



NATIONS UNIES

ОБЪЕДИНЕННЫЕ НАЦИИ

UNITED NATIONS

COMMISSION ÉCONOMIQUE
POUR L'EUROPE

ЭКОНОМИЧЕСКАЯ КОМИССИЯ
ДЛЯ ЕВРОПЫ

ECONOMIC COMMISSION
FOR EUROPE

ECONOMIC COMMISSION FOR EUROPE
Coordinating Unit for Operational Activities

Distr.
GENERAL

**Expert Meeting on
Best Practice in Business Advisory, Counselling
and Information Services**
(Geneva, Switzerland, 2-3 November 2000)

OPA/AC/16/19

3 October 2000
Original: ENGLISH

**THE ROMANIAN CHAMBER OF COMMERCE AND INDUSTRY
INVOLVEMENT IN PROVIDING SERVICES TO SMEs.
"ONE-STOP-SHOP" FOR ASSISTING BEGINNERS
TO START UP THEIR BUSINESS**

Prepared by Ms. Comelia Rotaru, General Director,
Chamber of Commerce and Industry of Romania,
Bucharest, Romania

1. Background. Brief assessment on Romanian SMEs sector

1.1. Introduction. SME definition

Small and medium-sized enterprise is defined as enterprise which: has fewer than 250 persons, has an annual turnover not exceeding 8 million Euros; conform to the criterion of independence the enterprise does not own over 25 % of the capital by one enterprise employing more than 250 persons.

SMEs are classified by size, on the base of annual number of persons employed, as follows :

micro-enterprises: up to 10 employees;
small enterprise: 10 to 49 employees;
medium enterprises: 50 to 249 employees.

The number of persons employed corresponds to the number of full-time workers employed during one year with part-time and seasonal workers being fractions of full-time workers. The turnover is of the last 12 month accounting period. This definition is in line with EC recommendations.

1.2. Evolution and key figures on the SMEs sector

In Romania the first SMEs have been set up at the middle of 1990, after the Decree - Law no. 54/1990 of the concerning private initiative came into force, being small entrepreneurs - natural persons and family associations. In November 1990 the company law was adopted and SMEs have started to be set up as legal persons in four legal forms : general partnership, limited partnership, joint-stock company and limited liability company. The last one keeps 77 % of the total number of registered traders. In July 2000 the National Trade Register of the Chamber of Commerce and Industry of Romania had registered more than 693300 companies.

At the end of 1999 SMEs sector countered more than 621000 companies and over 126531 natural persons and family associations. The share of SMEs in total number of the registered companies was 89 %. The evolution of SMEs set up for 1996-1999 registered a decrease during the last year due to the deteriorating of economic and business environment (table 1).

Table 1

Evolution of SMEs set up during 1996-1999

	1996	1997	1998	1999
Total SMEs set-up yearly out of which	59.400	53.649	61.587	54.880
companies	47.110	42.995	41.597	32.723
natural persons and family associations	12.290	10.654	19.990	22.157

The SMEs that have submitted their annual balance sheet of 1999, representing the operational enterprises, numbered 394.472 firms.

At the end of 1999 the structure of the operational SMEs by size shows that the most important share of 92,9 % belongs to micro-enterprises.

The distribution of SMEs by field of activity in 1999 is presented below.

Table 2

The SMEs distribution by activity in 1999

Activity	SMEs Number	%
Total	394.472	100.0
manufacturing	43.039	10.9
agriculture	7.064	1.8
construction	10.634	2.7
trade	264.042	66.9
tourism	1.790	0.5
transportation	10.535	2.7
services	57.368	14.5

Since 1996 the private sector, largely dominated by SMEs, contributed approximately 52% of GDP, over 50% of Romania's export and 42% of the total investments. The SMEs sector employees 35% of the total workforce, which is lower than the share registered in the European Union's member states.

1.3. Brief overview on the SME policy

After 1990 the activity of the Governments was focused priority on the privatisation and restructuring of large state enterprises.

The concerns for SMEs supporting programmes were mainly initiated by the international donors being oriented on :

- non-reimbursable financial allocations for investments (Phare Programme);
- access to the spaces through business incubators;
- consultancy services.

The Government has set up together with the banks two guarantee funds: one for private entrepreneurs, the other one for farmers.

The legal framework was improved in July 1999 when a new law for the SME sector was passed by the Parliament as the law no.133/1999.

The law regulates the framework concerning :

- SME definition;
- organisation of SME policy;
- main measures to support the SME sector;
- improvement of SME knowledge base;
- support measures programming and funding.

The measures provided by law for supporting the SME sector are focused on improvement of the business environment, improvement of SME access to business support services and to credit, as well as to public procurement and business industrial infrastructure. They foresaw some reduction of tax in case of profits reinvested by SMEs.

In present time the law is partially in force because some important provisions have not been applied yet, being suspended temporarily.

During 1999 two programmes for supporting SMEs have been applied :

- stimulation of the SMEs establishment and supporting of start-up; this programme was applied in five pilot areas, being allocated 10 billion lei from the state budget;

- the supporting of SMEs for marketing and the export stimulation; an amount of 20 billion lei allocated from state budget was monitored by local chambers of commerce and industry covering marketing costs through non-reimbursable funds.

1.4. Medium term strategy on SME sector development

Recognising the importance of SME sector as one of the main instruments for promoting accession to the European Union, the Government carried out "The National Strategy on SME Sector Development". This document was submitted to the E.C.

The general objectives of the Government strategy aim to maximize the contribution of SME sector to :

- the creation of the new jobs;
- the sustainable economic growth;
- the increase of economy competitiveness;
- the development of the middle class.

On medium term (2000-2004) they estimate an average 200.000 new jobs, the increase of the birth rate by 20%, the GNP growth in the private sector with 5-7% annually.

1.5. Institutional framework

a) Organisation of SME policy

According to the Law no. 133/1999 the formulation, implementation and co-ordination of SME policy was assigned to the National Agency for Small and Medium Enterprises - NASME established in December 1998. In May 2000 NASME was included as a department within the National Agency for Regional Development.

b) Support institutions for SMEs

The development of SME sector in Romania is supporting by a large range of institutions and organization such as :

- chambers of commerce and industry;
- business incubator centers;
- international organizations ; World Bank, UNDP, UN, USAID;
- business information centers : EuroInfo Centres, Trade and Technological Promotion Information System (TIPS), Trade Point, Trade Information Network of CCI of Group 77 countries;
- financial institutions and inter mediates (guarantee funds, banks etc.);
- business advisory and counselling centers;
- business associations and organizations operating as NGOs : Romanian National Committee for Private Small and Medium Sized Enterprises, Romanian Association of Women Managers etc.;
- foundations and development centers for SMEs set-up by UNDP, Phare and UN projects;

The first evaluation made by NARD put in evidence 180 consultancy and information centers for SMEs with an average of 4 centers per each county.

2. CCIR role for the SMEs promotion and development

2.1. Brief presentation of the chambers of commerce system in Romania

The chambers of commerce and industry are organised according to a dedicated law. They are non-governmental, autonomous, non-profit and self-financing organisations. There are 42 local chambers of commerce and industry, one for each county. The Chamber of Commerce and Industry of Romania is accomplishing the task of national chamber and Bucharest chamber too.

The membership is on voluntary base.

The main sources of CCIs income are :

- services fees;
- members' fees;
- dividends issued by the companies in which chamber of commerce and industry is shareholder;
- projects financing.

2.2. The mission

According to the law the mission of CCIs is to :

➤ support the development of its members' activities;

represent the interests of the business community face to Government and Parliament.

New tasks and competencies have been assigned to the chambers of commerce and industry by the disposition of SME Law no. 133/1999. The most important concerns :

- elaboration, in co-operation with the central and local public administration, of the policy for the simplification of the bureaucratic formalities concerning the SMEs establishment and development;
- the keeping of the evidence of the available assets belonging to the large sized state companies;
- the supporting of the SME business consultancy and information centers network;

the involvement in the entrepreneurs management training programmes:
the advise by the Government in the elaboration of the programmes dedicated to SMEs.

2.3. Success keys

CCIR can develop a large range of services in the benefit of SME due to the action of favorable factors as :

✓ full independence in carrying out its own strategy, in the utilisation of own resources and in the development of the services:

flexibility in management and organisation decision taken;

organisation as a national network, covering the whole country;

registration of trader and the keeping of the commercial register;

design and implementation of the unitary business information system running in all the chambers of commerce;

Internet connection and the involvement in e-commerce projects;

hosting of centers representing international business information and consultancy networks; EuroInfo, TIPS, WCN, TIN CCIs/G77 etc.;

existence of training specialized entities like Romanian Business School Foundation, with branches in all the local chambers:

active involvement of CCIR in national and sectorial partnerships;

member in international organisations like Eurochambres, International Chamber of Commerce, Association of Balkan Chambers, Black Sea Area Co-operation, WASME etc.;

the development of the relationships with the chambers of commerce over the world.

3. Business advisory, counselling and information services provided by CCIR

3.1. Approach

The services have been defined taking into consideration the life cycle of the enterprise, containing four main stages (annex 1) :

- **establishment** : - preparatory activities for setting-up and registration required by law;
- **development-maturity** : - including activities focused on the growing up of enterprises :
 - organisation:
 - business induction:
 - business preparation and launching;
 - partnership development;
 - export
- **decline and growth crises** : - analysis;
- restructuring;
- retechnology.
- **activity cessation and death** - dissolution, liquidation and stricken off from Trade Register.

3.2. Services rendered by CCIR

CCIR services are especially focused on the initial business advisory and counselling services related to the establishment and development - maturity of the enterprise as well as to activity cessation and company death.

Professional consultancy is generally provided by specialized companies excepting unfair competition and commercial arbitration which, by law, are in the Chambers' competence.

The offer of services consists of :

- assistance for setting up the trading companies and amending the by-laws;

- consulting on advises, licenses, authorization for some activities and obtaining advises;
- information on available spaces and assets;
- information on existing opportunities and projects;
- primary consulting on business financing possibilities;
- initiating on fiscal matters : taxes, duties, obligations towards social budgets and customs matters:
- initiating in employment and relations with chambers of labour;
- organization of fairs and exhibitions:
- organization of economic missions, business meetings, partnerships in Romania and overseas;
- annual organization of firm top;
- initiation concerning the participation in public tenders;
- guidance towards a foreign market;
- issues related to EU integration;
- looking for partners in the community countries;
- financial assistance of the community institutions;

Annex 1

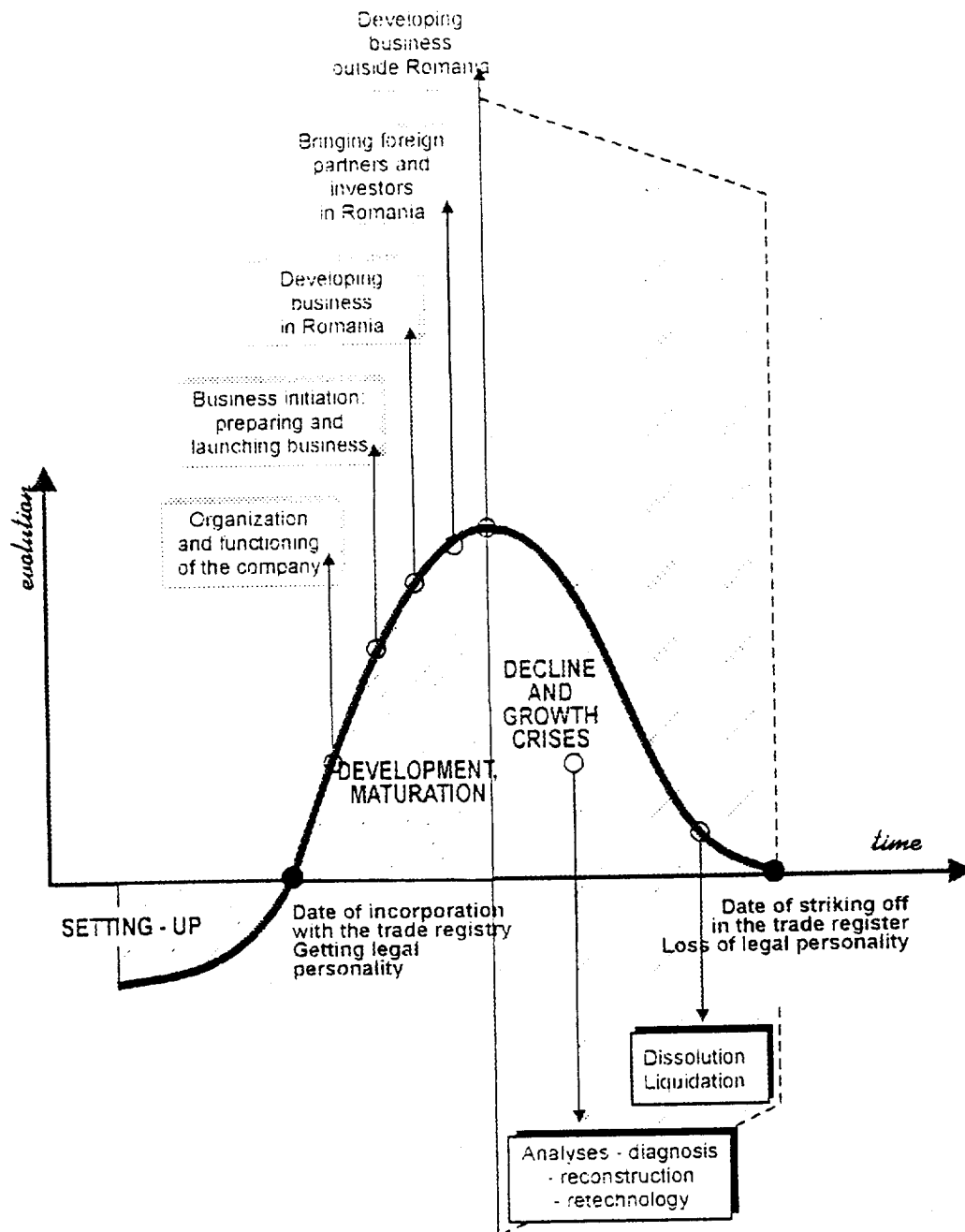


Fig. 1 - Consulting activities based on the company's life cycle

- participation in community programmes and European tenders:
 - protection for the rights of industrial property prevention and avoidance against counterfeits;
 - organization of courses, seminars, conferences on interest fields;
 - use of ATA card during the temporary transport of goods.

3.3. Business information services

CCIR is initiator, main designer and manager of :

- legal register of companies containing data on 800 000 entities, available on Internet;
 - business information including companies profiles, opportunities, trade fairs and exhibitions;
 - ABC Net (Business Information Network of Balkan Chambers);
 - Internet databases;
 - CD-ROM annual version - PRO BUSINESS ROMANIA.
- CCIR is co-organizer of INFO BUSINESS Bucharest, annual international event fair of business information accompanied by parallel seminars.

3.4. The involvement of the CCIR in the electronic commerce

This objective was approached in two main directions :

- to facilitate increased competitiveness and participation in global trade for SMEs by exploiting the opportunities offered by the development of the Global Information Society;
- to adopt the internal organisation of CCI and human resources at the new system for delivering services using web call centers, e-business solutions, WAP technologies based on the large use of Internet and e-mobile.

The role of CCIR and activities carried-up in the E-commerce is :

- to aware the entrepreneurs of using Internet and E-commerce tools;
- to facilitate the e-commerce projects by using of global networks or designing their own projects;
- to develop new business information and counselling services based on new IT & C tools.

The main services developed till now by CCIR in the field of e-commerce :

- the provision of digital signature and digital certificate, CCIR being the national registration authority within TIN CCI/G77;

- the setting up of the central trade register as the portal for e-commerce.

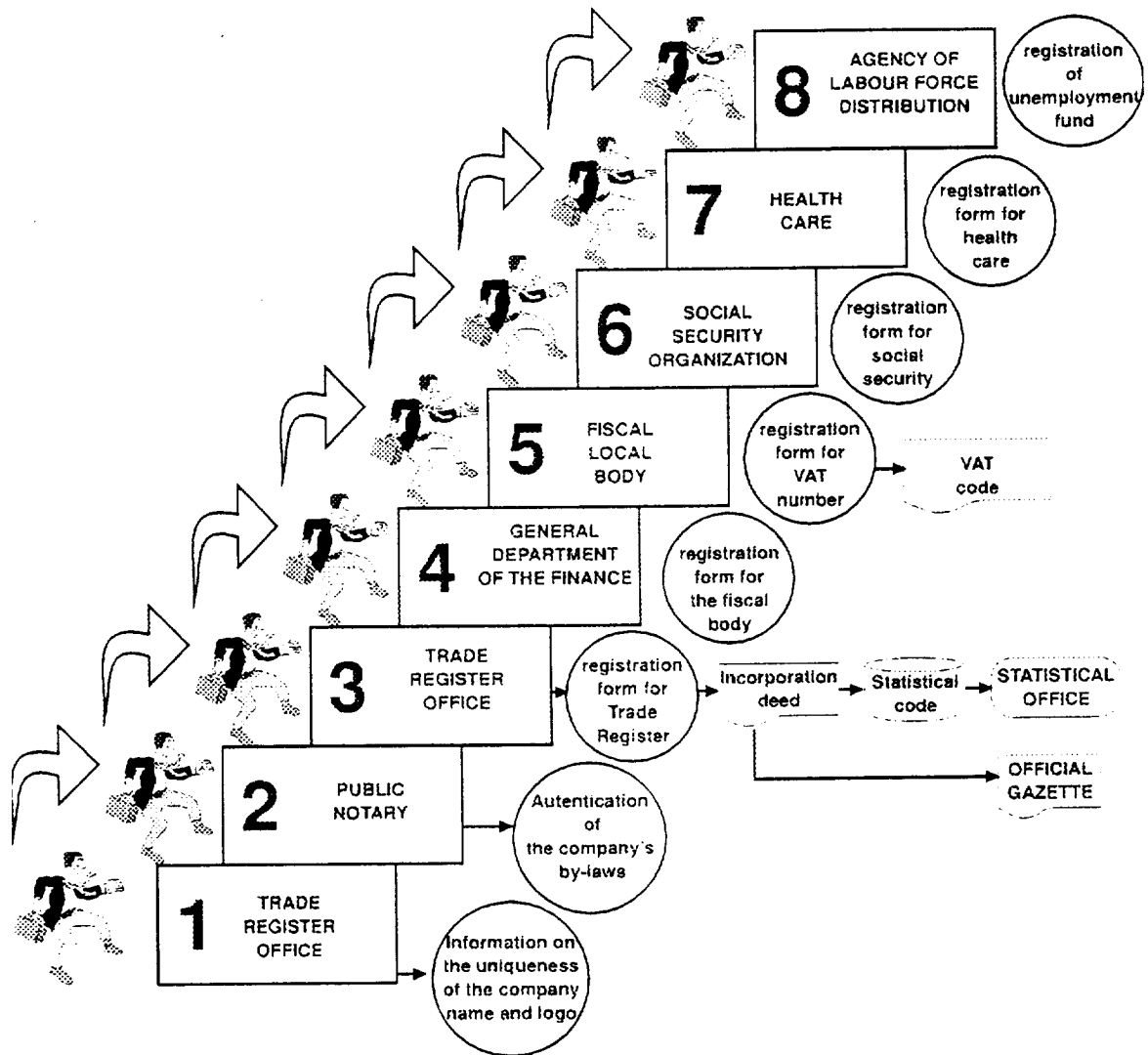
The trade mark of it is ROLEG and the project has been awarded with "Eurochambers President's Awards - 1998". It can be accessed using : **roleg.ccir.ro**

- Internet access to business databases through ROBIX : **robix.ccir.ro**
- integrated virtual fairs : **www.romwin.ccir.ro**
- business promotion and advertising of the enterprises over the Internet;
- general information on web pages by the addresses : **www.ccir.ro**;

www.onrc.ccir.ro

- use of the services offered by global networks such as : WCN, TIPS, TIN, BRE, Trade Point etc.

STEPS FOR STARTING A BUSINESS



3.5. The implementation of Call Center

This service was designed for an efficient management and supporting of the relationship with the clients. It offers professional services 24 hours and 7 days to the persons interested to be informed on Chamber's of Commerce products, services, activities. The client can also claim the quality of some services or products or address a recommendations

Call Center is not only an information point but it is also a method for analysing the clients' opinion on services

4. "One-stop-shop" for assisting beginners to start up their business

4.1. Definition

One-stop-shop is the functional structure made up on the principle of offering at one place some service packages required by Romanian or foreign investors with aim to initiate and develop businesses in Romania.

4.2. Mission and objectives

It is built the "friendly interface" between investors and administrative barriers existing in the business environment aiming to diminish the negative effects resulting from them (bureaucracy, lack of information, legislative incoherence).

It was thought as the first gate-way opened for the entrepreneur towards the business environment.

4.3. Derived objectives

- reduction of the period of adjustment for an investor to the features of the business environment (legislation, business information, opportunities):
 - faster operating of the business by shortening the period of time between its initiating moment and putting into operation:
 - reduction of costs:
 - reduction of the time spent to initiate and develop the business:
 - elimination of the contacts with the administrative institutions:
- focusing the investor more on business than on the bureaucratic procedures.

4.4. Legal framework for organising one-stop-shops at the level of CCI

✓ Government Decision nr. 941/ 1995 was the first legal provision for establishing one-stop-shop activities in the field of the companies setting-up;

Ordinance no 32/1997 for modification of the Law no 31/1990 concerning companies provides the simplification of formalities for established a company and it is introducing the obligation of trade registry offices to send "ex-officio" the paper for publication in the Official Gazette:

Law no 133/1999 concerning the setting-up and the development of SMEs contains two provisions, entitles the chamber of commerce and industry to :

- implement the unique procedure for SMEs registration at the trade register

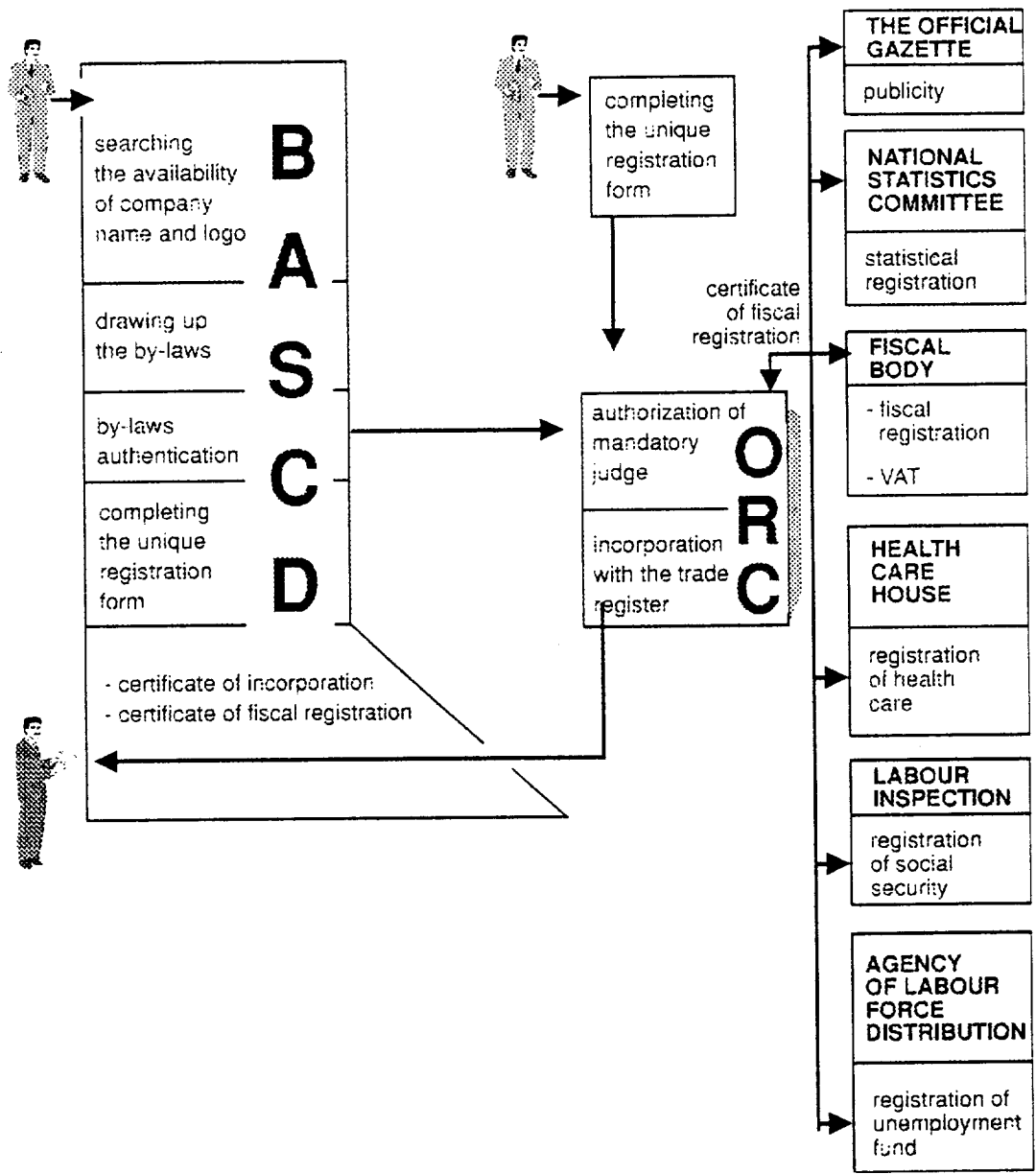
office:

- introduce a simplified procedure for getting the licenses, authorization for

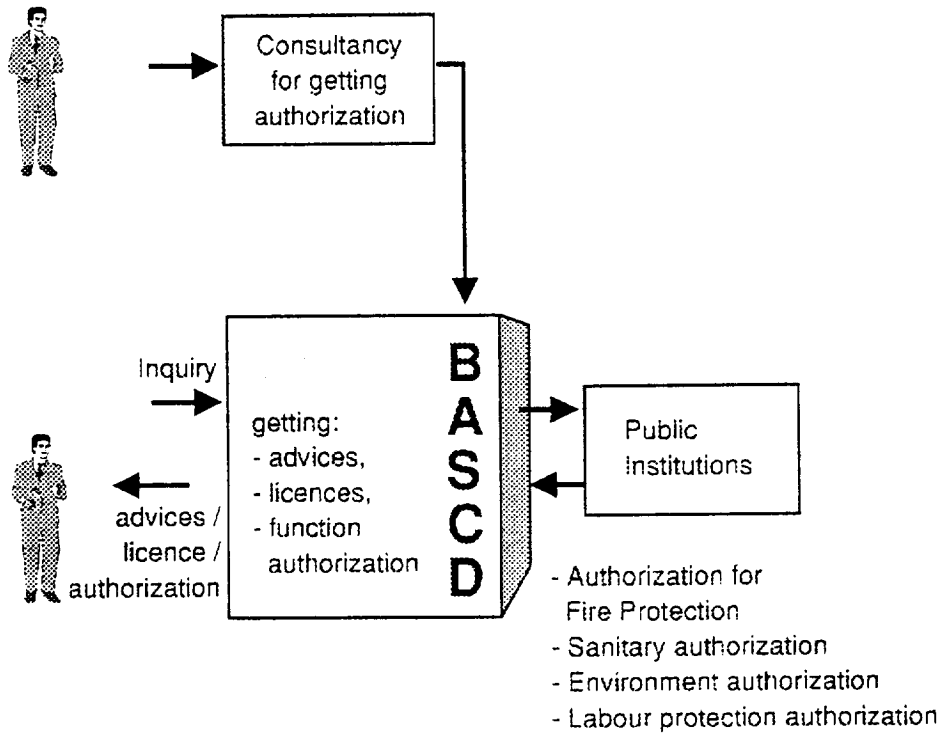
establishment certain activities through BASCD-bureau for assisting the and development of enterprises.

Annex 3

**One - stop - shop for assisting start-up business
Integrated Flow for setting up companies**



One - stop - shop for assisting start-up business Advices, licences, function authorization



4.5. Steps for starting a business

According to the law in force an entrepreneur has to accomplish few stages going to different public institutions (annex 2).

Nr. crt.	Activity	Performer	Type	Observation
1.	Checking availabilities trade mark and logo and reservation for 3 months	CCI trade register office	Compulsory performed by CCI	
2.	Drawing up the by-law	CCI-BASCD	non compulsory performed by CCI	
3.	Signing the by-law by partners in the presence of the notary public	CCI-BASCD	non compulsory performed by CCI	
4.	Lodging the equity	entrepreneurs		CCI opened a Saving Bank desk
5.	Lodging the unique registration form and the file with legal deeds	CCI trade register office	compulsory performed by CCI	
6.	Authorization of setting up the company	delegated judge at the trade register office	compulsory performed by CCI	
8.	Incorporation of the company with the trade register	CCI trade registry office	compulsory performed by CCI	
9.	Sending the documents to be published in the Oficial Gazette	CCI trade register office	compulsory performed by CCI	
10.	Fiscal registration	Fiscal body	compulsory	electronically
11.	Statistical registration	CCI trade register office	compulsory	the statistic code is sent to statistical body
12.	Registration with the budget of the social security	CCI trade register office		the data are sent electronically
13.	Registration with the budget of heath care	CCI trade register office		the data are sent electronically
14.	Registration with the unemployment find	CCI trade register office		the data are sent electronically

15.	Obtaining some advises, authorizations, licenses for its functioning	CCI-BASCD	non compulsory performed by CCI	
-----	--	-----------	---------------------------------	--

4.6. The unique registration procedure

The unique registration procedure provided by Law 133/1999 is based on the following principles :

- one place;
- one registration form;
- one procedure.

The unique registration procedure consists of :

- filling in a sole registration form;
- lodging the registration form and all documents in one place, at the chamber of commerce and industry where there is the headquarters of that company;
- carrying on the registrations with the public institutions included in the flow of the administrative formalities without making the entrepreneur move from one place to another, but through electronically data/document transfer between institutions;
- data entry in the information system, only one, at their source and in this way it is totally removed the entry errors and differences between various institutions concerning the data on a trading company.

The unique form consists of, besides the data needed to have the trading company incorporated with the trade register, the data compulsory for the other registrations too.

4.7. The organisational framework

In the performance of unique registration procedure two departments of CCIRB are involved :

- bureau for assisting enterprises establishment and development - BASCD;
- trade register office of Bucharest.

Both departments are organized as one-stop-shop.

The entrepreneur who wants to start his own business has two possibilities :

- to apply for BASCD services that undertakes all setting-up stages of a company;
- to follow on his/her own the preparing operations for the authorization file and hand it in at the trade registry office.

BASCD carries on on behalf of the customer the operations before incorporation as follows :

- checking the availability of the company's name and logo;
- drawing up the by-laws;
- authentication of the by-law at the notary public who comes at BASCD;
- completing the unique registration form and preparing the incorporation file;
- handing in the incorporation file at the trade registry office.

At the **Trade Registry Office** the following activities are carried on the following activities :

- authorization of the company setting-up by the mandatory judge who comes at the trade registry office;
- incorporation of the company with the trade register and issuing the

incorporation certificate:

sending the documents provided by law to be published in the Official Gazette;

fiscal registration and obtaining the certificate from the fiscal body;

registration at the Statistical Committee, at the budget for social security, health care and unemployment fund (annex 3).

The obtaining of the advises, licenses or functioning authorization is assigned to BASCD on non - exclusivitiess terms.

Three main categories of services have been developed :

- granting consulting and information to entrepreneurs by the staff or representatives of the issuing institutions;

- drawing up the documentation for obtaining the functioning advises;

- handing in the file at the public issuing institution with aim to obtain the advises exempting an entrepreneur from doing this procedure on his/ her own (annex 4).

4.8. The advantages of introducing the unique registration procedure :

For entrepreneurs :

• he/she goes to one place, at the chamber of commerce and industry where he/she lodges the required deeds and gets the certificate of incorporation;

the entrepreneur fills in a sole form without drawing up the file of fiscal registration;

it is shortened the total period of registration formalities with 10-15 days, and the trading company can start operating within a much shorter time.

For public institutions :

• removing the parallel activities of the registration institutions;

resource saving (personnel, resources, time);

removing the errors caused by the parallel data processing;

accurate and prompt identification of an enterprise, at any institution involved in the setting-up formalities;

providing compatibility between the information systems operating within the registration institutions.

5. The Foundation of the Business Information Consultancy Center by the CCIRB

The development and diversifying of the services rendered and carried out by CCIRB brought about the necessity of reorganization by putting together the information supply service and business consultancy in one department of CCIRB.

The main objective of this new department is to set up a gateway for an entrepreneur in the relationship with the CCIRB.

The restructure is also based on a new definition of the services according to the IT & C evolution, particular to the Information Society.

The consulting activities are mainly based both on the steadily updated databases and on the use of some programmes that execute routine activities.

Such a project refers to the organization of consultancy on the access of companies to the financing sources.

This project consists of various components and it is achieved by some stages :

a) Database setting-up :

• identification of Romanian and foreign financing sources;

designing the structure of the database;
setting the cooperation framework between CCIRB and financing sources;
implementing the project concerning the setting-up and updating of the
database.

b) Training of consultants :

- preparing the documentation on financing requirement;
use of application programmes.

The services offered for the entrepreneurs :

- information on the existing financing possibilities at a certain time;
- information on the financing terms and guarantees;
- analysis comparing the financing sources with the needs of the entrepreneur;
- consultancy on drawing up the financing documentation;
- documentation execution and following it up to the end.

In the same way it is going to be approached the other activities hosted by the business information consultancy center.

In principle they are based on the outlook of integrating the consultancy with information services in order to meet with the real needs of the entrepreneurs for organizing and carrying on his/her business.