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Item 9 of the provisional agenda

Enterprise development activities: Progress Report

Note by the secretariat

1. During 1998/99 the secretariat, together with the Bureau of the Committee on Trade, Industry and Enterprise Development (CTIED), undertook consultations with representatives of Member States, the European Commission, international organisations, private-sector and non-governmental organisations in order to define those priority areas where the limited resources of the secretariat could add value to cross-sectoral enterprise development programmes in the transition economies. Based in large part on these consultations, a UN/ECE Integrated Programme for Enterprise Development was defined and accepted by the CTIED in June 1999.
2. The new Enterprise Development Programme aims at establishing a clear, predictable and supportive environment for industrial and enterprise activities and at integrating all member countries, and particularly countries in transition, into the European and global economy. The practical work was organized in two basic strands: Entrepreneurship and SME Development on the one hand and Competitiveness in Basic Industries on the other. The chart in Annex I sets out the 1999 programme which was tailored to the resources of the UN/ECE secretariat. Subsequently, the strands have been integrated into one overall programme with four elements (TRADE/2000/8).
3. The cross-sectoral programme has focussed on the UN/ECE's core areas of expertise and experience, such as an understanding of best practices, guidelines for capacity building and networking and enhancement of the role of enterprises and the private sector in economic development. The following activities, which had been mandated by the Committee, have been carried out:

Best Current Practices in Entrepreneurship and Enterprise Development

Internet Enterprise Development in Transition Economies

4. The secretariat has prepared a survey on Internet Infrastructure Development in Transition Economies as part of the Internet Enterprise Development Programme. The secretariat also coordinated the organization of the Forum on E-Commerce for Transition Economies in the Digital Age, to be held on 19-20 June 2000. In addition, a compilation of focal points for the Information Society and Internet Enterprise Development Initiatives in transition economies has been prepared and updated. This will serve as the basis for the establishment of Teams of Specialists on Internet Enterprise Development in transition economies. The secretariat is also in the process of establishing a web-based information centre on national initiatives, policies and instruments for Information Society development in the region.

Dissemination Centres for Best Practices and Lessons Learned in Enterprise Development

5. There pilot dissemination centres have been established. Dissemination centres are being provided with UN/ECE materials (reports, guidelines, manuals) related to enterprise development, to the extent possible both in print and in an electronic format in English, French and Russian. These materials result from the work of different working parties, *ad hoc* Groups of Experts, expert meetings etc. In addition, the secretariat has screened the United Nations System as a whole and will provide the centres with a very wide range of related documentation from different parts of the United Nations secretariat as well as specialized United Nations agencies. The three pilot centres have been provided with the above materials. One is in the Russian Federation, another in Slovenia and a third in the Former Yugoslav Republic of Macedonia. They have been established in cooperation with the Central European Initiative and the Russian Academy of Management and the Market. Further activities, including a web site and new centres in other transition economies will be developed, pending an evaluation of the pilot phase, including an evaluation of direct value of various materials to entrepreneurs and development agencies in the countries concerned.

Restructuring of the Entrepreneurial Fabric

Enterprise Development Areas: Business incubators, Technopoles and Science Parks

6. The secretariat arranged an expert meeting on business incubation in Geneva 3 to 4 June 1999. At the request of the meeting, the secretariat has collected information on the organisation of business incubation services in UN/ECE member countries. The Guideline on Best Practice in Business Incubation (ECE/TRADE/253, ISBN N°.92-1-116749-3). This publication will also be made available on the UN/ECE enterprise development web site. The guidelines cover the basic conditions and frameworks required for establishing business incubators in central and eastern Europe and the Commonwealth of Independent States, such as the basic principles, financing,

services available, choice of tenants etc. A Team of Specialists from more than 25 countries is working through the Internet to define the next stages of the project in response to the demands of the transition economies.

Service Sector Development in Single-industry Towns

7. In light of the emergence of the New Economy which will be at the forefront of the upcoming transformation process in eastern and central Europe and the CIS, the secretariat is currently developing a pilot project on service sector development in transition economies that focuses on new business services in areas such as banking, insurance, telecommunications, business auditing, distribution, trading, and other services. The project will interface closely with the Internet enterprise development programme. The secretariat has been collaborating closely with the WTO secretariat on matters relating to the implications of the General Agreement on Trade in Services (GATS) for transition economies. An informal paper on WTO and GATS was prepared by the secretariat and presented at the Berlin Workshop on New Business Services, held in May 1999, Germany.

Promotion of Small and Medium-sized Enterprises

8. Activities related to the promotion of small and medium-sized enterprises are undertaken by the Regional Adviser on SMEs and the Coordinating Unit for Operational Activities with the support and cooperation of the Enterprise Development Section of the Trade Division. Details on the work related to these demand-driven activities and their inter-relationship with the proposed integrated programme for enterprise development can be found in document TRADE/2000/9.

COMPETITIVENESS IN BASIC INDUSTRIES

9. The concept underlying the original, second strand was to assist enterprises in basic industries within the UN/ECE region - principally, but not exclusively, in the steel and chemical areas - in order to improve their competitiveness and introduce best practices with sustainable development as a goal. The work done in this area is presented in the reports of the Ad hoc Group of Experts on Steel (TRADE/STEEL/GE.1/2000/6) and the Ad hoc Group of Experts on the Chemical Industry (TRADE/CHEM/GE.1/7).

1999 - 2000 INTEGRATED PROGRAMME FOR ENTERPRISE DEVELOPMENT*	
A. ENTREPRENEURSHIP AND SMALL AND MEDIUM-SIZED ENTERPRISES (SMEs)	B. COMPETITIVENESS IN BASIC INDUSTRIES
<p>A.1 Best Current Practices in Entrepreneurship and Enterprise Development Internet Enterprise Development Dissemination centre for best practices/lessons learned in transition economies</p>	<p>B.1 Sustainable Development Clean-up Polluted Sites: Compendium on Soil Decontamination Chemical legislation (CHEMLEX) Seminars on Decontamination Regional Environmental Management Centre Radioactive Contaminated Scrap Workshop on use of ISO14000 standards in countries in transition</p>
<p>A.2 Restructuring the Entrepreneurial Fabric Barriers to Restructuring/Overmanning Enterprise Development Areas: Technopoles/Science Parks and Business Incubators Service sector in single industry towns</p>	<p>B.2 Restructuring and Privatization Restructuring in the Chemical Industry Structure of Steel Consumption Study Tours</p>
<p>A.3 Promotion of SMEs ** Guides, papers and information on SMEs Seminars and Workshops Development of SME programmes and co-operation with regional sub-groupings and international organizations ** as carried out principally within the Coordinating Unit for Operational Activities/Regional Adviser</p>	<p>B.3 Statistics and Information Services Chemical Industry Annual Review Directory of Chemical Products Annual Review of the Steel Market Study on Iron and Steel Scrap Bulletins of Steel Statistics</p>

* As approved at the 3rd session (8-10 June 1999) of the Committee on Trade, Industry and Enterprise Development.