Economic and Social Council

ECONOMIC COMMISSION FOR EUROPE

COORDINATING UNIT FOR OPERATIONAL ACTIVITIES

Round Table on "Overcoming Obstacles to the Development of an Information Society: A Business Solution"

Geneva, 24-25 February 2003

FINAL REPORT

Background

1.   In the course of the preparation for the World Summit on the Information Society, numerous studies and debates revealed the existence of deep quantitative and qualitative gaps between and within the countries of the UNECE region in terms of ICT penetration and, consequently, economic and social gains generated through the application of new technologies. Such gaps have often been the result of policies rather than structural problems. Only in a few cases has the penetration of ICTs been handicapped by the underdeveloped infrastructure. At the same time, growing income disparities, both between and within the UNECE countries, appear to be having a much stronger effect on the formation of the primary components, constituting the foundation of an information society, and/or on its further deepening. A reversal of such a situation will require cooperation between all the stakeholders, especially between the corporate and public sector, in order to work out solutions to various gaps and obstacles to the development of an information society.

2.   To assist countries in their efforts, the UNECE in cooperation with the United Nations Development Programme organized a Round Table on "Overcoming Obstacles to the Development of an Information Society: A Business Solution" to provide a forum for a public-private dialogue.

3.   The main objective of the Round Table was to bring together representatives of the corporate sector and the relevant governmental organizations for a discussion of possible solutions that business could suggest; to identify constraints facing the corporate sector and

Governments that prevent these solutions from being implemented. The Round Table looked into possibilities of cooperation between the private and public sector, drawing upon success stories and national experiences. It also considered cross-regional opportunities for cooperation in overcoming divides and obstacles to the development of an information society in economies in transition.

4.   The Round Table was attended by the participants from the public and private sectors of the following countries: Azerbaijan, Belgium, Estonia, France, Germany, Italy, Kyrgyzstan, Lithuania, Malta, Poland, Russian Federation, Serbia and Montenegro, Slovakia, Slovenia, Sweden, Switzerland, Tajikistan, Ukraine and United States of America. It was also attended by the representatives of the United Nations secretariat, UNDP, UNCTAD, ITC (UNCTAD/WTO), SECI BICC (Southeast Europe Cooperation Initiative, Business Information and Clearing Centre), Stability Pact for SEEurope, ICCC (International Council for Caring Communities), and CCIR (Centre for Communications and Information Research).

5.   The list of participants of the meeting as well as other documents prepared for the meeting and conference papers/presentations, can be found on the Web site at the following address: http://www.unece.org/operact/meetings/round/introduction.html

6.   The Round Table was organized in the following four panels:

   a.   Lack of affordability and accessibility: business solution to overcoming constraints;
   b.   Reducing the operational costs and raising the efficiency gains;
   c.   Improving governance by ICT means; and
   d.   Public Private Partnership in preparing population for a new economy: human resources development.

        Below are short summaries of presentations held at these panels.

Opening session

7.   Ms. Larissa Kapitsa, Director, UNECE Coordinating Unit for Operational Activities, opened the Round Table by welcoming the participants. She explained that the Round Table was the first exercise of the Commission trying to shift the discussion about the importance of the Information Society towards consideration of efficiency gains and solutions to the problems identified in the process of preparation of regional and global conferences on IS. That is why the agenda of the present round table provides a broad framework to address these issues. The business sector is considered an extremely important partner of the governments in providing needed solutions. She put forward for consideration an idea to set up under the UNECE umbrella an International Knowledge Economy Centre which would allow all the stakeholders to join their efforts in finding innovative and pragmatic solutions to the problems that are faced by even developed countries of the UNECE region.

8.   Mr. Paolo Garonna, Deputy Executive Secretary, UNECE, welcomed the participants and noted that the round table was convened to make a contribution to the WSIS preparatory process. He recalled a number of other events to which UNECE has contributed on the road to the first Summit on the issue, including the Bucharest Pan-European Regional WSIS Conference in November 2002. The role of business in providing solutions not only to

technical issues but also to policy issues and social problems is extremely important. Among these problems he mentioned basic human rights and freedoms, in particular intellectual property rights and freedom of circulation of information, human resources development, security, privacy, etc. He stressed that the UNECE region as a whole has undergone unprecedented political and economic transformations that were very economically and socially costly and not always smooth. In his view, science and technology and information society are and will be fundamental dimensions of the future, more integrated Europe.

9.   Mr. Andrei Korotkov, First Deputy Minister, Ministry of Telecommunications and Informatization, Russian Federation, welcomed an opportunity to participate in the round table and shared his views on some revolutionary and evolutionary changes that have led information society to become a reality. He dwelt upon the necessary components of the information society: access to ICT that should be available, services to be provided by ICT applications, security and trust in using these applications for transmitting financial means, personal and other confidential data, and human skills that need to be updated significantly in order to properly use ICT means and services available. He also praised the UNECE secretariat for preparing a set of country readiness assessment reports that provide a good picture of where the society was standing and what remained us to be done in switching to a single world system.

10.   Mr. Jozsef Györkös, State Secretary, Ministry of Information Society, Slovenia, emphasized that new technologies and their applications have really changed societies, their economies and cultures in the very profound way. Therefore, the Governments must speed up and stimulate the dissemination of new technologies and their applications, and to take measures to ensure that the highest possible number of citizens would benefit from them. He gave some figures on ITC market and innovative potential of Slovenia and other EU candidate countries, and stressed that the further penetration of Internet would depend on better and faster access at a reasonable price, and on the quality of the services and contents. The following issues were also mentioned regarding the needs for the successful business solutions: proper infrastructure, access to use and re-use the public sector information, strengthening the innovative potential by venture capital and budget resources, and international information exchange on best practices and partnerships at the project level.

11.   Ms. Tattu Mambetalieva, Adviser to the President on ICT, Kyrgyzstan, underlined that ICT opened up unprecedented possibilities for improving economic development of all countries, in particular developing ones. In order to benefit from these possibilities in the Central Asian region more fully, she put forward an idea to create Regional Training Centres that could stimulate business to make active use of existing infrastructure at the national and sub-regional levels. The public and business sectors have their own roles to play in creating an information society and providing effective solutions to existing obstacles, and partnership between these two sectors of the economy is necessary to accelerate this process.

12.   Mr. Serhiy Tretyakov, Deputy Chairman, State Committee of Ukraine for Regulatory Policy and Entrepreneurship, Ukraine, shared the vision of IS problems presented by Mr. Korotkov (Russian Federation) since his country was facing similar problems. In addition, he referred to the problems of high cost of licensing for major software and databases, as well as to the "brain-drain" of highly qualified Ukrainian specialists on ICT. He noted that the state Programme on Informatization up to the year of 2012 has been adopted and was being successfully implemented stage by stage. He further underlined the problem of legislation

and suggested that a separate round table should be devoted to legislative problems of the information society.

13.   Mr. Yuri Misnikov, ICT for Development Regional Coordinator, UNDP Regional Support Centre in Bratislava, Slovakia, noted that UNDP has been working on the issue of ICT for Development for quite some time and has gained some experience on how to approach this problem at the policy level. As for the role of business, there are still many questions to be answered. What are the practical examples of successful private-public partnerships, what are the models, how the private sector should be involved in socially important initiatives in terms of access, promoting innovations, building digital infrastructure and networks, why the private investments have been so far limited? We need to get the views of the private sector who did practical things, and the present round table presented a good opportunity for this.

Panel 1:   Lack of Affordability & Accessibility: Business Solution to Overcoming Constraints

14.   Mr. Rouben Indjikian, Senior Economic Affairs Officer, Electronic Commerce Branch, UNCTAD, discussed e-readiness of the transition economies dwelling on making e-commerce and e-finance affordable for SMEs. He gave some data indicating that some economies in transition were more advanced in Internet connectivity and e-readiness than others (even developed countries) thus confirming the existence of digital divide in the world. Under the projected conditions of e-commerce growth the majority of SMEs will be at risk facing the digital divide due to their low capacity to purchase ICT and afford lengthy and costly advisory services and training. Unlike old economy Internet greatly diminishes the limitations of economy of scale for SMEs due to much lower transaction costs, much better networking opportunities and speed, permitting them to compete through flexible cooperative arrangements with big firms. However, to get connected and start e-business SMEs need initial public support, and/or financing from bank, venture capitalist, lessor and/or cost sharing arrangements among SMEs and their business partners. He outlined some less and more costly e-business models and discussed legal and institutional environment needed to support SMEs e-business. Clustering SMEs in high-tech business in small geographic areas is a good business solution aimed at reducing the cost of their business. According to some estimates the share of e-banking and e-finance might increase substantially in all groups of countries by 2005. It will also result in a major shift from conventional to online payments instruments. Those SMEs that adapt fast to e-type of business including e-credit insurance might greatly benefit by participating online in trade and payment transactions. He concluded by underlying that investments in ICT would require more training and organizational changes that would lead to efficiency gains, higher productivity and more wealth thus providing better affordability for SMEs to engage in e-business and find their place in the information society.

15.   Ms. Louisa Rizmanova, Director, Centre of Informatization and Communication Technologies (Tajikistan), described the approach to e-medicine in her country. She noted that the development of ICT in her country started 4-5 years ago and some progress has already been achieved although more modest in comparison with other CIS countries. There is a clear understanding in the country of the need to organise a dialog between all the players in the market. One of the areas to which great importance was attached recently is e-medicine that allows to provide high quality services to all layers of the population irrespective of their

social status and/or where they live. This ICT application is particularly important for Tajikistan due to mountainous geography of the country, lack of road infrastructure and means of transportation, and it can provide solution to resolving health problems at much lower price. At the same time, there are some problems associated with e-medicine introduction: lack of telephone networks in remote areas, high cost of e-medicine services, insufficient or sometimes lack of power supply in these areas. In part, these problems could be solved by using communication satellites and mobile phones. The next solution is the reduction of tariffs for e-medicine services within the concept of universal services of social importance that is being developed now.

16.   Mr. Ivan Kurnosov, Ministry of Telecommunication and Informatization, Russian Federation, shared the experience with utilizing the existing postal infrastructure for improving the accessibility to ICT services. He underlined that provision of access to ICT and information resources irrespective of country of residence and social status of a person was the IS key problem and, unfortunately, it was the most acute problem at present in many countries, including Russia, in terms of number of Internet users and their distribution and density. He emphasized that the most effective solution of this problem was the use of postal infrastructure and services that covered the whole country, including the remote areas, and referred to a cyber-post programme that was launched recently in the Russian Federation. Initial results are quite satisfactory. More than 2500 post offices throughout the country have already started to provide access to Internet and many users were recorded, in particular in remote regions. There are plans to increase the number of ciber-post offices and expand the range of services provided, in particular e-trade and e-payment services. Further plans include providing access to ICT services through ciber-post offices to collective users such as schools, libraries, administrative offices, etc. The cyber-post programme was presented to, and welcomed by the Universal Postal Union as an appropriate solution to existing problems with access to ICT means and services.

17.   Mr. Branislav Andjelic, Advisor to the Chair, Stability Pact eSEEurope Initiative dwelt upon regional cooperation as a solution in overcoming income constraints in IS development. He outlined the following obstacles to IS development in South Eastern Europe: shortage of capital, hardware and software; underdeveloped telecommunication infrastructures and telecommunication market monopolies; lack of public awareness; digital literacy and absence of sufficient skills by businesses, organizations and consumers; priority needs for organizational transformation and national economy reconstruction, as well as social and cultural implications. The main objectives of the Stability Pact eSEEurope Initiative launched in October 2000 are to: support the development of Information Society in South Eastern Europe, focus on strategies and measures which promote the region as a whole, and promote benchmarking, best practice and cooperation within the region. The already achieved results have shown that this initiative make it possible to develop IS in the region with less capital, in shorter time period, with less mistakes and in line with European models and standards. He underlined that regional cooperation was an important approach for the IS development and it may allow to: strengthen promotion and coordination of mutual interests in IS development, combine and synchronize activities and scarce resources for IT development, stimulate innovation and exploit the technology potentials of e-business, promote and establish business networking of the IT companies in the region, create an integral central database of IT resources on national and regional levels, develop partnership with the public sector and universities for the realization of projects of interest of each state and region as the whole, promote and provide investments in IT modernization regardless of industry/sector, organize and introduce services such as e-commerce, e-banking, e-tourism, e-agribusiness etc., start

initiatives for human resources development, face jointly strong competition in the western countries markets, and facilitate local companies to find business partners in western Europe, etc.

18.   Mr. Gediminas Valancius, Sales Channel Director, Vilniaus Bank, Lithuania, provided details on "SNOW BALL" market development model which was innovative way to grow ITT and Internet banking market via national initiative to support IS development in Lithuania. Despite total ITT sector growth, Internet penetration in 2001 remained comparably low with no growth tendencies. It is obvious that one company is unable to change total environment and a lot of different forces should be involved. The "Snow Ball" model aims at addressing this goal. There is only one way to join forces i.e. to find common interest between all the parties from the variety of different interests that could make the huge synergy and change the situation significantly. At the beginning, four partners (two commercial banks, and mobile and fixed communication companies) found common interest in achieving average EU Internet penetration in the country within 3 years through providing access to Internet for broadest levels of the society, training in using computers and Internet, and developing e-services to the society. Later, the central and local Governments as well as more private companies have joined the initiative and the "Snow Ball" began to roll. As a result, during the last three quarters of 2002 the rate of Internet penetration in the country rose dramatically: from 10% to 20%.

19.   Mr. Branislav Andjelic made a presentation on the development of geographical information system in Serbia and Montenegro. In the past few years, the Government authorities invested the significant resources in order to try to develop such a system. But the lack of financial resources and the experts in the state institutes was the main obstacle in reaching the goal. Even if the state institutes succeeded in engagement of the competent experts, they could not hold them for a long time because of the low salaries in the public sector. This obstacle was resolved through engaging in a public private partnership scheme a GISCO, relatively small private company that is dedicated to only one assignment and has been able to react quickly and to reach the wanted target in the shortest time. The contract of co-financing the development of commercial information system was signed and, at the end of 2002, the project of the geographical information system and the system of real time GPS monitoring the mobile objects was presented to the Government. By the end of 2003, the GISCO company plans to open the Operational Centre for the monitoring of the territory of Serbia and Montenegro, and the state institutions would be able to rent the services of the Operational Centre by getting the data from the Centre through fast data links or by renting the equipped room in the Centre. The Ministry of Ecology, Ministry of Traffic, Hydro meteorological institute, telecommunication and other companies have shown interest in using the system.

20.   Mr. Alexander Kushtuev, Deputy Director General, ROSTELECOM, Russian Federation, dwelt upon overcoming consumers' mistrust of the existing e-payment systems. The experience has shown that the use of pre-paid cards for the phone calls and getting access to Internet greatly reduces the risk of service providers and the number of customers who are using such cards rises constantly. The use of pre-paid cards, which is a kind of cash, in other areas of electronic services such as e-trade seems to be a suitable option, in particular for the countries where the banking system has not been so developed to ensure wide use of credit cards at affordable prices.

21.   Ms. Monika Kowalczyk, Economist, TELEKOMUNIKACIA POLSKA (TP), Poland, outlined the possibilities and constrains in developing information society on the experience of her organization. Low development level of telecommunications infrastructure, lack of comprehensive mechanisms supporting infrastructure investments, limitations of public resources, lack of the defined functioning rules of Public Private Partnership Model were cited among the major obstacles to developing Polish ICT market. The TP activities are considered to be a good business solution to overcoming the above obstacles and enabled Poland to join IS path much quicker. Among the major areas of TP activities the following were specifically mentioned: Certification Centre Signet, Medical Services Register, e-Document, TP School, School Stock exchange Internet simulation (SIGG), Biblionet, Computers for Schools, etc.

Panel 2:   Reducing the Operational Costs and Raising the Efficiency Gains

22.   Mr. Jerome Frambourg, Alliance Manager, Art Technology Group, France, dwelt on raising the efficiency gains of industry by ICT means. In his view, ICT means can facilitate reaching such political objectives as to build a new dialog and bring your State closer to citizens (capture the needs and expectations from users and to provide a comprehensive direct and easy access to information); to simplify relationships (online relationships & services, become user centric & tend towards single contact, generate processes evolution); to enhance equality; to reduce the digital divide for an equal democracy (find access solutions for each user, broaden the delivery of services, provide e-business means to those who cannot afford it); to liberate new strengths; and to take advantage from the pool of e-business opportunities (proactively contribute to the economic growth of your country and transform towards modern administration). He further described an Internet Portal Model as a business solution to secure a single access point to service and public information that allows to address the main IT challenges: systems and database integrations, activation and organisation of on-line government services, multi-channel and network management (off- and on-line), security management, project globalisation, and user satisfaction and retention.

23.   Mr. Vladislav Kuvshinov, Chief Expert, Law Department, Chamber of Commerce and Industry, Russian Federation (RF CCI), described the role of CCI in raising the efficiency gains of industry by ICT means. RF CCI is a non-governmental and non-commercial organization. Its members are regional chambers of commerce and industry (82 CCI created on territories of subjects of the Russian Federation and 73 CCI created by municipal bodies), as well as Russian organizations including joint enterprises with foreign capital and individual businessmen (about 20 000), and associations and unions of entrepreneurs (119). Both the RF CCI and regional CCI are aimed at promoting the RF economic development, integration of the country into the international economic system, creation of the modern industrial, financial and trade infrastructure, facilitation of conditions for business activity, regulation of due relations between public and private sectors, full-fledged development of all kinds of business activities, trade, economic, technical and scientific ties between Russian and foreign entrepreneurs. For that purpose, 16 RF CCI representations have been established in 15 countries. One of the effective forms of close contacts with businessmen is activity of 24 RF CCI Committees established on a sector-by-sector principle (Committee on Information Assistance, Committee on Small and Medium-sized Business, Committee on Foreign Economic Activity, Committee on Intellectual Property, etc.). The exchange of information is maintained through Internet (htpp://www.gov.ru and htpp://www.tpprf.ru). It was also mentioned that RF CCI has taken an active part in realization of the Federal Program "Electronic Russia" in order to carry out such measures as: creation of the first phase of

electronic commerce system for federal governmental procurement; creation of information and marketing centers; creation of the common data base for goods and services; carrying out inventory and analysis of existing Russian state information systems and information resources; and working out standards in the sphere of ICT.

24.   Mr. Mikhail Natenzon, VITANET Company, Russian Federation, dwelt upon e-medicine as a tool to improve the accessibility of patients to high quality health care.   E-medicine makes it possible to solve extremely important social tasks of making available high quality health care to the population irrespective of where they live and/or their social status. It is particularly important in countries where the level of medical care varies from high quality to almost of entire absence.   He stressed that all the e-medicine technologies were not so expensive as it seemed to be, and their application resulted even in more savings for the economy if all aspects associated with illness were taken into consideration.   E-medicine can provide an opportunity to get a consultation from a medical specialist who is really unique and best in a given medical field worldwide and cannot be accessed easily through traditional means due to various reasons.   For some countries with the low density of population e-medicine is the only option to secure high quality medical services for all the population.

25.   Mr. Alexander Kushtuev, Deputy Director General, ROSTELECOM, Russian Federation, pointed out to the one of the serious problems associated with electronic services, namely: securing confidence and trust among all the players, including consumers of e-services.   There is an urgent need to agree on common principles of creating electronic services at the international level.   In this connection he referred to the Memorandum of Understanding on World e-Trust initiated by the International Telecommunication Union in June last year.   The objective of this MoU is to establish an inclusive, technology-neutral and technology independent multilateral framework for contributions towards a beneficial, non-exclusive, cost-effective and global development and deployment of highly secure infrastructure and applications for value-added e-services such as e-government, e-commerce, e-health and e-learning worldwide (http://www.itu.int/ITU-D/e-strategy/MoU/world_e.html). Since the launching of this initiative, 35 countries have already signed this MoU.   He suggested that UNECE as a regional organization may try to create a similar memorandum which would constitute a new step in developing electronic services in the region.

26.   Mr. Sylvain Moesching, Consultant, NETSME SA, Switzerland, made a presentation of a Web Content Management software. He underlined that the software has provided to the editor an Internet tool to directly and easily manage the content of a Web site from a browser. This tool allows on-line instant self-publishing (anytime and anywhere).   It shifts responsibility from overworked IT staff to non-technical people, eliminates publishing bottlenecks, secures site consistency (enforces compliance with corporate publishing standards and content is dynamically managed by automated rules), allows update of content using familiar toolbar and standard web browser, increases the web site content security, fully controls its content, reduces stress and risk factors, changes easily the layout of the web site (separates the content from the layout), and increases the content value in the long run.

27.   Ms. Elena Kolokolova, Centre for Consultation, Management and Investments (Moscow-Geneva), described some optimal and sub-optimal solutions of raising efficiency/productivity gains from the ICT.   She underlined that the economy is about optimisation subject to constraint.   The national governments are on continuous basis the crucial part of the process of re-adaptation and search for an optimal solution both for

themselves and for businesses and consumers. Their role in very broad terms would be to fill the technical and regulatory "gaps" and to create the favourable regulatory climate by taking a "technology-neutral" approach to regulation without favouring or discriminating any particular technology and, in such a way, creating new barriers. Efficiency gains in e-commerce come by decreasing delays and clerical personnel involved, lowering cost of searching for suppliers and buyers, lowering cost of communications, monitoring of contractual performance, through automatic links of transactions to software managing sales and purchases, etc. They also come from the low cost of entrance into the electronic commerce market and the possibility to operate with low initial investments. An optimal solution that would privilege the whole market will be increasing cooperation and regular consultations among businesses (or private business councils), public-private partnership, creation of regional and international structures promoting optimal economic development under the conditions of the ICT. In this regard, she suggested that In order to make an optimal choice, to be regularly informed and to avoid frustrating paths of economic development a centre for the ICT-dominated or knowledge-based economy could be created as a useful inter-governmental structure. The purpose of the centre would be the promotion of efficient adaptation to the new ICT developments and their practical application in the economy to the advantage of all. Among its functions would be an exchange of information regarding the ICT, search for most optimal solutions in every situation, case-specific studies, international comparisons promoting new developments and keeping informed about the new tendencies, creation of database for the available ICT solutions, policy and legal options, learning opportunities. Other functions might appear as the needs arise.

Panel 3:   Improving the Governance by ICT Means

28.   Mr. Sultan Gadjiyev, Programme Officer, UNDP Country Office, Azerbaijan, presented innovative Customs tactics based on ICT means by describing a project developed for introducing ICT means to customs procedures. When the project was started in 1999, there were only several dial-up connections and inefficient customs operations data, outdated hardware and paper work prevailing, absence of the specialized customs software and the lack of the specific skills and equipment. As a result of the project implementation, the first Wide Area Network was established connecting 38 customs units country-wide; special customs software was developed and applied successfully; the staff was trained in utilization of IT based systems; special customs training in a number of areas was conducted; and relevant international experience was studied. The budget revenues were increased from USD 136 million in 1999 to USD 190 million in 2002. This project constitutes the first national sample of ICT in cost-efficient state management contributing to accountability and transparency. Other Government entities have shown strong interest in the project.

29.   Continuing the previous presentation, Mr. Elchin Aliyev, President, Sinam-Invest, Azerbaijan, provided some technical information on the solutions used for, and capability of Customs corporate network, database and software. The system uses a frame relay technology for simultaneous transmission of voice, data and video. It manages the unique databases and software of the registration of Custom Cargo Declarations, Registration and Control of Custom Rules Infringements, and Computerized Customs Registration and Control System. The latter system enables facilitation and transparency of the Custom clearance, remote control from importers and exporters, facilitation of business for law-abiding exporters/importers, and increase the effective control for tax purposes.

30.   Mr. Shukhrat Akhundjanov, Programme Manager, Digital Development Initiative Programme, UNDP Country Office, Uzbekistan, provided information on improving ICT development in his country. Uzbekistan is one of the few states, where the problems of development of high technologies and the Internet development are taken under the state guardianship. The Law on Informatization was adopted in 1993 and, in 1994, the Concept of Informatization and the Law on Legal Security of Programmers for PC and Databases were adopted.   The President's Decree "On Further Development of Computerization and Introduction of Information and Communication Technologies" (May 2002) and the Resolution of the Cabinet of Ministers on the same subject (June 2002) gave a new approach of ICT development in Uzbekistan. The New National Programme of Further Development of Computerization and ICT for the Period of 2003-2010 was issued.   The Government recognizes the importance of the ICT development and acknowledges that significant results will not be achieved without coordinated actions among Government, the private sector, academic circles and outside partners.   The importance of cooperation with international organizations was emphasized and the UNDP Digital Development Programme launched in 2001 was described in detail.

31.   Ms. Marina Jovanovic, Project Coordinator, Information Technology and Internet Agency (ITIA), Serbia and Montenegro, dwelt upon the development of ICT management capacity in her country. She outlined the organization, scope of work, strategic activities of ITIA that was established in June 2001 with overall responsibility to formulate policy, develop strategy, design organizational structure for, and oversee building of IS in the country. In particular, she dwelt upon a joint project of ITIA and the Swedish International Development and Cooperation Agency (SIDA) "Development of ICT Management Capacity" initiated in June 2002. The objectives of this project and other related projects were described in some detail.

Panel 4:   Public-private Partnership in Preparing Population for a New Economy: Human Resources Development

32.   Mr. Linnar Viik, Associate Professor, Estonia, shared the experience with the development of partnerships on human capital development for the information society. In his view, successful partnership is based on shared vision and goals among partners, understanding the motivation and incentives of the partners, concrete and measurable objectives and on-going open discussion among the partners. In 2001, major finance, telecom and IT companies in Estonia created a Look@World foundation aiming at supporting the continuous growth of Internet penetration with investments comparable to annual state ICT budget. The Government welcomed this initiative and provided a suitable environment for its functioning. It is responsible for establishing digital signature and ID cards, holding register of authentication and certificate providers as well as securing standards. Private companies, on their part, own and operate the rest of the infrastructure and applications, provide user utilities and training programmes, and introduce service development incentives. He also shared with some lessons learned in the course of public-private partnership: value the scarcest resource – private initiative for delivering public good; listen and seek for the best competences; share the vision and goals, and build partnership coalition; encourage and admire the voluntary work; and secure transparency that is the best tool to avoid corruption and shady objectives.

33.   Mr. Giuseppe Perrone, Chairman, Foundation Taliercio (FT), Italy, made an extensive presentation of his organisation. FT was established in 1998 by the Italian Confederation of Industry and the Federation of 80,000 Italian Industrial Managers as a non-profit organization, under the control of the Italian Labour Ministry. The Foundation has the overall aim to increase the enterprises' attitude to innovation and development, through the life-long education of their managers. The objectives are to: analyze educational needs of enterprises and management, improve quality and innovation in management education, network businesses and management development institutions, improve management development in SMEs, and develop managerial culture in Public Administration. He further elaborated on main areas of its activities - research areas and on-line services, in particular evolution of managerial competences, investigating the best practices on introducing e-learning technologies mainly in SMEs, assessing the educational needs of the both public and private managers in the "extended" Europe, and e-manager.

34.   Mr. Tibor Papp, Director General, Ministry of Education, Slovakia, described how private public partnership worked in Slovakia on the example of the Cisco Networking Academy Program (CNAP) case. Before the introduction of the CNAP at the end of nineties there was no systematic education in the ICT area. Therefore, the three main objectives of the CNAP have been to: introduce new methods in education - implementation of Internet based e-learning; increase number of networking specialists; and implement computer networking topics into curricula of secondary schools, universities and generally, to other educational institutions. It is built on two major principles: shared responsibilities and common benefits. The major partners are the Ministry of Education, Cisco Systems company, other sponsors, academia and foundations supporting education who shared the major financial responsibilities and the risk involved. The CNAP case clearly demonstrates that public private partnership to be successful should be carefully planned and take into account the interests of all stakeholders. It must fit into a country specific environment, the major stake holders have to share the risks as well as the benefits for a mutually advantageous cooperation, a transparent and sustainable model of financing has to be put in place, the implementation of projects has to pass through a pilot stage and be followed up by a careful analysis and a transparent strategy building to minimize risks of failure, which are always involved in such endeavors. Moreover, the CNAP case also shows that success, when carefully prepared, has contagious effects and when the results come, the initially established private public partnership tends to not only endure, but also bring in a growing number of partners. In general, partnership in such a way tends to endure, grow and produce prosperity for all involved parties as well as a broader society in the long run.

35.   Ms. Maria Bozoudi, Junior Assistant Manager, SECI BICC (Business Information Clearing Center), Greece, shared with a knowledge management approach in building public and private sectors capacities. She underlined that the new economy brought about increasing competition for capital resources and attraction of FDI; growing demand for services and IT skills; extensive need for communication and flow of reliable and timely information to improve strategic decision making for both governments and investors; and acknowledged necessity for more effective management and cooperation between the public and private sector. As far as human resources development is concerned, education and training is becoming less a process of passing on information, but rather one of individuals "learning how to learn"; the relevance of knowledge of facts is diminishing, while the need to learn how to access, analyze and exploit information and transform it into new knowledge is increasing; and shift towards enabling the individual to be the builder and architect of his/her own learning and development; and the use of ITC is expanding to serve as a massive reach out

mechanism. She further provided information on the Business Information and Clearing Center that was operating under the Stability Pact/SECI umbrella as a non-governmental, non-profit organization, established in 2001 in Thessaloniki, Greece. Initially created as a connecting bond within the Southeast European Cooperative Initiative (SECI), BICC has developed into a primary partner of the Stability Pact for Southeast Europe for the facilitation of public private partnerships and strategic investment targeting, by streamlining the activities of the Business Advisory Council for SEE. BICC has developed a web portal (http://www.biccgr.org) to disseminate customized, executive, reliable and timely information. It is a knowledge management tool developed to highlight investment opportunities on a national and regional level, and be a catalyst for strategic development and effective program execution. The experience of the BICC indicates that for Southeast Europe in particular, PPPs for human resources development could produce positive results for the mobilization of private sector initiative, capital, effectiveness and expertise; and create employment opportunities, develop managerial capacities for sustainable growth, facilitate multi-cultural communication and tolerance, promote administrative de-centralization and opening of markets. In her view, the private sector is often, unfortunately, seen as a convenient cash cow to be milked, instead of a possible partner working in the public interest. However, the private sector is becoming a more and more reliable partner and ally in the development activities.

36. Mr. Yuri Misnikov, ICT for Development Regional Coordinator, UNDP Regional Support Centre in Bratislava, Slovakia, dwelt upon building capacity for e-Governance. He referred, in particular to a Millennium Development Goal No.8 which dealt with developing a global partnership for development with specific focus on commitment to good governance and making available the benefits of ICT in cooperation with the private sector. He further underlined the need for new public management and services on the basis of principles of building IS agreed at the Bucharest Pan-European Regional WSIS Conference in November 2002: development human capacity through education and training; promotion of more efficient and more accountable e-government; and development of national e-strategies by benefiting from existing knowledge and experience on best practices, and learning from one another. He provided information on the E-Governance Learning Centre in Tallinn (Estonia) and briefly described a standard five-day training course that was offered to participants from CIS, CEE and SEE countries.

Closing session

37. Mr. Yuri Misnikov thanked the UNECE secretariat for taking an initiative to organise this round table and invitation to UNDP to co-organize it. This is really the start of the process and we should continue to address this issue further. He also underlined that UNDP was active at the national, sub-regional and regional levels, and was prepared to distillate the existing knowledge and experience of public private partnerships and to share them with others for the benefit of decision makers.

38. Concluding the discussions, Ms. Larissa Kapitsa said that the public private partnership was one of the issues the UNECE was working. In this regard she referred to the Public Private Partnership Alliance set up under the UNECE umbrella that unites a lot of private companies and state agencies, and focuses its activities on investments in infrastructure development projects. She also referred to one issue that has not been adequately covered during the meeting - how to mobilise financial support for innovative initiatives, that could

also find a business solution. Active participation of the private sector is needed for putting forward proposals and solutions on development issues where UNECE has only a promotional role to play. She thanked all the participants for their contribution to the round table and expressed hopes for continuous cooperation between public and private sectors for the benefit of information society.

Some conclusions and recommendations

39.   The UNECE secretariat initiative to organise the present round table was welcomed by all the participants from public and private sectors. It provided the forum for discussing the approaches to finding solutions in overcoming obstacles to successful development of an information society, in particular affordability and accessibility of information and communication technologies, reducing the operational costs and raising the efficiency gains, improving the governance by ICT means, and human resources development.

40.   It was generally acknowledged that the problems of development of an information society needed to be tackled in close cooperation between all the stakeholders, especially public and private sectors of the economy. The public and private sectors have their own roles to play in this process but the most effective solutions can be found through mutually advantageous partnership. The private sector should not be considered as a mere provider of necessary financial resources but as an indispensable partner working in the public interests. The partnership to be successful should take into account the interests of all the partners who are prepared to take the risks involved and share the benefits produced. Such partnership should be carefully planned and transparent to minimize the risks of failure. It should be built on the carefully prepared guidelines that should establish clear rules of behaviour for all partners. The successful and negative examples of public private partnership schemes should be analysed and best modalities should be advertised widely. In this regard it was recommended that the UNECE secretariat should consider an opportunity to collect information and establish a databank on success PPP schemes.

41.   The problem of human resources development should be solved through education and training that should be focussed on teaching how to learn, access, analyse and exploit information and transform it into new knowledge. The positive experience of E-Governance Learning Centre in Estonia on human capacity development was welcomed and it was recommended that the idea of creating Regional Training Centres should be promoted as an effective mechanism for preparing human resources to benefit fully from the advantages brought about by information society.

42.   In order to allow all the stakeholders to join their efforts in finding innovative and pragmatic solutions to the problems that are faced by even developed countries of the UNECE region, an idea to set up under the UNECE umbrella an International Knowledge Economy Centre was put forward. This Centre may, inter alia, try to elaborate a Memorandum of Understanding on e-Trust similar to one launched by ITU last June that would constitute a new step in developing electronic services in the region.

43.   The significance of creating an enabling environment for the development of information society, in particular the deve lopment of appropriate legislative basis was acknowledged. In view of the complexity of such legislation that would determine the destiny of an information society, and the existing need to exchange experience in this area, it

was recommended that a separate round table on the legislative problems of information society should be organised by UNECE.

44.   The value of country readiness assessment reports issued by the UNECE secretariat under the heading "Towards a Knowledge-based Economy" (so far 9 such national reports and a regional assessment report were issued) was acknowledged. They show a detailed level of the countries' potential and provide information on various approaches and solutions, that may help policy-makers to take strategic decisions with regard to the challenges facing them in the development of institutions, information and innovation systems, human resources development and other areas crucial for the development of an information society. It was recommended that UNECE secretariat should invite other countries of the region to prepare such reports that seem to be a good way of sharing information.

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List of documents and presentations
(Available at the following Web site address:
http://www.unece.org/operact/meetings/round/introduction.html)

Information Notice (ECE/OPA/CONF.1/2003/1)

Agenda

List of participants (ECE/OPA/CONF.1/2003/NONE)

Overcoming Obstacles to the Development of Information Society by Mr. Jozsef Györkös, State Secretary, Ministry of Information Society

Panel 1:

E-Readiness for Transition Economies: Making E-Business and E-Finance Affordable for SMEs by Mr. Rouben Indjikan, Senior Economic Affairs Officer, Electronic Commerce Branch, UNCTAD

Regional Cooperation as a Solution in Overcoming Income Constraints in IS Development by Ms. Marijana Vidas-Bubanja, Chair, Stability Pact eSEEurope Initiative, Serbia and Montenegro

"SNOW BALL" Market Development Model by Mr. Darius Maikstenas, Market Strategy Coordinator, Omnitel and Mr. Gediminas Valancius, Sales Channel Director, Vilniaus Bank, Lithuania

Development of Geographical Information System (ECE/OPA/CONF.1/2003/4) by Mr. Dusan Gvozdenovic, Managing Director, GISCO d.o.o., Belgrade, Serbia and Montenegro, and presentation by Mr. Branislav Andjelic

Possibilities and Constrains in Developing Information Society – TP case by Ms. Monika Kowalczyk, Economist, TELEKOMUNIKACIA POLSKA, Poland

Panel 2:

Raising the efficiency gains of industry by ICT means by Mr. Jerome Frambourg, Alliance Manager, Art Technology Group, France

Role of CCI in raising the efficiency gains of industry by ICT means (ECE/OPA/CONF.1/2003/6) by Mr. Vladislav Kuvshinov, Chief Expert, Law Department, Chamber of Commerce and Industry, Russian Federation

Web Content Management by Mr. Sylvain Moesching, Consultant, NETSME SA, Switzerland

Efficiency/Productivity gains from the ICT - optimal and sub-optimal solutions (ECE/OPA/CONF.1/2003/7) by Ms. Elena Kolokolova, Centre for Consultation, Management and Investments (Moscow-Geneva), Russian Federation

Panel 3:

ICT and Innovative Customs Tactics by Mr. Sultan Gadjiyev, Programme Officer, UNDP Country Office, Azerbaijan

Customs Corporate Network, DataBase and Software: Solution and Capability by Mr. Elchin Aliyev, President, Sinam-Invest, Azerbaijan

Improving ICT Development in Uzbekistan (ECE/OPA/CONF.1/2003/5) by Mr. Shukhrat Akhundjanov, Programme Manager, Digital Development Initiative Programme, UNDP Country Office, Uzbekistan and his presentation

Development of ICT Management Capacity by Ms. Marina Jovanovic, Project Coordinator, Information Technology and Internet Agency, Serbia and Montenegro

Panel 4:

Partnerships on Human Capital Development for the Information Society by Mr. Linnar Viik, Associate Professor, Estonia

Human Resources Development by Mr. Giuseppe Perrone, Chairman, Foundation Taliercio, Italy

How Private Public Partnership Works: the CNAP case in Slovakia (ECE/OPA/CONF.1/2003/3) by Mr. Frantisek Jakab, Consultant, CISCO, Mr. Tibor Papp, Director General, Ministry of Education and Mr. Viliam Fedak, Associate Professor, Kosice Technical University, Slovakia and presentation by Mr. Papp

Building Public Private Sector Capacities: A Knowledge Management Approach (ECE/OPA/CONF.1/2003/7) by Ms. Tatiana Hadjiemmanuel, General Manager, SECI BICC - Business Information Clearing Centre, Greece and presentation by Ms. Maria Bozoudi

Building Capacity for E-Governance by Mr. Yuri Misnikov, ICT for Development Regional Coordinator, UNDP Regional Support Centre in Bratislava, Slovakia

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Two more presentations are available on the Web site, although they were not formally presented at the Round Table due to the authors' absence:

ICT and Internet in Georgia by Mr. George Gomelauri, IT Consultancy Engineering and Management Group, Georgia

Public Key Infrastructure Based on Smart Cards in South Eastern Europe: description of BCCI pilot site by Mr. Georgi Stoev, Bulgarian Chamber of Commerce and Industry

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