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**BUSINESS ADVISORY AND INFORMATION SERVICES  
IN THE REPUBLIC OF BELARUS**

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The Republic of Belarus is located in the centre of Europe and borders on Poland in the West, Lithuania and Latvia in the North West, Russia in the East, and Ukraine in the South. Its land area is 207,600 square kilometres. Belarus has six administrative regions and a population of almost 12 million. The president is the head of state and executive power.

Belarus is a small country with an advantageous geographical location. It has few natural resources and an open-type economy. Although the progress of the economic reform is not fast enough, the small business sector has been showing certain signs of positive development since 1996.

Today, private enterprise is one of the most dynamic sectors of the Belarusian economy. Non-government enterprises now account for 43% of the total industrial output. Small businesses, including sole traders, employ 446,000 people, which represent 9.5% of the work force. They produce 5% of the nation's industrial output and account for over 30% of retail turnover. In fact, small businesses have always been the only growing sector of the economy. They have provided the highest rates of return on investment and have been an example of resource efficiency. Small businesses have absorbed a high proportion of the surplus work force from other sectors, thus alleviating numerous social problems. The available experience suggests that an effective state policy towards small business should be supported by a stable and comprehensive system of state support for private enterprise.

The legislation that has been enacted to date has introduced the following basic components of such a system:

1. Management and control (administered by the Ministry of Entrepreneurship and Investments);
2. Financial support provided by the national and regional funds for financial support of entrepreneurs;
3. Small business consulting and advice offered through a network of enterprise support centres, science parks and business incubators.

The Ministry of Entrepreneurship and Investments is the focal point in implementing the state policy towards private enterprise and private sector investments. The Ministry is also responsible for measures to control monopolies, protect consumer rights and implement control over advertising. In addition, it is in charge of all activities aimed at building a comprehensive small business support infrastructure and creating a conducive environment for small business development.

In its effort to implement the state policy towards small businesses, the Ministry has drafted a number of laws and government decrees. For example, the law "On State Support for Small Business", adopted in October 1996, clarifies the main objectives of government support for private enterprise.

As a follow-up to this law, the national and regional enterprise support programmes are being adopted every year. The enterprise support infrastructure, which I have mentioned earlier, is instrumental in implementing those programmes. This infrastructure serves as a channel for targeted financial support provided by the state to small business. It is quite obvious that the work of enterprise support centres, business incubators and science parks is unique for every country. But the types of support provided to those institutions are quite similar, and include material, financial and institutional support, as well as information and advice. It should be noted that nearly all of the services available from the business support infrastructure are provided at a reduced cost to the client. Therefore, many components of such an infrastructure may experience serious difficulties, especially at initial stages, as they often have to incur substantial costs that are too high for the client to cover.

The case of the enterprise support centre "Belbusinesscentre" in Mozyr, is a good example that illustrates this problem. The Centre's main objective is to provide information, advice and consultancies to the local small business and to contribute to creating a favourable environment for private enterprise in the community.

The services provided by the centre include:

- Advice on starting up a business;
- Access to market information from computer data bases;
- Legal advice, help in drafting charter documents;
- Advice on taxation, licensing and certification;
- Education and professional training for small business owners, employees and sole traders;
- Business planning.

The centre employs seven people. It is connected to the Internet, has access to e-mail and maintains a web-page of its own. Although the centre's operational and staffing costs exceed its incomes, this difference is partly covered with public funds. This funding, done through the state small business support programme, enables the centre to remain in operation and perform its statutory functions.

In 1998, the joint programme of UNDP and government of Belarus "Creating a Small Business Support and Development Infrastructure" conducted a competition among small business incubator projects. The Mozyr enterprise support centre "Business Centre" was named among its winners and received significant financial support, which enabled it to open a business incubator on its premises. Today, the incubator has seven tenants, operating in different lines of business, such as heating grid repair, wholesale trade, tourism, and even a driving school. In addition to premises, the incubator's tenants are provided with extensive information support and office equipment. They have access to electronic data bases on various aspects of commerce and law.

Consultancies and advice provided on a case-by-case basis and tailored to the needs of the individual customer. Training is provided at various short-term courses and seminars that target audiences with different skills and ability levels. One-day seminars are conducted frequently to address the most recent changes in commercial legislation. The customer's first visit to the centre's consultant is free of charge.

During this first visit, an assessment is made of the customer's problems and needs, and a service contract is drafted. The centre's services enable small businesses to avoid numerous obstacles and errors at the growth stage and make them more likely to achieve success in future.

In addition to performing its direct function - helping business start-ups - the emerging small business infrastructure also contributes to job creation and local economic development. It should be emphasised that the growth of business incubators has been the direct result of the support provided through the joint programme of UNDP and government of Belarus "Creating a Small Business Support and Development Infrastructure". From 1997 to present, the programme's consultants have:

- researched and analysed the international experience of business incubation;
- drafted recommendations on how to establish and manage a business incubator;
- provided technical assistance.

The programme has successfully implemented a project to establish a national network of business incubators, which opened the door to the development of business incubators in Belarus. Through the programme's efforts, business incubator staff are receiving training in business management, and office equipment and computer software have been procured to support the incubators' daily operations. The programme has also implemented a successful pilot microlending project with the Belarusian Fund for Financial Support of Entrepreneurs.

The objective of the pilot microlending project is to develop and implement a microlending model to serve small businesses that have little or no access to conventional bank loans. As a result of this pilot, 100 jobs have been sustained and 80 new jobs created.

As business incubators are new to Belarus, the implementation of this enterprise support mechanism has been the primary responsibility of the joint programme of UNDP and government of Belarus. A growing number of enterprise support centres are being created in large cities to commercialise scientific research conducted in universities. They normally operate a small laboratory where research products can be piloted prior to their large-scale commercialisation.

A legal entity that has acquired the status of an enterprise support centre is eligible for:

- funding under specific state programmes;
- low-interest loans from enterprise support funds;
- premises and office equipment for locating the centre; reductions or exemptions from rent and public utilities payments;
- other funding and support in accordance with the existing legislation.

The power to provide an entity with the business incubator status or to deprive it of such a status rests with the Ministry of Entrepreneurship and Investments, which bases its decisions on applicable procedures and issues the required certificates. Work is almost complete on establishing a national enterprise promotion agency, proposed by the Ministry. This proposal has been discussed with all interested parties and organisations. These discussions have been concerned primarily with the concept, work methods, goals, objectives and structure of the new agency.

The agency's primary objective is to assist in implementing the state policy towards small and medium-sized business and to coordinate the efforts of the small business infrastructure. The Agency also serves as a centre for the research and analysis of issues related to small business development in Belarus.

Information services are an important component of enterprise support in Belarus. Information and marketing systems, along with trained personnel capable of working with information, are important prerequisites to the sustainable development of small business. Economic reforms and foreign investments are impossible without reliable and up-to-date information. Access to information is important for making the market transparent and civilised, strengthening regional partnerships and confronting the shadow economy.

The global marketing information network, based at the Ministry of Entrepreneurship and Investments, has been the first real step in this direction. The marketing information network received data from 48 marketing information centres in Belarus and more than 450 similar centres in the CIS.

This system, named TELEINTERNET, operates as a global network of Intranet web-servers, which receive information through television channels. It is integrated into the Internet and other marketing information networks.

TELEINTERNET has the lowest cost of data transfer of all communication channels available in Belarus. Data is transferred to users through a system of personalised television modems. The regional network of web-servers is also accessible through the Internet. TELEINTERNET carries several data bases on the supply and demand for goods and services within the CIS, projects, partnership opportunities, technologies and innovation projects. Commercial proposals and information requests are transferred to all servers within the network within 24 hours. It is also relayed to other marketing information networks in the CIS and global Internet servers.

The centre for Science and Innovation is the focal point for information exchange within the TELEINTERNET system. The centre provides connectivity to Belarusian companies and organisations wishing to access the marketing information networks within the CIS. By being connected to TELEINTERNET, users can have the following information:

- Commercial proposals, requests for goods and services;
- Announcements and results of tenders and auction sales;
- Export/import opportunities;
- New technologies and investment projects;
- Directory of manufacturers and economic entities of the Republic of Belarus.

Every day, companies can place their commercial proposals on the net. This information is relayed to 145 marketing information centres of the X-MIR network, 128 centres within the RELCOM system, 21 centres of the IC-TPC network, 45 centres of the Interregional Network of Marketing Centres, 56 centres of the marketing information network of Russia's enterprise support agency, 48 centres of the marketing information network in Belarus, as well as the open-access Internet and Teleinternet servers. The eighth session of the CIS Advisory Council for Enterprise Support, which convened in Kiev in October 1999, adopted a programme to establish an intra-CIS system of information and advisory support for small business. This system should expand the access of small business throughout the CIS to global information resources and strengthen their position in the local and CIS markets. The work of this system is based on the mutual exchange of data and data banks on various aspects of enterprise support.

The benefits of this new intra-CIS system are as follows:

- Participating states will be able to consolidate the resources and efforts of small business, thereby alleviating their worst social problems. They will also benefit from improved conditions for intra-CIS trade and greater opportunities for partnership between various enterprises within and outside their countries;
- Businessmen will have less difficulty finding new partners and testing their trustworthiness. They will also gain access to professional advice, credit opportunities within the CIS and new markets. Small businesses will thus get real opportunities to establish joint ventures, expand production and introduce advanced technologies.

Work on this system has been included in the national enterprise support programmes and are being regarded as a step towards intra-CIS integration. In some participating states, this system is being implemented as a part of their state or government programmes. Further development of TELEINTERNET will result in the emergence of an e-trade system, a distance learning network for small businessmen and deeper integration into other information systems within the CIS.