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**THE WORK OF THE UNECE: ACHIEVEMENTS, CONSTRAINTS
AND PERSPECTIVES**

Report of the Executive Secretary

The report below provides an overview of the achievements of the UNECE in 2003 as well as the challenges and constraints it faced in implementing its programme of work. Perspectives for the year 2004 are also highlighted.

1. In 1997, the UNECE member States, in their “Declaration on the Strengthening of Economic Cooperation in Europe” stated that the Commission had, since its establishment, “succeeded in adapting its work to fulfil faithfully its primary goal of encouraging and strengthening the commitment of all its member countries to harmonious economic relations.” Noting the “underlying trends that affect all regions of the world”, member States stressed the need “to foster forms of cooperation that promote economic prosperity for all member countries and respond to the needs of an increasingly interdependent world economy”.
2. The UNECE has continued to demonstrate the flexibility needed to adapt to international developments and trends that affect the region. The most important economic and political event facing the UNECE region is the enlargement of the European Union (EU) in 2004. The successful completion of the EU accession negotiations is a confirmation of the enormous progress in democratization and market reforms, which has been under way in the Eastern part of the UNECE region for more than a decade. It is now widely accepted that the process of transition from plan to market by and large is nearing its end in the most advanced countries.
3. At the same time, as transition advanced at varying speed in the different countries, the region has become more heterogeneous: while a group of advanced reformers are at the doorsteps of the European Union, other countries are still struggling with basic systemic and structural reforms. Despite the increasing divergence, all economies and societies, even the highly

developed industrialized countries in the UNECE region, are indeed in a process of continuous evolution and change. With the upcoming EU enlargement, this process will enter into a new phase: on the one hand, the new EU members will turn a page in their transformation while, on the other, the new geopolitical realities in Europe will pose new challenges for the economies both within and outside the enlarged EU.

4. The enlargement of the European Union also presents a new opportunity for the UNECE and prompts consideration of a broad range of issues, in particular: the challenges and implications for non-acceding countries; the prospects for further economic cooperation and integration within the UNECE region; and the prevention of new divisions within the region. In 2002, the UNECE Bureau invited the secretariat to address these issues and, after discussions with some member States' representatives and the European Commission, a programme of sectoral "beyond enlargement" workshops was agreed. These workshops are based on the UNECE's experience, expertise and existing work. Two workshops, one on energy and another on trade, business and investment in post-enlargement Europe took place in the first half of 2003 and two further UNECE workshops on transport and environment were held in the autumn. In addition, a workshop on regulatory convergence in a wider Europe was held in cooperation with the Government of Greece in Athens.

5. In 2004 each UNECE Principal Subsidiary Body will consider the implications of EU enlargement for their activities. In addition, the policy dialogue will continue with a workshop on the economic dimension of security in post-enlargement Europe, jointly organized with OSCE in 2004 and an International Forum on, "Challenges for Trade and Enterprise Development in a Changing Europe", under the auspices of the Committee for Trade, Industry and Enterprise Development. Taking place just two weeks after EU enlargement, in mid-May 2004, this Forum will be an occasion for all UNECE member States to gain a better understanding of the changes in the trading and business environment in the region. UNECE is currently discussing other "beyond enlargement" workshops with some member States, including Poland, and the Russian Federation.

6. Another development with possible impacts on the work of the UNECE is the increasing importance accorded to the economic and environmental dimensions of security. Responding to an invitation by the Tenth Ministerial Council of the OSCE in December 2002 for the UNECE, in close working relations with the OSCE, to take the lead in making the economic dimension of security more relevant to conflict prevention and at the same time to contribute to the preparation of the OSCE's New Strategy Document, the UNECE organized, in cooperation with the OSCE, a seminar in July 2003. Both the background documentation prepared by the UNECE and the results of the seminar were subsequently provided to the OSCE as UNECE inputs for the preparation of the New Strategy Document. The role to be suggested by the OSCE for the UNECE in the economic and environmental dimension of security is addressed under Agenda item 5 of the current session.

7. In the context of the Information Society and ICT for development, a key concern for all countries, UNECE was in 2003 responsible for coordinating the regional commissions' contribution to preparation of the World Summit on the Information Society (WSIS)' Declaration of Principles and Plan of Action. UNECE's role in Geneva in contributing to the reduction of the digital divide includes the exchange of best practices, providing an assessment of achievements in the knowledge-based economy at country level, and implementing a gender perspective in building an Information Society. In addition, the UNECE has continued its long-standing work in

e-business standards. While the coordinating role will be assumed by ECA in January 2004, the UNECE will continue its work in this area, leading on to the WSIS in Tunis in 2005.

8. The importance of sustainable development, already flagged in the 1997 Plan of Action as particularly relevant for UNECE work and one that should permeate all of its activities, has become increasingly recognized, and the mainstreaming of sustainable development into all subprogrammes of the UNECE's work, provided new impetus by the World Summit on Sustainable Development, also continues. In addition, in order to contribute to the follow-up to the WSSD and to provide a contribution to the Commission for Sustainable Development's twelfth session, the Commission decided to hold the UNECE Regional Implementation Forum in January 2004 in order to evaluate progress made in countries of the region in implementing sustainable development goals and identifying obstacles and constraints. (See also E/ECE/1413).

9. All the above cross-sectoral work has been facilitated by cross-divisional task forces for Security, the Information Society, and Sustainable Development. In addition to this, UNECE has continued its work in the sectors agreed upon by the Commission in the Plan of Action. Highlights of the achievements, constraints and perspectives in those areas are contained below.

Subprogramme 1: Environment

Main achievements in 2003:

10. The Fifth Ministerial Conference "Environment for Europe" (Kiev, Ukraine, 21-23 May 2003) was prepared and conducted with success. The Ministers in Kiev adopted three new Protocols to UNECE Conventions relating to strategic environmental impact assessments, civil liability for damage caused by industrial accidents, and pollutant release and transfer registers. In addition, the Conference adopted Guidelines for Strengthening Compliance with and Implementation of Multilateral Environmental Agreements in the UNECE region, a regional Convention on Carpathians, and an Environment Strategy for Countries of Eastern Europe, Caucasus and Central Asia (EECCA). A number of other important decisions were taken related to energy for sustainable development, water for sustainable development, biodiversity and education. The UNECE Ad Hoc Working Group on Environmental Monitoring contributed to the European Environment Agency's (EEA) Third Assessment Report of Europe's environment, which was adopted at the Kiev Conference. The continuation of the Environment for Europe process through regular ministerial Conferences was strongly supported by participants.

11. An active input was provided to the Commission's session in March 2003, as well as to that of the Commission on Sustainable Development in April 2003 as regards the regional follow-up to the WSSD.

12. The Committee on Environmental Policy (CEP) adopted the environmental performance review of Georgia at its special session in February 2003. The peer review of Azerbaijan was conducted and submitted for adoption of the CEP at its tenth session in October 2003. A ten-year review of the EPR process including recommendations for the future of the review process was prepared for adoption by the Kiev Conference.

13. The CEP prepared Future UNECE Strategic Directions for the Environment in close consultation with the UNECE environmental convention bodies for adoption by the Committee in October 2003. The Strategy assesses the UNECE achievements and challenges so far, the changing political and economic landscape and its implications for UNECE environmental work as well as the UNECE environmental contributions to sustainable development.

14. The first session of the Steering Committee for Transport, Health and Environment Pan-European Programme (THE PEP), was organized jointly with WHO/EURO and the UNECE Inland Transport Committee in April 2003. Based on a secretariat proposal, THE PEP Steering Committee endorsed its programme of work containing concrete activities to be implemented during 2003-2005, including the development of a concept for a web-based Clearing House; the elaboration and implementation of urban plans for transport sustainable for health and the environment; the evaluation of transport related health impacts; and the establishment of indicators to evaluate health and environment impacts of transport policies.

Constraints

15. The extensive additional work-load related in particular to preparations for the Kiev Conference put a lot of stress on the regular staff and only the availability of some extra-budgetary staff made the effort possible. The first meeting of the THE PEP Steering Committee, which operationalized a new long-term activity unique in its kind, also required special efforts. However, implementation of the Environment Strategy and the overseeing of the implementation of the Kiev decisions re-establish UNECE as a key actor on environment in the region.

Major challenges for 2004

16. As mandated by the WSSD, more efforts will be undertaken to promote regional implementation of the Johannesburg Plan of Implementation, notably through providing an input to and organising the UNECE regional meeting to be held in January 2004, which focuses on human settlements, water and sanitation (see para.8 above).

17. In line with the request of the Ministers in Kiev, the CEP, in consultation with the other PSBs and in cooperation with the other relevant organizations, will monitor the outcome of the Kiev Declaration and reflect the relevant commitments of the Kiev Declaration in its work programme. As part of the Kiev follow-up, work will be carried out in particular to promote the implementation of the EECCA Strategy, to develop a communication strategy to raise awareness of the "Environment for Europe" process and to finalize a strategy for education for sustainable development in cooperation with UNESCO. The environmental review programme will be continued on the basis of the recommendations adopted by the CEP and endorsed at the Kiev Conference. Significant policy issues in the reviewed countries will be identified for discussion within the CEP. Peer reviews will be carried out in Bosnia and Herzegovina and in Tajikistan.

18. Activities within the Transport, Health and Environment Pan-European Programme will be further implemented in coordination with the other sectors. THE PEP Steering Committee will be convened for Spring 2004 to review the progress achieved. Implementation of and compliance with existing legal instruments on the environment will be further stressed, including through making use of the guidelines adopted at the Kiev Conference. Informal discussions between the Bureaux of the Committee and the governing bodies of the conventions will be pursued with a view to sharing experiences and ideas on concrete issues that are common to the conventions. The entry into force of the 1998 Protocol on POPs will require new work.

Subprogramme 2: Transport

Main achievements of 2003:

19. In 2003, the Inland Transport Committee continued updating the international agreements and conventions that are the backbone of the European inland transport system and paid special

attention to their implementation. It also undertook a reflection on its Strategic Objectives on the basis of proposals made by the Bureau.

20. In the field of road transport, the Committee endorsed proposals regarding the introduction into the European Agreement Concerning the Work of Crews of Vehicles Engaged in International Road Transport (AETR) of the digital tachograph on new vehicles assigned to international road transport. They will become mandatory for Contracting Parties to the AETR four years after their entry into force. The text of the Consolidated Resolution on the Facilitation of International Road Transport, a collection of recommendations for simplified and harmonized road transport procedures in Europe, was finalized by the Working Party on Road Transport.

21. In the area of road traffic, the Working Party on Road Traffic Safety finalized a major package of amendments to the Vienna Conventions on Road Traffic and on Road Signs and Signals and the European Agreements supplementing them. The Inland Transport Committee adopted a Resolution on the Fourth Road Safety Week in the UNECE Region to be held on 5-11 April 2004, during which road safety campaigns targeted at aggressive driving will be organized in UNECE member States.

22. In the area of vehicle regulations, the World Forum for Harmonization of Vehicle Regulations updated 74 regulations annexed to the 1958 Agreement and adopted a new one. One additional accession to the 1998 Global Agreement was registered. Global Technical Regulations are being prepared on the basis of agreed priorities.

23. In rail transport, amendments to the European Agreement on Main International Railway Lines (AGC) were adopted and monitoring of border-crossing rail transport in East and South-East European countries was continued. Work continued on transport connections between Europe and Central Asia, including also the organization of demonstration runs of block trains along two Euro-Asian routes.

24. In the area of inland water transport, resolutions concerning the Implementation of the European Agreement on Main Inland Waterways of International Importance (AGN), the Inventory of the Most Important Bottlenecks and Missing Links in the EWaterway Network and the Technical Requirements for the Prevention of Pollution from Vessels were adopted. The European Code for Inland Waterways (CEVNI) was published.

25. Countries in the Caucasus and Central Asia were included in the European Agreement on Important International Combined Transport Lines and Related Installations (AGTC) and the role of combined transport was promoted through the development of new recommendations and effective procedures to improve combined transport services. Model Action Plans for Governments and Model Partnership Agreements for the transport industry to improve competitiveness of international intermodal transport operations in Europe were also prepared.

26. In the field of border crossing facilitation, progress was made in developing a new Annex 8 to the Convention on the Harmonization of Frontier Controls of Goods on border crossing procedures for international road transport, including technical appendices on international technical inspection and vehicle weight certificates. Progress was also made in defining the parameters for the computerization of the TIR procedure, under the Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention).

27. Amendments to the various legal instruments regulating the transport of dangerous goods by road (ADR), rail (RID) and inland waterway (ADN) in most UNECE countries were adopted and will enter into force on 1 January 2005. A consolidated version of the restructured ADR has been published. The ECOSOC Committee of Experts on the Transport of Dangerous Goods and on the Globally Harmonized System of Classification and Labelling of Chemicals published the thirteenth revised edition of the Recommendations on the Transport of Dangerous Goods, Model Regulations; the fourth revised edition of the Recommendations on the Transport of Dangerous Goods, Manual of Tests and Criteria; and the Globally Harmonized System of Classification and Labelling of Chemicals.

28. "A set of Guidelines for Socio-Economic Cost-Benefit Analysis of Transport Infrastructure Project Appraisal" was published based on the methodology of international financial institutions and the specific needs of CIS countries. The 2000 Combined Census of Motor Traffic and Inventory of Standards and Parameter on Main International Traffic Arteries in Europe were also published.

Constraints

29. Main constraints were the delays in the processing of documentation, mainly due to the requirement of simultaneous release of documents. Late distribution of documents often led to agenda items being postponed. There was also a lack of participation from certain countries in the UNECE region, particularly the Caucasus and Central Asian States, due to financial constraints.

Perspectives for 2004

30. The Inland Transport Committee will continue in 2004 updating the international agreements and conventions in the field of transport that are indispensable for the European inland transport system and pay special attention to their implementation.

31. It is expected that a number of new regulations, amendments and recommendations will be adopted relating, inter alia, to the 1958 Agreement and the 1998 global Agreement, the AGTC, legal instruments concerning the transport of dangerous goods (ADR, ADN, RID), and safety in tunnels. It is also expected that a new protocol to the Convention on the Contract for the International Carriage of Goods by Road (CMR) will be adopted as well as a new convention on civil liability for damage caused during carriage of dangerous goods by road, rail and inland navigation vessels (CRTD). An inventory of existing legislative obstacles that hamper the establishment of a harmonized and competitive pan-European inland navigation market is expected to be adopted as well as the creation of a Pan-European recreational navigation network. In the context of these legal instruments, the Committee will also focus on the development of transport infrastructure in the UNECE region, including Euro-Asian transport links, and promote actively, in cooperation with UNESCAP, the implementation of the Development Account Project on inter-regional transport linkages.

32. With regard to border crossing, the concept for an international e-TIR procedure will be finalized and a new annex to the "harmonization convention" on efficient border-crossing procedures for road transport will be completed. An agreement on customs procedures for rail transit will also be drafted. The two Consolidated Resolutions relating to road traffic and to road signs and signals will be restructured and modernized. The collection of data will begin for the Combined Census of Motor Traffic and Inventory of Standards and Parameters on Main International Traffic Arteries in Europe and for the E-Rail Traffic Census in Europe in 2005.

Subprogramme 3: Statistics

Main achievements in 2003

33. The 51st Plenary Session of the Conference of European Statisticians was organised according to a new structure. Major outcomes of the Conference include the launching of the following projects: measuring globalisation through exploring the possibilities of directly capturing the activities of multinational enterprises as a whole, dissemination of micro data to researchers in line with statistical confidentiality, and the development of a new set of recommendations for the 2010 round of censuses in the UNECE region, including a new typology of households and families. The Conference also decided that an Annual UNECE Statistical Programme be compiled, starting with the year 2004, with the inclusion of statistical activities of other UNECE divisions. This programme was approved by the Bureau in October 2003.

34. The ILO/ECE/IMF/World Bank/OECD/Eurostat international Manual on Consumer Price Indices was finalised and is ready for adoption by the Conference.

35. As a side event to the WSIS, a Workshop on Monitoring the Information Society was organized together with UNCTAD, ITU, UIS, OECD and EUROSTAT. This Workshop made concrete recommendations about ICT statistics and indicators to the UN Statistical Commission. In cooperation with UNDP, workshops on standard indicators for human development and Millennium Development Goals (MDG) reporting were also organised for producers of official statistics and analysts from UNDP Southeast Europe and CIS country offices, and the capacity to monitor progress towards the MDGs and sustainable development through relevant and internationally comparable indicators that are part of official statistics was created within the Statistical Division.

36. The UNECE Gender Statistics Database which helps monitor the situation of women and men in Europe, North America, the CIS, and Israel was launched. The 2003 issue of "Trends in Europe and North America", aimed at a broad readership, was released, as well as the 50th Anniversary Book on the History of the Conference. The Division provides on a regular basis selected statistics from various areas in forms of tables and charts to the new "UNECE Weekly".

37. Technical cooperation on a bilateral and multilateral basis (see E/ECE/1414) covered a wide range of topics, including general organisation of the official statistical system, fundamental principles of official statistics, statistical legislation, population census, statistical indicators for human development and Millennium Development Goals, national accounts, and price statistics

Constraints

38. Lack of sufficient resources for training and travel and ICT were a constraint. In respect of the first, in view of its role as servicing the coordinating body of all statistical activities of international organisations in the UNECE region and all other functions, funds are required to ensure that staff acquire knowledge in new areas related to the work of the CES. Travel funds are needed as the UNECE services many working group meetings organised with other organizations outside Geneva. Finally, and related to the overall reduction throughout the United Nations, the level of ICT resources available in 2003 was not sufficient to provide a stable and reliable ICT environment for the production and dissemination of statistics.

Perspectives for 2004

39. Using the new platform for dissemination on the web, key macro-economic reference series for UNECE countries from the macro-economic database will be made publicly available

and regularly updated. The focus will be on coherent time series for CIS, Eastern and Central European countries.

40. An update and completion strategy for the Gender Statistics Database will be implemented, aiming at a regular update without overburdening National Statistical Offices. The coverage of the database will be expanded in response to emerging issues, especially on ICT and entrepreneurship.

41. Sustainable development and millennium development goals will be further integrated into the work of the Division, with respect both to conceptual specification of indicators from the official statistics point of view, and to data collection and database activities sub-regional levels so as to support work of other UNECE divisions. This will be carried out in close coordination with other international organizations within and outside the UN, to avoid duplication.

42. Work will be accelerated to advance the adoption of the Conference's recommendation for the 2010 round of population censuses in the UNECE region, with work in 2004 concentrating on ascertaining which parts of the 2000 recommendations are in need of revision, and how they should be revised. One area that has already been identified as being in need of substantial revision is families and households.

43. The Integrated Presentation of International Statistical Work in the UNECE Region, the key tool for and a major output of the coordinating function of the Conference, is currently available as a publicly accessible database in a pilot version. The updating methods and periodicity will be reconsidered, and suitable technical and organizational means developed and implemented to allow partner organisations to update their information in a more user-friendly way. As a consequence, it will be possible to reduce the need for paper versions.

44. The advisory services of the Division to member countries in the CIS and the Balkans on a bilateral as well as multilateral basis will be developed further.

Subprogramme 4: Economic Analysis

Major achievements in 2003

45. The two issues of the Economic Survey of Europe produced in 2003 provided a review of current macroeconomic developments and an assessment of the short-run outlook in the UNECE region with special emphasis on Eastern Europe and CIS. The first issue of March 2003 also contained special studies on a number of current issues, including a study on 'Corporate governance in the UNECE Region'. In view of the forthcoming EU enlargement, it was also decided to study the economic implications of EU enlargement for the non-acceding countries, specifically CIS, and the prospects for further economic integration within the UNECE region; special studies were conducted on issues such as progress in systemic reforms in the CIS; the impact of EU enlargement on non-candidate countries in eastern Europe and the CIS; international trade of the CIS; changes in unemployment benefit systems in eastern Europe and the CIS; and gender specific labour market adjustments in eastern Europe and Russian Federation. The studies concluded that the CIS countries face important challenges in terms of enforcement of legal provisions, institution building, labour market adjustments, etc. However, EU enlargement will have a net positive impact on the non-acceding UNECE countries.

46. The second issue of the Survey 2003 included the papers presented by two experts at the UNECE Spring Seminar held on 3 March 2003 which was devoted to “Sustainable development in the UNECE Region”.

47. In early October 2003, the Division organized an informal seminar on “Policies for achieving the Millennium Development Goals in the UNECE Region: Reducing extreme income disparities”. The seminar was designed to constitute part of UNECE’s contribution to the follow-up to the Millennium Summit and addressed some of the topical issues related to poverty reduction in the UNECE region, with main emphasis on eastern Europe and the CIS. The seminar benefited from the participation of experts from governments, research institutions and international organizations. Poverty in the UNECE region in recent years has decreased on average in the EU but has high records particularly in CIS and SEE. The Seminar concluded that while it is still a challenge to the European social model and its modernization, fighting against poverty requires increased efforts in less advanced economies in transition.

48. Most of the Division’s work on ageing, done by the Population Activities Unit (PAU), focused on establishing the modalities for the follow-up to the UNECE Ministerial Conference on Ageing (Berlin, Germany, September 2002). Work on the Generations and Gender Programme continued with the second Informal Working Group meeting held in Prague, Czech Republic in February 2003, which endorsed the work programme proposed by the Consortium Board.

Constraints

49. The major constraint faced by the Division, in addition to the lack of necessary funds in order to carry out important projects and studies, was the unavailability of latest data from various national sources in order to provide a current economic analysis in different countries. Because of a number of staff turnovers, lack of necessary manpower also hindered operations.

Perspectives for 2004

50. In the context of the new phase of economic and political change referred to above, the first issue of the Economic Survey in 2004 will inter alia discuss the process of fiscal transition in the EU acceding countries, with a focus on tax reforms and the implications of the EU fiscal policy framework. These issues are linked to the ambition of the acceding countries to join the euro zone. There will also be a chapter dealing with poverty in the transition countries. The second issue of the Economic Survey in 2004 will analyse policies to promote competitiveness and growth in the UNECE region.

51. At the request of the United Nations Population Fund (UNFPA) the PAU has initiated activities to organize a population forum in January 2004. Four themes, reflecting the relevant population concerns of policymakers, the scientific community and the public at large in the region, will be discussed: global population and development trends; child-bearing and parenting in low fertility countries; morbidity, mortality and reproductive health in transition countries; and international migration.

Subprogramme 5: Sustainable Energy

Main achievements in 2003:

52. The Committee on Sustainable Energy guidelines for reforming energy prices to meet sustainable energy development objectives were adopted by the Environment for Europe Ministerial meeting in Kiev. The Committee also evaluated energy security risks through the UNECE Energy Security Forum with the participation of the Secretary-General of the Organisation of Petroleum Exporting Countries (OPEC). The Forum provided an appraisal of

energy security risks by experts from OPEC, EU, Russian Federation and the USA to financial markets and the energy community through significant press and television coverage as well as the issuance of a CD-ROM.

53. The Working Party on Gas, through its inter-sectoral Task Force, carried out an economic and technical assessment of the Blue Corridor project aimed at the creation of transport corridors for gas-driven vehicles. Its Ad Hoc Group of Experts on the Supply and Use of Gas completed two projects related to normative activities in the downstream gas business and launched another project on “Existing Standards for CNG Fuelling stations”.

54. The Gas Centre’s new Task Force on the Security of Natural Gas Supplies completed its assessment and report, and disseminated its conclusions to interested parties, including member countries, the EU Commission and the International Energy Agency. The Task Force on the EU Gas Directive evaluated the ramifications of the original EU Gas Directive as well as the recently issued Directive for the 15 EU countries, gas markets and gas industries and their implications for the EU acceding countries as well as the other countries in central and east Europe. The third task force continued its work on the further development of gas infrastructure and related tariffs in the context of the changing policy and regulatory framework in Europe.

55. The Energy Efficiency 21 Project received approval for financing US\$25 million of investments while a further US\$30 million of investments are under consideration by international financial institutions, targeted funds and commercial banks as part of its work on energy efficiency market formation and investment project development to reduce greenhouse gas emissions in economies in transition.

56. The Task Force on the UN Framework Classification for Reserves and Resources created an inter-sector Ad hoc Group to harmonize the terminology of all energy commodities (petroleum, natural gas, coal and uranium). The World Energy Council agreed to adopt this new classification system in their future Surveys of Energy Reserves and Resources. This continues the UN Framework Classification for Solid Fuels and Mineral Commodities adopted by more than 60 countries worldwide and by selected stock exchanges.

57. Under Regional Advisory services, the CIS countries launched the second phase of work on Energy Efficiency and Energy Security in CIS. Energy efficiency projects were approved with UNDP and the Global Environment Facility support in Ukraine, Kazakhstan, Russian Federation, and Belarus. The implementation of the Rational and Efficient Use of Energy and Water Resources Project with significant support of the United Nations Development Account in Central Asian completed plans for prototype investment projects during 2003.

58. In order to respond more effectively to the needs of UNECE member States and sustainable development issues, The Ad Hoc Group of Experts on the Extension of Europe on Electricity Interconnections agreed to re-orient its programme of work and change the name of the Group to the Ad Hoc Group of Experts on Electric Power.

Constraints

59. Constraints were a lack of sufficient resources for travel, the lack of an editor and staff to maintain the Divisional website and delays in processing documentation in the official languages.

Major challenges for 2004

60. The Sustainable Energy sub-programme will begin to incorporate new initiatives in 2004 with greater attention to energy security, global financial markets, corporate governance, policy dialogue, renewable energy sources, zero emission technologies and inter-sector activities. The work programme will place more emphasis on economic development as called for in the Millennium Declaration, such as restructuring in coal mining communities in economies in transition based on the experience in western countries. It will provide additional analysis and policy dialogue on key issues such as energy security, the liberalisation of energy markets and the development of cleaner, more efficient energy systems to reduce greenhouse gas emissions in line with the recommendations of the World Summit on Sustainable Development.

61. The work programme will be implemented increasingly with innovative Internet applications to enhance communications and value-added information transfers within and between UNECE member States in accordance with the likely recommendations of the WSIS. It will build on inter-sectoral activities initiated in the previous biennium with joint projects in timber and transport, notably on wood as an energy source and the “Blue Corridor” project use of natural gas as a transport fuel.

Subprogramme 6: Trade Development

Main achievements in 2003:

62. In 2003, the main achievements were in trade policy, trade facilitation, harmonization and standardization, and promotion. To support trade policy, several events examined trade, business and investment issues. Two workshops on “Trade, Business and Investment in a Wider Europe” and “EU enlargement: Regulatory Convergence with Non-acceding Countries” (see above) focused on technical harmonization and standardization, and on where the UNECE could help. Two briefings related to the multilateral trade negotiations and the WTO Fifth Ministerial Conference in Cancún were also organized.

63. A trade policy publication was published: “Beyond Enlargement: Trade Business and Investment in a Changing Europe”, which presents to policy makers opportunities for further economic integration within the region after EU enlargement and raises some issues that need to be addressed to ensure that Europe develops in a positive manner, promoting sustainable prosperity throughout the continent.

64. In May, the second International Forum on Trade Facilitation examined the role of trade facilitation in the WTO Doha Development Round, and concluded that there was a pressing need for technical assistance and capacity building in order to spread the benefits of trade facilitation more fairly worldwide. The Forum also examined how to enhance trade facilitation in the new security environment. One proposal was that international organizations might adopt a collaborative approach in defining security standards. Subsequently, jointly with the World Customs Organization, a meeting on this subject to examine the division of responsibilities among the various international organizations involved in this area was organized.

65. In electronic business standards, a technical standard for “electronic business extensible mark-up language (ebXML) was prepared and technical specifications for technology-neutral electronic business “core components” as basic building blocks for work in this area were launched. Updates of both UN/LOCODE (code for trade and transport locations) and UN/EDIFACT (Electronic Data Interchange for Administration, Commerce and Transport) were also published.

66. Following the development of a first digital trade document, under the United Nations Electronic Trade Documents (UNeDocs) project, a feasibility study for implementation in Serbia and Montenegro was begun. This project will support the development of aligned trade document systems in both paper and electronic formats that can be used by SMEs.

67. An inter-regional seminar and two workshops were held under the United Nations Development Account e-Mediterranean (e-Med) trade-facilitation project, in which the UNECE is the lead organization. One of the conclusions reached was that an interregional MEDPRO committee should be established to promote trade facilitation and e-business in the region, especially in non EU-candidate countries around the Mediterranean.

68. Two international seminars were organized to help Governments ensure that legitimate national safety and other regulatory requirements do not create unnecessary barriers to trade: one on “Good governance for regulatory practices”, with special focus on the Balkans, and the other seminar on “Good regulatory practices”. Another development was the CIS decision to use the principles and mechanisms of the UNECE Recommendation “L” (International Model for Technical Harmonization) in the CIS agreement on the harmonization of technical regulations.

69. A Trade Promotion Directory was published on the Internet with essential trade contact information for member States.

70. Approximately 20 internationally harmonized agricultural quality standards were revised and two new standards approved. Work continued on harmonized trade descriptions for fruit and vegetables for use in electronic commerce, as well as on internal quality and maturity requirements. Two training courses and two expert meetings on meat were organized in the Russian Federation, and capacity-building activities for SMEs were supported in cooperation with EAN International, the Black Sea Economic Cooperation and the Government of Israel.

71. Through increased work on the sustainable use of woody biomass, the capacity-building Project for Sustainable Development of the Russian Timber Sector strengthened its cross-sectoral approach in the area of trade and environment. The focus on distance learning programmes also allowed for a wider sharing of the project’s results.

Constraints

72. A serious constraint was the general lack of travel funds which created difficulties for supporting expert meetings held outside Geneva, weakened coordination with other agencies inside and outside the United Nations system and restricted the organization of seminars, workshops, and other capacity-building activities outside Geneva.

73. The secretariat responsible for Trade Development has been asked to lead in the follow-up to the WSIS. To a limited extent, some of this work can be integrated into existing projects related to e-business, but it places heavy demands on resources that may require a review of other areas in the programme of work.

Perspectives for 2004

74. In 2004 the Committee for Trade, Industry and Enterprise Development will focus on “Challenges for Trade and Enterprise Development in a Changing Europe,” to be highlighted by a Forum with this title in May. It will also continue work in support of the Millennium Declaration, in particular by promoting “an open, equitable, rule-based, predictable and non-discriminatory multilateral trading system,” especially in economies in transition. The Committee will do this

through analysis and policy dialogue and by developing norms, standards and recommendations in trade facilitation, technical harmonization, e-business and agricultural standards. It will also continue to study the role of new information technology for trade and trade facilitation and develop its use. UN/CEFACT will develop a new recommendation on electronic business; will seek resources to support expanded e-business work; will continue to study the interaction between the need for greater security and the need for greater trade facilitation; and will focus on the implementation of trade facilitation, particularly in transition economies. The Working Party on Technical Harmonization and Standardization Policies will begin work on best practices in market surveillance systems for protecting the consumer and will develop further pilot projects for reducing technical barriers to trade. The Working Party on Agricultural Quality Standards will continue its standards development work and will seek to improve national implementation of the standards. The UNECE will also greatly expand its ‘Multiplier Point’ network of promotion and dissemination centres.

Subprogramme 7: Timber

Main achievements in 2003:

75. The secretariat, with many partners, collected, validated and presented information on the “State of Europe’s Forests” for the fourth Ministerial Conference on the Protection of Forests in Europe (MCPFE), held in Vienna in April 2003. The data were based on a set of indicators of sustainable forest management, drawn up with the help of the UNECE. The UNECE has developed a strong partnership with MCPFE in many areas of activity.

76. The seminar on “Strategies for the sound use of wood” (Romania, March 2003), pointed out that sound use of wood supported sustainable forest management, and should be encouraged by Governments, through wood promotion, creating effective and non-distorting building codes and through certification.

77. In its continuing work to monitor and analyse developments in the sector the Timber Committee paid increasing attention to policy and cross-sectoral issues. A roundtable on Trade, Environment and Forests – Working Together for Sustainable Development was held together with FAO, and a policy forum on forests, wood and energy was held during the Committee session.

78. The secretariat prepared the Annual Forest Products Market Analysis for review by the Committee in a shorter, more policy oriented, format. The data on which it is based were collected in cooperation with three other agencies, and are being made available increasingly over the internet, confirming the Timber Committee’s central role in monitoring the sustainable development of the sector. Most of the European Forest Sector Outlook Study was completed and made available in draft form, for review of the policy conclusions by the Committee. In addition to the traditional analysis of the long-term (20-40 years) supply and demand balance for forest products, there is a special emphasis on the long-term influence of policy choices, inside and outside the forest sector, on the outlook for sustainable development of the sector.

79. The programme of exchange of information on sustainable forest management continued with two seminars under the auspices of the joint FAO/ECE/ILO Committee on Forest Technology Management and Training, on Forest Operation Improvements in Farm Forests, in Slovenia and on Close to Nature Forestry, in Slovakia. The UNECE secretariat with representatives of MCPFE and UNEP presented European regional cooperation as a case study to the third session of the UN Forum on Forests. It is hoped to develop the regional dimension of

this global forum. The database on forestry assistance to countries in transition was updated and made available, and country profiles of the sector issued for Georgia and Ukraine

Constraints

80. The main constraint remains the low political profile of forest/timber sector issues, taken in a cross-sectoral perspective. The specific nature of forest sector issues, their vulnerability to decisions for other policy domains and the potential contribution of the sector to sustainable development are not yet properly appreciated at the wider policy level.

Perspectives for 2004

81. The second strategic review of the UNECE/FAO forests and timber programme will review priorities, methods and outputs with all interested stakeholders and prepare a revised work programme for the joint session of the UNECE Timber Committee with the FAO European Forestry Commission in October 2004. Further efforts will be made to develop inter-sectoral and cross-sectoral activities, notably as regards trade and environment and wood energy, depending on the conclusions of the strategic review. In addition, the situation as regards policies and institutions for the sector in transition countries will be monitored and capacity building activities undertaken.

82. The European Forest Sector Outlook Study should be completed and published: its conclusions should be presented and discussed by governments and market actors, and the consequences for UNECE/FAO be analysed.

83. A major conference on forest fire prevention and control, with a special focus on the eastern Mediterranean, will be held in Turkey (postponed from 2003, because of the security situation at the originally scheduled date). A multinational fire-fighting exercise with ground and aerial fire fighting forces of two or more countries will be held at the same occasion. Further seminars and workshops will be held, on "New roles and modes of operation of forest services" and on "Environmentally sound forest roads and wood transport".

Subprogramme 8: Human Settlements

Main achievements in 2003:

84. The Committee on Human Settlements at its annual session in September 2003 held an in-depth discussion on reforms and social equity in human settlements, the aim of which was to assess how the Committee's activities within the three pillars of its work programme (housing policy, spatial planning and land administration) contribute to the sustainable development of human settlements. It was decided that the Committee would provide substantive input to the Regional Implementation Meeting as a follow-up to the WSSD, to be held in January 2004.

85. Country profiles on the housing sector for Armenia and the Russian Federation were prepared. Conceptual changes have been implemented within the country profile programme in particular through a shift towards a more problem-oriented approach. Importance has been given to the follow-up of the implementation of past country profiles. A roundtable on the follow-up of the country profile on Romania was held. A land administration review on the Russian Federation was carried out, the results of which fed into the preparation of the country profile. Three workshops were held dealing with concerns related to land registration and land markets: one on mass valuation systems of land for taxation, one on customers-cooperation services and one on spatial information management for sustainable real estate markets. A workshop on social housing

was organized in cooperation with CECODHAS, an NGO active in the area of social housing. The workshop aimed at identifying aspects of particular concern on which member countries would like to concentrate future work, in particular in the context of the guidelines on social housing. The preparations of the guidelines on housing finance have been largely finalized. Work on the implementation of the guidelines on condominiums is ongoing – a workshop to discuss the implementation of the guidelines on condominiums in Eastern Europe will be held in Moscow.

Constraints

86. The resource constraints in the secretariat are felt in particular in implementing the programme on in-depth country reviews on human settlements and land administration, which require much preparatory, coordination and finalization work by the secretariat. These programmes are, however, much appreciated by countries in transition. Consequently, there is often a long delay between the request by a specific country for a review and the time that the secretariat can prepare for initiating one. Follow-up to reviews is also limited by resource constraints.

Perspectives for 2004

87. The work during this period will concentrate on the country profile programme carrying out a review on the housing sector in Ukraine and a land administration review on Lithuania. It is foreseen that a regional housing profile for Southeast Europe will be prepared in cooperation with other international organizations active in the region. The UNECE Land Administration Guidelines will be updated and a task force set up to prepare guidelines on local planning. Two workshops on land administration will be held, one in Lithuania on information technology on land administration and one in Armenia. The preparations of the guidelines on social housing will continue and a second workshop on social housing will be held at the end of the year to present the contents of the guidelines. ISOCARP, an international NGO of urban planners, and the Committee will jointly organize the in-depth discussion for the next Committee session.

Subprogramme 9: Industrial Restructuring and Enterprise Development

Main achievements in 2003:

88. UNECE organized the first Land for Development Forum with the objectives of promoting a better understanding of the role of property rights as a tool for economic growth, and identifying the ways that property rights could be made available to the poor. As result of that event, the United Kingdom Government agreed to support the Forum's programmes to establish special arbitration courts for poor rural workers to protect their rights. In addition, new property legislation was enacted in the CIS to give new rights to poor people.

89. UNECE produced a report on SMEs in Countries in Transition in 2000-2001 that presents recent statistics on SMEs, as well as legislation and support measures for SMEs in transition economies. The Report attests to the need to improve the framework regulatory conditions for entrepreneurship and SMEs in several countries of the region.

90. The Second Forum of Women Entrepreneurs, held in March 2003 focused on initiatives and best practices of Governments, private sector and other stakeholders aimed at improving access of women entrepreneurs to financing and new technologies. It was decided that in addition to organizing the biennial Forums of Women Entrepreneurs, the UNECE would support the organization of sub-regional events, explore possibilities to organize training sessions in

cooperation with sub-regional groupings, such as CEI, BSEC and SPECA, and strengthen cooperation with regional commissions, especially with ESCAP.

91. The first publication in the series on women entrepreneurship “Women’s Entrepreneurship in Eastern Europe and CIS Countries”, overviews trends, major problems and policy issues related to women’s entrepreneurship in transition economies. The secretariat also produced summary proceedings of the Workshop on Policy and Regulatory Options for Promoting Industrial Restructuring in the UNECE Region and a Conference on Innovation as a Vehicle for Industrial Restructuring, held in April. This document intended for Government decision-makers, summarizes the major ideas and proposals put forward by the participants.

Constraints

92. Delays in filling vacant posts, the lack of sufficient resources for travel, the lack of an editor and staff to maintain the Divisional website and delays in processing documentation in the three official languages were constraints.

Major challenges for 2004

93. The main challenge will be to contribute practically to the establishment of the rule of law, in particular the enforcement of property rights and contract discipline, in transition economies. The improved transparency and accountability of both large and small enterprises will facilitate the finance of new start up companies as well as the modernization of existing enterprises.

94. In the area of entrepreneurship promotion, UNECE will focus its work on good governance for SMEs. As a first step, in 2004 it will organize an Expert Meeting on Good Governance for SMEs. The final objective of this new direction is the development of guidelines on Business Ethics for Start-up Entrepreneurs. UNECE will also finalize its new recommendations regarding the establishment of Integral Management Systems for industrial and services enterprises, including the SMEs.

95. Poor governance and organized crime in some parts in the UNECE region are a major barrier to establishing Public-Private Partnerships (PPPs). The main challenge for UNECE’s PPP Alliance will be to agree on guidelines which could improve transparency and investor confidence in PPPs, and develop ways to implement them.

96. One of the major challenges for the UNECE Real Estate Advisory Group will be to find effective practical ways to implement the Land for Development Programme, in particular to translate proposals for formalizing property rights into effective policies. To this end, of utmost importance will be the development of a “Tool Kit for Governments”, which will help identify policies conducive to the practical use of property rights for development.

97. In the context of the gender mainstreaming, the challenges will be the organization of a sub-regional UNECE Forum of Women Entrepreneurs in Turkey, of a Regional Symposium on Gender Mainstreaming in Economic Policies, and the preparation for publication of the second volume in the series on women’s entrepreneurship “Women Entrepreneurs in the UNECE Region: Access to Financing and ICT”.
