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ECONOMIC COMMISSION FOR EUROPE

COMMITTEE FOR TRADE, INDUSTRY AND
ENTERPRISE DEVELOPMENT

Working Party on Industry and Enterprise Development

First session, 31 October – 1 November 2000

REPORT OF THE FIRST SESSION

HIGHLIGHTS

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

- adopted its Terms of Reference with a mission to promote entrepreneurship, industrial restructuring and a sustainable business environment in the region covered by the UN/ECE.
- elected Ms. Krystyna Gurbiel (Poland) as its Chairperson and Ms. Lilija Stelpe (Latvia) and Mr. Brian McVey (The United Kingdom of Great Britain and Northern Ireland) as its Vice-Chairpersons
- adopted its programme of work
- confirmed the establishment and the programmes of work of four Teams of Specialists:
 - Team of Specialists on Business Incubation
 - Team of Specialists on Internet Enterprise Development
 - Team of Specialists on Radioactive Contaminated Metal Scrap
 - Team of Specialists on CHEMISEED
- decided to hold its second session on 21 and 22 March 2001

Note: Copies of all documents referenced in this report can be found at the following Internet address: <http://www.unece.org/trade> under “6 October: Agenda and documents...” (English, French and Russian).

Introduction

1. The Working Party on Industry and Enterprise Development held its first session on 31 October and 1 November 2000.
2. Representatives of the following countries took part in the session: Albania, Azerbaijan, Belarus, Belgium, Bulgaria, Croatia, Czech Republic, Estonia, Finland, France, Georgia, Germany, Hungary, Ireland, Italy, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Malta, Netherlands, Poland, Portugal, Romania, Russian Federation, Slovakia, Slovenia, Switzerland, the former Yugoslav Republic of Macedonia, Turkey, Ukraine, United Kingdom of Great Britain and Northern Ireland and United States of America. A representative of the European Commission also attended.
3. A representative of the United Nations Industrial Development Organization (UNIDO) also took part in the session.

Item 1: Adoption of the agenda

4. The Working Party adopted its agenda (TRADE/WP.8/2000/1).

Item 2: Election of officers

5. Ms. Krystyna GURBIEL (Poland) was elected Chairperson and Ms. Lilija STELPE (Latvia) and Mr. Brian McVEY (United Kingdom) were elected Vice-Chairpersons of the Working Party.
6. Ms. Gurbiel, as Chairperson thanked the member States of the Commission for the confidence placed in her and called for their cooperation and exchange of experience and ideas to support the work of the new Working Party.

Introductory remarks:

7. Ms. Danuta Hübner, Executive Secretary of the United Nations Economic Commission for Europe (UN/ECE), opened the session emphasizing that the new Working Party will create a policy framework for the UN/ECE's work in industry and enterprise development. The Working Party is a body where the member States can enhance their mutual cooperation, create public-private partnerships, collect and disseminate best practices in a number of topics ranging from industrial restructuring to the development of e-commerce and from small and medium-sized enterprise development to enterprise financing. The Working Party will promote sustainable development of enterprises and entrepreneurship, and particularly the emergence of a sustainable private sector in the transition economies. For this work, it will be essential to bring the work close to entrepreneurs in the member States so as to allow the UN/ECE to fully deliver the outputs requested with the resources available.
8. Ms. Carol Cosgrove-Sacks, Director of the Trade Division, brought to the attention of the Working Party a statement of the Chairman of the Committee for Trade, Industry and Enterprise Development, Mr. Miguel Vilchez Barros (Spain), who welcomed the delegations and encouraged

them to contribute to the creation of a clear, predictable and supportive environment for industrial and enterprise development activities and assist member States, particularly the countries with economies in transition, to integrate further into the European and global economy.

Item 3: Matters arising from the fourth session of the Committee for Trade, Industry and Enterprise Development and the ad hoc informal meeting of the Commission

Documentation: ECE/TRADE/262

9. The Working Party noted the decisions of the fourth session of the Committee and the ad hoc Informal session of the Commission to establish the Working Party on Industry and Enterprise Development (WP.8).

Item 4: Terms of Reference

Documentation: TRADE/WP.8/2000/3

10. The Working Party adopted the final version of the provisional Terms of Reference (Annex 1) approved by the Committee at its fourth session.

Item 5: Reports of existing Teams of Specialists and ongoing activities

Documentation: TRADE/WP.8/2000/4, TRADE/WP.8/2000/5, TRADE/WP.8/2000/6 and TRADE/WP.8/2000/7

11. The Working Party took note of the Reports of the Team of Specialists on Radioactive Contaminated Metal Scrap, the Team of Specialists on CHEMISEED, the Team of Specialists on Business Incubation and the Team of Specialists on Internet Enterprise Development.

Item 6: Reports of existing ad hoc Groups of Experts

Documentation: TRADE/STEEL/GE.1/2000/6 and TRADE/CHEM/GE.1/2000/7

12. The Working Party took note of the Reports of the ad hoc Group of Experts on Steel and the ad hoc Group of Experts on the Chemical Industry and their transitional activities for incorporation of the programme of work under the auspices of the Working Party.

Item 7: Programme of work

Documentation: TRADE/WP.8/2000/10, TRADE/WP.8/2000/11 and OPA/AC.16/2

13. The Working Party took note of the interim programme of work of the Regional Adviser and requested a provisional programme of work for 2001 – 2002 to be presented at its second session.

14. The Working Party adopted the interim Programme of Work (Annex II) and requested the secretariat to provide a provisional Programme of Work for 2001 and 2002 to be adopted at its second session in March 2001.
15. The Working Party took note of the secretariat's work on dissemination centres.
16. The Working Party accepted the proposal for including trade finance activities in its Programme of Work.
17. The Working Party noted the following schedule of meetings:

2000

1 November	Forum on SME Development: the Hungarian Experience
2 – 3 November	Meeting of Experts on Business Counselling, Advisory and Information Services
13 – 15 December	Third session of the Meeting of the Team of Specialists on Radioactive Contaminated Metal Scrap

2001

19 – 20 February	Fourth session of the Team of Specialists on Trade on Radioactive Contaminated Metal Scrap
13 – 15 March	Seminar on Analysis, Methodology of Treatment and Remediation of Contaminated Soils and Groundwater
19 March	Seventh session of the ad hoc Meeting on the Steel Market
20 March	Fourth session of the ad hoc Group of Experts on Steel
20 March	Second session of the Team of Specialists on Internet Enterprise Development
21 – 22 March	Second session of the Working Party on Industry and Enterprise Development
23 March	Fourth session of the ad hoc Group of Experts on the Chemical Industry
23 – 24 April	Seminar on Barriers to Industrial Restructuring Resulting from Overmanning in Steel Companies
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 8: Other business

18. There was no other business.

Item 9: Adoption of the report

19. The Working Party on Industry and Enterprise Development adopted the report of its inaugural session on 1 November 2000.

Annex I**TERMS OF REFERENCE FOR THE WORKING PARTY ON
INDUSTRY AND ENTERPRISE DEVELOPMENT****Background**

The Committee for Trade, Industry and Enterprise Development of the United Nations Economic Commission for Europe (UN/ECE) adopted the draft Terms of Reference for the Working Party at its fourth session in June 2000, when it requested the Commission to establish a new Working Party on Industry and Enterprise Development. The Working Party adopted its Terms of Reference at its first session (31 October – 1 November 2000).

Terms of Reference

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 covered by the UN/ECE.

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

- (a) agrees on a policy framework for the UN/ECE work regarding industry and enterprise development;
- (b) organizes the exchange of information and experience related to the development of competitive business in the region covered by the UN/ECE;
- (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 and industrial restructuring;
- (g) studies economic, technical and regulatory issues related to enterprise development and makes recommendations for government action;
- (h) cooperates with the other relevant bodies of the Commission and with other international intergovernmental and non-governmental institutions, as well as with the business community in all matters concerning industry and enterprise development;
- (i) supervises the activities of teams of specialists set up to implement more precisely defined activities on an ad hoc basis.

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 consideration.

Annex II

PROGRAMME OF WORK FOR 2000-2001

1. The Committee for Trade, Industry and Enterprise Development of the United Nations Economic Commission for Europe (UN/ECE) adopted the draft programme of work for the Working Party at its fourth session (June 2000), when it requested the UN/ECE to establish a new Working Party on Industry and Enterprise Development.
2. For consideration of its programme of work, the Working Party had before it the following documents:
 - The report of the ad hoc informal session of the UN/ECE, formally establishing the Working Party on Industry and Enterprise Development
 - The report of the fourth session of the Committee, at which the Committee has agreed the draft Terms of Reference and the proposal for a Programme of Work for the Working Party (ECE/TRADE/262 para. 65)
3. The Working Party will be serviced by the Trade Division.
4. A calendar of planned or proposed meetings of the Working Party and its subsidiary bodies (Teams of Specialists) can be found in the report of the first session. The second session of the Working Party is tentatively scheduled to take place in March 2001.

Background

5. A programme of work focusing on enterprise development was mandated by the UN/ECE in its Plan of Action in 1997. In 1999, based on a review requested by the second session of the Committee, strategic directions for enterprise development were approved.
6. 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-fertilization with other Trade Division programmes.
7. The programme focuses on core areas of UN/ECE 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, and drafts recommendations for government action to create a more conducive environment for investment and economic growth.

Industry and Enterprise Development Programme 2000 - 2001

8. The suggested new cross-sectoral programme for the first years of the new millennium will be implemented under the substantive guidance of the Working Party on Industry and Enterprise Development (WP.8). The mission of the Working Party will be to promote entrepreneurship, industrial restructuring and a sustainable business environment in the region covered by the UN/ECE with the focus on countries in economic transition.

9. The Working Party should consider, agree on and coordinate a coherent policy framework for industry and enterprise development. The mandates of the ad hoc Group of Experts on Steel and the ad hoc Group of Experts on the Chemical Industry have been extended until June 2001 to allow them to pass over to the teams of specialists under the Working Party activities in their areas of competence that the Working Party wishes to maintain.

10. The work programme for the year 2000-2001 reflects the priorities set out in the 1997 Plan of Action, as well as the decisions taken at the fourth session of the Committee (ECE/TRADE/262 and TRADE/2000/8 Annexes I and II), namely: promotion of enterprise development, policies of privatization and restructuring, and information and statistics.

Enterprise Development

11. The UN/ECE's work on enterprise development will be primarily implemented by teams of specialists in cooperation with the secretariat, building on ongoing programmes. Some of the programmes that have been outlined in the strategic directions adopted by the Committee in 1999 are still under way, while others 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:

- Updating best practice guidelines and creating networks on business incubation throughout Europe
- Promoting 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
- Developing activities to encourage the participation of women in enterprise development in transition economies
- Using the Internet as a broad-based tool for sustainable enterprise development, with a focus on transition economies
- Further developing programmes, activities and cooperation with regional sub-groupings and international organizations

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

Industrial Restructuring and Privatization

12. Given its resource limitations, the UN/ECE can only address certain specific 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:

- Pilot Project Demonstrating the Environmental Clean-up of Selected Industrial Sites and a Compendium on Soil Clean-up Technologies and Soil Remediation Companies (CHEMISEED)
- Seminars on remediation of polluted soils
- Trade in radioactive contaminated metallurgical scrap
- Barriers to industrial restructuring resulting from overmanning: the case of the steel companies
- Restructuring basic industries: specific cases in selected member States
- Seminar on the structure of steel consumption
- The role and impact of small and medium-sized enterprises in privatization and restructuring processes
- Information and statistical services:
 - o Directory of European Chemicals and Suppliers
 - o The Chemical Industry - Annual Review
 - o Annual Review of the Steel Market
 - o Annual Bulletin of Steel Statistics for Europe, North America and Asia
 - o Annual Bulletin of World Trade in Steel
 - o Quarterly Bulletin of Advanced Statistics on Steel

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