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**COMMITTEE FOR TRADE, INDUSTRY AND
ENTERPRISE DEVELOPMENT**

Working Party on Industry and Enterprise Development
Sixth session, 10 and 11 February 2005

REPORT ON THE SIXTH SESSION

HIGHLIGHTS

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

- Elected Mr. Mario Cardullo (United States) Chairman and Ms. Judit Habuda (Hungary) Vice-chair (paragraph 6)
- Organized a Forum on Entrepreneurship: the Key Building Blocks, Challenges and Opportunities (paragraph 7)
- Requested the CTIED to rename the Team of Specialists on Industrial Restructuring as the Team of Specialists on Industrial Restructuring and Competitiveness, approve its updated terms of reference and renew its mandate for one more year (paragraph 12)
- Requested the CTIED to renew the mandate of the Team of Specialists on Internet Enterprise Development for one more year (paragraph 17)
- Did not renew the mandates of the Teams of Specialists on Quality Management Systems, Youth Entrepreneurship and on Women's Entrepreneurship (paragraphs 19, 21 and 22)
- Advised the secretariat to retain the regional advisory services and the respective post of Regional Adviser under the programme on Industry and Enterprise Development (paragraph 25)
- Approved the provisional programme and the dates of the Industry and Enterprise Development Forum to be held in conjunction with the ninth session of the Committee for Trade, Industry and Enterprise Development (paragraph 26)
- Requested the CTIED to approve a new activity (sub-programme) on Entrepreneurship and Enterprise Development and the relevant changes in its programme of work (paragraph 29)
- Adopted the programme of work for 2005-2006 (paragraphs 30)

Introduction

1. The Working Party on Industry and Enterprise Development held its sixth session on 10-11 February 2005.
2. Representatives of the following countries participated: Albania, Armenia, Azerbaijan, Belgium, Bosnia and Herzegovina, Canada, Croatia, Czech Republic, Denmark, Finland, France, Georgia, Germany, Hungary, Ireland, Italy, Kyrgyzstan, Latvia, Lithuania, Norway, Poland, Portugal, Republic of Moldova, Romania, Russian Federation, Serbia and Montenegro, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom and United States of America.
3. Representatives of the European Commission, Organization for Economic Co-operation and Development, 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 achievements of the Working Party since its fifth session as well as the events to be organized and publications to be issued under its auspices in the next year. He informed the session of the recommendations to the Working Party developed by its Enlarged Bureau at its meeting in October and the expected decisions of the sixth session. He also emphasized the relevance of the discussion on major issues of entrepreneurship and enterprise development for the future programme of work of the Working Party and invited the delegation to actively participate in the substantive discussion segment of the session, which followed.

Item 1: Adoption of the agenda

Documentation: TRADE/WP.8/2004/1

5. The Working Party adopted the provisional agenda.

Item 2: Election of officers

6. Mr. Mario Cardullo (United States of America) was elected Chairman of the Working Party. Ms. Judit Habuda (Hungary) was elected Vice-Chair of the Working Party. Ms. Dragica Karaic (Croatia) and Ms. Tatiana Skameikina (Russian Federation) continued their terms as Vice-Chairs of the Working Party.

Substantive discussion segment: Forum on Entrepreneurship

7. The secretariat organized the Forum on Entrepreneurship within the framework of the suggested new sub-programme on entrepreneurship and enterprise development. The Forum listened to the welcoming address by Mr. Christian Poncelet, President of the French Senate. Its sessions discussed the key issues of fostering entrepreneurship, including the capital formation for entrepreneurship, cultural awareness and preparation through education, the role of innovation in entrepreneurship, and legal and regulatory structure for enterprise development.

The Forum listened to presentations from Government officials, leading experts and senior executives of a number of major foundations, educational establishments, financial institutions and business associations, such as National Foundation for Teaching Entrepreneurship, Batten Institute, European Venture Capital Association, KfW Banking Group, Delta Private Equity Partners and others. A special panel discussed the legal and regulatory framework for entrepreneurship in transition economies and drew in particular on the experience of Croatia, Hungary and Kyrgyzstan.

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

Documentation: ECE/TRADE/340
TRADE/2004/2

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

9. The secretariat informed the Working Party on the Guidelines and Procedures developed and adopted by the eight session of UNECE Committee for Trade, Industry and Enterprise Development (CTIED). The Working Party took note of that information.

Item 4: Ongoing activities

10. The secretariat made a presentation on the environmental aspects of industry and enterprise development and introduced the Working Party into the concept of sustainable industrial development and corporate social responsibility. The Working Party took note of that report.

Sub-item 4.1: Industrial development

4.1.1: Team of Specialists on Industrial Restructuring

Documentation: TRADE/WP.8/2005/2
TRADE/WP.8/2005/2/Add.1

11. The secretariat reported on the results achieved by the Team of Specialists on Industrial Restructuring, which during the period following the fifth session of the Working Party had accomplished its initial programme of work. The Working Party took note of that report. Several delegations supported the activities under this Team.

12. Following the recommendation of its Enlarged Bureau, the Working Party requested the Committee for Trade, Industry and Enterprise Development to rename the Team of Specialists on Industrial Restructuring as the Team of Specialists on Industrial Restructuring and Competitiveness, and to approve its updated terms of reference. It also requested the CTIED to renew the mandate of the Team of Specialists on Industrial Restructuring and Competitiveness for one more year.

4.1.2: Support to the “Intersol” Seminar

Documentation: TRADE/WP.8/2005/3

13. Ms. Joelle Ory (France) informed the Working Party on the progress of preparations for the fifth seminar on “Analysis, Methodology of Treatment and Remediation of Contaminated Soils and Ground Water” – “INTER SOL 2005” which will be held in Paris on 19–21 April 2005. The Working Party took note of that report.

4.1.3: Corporate Governance

Documentation: TRADE/WP.8/2005/4

14. The Working Party heard a report by the secretariat on the implementation of the sub-programme on corporate governance and on the outcome of the Round Table on Corporate Governance held on 9 February 2005. The Working Party took note of that report.

15. The Working Party decided to transfer the sub-programmes on corporate governance and social corporate responsibility from Industrial Development programme to Enterprise Development programme.

Sub-item 4.2: Knowledge-based economy

16. The secretariat informed the Working Party on the current status of this activity. The sixth session took note of that report and welcomed the forthcoming publication of two new reports on the readiness of transition countries for knowledge-based economy.

4.2.1: Team of Specialists on Internet Enterprise Development

Documentation: TRADE/WP.8/2005/5
TRADE/WP.8/2005/6

17. 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 that report and requested the CTIED to renew the mandate of the TOS on Internet Enterprise Development for one more year.

Sub-item 4.3: Enterprise development

4.3.1: Team of Specialists on Quality Management Systems

Documentation: TRADE/WP.8/2005/7

18. The secretariat reported on the activities of the Team of Specialists on Quality Management Systems during the period under review. The Working Party took note of that report.

19. The Working Party decided not to renew the mandate of the Team of Specialists on Quality Management Systems. It asked the secretariat to explore the feasibility of incorporating the relevant activities of this Team's work programme into the programme of the Team of Specialists on Industrial Restructuring and Competitiveness.

4.3.2: Team of Specialists on Youth Entrepreneurship

Documentation: TRADE/WP.8/2005/8

20. Ms. Rachel Golden, acting Chair and Mr. Yuriy Sosyurko, Vice-Chair of the Team of Specialists on Youth Entrepreneurship informed the Working Party on the activities of the TOS since the fifth session of the Working Party. The Working Party took note of those reports and agreed that the Team of Specialists was successful in raising the awareness of Governments of the importance of youth entrepreneurship programmes. Several delegations supported the work on youth entrepreneurship, in particular in the area of entrepreneurial education and know-how transfer. The Working Party agreed that in the future promotion of youth entrepreneurship should be part of sub-regional UNECE technical assistance programme, in particular for Central Asia and the Caucasus.

21. Following the recommendation of its Enlarged Bureau, the Working Party decided not to renew the mandate of the TOS on Youth Entrepreneurship. It also decided to incorporate the relevant Youth Entrepreneurship issues into the proposed Entrepreneurship and Enterprise Development Programme.

4.3.3: Team of Specialists on Women's Entrepreneurship

Documentation: TRADE/WP.8/2005/9

22. Ms. Magdalena Pienkowska (Poland), speaking on behalf of the Bureau of the Team of Specialists on Women's Entrepreneurship, and the secretariat informed the Working Party on the ongoing activities of the Team. The Working Party took note of those reports. Following the recommendation of its Enlarged Bureau, the Working Party decided not to renew the mandate of the TOS on Women's Entrepreneurship. It also decided to incorporate the relevant Women's Entrepreneurship issues into the proposed Entrepreneurship and Enterprise Development Programme.

Item 5: Regional Advisory Services

Documentation: TRADE/WP.8/2005/10

Sub-item 5.1: Entrepreneurship and SMEs

23. The Regional Adviser on Entrepreneurship and SMEs reported on the ongoing activities, which focused on the implementation of the UNECE Strategy for SME Development, strengthening institutional setup for start-up entrepreneurs, promotion of youth entrepreneurship, implementation of standards of good governance for SMEs in the ECE region and sub-regional cooperation in the area of entrepreneurship. The Working Party took note of this report.

24. Several delegations emphasized the importance of entrepreneurship and SME promotion for transition economies and supported the work of the Regional Adviser on Entrepreneurship and SMEs. Drawing on the practical results achieved through this activity in less advanced countries of the region, they expressed their conviction that the Regional Adviser's activities should be continued.

25. Following the recommendation by its Enlarged Bureau, the Working Party advised the secretariat to retain the regional advisory services and the respective post of Regional Adviser under the programme on Industry and Enterprise Development.

Item 6: Industry and Enterprise Development Forum, 2005

Documentation: TRADE/WP.8/2004/11

26. The Working Party took note of the decision by the eight session of CTIED to modify the title of the Forum to read: "After Fifteen Years of Market Reforms in Transition Economies: New Challenges and Perspectives for the Industrial Sector". It adopted the provisional programme for the Forum and decided that it would take place on 24 and 25 May 2005.

Item 7: New directions of work and proposals for new activities

Documentation: TRADE/WP.8/2004/17
TRADE/WP.8/2004/18

27. The Working Party discussed the future directions of its work in the context of the recommendations developed by its Enlarged Bureau. Several delegations supported these recommendations, in particular the start of a new Entrepreneurship and Enterprise Development sub-programme.

28. The Working Party agreed with the recommendations by the Enlarged Bureau regarding the future directions of its work as presented in document TRADE/WP.8/2004/18.

29. The Working Party requested the CTIED to approve a new activity (sub-programme) on Entrepreneurship and Enterprise Development, which structure is presented in document TRADE/WP.8/2004/17 Annex, and the relevant changes in its programme of work.

Item 8: Adoption of the program of work

Documentation: TRADE/WP.8/2004/12

30. The Working Party adopted its programme of work for 2005-2006 with the changes agreed during the sixth 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 9-10 February 2005.

Annex I

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