



COUNCIL

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Council

**PROPOSAL FOR THE MANDATE OF A COMMITTEE ON INDUSTRY, INNOVATION AND
ENTREPRENEURSHIP (CIE) TO SUCCEED CIBE**

(Note by the Secretary-General)

This version takes into account the discussions in the Executive Committee on 20 September 2006 (amendments in bold).

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English - Or. English

The objective

1. This document contains the proposed mandate for an OECD Committee on Industry, Innovation and Entrepreneurship (CIIE) to succeed the existing Committee on Industry and Business Environment (CIBE) whose mandate will expire on 31 December 2006. The CIBE agreed through written procedure to transmit this mandate to Council for adoption [DSTI/IND(2006)4/REV1], to take effect, if approved, on 1 January 2007 and remain in force until 31 December 2011, unless Council decides otherwise. The proposed mandate has been developed in line with the recommendations of the In-depth Evaluation of CIBE, the results of which were adopted by Council at its 1133th Session on 13 April 2006 [C/M(2006)7, item 91].

Historical background

2. The initial mandate of CIBE was adopted by Council on 25 January 2001 [C/M(2001)2, C(2001)7] to succeed that of the OECD Industry Committee, which itself had been created as a result of the Resolution of the Council of 29 September 1970 concerning the Activities of the Organisation in the Fields of Industry and Energy and amending the Rules of Procedure of the Organisation. The 1970 mandate was in turn amended by a Resolution of the Council [C(73)235(FINAL)] of 4 December 1973.

3. The initial mandate for the CIBE expired on 24 January 2006 and has been extended for short periods twice to enable the results of the In-depth Evaluation process to be taken fully into account in developing a new mandate for an OECD committee in the field of industry. These extensions were adopted by Council at its 1126th Session [23 November 2005, C/M(2005)25, item 324] and its 1133th Session [13 April 2006, C/M(2006)7, item 91, paragraph g], extending the mandate until 31 December 2006.

Proposed action

4. In the light of the preceding, the Secretary-General invites the Council to adopt the following draft conclusions:

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- a) noted document C(2006)132/REV1;
- b) agreed that the mandate for a Committee on Industry, Innovation and Entrepreneurship, as set out in the Annex, will take effect on 1 January 2007 and remain in force until 31 December 2011, unless Council decides otherwise.

ANNEX

**MANDATE FOR THE COMMITTEE ON INDUSTRY, INNOVATION
AND ENTREPRENEURSHIP (CIIE)**

1. The overarching objective of the Committee on Industry, Innovation and Entrepreneurship shall be to assist member countries, and as appropriate, non-member countries, in designing, adapting and implementing policies that can foster sustainable productivity growth and competitiveness in the changing context for industry, innovation and entrepreneurship. This changing context is characterised by the globalisation of markets and value chains, rising importance of entrepreneurship, innovation and intellectual assets, increasing reliance of manufacturing on services, and profound changes in the countries' industrial structures, driven by the activity of multinational firms as well as a vibrant population of SMEs.
2. In the context of the Committee's overall objective, it will:
 - a) Identify policies and regulatory frameworks, which help enterprises meet new challenges, encourage the progress of new industrial sectors and the modernisation of established ones, through:
 - i) The exploration of trends in the evolution of industry structures, including the changing nature of manufacturing and services in a global economy.
 - ii) The assessment of the impact of the globalisation of production across member countries, including the role of SMEs, global value chains **and their interaction**.
 - iii) The examination of the effects of microeconomic policies such as conditions for entrepreneurship and firm dynamics, human capital and regulatory reform on industrial economic performance.
 - b) Promote the prospects for enhanced competitiveness and productivity growth through the fostering of a better understanding of the roles for innovation in firm/industry business plans and strategies.
 - c) Foster value creation by accelerating the effective and efficient management of intellectual assets through analysis, exchange of ideas and dissemination of good practices.
3. In particular, the Committee on Industry, Innovation, and Entrepreneurship shall be responsible for analysing and developing policy recommendations, which require co-operation and consultation among member countries, with a view to achieving the above objectives.
4. The scope of the Committee's work will include both macro- and micro-level research and analysis of industry, clusters, sectors and firms encompassing both manufacturing and services, large firms and SMEs at national and global levels and will have the following dimensions:
 - a) Economic and industry analysis, theme reviews and discussion forums.

- b) Policy analysis and evaluation to identify good practices that meet adjustment challenges.
- c) Active involvement in and links to the horizontal programmes of the Organisation.
- d) Dissemination of results through publication of studies and special conferences.

5. The Committee shall devote particular efforts to understanding and articulating better the contribution of SMEs to innovation, growth **and employment** in the new and emerging context for industry and entrepreneurship, and develop recommendations for policy reforms that are needed to address the specific needs of SMEs.

6. In pursuit of the objectives outlined in paragraphs 1 and 2, the Committee on Industry, Innovation and Entrepreneurship shall:

- a) Co-ordinate the work programmes of its subsidiary bodies¹ and receive regular reports from them to ensure analysis and policy recommendations are fully integrated and evaluated.
- b) Recognise the central role of innovation as a catalyst for economic development and growth, work closely with the Committee for Scientific and Technological Policy, including providing the CSTP with an industrial and business innovation perspective and receiving from it reports on related studies, in order to allow strategic co-ordination between CIIE and CSTP as they pursue their respective objectives.
- c) Maintain close working relationships with other relevant bodies of the Organisation to complement and support analysis underway, discuss industrial aspects of questions raised and, where appropriate, undertake joint projects.

7. Subject to the Programme of Work and Budget of the Organisation, the Committee on Industry, Innovation and Entrepreneurship will organise *ad hoc* workshops and business and industry policy forums to explore timely issues with the private sector and to develop policy recommendations. When appropriate, the Committee will also consult with representatives of industry, business, trade unions and public interest groups.

8. Where possible, member countries shall appoint to the Committee on Industry, Innovation and Entrepreneurship high-ranking officials concerned with co-ordination of policies in the fields of industry in their own countries.

9. For the purpose of its activities in the fields of industry, the Organisation shall periodically collect all relevant statistics and other information; in principle, these data will be assembled by the Secretariat and published on the responsibility of the Secretary-General.

10. The terms of reference of the Committee on Industry, Innovation and Entrepreneurship will take effect on 1 January 2007 and remain in force until 31 December 2011, unless the Council decides otherwise.

¹ Currently the Working Party on Statistics and the Working Party on SMEs and Entrepreneurship.