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COMMITTEE FOR TRADE, INDUSTRY AND  
ENTERPRISE DEVELOPMENT

Fourth session, 21-23 June 2000

Item 9(a) of the provisional agenda

**Note from the Chairman of the Bureau of the Committee for  
Trade, Industry and Enterprise Development regarding a new  
Working Party on Sustainable Enterprise Development**

1. As instructed by the 1997 Plan of Action which implemented the reform of the United Nations Economic Commission for Europe (UN/ECE), the Bureau of the Committee for Trade, Industry and Enterprise Development has reviewed the activities of the ad hoc groups of experts on steel and the chemical industry. As a result of this review, and the Committee's enlarging cross sectoral work on enterprise development, the Bureau is submitting this proposal for consideration by the Committee at its fourth session.

2. The Bureau suggests that the Committee consider establishing under its auspices a new Working Party. The Working Party would be responsible for designing the UN/ECE policy framework for enterprise development and would initiate and supervise programmes on industrial restructuring, sustainable enterprise development and the promotion of competitiveness throughout the region, as laid out in the UN/ECE Plan of Action (E/1997/36, E/ECE/1355, annex IV, page 41). As resources permit, these programmes would emphasize cross-sectoral work and, at the same time, make the most of the contact networks and practical experience developed as the result of earlier sectoral work. Similarly, the programmes would foster activities at the interface between government and private sector responsibilities which ensure an efficient and well-functioning market economy. This approach would cut across all types of activities related to trade, industry and enterprise development which call for cooperative relationships between Governments, enterprises, and non-governmental organizations (NGOs).

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3. The Committee may wish to decide that, pending the decision of the Commission to establish the Working Party, the mandates of the ad hoc groups of experts on steel and the chemical industry be renewed for a transitional period of one year, so that the ongoing activities of the two groups of experts could be properly completed.

4. The new Working Party (WP.8) would report to the Committee in exactly the same way as the already established Working Party on International Legal and Commercial Practice (WP.5); the Working Party on Technical Harmonization and Standardization Policies (WP.6); the Working Party on Standardization of Perishable Produce and Quality Development (WP.7); and the United Nations Centre for the Facilitation of Procedures and Practices for Administration, Commerce and Transport (UN/CEFACT).

5. To proceed with establishing the Working Party, the Committee would need both to submit a request to the UN/ECE in this regard and propose a title for the Working Party. The Bureau proposes the following title: *Working Party on Sustainable Enterprise Development*.

6. It is anticipated that the new Working Party would be serviced by the Enterprise Development Section of the Trade Division. The Committee may wish to make recommendations regarding how the work can be linked to that of the regional advisers on trade and investment promotion, trade facilitation and small and medium-sized enterprises.

7. Three principal factors have influenced the Bureau in making its proposals. These are:

- (a) The distinction between the ad hoc Group of Experts on Steel and the ad hoc Group of Experts on the Chemical Industry themselves and the wide range of activities under their auspices which continue to have value for many member States;
- (b) The continuing shift of member States' priorities from sectoral to cross-sectoral issues, as demonstrated in the restructuring of many national administrations and international bodies, such as the secretariat of the Organisation for Economic Co-operation and Development and the European Commission;
- (c) The decline in secretariat resources devoted to sectoral programmes.

8. The proposed Terms of Reference for the Working Party are set out in annex 1 and a proposed Programme of Work for the Working Party in annex 2. The precise details could be amended in the light of comments from the ad hoc Group of Experts on Steel which will meet on 28 and 29 March 2000, and the ad hoc Group of Experts on the Chemical Industry, which will meet on 27 and 28 April 2000.

9. A substantial benefit of this proposal is that the new Working Party would stabilize the work programmes in the strategically important areas of enterprise restructuring, sustainable development and competitiveness, while fully respecting the spirit of the 1997 Plan of Action. Moreover, the Committee itself would be freed from direct supervision of the industry and enterprise development programmes, while continuing to define overall strategic directions for work in this important area.

10. If the Committee favourably considers this proposal, the following division of responsibilities would seem appropriate:

- (a) Committee for Trade, Industry and Enterprise Development
  - Strategy
  - Overall Policy on Trade, Industry and Enterprise Development
  - Resource allocation
  - Supervision of the Working Party
  
- (b) Working Party on Sustainable Enterprise Development
  - Policy framework for enterprise development
  - Public-private linkages
  - Technical supervision in restructuring, privatization, and enterprise development
  - Substantive guidance
  
- (c) Task teams (which could be set up to support specific actions)
  - Activities
  - Implementation
  - Generation of networks
  - Feedback

For example, it is anticipated that, following the Forum on Electronic Commerce for Transition Economies, a Task Team would be set up to implement a programme on "The Internet and Enterprise Development". Other task teams could be envisaged, depending on the work programme of the proposed Working Party.

Annex 1**SUGGESTED TERMS OF REFERENCE FOR THE WORKING PARTY ON  
SUSTAINABLE ENTERPRISE DEVELOPMENT**

The mission of the Working Party on Sustainable Development (WP.8) is to promote entrepreneurship and a sustainable business environment in the UN/ECE region.

Under the general guidance of the Committee for Trade, Industry and Enterprise Development, the Working Party:

- (a) agrees a policy framework for the UN/ECE's work regarding enterprise development.
- (b) organizes the exchange of information and experience related to the development of competitive business in the UN/ECE region.
- (c) provides help to promote access to global markets leading to economic growth and job creation.
- (d) provides an environment for discussions on entrepreneurship.
- (e) helps to promote best practice in innovation and the application of new electronic technologies, such as the Internet.
- (f) collects, processes and disseminates statistical and other information related to enterprise development.
- (g) studies economic, technical and regulatory issues related to enterprise development and makes recommendations.
- (h) cooperates with the other subsidiary bodies of the Committee and with other international institutions in all matters concerning enterprise development.
- (i) supervises the activities of Task Teams set up to implement more precisely defined activities on an ad hoc basis.

In order to fulfil its mandate, the Working Party may convene ad hoc meetings for studies, hold seminars, organize study tours and assist in organizing workshops, or adopt any other appropriate method of carrying out its agreed programme of work. It will review the results of its work at its annual sessions and submit reports thereon to the Committee for its consideration during that body's annual sessions.

Annex 2

**SUGGESTED PROGRAMME OF WORK FOR THE WORKING PARTY ON  
SUSTAINABLE ENTERPRISE DEVELOPMENT**

A programme of work focussing on enterprise development was mandated by the UN/ECE Plan of Action in 1997. In 1999, based on a review requested by the second session of the Committee on Trade, Industry and Enterprise Development, strategic directions for enterprise development were approved.

The strategic directions set out an Integrated Programme for Enterprise Development based on two strands: 1) Entrepreneurship and SME Development and (2) Competitiveness in Basic Industries. The goal of the programme is to promote a clear, predictable and supportive environment for industrial and enterprise development, building on the existing expertise and established networks of the UN/ECE which associate business sector and government representatives. The programme stimulates synergies, linkages and cross-fertilisation with other Trade Division programmes.

The programme focuses on core areas of the UN/ECE's expertise, such as understanding of best practices, guidelines for capacity building, networking and contact promotion, which provide added value to clients through additional international cooperation between the public and private sectors.

UN/ECE Enterprise Development Programme 2000

The suggested new cross-sectoral programme for the first years of the new millennium would be implemented in a coherent approach under the substantive guidance of the UN/ECE Working Party on Sustainable Enterprise Development (WP.8). The mission of the Working Party would be to promote entrepreneurship and a sustainable business environment in the UN/ECE region.

The Working Party would be asked to consider, agree on and coordinate a coherent policy framework for enterprise development. The mandates of the two ad hoc groups of experts (on steel and the chemical industry) would be extended for the year 2000-2001 to allow them (as two of the first task teams) to pass over to the Working Party their ongoing work programmes in their areas of competence.

The work programme for the year 2000-2001 reflects the priorities set out in the 1997 Plan of Action, namely: promotion of sustainable development, policies of privatization and restructuring, and information and statistics:

**1. Sustainable Enterprise Development**

The UN/ECE's work on sustainable enterprise development will be built on the ongoing programmes outlined in the strategic directions adopted by the Committee in 1999. Some of the programmes that have been started in 1999 are still under way, while some have been completed, but their results form a basis for continued work in the same area. The suggested programme of work

consists of the following activities:

- (a) Cross-sectoral enterprise development
  - Update best practice guidelines and create networks on business incubation throughout Europe
  - Promote business advisory services, counselling and information services, including on the topic of access to finance, through training in workshops and seminars as well as through information services and publications
  - S** Develop activities to encourage the participation of woman in enterprise development in transition economies
    - Use the Internet as a broad-based tool for sustainable enterprise development with a focus on transition economies
    - Further develop programmes, activities and co-operation with regional sub-groupings and international organisations
- (b) Continuing industry activities in the transitional period
  - Pilot Project Demonstrating the Environmental Clean-up of Selected Industrial Sites and a Compendium on Soil Clean-up Technologies and Soil Remediation Companies
  - Seminars on Remediation of Polluted Soils
  - Workshop on Trade in Radioactive Contaminated Metallurgical Scrap

## **2. Restructuring and Privatisation**

Given the limited resources, the UN/ECE can only address certain focused areas related to industrial restructuring and privatization in the transition economies. These areas include overmanning and related (Small and Medium-Sized) enterprise development in single-industry towns and also the impact of environmental problems on the competitiveness, modernization and restructuring of industries. Specific activities would include:

- (a) Cross-sectoral enterprise development
  - The role and impact of small and medium-sized enterprises in privatization and restructuring processes
- (b) Continuing industry activities in the transitional period
  - Round Table on Barriers to Industrial Restructuring Resulting From Overmanning: the Case of the Steel Companies



- Restructuring basic industries: the specific cases in China, Poland and Romania
  
- Seminar on the Structure of Steel Consumption

### 3. Information and statistical services

#### (a) Cross-sectoral enterprise development

- Small and Medium-Sized Enterprises in Countries in Transition 1998-1999
- Expansion of the network of Dissemination Centres based on the experiences of the pilot centres
- Papers, presentations and information on enterprise development with emphasis on access to finance, human resources development and creating an enabling environment

#### (b) Continuing industry activities in the transitional period

- Directory of European Chemicals and Suppliers
- The Chemical Industry - Annual Review
- Annual Review of the Steel Market
- Annual Bulletin of Steel Statistics for Europe, North America and Asia
- Annual Bulletin of World Trade in Steel and the Quarterly Bulletin of Advanced Statistics on Steel.

The Working Party would submit an annual report on its activities to the Committee for Trade, Industry and Enterprise Development.