



# Economic and Social Council

Dist. GENERAL

TRADE/2003/11 27 February 2003

**ORIGINAL: ENGLISH** 

#### **ECONOMIC COMMISSION FOR EUROPE**

COMMITTEE FOR TRADE, INDUSTRY AND ENTERPRISE DEVELOPMENT Seventh session, 12 to 16 May 2003 Item 13 of the provisional agenda

# **DRAFT PROGRAMME OF WORK, 2003-2005**

Strategic Directions

# DOCUMENT FOR APPROVAL

The Bureau of the Committee is submitting this draft programme of work for 2003 – 2005 to the Committee for approval The draft programme is set out in two parts. The first part, contained in the current document, introduces the programme of work and the strategic directions for the two subprogrammes. The second part (TRADE/2003/11/Add.1) describes the specific activities in detail.

In drawing up this programme of work, the Bureau has taken into account the deliberations of the Committee at its sixth session, as well as the decisions of the Commission at its fifty-seventh session. At the current session, the Committee will take into consideration any relevant recommendations emanating from the fifty-eighth session of the Commission (March 2003).

Two divisions, the Trade Development and Timber Division and the Industrial Restructuring, Energy and Enterprise Development Division, service the work programme.

Information on the work under the Committee can be found on its website: <a href="http://www.unece.org/trade">http://www.unece.org/trade</a>

# **INDEX**

Section	Paragraph numbers
INTRODUCTION	1 - 3
SUBPROGRAMME: TRADE DEVELOPMENT	
STRATEGIC DIRECTIONS: Sharing the Gains of Globalization	4 - 48
Introduction	4
Background	5 - 8
Rationale for the Programme of Work	9 - 13
UNECE's Trade Development Market Niche, Mission and Objectives	14 - 19
UNECE's Trade Development Resources	20 - 21
Overview of UNECE's Existing Work and Intergovernmental Committee Structure	
in Trade Development	22 - 44
Integration of UNECE's Trade Activities with other UN and International	
Trade-Related Bodies	45 - 48
SUBPROGRAMME: INDUSTRIAL RESTRUCTURING AND ENTERPRISE DEVE	ELOPMENT
STRATEGIC DIRECTIONS: Towards a Sustainable and Modern Economy	49 - 68
Introduction	49
Objectives and Methods	50 - 52
Rationale for the Programme of Work	53
UNECE's Industry and Enterprise Development Intergovernmental Bodies and Resour	rces 54 - 61
Strategic Directions for 2003-2005	62 - 64
Integration of UNECE's IRED Activities with other UN and International Bodies	65 - 68

#### INTRODUCTION

- 1. The 2003 2005 programme of work for the Committee for Trade, Industry and Enterprise Development of the United Nations Economic Commission for Europe (UNECE) is set out in two parts. The first part, contained in the current document, introduces the programme of work and the strategic directions for the two subprogrammes. The second part, contained in document TRADE/2003/11/Add.1, describes the specific activities in detail.
- 2. The Bureau of the Committee, at its October 2002 meeting, decided to recommend to the Committee that the cycle of the programme of work correspond to that of the United Nations budget cycle (see TRADE/2003/10). The Bureau agreed that the current programme of work could, on an exceptional basis, cover three years (2003-2005), rather than two. The next programme of work would therefore correspond to the next budget cycle for 2006 and 2007.
- 3. The programme of work consists of the following two subprogrammes: Trade Development, and Industrial Restructuring and Enterprise Development..

SUBPROGRAMME: TRADE DEVELOPMENT

STRATEGIC DIRECTIONS: Sharing the Gains of Globalization

# Introduction

4. The following presents the strategic directions for trade development that the UNECE Trade Development and Timber Division will follow for the period from January 2003 to December 2005. It outlines UNECE's market niche, mission, objectives, resources and current work in international trade, as well as how the regional commission's trade activities integrate with those of other UN and international trade-related bodies.

#### Background

- 5. Implementing international standards and trade facilitation measures dramatically improves the trade infrastructure, competitiveness and market integration of countries and entire regions. Following many years of multilateral trade liberalization under the General Agreement on Tariffs and Trade, implementation of trade facilitation measures is now generally regarded as being more effective than tariff reduction for developing international trade.
- 6. UNECE plays a major role in developing and maintaining many of the norms and standards that facilitate the efficient functioning of international trade infrastructure. For instance, its UN Layout Key<sup>1</sup> is the international standard for most trade documents, and is the foundation for the Single Administrative Document (SAD) for trade used within the European Union. UN/EDIFACT<sup>2</sup> is the international standard for electronic data interchange (EDI); and, in collaboration with the business community, UNECE is currently drawing up ebXML, the next generation of e-business standards. UNECE also develops internationally harmonized trade standards for agricultural produce, as well as doing extensive work on technical harmonization and standardization policies.

- 7. Being a rule-setting body, the World Trade Organization (WTO) does not define the policies needed for implementing and enforcing its rules effectively. In addition, there are many trade policy issues related to trade facilitation and regional development that are not touched upon by WTO discussions and where the UNECE has unique expertise. UNECE provides a forum for such trade policy discussions where countries in transition can participate on an equal footing with more developed countries from Europe and North America. This is particularly useful for countries that have newly acceded to WTO or are in the process of doing so.
- 8. The UNECE trade facilitation and standards work enhances the economic potential of member States by increasing market access and reducing the costs of trade. Member States have explicitly requested that this work should continue<sup>3</sup>. The importance of this work is also emphasized in recent policy directives of the UN for sharing the benefits of globalisation, including the Millennium Declaration and Goals<sup>4</sup> and the Monterrey Consensus<sup>5</sup>. The UNECE Trade Development programme will continue to focus on these areas and will provide an open forum where all countries can participate in policy discussions and the development of new norms, standards and initiatives.

#### Rationale for the Programme of Work

- 9. The programme of work reflects the expressed needs of UNECE member States, as detailed in the UNECE revised Medium-Term Plan (to "facilitate and develop the infrastructure for international trade")<sup>6</sup> the Terms of Reference, Policy Objectives and Strategic Goals of the Committee for Trade, Industry and Enterprise Development (CTIED)<sup>7</sup>, as well as the Plan of Action as contained in the UNECE 1997 Annual Report<sup>8</sup>, and the terms of reference of the subsidiary bodies of the Committee.
- 10. The programme of work is framed within the Millennium Development Goals for a global partnership for sustainable development (Millennium Development Goals 7 and 8), and the Monterrey Consensus, which states that "globalisation should be fully inclusive and equitable". The programme also takes direction from the report by the Secretary-General on "Strengthening the United Nations", in which he says that a proper framework of rules, norms and standards for international trade needs to be developed and implemented in order to help the international community respond effectively to the challenges posed by globalisation.
- 11. UNECE works to ensure that international trade is carried out as efficiently and equitably as possible, with full regard to the public interest and security, and with the active participation of civil society. The programme of work continues to focus on developing a framework of rules, norms and standards for international trade, while embracing the need for policy development and implementation of existing trade facilitation norms and standards, especially in transition economies.
- 12. UNECE cooperates with the other United Nations regional commissions, the United Nations Conference on Trade and Development (UNCTAD) and the WTO to support an open and accessible forum for intergovernmental policy deliberations on trade in goods and services. At the regional level, studies, seminars, workshops, advisory services contribute to improving economic integration in Europe. Activities are also planned to strengthen transition economies in their policies and institutions to ensure the sustainable development of trade. The business community and non-governmental organizations (NGOs) are encouraged to participate in all aspects of the subprogramme.

13. The programme of work, by supporting policy dialogue at the regional level on trade and development issues, contributes to building the Monterrey consensus, as identified at the International Conference on Financing for Development. It also supports the development and implementation of new information and communication technologies (ICT) in trade, especially through electronic business standards and procedures, and through follow-up to the World Summit on the Information Society. The programme also contributes to the Doha Development Agenda through its emphasis on measures to integrate low-income transition economies into the regional and multilateral trading system.

# UNECE's Trade Development Market Niche, Mission and Objectives

Market niche

- 14. UNECE's market niche in Trade Development is clearly centred on:
  - Standards development and trade facilitation (at a global level)
  - Implementation of these measures (in member States)
  - Facilitation of debate and policy development (at the UNECE regional level)
- 15. UNECE's decade-long experience in each of the above areas has placed it as a world leader in international trade facilitation, receiving strong backing from member States, international organizations and the private sector. UNECE seeks to be a driving force in creating and sustaining standards, tools and policies for international trade facilitation and regional trade development.

Mission

- 16. Within the framework of the Millennium Declaration goals of "sustainable development" and "sharing the benefits of globalization", UNECE's Trade Development mission is to facilitate the development of global infrastructures for trade in goods and services, both within the UNECE region and between the region and the rest of the world.
- 17. UNECE devotes particular attention to developing the trade infrastructure in member States and will undertake specific programmes to further the integration of economies in transition into the global economy through the implementation of policy recommendations and international norms and standards.

Objectives

- 18. In order to achieve this mission, UNECE's trade development programme will focus on <u>five key objectives</u>. The numbering does not imply any particular priority, as they are all interrelated and interdependent:
  - 1. <u>Developing</u> and maintaining effective international trade-related instruments, norms, standards and recommendations, in response to the needs of the global economy;

- 2. Reducing barriers to trade in goods and services in all countries, and UNECE member States in particular, through greater implementation of international and UNECE norms, standards, instruments and recommendations, especially in trade facilitation;
- 3. Facilitating <u>trade policy development</u> through providing an international platform for exchange of views, particularly for the benefit of countries with economies in transition. Examples include trade security, European integration and sustainable development;
- 4. <u>Promoting</u> the value and effectiveness of trade facilitation instruments and standards in trade and economic development;
- 5. <u>Integrating</u> UNECE's trade activities with those of other UN and international trade-related bodies.
- 19. The specific activities to be undertaken in the above areas are set out in detail in document TRADE/2003/11/Add.1.

# <u>UNECE's Trade Development Resources</u>

- 20. A number of intergovernmental bodies and working parties direct and support the Trade Development programme:
  - Committee for Trade, Industry and Enterprise Development (CTIED)
  - United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT)
  - Working Party on Agricultural Quality Standards (WP.7)
  - Working Party on Technical Harmonization and Standardization Policies (WP.6)
- 21. Within the secretariat, Trade Development work is organized across a matrix of six teams, which work in an inter-disciplinary manner in the following areas:
  - Trade Facilitation and Policy
  - Electronic Business
  - Trade Policy
  - Information and Communications Technology
  - Technical Cooperation and Projects
  - Information and Promotion

# Overview of UNECE Existing Work and Intergovernmental Committee Structure in Trade Development

22. Trade development work comprises implementation of the programme of work, and support for intergovernmental bodies.

#### Implementing the Trade Development Programme of Work

- 23. Over 30 UNECE Recommendations guide the implementation of trade facilitation, based on best practice and agreed international procedures<sup>9</sup>. Many UNECE standards have been adopted worldwide and several have become United Nations Recommendations and standards of the International Organization for Standardization (ISO).
- 24. The Committee has also provided an important forum for policy discussion on issues related to trade in services, trade facilitation and a wide range of issues related to economic transition.
- 25. UNECE work on agricultural quality standards is used widely used in global trade. UNECE has developed close to 100 standards in fresh fruit and vegetables, dry and dried produce, early and ware potatoes, seed potatoes, eggs, meat and cut flowers. Many of these standards serve as the basis for European Union legislation and Codex Alimentarius standards, which are promoted by all member States of the Organisation for Economic Co-operation and Development (OECD).
- 26. UNECE also carries out extensive work on technical harmonization and standardization policies, providing a unique intergovernmental forum for debating and addressing issues related to the coordination, harmonization and conformity assessment of standards and associated accreditation issues.
- 27. The Trade Development and Timber Division contributes to policy-relevant cross-sectoral activities of the UNECE, including "Trade, Environment and Timber" and "Cross-border Trade and Transport Facilitation" (with the Economic and Social Commission for Asia and the Pacific (ESCAP)). It contributes to UN global initiatives, and currently in particular to the UN Information and Communications Technologies (ICT) Task Force and the World Summit on the Information Society (December 2003).
- 28. The Division also provides focal points for UNECE regarding relations with the European Union (EU), the WTO, the Food and Agriculture Organization (FAO), ISO and the United Nations ICT Task Force.
- 29. Technical work is complemented by an active programme of capacity building and cooperation to support the implementation of existing trade norms and standards in the UNECE region, including eastern and central Europe, the Commonwealth of Independent States, and southeast Europe.
- 30. Current projects include:
  - Capacity building in Trade Facilitation and Electronic Business in the Mediterranean (e-Med)
  - Capacity building to Improve Trade Finance and Investment Prospects for the Sustainable Development of the Russian Timber Sector
  - United Nations extensions for aligned electronic trade documents (UNeDocs)
  - Development assistance for the implementation of Electronic Data Interchange (UN/EDIFACT) information technologies in selected eastern European countries
  - Participation in the Southeast European Cooperative Initiative (SECI)

• Participation in the United Nations Special Programme for the Economies of Central Asia

Support for Intergovernmental Bodies and Working Groups

- 31. One of the major tasks of the secretariat is to support the subsidiary bodies in preparing and implementing their programmes of work, which are, in turn, based on needs and priorities that have been established through a dialogue among Governments and between Governments and users from both the private and the public sector. The support services include research, preparation and distribution of documentation in the three working languages (English, French and Russian), the maintenance of databases and websites, as well as the general distribution and promotion of the work done. The secretariat manages resources and assists the groups in their work, providing detailed documentation and background studies to develop trade policy, standards and trade facilitation recommendations.
- 32. The major responsibilities of the intergovernmental bodies that are supported by the Trade Development branches are as follows:

Committee for Trade, Industry and Enterprise Development (CTIED)

- 33. The CTIED is the intergovernmental body responsible for all UNECE trade, industry and enterprise development related activities. It reviews and approves a work programme that includes the work of all its subsidiary bodies (including those that are not serviced by the Trade Development branches) and monitors the implementation of this programme.
- 34. The objectives for the work of the Committee, as set out in the UNECE 1997 Plan of Action, are as follows:
  - to support the UNECE objective of facilitating and strengthening the involvement of all member countries in harmonious economic relations
  - to assist in the integration of all countries, in particular countries in transition, into the European
    and global economy, and to work to prevent the development of new barriers to trade within the
    region
  - to contribute to the creation of a clear, predictable and supportive environment for industrial and enterprise development activities.
- 35. The Committee accomplishes the above by:
  - a) assisting in reducing technical barriers to trade and market access;
  - b) developing and promoting standards, common procedures and best practices for trade;
  - c) developing regional/international contact networks for national ministries and business communities:
  - d) encouraging the adoption of international or regional standards and norms related to trade and business:
  - e) identifying ways of developing trade and investment finance possibilities;
  - f) promoting the development of new economic sectors based upon innovation and new technologies;

- g) facilitating the restructuring and development of industry and enterprises.
- 36. This encompasses more than just the work done by the Trade Development branches since the Committee is responsible for two subprogrammes. The Trade Development branches, however, are responsible for most of activities a) through e).

*United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT)* 

- 37. The United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) was set up to improve the ability of business, trade and administrative organizations, from developed, developing and transition economies, to exchange products and relevant services effectively and so contribute to the growth of global commerce. The Centre focuses on the worldwide facilitation of international transactions through simplifying and harmonizing procedures and information flows.
- 38. UN/CEFACT is open to participation from UN Member States, intergovernmental organizations, and sectoral and industry associations recognized by the Economic and Social Council of the United Nations (ECOSOC). The Centre's objective is to be "inclusive". It actively encourages organizations to contribute and help develop its recommendations and standards.
- 39. It comprises five groups:
  - International Trade and Business Process Group (TBG)
  - Information Content Management Group (ICG)
  - Applied Technologies Group (ATG)
  - Techniques and Methodologies Group (TMG)
  - Legal Group (LG)

Working Party on Agricultural Quality Standards (WP.7)

- 40. The Working Party on Agricultural Quality Standards develops internationally harmonized, agricultural commercial quality standards for perishable produce on the basis of national standards or trade practices to:
  - Facilitate fair international trade and prevent technical barriers to trade
  - Improve producers' profitability and encourage production of high quality produce
  - Protect consumers' interests by guaranteeing product quality.
- 41. The standards constitute a common trading language for buyer and seller, facilitating negotiations as well as the establishment of contracts and resolution of conflicts. The OECD, not only adopts these standards but also develops explanatory material and guidelines for implementing them.

- 42. The agricultural quality standards work is organized in four thematic "specialized sections":
  - Specialized Section on Standardization of Fresh Fruit and Vegetables (GE.1)
  - Specialized Section on Standardization of Dry and Dried Produce (Fruit) (GE.2)
  - Specialized Section on Standardization of Meat (GE.11)
  - Specialized Section on Standardization of Potatoes (GE.5 and GE.6)

Working Party on Technical Harmonization and Standardization Policies (WP.6)

- 43. The UNECE Working Party on Technical Harmonization and Standardization Policies provides a unique forum for examining and debating issues related to norms, standards, technical regulations, conformity assessment and market surveillance. Participation includes Governments, international, regional and national organizations and the private sector.
- 44. The Working Party cooperates with the principal international standards-setting bodies and with regional and national regulatory, standards and conformity assessment organizations and agencies. Special attention is devoted to assisting countries with economies in transition.

#### Integration of UNECE's trade activities with those of other UN and international trade-related bodies

- 45. UNECE enjoys well-structured cooperation and coordination numerous international organizations both within and outside the United Nations system. Detailed information on cooperation with other international organizations can be found in the document "Cooperation and Coordination with Other Organizations" (TRADE/2003/16).
- During the planning period, particular attention will be given to strengthening cooperation with the other UN regional commissions, the United Nations Conference on Trade and Development (UNCTAD) and the WTO to support an open and accessible forum for intergovernmental policy deliberations on trade in goods and services. At the regional level, studies, seminars, workshops and advisory services should help contribute to further economic integration in Europe. In addition, work will be undertaken to strengthen transition economies in their policies and institutions to implement the sustainable development of trade. The business community and NGOs will be encouraged to participate in all aspects of the subprogramme.
- 47. UNECE cooperates closely with the other regional commissions on specific projects, such as the Mediterranean Project (e-Med) and the project on Trade Facilitation and e-business, and exchanges information on a regular basis.
- 48. UNECE also works with a range of sub-regional groupings, such as the secretariat of the Commonwealth of Independent States (CIS), and specialized agencies such as the CIS Interstate Council for Standardization. In all cases, its work is well coordinated with that of the other secretariats and adds value to inter-governmental trade cooperation. UNECE also works closely with the EU.

# SUBPROGRAMME: INDUSTRIAL RESTRUCTURING AND ENTERPRISE DEVELOPMENT STRATEGIC DIRECTIONS: Towards a Sustainable and Modern Economy

#### Introduction

49. The following presents the strategic directions for Industrial Restructuring and Enterprise Development from 2003 to 2005 to be followed by the Industrial Restructuring, Energy and Enterprise Development Division (IREEDD) over the period January 2003 to December 2005. It outlines UNECE's objectives, methods of work, resources and current activities in the area of industry and enterprise development, as well as the integration of these activities into the work of other UN and international bodies.

# Objectives and Methods

- 50. Since the beginning of the transition process in the early 1990s, the transition economies of the region have undertaken a series of macroeconomic and structural reforms in order to move, at a varying pace, from a centrally planned towards a market-based economic system. However, the experience of the last 10 years clearly indicates that such a transformation does not emerge automatically from price liberalization and competition, and may have undesirable side effects such as unemployment, poverty and marginalization. The smooth transition to a market economy requires targeted institution building and an appropriate regulatory environment. Countries have to find best ways to deal with the social costs of phasing out declining sectors, stimulate entrepreneurship and the development of small and medium-sized enterprises (SMEs), promote the use of information and communication technologies, develop new legal and commercial practices, and build partnerships between public and private sector.
- 51. The UNECE objectives in the area of industrial restructuring and enterprise development are to assist Governments in establishing:
  - An enabling environment for new private enterprises and entrepreneurial activities; and for the
    establishment of partnership and involvement of civil society in new ways to tackle the negative
    effects of restructuring.
  - International norms, standards and legal instruments for enterprise restructuring, including promotion of good governance in the public and private sectors.
  - Cost effective strategies for enterprise restructuring that implement the United Nations development goals.
- 52. The following methods are used in order to do this:
  - Creation of a network of government officials responsible for enterprise restructuring and development within the Ministries of Economy, Trade, Industry and Finance. By providing a forum for this network, the UNECE provides a valuable opportunity to decision-makers and

experts to meet and exchange experiences. Their discussions facilitate contacts and information flow, enabling better-grounded decisions to be made in the relevant areas.

- Expert groups and advisory bodies assist Governments in dealing with key challenges such as: the removal of obstacles to domestic and foreign investment; the creation of an environment conducive to transforming the old industries into new ones, which are products of the newly emerging knowledge-based economy; the strengthening of the regulatory and institutional framework; and the consistent enforcement of property rights in the UNECE region, especially in countries with economies in transition.
- Training and education of policy makers in implementing business development strategies and in creating modern institutions for promoting entrepreneurship, using research studies, guides and analytical reports. These materials facilitate the assessment and comparison of situations in economies in transition, and include the collection of statistics on small and medium-sized enterprises in the region and studies on the best practices in the areas of industrial restructuring, enterprise development and the knowledge-based economy.
- Implementation of standards through establishing international benchmarks for transition
  economies in such areas as: infrastructure financing mechanisms, property rights valuation and
  enforcement, quality management systems, and Internet-based entrepreneurship. Such
  benchmarks allow progress to be measured and help identify the areas where resources are most
  needed.

# Rationale for the Programme of Work

- 53. This programme of work is needed for four main reasons:
  - First, many countries in the region urgently need to restructure and to diversify their economies for sustained economic growth. While opening up their economies to international trade, they are still exporting primary products and raw materials. They need to diversify and improve the composition of their exports. They can do this by creating modern facilities to manufacture their raw materials locally, instead of re-importing them.
  - > Second, Governments in the region face a number of constraints in implementing effective enterprise restructuring policies where multilateral cooperation and the other means set out above could help overcome. These constraints include:
    - Lack of resources
    - Absence of a culture of cooperation between public and private sectors
    - Weak governmental regulatory mechanisms
  - > Third, many Governments lack an enterprise strategy. Although in general the climate for enterprise development and entrepreneurs has been improving, this is more the result of laissez faire and privatization than of specific government support policy. The challenge now is to sustain the progress in enterprise development to encourage industries to develop competitive advantages particularly in innovative and high-tech industries. This requires targeted government action to

support the technological upgrading of enterprises and SMEs, innovation policy that helps commercialization of intellectual property, assistance to start ups, creation of dynamic development agencies for enterprises, and the creation of credit facilities based on modern systems for managing risk. These approaches have been used elsewhere with success.

Fourth, the UN goals as set out in the Global mandates, namely the Millennium Development Goals, the Monterrey Consensus, and the World Summit on Sustainable Development offer a challenging vision of enterprise development in the twenty-first century. This dynamic approach emphasizes the changing roles of economic actors, public and private, along with civil society. It urges the promotion of good governance, accountability in public an private bodies, transparency, consultation with 'stakeholders', including employees, as well as the need in situations of scarce resources, to create innovative partnerships between governments, NGOS and the business community. These principles and practices need to be incorporated effectively into Governments' action in relation to enterprise development.

# UNECE's Industry and Enterprise Development Intergovernmental Bodies and Resources

Overview

- 54. The UNECE Industrial Restructuring and Enterprise Development subprogramme is carried out by two subsidiary bodies of the CTIED: the Working Party on International Legal and Commercial Practice (WP.5) and the Working Party on Industry and Enterprise Development (WP.8). Participation in these bodies is open to Governments and various elements of civil society such as the private sector, non-governmental organizations, academic communities and other interested groups.
- 55. The work is organized through a number of teams of specialists and advisory groups, which report to the working parties. These groups are open-ended and results-oriented arrangements, with clearly defined mandates that are given initially for two years and subsequently extended on a yearly basis.
- 56. The UNECE industry and enterprise development resources comprise the secretariat and a network of experts who support the programme and who, on a voluntary basis, contribute to its implementation. The coordinated work of government officials and representatives of various institutions civil society associations, academia and the private sector ensures that the results reflect fairly the interests and aspirations of various stakeholders.

# Working Party on International Legal and Commercial Practice

57. The Working Party on International Legal and Commercial Practice (WP.5) promotes reform and capacity building in the legal, institutional and regulatory frameworks in the transition economies. It helps countries to enforce guidelines on best legal and commercial practices and carries out technical assistance programmes and training courses in countries at their request. The goals and objectives of these programmes follow the goals of the United Nations Millennium Declaration on the alleviation of poverty, the UN Financing for Development Conference and the "Monterrey Consensus, and the Summit on Sustainable Development in Johannesburg. The Working Party involves the business community and civil society as much as possible in its activities. It also supports the harmonization of laws and institutions as part of European economic integration and the process of EU enlargement. Its contribution to improving

the legal and regulatory frameworks promotes enterprise development and the conditions for foreign direct investment (FDI), particularly in the transition economies.

- 58. At the beginning of 2003, the Working Party had under its auspices the following advisory groups:
  - Public -Private Partnership Alliance
  - Real Estate Advisory Group (REAG)
  - Advisory Group on the Implementation of Intellectual Property Rights for Investment
  - Advisory Group on Arbitration and Dispute Resolution.

Working Party on Industry and Enterprise Development

- 59. The mission of the Working Party on Industry and Enterprise Development (WP.8) is to promote entrepreneurship, industrial restructuring and a sustainable business environment in the region. It organizes the exchange of relevant information and experience, helps to promote best practice in innovation and the application of new electronic technologies, collects, processes and disseminates statistical and other information related to enterprise development and industrial restructuring, studies the relevant economic, technical and regulatory issues, and makes recommendations for government action.
- 60. The Working Party supervises the teams of specialists set up to implement certain activities on an ad hoc basis. It cooperates with other bodies of the Commission, other intergovernmental and non-governmental institutions and the business community.
- 61. At the beginning of 2003, the Working Party had under its auspices the following teams of specialists:
  - Team of Specialists on Industrial Restructuring
  - Team of Specialists on Chemical Industry Sustainable Economic and Ecological Development (CHEMISEED)
  - Team of Specialists on Quality Management Systems
  - Team of Specialists on Entrepreneurship in Poverty Alleviation
  - Team of Specialists on Women's Entrepreneurship
  - Team of Specialist on Internet Enterprise Development

# Strategic Directions for 2003-2005

62. The strategic directions for UNECE's industrial restructuring and enterprise development subprogramme cover four clusters of activities: (a) industrial restructuring and sustainable industrial development, (b) enterprise development, including women's and youth entrepreneurship; (c) legal and commercial practice and (d) emerging knowledge-based economy.

- 63. The activities planned for 2003-2005 are thus divided into the following main areas:
  - (a) Industrial restructuring and sustainable industrial development:
    - Social and economic consequences of industrial restructuring and its financing
    - Promotion of sustainable development in the chemical industry
    - Promotion of harmonized quality standards and development of quality systems, particularly for SMEs.
  - (b) Enterprise development, including women's and youth entrepreneurship:
    - Development of SMEs
    - Women's entrepreneurship
    - Youth entrepreneurship in the context of poverty alleviation
  - (c) Legal and commercial practice:
    - Facilitation of property market development and investment activities
    - Corporate management.
  - (d) Emerging knowledge-based economy:
    - Development of knowledge-based economy
    - Internet-based enterprise development and electronic business.
- 64. More detailed information on specific activities can be found in document TRADE/2003/11/Add.1.

# <u>Integration of UNECE Industrial Restructuring and Enterprise Development Activities with those of other UN and International Bodies</u>

- 65. UNECE enjoys well-structured cooperation and coordination with numerous international organizations both within and outside the United Nations system. Detailed information on this cooperation can be found in the document "Cooperation and Coordination with Other Organizations" (TRADE/2003/16).
- During 2003-2005, particular attention will be given to strengthening cooperation with the United Nations Industrial Development Organization (UNIDO), the International Telecommunication Union (ITU), the European Bank for Restructuring and Development (EBRD) and the sub-regional groupings Central European Initiative (CEI), Commonwealth of Independent States (CIS), and Black Sea Economic Cooperation (BSEC) to develop and benefit from synergies in the different approaches of these organizations to industry and enterprise development in the region. At the regional level, studies and capacity-building activities (seminars, workshops, advisory services) will contribute to the transition economies' endeavours to strengthen their policies and institutions to make their industrial development more sustainable. The business community and non-governmental organizations will be encouraged to participate in all aspects of the programme
- 67. In working with the sub-regional groupings UNECE will focus on creating conditions for the development of SMEs, youth entrepreneurship and implementation of quality management systems. UNECE also works closely with the EU.
- 68. Cooperation with other organizations will be further strengthened over the planning period.

\* \* \* \* \* \* \*

#### **ENDNOTES**

- United Nations Layout Key for Trade Documents, Guidelines for Application, 2002 8ECE/TRADE/270).
- UNECE has developed, and maintains, the only international standard for Electronic Data Interchange (EDI), which is known as UN Electronic Data Interchange for Administration, Commerce and Transport or UN/EDIFACT. UN/EDIFACT is widely used in international trade and has been adopted by the European Union as well as by many individual countries such as Brazil, the Republic of Korea and Singapore. It is also the preferred EDI standard within the US Government.
- Committee for Trade, Industry and Enterprise Development, Terms of Reference, Policy Objectives and Strategic Goals, March 2001, TRADE/2001/2.
- <sup>4</sup> UN Millennium Development Goals, www.un.org/millenniumgoals, October 2002.
- Monterrey Consensus: Draft Outcome of the International Conference on Financing for Development, March 2002. (A/CONF/198/3).
- Subprogramme 6 Trade development Objective "The objective is to facilitate and develop the infrastructure for international trade in terms of trade-related norms, standards, tools and policy recommendations; to reduce the main internal and external obstacles to trade and economic cooperation in the UNECE region; and to further the integration of countries with economies in transition into the global economy.
- Committee for Trade, Industry and Enterprise Development, Terms of Reference, Policy Objectives and Strategic Goals, 28 March 2001, TRADE/2001/2.
- <sup>8</sup> UNECE Plan of Action, Annex IV, UNECE Annual Report for the period from April 1996 to April 1997 (E/ECE/1355).
- For a full list of UNECE trade facilitation recommendations, see the "Compendium of Trade Facilitation Recommendations", UNECE, 2002 (ECE/TRADE/279)