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COMMITTEE FOR TRADE, INDUSTRY AND
ENTERPRISE DEVELOPMENT

Working Party on Industry and Enterprise Development

Fifth session, 12 and 13 February 2004

REPORT ON THE FIFTH SESSION

HIGHLIGHTS

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

- Re-elected Ms. Dragica Karaic (Croatia) and Ms. Tatiana Skameykina (Russian Federation) its Vice-chairs (paragraph 7)
- Organized a Round Table on Corporate Governance (paragraph 8)
- Extended the mandates of the Teams of Specialists on Industrial Restructuring, Quality Management Systems, Youth Entrepreneurship, Women's Entrepreneurship and on Internet Enterprise Development (paragraphs 15, 17, 18, 19 and 22)
- Requested the Bureau of the Committee for Trade, Industry and Enterprise Development to consider moving the activities of the Team of Specialists on Quality Management Systems under the auspices of the Working Party on Technical Harmonization and Standardization Policies (WP.6) (paragraph 17)
- Decided to contribute to the organization of an Industry and Enterprise Development Week in conjunction with the ninth session of the Committee for Trade, Industry and Enterprise Development (paragraph 25)
- Adopted the new framework for its activities and the programme of work for 2004-2005 (paragraphs 28 and 30)

Introduction

1. The Working Party on Industry and Enterprise Development held its fifth session on 12 - 13 February 2004.
2. Representatives of the following countries participated: Azerbaijan, Bosnia and Herzegovina, Croatia, Czech Republic, France, Hungary, Ireland, Poland, Republic of Moldova, Romania, Russian Federation, Slovenia, Spain, Switzerland, Ukraine, United Kingdom, United States of America, and Uzbekistan.
3. Representatives of the European Commission and Commonwealth of Independent States also took part in the session.
4. The Director of the Industrial Restructuring, Energy and Enterprise Development Division welcomed the delegations and highlighted the major results of the Working Party's activities since its fourth session as well as the events to be held under its auspices in the next year. The results of the survey on the relevance of the programme of work conducted in the summer of 2003 showed that that programme did not contain activities which the member States would consider irrelevant. At the same time, the rapidly changing economic and political settings in the region require the adjustment of its programme. He indicated that as from the fifth session, the Working Party meetings would incorporate segments of substantive discussion, during which the member States could also discuss possible new areas of work. At the fifth session, the first such discussion in the form of a round table addressed the issue of corporate governance.
5. In her introductory remarks, the Chair of the Working Party, Ms. Judit Habuda (Hungary) highlighted the outcome of the WP.8's Bureau meeting held in September 2003 and introduced the Bureau's recommendations to the fifth session. She also presented drafts of the major decisions which the Working Party was expected to take at the session.

Item 1: Adoption of the agenda

Documentation: TRADE/WP.8/2004/1

6. The Working Party adopted the provisional agenda with amendments.

Item 2: Election of officials

7. Ms. J. Habuda (Hungary) continued her term as Chair of the Working Party. Ms. D. Karaic (Croatia) and Ms. T. Skameykina (Russian Federation) were re-elected Vice-Chairs of the Working Party.

Substantive discussion segment: Round Table on Corporate Governance

8. The secretariat organized the Round Table within the framework of the suggested new programme of work on corporate governance. The Round Table discussed this key issue in the

context of both developed market and transition economies of the region. The Round Table included presentations from leading experts/senior executives of three major international companies (Aon London, Suisse Re and UBS) on various aspects of corporate governance and its impact on company competitiveness and international ratings. The presentations were followed by the general discussion on this topic.

Item 3: Matters arising from the seventh session of the Committee for Trade, Industry and Enterprise Development

Documentation: ECE/TRADE/306

9. The Working Party took note of the secretariat report on the seventh session of the Committee for Trade, Industry and Enterprise Development (CTIED).

10. The secretariat reported on the outcome of the World Summit on the Information Society held in 2003 in Geneva and the role of UNECE in its preparation. The Working Party took note of the report.

11. The secretariat made a presentation on the relevance of intellectual property rights implementation, public private partnership, and land for development sub-programmes carried out under the Working Party on Legal and Commercial Practice (WP.5) for the issues considered under the industrial restructuring and enterprise development programme. The Working Party took note of that information.

12. The Working Party thanked the CTIED Bureau for the invitation to contribute to the organization and holding of the Executive Forum with the tentative title “Competing in a changing Europe: Opportunities and Challenges for Trade and Enterprise Development” scheduled for 11 – 13 May 2004. It called on its members to take an active part in the Forum.

Item 4: Ongoing activities

Sub-item 4.1 Results of the questionnaire on the relevance of the programme of work

Documentation: TRADE/WP.8/2004/2

13. The secretariat reported on the outcome of its survey, which was designed to assess the relevance of the Working Party’s programme of work as seen by the UNECE member States. The Survey showed that the member States which replied to the questionnaire considered the programme relevant or even highly relevant. The Working Party took note of the report.

14. The Working Party welcomed the secretariat’s initiative to organize a substantive discussion during its annual sessions. It asked the secretariat to identify topics of interest for the member States, which could be discussed in the future. It was suggested that one such topics could be the environmental aspects of industry and enterprise development.

Sub-item 4.2 Industrial Restructuring and Sustainable Industrial Development

4.2.1 Team of Specialists on Industrial Restructuring

Documentation: TRADE/WP.8/2004/3
TRADE/WP.8/AC.1/SEM.9/2003/2
TRADE/WP.8/AC.1/SEM.16/2003/2

15. The secretariat reported on the results achieved by the Team of Specialists on Industrial Restructuring during the period following the fourth session of the Working Party. The Working Party took note of the report and decided to extend the mandate of the Team of Specialists for one more year.

4.2.2 Team of Specialists on CHEMISEED

Documentation: TRADE/WP.8/2004/4

16. Ms. Joelle Ory, Vice-Chair of the Team of Specialists on CHEMISEED informed the meeting on the work accomplished since the last session of the Working Party, in particular on the success of the well-attended seminar on “Analysis, Methodology of Treatment and Remediation of Contaminated Soils and Ground Water” held in Paris on 1 – 3 April 2003 with the assistance of this TOS. The Working Party took note of the report. It decided to discontinue the mandate of the Team of Specialists on CHEMISEED. It also decided to maintain its support for the biennial Seminars on soil decontamination organized by Intersol in Paris as an ad hoc activity of the Working Party with limited participation by the secretariat.

4.2.3 Team of Specialists on Quality Management Systems

Documentation: TRADE/WP.8/2004/5

17. The Working Party heard a report by the secretariat on the work accomplished by the Team of Specialists on Quality Management Systems. The meeting took note of the report. The Working Party decided to extend the mandate of the TOS for one more year. Following the recommendations of the Bureau of the Working Party, it also requested the Bureau of the CTIED to consider moving this activity under the auspices of the Working Party on Technical Harmonization and Standardization Policies (WP.6).

Sub-item 4.3 Development of Entrepreneurship

4.3.1 Team of Specialists on Entrepreneurship in Poverty Alleviation

Documentation: TRADE/WP.8/2004/6
TRADE/WP.8/2004/7
TRADE/WP.8/AC.2/2003/2

18. Ms. Rachel Golden, Vice-Chair of the Team of Specialists on Entrepreneurship in Poverty Alleviation and the secretariat informed the Working Party on the ongoing activities of the TOS and the results of its fourth meeting held on 9-10 February 2004. Several delegations expressed satisfaction with the work accomplished by the TOS and expressed their wish to continue this sub-programme. Other delegations thought that this activity was on the margin of the UNECE mandate in the area of enterprise development. The Working Party took note of the reports and the discussion which followed, and decided to extend the mandate of the TOS for one more year. In order to reconcile the name of the Team of Specialists with the actual focus of its work, the Working Party decided to adopt the new terms of reference of the TOS and changed its name to "The Team of Specialists on Youth Entrepreneurship".

4.3.2 Team of Specialists on Women's Entrepreneurship

Documentation: TRADE/WP.8/2004/8
TRADE/WP.8/AC.4/2003/1

19. Mr. Andrew Fiddaman, Chairman of the Team of Specialists on Women's Entrepreneurship, Ms. Elzbieta Raciniewska, its vice-Chair, and the secretariat informed the Working Party on its ongoing activities. Several delegations supported the activities under this sub-programme. Other delegations thought that this activity was on the margin of the UNECE mandate in the area of enterprise development. The Working Party took note of the reports from the TOS and the discussion which followed, and extended the mandate of the Team for one more year.

Sub-item 4.4 Emerging Knowledge-based economy

20. The Director of the Industrial Restructuring, Energy and Enterprise Development Division informed the Working Party on the current status of this activity. He presented the recommendation by the Bureau to broaden its scope to include, in addition to the promotion of Internet-based entrepreneurship, the issues of capacity building for knowledge-based economy and the related Government policy.

21. The Working Party decided to expand its activities in the area of knowledge-based economy to include the promotion of capacity building and the analysis of the Government policy conducive to that economy. It asked the secretariat to redraft the programme of activities under this heading to cover the above-mentioned issues.

4.4.1 Team of Specialists on Internet Enterprise Development

22. The secretariat informed the Working Party on the activities of the Team of Specialists on Internet Enterprise Development and its major accomplishments during the period under review. The Working Party took note of the report and extended the mandate of the TOS on Internet Enterprise Development for one more year.

Item 5: Regional Advisory Services

Documentation: TRADE/WP.8/2004/11

Sub-item 5.1 Entrepreneurship and SMEs

23. The Regional Advisor on Entrepreneurship and SMEs reported on the ongoing activities, which focused on the implementation of the UNECE Strategy for SME Development, sub-regional cooperation in that area, standards of good governance for SMEs, and activities supporting the development of entrepreneurship, including youth and women's entrepreneurship. The Working Party took note of this report and suggested that the regional advisory activities in this area should be continued.

Sub-item 5.2 Women's Entrepreneurship

24. Since the regional advisory services in the area of women's entrepreneurship and gender mainstreaming had been discontinued, there was no discussion under this agenda sub-item.

Item 6: Industry and Enterprise Development Forum, 2005

Documentation: TRADE/WP.8/2004/12

25. The Working Party welcomed the invitation by the Bureau of the CTIED to contribute to the organization of an Industry and Enterprise Development Week in conjunction with the ninth session of the Committee for Trade, Industry and Enterprise Development. This event, tentatively scheduled for the week starting on 23 May 2005, will incorporate a number of meetings, including a Regional Forum. The Working Party called on the Teams of Specialists operating under its auspices to actively participate in the Industry and Enterprise Development week and, where appropriate, to earmark their 2005 meetings for that week.

26. The meeting discussed a choice of topics for the Industry and Enterprise Development Forum as proposed by the Bureau. The Working Party opted for the topic of "Fifteen Years of Market Reforms in Transition Economies: the Status of the Industrial Sector". The Working Party asked its Bureau to decide on the dates of the Forum, which should be aligned with the dates of the ninth session of the CTIED.

Item 7: Directions of future work and proposals for new activities

Documentation: TRADE/WP.8/2004/13

27. The Working Party discussed the future directions of its work in the context of the proposals by the Bureau as well as the proposals and comments made by delegations. The proposals by the delegations related to the possible role of tourism in economic development and poverty alleviation, the scope and impact of new "cleaner" energy-saving and environmentally-friendly technologies as the basis for sustainable industrial development, intensified cooperation of the WP.8 with the Working Party on Technical Harmonization and Standardization Policies (WP. 6) in the areas of certification, homogenization and environmental standards for enterprises, best practices in supporting innovative SMEs in the UNECE region, as well as the regulatory framework conducive to export-oriented production. The Working Party took note of

these proposals and asked the secretariat to examine them further so as to avoid duplication of activities within the UNECE secretariat.

28. The Working Party adopted the new framework for its activities as proposed by the Bureau and presented in document TRADE/WP.8/2004/13.

29. The Working Party decided that the new programme element “corporate governance” should be included in its programme of work and asked the secretariat to modify the latter accordingly.

Item 8: Adoption of the program of work

Documentation: TRADE/WP.8/2004/14

30. The Working Party adopted its programme of work for 2004-2005 with the changes agreed during the fifth session. It asked the secretariat to incorporate these changes and present the updated programme to the next meeting of the Working Party’s Bureau.

Item 9: Other business

31. The Working Party decided that its next meeting would take place on 10-11 February 2005.

Item 10: Adoption of the report

32. In accordance with the procedure adopted by the Working Party at its fourth session, the report of its fifth session will be adopted by the Bureau of the Working Party.

Annex I

**PROVISIONAL LIST OF MEETINGS OF THE WORKING PARTY ON INDUSTRY
AND ENTERPRISE DEVELOPMENT FOR 2004**

9-10 February	Fourth meeting of the Team of Specialist on Youth Entrepreneurship
10 February	Fourth meeting of the Team of Specialists on CHEMISEED
11 February	Fourth meeting of the Team of Specialists on Industrial Restructuring
12-13 Feb.	Fifth session of the WP.8
31 March	6 th Forum on Best Practice in the Development of Entrepreneurship and SMEs in Countries in Transition: The Romanian and Slovak Experience
1 – 2 April	Expert Meeting on Good Governance for SMEs
6-7 May	Sub-regional Forum of Women Entrepreneurs, Istanbul, Turkey
7 May	Fifth meeting of the Team of Specialists on Women's Entrepreneurship, Istanbul, Turkey
3-4 November	Forum "Problems of Single Industry Towns and Areas: The Role of Public Private Cooperation"*
5 November	Fifth meeting of the Team of Specialists on Industrial Restructuring
November	Expert meeting on Evaluation and Comparative Analysis of Excellent Quality Models

* Subject to modification.