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# ECONOMIC COMMISSION FOR EUROPE

COMMITTEE FOR TRADE, INDUSTRY AND ENTERPRISE DEVELOPMENT

### Working Party on Industry and Enterprise Development

Team of Specialists on Industrial Restructuring

Geneva, Switzerland, 12 February 2003

#### **REPORT ON THE SECOND MEETING**

Item 1 – Adoption of the Provisional Agenda

1. Provisional Agenda was adopted.

Item 2 – Election of Officers

2. Upon resignation of Ms. Elizabeth Marshall (United Kingdom), Mr. Chris Walker (EBRD-TMG) was elected Chairman of the Team of Specialists.

Item 3 – Progress reports on programme implementation:

(a) Project 1.1. Workshop "Policy and regulatory options for promoting industrial restructuring" rescheduled for 23 April 2003

In the absence of Mr. Boris Kuznetsov who is the leader of this project, Mr. Chris Walker informed the Team on the preparations for the Workshop, which had been rescheduled from 28 October to 23 April 2003. The Team agreed that to ensure the efficient exchange of information on restructuring practice, the secretariat should try to ensure the widest country participation in the Workshop.

(b) Project 1.2. Benchmarking policy and institutional framework for industrial restructuring

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in the ECE region

UNECE secretariat informed the meeting that despite its efforts no sponsorship for this project could be found. The Team noted that Mr. Boris Kuznetsov had agreed to produce an outline for the Benchmarking Report drawing on the policy and institutional framework for industrial restructuring in European countries.

Mr. Claude Potelle drew the attention of the Team to a Manual entitled "Social Management of the Crisis" prepared by the European Commission on the basis of the industrial restructuring experience in the European Community. The meeting took note of this relevant document. It also noted the importance attached to this project by the Government of the Russian Federation.

The Team agreed that in order to avoid duplication any activity undertaken by TOSIR under Project 1.2 should take full account of the similar work done by other international organizations active in this field. The Team decided to return to the discussion on this issue at its next meeting.

(c) Project 2.1. Conference "Implementation of new technologies promoting industrial restructuring"

The secretariat reported on the preparations for the Conference, which had been given the title of "Innovation as a Vehicle for Industrial Restructuring". This event is scheduled back to back with the Workshop on "Policy and regulatory options for promoting industrial restructuring" and will be held on 24 April. The Team invited ECE member Governments to disseminate the information on this Conference in their countries and help the organizers with the speakers. It also asked the secretariat to convey the information on the conference to labour organizations, which are key players in accommodating the costs of new technologies' implementation.

(d) Project 3.1. Regional forum on handling social aspects and financing of industrial restructuring in transition economies

The Team agreed that the Regional forum was a central event of the Team's work programme for the first biennium and that it would be desirable to organize this forum in one of the transition economies. It welcomed the willingness of the EBRD secretariat to speak at the forum and agreed that it would be also desirable to discuss there the relevant experience of the European Union countries. Messrs. Claude Potelle and Chris Walker will explore their contacts in the European Commission in order to assure the participation of experts from that group of countries. Mr. Claude Potelle also will invite his contacts from the ILO, which is the Leading institution in handling the social aspects of restructuring, to take part and speak at the Forum. The meeting asked the secretariat to ensure the participation of representatives from Kazakhstan as well as Serbia and Montenegro, where the social aspects were coherently incorporated in the national industrial restructuring programmes. The secretariat should also endeavour to solicit papers from countries of Central Asia, for which the issue of industrial restructuring is becoming increasingly topical.

The Team asked Messrs. Claude Potelle and Chris Walker to prepare a draft programme for the Forum and send it to the secretariat by 1 May. Subsequently, it will be discussed by the Team via e-mail. The schedule of preparations for the Forum can be found in Annex I.

(e) Other projects agreed upon in the Programme of work

Under this agenda item, the Team discussed the concept of the Workshop on industrial

restructuring in single industry towns and areas, and opportunities offered by sectoral and territorial clustering (project 3.2). The Russian Federation representatives informed the meeting that the topic of the Workshop in question was very relevant in the light of the Russian Government's work on developing the concept of industrial restructuring in single industry towns, including the role of new business models of outsourcing and centres of subcontracting, and recommendations to enterprises on that basis. The participants referred to the experience of Austria and Ukraine in the area of industrial and territorial clustering and asked the secretariat to invite experts from those countries.

The Team also agreed that the project 4.1, that is the Workshop on managerial practices conducive to industrial restructuring, should be implemented in collaboration with schools of managers in transition economies, for example with the Graduate School of Corporate Management of Russian Federation.

<u>Item 4</u> – Proposals for new activities

The meeting took note of the reply of the Bulgarian Government to the proposal by the secretariat to prepare a pilot country report on the regulatory and policy framework for industrial restructuring and its willingness to cooperate with the Team. It agreed however that this project could be implemented only if extra-budgetary resources were available and decided to revert to this issue under such conditions. The Team asked the secretariat to prepare a letter to the Bulgarian Government explaining the situation and inviting Bulgarian experts to participate in the forthcoming events organized by the Team.

<u>Item 5</u> – Mobilization of resources for the Team: in-kind contributions (research and experts), secretariat support and fund-raising.

The members of the Team discussed various possibilities of finding external resources for its activities. In particular, the collaboration with Central European Initiative (CEI), as well as contacting the Europe Aid and the Japanese Government might bear fruit in this respect. The Team asked its Chairman and the secretariat to negotiate possible sponsorship of joint activities by the CEI. Mr. Chris Walker also agreed to contact to the same end the Europe Aid and the Japanese Government.

<u>Item 6</u> - Cooperation with international organizations active in the area of Industrial Restructuring.

The Team discussed possibilities of cooperating with the ILO in organizing the Forum on handling social aspects and financing of industrial restructuring in November 2003. ILO could also contribute to the training of managers in industrial restructuring. Mr. Claude Potelle agreed to explore these possibilities through his contacts at ILO.

Item 7 - Date of the next meeting.

The Team agreed to hold the next session on 28 November 2003 after the Regional forum on handling social aspects and financing of industrial restructuring in transition economies scheduled for 26 - 27 November 2003.

Item 8 B Other business.

There was no discussion under this agenda item.

# ANNEX I

# <u>Regional Forum on handling social aspects and financing of industrial restructuring in</u> <u>transition economies</u>

26 - 27 November 2003

## Project leaders: Messrs. Claude Potelle and Chris Walker

### **Timetable for preparations**

- 1. Preparation of the annotated work programme for the Workshop by 01.05.2003
- 2. Letter of invitation and information note from the secretariat by 01.06.2003
- 3. Major speakers identified by 1.09.2003
- 4. Preparation of the discussion paper by the Team by 1.10.2003
- 5. Deadline for paper submissions 14.11.2003
- 6. Registrations deadline 21.11.2003

## ANNEX II

## LIST OF PARTICIPANTS

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