



ECE Highlights

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CONTENTS

EDITORIAL	2
Do you want to prevent crime?	2
INTERVIEWS	3
UN: Fighting terrorism, Interview with Mrs. Linda Perkin, Deputy Director, DPA	3
NATO: Adapting to new threats, Interview with Mr. Patrick Hardouin, Director of the Economics Directorate of NATO	4
The UNECE/OSCE Colloquium: Role of the Economic Dimension in Conflict Prevention in Europe	6
ECE NEWS	
Concern about energy security is growing	6
Environmental rights not a luxury — Aarhus Convention enters into force	7
The UNECE sets stricter standards	8
UNECE recommendations to improve tunnel safety ..	8
TIR Customs transit system	9
Stability Pact - PPPs ...	9
UNECE Forum of Women Entrepreneurs	10
The winner	11
Upcoming Events	12
Quotes from the Press	13
New Publications	15

Secretary-General Appoints Brigita Schmögnerová as New Executive Secretary of the Economic Commission for Europe

The Secretary-General appointed Ms. Brigita Schmögnerová as the new Executive Secretary of the United Nations Economic Commission for Europe (UNECE), at the Under-Secretary-General level. Ms. Schmögnerová was born in Bratislava, Slovak Republic. She completed her university studies, earning her PhD degree from the School of Economics in Bratislava. She pursued professional training at the University of Athens and Georgetown University in Washington, D.C. Ms. Schmögnerová worked as a researcher in the Institute of Economics, Slovak Academy of Sciences, and as a lecturer at the University of Economics, Bratislava.



Ms. Schmögnerová served as economic adviser to the President of the Slovak Republic (1993), Deputy Prime Minister (1994), and Finance Minister (1998-2002). From 1995-1998 she served as a Member of Parliament.

Ms. Schmögnerová was awarded the World Finance Minister of the Year Award (2000) by Euromoney Institutional Investor PLC, which cited her courage in implementing important reforms in the banking sector, macroeconomic stabilization programmes, tax administration and fiscal management.

In her capacity as a Governor or alternate Governor, Ms. Schmögnerová worked closely with the International Monetary Fund, the World Bank and the European Bank for Reconstruction and Development. She also contributed to the Slovak membership in the Organisation for Economic Co-operation and Development (OECD) (2000) and acceleration of the Slovak pre-accession process to the European Union. ■



“Do you want to prevent crime?”

See to it that the laws are clear and simple, and that the entire force of a nation is united in their defense”

Cesare Beccaria, On Crime and Punishment, Milan, 1764

The essential link between social cohesion, good governance and crime prevention was well understood by the great thinkers of the European Enlightenment in the 18th century. The contrasting views of T. Hobbs, on the one hand, who highlighted the direct and unique role of the state in providing law and order through enforcement and sanctions, and J. Stuart Mill on the other hand, who emphasized the importance of civil society, the notion of fairness and the “fear of exposure”, can be detected clearly in the contemporary discussion on the best policy approach to security and social capital formation. The search therefore for the right balance in the mix between “deterrence” and “benevolence” is certainly not new, and has received a considerable boost by the tragic events of last September.

What is definitely new in the information society of the 21st century is the powerful tools we have for analyzing risk and uncertainty, and the possibility that our enlightened ancestors did not have, to base decision making and

policy dialogue on information, facts, figures, science and research. We have much to learn, and we have learned a lot from experience, actual evidence, sharing of information and testing of hypotheses, including the mistakes we have made, and we cannot and should not repeat. The extraordinary progress made in technology and knowledge and their increasing pervasiveness in relation to production structures, standards of consumption, work and life, have been deeply affecting policy making at the national and international level. They are reshaping the ways and means of democracy, the nature itself of politics. Politics is not simply the realm of “passion and interest”, but also increasingly the domain of impartial reasoning, evidence based decision making, robust arguments and documented discussions.

One of the strengths of the UNECE is in its evidence-based science-driven approach to policy dialogue. This has enabled us to extend and deepen the framework of norms and standards embodied in the codes and conventions that we have helped our member countries to negotiate, agree upon and implement. This approach underpins policy dialogue in the various policy networks we manage in the sectors of transport, environment, energy, trade, enterprise development and statistics. It also has supported our economic analysis of the different aspects of the transition to the market economy and the economic and social integration of Europe and North America, leading to policy guidelines and peer dialogue.

This approach has enabled us to deal constructively with such complex and controversial issues, such as energy security and transport safety. In response to the Security Council resolutions and under the guidance of our inter-governmental bodies, we will look at the crucial links between trade facilitation and security, environmental threats and conflict prevention, sustainable development and peace-building. These links go to the heart of the mission of the United Nations, as clearly restated in the Millennium Declaration, and require a new impetus for an integrated approach to policy and for a collaborative effort bringing together the UN system and the Bretton Woods institutions, national governments and civil society organizations, regional and global strategies.

The UNECE is well prepared and critically placed to play an active role in this decisive endeavor.

Paolo Garonna
Deputy Executive Secretary
UNECE

Our Guests

UN: Fighting terrorism

*Interview with Mrs. Linda Perkin, Deputy Director,
Department of Political Affairs (DPA), on the occasion of the Villars Colloquium.*



ECE Highlights: The UN is becoming involved in conflict prevention. Don't you think it is a rather hopeless task?

The UN has been involved in the prevention of conflict from almost the very beginning because good diplomacy is trying to deal with problems before they reach crisis proportions. So I think what has happened is that it has been more formally framed than it was previously. But I don't think it is really new. Is it hopeless? I don't think so. I think particularly when you look at the economic realm of the question, there are measures that can be taken that are smart, that are targeted, that cost less than trying to pick up the pieces after a crisis has happened.

Do you think that economic development is one of the causes of crisis?

No, I don't think economic development is a cause of crisis. Sometimes rapid change can put groups in conflict, but just as often no change puts groups in conflict. If you have no growth in the pie, people are more at odds than if there is a chance for everyone to get a larger portion. No, I think the point is twofold. One of the answers to crisis when it has been generated by inequalities, competition for resources and such, is in fact to try and enhance development in those areas where you then are able to more satisfy the basic needs of more people.

The UN has been heavily criticized for its action in Yugoslavia and Kosovo. What is your assessment of the UN action there?

I don't think that the United Nations has ever claimed to be the perfect instrument. But I would remark that it is not the first actor in the former Yugoslavia. There were other actors that tried to handle the situation and were unable to. The UN found itself, regrettably in some instances, involved in situations after they had gone beyond the point where it was going to be easy to manage it in a nice way. For example, the UN was not part of Dayton. But it was given a mandate under Dayton that was directed towards police, but without the resources you would need in order to undertake what needed to be done. In Kosovo, equally, the initial NATO action was not a UN mandated operation. This was a coalition of the willing. It was not endorsed by the Security Council. First of all you had the OSCE in there, you had their monitors and you had various efforts to try and resolve things short of crisis. The UN was only turned to in the end because it was the universal organization, the only one, which could unite the various parties that were thought could bring elements then to try to deal with the post conflict situation there.

That's why UNMIK is a unique operation. It is UN but it is also OSCE and EU. It was UNHCR initially until they declared that the humanitarian phase had ended and it had the support of NATO.

Some say that the UN has nothing to do in Europe and that it should devote its efforts towards other parts of the world!

It was very much a matter of surprise that in the early 1990s the UN found itself with a major preoccupation in the heart of Europe. Europe was not where it expected to find its major operations taking place. With almost 190 member States and a world that has enormous number of competing demands for assistance, be it political, economic, institution building, you name it, it is understandable that the perhaps richest portion of the world and the one that has the most developed and most numerous regional organizations has difficulty making the case that it should be as much as a preoccupation of the organization, if not more, than any other area. This does mean that the UN does not wish to support, facilitate, or do anything it can. One geographic area, one problem is not superior or inferior to another.

Can the UN recognize the notion of "failed States"?

Do you know there is this old expression that was used in the United States by a Supreme Court Justice where it was said and it doesn't matter with reference to what "I can't define it but I know it when I see it." We have

encountered cases where the breakdown of the institutions that you would normally count on to keep a society running has been so complete or so severe in critical areas that you find it very difficult to put Humpty-Dumpty back together again. And I think that's really what we are talking about with "failed States". When the UN was in Somalia it seems to have taken on a task that was beyond its means at that point. The same was true for the Balkans. Equally there is great concern about Afghanistan because the problems are so monumental. So much is needed in terms of resources simply for humanitarian purposes. But beyond this, it involves trying to figure out how you recreate



at the same time a functioning government elected by the people and not imposed by outside, a functioning economy, a society that has a certain amount of mutual respect within itself and various other systems, judicial and otherwise. It is perhaps beyond the means, and maybe beyond the wisdom of any one group. Then the question arises are there combinations that might be able to do better. This is one of the areas I think we certainly need to explore because the UN is very willing and happy and able to cooperate with other actors and there is a very good case that can be made for taking those sectors, those functions where you actually have the greatest capacity to be helpful and respond and allowing others to act in other areas.

If the UN is given the impossible mission to "rule Afghanistan" do you think this is feasible?

Thus far everyone who I know who is in an official position has tried to be very clear that they do not think that is a task for which the UN is suited. Everyone agrees that what Afghanistan needs is a government that includes its various groups, but a government which is very much Afghan. How we are going to get there is a question that I personally can't answer. But I don't think anyone has said we in the UN can do this. I would hope that it is pos-

sible to move in a rather rapid fashion towards helping those people who are interested in building a free and diverse Afghanistan, to start progressing towards the goals of its entire population. The international community wishes to see those people in a position to play a very important policy role and see that it gets done.

Is your Department going into fighting terrorism?

All of the UN is now turned towards the question of how to fight terrorism and this is true in all of its aspects. In the political area both the Security Council and the General Assembly moved on the 12th of September to take action by adopting resolutions on the subject of terrorism. There has been a history of resolutions on these subjects. There are 12 UN conventions on various aspects of terrorism which need to be signed, ratified and implemented as quickly as possible by all of the member States of the UN. There is also now a Committee established under the Security Council to monitor and report on the implementation of the provisions of the second Security Council resolution on this subject. So, DPA supports all these efforts but not alone. The whole UN system is basically being asked to respond as quickly as possible to those needs that are identified by the member States. ■

NATO: Adapting to new threats

*Interview with Mr. Patrick Hardouin
Director of the Economics Directorate of NATO*

ECE Highlights: What does NATO have to do with conflict prevention? Is it part of its mandate?

Mr. Patrick Hardouin: NATO is an alliance aimed at protecting the security of the allies. Achieving this security through conflict prevention is clearly the preferable option. After the collapse of the Soviet Union and the Warsaw Pact, NATO embarked on creating partnerships with all countries in the Euro-Atlantic area. These new relationships cover all aspects of security, including social and economic ones. They thus reflect the fact that our definition of security must be a truly broad one.

Is NATO going to become an aid agency?

Certainly not. NATO has no desire to duplicate the work of other institutions. But what it can do is share experiences and possibly provide advice to states or institutions. For example, we strongly believe in the importance of having security forces that are democratically accountable, with transparent budgets, and sound financial management. We think that these characteristics are essential for both security and democracy. Sharing experience on such issues with our Partner countries will help put them in a better position to make the right choices as they tackle the difficult challenge of military reform.



How will war be avoided by having a better managed and transparent military budget?

First, because transparent budgets allow for better parliamentary scrutiny and more democratic oversight. This in itself can be an element of war-prevention. Second, it helps to foster an informed public debate about the role of the military in democratic societies. Third, it prevents the armed forces from being misused by a ruthless regime. Finally, transparency can serve as a confidence-building measure with regard to a nation's neighbours. Better managed resources simply means that the military should become less of a burden for a nation's economy. This, too, is a factor of war-prevention.

How do you evaluate the intervention of NATO in the Balkans and Yugoslavia? Was it useful?

Those interventions were difficult, but in the end inevitable. We did not have major strategic interests in the region, but we were faced with a situation that had simply become unacceptable: a policy of ethnic cleansing that went against the basic values we want to promote throughout Europe. Moreover, among the international community, only NATO was able to act decisively. Hence NATO's decision to intervene, to stop ethnic cleansing, and to create a more secure environment for a broader engagement by the international community. Our strategy worked and the Balkans are now a much more stable place than they were before NATO became involved.

How do you consider the sovereignty of States?

NATO itself is an alliance of sovereign States and decisions are taken by consensus and not by majority. NATO cannot act if one of the nineteen allies doesn't agree.

Moreover, three of our member States are members of the Permanent Five of the United Nations Security Council. So NATO allies very much cherish the principle of national sovereignty. However, this understanding of sovereignty does not include the right of a government to kill or forcefully expel large parts of its own population, as was the case with Kosovo in 1999.

Is NATO going into terrorism, and if so, why?

Yes, NATO is becoming involved in the struggle against terrorism. The terrorist attack against the United States on the 11th of September was an armed attack against that country. By invoking Article V of the North Atlantic Treaty, the 18 NATO allies of the United States stated that they considered this like an attack against

their own territories. Indeed, it is a paradox of its history. NATO was created to protect European States from an attack by the Soviet Union and to generate help from the United States. And now the United States is facing an attack from a terrorist group and the European allies are going to help the United States.

Isn't it like an elephant fighting against a flea? NATO is such a big organization.

There are many "fleas" and these fleas are organized in complex ways. They constitute networks that are structured in ways that make it difficult for the conventional national and international organizations to combat this kind of activity. So we must understand better the way in which terrorists operate, how they are organized and what motivates them. Some of the responses we may need to develop will be different from NATO's traditional "menu" of tools. But even some of our existing mechanisms, such as our consultations with Partner countries, can certainly be adapted to combat terrorism.

Then how is NATO going to adapt to this new situation? Do you have the means to fight terrorism?

Of course NATO has to adapt to this new threat. In fact, our peacekeeping forces in the Balkans have already been acting to prevent terrorist groups from operating within and from the Balkans. We will intensify our consultations on the issue of terrorism, both among NATO members and with our Partner countries. We will intensify our cooperation on preventing the spread of weapons of mass destruction and on ways to better protect ourselves against the effects of such weapons. We will have to think about whether our force modernisation plans need to be revised in light of the September 11 attacks.

Will NATO be able to make these changes?

Of course. What happened in the United States could happen in any country of the Alliance. As the saying goes, necessity is the mother of invention. NATO must become inventive in combating this type of threat because it is a threat that reaches further than individual nation-states. That is why short-term measures will not suffice, and why we need a long-term, comprehensive strategy. NATO will play its part in this strategy.

Why do you participate in the UNECE/OSCE Colloquium on the Role of the Economic Dimension in Conflict Prevention in Europe?

We think that it is very important to the different bodies of the international community in the Euro-Atlantic region to meet and build working relations. We must maximise our synergies and minimise duplication. That way, we all stand to gain: by being able to devise new policies and new solutions for new challenges.. ■

The UNECE/OSCE Colloquium: Role of the Economic Dimension in Conflict Prevention in Europe

The Villars Colloquium on the Role of the Economic Dimension in Conflict Prevention in Europe, jointly organized by the United Nations Economic Commission for Europe (UNECE) and the Organization for Security and Co-operation in Europe (OSCE), held from 19-20 November 2001, brought the cooperation between UNECE and OSCE to a new level. More than 50 experts from the North Atlantic Treaty Organization (NATO), the European Union (EU), the Department of Political Affairs of the UN Secretariat, the private sector, and governmental institutions of member States held a forthright informal discussion on issues of great concern to all member States of the UNECE region.

The Colloquium made the following suggestions. Firstly, it would be useful to bring experts on safety and security together to discuss possible measures which could help to reduce the threat of terrorism to the economic infrastructure. Secondly, it was proposed to establish a public-private partnership on conflict prevention under the auspices of UNECE and OSCE, which would operate within the framework of the UNECE Public-Private Partnership Alliance of the Working Party 5. Thirdly, the idea was put forward to convene a regular informal meeting of staff members of UNECE, OSCE, EU and NATO (so-called the Villars Group) in order to exchange experience, knowledge and views on the economic dimension of conflict. ■

ECE News

Concern about energy security is growing

Concerns over energy availability and security of energy supplies, which abated in the 1980s and 1990s, are once again re-emerging in ECE countries. Anxieties were particularly acute during last summer when petrol prices soared in many member countries and electricity shortages developed in California. The terrorist attacks of 11 September in New York and Washington have added to these growing concerns.

The increased sense of vulnerability and insecurity is fuelled by concerns over rising energy import dependence, the higher costs of new incremental energy supplies, the increased dependence on OPEC and Middle East oil, the longer supply routes, uncertainty regarding the full implications of market liberalization, and the potential for social unrest and ethnic strife in a number of producing and transit countries.

In addition, concerns over energy-related environmental problems, notably climate change and how they are

eventually resolved, could potentially affect the energy security of member countries. As well, the security risks and dangers of terrorist attacks on energy installations,



such as nuclear power plants and oil and gas pipelines, need to be assessed and factored into decision making.

“The renewed attention of governments to energy security issues will invariably colour the debate and influence decisions on a number of important and thorny energy policy issues in the ECE region” said George Kowalski, Director of the Sustainable Energy Division. “No doubt, it will influence discussions and decisions on the future role of coal and nuclear power in meeting future energy needs, the subsidization of indigenous energy production, the provision of incentives for the exploration and development of fossil fuels, and the commercialisation of renewable energy resources. It could also potentially delay the implementation of measures to protect the environment and perhaps even contribute to the relaxation of existing measures.”

Delegates to the Committee on Sustainable Energy, meeting in Geneva on 21-22 November 2001, considered the increased risks to the security of energy supplies of member countries and discussed potential measures to strengthen energy security for all, in the light of emerging market conditions and the recent attacks in New York and Washington.

Past government measures and policies to foster energy security by championing energy conservation and efficiency, diversifying the kinds and sources of energy available to consumers, the development of indigenous (domestic) energy supplies and the build up and maintenance of strategic and commercial energy stocks, have all proven successful.

However, delegates agreed that governments cannot be complacent about energy security. Markets are changing and so is the political, economic and social complexion of the world.

The “winds of change” are blowing across the ECE region, buffeting energy markets, industries and enterprises. Governments in central and eastern Europe as well as central Asia are busy reshaping, restructuring and, in some cases, privatising their energy industries. In western Europe and North America, governments are aggressively opening up and liberalizing energy markets, notably the natural gas and electricity markets. At the same time, liberalization and globalisation are favouring the agglomeration or concentration of capital and labour into ever larger and larger multinational energy companies, raising concerns about excessive market power.

As noted earlier, concerns about energy availability and security of energy supplies are receiving increasing public and policy attention. It would appear that the underlying long-run energy fundamentals that prevailed in the 1970s and early 1980s, when energy supply and demand were tightly balanced and energy markets rocked by two sharp oil price rises, have reappeared. Needless to say, energy markets today are indeed different from those that prevailed in the 1970s but recent energy market developments call for the re-examination and strengthening of energy security measures.

Finally, delegates recognized that a strengthening of international relations and economic cooperation can be helpful in improving energy security. In a number of ECE countries, the rule of law needs to be strengthened, commercial contracts protected and the business climate improved. Low standards of living, inadequate economic development and social, ethnic and political unrest in a number of sub-regions continue to trouble the region as a whole and undermine energy security for all. Concerns about energy security cannot be fully separated from and resolved without addressing these broader issues and problems that besiege the ECE region and the world. ■

Environmental rights not a luxury Aarhus Convention enters into force

A new international law, described by United Nations Secretary-General Kofi Annan as ‘the most ambitious venture in environmental democracy undertaken under the auspices of the United Nations’, entered into force last fall. The entry into force was marked by a launching ceremony at UNECE headquarters in the Palais des Nations in Geneva. The Environment Ministers from Croatia and Ukraine were present and many other Ministers and some NGOs sent supportive messages.

The UNECE Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters – known as the Aarhus Convention after the Danish city where it was adopted in June 1998 – seeks to strengthen the role of members of the public and environmental organizations in protecting and improving the environment for the benefit of future gen-



erations. Through its recognition of citizens' environmental rights to information, participation and justice, it aims to promote greater accountability and transparency in environmental matters.

While the Convention is an instrument to protect the environment, it may also be seen as an instrument promoting democracy. Specifically, it aims to allow members of the public greater access to environmental information held by public authorities, thereby increasing the transparency and accountability of government; to provide an opportunity for people to express their opinions and concerns on environmental matters and ensure that decision makers take due account of these; to provide the public with access to review procedures when their rights to information and participation have been breached, and in some cases to challenge more general violations of environmental law.

To date, the Convention has been ratified by nineteen countries: Albania, Armenia, Azerbaijan, Belarus, Denmark, Estonia, Georgia, Hungary, Italy, Kazakhstan,



Kyrgyzstan, Lithuania, Poland, the Republic of Moldova, Romania, Tajikistan, the former Yugoslav Republic of Macedonia, Turkmenistan and Ukraine. ■

The UNECE sets stricter exhaust emission standards for heavy transport vehicles



In the context of the World Forum for Harmonization of Vehicle Regulations (WP.29), a large number of

UNECE member countries have decided not to approve any more new lorries, buses or coaches of more than 3.5 tonnes if they do not comply with a new set of stricter exhaust emission standards.

The new standards, identical to the EU EURO 3 standards, establish limits for the exhaust emissions of carbon monoxide (CO), hydrocarbons (HC), nitrogen oxides (NOx) and particulates (PT), which represent a 30% reduction compared with the previous limits.

The UNECE has also established that, as from 1 October 2005, those emission limits will be replaced by another set of still lower emission standards, equivalent to the EU EURO 4 standards, which will represent a further 30% reduction in the emission limits of CO, HC and NOx and a further 80% reduction for PT.

A further 43% reduction in the emission limits of NOx has already been adopted for mandatory implementation as from 1 October 2008. ■

UNECE recommendations to improve tunnel safety

The UNECE completed recommendations to its member countries to improve safety in tunnels. The UNECE started this work in the wake of fires in the Mont Blanc and Tauern tunnels in 1999. Now, following the recent fire in the 17 kilometer-long Gotthard tunnel in Switzerland, the issue of tunnel safety has once again been brought to the fore.

The UNECE recommendations include a series of measures concerning the principal factors that influence accidents in tunnels. These factors are road users, tunnel operators, infrastructure and vehicles. Measures include,

for example, driver information campaigns on correct behavior in tunnels, roadside checks of heavy goods vehicles for overheating and other defects, periodic testing for drivers of heavy goods vehicles, buses and coaches, the appointment of safety officers for tunnels over 1000 meters, the equipment of tunnel fire-fighting crews with heat searching cameras and the lowering of the quantity of fuel carried by heavy goods vehicles. When implemented, these measures will significantly reduce the risk of tunnel accidents and will minimize the consequences of accidents. ■

The Federal Republic of Yugoslavia back in the TIR Customs transit system

On 1 December 2001 the Federal Republic of Yugoslavia rejoined the TIR Customs transit system. From this date, foreign TIR approved heavy goods vehicles are able to transit to, from and through the Federal Republic of Yugoslavia using the internationally standardized TIR procedure, which provides for efficient transport and Customs facilitation. Vice versa, Yugoslav TIR approved vehicles are also able to carry out international goods transport to foreign countries using the TIR procedure.

“The Federal Republic of Yugoslavia is an important transit country linking South-Eastern Europe with the rest of Europe” says Mr. Martin Magold, TIR Secretary and Chief of the Border Crossing Facilitation Section of the UNECE Transport Division. “Since 1992 the UNECE administered TIR Convention has not been applicable in the Federal Republic of Yugoslavia. This has meant that border crossing procedures for goods entering, transiting or leaving the country



are complicated, time consuming and costly. Yugoslav transporters have faced similar difficulties abroad. According to information received by the UNECE the impossibility to transit through Yugoslavia during recent years using the TIR procedure has typically added around 1,500 euro to the cost of a transport between South-East Europe and Western Europe.” ■

Stability Pact gives high priority to Public-Private Partnerships (PPPs) at UNECE session

The private sector, in partnership with the public sector, needs to play a bigger role in the rehabilitation and modernization of infrastructure for the economic recovery of South-East Europe. Resources from both Governments and the international donor community will not be sufficient to meet the massive needs in almost all the countries of the region in areas such as transport, energy and water and waste disposal as well as in education, health and housing.

This was the topic of a special session on “Public-Private Partnerships: Facing the Challenges”, that took place in Bucharest on 24 October 2001. The Special Session was organized by the UNECE, the Stability Pact and the Foreign Ministry of Romania on the occasion of the Second Regional Conference of the Stability Pact for South-East Europe. The participants included representatives of government, private sector and banks including

the EBRD.

Opening the session Mr. Bodo Hombach, Special Coordinator, declared that the Stability Pact was moving into a very important phase with commitments of new resources. “These,” he said, “would help in leveraging new resources from the private sector.” Despite the necessity, the number of operational PPPs is very small. One of the main bottlenecks that needs to be overcome is the lack of Government capacity at national and local levels, to identify viable projects and bring them forward into the market place. “While training programmes for civil servants on PPPs were taking place in western Europe not a single programme had been undertaken in the South-East European region”, said Mr. Geoffrey Hamilton, Regional Adviser of the UNECE. The challenge is to improve the skills of public administration to negotiate and manage successful PPPs projects. ■

“E” road network extended to Central Asia and Caucasus

As from 4 December 2001, the “E” road network will extend as far as the borders of China after all countries concerned have agreed to designate as “E” roads a set of newly identified international roads in the Caucasus and Central Asia. Extended itineraries include the west-east reference roads: E 60 from Brest, France to Irkeshtam, at the border between Kyrgyzstan and China, the E 40 from Calais, France to Leninogorsk, Kazakhstan, which may be considered as the new Silk Road; and the north-south E 123 from Chelyabinsk, Russian Federation to Nizhiny Panj, at the border between Tajikistan and Afghanistan. With this extension, the UNECE, in particular its Inland Transport Committee, has reached an important milestone in its endeavour to integrate the transport networks of its Caucasus and Central Asian member countries into European transport networks.

The “E” road network, which now includes over 150 000 kilometers, comprises all roads of international importance in Europe as agreed upon by countries Parties to the European Agreement on Main International Traffic



Arteries (AGR), concluded in 1975 under the auspices of the UNECE. The AGR also contains the infrastructure parameters to which “E” roads should conform together with the numbering system according to which “E” roads are designated and sign-posted. When developed up to the standards foreseen in the AGR, the new “E” roads will greatly facilitate international transport and trade with those countries, thereby fostering the integration of the economies of these countries into the European economy. ■

UNECE Forum of Women Entrepreneurs

Over 200 participants took part in the first United Nations Economic Commission for Europe (UNECE) Forum of Women Entrepreneurs last fall. The majority of participants were women entrepreneurs and representatives of women’s business associations from more than 28 countries including Armenia, Azerbaijan, Belarus, Bulgaria, Croatia, Georgia, Germany, Italy, Kazakhstan, Malta, Poland, Russia, Tajikistan, Ukraine, and United States.

The Forum was inspired by the UNECE virtual Gallery of Excellent Women Entrepreneurs. Many of these women came to Geneva to meet each other and share their personal experiences of setting own businesses. They have different backgrounds and live in countries with very diverse economic conditions and regulatory frameworks. Their companies differ in size and area of activity. They range from micro- and small-sized enterprises to medium-sized and large-sized enterprises providing various services (IT services, advertising, travel, health care) and

goods (leather and garments, innovative souvenirs, candied edible flowers, pneumatic tyres). Despite this diversity their personal stories clearly show that entrepreneurial women in most countries of the ECE region face numerous gender-specific constraints and problems.

The Forum discussed several proposals on how to overcome barriers impeding development of women’s entrepreneurship in countries of the region through a better use of the UNECE regional framework. These proposals included, among others, establishing technology and E-commerce learning centres and a Euro-Asian foundation of women entrepreneurs to mobilize resources needed to finance these activities, as well as creating an on-line network of women’s business associations on the UNECE web site and a cyber-market for women entrepreneurs. The Forum also considered the establishment of an award for the ECE woman entrepreneur of the year in several categories. ■

Quality assurance system for enhancing competitiveness of small and medium-sized enterprises (SMEs)



On 25-26 October 2001, the UNECE organized an Expert Meeting on “Best Practice in Creation of Quality Assurance Systems for Enhancing Competitiveness of SMEs”. Nearly 350 experts from 33 countries and 9 international organizations (ISO, ILO, ITC, UNIDO, WIPO, Euro-Asian Council for Standardization, Metrology and Certification, European Organization for Quality, EFQM and OECD) gathered to discuss this question, which is one of the key elements of enterprise competitiveness and world market access.

On the current world market, both manufacturers and consumers require guarantees for the quality of products and services. Now it is no longer sufficient to provide

products and services that conform to certain standards, but all manufacturers and service enterprises need to demonstrate their capability to provide a continuous quality of their products and services. This is why all businesses and public organizations need to set up quality systems enabling them to guarantee that required quality is obtained at appropriate cost and also taking into consideration ecological concerns.

The Expert Meeting presented the best practices in developing national quality policies and experiences of SMEs in creation of quality systems. To promote the implementation of quality management systems, the European Organization for Quality and the European Foundation for Quality Management elaborated the excellence model which assists SMEs to make self-evaluations of their performance and set up goals for improvement. Several winners of the European Quality Awards in 2000 and 2001 presented their achievements. A round-table discussion on “The Problems and Solutions of Creation of Quality Systems in Order to Prepare SMEs to Meet the Challenges of the Globalization and Market Economy Requirements” was chaired by Dr. Rolf Jeker, Senior Executive Vice President of the SGS - Société Générale de Surveillance S.A. The Expert Meeting drew conclusions and made recommendations for Governments, the business community and international organizations to make common efforts in the field of improved quality management. ■

The winner

In June 2001 the UNECE, in cooperation with the United Nations Information Center (UNIC) in Tashkent, Uzbekistan organized its second quiz on the United Nations. The winner, Renat Kilkeev, 17, visited Geneva with his mother last December. The first winner in Uzbekistan was a youngster of 15. A young lady of 16 won the quiz organized by UNECE and UNIC Moscow.

This year’s quiz in Uzbekistan will take place in May. Its questions will focus on sustainable development. ■



Upcoming Events

Annual Spring Seminar (6 May 2002)

The UNECE will hold its annual Spring Seminar on 6 May 2002. The topic for discussion at this year's Seminar is Labour Market Challenges in the ECE Region. The Seminar will comprise four sessions devoted to I: Unemployment in Western Europe; II: Unemployment in the transition economies; III: Increasing the size and the quality of the domestic labour force; and IV: Is immigration a solution to labour market problems? ■

Fifty-seventh Annual Session of the Economic Commission for Europe (7-10 May 2002)

The Commission's fifty-seventh annual session will be held at the Palais des Nations in Geneva from 7-10 May 2002. The high-level policy segment will take place from 7- 8 May. The discussions on the first day will draw upon the debate during the Spring Seminar held on 6 May on "Labour Market Challenges in the ECE Region" and identify relevant linkages with ECE's programme of work. It will also draw on concrete experiences of ECE member States. The discussion will further consider the issue of cooperation and coordination with major organizations involved in labour market and employment issues. On 8 May the Commission will discuss the Economic Aspects of Security in Europe: the ECE role in developing the economic conditions for long-term security and the sectoral dimension. The general segment will take place on 10 May. No formal meetings will be held on 9 May as it is an official United Nations holiday. However, the Commission's Steering Group will meet and interested member countries are invited to participate. ■

Forum on Trade Facilitation (29-30 May 2002)

The UNECE will organize an International Forum on Trade Facilitation in close cooperation with the United Nations Conference on Trade and Development (UNCTAD), the secretariat of the World Trade Organization (WTO), the World Customs Organization (WCO), the International Chamber of Commerce (ICC) and all United Nations regional commissions. The Forum is expected to make a substantive input to the multilateral negotiations on trade facilitation, which will accelerate in the later months of 2002. Speakers and participants will include representatives of Governments, especially Ministers or senior officials responsible for policy in trade, customs services, investment and other relevant fields; senior decision-makers from the business community; intergovernmental and non-governmental organizations and prominent academics and experts on issues

related to trade facilitation, e-business and transport issues. Key speakers will be the Minister of Trade and Investment of the United Kingdom, the Director-General of WTO and the Secretary-General of UNCTAD.

The International Forum on Trade Facilitation is expected to define new practical measures and adopt policy recommendations that would affect the progress of trade facilitation in the future. Innovative approaches are even more necessary in times of uncertainty, in order to curb the negative effects of recession and increasing costs of moving goods across borders.

UNECE Ministerial Conference on Ageing (Berlin, 11-13 September 2002)

At the invitation of the Government of Germany, a Regional Ministerial Conference on Ageing will be held in Berlin, between 11 and 13 September 2002. The Conference will be organized by the UNECE. It will consider and adopt a regional implementation strategy for the revised International Plan of Action on Ageing, which will result from the Second World Assembly on Ageing (Madrid, April 2002). ■



Quotes from the Press

Economic Survey ...

Euro-zone countries should relax budgetary targets and the ECB should cut interest rates further so the European Union could act as a locomotive of the world economy, a UN think-tank said on Thursday. In a partial release of its "Economic Survey of Europe 2001", the United Nations Economic Commission for Europe (UNECE) warned that there were no definite signs of an economic recovery by the second half of 2002. *Agence France Presse, November 15, 2001 Thursday.*

Paolo Garonna, UNECE's Deputy Executive Secretary, told a news conference the Sept. 11 attacks have introduced a new situation for policymakers and observed, "quite clearly we don't know where this process will lead us." But Garonna said the UNECE is of the view "Europe can and should take the leadership role." He said what is needed is a more "courageous" policy response. Dieter Hesse, ECE Director for Economic Analysis, told reporters the European Central Bank (ECB) has been too slow in reducing interest rates, and noted that despite recent significant lowering of rates. *United Press International, November 15, 2001, Thursday.*

Energy ...

To implement an energy saving programme, the Russian authorities will have to allocate more than 100 mln. rubles (1 dollar = 31 rubles) by 2010. Russian Deputy Energy Minister Ivan Matlashov disclosed this information speaking on Tuesday at an opening ceremony of the Energy Saving - 2002 international exhibition. The exhibition, which is held with the participation of 110 companies from 7 countries, was organised by the Russian Energy Ministry, the Gazprom gas production concern, the United Nations Economic Commission for Europe and the European Union. *Russian Economic News, March 12, 2002.*

Delegates of the UNECE told the Committee on Sustainable Energy here Thursday that energy prices need to be increased steadily to levels according to their economic value or international market levels."These price distortions impede structural adjustments, hinder investments in energy conservation and energy efficiency, discourage investment in environmentally-sound energy infrastructure and are a drain on state budgets," said George Kowalski, Director of the Division for Sustainable Energy. *THE XINHUA NEWS AGENCY, November 22, 2001, Thursday.*



Environment ...

"The United Nations Economic Commission for Europe says the developed world must do more to protect and conserve water resources." On World Day for Water, *22 March 2002, on the BBC World Service.*

Echoing sentiments from the Africa and Asia meetings, ministers and high ranking officials from the 55 members of the U.N. Economic Commission for Europe, meeting in Geneva in September, called for Johannesburg delegates to agree to "concrete actions" to advance the sustainable development principles laid out in Agenda 21. ... Swiss Foreign Minister Joseph Deiss, who chaired the meeting, said it showed "a common understanding regarding the problems facing the region." But some participants differed in their views on how those problems should be addressed, including the responsibilities the countries in the region should assume individually, regionally and globally, and in the cooperation between the global North and South. *Greenwire, November 7, 2001'.*

The Aarhus Convention on access to information, public participation in the decision-making and access to justice in environmental matters came into force on October 30, 90 days after the 16th ratification (see European Report Article 2614, same section). The Convention, negotiated in the United Nations Economic Commission for Europe in June 1998, was widely hailed by non-governmental organisations who were, for the first time, extensively associated in the drafting of an international Convention. *European Report, November 3, 2001.*

Robots ...

Further cuts in robot prices may be the only means of unearthing fresh demand in the Asian region. According to

the United Nations Economic Commission for Europe, the robot price index fell to 20 in 2000 (1990=100), after taking into account the impact of quality improvements. *The Nikkei Weekly January 15, 2002.*

In its annual World Robotics report, the UN Economic Commission for Europe says sales of industrial robots worldwide soared by 25 per cent last year to nearly 100,000, a record. About half were installed in Japan. Jan Karlsson, the report's main author, said that despite a downturn in robot investment this year, the longer-term trend was up. *Financial Times (London), October 31, 2001, Wednesday.*

Timber ...

Forecasts prepared before September 11 for the Timber Committee of the UN Economic Commission for Europe (ECE), which covers 55 countries in Europe, central Asia and North America, predicted declines, with no significant recovery in 2002 in most markets. *Financial Times (London), October 12, 2001, Friday.*

Kit Prins, Chief of the Timber Section at the UN Economic Commission for Europe, said Russia's forest area is the world's largest, at 851 million hectares or about a fifth of the world total. He said only about 14 percent of growth is harvested. Prins also said Europe's forests are expanding at about 880,000 hectares a year, mostly through natural extension of former agricultural land and plantation programs. The ECE official estimated, however, loss of foliage of trees in Europe, from a combination of factors such as pollution, soil type and different types of forest diseases, had increased from 13 percent in 1989 to 23 percent in 1997. *United Press International, October 3, 2001, Wednesday.*

Trade ...

OASIS, the XML interoperability body, has joined four international standards heavyweights to cooperate on e-business technical standards, it was announced yesterday. The organization hopes to share its efforts to develop global standards for online businesses. Boston, Massachusetts-based OASIS has signed up to the so-called Memorandum of Understanding (MoU) on Electronic Business, which created in March 2000. The founder signatories are the International Electrotechnical Commission, the International Organization for Standardization, the International Telecommunications Union and the United Nations Economic Commission for Europe. *ComputerWire, February 12, 2002.*

Transport ...

The South African motor industry is set to become a lot safer following government's adoption of United Nations (UN) safety regulations which would make it easier for the local industry to export its products more widely. The adoption of the UN regulations follows the UN Economic

Commission for Europe agreement on uniform safety standards for vehicles and vehicle components. SABS president Eugene Julies said the first set of regulations adopted would concentrate on "critical" vehicle safety issues such as lights, brakes, tyres and contour and strip markings. The regulations would help eliminate pirate components from the SA car market. *Africa News, March 20, 2002 Wednesday.*

Standardised safety glass will soon be compulsory for all vehicles, either made locally or imported, to ensure the safety of motorists by minimising the impact of broken windscreens. According to a new regulation drafted by the Transport Ministry, the standardised safety glass must be accredited by either the Thai Industrial Standards Institute (TISI) or the United Nations Economic Commission for Europe (UNECE). Windshields, in particular, must be made with laminated safety glass. *Bangkok Post, Thailand, December 13, 2001, Thursday.*

The United Nations Economic Commission for Europe yesterday published sweeping recommendations for improving the safety of road tunnels that will have extensive repercussions for road users, tunnel operators, governments and vehicle manufacturers. ... Jose Capel Ferrer, Director of UNECE's Transport Division, said yesterday that 95 per cent of road accidents were due to driver error. Tunnel accidents were rare but their serious human and economic costs made it important to reduce the risks further. *Financial Times (London), December 12, 2001, Wednesday.*

Others ...

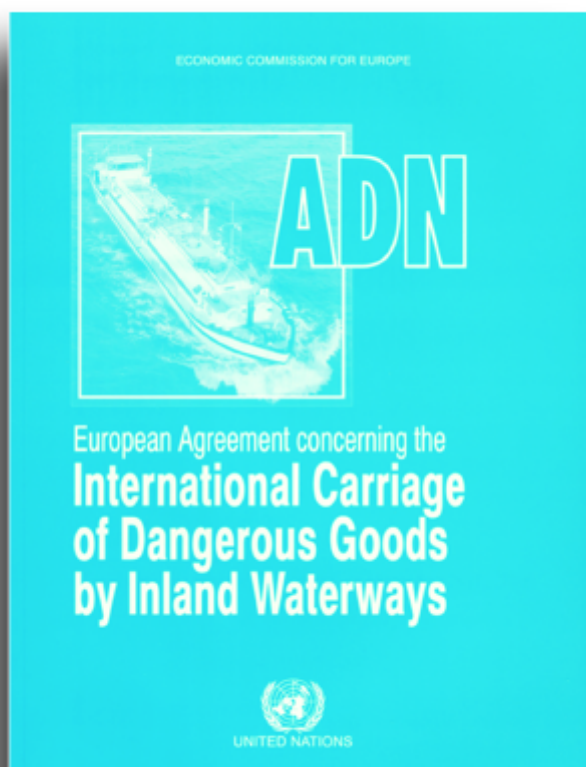
The terror attacks on New York and Washington could cost the United States roughly £ 137 billion, equivalent to a devastating earthquake. 'The upshot is that the magnitude of costs appears to be manageable both in absolute and relative terms given the enormous size of the United States economy,' said the United Nations Economic Commission for Europe. 'But unlike an earthquake,' it added, 'the terrorist attacks and their aftermath may have a deeper and longer-lasting psychological effect to the extent that they have eroded people's sense of political and economic security. *Birmingham Post, November 16, 2001, Friday.*

HURRIYET said: "Melek Bar Elmas (41), one of the nine Turkish female entrepreneurs who made the outstanding female entrepreneurs list of the United Nations Economic Commission for Europe (UNECE), has become a rival to Microsoft's Bill Gates by selling to Frito Lay, an American foodstuff company, the software she produced. The program she has developed enables swifter delivery of foodstuff from the warehouses where food is kept at a temperature of -40 Centigrade. Instead of 80,000 packages a day, now 160,000 packages can be delivered a day." *Turkish Daily News, October 23, 2001.*

New Publications

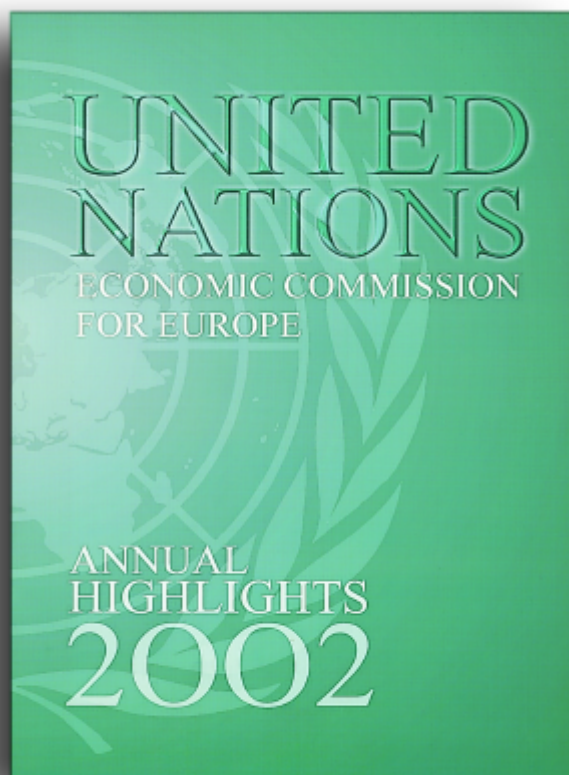
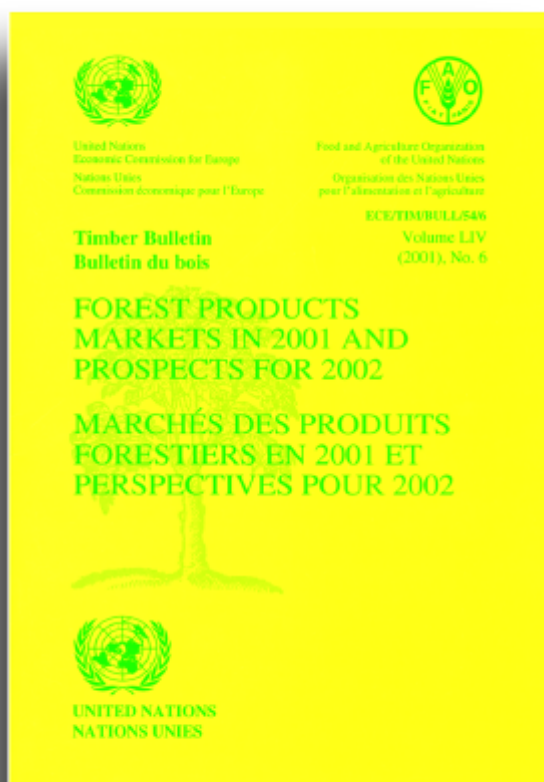
European Agreement concerning the International Carriage of Dangerous Goods by Inland Waterways (ADN) –

This publication presents the European Agreement concerning the International Carriage of Dangerous Goods by Inland Waterways (ADN) adopted on 25 May 2000. ADN consists of a main legal text and Regulations annexed thereto which aims at: ensuring a high-level of the safety of the international carriage of dangerous goods by inland waterways; contributing effectively to the protection of the environment, by preventing any pollution resulting from accidents or incidents during such carriage; and facilitating transport operations and promoting international trade of chemicals. ECE/TRANS/150 – Sales # E.01.VIII.5 – ISBN 92-1-139075-3 – US\$ 75 – E,F,R.



United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) and United Nations Conference on Trade and Development (UNCTAD) – Compendium of Trade Facilitation Recommendations. The Compendium is intended to be used as a reference by those engaged in simplifying, harmonizing and rationalizing trade procedures and practices. It is also useful for industry, commerce transport, administrations and organizations, to create awareness of the possibilities that exist in the area of facilitation and harmonization of trade and transport. ECE/TRADE/279 – February 2002.

Forest Products Markets in 2001 and Prospects for 2002 / Marchés des produits forestiers en 2001 et perspectives pour 2002 - Timber Bulletin, Vol. LIV (2001, # 6). This publication contains the most up-to-date information on domestic demand, production, imports and exports of forest products for 2001. It also gives estimates for these markets for 2002 as well as medium-terms trends and forecasts. ECE/TIM/BUL/54/6 – E/F,R.



“The future is not a blind destiny, but is instead under our responsibility. We have the powers to analyse the facts and establish rationally the practical implications of our ideals.”

Gunnar Myrdal, Nobel laureate, first Executive Secretary of the UNECE.

Annual Highlights 2002. Gives an overview of UNECE achievements and new challenges for the years to come. ECE/INF/NONE/2002/3 – February 2002.

WHERE TO ORDER

The publications listed with sales prices may be ordered from: **United Nations Publications Sales and Marketing Section, Palais des Nations, 1211 Geneva 10, Switzerland** and a number of bookstores in the ECE region. Send cheque or money order in US\$ made payable to: UNITED NATIONS PUBLICATIONS.

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