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PROPOSED ACTIVITIES IN ENTERPRISE DEVELOPMENT

Note by the secretariat

1. This addendum to the paper on "Strategic Directions for Enterprise Development" (TRADE/1999/10) provides details of the ongoing and proposed activities under the two strands suggested:

- Entrepreneurship and SME Development
- Competitiveness in Basic Industries.

2. For the first strand, individual transition economy countries have indicated certain priorities and specific niches within these broad areas, which would most suitably and cost-effectively be undertaken by UN/ECE. A number of directions are being explored: best practices regarding entrepreneurship and enterprise development; restructuring the entrepreneurial fabric, particularly in the services sector; and SME activities, mainly in countries in transition. These activities are proposed to the Committee for Trade, Industry and Enterprise Development for review and approval for inclusion in the programme of work.

3. The concept for the second strand is to assist enterprises in the basic industries within the UN/ECE region - principally but not exclusively in the steel and chemical areas - to improve their competitiveness and introduce best practices with sustainable development as a goal. Based on the 1997 UN/ECE Plan

of Action, the programmes include: sustainable development; restructuring and privatization to promote better competitiveness; and statistical and information services in these industries. The activities are underway under the supervision of the ad hoc Groups of Experts on Steel and the Chemical Industry, as approved by the Committee at its second session from 16 to 18 June 1998 (ECE/TRADE/222, para 42).

A. ENTREPRENEURSHIP AND SMALL AND MEDIUM-SIZED ENTERPRISE DEVELOPMENT

A.1 Best Current Practices in Entrepreneurship and Enterprise Development

A.1.1 *Internet Enterprise Development in Transition Economies*

4. The Secretariat will develop and promote a set of guidelines on electronic business and Internet-based enterprise development in transition economies. A Task Force will be established to investigate the legal, regulatory and institutional infrastructure for electronic business and to define the potential for Internet enterprise development in transition economies. This survey will include the cost and availability of Internet services and the availability of other necessary supporting institutions. The results will be discussed at a forum on electronic business and Internet enterprise development in transition economies with the goal of developing a programme of work that will respond to the identified needs. The target audiences will include ministries, the private sector and research institutes, as well as international and non-governmental organizations. UN/ECE work in this area will be focused on the transition economies and will be coordinated with other international organizations having relevant programmes, such as United Nations Conference on Trade and Development, World Trade Organization, International Trade Centre, United Nations Commission for International Trade Law, International Telecommunications Union, World Intellectual Property Organization, Organization for Economic Cooperation and Development, International Organization for Standardization and Bank for International Settlements.

A.1.2 *Dissemination Centre for Best Practices and Lessons Learned in Enterprise Development*

5. The amount of available documentation on enterprise development, such as best practice manuals, reports on lessons learned and experience gained, is growing at an ever-increasing speed. However, those mostly concerned, i.e. private-sector entrepreneurs and particularly those planning to set up a business, may not have access to this information, which often leads to failures and mistakes that could have been avoided. UN/ECE proposes an initiative to examine the feasibility of creating a business - and entrepreneur - oriented service network. The service would develop a mechanism to make available the

experiences gained: to serve as a distributor of reports, guidelines and other forms of information created thanks to the efforts of numerous international, regional and national agencies and organizations. A particular area of focus will be best practices related to enhancing the role of women in enterprises.

A.2 Restructuring of the Entrepreneurial Fabric

A.2.1 *Enterprise Development Areas: Technopoles and Science Parks*

6. The programme aims at bringing together networks of existing science parks and technopoles, particularly in transition economies, as well as prominent universities and research institutes, in order to discuss the methods and frameworks required for establishing science parks in central and eastern Europe and the Commonwealth of Independent States. In the course of the programme, the legislative and normative basis will be examined with a view to creating guidelines on the best practical solutions developed for science parks to operate and commercially utilize the scientific work carried out. The ultimate goal of the programme is to develop a network of science parks/technopoles to promote similar activities throughout the transition economies and share lessons learned and experience gained within the member States of UN/ECE. Based on the outcome of the pilot programme, a programme will be formulated to develop best practice guidelines for science parks/technopoles.

A.2.2 *Business Incubators, Growth Poles and Related Regional Enterprise Development in the Single-industry Towns*

7. The programme's objective is to evaluate the feasibility of developing privately owned service-oriented enterprise clusters in single industry towns in order to diversify their economic base, promote best practices for enterprise development and accelerate the transition in these urban areas. The programme will concentrate on developing and promoting some of the non-core activities in areas such as construction, transport, cleaning and related industrial services, and housing, as well as food and catering.

A.3 Promotion of Small and Medium-sized Enterprises

8. Pending the preparation and adoption by the Committee of a substantive programme articulating analysis and guidelines related to the development of SMEs, activities in this area are undertaken by the Coordinating Unit for Operational Activities, which responds to the demands of the Member States. The Coordinating Unit is responsible for the organization of seminars and workshops, and the implementation of cooperative activities with other international organizations operating in the region. The ensuing details are provided to inform the Committee about these demand-driven activities and their inter-relationship with the proposed integrated programme for enterprise development.

A.3.1 Guides, papers and information on Small and Medium-sized Enterprises

9. In 1999, two publications "The SMEs in Countries in Transition in 1997-1998" and "The SMEs in Countries in Transition in 1999" will be printed. Another publication "Harmonization of SME Statistics in Countries in Transition within the Central European Free Trade Agreement countries and Estonia" will be initiated in 1999. A database on SMEs of the Central European Initiative countries will be prepared in 1999, while another database on the Commonwealth of Independent States is scheduled for 2000.

10. UN/ECE will prepare a paper on "SME Policy Focal Points, Government Authorities, Business Advisory and Information Centres and Other SME Support Institutions" (OPA/AC.13/1). A paper on Financing SMEs within the Southeast European Cooperative Initiative Programme on Financial Policies for Strengthening SMEs will be published with the support of Turkey and the business community. Other guides and papers will be discussed at expert meetings as appropriate.

A.3.2 Seminars and Workshops

11. The series of seminars and workshops will be continued. In 1999, a Seminar on Local and Regional Government in Enterprise Creation will be held in Yerevan, Armenia. A Seminar on the Best Practice in the Development of Entrepreneurship and SMEs in Countries in Transition on the Basis of the Czech Experience will be held in Geneva in 1999 and another one the following year on the basis of the Slovenian Experience.

12. The 1999 programme will also include an Experts Meeting on Business Incubators, a Workshop on SMEs in the Area of Tourism, and a Seminar on the Cooperation of SMEs with Transnational Corporations, in Baku, Azerbaijan. A course for the training of trainers in the development of start-up entrepreneurs for Central Asian transition economies will also be organized, jointly with the Economic and Social Commission for Asia and the Pacific.

A.3.3 Development of Small and Medium-sized Enterprise Programmes and Cooperation with Sub-groupings and International Organizations

13. The Coordinating Unit for Operational Activities is exploring the possibility of organizing workshops on the development of entrepreneurship and creation of democracy in central Asia. Cooperation with the Black Sea Economic Cooperation Organization, the Central European Initiative, the Commonwealth of Independent States and the Southeast European Cooperative Initiative, the LEED Programme of the Council of Europe and the FEED Programme of the Organization for Economic Co-operation and Development, as well as with the World Bank Donors'

Groups for SME Development and for Financial Sector Development, will be continued. Further assistance will be delivered to the countries in transition in connection with advisory missions, envisaged in 1999 to Armenia, Azerbaijan, Kazakhstan, Poland, Republic of Moldova, The former Yugoslav Republic of Macedonia, Slovenia and Uzbekistan.

B. COMPETITIVENESS IN BASIC INDUSTRIES

B.1. Sustainable Development

14. The following ongoing activities take place under the existing CHEMISEED (Chemical Industry Sustainable Ecological and Economic Development) and METALLURGY & ECOLOGY regional programmes:

B.1.1 Pilot Project Demonstrating the Environmental Clean-up of Selected Sites Polluted by Chemicals

15. This has been under way since March 1994. A sixth Experts Meeting will be held in April 1999 to evaluate information received from the Pilot Project Task Force and to plan further implementation of clean-up actions. These Experts Meetings are expected to continue on an annual basis. The secretariat will prepare a document summarizing the experience accumulated so far, with case histories. "The Compendium of Soil Clean-up Technologies and Soil Remediation Companies" will be updated.

B.1.2 Comparative Data Bank on Chemical Legislation in the Countries of the UN/ECE Region

16. The initial activity to prepare a comparative study of chemical legislation in UN/ECE member countries was converted to a continuing database entitled CHEMLEX, whose purpose is to assist countries in transition in modelling their chemical legislation on a uniform basis with western European legislation. This will facilitate trade and promote environmental standardization and statistical harmonization. A CD-ROM containing CHEMLEX was issued in mid-1998. UN/ECE intends to continue collection of data and update the data bank on the basis of comments received from initial users, assuming extrabudgetary resources can be obtained.

B.1.3 Seminar on Methods of Analysis, Methodology of Treatment and Remediation of Polluted Soils

17. The Seminar will take place from 13 to 15 April 1999 in Paris, in conjunction with the Interchimie '99 and Mesucora '99 exhibitions, as a follow-up to the International Workshop on Soil Decontamination and Remediation Technology held in Paris in 1995. Further seminars and workshops related to this subject

were recommended by previous seminar and workshop participants, and a similar recommendation is expected from this Seminar.

B.1.4 Regional Environmental Management Centre for the Chemical Industry

18. A Regional Environmental Management Centre for the Chemical Industry was established in Poland in 1992. The aim of the Centre is to improve the environmental management, safety and quality performance of chemical producers in central and eastern Europe. The Centre operates partly under the auspices of UN/ECE. Several workshops have been organized by the Centre, with the participation of experts from countries in transition. A further three events are planned for 1999, including a Workshop on ISO 14000 (Environmental Management Standards) Implementation in the Chemical Industry of Countries in Transition.

B.1.5 Workshop on Radioactive Contaminated Metallurgical Scrap

19. Recycled materials represent a growing supply of secondary raw materials for world industry. From the first utilization cycle, some of these materials retain long-term or permanent contamination (alloys, radioactivity, etc.). The uncontrolled use of these secondary materials can lead to the depreciation or loss of the new products in which they are integrated. A Workshop on Radioactive Contaminated Metallurgical Scrap will be organized jointly by UN/ECE, the International Atomic Energy Agency (IAEA) and the Federation of the Steel Producers of the Czech Republic, from 26 to 28 May 1999 in Prague. Further such workshops and seminars are expected to be proposed as a result of this event.

B.2 Restructuring and Privatization

B.2.1 Round Table on Barriers to Industrial Restructuring Resulting From Overmanning: the Case of the Steel Companies

20. This programme attempts to identify the implications of overmanning for industrial restructuring. The secretariat, in cooperation with the representatives of the steel-producing countries and the European Commission, will prepare a short report on this question. The secretariat is to organize a Round Table on this topic, to be held in Geneva on 28 October 1999, just before the ad hoc Meeting on the Steel Market (29 October).

B.2.2 Workshop on Restructuring and Modernization of the Chemical Industry of Countries in Transition

21. A Workshop was organized and successfully conducted in Ukraine on the above subject. The chemical industry in many countries in transition has suffered serious decreasing production in recent years, and modernization is required

through joint ventures, foreign investment, technology transfer and the updating of existing technologies. Examples and possibilities of these were exhibited and discussed during the Workshop. The approach used for this restructuring and modernization can be applied to other countries in transition and to other industrial sectors. Participants felt that such a workshop could beneficially be held in other countries. Furthermore, a study on the above subject was published by UN/ECE in 1998. A study of the restructuring of western chemical enterprises has also been suggested, particularly as these two studies could then be taken as models for cross-sectoral use in examining other industries. Additionally, the evolution of enterprises in the 200 - 5,000 employee range deserves further analysis, and appears to differ greatly, both between different parts of Europe and between different industries.

B.2.3 Seminar on the Structure of Steel Consumption

22. The objective of the Seminar is to contribute to bringing production capacities in the sector more in line with expected market demand at the world level. At the invitation of the delegation of Hungary, the Seminar will take place in May 2000 in Budapest.

B.2.4 Directory of Chemical Producers and Products

23. A "Directory of Chemical Producers and Products" covering the countries in transition has been issued. It constitutes an important tool for promoting international contact between enterprises. The directory is currently being re-issued as a co-publication with an external publisher. Regular updating of the directory is required to keep the data viable.

B.2.5 Study Tour of the Chinese Steel Industry

24. The ad hoc Group of Experts on Steel accepted the invitation extended by the delegation of China to visit China's steel industry from 15 to 22 October 2000, with the objective of exchanging experiences relevant to restructuring the steel industry.

B.3. Statistics and Information Services

B.3.1 The Chemical Industry - Annual Review

25. The "Annual Review" is prepared by the secretariat based on information collected from focal points throughout the UN/ECE region as well as other resources within the UN/ECE secretariat, and other material covering all major chemical product areas. The "Annual Review" has been issued regularly since 1971. A Task Force has examined the structure and content of the statistical part of the "Annual Review" and changes have been incorporated.

B.3.2 Annual Review of the Steel Market

26. The "Annual Review of the Steel Market" is published by the secretariat on the basis of original information received directly from the world's main steel-producing countries. The Review is the single available analysis of this type. Its value is recognized internationally by the actors in the market and by government authorities. This activity, however, may have to be discontinued as no resources are available in the secretariat to proceed with the preparation of the 1998-1999 issue.

B.3.3 1999 Update of the Study on Iron and Steel Scrap

27. This study gathers information on the evolution of availability of scrap at the international level. It examines the economic aspects of the utilization of scrap in connection with other competing primary materials. The secretariat will update the study in 1999.

B.3.4 The Annual Bulletin of Steel Statistics for Europe, North America and Asia, The Annual Bulletin of World Trade in Steel and the Quarterly Bulletin of Advanced Statistics on Steel

28. These three bulletins which present original data on the steel industries of the main steel-producing and steel-consuming countries of the world were recently reorganized under the direction of a Task Force made up of the most representative countries and international organizations. There is strong pressure by industry representatives to maintain the regular collection and distribution of the data concerned.