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

**AD HOC GROUP OF EXPERTS
ON THE CHEMICAL INDUSTRY**

Second session, 28-30 April 1999
(Item 3 of the provisional agenda)

**MATTERS ARISING FROM THE SECOND SESSION OF THE COMMITTEE FOR TRADE,
INDUSTRY AND ENTERPRISE DEVELOPMENT THAT HAVE A BEARING ON THE
WORK OF THE GROUP OF EXPERTS ON THE CHEMICAL INDUSTRY**

Enterprise Development Programme:

**Its Effect on the Activities of the
ad hoc Group of Experts on the Chemical Industry**

Note by the secretariat

Introduction

1. As a result of the restructuring of ECE in 1997, the Working Party on the Chemical Industry was discontinued and responsibility for the chemical industry activities was transferred to the newly established *Committee for Trade, Industry and Enterprise Development* (CTIED), under administrative supervision of the Trade Division of ECE. Details of the transfers, budget adjustments and resource allocations were outlined in the ECE Plan of Action (E/ECE/1347, January 1997) as approved by the Commission at its annual meeting in April 1997 (E/ECE/1355).

2. After restructuring, the CTIED created the *ad hoc Group of Experts on the Chemical Industry* (ECE/TRADE/214), with resources reduced compared to those of the former Working Party on the Chemical Industry, and with a renewable two-year mandate beginning with its first session in April 1998 (TRADE/CHEM/GE.1/1998/6). The programme of work of the ad hoc Group of Experts is defined and supervised by the CTIED, under advice from the annual session of the ad hoc Group of Experts.

The former Working Party reported directly to the Commission; the ad hoc Group of Experts reports to the CTIED, which in turn reports to the Commission.

3. The secretariat of the ad hoc Group of Experts on the Chemical Industry has been integrated into the newly established *Enterprise Development Section* of the *Trade Division*. The Section also includes the secretariat of the ad hoc Group of Experts on Steel and a nascent secretariat working on enterprise development programmes. This latter secretariat does not at present have a Governmental body to which it reports, but one may be created shortly.

Effect of these changes on the Programme of Work in the Chemical Industry

4. Before the restructuring of ECE, the secretariat dealing with the chemical industry had three professionals (two on regular budget and one extra-budgetary) and one secretary, plus approximately two-thirds of the time of a statistical assistant. The present secretariat has approximately 80% of one professional, 80% of one secretary and approximately two half-time statistical assistants. Thus professional staff is roughly one-quarter of that formerly engaged, secretarial service is somewhat reduced, but statistical support has marginally increased.

5. The mandate of the ad hoc Group of Experts on the Chemical Industry as defined by the CTIED was modified from that of the older Working Party on the Chemical Industry to take into account a new approach to enterprise development and industry. This is to be less sectoral and yet maintain the existing expertise within the secretariat and the network of contacts outside it, which had been developed over the twenty-five year history of the chemical programme.

6. In order to meet the requirements set by the Plan of Action and the CTIED, the programme of work of the ad hoc Group of Experts on the Chemical Industry has been re-organized and integrated with that of the ad hoc Group of Experts on Steel into a programme entitled *Competitiveness in Basic Industries*, with three sub-programmes. Within the same Enterprise Development Section, and in parallel to the Basic Industries programme, a programme on *Entrepreneurship and SME Development* has also been established. This organization is outlined on the accompanying diagram; further details will be available after the next meeting of the CTIED (June 1999), in TRADE/1999/10, should that committee approve the document.

7. For the most part, the activities of the former Working Party on the Chemical Industry are being maintained, but there have been some difficulties in applying resources to achieve all of the targets, and some activities have unfortunately received less attention than they may deserve. Re-orientation towards enterprise development and streamlining for greater efficiency of some of the activities is also occurring.

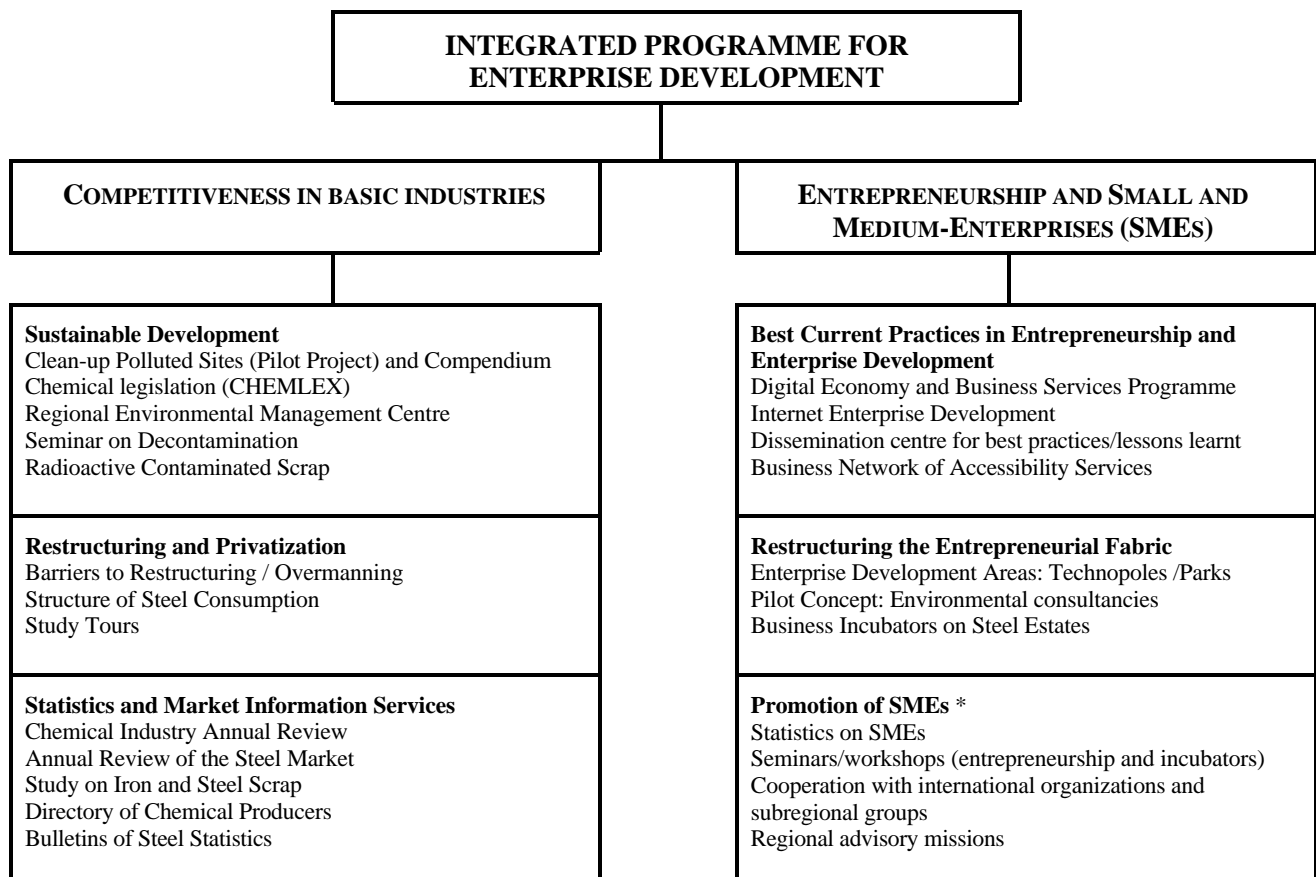
8. Some specific changes that have occurred as a result of the restructuring:

- a *Task Force on Chemical Statistics* had been formed, which made numerous suggestions for re-organization of the chemical statistics data base. The data base has been re-organized, and is now significantly more efficient. Furthermore, the Annual Bulletin of Trade in Chemical Products has been discontinued.
- the *Pilot project on environmental clean-up* has had decreased attention paid to it. The progress report requested by delegations has not yet been produced, but is planned to be issued before the end of 1999.
- the *Directory of Chemical Producers and Products* is underway with an external co-publisher. The secretariat has had a substantial input into the publication, but more could have been done.

- publication of the *Annual Review of the Chemical Industry* has been moved forward by nearly six months (it was normally supplied to the October meeting of the former Working Party, and is now scheduled for release to the April session of the ad hoc Group of Experts), but may not be complete for the current annual session.
- no further study tours have been organized, although the secretariat stands ready to accept proposals for such tours, which provide excellent exposure of a national industry as well as specific on-the-ground lessons for countries whose industries are in need of advice.

9. **Despite the reduced resource base, the chemical industry activity is still able to accept further proposals, and welcomes them.** A further seminar or study, for example, could still be accepted for the year 2000. It is planned to put increased effort specifically on the Pilot project; other proposals should be discussed at the annual session in April 1999.

10. For cross sectoral activities, the secretariat suggests that a Workshop be held, together with the Working Party on Harmonization of Standardization Policy (Working Party 6) of the Trade Division, on the Promotion of ISO 14000 Environmental Management Systems in the Chemical Industry of Countries in Transition. Using the chemical industry for the workshop is a first step and model in introducing the system to other industrial sectors. The ad hoc Group of Experts will have before it a document describing this suggestion in more detail. A further suggestion is based on a potential project, together with the Entrepreneurship and SME Development activity, on encouraging the establishment, development and use of environmental consultancies spun off from large chemical and steel estates (kombinats).



* as carried out principally within the Coordinating Unit for Operational Activities/Regional Adviser