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Working Party on Industry and Enterprise Development

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Item 5 of the provisional agenda

REPORT OF REGIONAL ADVISORY SERVICES

Note by the secretariat

1. The present note provides an overview of the activities of the Regional Advisory Services of the United Nations Economic Commission for Europe (UNECE) on Entrepreneurship and Small and Medium-sized Enterprises (SMEs) and on Women's Entrepreneurship.
2. The strategic goal of the UNECE Programme of Work for the Development of SMEs in Countries in Transition (CITs) and Emerging Market Economies is to promote the development of SMEs within a broader context of contributing to the reversal of negative trends, such as rising unemployment, poverty and social inequalities. Its activities focus on the assistance in the creation of a sustainable business environment for SMEs in terms of policy and legislative frameworks and supportive infrastructure, such as business support institutions, access to financial resources and information, access to technology and technology transfer. Special attention is paid to ensuring equal opportunities for women entrepreneurs.
3. The operational activities target macro- and micro-institutional and organizational arrangements in response to the demand of the member States. They are developed in cooperation with other United Nations agencies, international organizations as well as regional and sub-regional groupings, such as Central European Initiative (CEI), the Black Sea Economic Cooperation (BSEC), and the Commonwealth of Independent States (CIS).
4. The SME related operational activities are implemented by the Regional Adviser on Entrepreneurship and SMEs and, in their part related to women's entrepreneurship, also by the Regional Adviser on Gender and Economy.

5. At its inaugural session, held on 31 October - 1 November 2000, the Working Party took note of the interim programme of work of the Regional Adviser on Entrepreneurship and SMEs and the Regional Adviser on Gender and Economy and requested a provisional programme of work for 2001-2002 to be presented at its second and the third sessions.

Small and Medium-sized Enterprises

6. Efforts are oriented towards creating a unique platform by understanding the means and tools of sustainable entrepreneurship development, among other by elaborating sub-regional Declaration on SMEs, especially within the framework of the Black Sea Economic Cooperation (BSEC), Central European Initiative (CEI), and for the Commonwealth of Independent States (CIS).

6.1. Following the Ministerial Meeting and adoption of the **CEI Declaration of SMEs at the Dawn of the 21st Century** in November 2000 in Budapest, a Ministerial Meeting on the future and support of SMEs in the BSEC countries was held on 27 September 2001 in Istanbul, where a similar **BSEC Declaration on SMEs** was adopted. Assistance was provided to the Chairman of the Advisory Board on Support and Development of Small Businesses in the CIS member States, Minister for Entrepreneurship and Investments of Belarus. These activities could lead to the elaboration of a comprehensive SME support guidelines for the all CITs and to the convening of a UNECE Ministerial Conference at the Palais des Nations in 2003 or 2004.

6.2. The Regional Adviser on Entrepreneurship and SMEs assisted in organizing an **International Conference on “Economies in Transition Share their Experience in SME & Entrepreneurship Development”** held on 6-7 June 2001 in Šibenik (Croatia) jointly sponsored by the Government of Croatia, UNECE and the Secretariat of the CEI. More than 500 participants attended this conference.

6.3. The Regional Adviser on Entrepreneurship and SMEs assisted in organizing an **International Conference on “Internationalisation of SMEs”** held on 7-8 November 2001 in Portorož (Slovenia) jointly sponsored by the Government of Slovenia, UNECE and Secretariat of the CEI. A keynote presentation on “The Problems to Internationalisation of SMEs – The UNECE Approach” was prepared by the Regional Adviser.

7. The Regional Adviser on Entrepreneurship and SMEs contributed to the preparation of forums on best practice on national policies and programmes of promotion of entrepreneurship and SMEs in CITs, and expert meetings on benchmarking of various aspects of supporting and operating SMEs, which have been organized by the UNECE Coordinating Unit for Operational Activities in cooperation with the relevant UNECE Principle Subsidiary Bodies, as well as with United Nations agencies and other international organizations.

7.1. In 2000, the UNECE organized the following events: **Forum on “Best Practice in the Development of Entrepreneurship and SMEs: The Hungarian Experience”** (1 November), **Expert Meeting on “Best Practice in Business Advisory, Counselling and Information Services”** (2-3 November). Nearly 150 high-level policy-makers and experts from 33 countries and 10 international organizations attended these events.

7.2. Responding to a great interest, caused by the UNECE publication on **“Best Practice in Development of Entrepreneurship and SMEs in CITs: The Czech Experience”** (OPA/AC.11/1) issued in 2000, a similar publication **“Best Practice in Development of Entrepreneurship and SMEs in CITs: The Hungarian Experience”**, was implemented by the technical and financial assistance of the Ministry of Economy of Hungary (OPA/AC.23/1).

7.3. The Regional Adviser on Entrepreneurship and SMEs assisted in compiling the UNECE document on **Guideline on Best Practice in Business Servicing** based on the materials of the Expert Meeting on “Best Practice in Business Advisory, Counselling and Information Services” (ECE/TRADE/282).

7.4. The Coordinating Unit for Operational Activities prepared two **Forums on “Best Practice in Development of Entrepreneurship and SMEs in CITs: The Polish Experience”** and **“The Belarusian Experience”** on 23 and 24 October 2001 at the Palais des Nations, respectively. More than 200 policy-makers and experts attended these events. Preparation of UNECE documents on the Polish and Belarusian experiences are in progress and will be available by the end of 2002.

7.5. The Regional Adviser on Entrepreneurship and SMEs will contribute in organizing the **5th Forum on “Best Practice Development of Entrepreneurship and SMEs in CITs: The Croatian and Slovenian Experiences”** on 23 October 2002 at the Palais des Nations in Geneva.

8. Some operational activities for SME development were oriented to respond to special requirements of governmental authorities, national SME-infrastructure institutions and non-governmental organization. These activities were to promote sub-regional, national and local entrepreneurship. Assistance was provided in support of *increasing the competitiveness of SMEs through benchmarking and the creation of special business service institutions*, e.g. quality development center for the implementation of quality management systems and ISO 9,000 and 14,000 series standards.

8.1. The Regional Adviser on Entrepreneurship and SMEs assisted in organizing the **BSEC Workshop on "Standardization, Quality Control and Quality Assurance Systems for SMEs"** held on 29-30 March 2001 in Istanbul. The Regional Adviser made a keynote presentation on “Towards an European Vision on Quality – The Way forward the 21st Century”. The proceeding was published with the financial assistance of the Konrad Adenauer Foundation.

8.2. An **Expert Meeting on “Best Practice in Creation of Quality Assurance Systems for Enhancing the Competitiveness of Small and Medium-sized Enterprises”** was held on 25-26 October 2001 in cooperation with the Working Parties on Technical Harmonization and Standardization Policies, and on Industry and Enterprise Development. The meeting was attended by high-level government officials, experts from 28 countries (Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, France, Georgia, Hungary, Kazakhstan, Kyrgyzstan, Lithuania, Malta, Monaco, Poland, Republic of Moldova, Romania, Russian Federation, Slovakia, Slovenia, Sweden, Tajikistan, Turkey, Ukraine, Uzbekistan and Yugoslavia), 10 international organizations, and representatives of several non-governmental organization (see Discussion Paper OPA/AC.18/3 (TRADE/WP.6/2001/14/Add.1) and Report of the Expert Meeting OPA/AC.18/5).

8.3. Based on the conclusions and recommendations of the Expert Meeting a creation of an **Advisory Group of Experts on Quality Management Systems** is in progress (see UNECE document OPA/AC.28/1).

9. In the field of **infrastructure building**, the requirements are very high. However, due to lack of financial and human resources, the Regional Adviser can provide only a modest contribution. Several project proposals were elaborated or are in the pipeline. The two main project proposals under further elaboration and development are the following:

9.1. Creation of a microcrediting financial scheme for the Republic of Moldova with the financial and technical assistance of the CEI and IFC (World Bank); and

9.2. Creation of business incubation facilities for the Russian Union of Industrialists in the field of management training, quality consultancy, marketing, leasing, etc.

9.1. In relation of this, the Regional Adviser has continued his cooperation on the first project with the ECE-CEI Coordinator, Mrs. Sonia Heptonstall (ActInvest), IFC and World Bank, while on the second project with ROSLEGPROM, Ministry of Industry and Technology of the Russian Federation, TESCO and Ministry of Economy of Hungary, GTZ from Germany, UNIDO and other intergovernmental organizations.

10. In the field of **entrepreneurship training** the following activities were carried out:

10.1. The Regional Adviser assisted ICS-UNIDO in organizing a Training Course on "Technology Management for Women Entrepreneurs" on 11-13 July 2001 in Trieste.

10.2. The Regional Adviser assisted in preparing a Training Course on "Training of Trainer in Vocational Business Education" jointly with the Ministries of Economy and Education of the Republic of Moldova, the European Training Foundation (Turin), and the Chamber of Commerce and Industry of Grenoble.

10.3. A project document was prepared for the Russian Federation on "Preparation and Group Training of Enterprises" for establishment of quality assurance systems in accordance with ISO 9,000 standard.

11. The Regional Adviser on Entrepreneurship and SMEs has provided a support for **Virtual Network of SME National Focal Points** based on the highest governmental authorities, which are responsible for the development of entrepreneurship and the SME sector. The network serves as a basis for policy formulation, statistics, and organizing SME related events. The updating of this net is a continuous process.

12. The Regional Adviser on SMEs developed its home page called "**Index of SME Development**", which is similar to that of the European Commission. It currently contains more than 50 UNECE documents and 20 international links, and is continuously updated. In 2001, the SME website was enlarged by a new sub-site on Quality Management Systems and on Women's Entrepreneurship. Every month, between 200 and 600 people visit the UNECE website. The website address is: <http://www.unece.org/indust/SME/ece-sme.htm>

Women's Entrepreneurship

13. During the last year special attention was given to providing assistance to women-entrepreneurs. The Regional Advisory Services focused on rising the awareness and improving the knowledge in regards to women entrepreneurs in the UNECE member States, promoting role models and best practices, building business and professional networks among women-entrepreneurs and developing a more gender sensitive culture of entrepreneurship.

14. Activities have included the creation of a virtual Gallery of Excellent Women Entrepreneurs at the UNECE website, organization of the First UNECE Forum of Women-Entrepreneurs and sub-

regional discussions on women's entrepreneurship and establishing a Team of Experts on Women's Entrepreneurship within the Working Party on Industry and Enterprise Development (WP. 8).

15. In implementing programmes and activities, attempts were made to improve co-operation with UN agencies, such as ILO and UNIFEM. The Memorandum of Understanding (MoU) between UNECE and UNIFEM, signed in February 2001, includes women's entrepreneurship as one of areas for cooperation and development of joint projects.

Gallery of Excellent Women-Entrepreneurs

16. The UNECE virtual Gallery of Excellent Women-Entrepreneurs established last year presents successful women-entrepreneurs. The project aims at raising awareness of the need to provide a support for women's entrepreneurship in the ECE region as a whole. The Portrait Gallery is developed by the Regional Advisor on Entrepreneurship and SMEs and located on the following website address: <http://www.unece.org/indust/sme/gallery.htm>. Its rapid expansion proves that women substantially contribute to various sectors of economic activities. As of 1 December 2001, the Portrait Gallery has 150 women-entrepreneurs from 25 countries. Many of these women met for the first time in Geneva at the First UNECE Forum of Women-Entrepreneurs.

The First UNECE Forum of Women-Entrepreneurs (21 October 2001, Geneva)

17. The Forum was attended by women-entrepreneurs from eastern, central and southern Europe, central Asia and the South Caucasus, women-entrepreneurs from western countries as well as experts, representatives of Governments and international organizations. The Forum gathered over 350 participants from 30 countries. On behalf of the secretariat the Regional Advisor on Gender and Economy was responsible for its organization.

18. The main purpose of the Forum was to create a regional platform to (i) discuss key issues and best practices; (ii) establish business and professional contacts; (iii) strengthen and expand links among women's business associations; (iv) discuss proposals prepared by the UNECE secretariat and propose recommendations for new activities to be implemented with all interested partners.

19. The discussion focused around three major themes: personal experiences of successful women entrepreneurs, the role of professional and business networks among women-entrepreneurs, and access to new technologies and markets. The following documents were prepared by the UNECE Secretariat: Information Note (OPA/AC.21/1); Connecting SMEs Owned and Led by Women to the Global Digital Economy: A Proposal for Action (OPA/AC.21/2); UNECE Euro-Asian Foundation of Women-Entrepreneurs (OPA/AC.21/3), Women Entrepreneurs of the Year (OPA/AC.21/4) and Building Regional Networks Among Women-Entrepreneurs (OPA/AC.21/5). All documents are available in English and in Russian at the UNECE website (www.unece.org).

20. There was an agreement on positive trends in women's entrepreneurship during the 1990s. In all UNECE countries, women have contributed to the development of the private sector and economic growth. It was underlined that women benefited from the emergence of women's business associations and NGOs to build personal contacts, share experiences and get encouragement when business goes down. It was also acknowledged that progress in information and communication technologies (ICT) opened new opportunities to do business in a global environment.

21. The participants agreed, however, that much remains to be done. Gender specific barriers that prevent the development of women's entrepreneurship are seen in all countries. There are gaps in data and information on the situation of women-entrepreneurs in their region. Access to ICT and global markets is very limited and women's business networks are relatively weak and isolated in a number of countries.
22. The Forum provided an unanimous support to the following initiatives:
 - 22.1. Convening the Forum of Women-Entrepreneurs at annual basis in October each year and extend its duration to 2-3 days.
 - 22.2. Building region-wide networks of women's business associations on the Internet.
 - 22.3. Creating an UNECE regional cyber-market for business-to-business contacts.
 - 22.4. Developing new programmes to improve women's capabilities and capacity in e-commerce.
 - 22.5. Exploring the possibility to establish an Euro-Asian Foundation for women entrepreneurs through approaching bilateral donors, business community and international organizations.
 - 22.5. Exploring the possibility to establish an Annual Award for Excellent Women Entrepreneurs in the ECE region in five categories.
23. Two initiative groups were established by the participants of the Forum to prepare specific proposals for action for the CIS countries and for the Caucasus countries.

Discussions at sub-regional level

24. In 2001, the UNECE organized three events on women's entrepreneurship for South-Eastern Europe, BSEC and CEI countries. Their purpose was a more detailed discussion on specific problems of development of women's entrepreneurship in respective sub-regions and individual countries. These meetings underlined that good education levels and women's energy are important assets in the process of market building, creating jobs and reviving economic growth. The role of entrepreneurship in poverty alleviation was also stressed.
25. These meetings stressed the necessity to develop new programmes and activities aimed at providing more support to women-entrepreneurs through training, better information on access to finance, business services, and new technologies, especially ICT. It was recommended to strengthen the UNECE activities and increase cooperation with governments, women's business associations and other actors. It was agreed that UNECE, in cooperation with sub-regional organizations and interested partners, would continue to organize such meetings.
 - 25.1. **Sibenik, Croatia** (7-8 June 2001); Workshop on Women's Entrepreneurship in South-Eastern Europe at the 5th conference on SME in Croatia, co-organized in cooperation with CEI and the Government of Croatia;
 - 25.2. **Moscow, Russian Federation** (11-12 June 2001); Workshop on "Women's Entrepreneurship and SMEs in the BSEC region", co-organized in cooperation with the BSEC secretariat and the Konrad Adenauer Foundation.
 - 25.3. **Trieste, Italy** (27 November 2001); Round Table on Networking and access to ICT for Women-Entrepreneurs at the 4th CEI Economic Summit.

Team of Specialists on Women's Entrepreneurship within the WP.8

26. The Working Party on Industry and Enterprise Development at its second session decided to establish a Team of Specialists on Women's Entrepreneurship. At its first meeting on 15 February 2002, the Team will consider its work plan (objectives, programme of work, key deliverables, work schedules and procedures for reporting to the Working Party) and adopt its programme of work to be included into the programme of work of the WP.8.

Annex I

**Advisory Missions undertaken by the Regional Adviser on Entrepreneurship and SMEs
in 2001**

14-16 March 2001	Minsk (Belarus), participation in the ceremony on entrepreneurship award 2000 and discussion of a SME national policy for the years 2002-2003
22-25 March 2001	Szeged (Hungary), participation and delivering a lecture on the 3 ^d Szeged Conference organized within the framework of the Stability Pact
28-31 March 2001	Istanbul (Turkey), co-organizer of the BSEC Workshop on “Standardization, Quality Control and Quality Assurance Systems for SMEs”
1-4 May 2001	Chisinau (Republic of Moldova), advisory mission relating to economic development
22-26 May 2001	Budapest (Hungary), participation in the 37 th European Meeting of the World Tourism Organization
28 May - 1 June 2001	Moscow (Russian Federation), advisory mission related to restructuring of the Russian light industry
6-9 June 2001	Sibenik (Croatia), organizing International Conference on “Small Business – Economies in Transition share their experience in SME & Entrepreneurship Development”
11-12 June 2001	Moscow (Russian Federation), organizing BSEC Workshop on “Women’s Entrepreneurship and SMEs”
10-11 September 2001	Brussels (Belgium), participation in the Baltic Sea Partenariat Seminar and discussions with the European Parliament and EC
25-28 September 2001	Istanbul (Turkey), BSEC Meeting of the Senior Officials and Ministerial Meeting of the Ministers responsible for SMEs
3-7 October 2001	Bishkek (Kyrgyzstan), discuss women entrepreneurship based on the mutual credit unions
6-8 November 2001	Portoroz (Slovenia), organizing an International Conference on “Internationalization of SMEs”
21-24 November 2001	Trieste (Italy), assist in organizing the Meeting of the CEI Working Group in SMEs and moderate session on SMEs during the 4 th CEI Summit Economic Forum

Annex II

Advisory Missions undertaken by the Regional Adviser on Gender and Economy in 2001

15-17 January 2001	Warsaw (Poland), organizing a Regional Workshop on Gender and Labour Market, in cooperation with the World Bank and UNIFEM; presentation at the opening session
19 May 2001	Brussels (Belgium), presentation at the Forum of Women Entrepreneurs, the Third UN Conference on Least Developed Countries
6-9 June 2001	Sibenik (Croatia), chairing a session on women's entrepreneurship at the International Conference on "Economies in Transition Share their Experience in SME & Entrepreneurship Development"
11-12 June 2001	Moscow (Russian Federation), presentation at the BSEC Workshop on Women's Entrepreneurship
10-15 July 2001	Krakow (Poland), training the participants of a Regional Workshop on Gender, International Financial Institutions, Trade and Labour Standards
3-4 October 2001	Bratislava (Slovakia), discussion on cooperation with UNIFEM 2002-2003 at the Strategic Planning Workshop
4-5 October 2001	Bucharest (Romania), presentation on Gender and ICT at the 2 ^d Conference on Digital Economy in South-East Europe
21-23 November 2001	Trieste (Italy), organizing a Round Table on Women's Business Networks and Access to ICT at the 4 th CEI Summit Economic Forum