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COMMITTEE FOR TRADE, INDUSTRY AND
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WORKING PARTY ON INDUSTRY AND ENTERPRISE DEVELOPMENT
Summary of Main Activities and Developments

DOCUMENT FOR INFORMATION

Note by the secretariat

This paper highlights the most important achievements of the Working Party on Industry and Enterprise Development (WP.8) during 2004 and gives an overview of the activities envisaged in the 2005-2007 exercises. In section 1, the Working Party requests the Committee to approve the renewal of two subgroups and the establishment of a new subprogramme directly under the Working Party. This document supplements the report of the Working Party (TRADE/WP.8/2005/17), which the Committee will be asked to endorse.

Additional information on the Working Party is available at the following website address:
<http://www.unece.org/ie/wp8/main.html>

1. DECISIONS TO BE TAKEN BY THE COMMITTEE FOR TRADE, INDUSTRY AND ENTERPRISE DEVELOPMENT AT ITS NINTH SESSION

1. The Working Party on Industry and Enterprise Development (WP.8) at its sixth session held in February 2005, requested the Committee for Trade, Industry and Enterprise Development to take the following decisions:

- Rename the Team of Specialists on Industrial Restructuring the “Team of Specialists on Industrial Restructuring and Competitiveness”, approve its updated terms of reference (see annex I) and renew its mandate for one more year (Annex II contains a report on the Group’s activities in 2004 and its plans for 2005)

- Renew the mandate of the Team of Specialists on Internet Enterprise Development for one more year (a report on its activities during the past year and plans for the coming year can be found in annex III)
- Approve a new activity on entrepreneurship and enterprise development that will be directly under WP.8 and the relevant changes in its programme of work (as also reflected in document TRADE/2005/20 which contains all proposed changes to the Committee's programme of work for 2005).

2. The Working Party also advised the secretariat of the critical importance of maintaining the regional advisory services and the respective post of Regional Adviser under the programme on Industry and Enterprise Development.

2. 2004 ACHIEVEMENTS

2.1 Support for the Committee's overall objectives

3. The Working Party contributed directly to the Committee's overall objectives in the area of industry and enterprise development by:

- Providing a platform for discussion and the exchange of experience on key issues related to industry and enterprise development including the shift to high-value added activities
- Examining best practices; in particular, best practices in good corporate governance, the promotion of entrepreneurship and enterprise, including Internet-based entrepreneurship, the fostering of a knowledge-based economy and the adoption of internationally recognized norms and policies
- Disseminating relevant information through missions, focused events and publications
- Cooperating and coordinating its activities with other international organisations, NGOs and the private sector with the aim of promoting investments and best practices in industry and enterprise development
- Organizing and participating in capacity-building activities across the region.

2.2 Work on industrial development

1. In November 2004, at the invitation of the Government of Kazakhstan, the secretariat co-organized with the Organisation for Economic Co-operation and Development (OSCE) a Forum on Public-Private Cooperation in Industrial Restructuring in Almaty. The Forum drew up recommendations for the Governments of transition countries. The recommendations, as well as the papers presented at those events, are available on the UNECE website at <http://www.unece.org/ie/wp8/documents/almaty.htm>. The secretariat also prepared for publication a Summary of the Proceedings of the Regional Forum on "Social Aspects and Financing of Industrial Restructuring", held in November 2004, incorporating the major finding of this event. The secretariat also continued its support to the organizers of the fifth Seminar "Intersol 2005" to be held in April 2005 in Paris.

2.3. Work on enterprise development

4. In October 2004, the secretariat organized a Seminar on Fostering Internet Enterprise Development by Governments and by Large Companies through Subcontracting. It also prepared for publication an e-readiness assessment report for Kazakhstan, bringing the total of such reports to 15. The secretariat participated in organizing a Training Workshop on the Development of Entrepreneurship and the SME Sector in the Republic of Moldova (June 2004) and an International Workshop on Best Practice

in National Quality Award Schemes (November 2004). The first and second volumes on Women's Entrepreneurship entitled respectively, "Women's Entrepreneurship in Eastern European and CIS Countries" and "Access to Financing and ICT for Women Entrepreneurs in the UNECE Region" were published.

2.4 Cooperation with international organizations and non-governmental organizations

5. The Working Party cooperates closely with a number of international organizations, in particular: Black Sea Economic Cooperation organization (BSEC); Central European Initiative; International Labour Organization; International Telecommunication Union and Organization for Security and Co-operation in Europe.

6. The Working Party also cooperates with a large number of non-governmental organizations (NGOs), in particular in the area of corporate governance, youth and women's entrepreneurship.

2.5 Participation

7. In 2003-2004, the Working Party maintained the momentum of high participation from the private sector and NGOs in its activities. The interest of these groups was particularly pronounced in the activities related to Internet enterprise development, corporate governance and the development of entrepreneurship.

2.6 Capacity building

8. The e-business repository project developed by the Team of Specialists on Internet Enterprise Development aims at organizing and presenting company registration data, which already exists through country-specific registration processes, in such a way that they can be posted and accessed on the Internet by using low-cost software (e.g. web services or application interfaces). In this way, the project will enhance the transparency of business registration and will be instrumental in the development of SMEs and business-to-government (B2G) transactions. In 2004, the Team completed the first phase of the project. This consisted in surveying the registration procedures in a pilot group of countries. Further phases of the e-business repository project will include: a more detailed survey of business registration practices in target countries, preparation of country feasibility studies with special reference to the South-East European subregion, delivery of prototypes for individual countries and related capacity-building activities. These phases will be implemented if sufficient extrabudgetary funding is available.

3. OVERVIEW OF PROPOSED ACTIVITIES FOR 2005-2007

9. Within the framework of its new programme of work adopted during the sixth session, which focuses on entrepreneurship and enterprise development, industrial restructuring and competitiveness, and the knowledge-based economy, the Working Party will continue to support the general objectives of the Committee in industrial restructuring and enterprise development. Activities will focus on assisting Governments in establishing an enabling environment, as well as norms, standards and cost-effective strategies in this area. Among its activities and events, the Working Party will:

- Organize forums on entrepreneurship promotion, including one on Entrepreneurship Venture Capital and Valuation to be held in October 2005
- Promote further discussion of issues of sectoral restructuring and national competitiveness in transition countries (regional forums on those subjects might be organized in 2005-2006)

- Continue the series of assessment reports of country readiness for knowledge-based economy and prepare a summary report on the status of the knowledge-based economy in transition countries
- Prepare a report on corporate governance issues in developed market and transition economies.

10. The Working Party will also endeavour to secure extrabudgetary funding for its activities, in particular in the areas of the knowledge-based economy and development of entrepreneurship.

4. MEETINGS UNDER THE AUSPICES OF THE WORKING PARTY TO BE HELD IN 2005

9 February	Round Table on Corporate Governance
9 February	Team of Specialists on Internet Enterprise Development (TSIED)
9 February	Seminar on Regulatory Framework for Internet-based Enterprise in the UNECE Region
10 February	Forum on Entrepreneurship
10-11 February	Sixth session of the Working Party on Industry and Enterprise Development (WP.8)
10-11 May	ICT Outsourcing in the UNECE Region: Challenges and Opportunities, Moscow, Russian Federation,
23 May	Seminar on Current Trends in Small and Medium-Sized Enterprises in the UNECE Region
24-25 May	Annual Forum "After Fifteen Years of Market Reforms in Transition Economies: New Challenges and Perspectives for The Industrial Sector"
25 May	Team of Specialists on Industrial Restructuring and Competitiveness
13 –14 October	Regional Forum on Sectoral Restructuring and Competitiveness of Transition Economies Tashkent, Uzbekistan (to be confirmed)
19 October	Entrepreneurship Venture Capital and Valuation
7 November	Team of Specialists on Internet Enterprise Development (TSIED)
8 November	Regulatory Framework for Internet-based Enterprise in the UNECE Region: Progress review

Subject to modification.

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ANNEX I

**TEAM OF SPECIALISTS (SUB-GROUP) ON INDUSTRIAL RESTRUCTURING
AND COMPETITIVENESS**

Terms of Reference

Mandate

1. The mission of the Team of Specialists on Industrial Restructuring and Competitiveness is to assist governments of the ECE region in fostering industrial restructuring and strengthening competitiveness of their economies.
2. To this end the Team of Specialists:
 - (b) Examines the accumulated national experience of promoting competitiveness at enterprise, industry and macroeconomic levels, including such instruments as industrial restructuring, promotion of R&D and innovation, and development of entrepreneurship in the ECE region,
 - (c) Promotes dialogue between governments, private sector, workers' associations, academia and other major stakeholders in national competitiveness,
 - (d) Studies economic, policy and regulatory issues related to the promotion of competitiveness and industrial restructuring, and develops recommendations to governments on the relevant policy aspects.

Methods of work

3. To fulfil its mandate, the Team of Specialists may convene ad hoc meetings and seminars, initiate studies, organize study tours and assist in organizing workshops, or adopt any other appropriate implementation method.

Organization

4. Participation in the activities of the Team of Specialists is open to government, private sector, trade union and academic experts willing to contribute to its objectives. All costs associated with their participation in the activities of the Team of Specialists are borne by its members.
5. The Team of Specialists will hold its sessions when required. It will review the results of its work and report thereon to the Working Party on Industry and Enterprise Development at its annual sessions.

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ANNEX II

TEAM OF SPECIALISTS ON INDUSTRIAL RESTRUCTURING

Progress Report and Programme for 2005

I. Accomplishments

1. During the period after the fifth session of the Working Party on Industry and Enterprise Development (February 2004), the secretariat prepared for publication the Summary of Proceedings of the Regional Forum on “Social Aspects and Financing of Industrial Restructuring”, which had been organized jointly by UNECE and ILO, and held in Moscow on 26-27 November 2003 upon the invitation of the Government of the Russian Federation. The secretariat also placed the note for discussion, texts of presentations and the report on the Regional Forum on the website of WP.8 at <http://www.unece.org/ie/wp8/documents/novsem.htm>.
2. During the same reporting period, on the invitation of the Government of Kazakhstan, the Team of Specialists on Industrial Restructuring contributed to the organization of the Forum on “Public-Private Co-operation in Industrial Restructuring”. This event took place on 2 and 3 November in Almaty, Kazakhstan. It was organized under the joint auspices of the Organization for Security and Co-operation in Europe and UNECE, and with support from the Russian-based “PACC Consulting I Audit” and the Kazakhstan-based “Tenir Project”. The Forum was attended by 104 participants from 14 UNECE member States. As a result of its deliberations, it adopted the recommendations to the central, regional and municipal authorities of transition economies.
3. The secretariat placed the notes for discussion, texts of presentations, report on the Forum as well as the recommendations of the Forum on the website of WP.8 at <http://www.unece.org/ie/wp8/documents/almaty.htm>.
4. In November 2004, at its fifth session, the Team noted that its work programme, which had been adopted at its first meeting, in May 2002, and endorsed by the Working Party, had been accomplished. It supported the recommendation by the Enlarged Bureau of the Working Party to rename the Team the “Team of Specialists on Industrial Restructuring and Competitiveness”, and refocus its mandate accordingly. It asked the secretariat to update the mandate of the Team and present it to the Working Party at its sixth session.
5. At its sixth session, the Working Party, following the recommendation by its Enlarged Bureau, requested the Committee to rename the Team and approve its updated terms of reference. It also requested the Committee to extend the mandate of the Team for one more year.

II. Proposed Programme of work for 2005

6. The programme of work presented below is provisional because the Team of Specialists is expected to meet and approve it in May 2005 in conjunction with the Committee Forum. At the same time, this provisional programme is fully in line with the updated terms of reference of the Team.

7. In 2005, the secretariat will publish the Summary of Proceedings of the Moscow Regional Forum on Financing and Social Aspects of Industrial Restructuring. It will also prepare for publication the Summary of Proceedings of the Forum on “Public-Private Co-operation in Industrial Restructuring” held in Almaty, Kazakhstan, in November 2004.
8. The Team will endeavour to organize jointly with OSCE a Regional Forum on “Restructuring of Economic Sectors and National Competitiveness” in Tashkent, Uzbekistan, tentatively in October 2005.
9. The Team will also contribute to the organization of a Forum on the experience of the Russian Federation in Industrial Restructuring and Enterprise Development to be held in conjunction with the seventh session of the Working Party in February 2006.

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ANNEX III

TEAM OF SPECIALISTS ON INTERNET ENTERPRISE DEVELOPMENT

Progress Report and Programme for 2005

I. Accomplishments during 2004

1. In the course of 2004, the work of the Team of Specialists on Internet Enterprise Development was revitalized and a new programme of work was adopted. At its Extended Bureau meeting on 14 May 2004, the Team selected two of its projects as priority: (a) the assessment of readiness of Eastern Europe and the CIS for the knowledge-based economy (the so-called e-readiness assessment); and (the e-business repository project (see the decisions of the Team's May 2004 Extended Bureau meeting at <http://unece.org/ie/wp8/internet/exbu.html>).

2. The project on the assessment of readiness of Eastern Europe and the Commonwealth of Independent States for the knowledge-based economy, focusing on ICTs, was initiated by UNECE in 2002. Fourteen national reports have been published as of October 2004, which can be consulted at the following Internet address: <http://unece.org/ie/enterp/assesreport.htm>.

3. The main goal of the e-business repository project is to strengthen trust in and sustainability of e-business by fostering the transfer of standards, methods, knowledge and good practices among the countries of the UNECE region. This is to be achieved by putting in place the technical means for the collection, storage and dissemination of reliable commercial information on companies, presenting disparate and already existing information bases as an "e-Business repository". The first phase of the project, a preliminary survey of the current practices of business registration in selected countries of the UNECE region, was launched in September 2004. The preliminary results of the first phase were discussed at the seminar on the Regulatory Framework for Internet-based Entrepreneurship: the E-Business Repository project, held in Geneva on 9 February 2005.

4. On 5 October 2004, the Team organized a Seminar on "Fostering Internet Enterprise Development by Governments and by Large Companies through Subcontracting". It was attended by representatives of 20 UNECE countries that are active in Governments, businesses, academia and intergovernmental organizations. The main issues discussed were the role of Governments in Internet enterprise development (regulation, e-government, etc.), incentives for the adoption of ICTs by consumers and citizens, the impact of international outsourcing in the ICT industry on developed market economy countries and on emerging market economy countries, the future of the ICT services industry in industrialized countries, and emerging market opportunities for countries of Eastern Europe and the CIS. The Seminar recommended that the Team should continue its work on issues of international outsourcing in the ICT industry. The secretariat placed the documents and presentations of the Seminar on the Internet site at <http://unece.org/ie/wp8/tsiedsem.htm>.

II. Proposed Programme of Work for 2005

5. At its Extended Bureau Meeting of Team, held in Geneva on 9 February 2005, the Team discussed its programme of work for 2005, which is fully in line with its terms of reference. This programme of work will be further fine-tuned during telephone conference calls in 2005.

6. In 2005, two reports on the assessment of readiness of Eastern Europe and the CIS for the knowledge-based economy will be published.
7. The Team will contribute to the organization of UNECE's annual Forum "After Fifteen Years of Market Reforms in Transition Economies: New Challenges and Perspectives for the Industrial Sector" to be held at the Palais des Nations, Geneva from 24 to 25 May 2005. It will make a presentation during the session II "Information and Communication Technologies and Knowledge-based Industries and Industrial Restructuring".
8. The Team will endeavour to organize jointly with the Russian Federation Government a forum on outsourcing, tentatively scheduled for September 2005 to be held in Moscow.
9. It will continue to work on the e-business repository project, subject to availability of extrabudgetary funding.

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