



**Economic and Social
Council**

Distr.
GENERAL

TRADE/WP.8/2003/8
15 November 2002

Original: ENGLISH

ECONOMIC COMMISSION FOR EUROPE

COMMITTEE FOR TRADE, INDUSTRY AND
ENTERPRISE DEVELOPMENT

Working Party on Industry and Enterprise Development

Fourth session, 13 and 14 February 2003
Sub-item 4.5.1 of the provisional agenda

TEAM OF SPECIALISTS ON INTERNET ENTERPRISE DEVELOPMENT

Progress Report

I. Introduction

The TSIED was established by the Committee for Trade, Industry and Enterprise Development at its fourth session in June 2000 on recommendation of the Forum on E-Commerce for Transition Economies in the Digital Age, which was attended by 300 representatives of 30 countries. The first session was held with the attendance of 20 founding members of ECE, 10 of which from transition economies.

Since 2001 the TSIED has played the role of UNECE focal point for information economy development in transition economies. Its major objective is to foster European and international cooperation in e-commerce, e-government, e-work and e-society development, and the harmonization of government policies in this area.

The TSIED has entered into a “deepening” phase of its operation with the foundation of a solid, consistent institutional base. As a result, the TSIED is facing increased demand from member States for its services and deliberations. At the 5th session held in Brussels, 16 country reports on Knowledge-based Economy were submitted and the 6th session delivered the organization of the WSIS Regional Panel on E-Policy and E-Regulation for the Information Society in Bucharest on 9 November 2002. TSIED made substantial contributions to the Bucharest Pan-European Ministerial Conference for the World Summit on the Information Society, 7-9 November 2002 with the organization of the Panel on E-Policy and E-Regulations

for the Information Society, where a MoU between ITU and ECE for further cooperation on those issues was agreed upon.

Regular Sessions were held as follows:

- 1st Session: 30 October 2000, Palais des Nations, Geneva
- 2nd Session: 20 March 2001, Palais des Nations, Geneva
- 3rd Session: 9 November 2001, Budapest, Hungary
- 4th Session: 11 February 2002, Palais des Nations, Geneva
- 5th Session: 4 October, 2002, Brussels
- 6th Session: 9 November 2002, Bucharest (WSIS)
- 7th Session: 12 February, 2003, Palais des Nations, Geneva

II. Main Programme Elements of TSIED

Over the last years, the TSIED expert members, in close collaboration with the member states, have developed a series of program areas under the general theme of “E-Transition for All.”

The main topics, on which the Team is currently working include:

- Advisory Council on Digital Economy
- E-Government Development Initiatives
- E-Payment Systems Development
- E-Regulatory Framework Development
- Virtual Enterprise Development
- E-Work Development
- E-Learning Development
- Internet Infrastructure Development
- Information Economy Report (Knowledge-based Economy Report) Series

III. Main Conferences

1. UNECE Workshop on E-Regulatory Framework Development

The Workshop was held at the Palais des Nations in Geneva, Switzerland on 13 February 2002 with the attendance of key regional and international experts from the UNECE region, Asia and Latin America. Speakers included high-ranking officials from UNECE member States, key players in the industry both at the global and regional level, and the academic community. A number of international organizations took part in this meeting, namely from the European Commission, OECD, WIPO, ICC, UNCTAD, ITC and ITU. The workshop dealt with a number of new legal and regulatory issues, namely on open networks, borderless transfer of data, anonymity, jurisdiction, choice of law, copyright, data protection, privacy, digital signature, contract, liability, online dispute resolution, etc. The workshop discussed recent regulatory reform on international trade-related aspects of e-commerce in pre-accession countries of transition economies that has been driven by acquis requirements for EU membership, its principles prescribed by EU directives on telecommunications and e-commerce. Participants

emphasized that the current UNECE initiative on E-Regulatory Framework Development, aiming to take stock of the current issues on cyberspace-related regulations, is not only unique in nature but also timely for understanding the rationale, approaches and policies of these regulations. It was mentioned that the forum helped governments, business community and consumers to better understand implications of the e-regulatory framework and future directions for maximizing the economic benefits that may accrue from the convergence of technology and law. It was agreed that the 2003 annual workshop on e-regulations will be held in February at the Palais des Nations with special reference to e-security issues and its implications for the knowledge-based economy.

2. UNECE Forum on Online Dispute Resolution (ODR)

In June 2002 the UNECE organized an Annual Forum on ODR. It was attended by regional and international experts involved in the development of ODR as a new form of resolving disputes in cyberspace as a complementary tool for advancing knowledge-based digital economy and the information society. European Commission and the US Federal Trade Commission also took part in the discussion along with UNCITRAL, ITU, UNCTAD, ITC, EU Joint Research Centre, and ICC. Forum analyzed the current development process of ODR in terms of an extended form of Alternative Dispute Resolution (ADR) and the new dimension of cyberspace by the interface between the existing dispute resolution system and new information and communications technology. As a follow-up the Second UNECE Annual Forum on ODR will be organized in June 2003 at the Palais des Nations, Geneva, in close collaboration with the European Commission, US Federal Trade Commission, Joint Research Centre, ECE member governments, especially from transition economies, UNCITRAL, WIPO, ITU, UNCTAD, ITC, ICC and WTO.

3. UNECE/EU Joint Expert Panel on E-Strategy and E-Policy Development in Transition Economies

At the invitation of the DG Information Society of the European Commission, the first annual UNECE/EU Joint Expert Panel on E-Strategy and E-Policy Development in Transition Economies was organized in Brussels on 3- 4 October 2002 with the participation of 30 regional experts. Over 70 per cent of experts came from the public sector of transition economies. A total of 16 national reports were submitted to the UNECE secretariat, namely Albania, Azerbaijan, Bulgaria, Estonia, FYROM, Hungary, Kyrgyz Republic, Latvia, Lithuania, Moldova, Poland, Romania, Russian Federation, Slovakia, Slovenia and Ukraine. It was decided that these reports would be updated on an annual basis for dissemination of information and discussion of e-policy issues in the region.

4. UNECE Side Event on E-Policy and E-Regulations for the Information Society at the Bucharest Pan-European Ministerial Conference of WSIS

The United Nations Economic Commission for Europe organized a special panel on E-Policy and E-Regulatory Framework Development for the Information Society under the auspices of the TSIED with special reference to transition economies, in Bucharest, Romania on 9 November 2002 in conjunction with and in the context of the Regional Conference of the World Summit on the Information Society (WSIS), which took place on 7-9 November 2002.

Main objectives of the panel was to provide a synthesis of the discussions on the development of e-Policy and e-Regulatory Framework for the Information Society at the national, regional and global levels. It also aimed at contributing to the WSIS 2003 by summarizing main issues currently being addressed, explore implications for the Pan-European region, and set out future directions based on recommendations put forward by regional and international experts. The debate focused on understanding how to establish enabling legal environment for the Information Society by means of appropriate regulatory instruments. It also highlighted the best practices of e-policy implementation for reducing the digital divide and enhancing the knowledge-based economy development. The secretariat presented the "Information Economy Report 2002-2003" covering 16 countries and aimed at assisting member States, particularly with transition economies, in developing and implementing e-strategies, e-policies and e-regulatory framework towards a knowledge-based economy.

IV. Participation in International Meetings

During the period under review the secretariat participated and made presentations at the following meetings:

- UNECE Central European Initiative Annual Meeting, Geneva 25 March 2002
- UN Commission on Science and Technology for Development, Expert Panel on Indicators of Technology Development, 22-24 May, Geneva
- UNCTAD Expert Meeting on E-Commerce Strategies for Development, 10-12 July, Geneva 2002
- UNECE First Regional Forum on Youth "Security, Opportunity and Prosperity", 26-28 August 2002, Geneva
- ITC Regional Business Roundtable 2002 for IT industries in transition economies, 2-4 December 2002, Vilius, Lithuania
- International Conference on Global Knowledge-Russia "Partnership Networks as Tools to Enhance Information Society Development and Knowledge Economy", Moscow, 9 December 2002

V. Publications

As a follow-up to the UNECE publication on Internet Infrastructure Development in Transition Economies issued in 2000, the new annual series of Information Economy Report has been launched with its first year publication focusing on e-policy development in transition economies at the Bucharest Pan-European Ministerial Conference for the World Summit on the Information Society in 2002.

Following the 2001 UNECE Workshop on E-Government held in November in Budapest, in collaboration with the Hungarian Government and the 2002 International Seminar on E-Government in cooperation with SSPA and the Italian Government, the 2003 publication on E-Government (forthcoming) aims to take stock of the current initiatives of the governments in the region to advance the digitalisation of the public administration and its major barriers to implement those plans. It also will include analysis of e-government implementation in the major OECD countries and compare those cases with transition economies in order to understand the specific problems arising from the economic transition process which underlines the importance of institution-building. It will also explore the European Commission initiative of IDA and the possibility of extending it into the region.

Regulatory reform is entering cyberspace and the requirement to develop national regulatory and legal frameworks in this field is demanding the governments of the region to fully understand the major aspects of Internet-based economy: data protection, privacy, e-taxation, intellectual property rights at the regional and global level. Based on successful workshop organized in February 2002 and 2003 in Geneva, the publication on E-Regulatory Framework Development aims to provide an overview of the main issues and challenges ahead with ongoing and future developments.

Finally, the proceedings of the two annual meetings of Online Dispute Resolution will be published in 2003 as a single UNECE publication.