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INTERSECTORAL COOPERATION IN THE ECE

Note by the Executive Secretary

The importance of intersectoral cooperation has been repeatedly emphasized by the Commission. The paper describes the rationale for the intersectoral approach, presents the areas of intersectoral work in ECE and proposes mechanisms for fostering intersectoral cooperation and potential areas for future activities. The success of this intersectoral approach and cooperation depends on the commitment and active involvement of all concerned, as well as on the provision of adequate human and financial resources.

I. RATIONALE FOR AN INTERSECTORAL APPROACH

1. Both public authorities and economic agents are responding increasingly to the need to develop intersectoral approaches in their activities and decision-making processes. There are two major factors underlying this trend. On the one hand is the powerful and dynamic process of economic diversification and increased specialization which, at various rates, is manifest within and between countries, and is extending from regions to the global level. On the other hand is the growing concern with the problems of externalities generated by these specialized activities.

2. Specialization has long been acknowledged as a major source of productivity growth and still the view of those who see advantages in minimized government intervention in the operations of the market economy. The market system is in general a highly effective mechanism for coordinating the specialized activities of a myriad of economic actors, but there

are also many important examples of market failure due to the presence of externalities. It is the pressing need to deal with these externalities that provides the basic rationale for intersectoral and other forms of cooperation that do not rely entirely on the market mechanism.

3. Externalities – or, as they are sometimes called, spillover or neighbourhood effects – all involve the interdependence of different activities, sectors, etc., and they arise when some of the costs and benefits of a given activity do not accrue to the enterprise or individual undertaking it. If part of the costs of a given activity fall on others – the case with environmental pollution for example – the output of that activity will tend to be greater than it would be if its market price reflected its true costs of production; and, conversely, if a producer is unable to capture all of the benefits of his activity, his output will be less than optimal.

4. Although there is still some controversy over the origin of externalities, there is nevertheless widespread agreement that a major source of them is the absence of well-defined and enforceable property rights (clean air, peace and quiet, etc.). In such cases there is a strong argument for government intervention and other forms of non-market cooperation to achieve a more efficient alignment of the private and social costs and benefits of market-based activity.

5. However, dealing with externalities – and especially with negative ones, such as environmental pollution – is very much a political process because it involves the reconciliation of conflicting interests over the burden and distribution of adjustment costs. Those who want to eliminate the negative externality (pollution) want it done as quickly as possible, while those who must adjust their activity want to delay the process so as to minimize the depreciation of their capital assets. As a result, it usually falls to government to reconcile these positions through consultation and, ultimately, a bargaining process. In the real world of policy-making in democratic societies, some sort of mechanism for dealing with externality problems in this gradualistic manner would appear to be the rule rather than the exception.

6. Within government administrations, the existence of separate functional or sectoral ministries is also a recognition of the gains from specialization, with prime ministers or cabinets providing the key coordinating role. This development of strong “sectoral identities” within the structure of public administration makes it more difficult for governments to resolve the conflicts of interest over adjustment costs.

7. Another way of presenting the conflict of interest between economic agents in the process of dealing with externalities is in terms of rights. Thus, the rights of workers to protect their employment and income may, for certain types of adjustment, conflict with the rights of other citizens to be protected from environmental and health hazards. Again, balancing the rights of different groups is, in democracies, essentially a task for the political process.

8. Obviously, governments have to take into consideration this growing awareness of rights related to externalities in public policies. Among their first responses have been the creation or strengthening of specific institutions such as Ministries of Environment and Offices of Health. Another response has been to promote cooperation between sectoral institutions which are involved in the same area, although with different perceptions reflecting the divergent interests of their respective constituencies; such cooperation is often achieved through the establishment of inter-ministerial task forces or committees where information is exchanged and alternative policy approaches debated. Finally, when differences of interest lead to policy dilemmas,

arbitration will have to be made at the highest level of decision-making, usually the Office of the Prime Minister.

9. More and more areas for public decision now appear to be of an intersectoral nature. The process for making such decisions must weigh the different dimensions of the public interest together with the balance of power between the various groups which will have to bear the costs of reducing or removing the negative externalities. An important aspect of the decision concerning the distribution of costs will be the period allowed for the adjustment to take place.

10. Decision-makers use a mix of tools for solving these policy dilemmas: legal instruments, through the adoption of new legislation and regulations; economic instruments, through the use of taxation for changing relative prices of intermediate goods, final products and services; and various policies for stimulating new technologies, as well as changes in production and consumption patterns, including energy use and transport modes. The choice of the policy mix will partly be made on the basis of technical considerations and the concerns and views of the various ministries involved. But in a democratic system, the fears and interests of the electorate must also be taken into account. This is why, when a decision is taken in response to, say, environmental concerns in a given sector, other sectors must be given sufficient notice in order to avoid imposing on them sudden and high costs of adjustment. This applies, for example, to setting limits on polluting emissions or to changes in norms for products and equipment in specific industries.

11. The adoption of rules and regulations, with due regard for the need for gradualism, for eliminating or internalizing externalities occurs not only in the national context but also at the international level. The ECE provides many examples of such an international process, with a significant number of its transport agreements and environmental conventions stipulating transition periods. Furthermore, the negotiated package sometimes includes provisions for supporting those countries which face the highest costs of adjustment because of their initial situation in the area being addressed. Intersectoral cooperation is thus equally important within an international framework so that any regulation adopted in one sector takes into consideration the situation, concerns and interests of other sectors in other countries affected by the regulation.

12. An increasing number of international norms and conventions aim not only at internalizing externalities but also at avoiding distortions in international trade and to national competitiveness. For example, regional or global standards in vehicle construction oblige car makers to comply with limits to pollutant emissions and, at the same time, prevent countries from introducing forms of protectionism disguised as environmental measures.

13. The complexity of production systems, their increasing interdependence with other sectors, both nationally and internationally, has also led to increased activities to deal with a range of public goods which not only enhance intersectoral approaches but also affect the performance of market economies as a whole. These include an evolving regulatory environment (in particular in the fields of competition policy, labour legislation, fiscal measures, quality norms, environmental standards), the introduction of standards for information and communications technologies, and for the soundness and probity of insurance and financing services related to production, investment and trade. The expansion and integration of economic activities in a competitive international environment has proceeded to a large degree under the stimulus of market forces, but it has also been supported by international cooperation to improve

the general institutional framework for conducting business. Companies also benefit from intermediary institutions (public or private) such as professional associations, boards for investment or trade promotion, and various local authorities which are also in contact with the Ministries having responsibilities for the corporate environment (Trade and Industry, Finance, Environment, Labour, Transport, etc.).

14. As in the case of the management of externalities, such activities for the development of enterprises, enhancing intersectoral approach, go beyond national borders and benefit from international cooperation. In the context of the ECE region, it is particularly important to extend more efficiently these activities to countries with economies in transition. Such an approach has two dimensions: the support of an environment conducive to the creation and growth of enterprises through appropriate regulations, incentives, information, and communications infrastructure and facilities; and support to enterprises through advice and the exchange of experience concerning successful business management and strategies. This two-pronged approach can be enhanced by increased cooperation between international organizations active in supporting enterprise development in Europe and the business advisory councils or other genuine representatives of the business community in the ECE region.

II. AREAS OF INTERSECTORAL WORK IN THE ECE

(a) Transport and environment

15. Transport is indispensable for the well functioning and development of economic activities, for the production and distribution of goods and services as well as for trade. Transport has, therefore, been at the very basis of the economic development in ECE member countries in the past decades, contributing to the economic prosperity and social well-being of their citizens. In particular, it has played a most strategic role in the opening up of peripheral and isolated ECE countries and regions and in their integration into the national, European and/or global economy. Transport has itself become an important sector of economic activity, with the construction of motor vehicles being one of the most important and dynamic industries in many ECE countries. Transport has also played a major role in the economic development and integration of the ECE region as a whole through the facilitation of international transport.

16. At the same time, transport development has led to major environmental and health concerns in the ECE region. Indeed, transport consumes energy and causes air, water, soil and sea pollution as well as noise and vibrations. Road congestion, particularly in large urban areas and along main transport corridors in ECE countries, aggravates the situation. Noise in the vicinity of airports also raises concerns. In the ECE region, transport accounts for an increasingly large share of the total final energy consumption. Transport infrastructures, while badly needed in Central and Eastern European as well as in peripheral ECE countries for development, adversely affect the environment.

17. Of all modes of inland transport, road transport is clearly the one with the biggest environmental impact in terms of energy consumption and air pollution. Road transport is responsible for important shares of pollutants, a large part of which is released in urban areas.

18. In view of these developments, the issue at stake is the development of a sustainable transport system which serves both the need for growth in economic activity and environmental

protection. The ECE greatly contributes to addressing this issue, mainly through the development and continuous updating of its set of international legally binding Agreements and Conventions in the transport and environment areas.

19. On the transport side, the World Forum for Harmonization of Vehicle Regulations (WP.29), formerly the Working Party on the Construction of Vehicles, has developed a number of ECE Regulations annexed to the so-called 1958 Agreement, which set up specific emission limits for the various gaseous pollutants and noise as well as requirements on energy consumption. These ECE Regulations are constantly updated to keep pace with the best available technology and respond to demands from society for increased environmental protection. The emission limits for pollutants established in the latest ECE Vehicle Regulations in force are considerably lower than those in force thirty years ago. WP.29 will in future develop global regulations, which may be expected to further reduce emission limits of motor vehicles and introduce new less polluting fuels.

20. The ECE has also played a role in promoting the development of more environmentally sound transport modes such as rail, inland water and combined transport, and has developed a number of related legal instruments to this end.

21. On the environment side, the Convention on Long-Range Transboundary Air Pollution and its related eight Protocols establish requirements and limits for the overall emissions of gaseous pollutants produced by all kinds of sources and sectors, including transport. The Protocol to Abate Acidification, Eutrophication and Ground-level Ozone, once fully implemented, would substantially reduce transport-linked emissions of pollutants in Europe. It also sets tight limit values for specific emission sources (including cars and lorries) and requires best available techniques to be used to keep emissions down. Guidance documents adopted together with the Protocol provide a wide range of abatement techniques and economic instruments for the reduction of emissions in the relevant sectors, including transport.

22. The ECE Convention on Environmental Impact Assessment in a Transboundary Context prescribes measures and procedures to prevent, control or reduce any significant adverse effect on the environment, which may be caused by a proposed activity e.g. in the field of transport. Furthermore, in order to integrate environment and health issues into policies, plans and programmes of the economic sectors including transport, the ECE is in the process of developing, within the framework of this Convention, a legally binding instrument on Strategic Environmental Assessment.

23. The normative work of ECE thus appears as a major tool for reducing the environmental externalities related to transport and it can be further developed. However, a number of causes for concern remain. In particular, the reduction in energy consumption of new vehicles achieved through technology and regulation has been largely offset in the ECE region by a sharp increase in the number and engine power of vehicles in recent years. This problem will require further technological research, including on new less polluting fuels and engines, but also economic incentives to encourage the use of low-consumption vehicles and wider transport and urban planning decisions. It also implies transferring part of road traffic of goods to other modes of inland transport. This shift in transport modes is not easy to achieve and calls for considerable improvement in their efficiency and reliability, as well as in the supporting infrastructures.

24. Two processes have been undertaken in order to develop a broader and more integrated policy framework which address these concerns.

25. First, in 1997, the ECE organized in Vienna a Regional Conference on Transport and Environment, where Ministers and high level officials of both sectors sat together for the first time in an international forum. The Conference adopted a Declaration by which ECE Governments committed themselves to "undertake to reduce the negative impact of transport on the environment and human health by promoting measures to reach volumes and patterns of transport which are compatible with sustainable development". To this end, the Declaration set up a comprehensive strategy, which included: promotion of less polluting vehicles and fuels, promotion of transport efficiency, protection of sensitive areas, promotion of sustainable urban transport, safe transport of dangerous goods, prevention of water pollution, and improved land use planning. The Conference also adopted a Programme of Joint Action (POJA) which outlines national and regional actions to be taken in each area of the Strategy. A mechanism of follow-up for the monitoring and implementation of the Programme has been established. The overall monitoring and follow-up is ensured by the ECE Joint Meeting on Transport and the Environment, comprising the members of the Bureaux of the Inland Transport Committee and the Committee on Environmental Policy, and representatives of other European and international institutions with lead roles in certain elements of the POJA calling for regional cooperation. An Ad hoc Group of Experts has been created to assist in this task. Furthermore, ECE countries have designated national focal points on transport and environment after the Conference in order to ensure the national follow-up.

26. Second, in 1999, the Third Ministerial Conference on Environment and Health in London adopted a Charter on Transport, Environment and Health, in which participating member countries confirmed their commitment to making transport sustainable for health and the environment. The ECE is playing an active role in the follow-up and monitoring of the implementation of the Charter's Plan of Action, as it has been requested to provide, jointly with WHO, a report which reviews the relevant international response to date in priority areas for transport sustainable for environment and health and contains recommendations for further action in these fields. The recommendations include: development of a new legal instrument focusing on integration of environment and health concerns into transport policies and decision making, and on further development of existing international instruments as well as closer cooperation with other organizations and projects. Decisions on further steps are expected to be taken at a high-level meeting of ministers of transport, environment and health or their representatives, which will be held in Geneva in May 2001.

(b) Energy and environment

27. The issue at stake is to ensure reliable long-term availability of energy supplies at reasonable prices while, at the same time, ensuring the protection of human health and the environment.

28. Fossil fuels (petroleum, natural gas and coal), which currently supply about 85% of the energy requirements of the ECE region, are major contributors to three of the most important air pollution problems of today: global warming (a global concern), acid rain (a transboundary problem), and urban smog or tropospheric ozone (both a local and a regional problem). In addition, some of the petroleum products, which ECE populations have come to rely upon and

which are used mainly in the transport sector, either contain or produce toxic air-borne substances. Energy supply systems can also have an impact on both land and water resources in a variety of ways which contribute to their degradation. Additionally, nuclear power generates large quantities of radioactive wastes that will remain hazardous to humans for thousands of years.

29. Under present and projected market conditions, the bulk of energy services will continue to be provided by fossil fuels. Projections by a range of organizations indicate that oil, natural gas and coal are likely to remain the mainstays of global energy supply systems for the greater part of the twenty-first century. Excluding hydro power, alternatives to fossil fuels are not likely to exceed 20% of total energy supply by the middle of this century.

30. The crucial role of energy in achieving sustainable development, including environmental sustainability, has been broadly and universally recognized by governments, industry, environmentalists and the general public.

31. In the ECE region, four major policy directions need to be promoted in order to promote sustainable energy.

32. First, there is a huge potential for reducing energy intensity and improving energy efficiency. In economies in transition, despite the many difficulties, there is a unique historical opportunity to capitalize on this potential. In western countries, even if the relatively high energy efficiency levels have already been achieved, a renewed effort to accelerate energy efficiency improvements is required, if not for economic, at least, for environmental reasons.

33. Second, where energy production and consumption activities harm human health and the environment, these costs, often referred to as externalities, must in due course be internalized either through the regulatory approach or through the use of economic instruments and fiscal measures. For those ECE countries which aim at improving their environmental record, the internalization of environmental costs, and how best to proceed, is of immediate relevance. For many of the east European and CIS countries with transitional economies, the first step should and must be to ensure that: the non-payment of utility bills is resolved; market reforms continue to be implemented; energy prices are raised, in the first instance, to economic levels; appropriate tariff structures are introduced to avoid cross-subsidization; and a social safety net is made available for the segment of the population least able to cope with further energy price increases.

34. Third, there is a need to support a shift in the energy sources towards those which are the most environmentally friendly. Of particular importance in this context is the growing trend to the use of natural gas, which is today=s fuel of choice. Being less polluting than the other fossil fuels, it can help to bridge the transition from the current set of fuels to a more sustainable set over the longer term. It is therefore important to promote investment and distribution networks of gas throughout the region. Furthermore, change in relative prices of energy sources through taxation is another important tool for promoting shifts in the use of these various sources. However, it is particularly difficult to forge a common approach on energy taxation because of the large differences in tax structures and tax levels among countries, and in the energy mix and structure of energy industries, as well as the potential impact that taxation could have on international competitiveness.

35. Natural gas, by itself, will not be able to replace the other conventional sources of energy supply, nor would it be very wise for countries to rely excessively on a single fuel for their energy needs. In this context, oil and coal will continue to play a significant part in meeting the energy needs of ECE countries. Therefore, and this is the fourth direction, it is important that attention and resources be devoted to improving the technologies for the production and use of oil and coal in order to make them more environmentally acceptable. In particular, the introduction of advanced coal combustion technologies in economies in transition needs to be pursued with renewed vigour.

36. The ECE, through the Committee on Sustainable Energy and its related bodies and activities, acts as a forum to discuss these policy directions and support their implementation through specific initiatives and projects. It does so by fostering cooperation and partnerships between the various partners of the civil society and interest groups taking advantage of its multidisciplinary approach and constituent sectoral communities. This cooperation and multi-disciplinarity is illustrated by the Multi-stakeholder Forum which ECE organized in 2000 as a regional contribution to the ninth session of the Commission on Sustainable Development which this year will address energy-environment issues. The Forum gathered governmental policy makers, representatives of the private sector and NGOs and discussed the crucial role of energy, giving particular attention to (i) energy intensity and efficiency and (ii) energy pricing, subsidization and the internalization of externalities. It is the latter topic which forms the basis of an initial cooperation between the Committee on Sustainable Energy and the Committee on Environmental Policy which have both agreed to establish a joint Task Force on Environment and Energy. The objective of the Task Force is to develop guidelines for decision-makers on reforming energy prices to promote sustainable energy development.

(c) Trade, environment and timber

37. Forests are one of the world's most important ecosystems, covering about 40% of the ECE region's land mass. They are critical to protecting the environment and at the same time are a source of income and employment to many people in rural areas. International trade in forest products has been expanding consistently faster than either production or consumption. The issue at stake is therefore to promote trade of timber and timber products while ensuring a sustainable management of forests. This requires interactions between trade, environment and forest sector policies.

38. Changes in trade policies, notably liberalization, will influence the long-term structural development of the forest and forest products sector in the ECE region. Similarly, environmental policies at the global and regional level will have an impact on the sector by placing an increasing demand for sustainability of forest resources. Forest policies also have direct effect on the environment (for instance by devoting certain areas to biodiversity conservation) as well as on the international competitiveness of the forest sector of the country concerned.

39. How to articulate these three policy areas is the subject of long and sensitive discussions in various forums. There is a consensus on the necessity to ensure compatibility between trade and environment policies influencing the forest sector and that certification has a role to play as a voluntary, market-based tool to promote sustainable forest management. However, there remain profound differences between countries and between different actors in the sector, in part

because complex issues are addressed at a political level without a sufficient common ground of analysis on the main aspects.

40. The ECE, having trade, environment and timber in its areas of competence, with corresponding intergovermental bodies, is well placed to contribute to situation analyses and to the development of policy recommendations to address the above-mentioned issues. Along these lines, the ECE Timber Committee has held preliminary consultations with the secretariats of the two other concerned committees covering trade and environment, as well as with relevant NGOs in Geneva. The major task is to explore the consequences of a range of policy choices for forests, for the environment and for trade patterns of the sector. These might include: reduced tariffs on forest products and/or on agricultural products; putting considerably larger areas of forest under protection for biodiversity conservation reasons; and stricter conditions (e.g. export restrictions or eco-labelling) for trade in tropical wood.

(d) Statistics

41. Statistics is almost by definition an intersectoral activity. Data in fact are produced for use in all policy fields. In every country, a comprehensive system of relevant economic and social information is a key component of good governance. This is why statistics represent a powerful tool for intersectoral policy activities. Intersectoral dialogue and policy consistency require a set of data, databases and indicators which draw on harmonized and consistent statistical concepts, definitions and classifications. Standardization and integration of databases have been a fundamental condition for integrated and coherent policy making. Indicators are increasingly used in the policy field to design, monitor and evaluate the impact of policies.

42. The best example of this process is the development of national accounts which present an aggregate and consistent framework for measuring economic wealth and performance through a set of data and indicators which, formerly, were heterogeneous and not comparable.

43. It is noteworthy that the intersectoral contribution of statistics was strongly supported and stimulated by an international perspective. It is in fact at the international level that the overall consistency of the policy stance, and vice versa policy incoherence, becomes apparent. Progress in the provision of national accounts data of good quality has proceeded hand in hand with international economic integration and globalization of markets. The role played by statistical activities in support of the European Monetary Union based on the application of the Maastricht criteria is an outstanding illustration of this support to regional integration. The adoption of international standards has also had a decisive influence on the transition process to market economy.

44. This consistent and integrated approach adopted for national economic accounts can also be applied to environmental accounts, social accounts and other satellite accounts in fields such as household production, health, development, etc.

45. The task of harmonizing concepts, definitions and classifications, and providing the basis for integrating different data and data sources, belongs traditionally to national statistical authorities, organized around a national statistical office. These offices are closely linked and cooperate at the international level through the network of global and regional statistical institutions, such as the United Nations Statistical Commission and the Conference of European

Statisticians, a Principal Subsidiary Body of the ECE. Involving these important players, both at national and international levels, in an intersectoral exercise is essential for raising the awareness of key development issues, for analysing them and formulating well informed policies. It worth mentioning here that only when the statistical offices started to play a leading role in the collection and dissemination of labour statistics, and the use of standardized labour force sample surveys, did it become possible to compare standard unemployment rates and link employment objectives with broader economic and social objectives.

46. The Conference of European Statisticians pays considerable attention to intersectoral policy programmes. The implementation of the new System of National Accounts, particularly in transition economies, the development of satellite accounts in the field of environment, and the integrated presentation of Statistical Work Programmes of the major international organizations active in the ECE region provide evidence of this growing interest.

47. The development of an integrated intersectoral database is essential for ECE if it wants to expand and deepen its intersectoral activities. A similar process is taking place at the national level, where national statistical systems are being strengthened and better coordinated so that data and indicators can be compared across a wide range of diverse and comprehensive policy uses. The dialogue between data users and producers at the national and international level is a pre-condition for the effectiveness of such a process.

III. PROCESSES AND MECHANISMS FOR FOSTERING INTERSECTORAL COOPERATION

48. Part II above demonstrates that ECE has areas of competence which are at the heart of key intersectoral issues. It has also the specialized intergovernmental bodies which, from different perspectives, address these issues. ECE is thus well placed to play an important role in regional cooperation on intersectoral issues of importance for sustainable development.

49. Such intersectoral cooperation has progressed in the countries of the region. With the aggravation of problems affecting society at large (in particular those linked to environmental and health hazards) and the growing sensitivity of public opinion to these problems, major breakthroughs have been made by governments to address them. These breakthroughs are important steps for facing obstacles which are inherent to intersectoral cooperation.

50. The first obstacle is the divergence of interests between various sectors involved in tackling an intersectoral problem, as already discussed in Part I above. The second obstacle is the culture developed in institutions dealing with sectoral issues. Each institution tends to concentrate first on its traditional areas of responsibility and therefore to be less sensitive to the broader implications of its activities. Furthermore, taking into account limited staff and budgetary resources, it may have difficulties in making additional efforts to gain new perspectives on the issues at stake and to establish relations with new interlocutors concerned. The third obstacle is the administrative complexity of intersectoral cooperation as it involves different entities and different lines of command. The situation is all the more complicated when the latter are involved in a decision-making process requiring delicate trade-offs and, eventually, arbitration.

51. The breakthrough made at the national level, despite the obstacles, is accompanied by a similar progress at the international level. ECE is contributing in a significant manner to the promotion of intersectoral cooperation, for which it has gained experience, in particular through three processes: the organization of and follow-up to Vienna Conference on Transport and the Environment, the follow-up to the London Charter on Transport, Environment and Health, and the regional contribution to the ninth session of the Commission on Sustainable Development whose central themes will be sustainable energy and sustainable transport.

52. The Vienna Conference has provided an impulse to intersectoral cooperation at the national level, leading to the designation of focal points on transport and environment in 44 ECE countries. At the international level, it has initiated or strengthened a number of activities involving international organizations, including ECE, as lead actors. Finally the ECE, in its role as coordinator for the overall monitoring of the Programme of Joint Action, has set up a number of mechanisms and tools for exchanging national and regional experiences and best practices, in particular: the establishment of the Joint Meeting on Transport and the Environment, and the Ad Hoc Group of Experts on Transport and the Environment reporting to the latter; reports of lead actors and national focal points prepared for these meetings; and the ECE web page developed to facilitate access to the information on these developments.

53. Similarly, the joint ECE/WHO report mentioned in paragraph 26 above as a follow-up to the London Charter on Transport, Environment and Health is promoting concertation among the three ministries concerned and should enable ECE countries to have a nationally coordinated position prior to the ECE high-level meeting which will decide on the further steps to take.

54. Finally, the adoption of a policy statement at the Multi-stakeholder Forum on Sustainable Energy represents important progress in international cooperation as this statement covers a range of issues pertaining to the sustainable production and use of energy and has been jointly agreed by government officials and representatives from the private sector and NGOs from the ECE region.

55. In view of this experience, lessons can be drawn on how intersectoral cooperation can be initiated or further developed within the ECE, what kind of institutional mechanisms could be used, how to allocate and/or mobilize resources required and which are the potential areas for such cooperation.

56. Intersectoral cooperation is often triggered by decisions taken at the highest level of an organization and, in the case of ECE, subsequently endorsed by the relevant Principal Subsidiary Bodies (PSBs). This was the case for the Ministerial Conference on Transport and the Environment which was decided by the ECE in compliance with a request contained in Agenda 21 and taken up by the Inland Transport Committee with the support of the Committee on Environmental Policy. Intersectoral cooperation can also come about by one PSB raising an intersectoral issue which thereafter is also considered by other PSB(s) as useful, relevant and deserving priority. This was the case of the recently launched joint Task Force on guidelines on energy prices. Finally, the initiative can come from an agreement among two or more Divisions in the secretariat that a particular intersectoral issue is of importance to the ECE and should be introduced to their respective PSBs. The Divisions would then have the task of advocating the issue to their PSBs so that it is taken on board and jointly addressed. In all cases, it is important for the PSBs concerned to discuss the matter thoroughly, in order to develop a common rationale

and understanding of the implications of such initiative, to agree on the activities to be undertaken and to define the ways and means to cooperate for their successful implementation.

57. Several types of cooperative mechanisms can be considered: joint meetings of the PSBs concerned or their bureaux; creation of a joint group of experts or task force under their auspices; delegation of one member of a PSB to a meeting of another PSB; and specific projects jointly implemented and monitored. Any of these new intersectoral activities needs to be introduced in the programme of work of the Divisions and PSBs concerned, accompanied by appropriate human and financial resources. Furthermore, the responsibility for coordination must be jointly assumed by the concerned Directors of Divisions involved in a given intersectoral activity.

58. Furthermore, ECE has developed activities aiming at promoting public-private partnerships as an instrument to accelerate transition and development in the region. As these public-private partnerships are now increasingly involving actors from more than one sector, they can be used as a means to enhance intersectoral approach and cooperation.

59. In terms of areas for further work on intersectoral issues, the processes already well advanced should be actively pursued.

(i) For the Vienna process, the mid-term review will take place in 2002 and will be the opportunity to focus the assessment of the progress made on a selected number of priority areas covered by the Programme of Joint Action and to propose future directions and activities in these areas.
(ii) For the London process, the activities will focus on those recommendations of the joint ECE/WHO report which will be adopted at the high-level meeting on transport, environment and health.

60. Where new areas have been explored but no activity has been implemented so far, the relevant bodies and the secretariat have to activate the process for intersectoral cooperation. This is the case for the Task Force on guidelines on energy pricing and for the “blue corridor” project (installations for refuelling gas-run lorries on a major East-West pan-European corridor).

61. Finally, new areas for intersectoral cooperation and activities could be considered. These include:

(i) the further development of interlinkages (a) between border-crossing activities of the transport programme, in particular those related to the TIR Convention, and CEFACT activities on customs standards and procedures; and (b) between activities of the human settlements programme relating to the development of land registration systems and activities of the trade, industry and enterprise development programme concerning the promotion of real estate markets in countries with economies in transition;
(ii) the involvement of the ECE energy and transport constituencies in the environmental performance reviews and the ECE environmental conventions as they pertain to the energy and transport sectors;
(iii) the consolidation of existing ECE statistical databases in a multisectoral framework.

IV. CONCLUSION

62. Based on the experience gained so far, the ECE can further provide substantive directions and improve processes for intersectoral cooperation, both in the areas where significant progress has already been made and where there is a strong potential not yet exploited.

63. The round-table on Energy, Transport and Environment to be organized at the Annual Session of the Commission is expected to gather the Chairpersons of the relevant PSBs, the Directors of the corresponding Divisions in the ECE secretariat and representatives of countries with significant experience in the intersectoral approach. Each sector will be invited to express its views on the main issues at stake, the intersectoral linkages to be developed for addressing those issues and the most appropriate modalities of cooperation, both within and among countries. This will be the opportunity to foster the intersectoral approach, a key factor for sustainable development in the ECE countries and the region as a whole.
