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"Regional Cooperation in the Field of Industrial Energy
Conservation"

F I N A L R E P O R T

of

Workshop titled

"TRAINING IN MANAGEMENT OF COMMERCIAL ORGANIZATIONS"

incorporating

6th SGM OF WASTE ENERGY AND MATERIALS SUBNETWORK

organized by
EGI Contracting Engineering
supported by UNIDO Vienna
Budapest Hungary
3-9. November 1988.

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I. BACKGROUND INFORMATION

On the second meeting of the Network Steering Committee (Vienna 12-15 Dec. 1989.) representatives of several Yugoslav and Hungarian project participating institutions jointly proposed the setting up of a self-sustaining organization as an experiment which organization would work parallel to the activity to the project. This self-sustaining organization would market the experience gained in the course of the project work and utilize the network and information system having been founded within of the framework of the project as well as the good connections established during the project work.

The above institutions were ready to find the most appropriate organizational form, to elaborate the business policy of the organization and to launch and operate the organization parallel to the activity of the project at their own risk. They also expressed their intention to inform the project participating institutions on their experience. That is why it was decided that a workshop and a training will be organized in Hungary on the management of commercial organizations providing information on its general problems, and the most up-to-date methods of operating a self-sustaining commercial organization with regard to the special demands of field of the project and the local specialities of the respective countries.

Owing to the experimental character of the institutions and the Network Secretariat on behalf of the project, undertake the duties regarding the foundation, elaborating at the same time, however, the possibilities of other countries joining the organization. It seems to be expedient to use the network having been established in the project work, and the information system being organized, for this purpose.

In several consultations the representatives of the founding members elaborated their ideas regarding the organization to be established and started the necessary legal procedures. UNIDO Vienna is regularly informed on their activity. The invited representatives of the project countries will be informed on the possible organizational forms, the most appropriate organization to be established, the management of such an organization and on the ideas regarding the possibilities of the project countries' joining the it, during the workshop in question.

II. OBJECTIVES OF THE WORKSHOP

- a. The optimal organizational form of a self-sustaining institutions in countries with different economical systems.
- b. The relevant legal conditions of the participating countries,
- c. The ways and methods of the management of the organization.

- d. Business policy, marketing, accounting questions.
- e. The ways of utilizing the connections having been established so far during the project work.
- f. The ways of using the information system to be established within the project.

III. PARTICIPANTS

National Counterparts and project leading institutions of all project participating countries were invited.

The workshop was attended by 18 representatives from:

Bulgaria	(1)
Byelorussia	(1)
Czechoslovakia	(3)
Hungary	(5)
Romania	(2)
Yugoslavia	(4)
Soviet Union	(2)

The list of participants is attached to the report as Annex 1.

IV. LANGUAGE

The working language of the meeting was English and all the materials presented and produced were typed in English.

V. ORGANIZATION OF THE WORKSHOP

The workshop was prepared and organized by EGI Contracting-Engineering with financial assistance of UNIDO Vienna. The workshop was held in Budapest, between 5-9 November, 1990.

VI. DAILY REPORTS

5th November 1990

On behalf the organizing institution, EGI Contracting-Engineering, Mr.G.B.Wenzel welcomed the participants of the meeting, wishing effective work.

Mr. Ceslav Karpeta on behalf of ENCONET Secretariat and in the name of UNIDO Vienna opened the workshop pointing its importance.

In his presentation Mr. László Lengyel, National Counterpart of Hungary, summarized the background of establishing ENCONET International Ltd., outlining the international circumstances it will operate under, pointing out the economical difficulties which are to be overwhelmed.

The next lecturer was Mr. Pomázi László, Hungarian legal expert, providing detailed information on different forms of joint ventures, with special regard to Hungarian legislation. The advantages and disadvantages of different forms were explained. He expounded the reasons why limited liability company seemed the most appropriate form for ENCONET International Ltd.

Following up the presentation the representatives of participating countries briefed the meeting on joint venture related legal specialities in their countries.

6th November 1990

After Mr. Wenzel's opening the session Mr. Dusan Gvozdenac, Yugoslavia, was elected as the chairman of the day's session.

As the first item on the agenda Mr. Zoran Morvaj, General Manager of ENCONET International outlined the policy, objectives and organizational profile of the firm. The firm is divided into the following divisions: energy policy and economics, energy conservation, environmental protection, energy management and process control systems, industrial and energy technology. The special fields, duties and responsibilities of respective divisions of ENCONET International were explained in detail.

Mr. Morvaj also spoke about the facilities and institutional background of ENCONET International and the characteristics of the company. He emphasized the importance of quality control and quality assurance, and the efforts taken so far, aimed at ENCONET International becoming a BSI QA (British Standard Institution Quality Assurance) registered firm.

The participants were also informed about the company's target market and business policy, as well as about the envisaged company growth phases.

Answering questions Mr. Morvaj gave brief information on the ways of collaboration with ENCONET International and the procedures required for other institutions joining the company as a member.

Having discussed the questions and ideas raised by Mr. Morvaj's presentation, it was decided to start the second item on the agenda, the round-table discussion of ways and methods of collaboration between ENCONET Network and ENCONET International.

In his opening address Mr. Ceslav Karpeta on behalf of ENCONET Secretariat pointed out that before going into the details of the cooperation, the outlines of the Network's future should be established. Although the fact that National Counterparts regrettably did not attend the meeting deprive the workshop of the opportunity of forming a final conclusion on the issue, the attitude of the represented leading institutions is a factor of utmost importance for the related proposals to be submitted to the next Network Steering Committee meeting.

Mr. Karpeta quoted the original objectives of networking, which were originally set forth under perfectly different economical and social circumstances. The situation has considerably changed as the UNDP financial support is about to stop and as there are no more governmental support available in the participating countries for the project activity.

In the course of the discussion the representatives of each country were asked to expound their views on the future ways of network operation and on the possibilities of their institution cooperating with ENCONET International Ltd.

The conclusions of the discussion were that each project participating country is facing extremely severe economical conditions and legal, social and economical changes of great significance. The governmental support of the project activity was stopped or strictly reduced in the countries, the institutions are trying to find the ways of working under the conditions of market economy, although the legal framework has not been established for this kind of activity in most of the cases.

The one year extension of the project by UNDP was considered as good opportunity for the institutions to work on in the project, letting the changes develop, till the economical, legal circumstances become more transparent and settled.

The different forms of cooperation with ENCONET International Ltd. might be the most appropriate form of continuing the project on a really self-sustaining basis. It was agreed that the original objectives of the project were too ambitious, with special regard to the changes experienced. The originally wide scope of activity of the project must be made for cooperation in the future narrower, covering only certain main lines.

Looser contact among participating institutions seem to be satisfactory, i.e. no regular, costly SGMs, ad-hoc meetings, NSC meetings are necessary, as good direct links have been established for the past years of the project work. One general meeting a year could well serve the interests of the participating institutions. For this purpose Mr. Morvaj offered the facilities of ENCONET International Ltd. in Zagreb, Yugoslavia without the obligation of covering other expenses (accommodation, travel, etc.)

Following up the discussion, Mr. László Pomázi, legal expert, gave information on current Hungarian legislation of representing foreign joint ventures. The conditions and legal procedures of establishing a representing agency were explained in detail, as well as the possible obstacles and constraints. The participants were asked to gather related information in their countries.

7th November 1990

Mr. Zoran Morvaj, Yugoslavia, was elected as the chairman of the day's session.

The first lecturer Mr. W. Fromme, representative of GOPA (Gesellschaft für Organisation, Planung und Ausbildung mbH, Germany) gave detailed information on the practice of an international consulting firm, as well as on the general aspects of consulting services as a whole.

He first outlined the increasing importance of consulting, pointing out that the share of consulting in the market is becoming larger nowadays. Then the 25 years of GOPA's history was summarized. The main possible areas of consulting were explained with special regard to GOPA's wide range interest.

The organizational structure of GOPA was expounded in the following, with emphasis on the importance of both vertical and horizontal integration, and back-up services.

In the following GOPA's philosophy and general approach to consulting and marketing was described in details, as well as the structure of consulting market.

In answering questions in the following discussion, Mr. Fromme spoke about the relationship between the different independent departments of GOPA, based on internal accounting. He also identified their different ways of spotting concrete jobs, their marketing practice in case of the three different types of customers, pointing out GOPA's preferences.

The following lecturer, Mr. Nikola Bonacci, General Manager of ENERGOPOOL, Yugoslavia, outlined the problems of financing projects in the energy conservation area, with special regard to lack of capital available in most of the countries being possible market for ENCONET International in the nearest future. He spoke about the importance of not only indentifying the best technologies, methods, contractors for a successful project, but finding the most favourable financial resources as well. When energy conservation projects, or introduction of energy efficient technologies are concerned, an apt solution is, when the project itself is financed by loans, which are payed back from the energy

savings due to the implemented project. The different advantageous features of the above construction were explained in detail.

Mr. Pál Balajti, representative of HUNVIRON Ltd., Hungary, briefly introduced the firm he represented summarizing its short history, pointing out how it was always flexibly adjusted to the permanently changing financial and economical circumstances. He briefed the participants on HUNVIRON's main scopes of activity. The last part of presentation he described the envisaged future of the company. Asked by the participants he spoke about some special results of the R&D activity, the new method of embedding of hazardous wastes in concrete made of flyash, and the new additive for reducing CO, SO_x, and NO_x emissions of industrial boilers.

In the following, Mr. Valerij Galaktionov, representative of Centre for Energy Saving Studies, Moscow Institute of Energy, provided general information on the present and envisaged future situation of energy conservation in the Soviet Union, and introduced his institution, as possible partner of the project. He presented the different scenarios of energy consumption and supply, pointing out the increasing significance energy conservation. He outlined the national programme aimed at energy conservation, the leading institute of which is Moscow Institute of Energy. Mr. Galaktionov invited the participating institutions to attend conference on energy saving policy to be organized by Moscow Power Engineering Institute from 26-28 of November this year.

In the afternoon session the 6th Subnetwork Group Meeting of Waste Energy and Materials Subnetwork (WEMR) was held.

Mr. Ceslav Karpeta on behalf of Network Secretariat, Mr. Jiri Michalicka on behalf of SP Czechoslovakia, Mr. Vasile Rugina on behalf of SP Romania, Mr. Vitaly Ganzha, Byelorussia, were present.

The subject of the SGM was in accordance with the project workplan i.e. outlining the self-sustained activity of the subnetwork for the future and summarizing the benefits gained by participation in subnetwork activity. This SGM had to deal with the topics originally set forth for the 5th SGM, which was cancelled after the second unsuccessful attempt of convening it.

It was unanimously agreed, that the topics discussed in the workshop were perfectly in compliance with the first objective of the SGM, the conclusions of which gave detailed answer to the future profiles of the self-sustained activity.

When discussing the second item on the Agenda three main outcomes of the project were emphasized. The information system, ENCONET Newsletter and INECA Abstract Journal. As a conclusion of the discussion it was agreed that the two most important type of data

namely roster of experts and institutions must be put emphasis on, because this two kinds of information are the most marketable and they are the greatest assistance of ENCONET International.

As far as the ENCONET Newsletter is concerned it was proposed by the Hungarian party that connections between the Newsletter and the national technical publications (periodicals, journals etc.) should be established and articles of importance should be taken over from the countries' press, so that the Newsletter would serve as a forum of information exchange among the participating countries. Some selected articles could be transferred to the countries' technical publications from the Newsletter at the same time. The Hungarian SFP undertook the task of finding connections with Hungarian technical periodicals.

The participants agreed that publishing INEFA Abstract Journal twice or even for times a year is a too big task for the institutions of the project alone, so they agreed on supporting the idea presented by Mr. Ceslav Karpeta, that UNIDO should published the journal through a professional publishing house and the project institutions would only contribute to the journal with their data. This would help us marketing our information not mentioning the fact that the revenues offered by the publisher would be the income of the network.

Mr. Vasile Rugina offered to host the next SGM of the subnetwork in Bucarest, Romania in accordance with the principle of rotation.

8th November 1990

While the Final Report of the workshop was finalized, the participants took part on a sight seeing tour. In the afternoon session the contents of the Final Report was discussed and modified.

Mr. Wenzel on behalf of the organizers closed the workshop.

9th November 1990

Departure day.

VII. CONCLUSIONS AND RECOMMENDATIONS

1. All the programmed duties of the workshop were successfully fulfilled. The participants were provided detailed information on all the topics mentioned among the objectives of the meeting.
2. The results of the project made it possible to establish such a market oriented firm as ENCONET International.

3. Each participating institution support the idea of extending the project for an additional year, taking into account that we urgently need the project institutions to catch up with the rapid changes taking place in their countries.
4. As the participating countries are in different phases of their advance to market economy, it is necessary to investigate and develop different ways of future cooperation.
5. The importance of certain components of the network information system, namely the roster of available and reliable experts and institutions was emphasized.

VIII. LIST OF ANNEXES

1. List of participants
2. Lectures presented

LIST OF PARTICIPANTS

Belorussia

Mr. Vitaly L. Ganzha
Head of Laboratory of Rational Energetics
Heat and Mass Transfer Institute,
Academy of Sciences

15. P. Prayka str.
Minsk 220728
Fax: 7-22-25-12
Phone: 7-19-51-36
Telex: 252277 nauka su luikov ihnt

Czechoslovakia

Mr. Ceslav Karpeta
Head
ENCONET Secretariat

Power Research Institute
Praha 7
Partyzanska 7a.
Fax: 42-2-809-247
Phone: 42-2-877-226
Telex: 122129 egur c

Mr. Jiri Michalicka
Specialist

VUPEK - Research Institute of Fuel & Energy Complex
Praha 1
Nove Mesto
Vladislavova 4.
Fax: 442-2-23-20-878
Phone: 42-2-735-351, 741-451/ext 451, 2155
Telex: 121726 z vds c

Mr. Vladimir Novy
Senior Research Officer

Research Institute for Ceramics,
Refractories and Non-Metallic
Raw Materials
Section of Energy Management and Conservation

Praska 14.
30511 Plzen
Phone: 42-19-357-818
Telex: 154522 auk c

Hungary

Mr. László Lengyel
Head of Department
National Authority of Energy Economy
IEM
Budapest
Mártírok útja 89
H-1024
Phone: 36-1-175-34-10
Telex: 225376

Mr. G.Béla Wenzel
Head of Division

Mr. István Kovacsics
Specialist

Mr. Zsolt Kónya
Specialist

EGE Contracting/Engineering
Division of Energetika
Budapest
Bem rkp.33-34.
H-1027
Fax: 36-1-105-41-87
Phone: 36-1-115-80-01
Telex: 224461 hagi b

Mr. László Pomázi
Legal Advisor
171.Jogtanácsosi Munkaközösség
Budapest
Bánát-u. 4-6.
1119.
Phone: 36-1-186-38-83

Yugoslavia

Zoran Morvaj
General Manager

Bela Harmath
Specialist

ENCONET International
Trska 3
41000 Zagreb
Fax: 38-41-518-454
Phone: 41-349-987 or 41-515-411/487
Telex: 21224 yu etf zgb

Mr. Nikola Bonacci
Director

ENERGPOOL
41000 Zagreb
Proletarskih brigada 78.
Fax: 41-538-946
Phone: 41-535-462 or 41-533-444/2342
Telex: 22228, 22394 ina pp yu

Mr. Dusan Gvozdenac
Assistant Professor

University of Novi Sad
Institute of Thermal Energy and Process Engineering
P.F. 55 N. Sad 21121
Phone: 33-21-611-422/256

Romania

Dr. Ioan Fara
Dipl. Chem. Ing.

I.A.M.N.
Research, Engineering and Design Institute for
Inorganic and Nonferrous Metals Industry
102. Bd. Biruintei
R-73951 Bucharest

Phone: 40-10-27-26-92

Mr. Vasile Rugina
Head of Department

ICCE-Central Energy Research Institute
Industrial Energetics Department
3. Blvd. Energeticienilor
79619 Bucharest 3.
Phone: 10-206-720
Telex: 10783 icce r

USSR

Mr. Valery Galaktionov
Mr. A. Vakulko
Moscow Power Engineering Institute
14. Krasnokazarmennaya
E-250 Moscow

Fax: 7-095-361-1620
Phone: 7-095-362-70-53
Telex: 411610 mei su