 8
OPA/AC.20/1 Entrepreneurship and SMEs in the Context of Alleviation of Poverty and Social Inequalities

21. The Working Party took note of the proposals made (TRADE/WP.8/2001/2 with Addenda 1 - 8) and decided to establish three new teams of specialists.

22. The Team of Specialists on Business Advisory, Counselling and Information Services will have a one-year mandate to produce the UN/ECE Guidelines on Best Practice in these services, the second publication in the series on best practice in enterprise development. The need for further work will be assessed at the third session of the Working Party.

23. The Millennium Summit and Assembly of the United Nations, held in New York in August and September 2000, called for a joint, concerted effort to combat poverty and social inequalities on a world - wide scale, employing all possible means and instruments and pooling resources. In this context, the Working Party decided that a Team of Specialists on Entrepreneurship and Poverty (OPA/AC.20/1) would be established for one year to raise awareness of the importance of entrepreneurship as an instrument for reducing poverty in transition economies.

24. The Working Party decided to establish a Team of Specialists on Women's Entrepreneurship. The team will create activities to enhance women's participation in the enterprise sector and it will also monitor the development of women's participation in other UN/ECE programmes in industry and enterprise development.

25. The Working Party decided to include "trade and enterprise finance" as a new theme in its programme of work. The first activity, as requested by Belarus, will be a seminar on trade finance in Commonwealth of Independent States (CIS) countries, with special reference to the problems encountered by small and medium-sized enterprises. The secretariat will develop further activities related to enterprise finance in response to requests from member States. These activities will be reviewed by the Working Party at its third session.

26. The following proposals, presented in the addenda to document TRADE/WP.8/2001/2 were forwarded for review to the Team of Specialists on Business Incubation:

- Addendum 2 on the development of management and incubation services
- Addendum 3 on the development of "mobile" incubation services for micro enterprises

27. The Working Party further decided to adopt the following proposals for inclusion in the programme of work:

28. The proposal for a new economy business synergy club network (TRADE/WP.8/2001/2 Addendum 8) was adopted for inclusion into the Programme of Work. The Government of Latvia will prepare a more detailed action plan and liaise with other member States in order to incorporate in their proposal some of the proposals by other member States on regional aspects of industrial development, clustering and supply chains.

29. The Working Party endorsed the decision of the Team of Specialists on Internet Enterprise Development to adopt the proposals on enhancing the use of information technologies for enterprise development from the Governments of Bulgaria and the Russian Federation, which had originally been submitted to the Working Party.

30. The Working Party took note of the training programmes organized by the SME Authority of Israel and invited all member States to examine possibilities of participating in these programmes and contributing to them. The Israeli experiences will be reviewed by the Team of Specialists on Business Advisory, Counselling and Information Services.

Item 4: Programme of work

Documentation: TRADE/WP.8/2001/3 Programme of Work
TRADE/WP.8/2001/3/Add.1

31. The Working Party adopted the Programme of Work as found in Annex I, which is based upon documents TRADE/WP.8/2001/3 and Addendum 1.

32. The Working Party adopted the proposal on regrouping the Programme of Work and including additional activities related to industrial restructuring and trade and enterprise finance as specified in the Programme, and requested the secretariat to initiate the implementation of the activities.

33. The Working Party took note of the following schedule of meetings for 2001:

23 March	Fourth session of the ad hoc Group of Experts on the Chemical Industry
11 – 12 June	Forum on e-Services for Trade, Investment and Enterprise in Transition Economies
13 – 14 June	Fifth session of the Committee for Trade, Industry and Enterprise Development

Item 5: Other business

34. The delegation of Israel made a presentation on the programme of Israel's SME Authority.
35. The Working Party decided on February 2002 as a tentative date for its third session.

Item 6: Adoption of the report

36. The Working Party adopted the report of its second session on 22 March 2001.

Annex I

PROGRAMME OF WORK

1. The mission of the Working Party on Industry and Enterprise Development (WP.8) is to promote industrial restructuring and enterprise development in the region covered by the UN/ECE under the general guidance of the Committee for Trade, Industry and Enterprise Development.

2. At its second session, the Working Party decided to regroup all of its activities under three overall themes. Thus, the Programme of Work consists of (a) *industrial restructuring*, (b) *entrepreneurship* and (c) *sustainable development*.

A. Industrial restructuring

3. The work of the Working Party will assist member States, and transition economies in particular, in addressing the problems of restructuring heavy industries.

4. The Programme will cover relevant questions related to: overmanning, needs in trade and employment, and the competitiveness of products arising from changes in production structures and in markets. The activities will address employment in spin-off companies, training and retraining and tools for financing the social consequences that arise from restructuring heavy industries. Additional activities can also include questions related to increased competitiveness resulting from the new distribution of financing, labour, raw materials and technological resources as well as the ecological aspects of restructuring industries.

5. The Programme will also include collecting and disseminating best practices and information on different instruments for regional economic development, such as industrial clusters and supply chains as part of restructuring industries.

6. Initially, the activities will be grouped under the following projects:

A.1 Social and economic aspects of restructuring heavy industries

8. This activity will be launched in a seminar and a round table preceding the third session of the Working Party in February 2002. The seminar will address the different aspects of industrial restructuring, in particular in single industry regions and towns, including problems related to overmanning. It will also discuss the successes and failures of regional development programmes in addressing the consequences of restructuring industries in member States. The seminar's recommendations will be addressed in subsequent programme components.

A.2 Best practice in industrial clustering and the development of supply chains to enhance the creation of spin-off enterprises

9. The initial activities will include three components, in the context of which the lead countries, in liaison among themselves, and the secretariat will develop the concrete activities.

- Regional potential for industrial development, with Lithuania as the lead country
- Increased competitiveness through enhanced subregional clustering, with Latvia as the lead country
- Supply chains to help medium-sized enterprises in transition economies to qualify as subcontractors and suppliers for multinational and foreign enterprises, with Hungary as the lead country

B. Entrepreneurship

10. The aim of the work of the Working Party in this area is to promote best practices in member States in: SME development, entrepreneurship and entrepreneurial development, access to finance, the creation of an enabling environment for entrepreneurship and enterprise development and to the enhancement of public-private partnerships in cooperation with the Black Sea Economic Cooperation (BSEC), Central European Initiative (CEI), the Commonwealth of Independent States (CIS), Southeast European Cooperation Initiative (SECI) and other regional and subregional organizations, as appropriate. The current Programme of Work consists of the following activities:

B.1 Regional Advisory Services

11. The concrete activities will be carried out as specified in the programmes of work of the Regional Adviser on SMEs and the Regional Adviser on Gender and Economy, and implemented in the context of the Coordinating Unit for Operational Activities of the UN/ECE.

B.2 Team of Specialists on Business Incubation

12. The Team of Specialists will finalize the update of the UN/ECE Guidelines on Best Practice in Business Incubation. New activities will be developed in cooperation with the European Commission, in particular in the area of benchmarking the management of business incubators.

B.3 Team of Specialists on Business Advisory, Counselling and Information Services

13. The Team of Specialists will follow up on the recommendations of the UN/ECE Meeting of Experts on Business Advisory, Counselling and Information Services, and particularly the preparation of a publication in the UN/ECE series on best practice in enterprise development.

14. The Team will also contribute, as appropriate, to the work of the secretariat on dissemination centres / multiplier points for the dissemination of guidelines, reports and other relevant materials related to industrial restructuring and enterprise development.

B.4 Team of Specialists on Internet Enterprise Development

15. The Team will implement its programme of work as adopted at the second session of the Team on 20 March 2001, including activities such as information network development, pilot projects and regional conferences on the digital economy and Internet enterprise development in transition economies.

B.5 Trade and Enterprise Finance

16. The first activity, as requested by Belarus, will be a seminar on trade finance in CIS countries, with special reference to problems encountered by small and medium-sized enterprises. The secretariat will develop further activities related to enterprise finance in response to requests from member States.

B.6 New economy business synergy network

17. With Latvia as the lead country, the synergy network will prepare activities related to cross-border synergies through enhanced sharing of experiences, best practice, guidelines and recommendations on industrial and enterprise cooperation. The lead country will prepare a more detailed action plan and liaise with other member States to incorporate additional activities on regional aspects of industrial development, clustering and supply chains.

B.7 Team of Specialists on Women's Entrepreneurship

18. The Regional Adviser on Gender and Economy will coordinate the creation of the Team and the launching of the Team's activities.

B.8 Team of Specialists on Entrepreneurship in Poverty Alleviation

19. The UN/ECE Coordinating Unit for Operational Activities will coordinate the creation of the Team and the launching of the Team's activities in response to the Millennium Summit and Assembly of the United Nations that called for a joint, concerted effort to combat poverty and social inequalities on a world-wide scale, employing all possible means and instruments and pooling resources. In this context, the Team will address the challenge of poverty alleviation in the UN/ECE region through entrepreneurship.

C. Sustainable development

20. The aim of the work of the Working Party in this field is to support the sustainability of industrial and enterprise sectors, particularly in transition economies. The current programme of work consists of the following activities.

C.1 Team of Specialists on Chemiseed

21. The Team will contribute to a seminar on Analysis, Methodology of Treatment and Remediation of Contaminated Soils and Groundwater in 2003, similar to the one held in 2001, providing resources could be made available. The Team of Specialists will also carry out some specific remaining tasks on environmental aspects of the chemical industry.

C.2 Team of Specialists on Radioactive Contaminated Metal Scrap

22. The Team will finalize the Report on the Management of Radiation Protection Aspects in the Recycling of Metal Scrap in the spring of 2001, i.e. within the Team's present one-year mandate.
