

**Contributions to the Secretary General's Report
on the Integration of the Economies in Transition
into the World Economy**

**Activities of the agencies of the UN system and other relevant international
organizations in providing policy advice and technical assistance to the
countries with economies in transition**

LIST OF INPUTS

	<u>Page No.</u>
Economic Commission for Europe (ECE).....	4
Economic Commission for Asia and the Pacific (ESCAP)	7
Food and Agricultural Organization (FAO)	11
International Civil Aviation Organization (ICAO).....	16
International Labour Organization (ILO)	18
International Monetary Fund (IMF).....	20
International Maritime Organization (IMO).....	21
United Nations Conference on Trade and Development (UNCTAD).....	23
United Nations Development Programme (UNDP)	26
United Nations Environment Programme (UNEP).....	30
United Nations Human Settlements Programme (UN-HABITAT).....	32
United Nations Industrial Development Organization (UNIDO).....	35
United Nations Office on Drugs and Crime (UNODC).....	38
United Nations World Tourism Organization (UNWTO)	42
World Food Programme (WFP).....	44
World Health Organization (WHO).....	47
World Intellectual Property Organization (WIPO).....	48
World Trade Organization (WTO)	49

Activities of the agencies of the UN system and other relevant international organizations in providing policy advice and technical assistance to the countries with economies in transition

Introduction

In its resolution 61/210 of 20 December 2006, the General Assembly reaffirmed the need for the full integration of the countries with economies in transition into the world economy and the creation of a conducive national and international environment in this regard. The Assembly also stressed the importance of enhancing the capacity of the economies in transition to utilize effectively the benefits of globalization, ensuring favourable market access for their exports and attracting the foreign direct investment (FDI) required to support growth and development. The Assembly further called upon the organizations of the United Nations system to continue to provide policy advice and technical assistance to the Governments of the countries with economies in transition in order to strengthen their social, legal and political frameworks so as to enable them to complete the necessary market-oriented reforms. In the same resolution, the General Assembly requested the Secretary-General to prepare, in close consultation with the countries with economies in transition¹, a report on the implementation of the resolution, and submit to it for consideration at its sixty-third session. The following is complementary to the report on the integration of the countries with economies in transition into the world economy. It provides a summary of the activities carried out in pursuance of these goals, based on contributions from 18 funds, agencies and organizations of the United Nations system as well as other relevant international institutions.

¹ The UN Department of Economic and Social Affairs organized an expert group meeting in cooperation with the UN Economic Commission for Europe “**Strengthening Integration of the Economies in Transition into the World Economy through Economic Diversification**” which was held on 2-4 April 2008 in Geneva. For more details on its programme, participants and papers presented see <http://www.un.org/esa/policy/eitagenda.html>.

ECE

The UNECE contributes to achieving the goals of integration of countries with economies in transition into the global economy in two major ways: (i) supporting sub-regional cooperation and integration processes taking place in the Eastern part of the region; and (ii) developing normative and operational activities in areas which are crucial for such processes, in particular, transport and border-crossing, energy supply, and trade facilitation.

- **Support to subregional cooperation**

Special Programme for the Economies of Central Asia (SPECA)

UNECE, jointly with ESCAP, continues to develop and implement UN SPECA – a programme launched in 1998 with the objective of strengthening sub-regional cooperation among its participating countries and their integration into the world economy. In March 2008 the UN Secretary-General invited the Presidents of all SPECA member States to undertake consultations with the Executive Secretaries of UNECE and ESCAP aimed at strengthening the Programme so that it can further help its member countries to make full use of their growing potential not only as energy and raw material suppliers and an evolving transport hub but also as an expanding market and production base.

In 2007 two meetings of SPECA Economic Forum, one focusing on cooperation of SPECA member countries with Asia and another on their cooperation with Europe were held in Almaty and Berlin with the support of UNESCAP and UNECE respectively. Preparations are underway for the 2008 Economic Forum devoted to “Investment Partnerships for Stronger Economic Cooperation and Integration in Central Asia” to take place in Moscow in October 2008.

In addition to the areas already covered by the programme - transport and border crossing, water and energy resources, trade facilitation, ICT for development, statistics, and gender and economy - it was decided to include a new set of activities within the SPECA framework related to knowledge-based development. This will cover such topics as innovation and competitiveness policies, financing of innovative development, commercialization and protection of intellectual property rights and private public partnerships (PPPs) for infrastructure development.

Over the past two years considerable progress was reached in strengthening cooperation of SPECA with UNDP as well as with regional organizations and programmes, such as Eurasian Economic Community (EurAsEC) and Central Asia Regional Economic Cooperation (CAREC - a programme led by the Asian Development Bank and involving UNDP and other international financial institutions). Furthermore, UNECE was included as an implementation partner in the EU Central Asia Strategy adopted in 2007.

Commonwealth of Independent States (CIS)

At the meeting of the Council of Heads of Government of the CIS (Kiev, May 2008) UNECE was invited to make, within its areas of expertise, a contribution to the elaboration, and subsequently, the implementation of the Strategy of Economic Development of CIS till 2020. This includes coordination and harmonization, among CIS countries, of internationally agreed norms, principles and legal instruments many of which were elaborated by UNECE. This concerns particularly transport, trade, energy, product standardization, statistics and PPPs.

Regional Cooperation Council (RCC)

The RCC is the new institutional cooperation framework succeeding the Stability Pact for Southeastern Europe. Following its recent establishment, the RCC has been thoroughly informed about the UNECE programmes and projects in the fields of energy, environment, transport, trade, gender, statistics and regional PPP initiatives. These fields have been recognized as highly relevant for the RCC priority areas and it has been agreed to share knowledge and experiences as well as to develop common projects in these areas. In particular, it is expected that the ECE will prepare regional workshops on advanced statistical tools for modernizing national statistics in south-east Europe and will initiate activities to explore legal and institutional framework for developing PPPs in this subregion.

- **Specific Areas of Activities Fostering Integration Processes**

Trade Facilitation

UNECE continues to foster public-private mechanisms for trade facilitation, through its support to the development of a regional network established for this purpose in south-east Europe (SECIPRO). UNECE is now increasing its support to the setting up of such mechanisms in countries of Eastern Europe and Central Asia. Through several initiatives and projects funded by the UN Development Account and other sources, it is also promoting trade data harmonization for the establishment of Single Window systems for export and import clearance in transition economies. Several major projects in this area have been launched in 2007-2008 as a result of technical assistance projects and advisory services provided by UNECE.

Transport links and border-crossing

UNECE contributed to events organized under the Almaty Programme of Action for landlocked countries, focusing on transport facilitation and the application of UNECE legal instruments, particularly the TIR Convention on Customs transit. Furthermore, UNECE continued to support the SPECA Transport Infrastructure and Border Crossing Facilitation Project Working Group (PWG-TBC). In particular, it contributed to the preparation of transport action plans by the SPECA countries as well as to the sharing of know-how and experience between European and Central Asian countries.

In cooperation with ESCAP, UNECE completed in 2007 Phase I of the Euro-Asian Transport Links (EATL) project as part of a wider UNDA project on capacity building to develop interregional land and land-cum-sea transport linkages. This work culminated in February 2008 by a Ministerial Meeting confirming support for the continuation of the project.

Energy

UNECE provides assistance to the economies in transition through an intergovernmental and industry dialogue supported by technical assistance projects in the fields of energy security, energy efficiency, clean electricity production and natural gas networks throughout Eastern Europe, Southeastern Europe and Central Asia. Assistance is also being delivered on the basis studies in such areas as underground gas storage and energy infrastructure investments for energy security.

In the longer term, cooperation in the sustainable energy field is expected to further increase by strengthening the focus on the formation of efficient energy markets in energy exporting and importing economies in transition alike.

Innovation and Competitiveness

The objective of the UNECE Subprogramme on Economic Cooperation and Integration, established in 2006, is to promote a policy and regulatory environment conducive to economic growth, innovative development and higher competitiveness in the UNECE region. The work is centred on: Innovation and Competitiveness Policies; Entrepreneurship and SME Development; Financing Innovative Development; Commercialization and Protection of IPRs; and Public-Private Partnerships. Capacity-building activities in these areas are oriented towards countries with economies in transition and thus contributes to their economic integration through supporting their competitiveness, and improving local conditions for foreign investments.

ESCAP

(i) The nature of assistance activities to the countries with economies in transition, in particular those facing challenges in their socio-economic development, including meeting the Millennium Development Goals;

As an integral part of ESCAP's assistance for countries with special needs or economies in transition, the UN Special Programme for the Economies of Central Asia (SPECA) supports the member countries in developing their cooperation, creating market incentives for economic growth and development and, thus, integration into the global economy. SPECA member countries are Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan; all of them except Afghanistan are also economies in transition. SPECA is jointly supported and implemented by ESCAP and UN Economic Commission for Europe (UNECE). The core areas of focus are: transport; water and energy; trade development; statistical capacity-building; knowledge-based development; gender and economy.

In addition, the 63rd session of the ESCAP Commission which took place for the first time in Central Asia (17-23 May 2008, Almaty, Kazakhstan) gave the opportunity of highlighting issues of concern to economies in transition and landlocked developing countries. A number of resolutions were passed that directly reflected the concerns of these countries, including the mid-term review of Almaty Programme of Action, international migration, energy security for sustainable development and achieving the MDGs.

(ii) Current plans for delivering assistance in the short term (2008-2010);

The SPECA Governing Council endorsed the Work Plan for 2008-2009 which covers such areas as: transport; water and energy; trade development; statistical capacity-building; knowledge-based development; gender and economy: http://www.unescap.org/oes/SPECA/about/documents/English/WorkPlan_2008-2009_EN.pdf. This plan is the major vehicle to provide assistance to the member countries.

(iii) Views on how to strengthen the cooperation between the UN system and the economies in transition.

1. Improved cooperation with partner organizations;
2. Sub-regional presence.

Closer and more formal coordination between the two UN Regional Commissions (ESCAP and UNECE), UNDP, international financial institutions and bilateral donors would help achieve significant sustainable progress. In order to better provide substantive and effective support to the member states and facilitate the complex regional consultation process, ESCAP, in collaboration with UNECE is planning to establish a sub-regional office in Central Asia. It will also enable ESCAP to improve coordination and cooperation with other international agencies

such as Asian Development Bank, World Bank, Eurasian Economic Community (EurAsEC), Shanghai Cooperation Organization (SCO), in order to develop synergies as well as further explore possible strategic partnership opportunities in the region.

The following activities in different areas have been implemented by ESCAP since July 2006:

- **Promotion of trade and investment; WTO accession**

Two sessions of the SPECA Project Working Group on Trade (PWG-Trade) were held in Dushanbe in 2006 and in Berlin in 2007 respectively, and discussed the following issues: WTO accession and participation in the Doha Round, integration and consolidation of regional trade agreements and trade facilitation. Specific technical assistance activities for SPECA countries have been implemented on trade facilitation focusing on development of national single window facilities for simplified export, import and transit procedures and introduction of standardized electronic trade documentation.

In 2008, ESCAP has published an e-publication on Regional Approaches in Central Asia to Technical Barriers to Trade (ST/ESCAP/2490, <<http://www.unescap.org/tid/publication/indpub2490.asp>>). The study identifies key sanitary and phytosanitary (SPS) and Technical Barriers to Trade (TBT) issues in the Central Asian Subregion and suggests options for regional approaches to address these issues. Countries included in the study are Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan.

- **Sub-regional integration in Central Asia and interaction with other regional cooperation organizations**

Major achievements of the SPECA Project Working Group on Transport and Border Crossing since July 2006 include further development of SPECA road and rail transport maps and databases; establishment and functioning of national trade and transport facilitation mechanisms; promoting accession to and implementation of international conventions; formulation of joint projects of common interest to SPECA countries; and bilateral consultations on border crossing issues between neighbouring countries.

ESCAP organized a regional workshop on upgrading of the Asian Highway priority routes and an Asian Highway Investment Forum with participation of government officials, bilateral and multilateral donors and private sector representatives.

In 2007, ESCAP and UNECE signed a Memorandum of Understanding with the Eurasian Economic Community (EurAsEC) to promote cooperation in the SPECA region. In January 2008, ESCAP and Shanghai Cooperation Organization (SCO) signed a results-based Memorandum of Understanding, with a view to strengthening cooperation between the two organizations, particularly in the areas of trade, energy, environment, transport and communications.

- **Achieving MDG targets**

ESCAP member countries with economies in transition participated in the sub-regional MDG Forums organized jointly by ESCAP, UNDP and ADB in 2006-2007. As a follow-up to the Forums, ESCAP has prepared the Regional MDG Road Map that identifies regional-level actions in achieving the Millennium Development Goals by 2015.

In 2006-2008, ESCAP provided capacity building training to government officials of the Central Asian and Caucasian countries to improve the effectiveness of policies on poverty reduction through implementing income and employment generation programmes.

- **Infrastructure development, including energy**

ESCAP organized a Workshop on Energy for Sustainable Development in Central Asia in 2007 in Bishkek, Kyrgyzstan. A capacity building seminar on Integration of Green Growth Policy Tools in Decision Making Process for Sustainable Development in the SPECA member countries for policy makers and stakeholders from countries with economies in transition, including Azerbaijan, Kazakhstan, Kyrgyzstan, Russian Federation, Tajikistan, Turkmenistan and Uzbekistan was co-hosted by the Network of Experts on Sustainable Development of Central Asia (25-26 September 2007, Astana, Kazakhstan).

- **Institution-building and social policy**

ESCAP's Statistical Institute of Asia and the Pacific (SIAP) continues to provide statistical training to statisticians from economies in transition. It annually conducts a 2-month Area Focused Training Course (with Russian translation) for Central Asian countries in Chiba, Japan. Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan participated in those trainings.

As part of its outreach programme, SIAP conducted a Country Training Course on International Migration (21 – 25 April 2008, Dushanbe, Tajikistan). In addition, SIAP held the Sub-regional Training Course/Workshop on Statistics for MDG Indicators for the Countries in Transition of Central Asia and Caucuses from 21 April to 2 May 2007 in Teheran.

ESCAP organized a Consultative Meeting for the Establishment of Regional Knowledge Network of Telecentres in Central Asia (6-7 May 2008, Baku, Azerbaijan). The Regional Knowledge Network of Telecentres is expected to contribute to the empowerment of disadvantaged communities, women in particular, through facilitating access to knowledge pertaining to some key development areas such as employment, education, gender and health.

ESCAP and UNECE also jointly organized: (a) Regional Seminar on Capacity Building for ICT Policymaking in Central Asia (11-14 July 2006, Bishkek, Kyrgyzstan); (b) National Capacity-building Seminar on ICT Policy and Legal Issues (30-31 October 2007, Dushanbe,

Tajikistan); and (c) National Seminar on Capacity-building for ICT Policymaking (27-28 November 2007, Baku, Azerbaijan).

- **Social policy issues**

Among others, Azerbaijan, Kazakhstan and Kyrgyzstan participated in the High-level Intergovernmental Meeting on the Midpoint Review of the Asian and Pacific Decade of Disabled Persons, 2003-2012 (Bangkok, 19-21 September 2007).

In May 2008, ESCAP undertook a mission to Kazakhstan and Kyrgyzstan to brief the government focal points on disability on the United Nations Convention on the Rights of Persons with Disabilities (CRPD) and the Biwako Millennium Framework for Action.

FAO

The nature of assistance activities to the countries with economies in transition, in particular those facing challenges in their socio-economic development, including meeting the MDGs.

FAO has worked at the policy level as well as the field level to assist transition countries in integrating into the world economy through integration with and accession to the European Union (EU) and in creating a supportive policy environment for the successful development of smallholder farming, fisheries and forestry. FAO has different approaches for the *Central Asian CIS*² countries, for the *CIS countries that are part of the European Neighbourhood Programme (ENP)*³ region (which have the prospect of free trade agreements with the EU, but not EU accession) and for the countries of Southeast Europe⁴, which are candidate countries or potential candidate countries for EU accession.

FAO assistance, to assist countries' integration into world economy and integration and accession to the European Union in agriculture (including water resource management, agricultural management, marketing, rural finance, rural infrastructure and agro-industries), food safety, food security, forestry, fishery and aquaculture, rural development and monitoring of food and agriculture situation and through strengthening of national in agricultural research and extension systems, has been provided through direct policy advice, capacity-building activities and technical assistance in the form of field projects.

- In the 5 Central Asian countries FAO has assisted in developing trade with the rest of the world through capacity building in controlling animal diseases (avian influenza, foot and mouth disease, brucellosis, African swine fever and others) and WTO accession. Attention has also been given to support in reforming food safety and quality institutions to bring them into compliance with WTO standards. Furthermore, FAO has advised on and built capacity in these countries on key agricultural policy issues, such as implementation of land reform and consolidation, irrigation sector reform and farm restructuring. Also in these five countries FAO has been requested to provide technical support and capacity-building for integrating the assessment of land degradation at subregional, national and local level into the monitoring of sustainable land management. In Kazakhstan, capacity building on "Key Issues under Consideration in the WTO Negotiations on Agriculture" included legal advice on the implementation of the Agreement on Trade Related Intellectual Property Rights (TRIPs) and the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS).
- In the CIS countries within the region of the ENP FAO has assisted, in addition to the above-mentioned topics, in formulating agricultural policies that address the challenges of WTO

² Central Asia: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan

³ ENP: Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine.

⁴ Candidate countries: Croatia, FYRO Macedonia and Turkey; potential candidate countries: Albania, Bosnia and Herzegovina, UNMIK-Kosovo, Serbia and Montenegro.

accession and EU trade integration. Particular attention has been given to capacity building in reforming food safety and quality institutions and laboratories to bring them into compliance with EU standards in order to benefit from the prospective free trade agreements. FAO has also been particularly active in advising on supportive policies for smallholder agriculture, a key to rural poverty alleviation.

- For the Balkan countries at field level FAO has directly assisted producers in forming marketing cooperatives, facilitated links to processors and to financial institutions in order to export high value products suitable for EU countries. On the policy level, FAO has worked with governments of this region to reform the institutional set-up for food safety and quality standards in order to align these standards with those of the EU (*acquis communautaire*). FAO has also built capacity in trade facilitation measures for agricultural and food products in a number of countries and assisted governments in formulation of rural development strategies required for EU pre-accession assistance. Technical assistance and capacity building is also provided on sea safety and regional fisheries cooperation. Finally, FAO has assisted countries in this region in developing trade with the rest of the world through projects aimed at eliminating pests (western corn root worm) and controlling animal diseases (foot and mouth disease, avian influenza).
- FAO also provided technical assistance for strengthening the national capacity for food consumption and security analysis to Armenia, Georgia, Moldova and Tajikistan by providing training to national institutions to derive food security indicators at national and sub-national levels, including the MDG indicator 1.9.
- FAO has built capacity for analysis of institutional and human capacities of national agricultural research and extension systems in Eastern Europe and Central Asia through studies in Bulgaria, Lithuania, Kyrgyzstan and Ukraine and for participatory programme and project planning to improve the existing research and extension systems and their linkages with other stakeholders of the rural sector. Capacities for sustainable delivery through cost-effective extension strategies and methodologies were developed in pilot regions. Assistance and advice was provided on communication for development through the field programme.
- FAO assisted with studies for policy on biotechnology application in CIS countries and addressed the needs for capacity building in this field through organization of regional and sub-regional workshops in biotechnology and biosafety issues (Prague, Czech Republic in 2006, 2007 and 2008 with support of a trust fund project of the Czech government) and in Tashkent, Uzbekistan in 2008 in cooperation with ICARDA. Improving networking in biotechnology and biosafety capacity building is part of FAO's technical assistance to countries of the Caucasus and Moldova, and Croatia.

Through its cooperative programmes with the World Bank, the EBRD and IFAD, FAO has contributed to attracting public and private investment in the agricultural sector of transition countries and helped them to move from centrally planned to market oriented economies, with the objective of a better integration into the world economy. During the 2007-08 period, the areas where FAO has helped its member countries in transition to mobilize funding from international financing institutions (IFIs) – through formulation and supervision of investment projects – include:

- (i) agricultural sector restructuring: policy dialogue and recommendations, subsector analysis, support to agriculture competitiveness, formulation of strategies for the modernization of rural economies;
- (ii) support services to farms : creation/improvement of agricultural extension services, support to farm privatization, support to land management and titling, assistance to rural credit institutions;
- (iii) support services to private agribusiness/agricultural enterprises: strategies for the improvement of the business environment in rural areas, rural enterprise strategies;
- (iv) implementation of large investment programmes dealing with: rural development activities, natural resources conservation, irrigation and infrastructure rehabilitation.
- (v) assistance for emergency situation: Avian Flu projects quickly prepared and implemented.

Since the beginning of 2007, USD714 million worth of investment projects that benefited from FAO's technical assistance have been co-financed by the Organization's IFI partners. In total, during that period, FAO has been involved in 216 joint field investment missions with the World Bank, the EBRD, IFAD, and other IFI partners in the region.

- Reforming forest policies and legislation and improving institutional capacity to operate in a market environment continue to be the most important in improving the forestry sector in economies in transition. Accordingly FAO, through its regular and field programmes continues to provide critical assistance in these areas. Policy reviews have been undertaken in a number of countries and assistance provided to update the legislation. Institutional support is provided at various levels and includes support to improve participatory approaches, especially community based forest management. Supporting the private sector, especially the large number of small-scale forest owners is another thrust area of support.
- Inability to build up adequate institutional capacity in the context of economic liberalization has led to substantial increase in illegal logging with its attendant loss of income to governments and possible negative environmental and social impacts. FAO, in collaboration with other organizations, is addressing the issue of illegal logging and improvement in forest law compliance.
- Integration into the world economy enhances the opportunities and challenges in the forest sector in the transition economies. These issues have been specifically addressed in the regional and global forest sector outlook studies that FAO has recently undertaken. Specific attention has been paid to assess the future scenarios of development in Eastern Europe, Central Asia and the Caucasus countries, indicating the priorities and strategies that the countries may pursue to improve the forestry situation and at the same time to benefit from the opportunities provided by globalization.

- FAO also continues to provide support to improve the technical capacity in the areas of forest fire control, management of pests and diseases and forest resource assessment, all contributing to sustainable management of forest and tree resources.

Managing transboundary fish stocks and fighting Illegal, Unregulated and Unreported fishing calls for regional cooperation between countries. FAO in collaboration with other organizations has provided technical, legal, policy and financial support to regional institution building and networks for fishery and aquaculture management and research. Technical assistance on certification of fish products for the European market and on sea safety has also been provided.

The need for reliable gender-disaggregated data and indicators (GDD) for the study of gender issues in agriculture to produce policy-relevant data and information is particularly acute in the economies in transition, where reliable statistics on women's contribution to agriculture are generally lacking. FAO, in collaboration with various partners in the region, has attempted to fill this data gap through a series of GDD activities that have included training workshops, technical support to agricultural censuses and gender-sensitive retabulation of existing agricultural data sets. Since 2005, the Czech National FAO Committee has supported FAO-ESW in providing GDD training for selected countries in Central-Eastern Europe.

In order to advance a more programmatic approach to field programme development FAO, through dialogue with the governments, the international community and non-state actors, has started with formulation of national medium-term priority frameworks (NMTPFs). Following Tajikistan, work continued in Albania as FAO's input to the One UN activities, and is expected to be extended to an additional 11 countries. In partnership and collaboration with other UN agencies FAO should pay particular attention to strengthening the capacity of governments to deliver appropriate public goods and services to enable agricultural growth.

Views on how to strengthen the cooperation between the UN system and the economies in transition

In line with the relatively high level of education, the countries of the East Europe and Central Asia region have many qualified specialists in technical areas of veterinary medicine, fisheries, forestry and agronomy. There is no shortage of such technical experts. Rather, the missing factors for agricultural and rural growth in these countries are agriculture and rural development policies supportive of market agriculture, institutions for sector governance that support the development of family farms and the private sector. The importance of policies and institutions can be illustrated by the example of the new EU countries in this region, which started with similar conditions as the CIS and Western Balkan countries today. Many of the EU accession countries have been successful in reducing rural poverty, ensuring sustainable agricultural growth and making the transition to becoming high income countries by adapting their policies and institutions.

A more detailed description of some FAO activities in countries in transition can be found at:

- FAO Regional Office for Europe:
http://www.fao.org/world/Regional/REU/index_en.htm
- Regional priorities:
http://www.fao.org/world/Regional/REU/workprog_en.htm
- National and Regional Projects:
http://www.fao.org/world/Regional/REU/field_en.htm
- 26th Regional Conference for Europe and Central Asia:
http://www.fao.org/unfao/bodies/RegConferences/erc26/index_en.htm
<ftp://ftp.fao.org/docrep/fao/meeting/013/K2508E.pdf>
<http://www.fao.org/newsroom/en/news/2008/1000872/index.html>
- EastAgri network (in collaboration with IFI partners):
<http://www.eastagri.org>
- <http://www.fao.org/biotech/index.asp?lang=ru>
- http://www.fao.org/nr/index_en.htm

ICAO

Recognizing that the growth and improvement of international air transport can make important contributions to the social and economic development of States, ICAO, through its Technical Co-operation Programme, provides support to countries with economies in transition with a view to promoting their achievement of self-sufficiency in the field of civil aviation, thus facilitating their integration into the world economy. In this regard, the safe and secure conduct of air transport operations is dependent upon a well-structured civil aviation authority capable of fulfilling its international responsibilities and enforcing internationally-applicable safety standards. The satisfactory provision and operation of air navigation facilities and services is, in turn, reliant on a high standard of personnel training in a wide range of disciplines and emerging technologies.

Primary requirements of countries with economies in transition for ICAO assistance have concentrated in the development of human resources and the strengthening of civil aviation institutions. Technical assistance has been provided by ICAO on a regional, sub-regional and country-specific basis through, *inter alia*, the provision of field experts, the training of national civil aviation personnel, the development of Civil Aviation and Airport Master Plans, the formulation of adequate legal frameworks, including civil aviation rules and regulations in accordance with ICAO standards and recommended practices (SARPs), and the procurement of the necessary equipment. Particular consideration has been given to the restructuring of Civil Aviation Departments and the desirability of establishing Autonomous Civil Aviation Authorities, where improved efficiency and financial results could be achieved.

- **Commonwealth of Independent States (CIS)**

ICAO continues to provide support to the Commonwealth of Independent States (CIS) within the framework of the fund established in 2001 by the CIS, Airbus, the Boeing Company, General Electric, the European Commission, the Ilyushin Aviation Complex and the Interstate Aviation Committee and with the financial support of the International Financial Facility for Aviation Safety (IFFAS). The objective of this technical cooperation project is to enhance the flight safety capabilities of participating States by establishing a regional flight safety training and advisory centre. This Centre should be capable of providing assistance to States in overcoming identified safety-related deficiencies, as well as in the training of safety inspectors and in the harmonization of national civil aviation legislation, as may be required. Project activities also take into consideration the results of ICAO audits conducted in these countries, as well as aircraft accident investigations carried out by the Interstate Aviation Committee, contributing significantly to the rectification of identified deficiencies.

The project has proved to be a cost-effective solution for the harmonization of safety-related regulations in the region in compliance with ICAO SARPs, enabling the development of a comprehensive set of operations, continuing airworthiness and personnel licensing regulations. Model aviation rules are being developed and progressively introduced into the national legislation of the CIS States. Extensive training of flight safety personnel continued with the participation of over 1200 inspectors and experts since 2006.

- **United Nations Mission in Kosovo**

ICAO has continued to cooperate with the United Nations Mission in Kosovo (UNMIK) in a technical cooperation project initiated in 2003 with the objective of assisting UNMIK in developing the institutional components necessary for a safe and efficient civil aviation infrastructure in accordance with ICAO SARPs. Since 2006, substantial progress has been made towards the establishment of an efficient civil aviation regulatory system and the development of local expertise for the Civil Aviation Regulatory Office (CARO) currently headed by an ICAO expert. With ICAO assistance, primary aviation legislation (UNMIK Provisional Regulation on Civil Aviation in Kosovo) and secondary legislation (UNMIK Administrative Directions) were developed and promulgated by the Special Representative of the United Nations Secretary-General, enabling UNMIK to take over aviation management functions from the International Security Presence in Kosovo (KFOR) in April 2004. Training continued to be provided for all personnel with safety and security functions and during the year, CARO reached an adequate number of qualified personnel. Implementation continued of European Commission aviation regulations and directives applicable to Kosovo under the European Common Aviation Area Agreement (ECAA) in all areas of aviation activities. Kosovo's compliance with the ECAA agreement was assessed in November 2007 and the draft report noted the very positive progress made so far.

A second technical cooperation project funded by UNMIK was initiated in 2003. ICAO's responsibility was to assist UNMIK in ensuring that airport and air navigation services are being developed in a safe and orderly manner, in accordance with ICAO SARPs. Since 2006, the provision of expert assistance by ICAO enabled Pristina Airport to improve its operational and human resource capabilities and financial sustainability, as well as to plan future development activities. The development of manuals and procedures in accordance with the requirements of ICAO Annex 14 (Aerodromes), and the provision of on-the-job training, further contributed to the enhancement of the efficiency of airport operations in Kosovo. This project was successfully completed in 2007.

ILO

The two EU enlargements in May 2004 and January 2007 have redirected ILO policy advice and technical assistance to South Eastern Europe, Eastern Europe, Caucasus and Central Asia. The ILO [Decent Work Agenda](#) has been promoted in this region through the formulation and implementation of eleven [Decent Work Country Programmes](#) – the main ILO framework for technical cooperation, in close collaboration with our national tripartite constituencies – government, employers’ and workers’ organizations. Four new DWCPs are in the pipeline. ILO assistance can be clustered into four areas, as follows.

- **Good labour market governance through social dialogue and rights at work**

South East European countries, Moldova and Ukraine have recently made significant efforts to bring their industrial relations systems closer to the practices prevailing in EU countries. The CIS countries still face a formidable task in creating conditions for collective bargaining between independent and competent social partners. The strengthening of bipartite and tripartite collective bargaining and social dialogue mechanisms at all levels, as well as capacity building of the social partners to help them effectively engage in social dialogue and policy making, remain important priorities for ILO assistance. The ILO is delivering on this issue through several important projects in South Eastern Europe. ILO assistance is also provided for the establishment and improvement of mechanisms for the reconciliation of labour disputes: a tripartite platform for improving labour dispute settlement systems has recently been created in the Caucasus and Central Asian countries.

Combating discrimination against vulnerable groups of workers and violation of workers’ rights through the ratification of important ILO Conventions, the reflection of ratified conventions in national legislation and their observance in everyday practice are also objectives of ILO’s technical cooperation. The ILO has promoted the establishment of a regional network of labour law experts in South Eastern Europe who now meet regularly to discuss steps towards refining labour legislation and its better enforcement. The ILO also provides extensive legal and policy advice, training of legal experts from governments, employers’ and workers’ organizations, and strengthening of national labour administrations, in particular labour inspection.

Assistance continues to be provided for the promotion of social dialogue aimed at finding a new optimal balance between labour market flexibility and employment security: knowledge base development, advocacy, policy advice and technical assistance in appropriate amendment of labour legislation and its enforcement, strengthening of collective bargaining and improvement of labour market policies.

- **Promotion of more and better jobs**

The ILO, in cooperation with the Council of Europe and the Stability Pact for South Eastern Europe, has launched regional cooperation on employment policy in South Eastern Europe (“The Bucharest Process”) which has enhanced the capacity of national labour market institutions and social partners at regional and national level to design, implement and evaluate effective employment and labour market policies. While this initiative is now regionally owned and driven, the ILO will further support the countries to improve their employment policies with a visible positive impact on

their labour market outcomes. The initiative of addressing unregistered employment through social dialogue in Turkey proved highly successful and will now be replicated in other countries in transition. The ILO has also collaborated with the tripartite constituency on the formulation and implementation of national employment strategies in Azerbaijan, Kyrgyzstan and Moldova and on strengthening their youth employment policies. Youth employment has also been addressed at regional level in South Eastern Europe. The ILO continues to build the capacity of the national employment services and social partners to deliver occupational skills to youth, unemployed people and other marginalized groups using a modular training approach; and also to provide entrepreneurial training and improve policies boosting the creation and expansion of small enterprises in a number of countries of the region. Policy advice is provided on achieving gender equality in employment and remuneration and on reconciliation of work and family.

- **Migration and trafficking in persons**

Cooperation between governmental institutions and trade unions in countries sending and receiving migrant workers, facilitated by the ILO, combined with information campaigns and training directed at migrant workers, has led to improved labour migration policy and stronger protection of migrant workers and their families in these countries. At the same time, campaigns among potential and actual victims of trafficking, mainly young women and children, combined with efforts to enhance the capacity of national labour market institutions have improved the prevention of trafficking and the labour market integration of victims of trafficking. The ILO will continue to provide effective policy advice directed towards the good governance of migration to the benefit of both the sending and receiving countries, the protection of the rights of migrant workers, combating forced labour and trafficking in persons, and reducing the migration and return of migrant workers through the creation of more and better jobs in the country of origin.

- **Towards achieving social protection for all**

The ILO's systematic approach to occupational health and safety has stimulated regional cooperation on this issue in South Eastern Europe – a regional road map (action plan) has been agreed on the basis of national OSH profiles. In the CIS countries, this approach has resulted in the restructuring of national occupational injury and disease benefit systems in several countries, and in campaigns to combat unsafe working conditions in particular industries. ILO assistance will now be directed towards the formulation and implementation of national OSH systems. The ILO will continue to analyse the performance of reformed pension systems in Central Europe and will use the lessons learnt to generate advice on improving pension schemes in other countries so as to help ensure reasonable benefit levels for retired workers and extend coverage to informal workers while maintaining the fiscal sustainability of the schemes. Workplace initiatives have been adopted to prevent the spread of HIV/AIDS in the region and in the most exposed industries. Efforts to combat workplace discrimination and cooperation in this area will continue.

IMF

The International Monetary Fund remains supportive of the Southeastern European and CIS countries in their efforts to deepen economic transformation and integration with the global economy. The IMF's advice and support is focused on combining macroeconomic and financial stability with structural reforms and institution building. Many economies in Central and Eastern Europe have, with the support of the Fund and other international financial institutions, successfully made the transformation into emerging markets, while considerable progress has been recorded in most of the other countries in Southeastern Europe and the CIS.

Economies in Southeastern Europe have continued to make progress in modernizing and opening up their economies. The Fund has supported these efforts through economic programs in Albania, Macedonia, FYR, and Moldova, and in the other economies, including Ukraine and Belarus, through intensive surveillance. The Fund has provided advice on monetary and exchange rate policies, how best to harness the forces of financial sector integration, and, recently, the challenges of food and energy price increases. It is also monitoring closely the implications of rapid credit growth and the recent international financial turmoil, and the sustainability of large current account deficits. The Fund has restructured its operations to add a greater regional focus to its bilateral surveillance, and to help countries benchmark against best practice in other similar economies. The Fund has also provided assistance to the UN in special cases (e.g. Kosovo).

Over the past two years, other CIS countries in the Caucasus and Central Asia (Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, Turkmenistan, and Uzbekistan) have benefited from high commodity prices and strong export earnings. Real GDP growth has generally been very strong, and fiscal and external positions have improved. Nevertheless, inflation has recently surged due to rising food and fuel prices and rapid monetary growth. In the structural reform and institution-building areas, progress has been mixed. Advancing structural reforms remains crucial to boost investment, diversify economies away from their current reliance on commodities, and ensure sustainable growth in the region. In particular, efforts are needed to advance financial sector reforms, enhance the business climate, and improve governance and transparency.

Technical assistance (often co-financed with the EU, the IJNDP, the World Bank, and bilateral partners) remains a key element in the IMF's engagement with the countries of Southeastern Europe and the CIS. The emphasis is on training senior officials responsible for macroeconomic policy design and implementation through the Joint Vienna Institute. For the CIS countries, technical assistance has also been provided in the fiscal, monetary, financial, statistics, and legal areas. Countries have also continued to participate in reviews such as Financial Sector Assessment Plans (FSAP), conducted jointly by the Fund and World Bank, and Reviews of Standards and Codes (ROSC5), while also publishing IMF staff reports.

IMO

The Commonwealth of Independent States (CIS) and Eastern Europe is composed of 29 countries with economies in transition, 13 of which are land-locked nations, with a coastline facing the Adriatic, Baltic, Black and Caspian Seas.

The region has extensive commercial interests in merchant shipping and fishery, embracing maritime and river navigation. According to the United Nations Conference on Trade and Development (UNCTAD), economies in transition accounted for 2.7% of world goods loaded and 0.7% of world goods unloaded. Oil shipments loaded at ports in those economies are estimated to have reached 5.7% of total world oil loaded, reflecting in particular, oil shipped from the Black and Baltic Seas.

IMO has an Integrated Technical Co-operation Programme (ITCP), which is developed and delivered on a biennium basis. This programme assists developing countries in improving their ability to comply with international rules and standards relating to maritime safety and the prevention and control of maritime pollution, giving priority to technical assistance programmes that focus on human resources development and institutional capacity-building. Furthermore, the IMO Assembly, at its 24th session in November-December 2005, adopted a resolution on technical co-operation as a means to support the United Nations Millennium Declaration and Development Goals.

The ITCP contains a regional programme covering the countries of CIS/Eastern Europe, which is developed and managed by the CIS/Eastern Europe section of the IMO's Technical Co-operation Division.

- **Nature of assistance activities given to countries with economies in transition**

Since July 2006, technical assistance activities for the CIS/Eastern Europe region have concentrated on maritime safety and marine environment protection assignments, in order to build up human and institutional resources for effective maritime administrations. The 2006-2007 regional programme covered Flag State Implementation (FSI) and Port State Control (PSC) activities with emphasis on survey and inspection requirements, the implementation and enforcement of the MARPOL⁵ and AFS⁶ - Conventions, oil spill response and contingency planning.

Activities carried out during the 2006-2007 biennium include:

- National maritime English instructor training course, March 2007, Russian Federation
- National training workshop on ballast water risk assessment, March 2007, Azerbaijan
- Subregional seminar on FSI & PSC implementation, June 2007, Albania

¹ The International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto.

² The International Convention on the Control of Harmful Anti-Fouling Systems on Ships, 2001.

- Regional workshop on ballast water transfers, September 2007, Azerbaijan
- National course on FSI implementation, September 2007, Ukraine
- National dispersant workshop, October/November 2007, Georgia
- National OPRC⁷ workshop, December 2007, Azerbaijan

These activities contributed to the sustainable development of countries with economies in transition by strengthening their capacity to carry out their maritime sector programmes effectively and in accordance with international maritime law, and to develop national legislation and technical regulations, thereby facilitating the ratification and enforcement of IMO Conventions.

- **Projects planned for the 2008-2009 biennium**

The Voluntary IMO Member State Audit Scheme, which provides audited States with a comprehensive and objective assessment of how effectively it administers and implements a large number of mandatory IMO instruments, assists in identifying where capacity-building activities would have the greatest effect. The implementation of the scheme requires auditors to be trained. In January 2008, a regional training course for auditors was held in Szczecin, Poland. Representatives from the maritime administrations of Albania, Croatia, Georgia and the Russian Federation attended the course.

Maritime safety - related activities planned for 2008-2009 include a regional training course on marine accident and casualty investigation, a subregional workshop on maritime security and facilitation for the Black and Caspian Seas.

In collaboration with the Caspian Environment Programme, IMO gives high priority to the development of national and regional oil spill contingency plans and to the strengthening of national and regional capacity to protect the marine environment. IMO will organize a regional workshop on the 1996 Protocol to the London Convention⁸ a regional introductory training course on ballast water management and a regional OPRC training course focussing on environmental sensitivity mapping.

- **Means to strengthen the co-operation between the UN system and the economies in transition**

IMO promotes partnerships for technical co-operation. The IMO Assembly at its twenty-third session, held in November 2003, adopted resolution A.965(23) on “Development and Improvement of Partnership Arrangements for Technical Co-operation”. Steps are being taken by IMO to share efforts and resources with regional Organizations such as the Economic Cooperation Organization, the Commission on the Protection of the Black Sea Against Pollution and the Organization for Security and Co-operation in Europe to enhance co-operation and pool resources together to deliver technical assistance activities for economies in transition.

³ The International Convention on Oil Preparedness, Response and Co-operation, 1990.

⁴ The Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, 1972.

UNCTAD

1. Research and analysis

Several UNCTAD publications and two of its annual flagship reports – the [World Investment Report](#) and the [Trade and Development Report](#) – analyse topics of relevance to specific country groupings, including the transition economies. *The World Investment Report 2007*, for example, considered the implications for development of FDI from transition and developing economies.

2. Technical cooperation

Investment

UNCTAD has undertaken a number of technical cooperation activities since 2006 to improve the investment framework and strengthen investment promotion capacities and strategies of countries with economies in transition. At the request of the Executive Council of the Autonomous Province of Vojvodina (APV) in Serbia, in 2006-2007 UNCTAD prepared an investment promotion strategy and training workshop for the local investment promotion authority on best practices and tools in investment promotion.

In early 2008, UNCTAD launched the Investment Policy Review of Belarus. In addition to analysing the legal and operational framework for investment, the strategic focus will be on stimulating linkages and other forms of cooperation between transnational corporations and the local small enterprise sector. The report will also examine the country's investment promotion capacity and institutional set-up. Also in 2008, UNCTAD began a study of best practices in post-conflict economies, focusing on Croatia.

UNCTAD is helping the Moscow City Government create an enabling environment for private sector development and strengthen good governance and the rule of law. In this regard it has developed an e-regulations system, a web-based e-government system designed to help developing and transition economies work towards business facilitation through transparency, simplification and automation of rules and procedures relating to enterprise creation and operation. The system has now been implemented at the Moscow Investment and Export Promotion Agency, where it is intended to boost transparency and efficiency in the public service, improve governance and reduce costs (<http://moscow.e-regulations.org>). The e-regulations system has also been requested by the governments of Kyrgyzstan, Uzbekistan and Tatarstan (Russian Federation).

In the area of enterprise development and entrepreneurship, UNCTAD continued to implement the EMPRETEC Programme for Romania. In 2006, 15 entrepreneurship training workshops were conducted (four of them in Romanian) for 173 participants, bringing the total number of workshops to date to 31, from which some 600 certified participants (Empretecocos) benefited. A training of trainers session was also held, as was a new workshop on business leaders capacity-building. Six Romanian trainers have now received UNCTAD-EMPRETEC national trainer certificates, and 10 regional centres currently operate in the country.

WTO accession

UNCTAD has been assisting eight economies in transition in the process of accession to the WTO: Azerbaijan, Bosnia Herzegovina, Kazakhstan, Moldova, Montenegro, Serbia, Tajikistan and Uzbekistan. As a major provider of technical assistance on WTO accessions for a number of years, UNCTAD has been advocating clear and objective rules and disciplines for accession negotiations to ensure that the process is not excessively costly and that the terms of accession reflect each country's level of development and ability to implement its obligations. UNCTAD's technical assistance and capacity-building in this area focuses on five areas:

- (a) supporting the preparations of national negotiating teams for the meetings of the WTO Working Parties on Accessions, including definition of negotiating strategy and tactics, preparation of the Memorandum on the Foreign Trade Regime and written replies to questions from WTO members;
- (b) Helping governments prepare offers on market access in goods and services and data on agricultural support measures sectors;
- (c) Preparing reports, background papers and impact studies on implications of accession in various sectors;
- (d) Providing expertise and advice on strengthening capacity-building in the area of trade policy; and
- (e) Training trade officials in specific trade policy issues.

These activities are also designed to help the countries benefit from WTO membership in terms of supply side constraints, export potential and competitiveness issues. UNCTAD's technical assistance resulted in a more effective participation by these countries' negotiating teams in the WTO accession negotiations by improving their understanding of the WTO rules and disciplines and their implications for national development and policy options. The assistance also helped to achieve a package of more balanced terms of accession. This work is crucial in teaching transition economies how to use WTO membership and acquired rights to promote and defend their interests, particularly in the current Doha negotiations.

Regional integration and trade facilitation

UNCTAD has focused on facilitating trade, transit, customs and transport. In the area of transit facilitation, UNCTAD has strived to reduce cross-border barriers and advance implementation of existing international transport and transit trade agreements. UNCTAD also reviews existing trade and customs practices and aims to improve collection and use of trade statistics and operationalize the organization's computerized customs management system (ASYCUDA).

In Central Asia, UNCTAD has been implementing a project on multimodal transport and trade facilitation for the Economic Cooperation Organization (ECO) member States. The project is part of an initiative to strengthen cooperation between the two organizations in improving trade efficiency and is financed by the Islamic Development Bank and UN-ESCAP. In 2007, the project completed and review country studies on multimodal transport in Azerbaijan, Islamic Republic of Iran, Kazakhstan, Pakistan and Turkey. It prepared a consolidated regional technical report containing the findings of national consultants and offering recommendations to ECO members and held a regional workshop on multimodal transport and trade facilitation in Tehran for ECO member States, particularly from Central Asia.

Another 2007 meeting, held in Azerbaijan on transit issues and international multimodal transport operations in Central Asia, dealt specifically with the challenges involved in implementing the Transit Transport Framework Agreement, which had been prepared under ECO auspices.

UNCTAD also cooperated closely with the Organization for Security and Co-operation in Europe (OSCE) in a meeting on the prospects for the development of trans-Asian and Eurasian transit transportation through Central Asia, held in Tajikistan in 2007. The meeting reviewed progress in implementing the 2003 UN-endorsed Almaty Programme of Action, which focused on managing transit transport-related issues on a regional basis to improve market access for landlocked countries. UNCTAD also continued to implement and upgrade the ASYCUDA Customs Modernization Programme in such countries as Albania, Bosnia Herzegovina, Republic of Moldova and Georgia.

Debt management

UNCTAD's Debt Management and Financial Analysis ([DMFAS](#)) Programme helps transition economies build their institutional capacity to manage their debt, better understand the concepts of effective and prudent debt management, and be more familiar with the international financial system as it pertains to debt. UNCTAD's technical assistance at the country level focuses on enhancing government ability to produce reliable and timely debt information in support of good governance, development and poverty reduction.

A key UNCTAD activity in this area is the implementation of modern debt management software, also known as DMFAS, which is designed to facilitate the debt management process. Technical assistance also includes advisory services and training in database creation, data validation, statistical reporting and support for debt analysis. It may also cover assistance in establishing appropriate communication and information flows, or in linking the debt database to other financial systems. To facilitate capacity-building in the transition economies, the Programme's services, including its software, are made available in Russian (as well as English, French, Spanish and Arabic).

During the reporting period, UNCTAD was active in Albania, Georgia and the Republic of Moldova. In Albania, the DMFAS software was updated, and training and support for debt analysis provided. The first steps were also taken to integrate the DMFAS software into the national treasury system. Similarly in Georgia, the DMFAS software was upgraded and training provided, and a new data validation and statistics project designed. In the Republic of Moldova, advanced training was offered on the DMFAS system; the local domestic debt database was integrated into DMFAS; and an agreement was signed to fully integrate the Finance Ministry's securities system into DMFAS and to conduct data validation work.

Five other countries in transition have received technical assistance from the DMFAS Programme over the years: Kazakhstan, the former Yugoslav Republic of Macedonia, Turkmenistan and Uzbekistan.

UNDP

The United Nations Development Programme (UNDP) delivers development assistance to the countries with economies in transition through its Regional Bureau for Europe and the Commonwealth of Independent States (CIS). The Regional Bureau serves 29 countries in the region, including Cyprus and Turkey. The total value of development assistance provided to these countries through UNDP amounted to \$276 million in 2007. Almost everything UNDP does in the Europe and CIS region contributes, directly or indirectly, to the integration of these countries into the world economy.

UNDP development activities in the region planned for the period of 2006-2010 are outlined in the Regional Programme Document approved in 2006 (<http://www.undp.org/rbec/countryoffice/RPD.pdf>).

Major areas of assistance include:

- *Millennium Development Goals*

Across the Europe and CIS region, UNDP has worked to support the preparation of national development strategies that incorporate targets designed to achieve the Millennium Development Goals (MDGs). Assistance has been provided to conduct “needs assessments” to ascertain what resources and institutional reforms would be necessary to meet the MDGs. In many cases, UNDP has also helped to tailor the MDGs to suit national specifics, for example by adding an additional goal to cover improved governance. Support has also been provided to “localize” the MDGs by setting customized development goals at the regional level. And much work has gone into improving national statistics, in particular to enable countries to understand trends as they affect women, ethnic minorities, and other vulnerable groups.

In 2006 UNDP published a report, *National Millennium Development Goals: A Framework for Action* (<http://europeandcis.undp.org/poverty/show/EAB2523F-F203-1EE9-BE0CAB363E1F1A91>), which chronicled progress towards the MDGs for 32 countries and territories in the region. It encouraged governments to use the MDGs both as a planning yardstick and as a tool to promote social solidarity.

- *Social inclusion*

Particularly in the Western Balkans region, UNDP has partnered with the European Commission (EC) to align the MDGs with EU social inclusion processes. These efforts rest on the understanding that, even in the most prosperous of the new EU member states, where extreme poverty is no longer a threat, inequality remains a big challenge. Disadvantaged regions (often in rural areas) contain pockets of poverty; vulnerable populations such as the Roma face discrimination and worse living conditions than majority groups; and the unemployed risk often suffer limited access to basic social services.

In these conditions, UNDP has worked with governments and civil society to define the dimensions of social inequality and to foster practical efforts to overcome regional, social, ethnic, and other disparities. In Poland, for example, UNDP implements EU-funded projects

designed to develop innovative methods for fighting discrimination and inequality on the labor market. Groups covered by these diverse projects include former prison inmates, autistic people, the Roma minority, and those over 45 threatened with unemployment. Issues tackled include flexible working conditions and gender equality in the workplace.

- *Trade and investment promotion*

UNDP has contributed to the integration of transition economies into the world economy by strengthening country capacities to manage and benefit from trade and investment. Many UNDP country offices in the region have trade and investment promotion activities in the following areas: i) support in policy analysis and development; ii) capacity building of trade and investment support institutions; and ii) direct assistance to enterprises to improve trade or attract investment. Trade studies conducted by UNDP include a 2007 report on the potential impact of a free trade agreement between the EU and Georgia (<http://europeandcis.undp.org/poverty/trade/show/78C5AC53-F203-1EE9-B1DC7ACE294EDBFC>).

- *WTO accession*

UNDP has also provided policy advice specifically to support country efforts to join the World Trade Organization (WTO). Government officials, trade diplomats, and experts shared their experiences in a UNDP-sponsored regional workshop on WTO accession convened in Yverdon, Switzerland in 2007 (<http://europeandcis.undp.org/poverty/trade/show/96962792-F203-1EE9-B87612115F3D78EA>).

A UNDP staff member has been seconded to the Government of Kazakhstan to help prepare WTO accession. And, on the eve of Ukraine's WTO accession, UNDP prepared an analysis of the costs and benefits for specific domestic economic sectors, concluding that most local producers had little to fear from new foreign competition (http://brc.undp.org.ua/img/publications/WTO_Study_Eng%20edits.pdf).

- *Private sector support*

UNDP works across the Europe and CIS region to promote the development of a robust private sector, as one of the main engines of economic growth and job creation. Policy advice has helped many countries to improve their business environments, including through tax and labor market reform, reduction of red tape, and anti-corruption initiatives. UNDP projects are also working directly with local communities and municipalities to support the creation of small businesses and fight unemployment. In Bulgaria, for example, UNDP inaugurated a tenth business incubator under a national job-creation program in 2008.

- *Social enterprises*

UNDP has also been working to popularize the concept of "social enterprises" in the region. These are companies that combine for-profit activities with social aims, often providing employment opportunities and specific services to vulnerable groups such as the disabled. A UNDP-led report published in 2008, *Social Enterprise: A New Model for Poverty Reduction and Employment Generation* (<http://europeandcis.undp.org/home/show/02F5569C-F203-1EE9-BD529F7FE21C9320>), provides an in-depth look at successful social enterprises in Poland,

Serbia, and Ukraine, and explains the legal framework and regulatory benefits (including tax breaks) needed to help them thrive.

- *Corporate social responsibility*

Work to support private-sector growth has gone hand in hand with efforts to promote more responsible business practices by companies, particularly in addressing social and environmental concerns. UNDP has been advocating for the *UN Global Compact* as a framework for promoting the role of business in achieving the MDGs. Global Compact networks have been established in most countries in the region, bringing together domestic companies with international investors, as well as with representatives of civil society organizations, media, trade unions, governments, and academia.

In the CIS, for example a Belgium-funded UNDP project has provided “brokers” for six countries to create partnerships that combine commercial and development goals. In Southeast Europe, a UNDP study is currently under way on corporate social responsibility, and among new and prospective EU member states, the EC and UNDP are working together on a project to promote responsible business practices.

- *European integration*

Expansion of the European Union (EU) to ten countries in the region has been a major development success story in its own right, and many other “neighbors” aspire to eventual membership. Where European integration is a national policy goal, as in the Western Balkans and parts of the CIS, UNDP assists in aligning policies, legislation, and standards to EU norms. In Ukraine, for example, the EU-funded Blue Ribbon Analytical and Advisory Centre produces reports and analysis on major policy questions relating to EU integration, and the 2008 National Human Development Report exploring Ukraine’s “European Choice,” concluded that European integration is an excellent recipe for human development (<http://europeandcis.undp.org/home/show/EB76650C-F203-1EE9-B7777CE4F773BEA7>).

- *Emerging donors*

Many new EU member states – but also countries such as Croatia, Turkey, and the Russian Federation – have started to contribute to development cooperation as donor countries. UNDP has been working since 2003 to help “emerging donors” deliver development assistance effectively. To establish transparent and programmatically sound official development assistance delivery mechanisms, UNDP helps to manages development trust funds for Slovakia, Hungary and the Czech Republic. UNDP has also recently served as a channel for Romanian development assistance to Moldova and other recipient countries. Emerging donors shared their experiences at a UNDP workshop in Budapest in March 2007 (<http://europeandcis.undp.org/home/ed/show/5564D1AB-F203-1EE9-B53ED09A8234C962>).

UNDP’s “emerging donor” initiative is not just about development funding, but also about sharing transition expertise. In response to growing demand, UNDP is working to assist new EU member states (and other transition “success stories”) in delivering knowledge and expertise, based on their transition and development successes and lessons learned, to new neighbor and accession countries.

- *Regional and cross-border cooperation*

In addition to its work with the EU, UNDP is also supporting other avenues for regional and cross-border cooperation. The landmark 2005 *Central Asia Human Development Report: Regional Cooperation for Human Development and Human Security* (<http://europeandcis.undp.org/home/show/300BDC00-F203-1EE9-BE944F24EDFC09CE>) presented the case for increased integration and cooperation in Central Asia. This report has since provided the analytical foundation for practical follow-up efforts in the region, including efforts to find solutions to the region's water-supply, energy, and transport weaknesses.

In the Black Sea region, UNDP has partnered with the Turkey, Greece, and the Black Sea Economic Cooperation to promote regional economic development through the Black Sea Trade and Investment Promotion programme (<http://www.undpforblacksea.org/BSTIP.htm>). This project aims to tap the Black Sea region's unrealized investment and trade potential and create mechanisms that bring together sectoral business-support organizations to help forge new cross-border commercial partnerships.

- *Facilitating transit*

UNDP has been deeply involved in EU-funded projects designed to facilitate the movement of people and goods across borders while simultaneously fighting the smuggling of drugs and other contraband. Regional cooperation has been furthered through sub-regional anti-drug projects involving Belarus, Moldova, and Ukraine; Armenia, Azerbaijan, and Georgia; and the countries of Central Asia. In addition, UNDP has worked together with customs services and border police to introduce European-standard border management methods and technologies in Central Asia and in Belarus, Moldova, and Ukraine.

UNDP is building on this foundation by working with border communities to encourage cross-border trade, and also through efforts to reduce bureaucratic and logistical obstacles to trade flows.

UNEP-ROE

UNEP has been promoting the development and implementation of sound environmental policy in countries with economies in transition in order to facilitate their achievement of sustainable development and meeting internationally agreed development goals, particularly goal seven of the MDGs, by building capacities and providing technical assistance. UNEP also implements its programme of work through regional and sub-regional frameworks in which countries with economies in transition are participating, such as the *Environment for Europe* process (<http://www.unece.org/env/efe/welcome.html>), legally binding and non-legally binding instruments and processes as well as partnerships with other organizations and relevant stakeholders. For example, UNEP works with civil society organizations through **UNEP national committees**, including 14 in countries with economies in transition (<http://www.unep.ch/natcom>). UNEP has also opened an office in Moscow to work more closely with environmental authorities there.

The Framework Convention on the Protection and Sustainable Development of the Carpathians (**Carpathian Convention**) and the Framework Convention for the Protection of the Marine Environment of the Caspian Sea (**Tehran Convention**) were developed and negotiated with support from UNEP, which provides both interim secretariats. The Carpathian Convention promotes cooperation and a comprehensive policy in the protection and sustainable development of the Carpathians (<http://www.carpathianconvention.org>). The new programme of work of the Carpathian Convention includes a list of potential projects for the region. The **Tehran Convention** is the first legally binding agreement on any subject to be adopted by the five Caspian neighbours. It aims to reverse an environmental crisis brought about by habitat destruction, industrial pollution and the over-exploitation of fish and other marine life (http://www.unep.ch/roe/Caspian_cop1.htm). The Tehran Convention envisages the elaboration of a Convention Action Plan as well as National Implementation Plans, and the finalization of draft protocols in priority areas of concern. A process has been initiated for the protection and sustainable development of the **mountain regions of the Caucasus** and, in November 2007, Ministers and high-level officials from Armenia, Azerbaijan, Georgia, the Islamic Republic of Iran, the Russian Federation, and Turkey confirmed their desire to strengthen relevant partnerships.

UNEP supports countries with economies in transition to achieve their international obligations under multilateral environmental agreements. For example, the **Pan-European Biological and Landscape Diversity Strategy (PEBLDS)** (<http://www.pebls.org>), with a Joint Secretariat provided by UNEP and the Council of Europe, provides a framework to promote a consistent approach and common objectives for national and regional action to implement the Convention on Biological Diversity (CBD). At the pan-European level, countries with economies in transition have agreed to halt the loss of biodiversity by 2010 (<http://www.unece.org/env/proceedings/files.pdf/Item%209/9Documents/ece.cep.108.e.pdf>) and engaged in regional cooperation to develop biodiversity indicators (<http://biodiversity-chm.eea.europa.eu/information/indicator/F1090245995>), identify high nature value farmland and link the ecosystem approach with sustainable forest management, amongst other activities (<http://www.unece.org/env/documents/2007/ece/ece.belgrade.conf.2007.inf.10.e.pdf>). Further activities to achieve the 2010 biodiversity target will continue in 2008-2010.

There is a growing understanding that environmental degradation, inequitable access to natural resources and transboundary movement of hazardous materials increase the probability of conflict and thereby pose a risk to human and even national security. The **UNEP/UNDP/OSCE/NATO/UNECE/REC Environment and Security Initiative (ENVSEC)**, coordinated by UNEP, seeks to facilitate a process whereby key public decision makers in South Eastern and Eastern Europe, Central Asia and the Caucasus promote action to advance and protect peace and the environment at the same time. A large number of environment and security assessments have been carried out and a work programme including over 70 projects stemming from region-specific needs for further assessments, policy development, institution and capacity building as well as technical cooperation has been elaborated for the period 2007-2009. (<http://www.envsec.org>).

In the area of **sustainable consumption and production**, UNEP and the European Environment Agency produced a report on *Sustainable Consumption and Production (SCP) in South Eastern Europe and Eastern Europe, Caucasus and Central Asia* (<http://www.unep.ch/scoe/SCPreport.htm>) with detailed analyses in selected economic sectors, i.e., industry, food, building, transport and waste. The results of the report are to be used as a basis for the development of further SCP initiatives for the pan-European region as well as national/local levels. The EST goes EAST Clearing House (EgE) promotes environmentally sustainable transport (EST) in Central and Eastern Europe, acting as a portal for the exchange of information, knowledge, news and experience in the region. The Clearing House hosts searchable databases for EST 'Good Practices' and 'Projects and Investment' and contains information on 248 projects to date (<http://esteast.unep.ch>).

As an example of a capacity-building activity in which countries with economies in transition in South Eastern Europe, Eastern Europe, Caucasus and Central Asia regions participate, the **UNEP/UNITAR Geneva Training Programme in Environmental Diplomacy** teaches the skills necessary for participating in global negotiations in environment, sustainable development and related fields, including negotiations related to the development and implementation of legal instruments and other types of agreements. The programme is aimed at present or future diplomats, negotiators, policy and decision makers in governments, regional intergovernmental bodies, local authorities, the private sector, NGOs, trade unions and UN bodies and it is carried out once a year.

In addition to continuing to use the mechanisms already in place for carrying out relevant environmental activities in countries with economies in transition, the cooperation between the UN system and these countries could be further strengthened by increased support to the **'Delivering as One'** process. In the context of the One UN pilot exercise in Albania, UNEP was instrumental in the development of the UNDAF Outcome on Environment in 2007. A remarkable feature of the One UN Albania is that UNEP (a Non-resident Agency) has been entrusted with the coordination and execution of the Outcome on Environment, leading the UNCT "Environment" Thematic Working Group. The next six months will see an intensification of our efforts in ensuring full take-off of the activities related to the Outcome on Environment. In addition, as most of the 2008-2009 UNDAF roll-out countries are countries in transition in the Pan-European region, UNEP has offered its support to UN Country Teams in the CCA/UNDAF exercise, as a crucial vehicle to ensure mainstreaming of environmental sustainability and the achievement of MDGs.

UN-HABITAT

(i) Nature of assistance activities

In the perspective of enhanced assistance to countries to address the challenging problems of sustainable urban development and affordable housing, UN-HABITAT opened in October 2006, with the support from the Government of Poland, an office in Warsaw to support operational activities in Central and Eastern Europe.

The Warsaw Office convened two special ministerial-level Advisory Council meetings – an inaugural session in Warsaw in February 2007, followed by a meeting in Bucharest, Romania, which offered to ministers and high officials responsible for housing and urban development in the countries of the region, a platform for enhanced cooperation and knowledge-sharing and a mechanism to keep high on the agenda housing and urban management challenges. Significant attendance clearly confirmed the need to vigorously improve exchanges on urban challenges in the region. The meetings also resulted in the *Warsaw Declaration* in which participating countries demonstrated their commitment to improved housing and integrated urban planning and management.

Technical cooperation activities developed by UN-HABITAT also include:

South East Europe Region

- Support to the Stability Pact for South Eastern Europe Regional Capacity Strengthening Programme for Urban Development and Housing (RCSP) with the aim of a) enhancing regional co-operation activities through collaborative networks of Central Governments' agencies, National Municipal Associations, civil society and academic institutions, b) strengthening capacities at all levels (regional, national and local) to formulate and implement demonstrative projects with high potential for replicability and broader impact.

Albania

- Technical Assistance to eight Municipalities and Central Government for the implementation of a loan from the Council of Europe Development Bank for the Social Housing Sector (1100 units).

Armenia

- Technical Assistance to municipalities suffered from natural disasters and conflicts in their quest for ways to solving housing challenges for low income citizens.

Bosnia and Herzegovina

- Support the revision process of the Strategy for implementation of the Annex VII of the Dayton Peace Agreement for the housing sector and the initial steps for the housing reform process.
- Support to Mostar municipality for integrated city planning systems and governance.

Kosovo

- Develop and implement residential property restitution mechanism addressing property loss and regulation under UNSCR 1244; (complete)
- Assist reconstruction of administrative and institutional systems for cadastre and land administration systems; (complete)

- Initiate policy and operational capacity building for implementation of Kosovo Spatial Planning Law, and decentralization system for urban/municipal/spatial planning. (ongoing)

Moldova

- Support to Chisinau Municipality to design a project with aim at: a) supporting the formulation of an operational development strategy for Chisinau focusing on housing, basic infrastructure and efficient municipal asset management; b) generating institutional changes in the municipality to ensure efficient and effective implementation of the strategy and c) improving the performance of municipal service providers.
- Training of trainers based on UN-HABITAT Local Economic Development (LED) methodologies and tools as a prelude to the launching by UNDP/ Moldova of a LED strategic planning and implementation initiative in 5 towns in the central region.

Serbia

- Financial and technical support to 7 Cities/Municipalities and Central Government to set up modern institution framework and instruments to address the needs of housing for low-income categories, including refugees through pilot projects (670 new rental units), and to develop capacities related to city and local development strategies, with the aim of facilitating access to European Union and other international resources (<http://www.unhabitat.org.yu/programmes/sirp/sirp.htm>).
- In the context of the EU Pre-Adhesion and allocation of EU funds to Serbia, support to capacity strengthening of the Ministry of Economy and Regional Development for (a) the operational management of regional development programmes; (b) the establishment of the Serbian Regional Development Fund and (c) the provision of information to all regional and local actors.
- Support to the development of Territorial Information System.
- Support to improvement and integration of informal settlements, including Roma Settlements.
- Support to Conflict Prevention and Recovery by promoting Safer Cities Strategies and peace building in Southern Serbia.

Tajikistan

- Technical assistance in identifying priority issues to be addressed in the context of sustainable urbanisation and housing.
- Technical Assistance to three municipalities and to the Central Government in preparation of application for funding to the Cities Alliance for elaborating City Development Strategies.

Russian Federation

- Enhancing activities in Russia, including strengthening network of created national and local observatories;
- Publication by WUF IV the “State of Russian Cities Report”
- Negotiating possibilities to providing some funding for UN-HABITAT activities in other transitional countries.
- Improvement of modalities of cooperation.
- UN-HABITAT joins UN family agencies in the UN House in Moscow.

(ii) Current plans

- To increase UN-HABITAT capacities dedicated to Eastern and Central Europe and the CIS, and continuously provide assistance for technical cooperation initiatives so as to respond to countries' needs on housing and integrated urban planning (on-going and prospective).
- To enhance national and local governments capacities to mobilize European Union and other national and international funds for improving the living condition of low income categories and making local territories more attractive for domestic and international investments.
- To enhance information management and dissemination on urban policy and management and governance reform (regional conferences and regional bulletin).
- To increase regional knowledge of urban conditions and trends and development of policies and strategies to address these trends (State of Eastern and Central European Cities Report; regional urban observatory).
- Continue providing technical assistance on request of governments, including advisory, identification and project formulation mission, facilitation of regional/sub-regional workshops, EGM etc. on request of interested countries with economies in transition.

(iii) How to strengthen the links between the UN system and the economies in transition

Support central and local governments and their partners to build their capacities including capacities to mobilize domestic and international resources for development of infrastructures and improvement of their socio-economic profile, provide technical and policy advice on improvement of urban development and housing legislation with the aim of reinforcing the attractiveness and competitiveness of their territories for private investment.

UNIDO

- UNIDO is fully committed to continue its support to facilitate the integration of the countries in transition of Central and Eastern Europe and Commonwealth of Independent States (CEE/NIS) into the world economy along the lines of UNIDO three areas of focus: poverty alleviation through productive capacity, trade capacity building and energy. The focus is placed on strengthening productivity and competitiveness of economic sectors, capacity building and institutional support, as well as promoting transfer of environmentally friendly technologies within the Climate Change Agenda.
- UNIDO assistance has been implemented in the form of global forum activities and technical cooperation (TC) programmes and projects.
- As to the **global forum activities** UNIDO organized several important events in 2007 and 2008 such as:
 - UNIDO-ICIE International Conference on Cooperation in Commercialization and Financing of Innovation and Technology for Eastern Europe and NIS, Vienna, 21 -22 March 2007,
 - International Seminar "Central Asia, Powering the Future", Vienna, 14 May 2007
 - UNIDO-ICSTI international Seminar for Eastern Europe and NIS : "Scientific and Technological Innovation: National Experience and International Cooperation", Vienna, 29-30 May 2007,
 - Technology Foresight Summit with emphasis on water productivity in industries of the future, Budapest, Hungary, 27-29 September 2007
 - Regional Workshop on Promoting Sustainable Biofuels Production and Use in Central and Eastern Europe, Cavtat, Croatia, 12-13 November 2007
 - Europe & NIS Round Table on "Foresight and Water Productivity" at the 11th Session of the UNIDO GC, Vienna, 5 December 2008
 - Regional Workshop on Renewable Energies in Carpathian countries, Lviv, Ukraine, 6-7 May 2008
- Regarding **TC programmes** in the region, UNIDO implements currently 106 country and regional projects in 18 countries in the region. Their total project budget exceeds US\$ 26.7 million. 64 TC projects are in the phase of formulation in 17 countries with estimated budget \$52 million.
- UNIDO assistance to economies in transition is steadily growing. UNIDO's programme allotments in the region of Europe and NIS increased from USD 5.6 million as of December 2005 to USD 10.9 million as of December 2007. TC delivery increased from USD 4.2 million as of December 2005 to USD 8.3 million as of December 2007. In 2007 28 new country and regional projects were initiated.

- The majority of UNIDO assistance concentrates in the field of **Energy and Environment** with dominating programmes addressing the issue of phasing out ozone depleting substances (ODS). The projects focusing on replacing outdated technologies are implemented under Montreal Protocol Funds. In total, UNIDO implements 28 ODS projects in Albania, Bosnia and Herzegovina, Croatia, Georgia, Kyrgyzstan, FYR Macedonia, Montenegro, Romania and Serbia.
- A number of projects have been launched under GEF financing in the formulation of National Implementation Plans to eliminate persistent organic pollutants (POPs) and reduce the hazardous effect of the most toxic chemicals to the environment in compliance with the Stockholm Convention. Four countries benefit from UNIDO assistance: Azerbaijan, Romania, Russian Federation and Tajikistan. UNIDO implements also one global demonstration programme co-funded by GEF and the government of Slovakia on non-combustion innovative technologies to destroy POPs.
- UNIDO worldwide programme on establishing the national cleaner production centres and/or programmes covers also the economies in transition. The programmes contribute to strengthening competitiveness and productivity of industry, promoting sustained social advance in compliance with environmental norms. The NCPC projects include Armenia, Bulgaria, FRY Macedonia, Romania, Serbia, Russian Federation, and Uzbekistan. In a few other countries projects such as Albania, Montenegro and Azerbaijan are under preparation.
- In parallel with acquiring the status of GEF implementing agency, UNIDO focused its assistance towards helping countries in addressing the issues of energy development strategies, industrial energy efficiency and renewable sources of energy. The projects are under implementation or in the phase of preparation in such countries as Montenegro, Moldova, Romania, Russian Federation, Turkmenistan and Ukraine. UNIDO intends to intensify its cooperation with GEF and national focal points to promote such programmes within the "Climate Change" component in order to reduce the risk of a global warming effect originating from this region.
- UNIDO has successfully implemented projects enhancing the capacity of the Regional State Administration of the Lviv Oblast in Ukraine in sound management of water infrastructure and sewage facilities. The new projects initiated in 2007 will assist the regional authorities in formulating policies to reduce man-made pollution in the basin of the Western Bug River in Ukraine.
- **Poverty alleviation through productive activities** is dominated by programmes addressing the issues of upgrading the productive sector and making it more competitive, especially agro-industries and food safety in compliance with international standards. UNIDO implements the regional project on "Healthy and Safe Food for the future for Bulgaria, Croatia, Czech Republic, Hungary, Romania and
- Slovakia, funded by the European Commission. A new project initiative on food safety is under development for South Eastern Europe.
- A new project initiative has been launched in the field of **trade capacity building** (TCB) under the cooperative arrangements with WYO. The' projects address the issue of conformity assessment, promotion of international standards (ISO 9001, ISO 14001, ISO 22000, SA 8000), traceability, and upgrading quality control laboratories for international

accreditation (ISO 17025). TCB related projects have been initiated in Armenia, Azerbaijan, Moldova and the Russian Federation.

- The Technology Foresight Programme focuses on helping the countries in formulating long-term economic and technological development scenarios based upon indigenous economic potential and technological development and innovations. UNIDO has implemented in 2006-2007 a number of training programmes on technology foresight in the Czech Republic, Hungary, Slovakia, and Turkey. To support the implementation of the Technology Foresight Programme, UNIDO has launched a regional Virtual Technology Foresight Centre located in Budapest. The Centre is to coordinate technology foresight activities in the region.
- In 2007/108 UNIDO launched the regional project on corporate social responsibility (CSR) to be located in Croatia and invited several countries from the region to join the project. The regional CSR project should help companies, especially SMEs to address social and environmental issues in their business operations.
- UNIDO has prepared a draft country programme consisting of four project concepts as contribution to the **One UN Programme in Albania**. Two project concepts on cleaner production and biofuels are under active consideration. In addition UNIDO takes part in an inter-agency initiative on trade and productive capacity bundling in cooperation with UNCTAO, ITC, FAO, UNECE and UNOP.
- **Fund mobilization.** UNIDO is actively involved in promoting East-East and East-South cooperation through mobilizing funds from "emerging" donor countries for TC cooperation in the region, global forum activities organized by UNIDO in the region as well as for TC projects in developing countries, mainly in Africa. UNIDO activities under this initiative include the transfer of industrial development experiences, as well as know-how and expertise of successful transitional economies. The Czech Republic, Hungary, Poland, Slovakia, Slovenia and the Russian Federation are funding a growing number of UNIDO projects in the region through their voluntary contributions to UNIDO.

UNODC

The nature of assistance activities (since 2006)

South Eastern Europe

UNODC's current and recent past assistance activities in South Eastern Europe target the areas of drug trafficking, organized crime (incl. human trafficking), terrorism, and HIV among drug users. The nature of assistance includes policy and planning support, legal assistance and capacity building including provision of expert advice, equipment and training. Facilitation of national and regional cooperation and exchange of experiences (including at the operational level), run throughout the programme.

Law enforcement

- Strengthening border control capacities in Albania, specifically targeting drug trafficking and organized crime including trafficking in persons.
- Strengthening criminal intelligence capacities in Montenegro and Serbia targeting organized crime.
- **Drug law enforcement** capacity building in South Eastern Europe through the implementation of an exchange programme for operational drug law enforcement officers from South Eastern Europe and EU Member States.
- Strengthening the criminal justice response to trafficking in persons in South Eastern Europe.

Legal assistance

- Strengthening the legal regime against terrorism in South Eastern Europe.
- Legal assistance on: (i) law enforcement and judicial cooperation; (ii) international legal cooperation to combat transnational organized crime; (iii) mutual legal assistance (MLA); (iv) cooperation against terrorism and organized crime; and (v) domestic implementation of resolutions against terrorism.

HIV

- Developing a regional project on the diversification of HIV prevention and treatment services for injecting and other drug users in South Eastern Europe, and related preparatory activities.

Commonwealth of Independent States (CIS)

Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan & Uzbekistan)

1. Legal assistance

- Legal assistance regarding: (i) Drug-related legislation, organized crime and corruption; (ii) strengthening international judicial cooperation; and (iii) specific training and direct operational support to investigators, prosecutors and judges.

2. Information/intelligence collection, analysis and exchange

- Strengthening data collection and analysis capacities regarding drug trafficking (and related crime), cultivation and abuse in Central Asia.
- Enhancing drug law enforcement capacities in Central Asia in the area of criminal intelligence collection and information management.
- Establishing an operational Central Asian regional information and coordination centre (CARICC) on drug trafficking and related organized crime.

3. Precursor control

- Strengthening precursor control capacities in Central Asia

4. Border control & cross-border cooperation

- Enhancing Central Asia's capacities to counter drug trafficking and related organized crime through (i) introducing computer-based training programmes and specialized training; (ii) improving controlled delivery capacities; (iii) strengthening forensic laboratory capacities; and (iv) promoting regional cooperation.
- Strengthening the capacities of law enforcement entities in Kazakhstan to combat drug trafficking and related crime along major transportation routes.
- Strengthening Kyrgyzstan's capacity to combat drug trafficking and related organized crime e.g. through the establishment of a strong and well-equipped national drug control agency.
- Strengthening Tajik drug control capacities along the Tajik-Afghan border and developing cross border cooperation between Tajik and Afghan law enforcement agencies.
- Strengthening the capacity to combat drug trafficking and related crime in Tajikistan through the establishment of a strong and well-equipped national drug control agency and the enhancement of forensic laboratory capacities.
- Strengthening the border control capacities of Turkmenistan's drug law enforcement agencies at the Turkmen-Afghan border

5. Transnational organized crime, corruption, money laundering and terrorism

- Strengthening the legal regime against terrorism in Central Asia.
- Enhancing the capacity to reduce corruption in Kyrgyzstan. Placement of UNODC anti-corruption mentor at the General Prosecutor's Office.
- Strengthening the capacity of Uzbekistan to prevent, investigate and prosecute cases of human trafficking and the related legislation.

6. Drug abuse and HIV/AIDS prevention, treatment and care

- Strengthening the capacity in drug abuse epidemiology and development of drug abuse information and monitoring systems in Central Asia.
- Establishing favourable environments in Central Asia for rapid, large-scale and comprehensive interventions related to HIV/AIDS among injecting drug users and in prison settings.
- Strengthening of policy and strategy development, implementation, coordination, monitoring and evaluation capacities of Central Asia in the field of drug demand reduction and HIV/AIDS prevention and care.
- Mobilizing the efforts of governments, the media, and civil society organizations to produce an expanded and concerted response to drug abuse and HIV/AIDS prevention and care in Central Asia.

Moldova

- Strengthening the law enforcement and criminal justice system in Moldova to combat trafficking in persons.
- Enhancing the capacity to provide services and protection to the victims/witnesses of human trafficking.

Russian Federation

- Increasing access to effective drug treatment and rehabilitation services in the Russian Federation
- Scaling up and improving access to HIV/AIDS prevention and care programmes for injecting drug users and in prison settings in the Russian Federation.

Ukraine

- Legal and capacity building assistance regarding HIV/AIDS prevention and care for injecting drug users and in prison settings in Ukraine.

UNODC's current plans for delivering assistance (2008 – 2010)

South Eastern Europe

UNODC's current programme in South Eastern Europe will still be ongoing in 2008, and UNODC is in the process of developing a new programme for the region (commencing 2009) which is likely to include legal and capacity building assistance in the areas of drug trafficking and transnational organized crime (including human trafficking), corruption, terrorism, and drug abuse and HIV prevention and care.

Commonwealth of Independent States (CIS)

Belarus

- UNODC and the Government of Belarus are currently exploring the possibilities for developing a programme of cooperation for Belarus of a nature similar to that being considered for Russia.

Central Asia

- UNODC's programme in Central Asia during 2008-2011 will be strengthening national and regional capacities in countering drug and precursor trafficking, transnational organized crime (including human trafficking and smuggling of migrants), corruption, money laundering, and terrorism, and in dealing with drug abuse and HIV prevention and care, as well as providing legal assistance and facilitating regional cooperation.

Moldova

- UNODC is currently looking into the possibilities for developing a programme of cooperation for Moldova.

Russian Federation

- UNODC is currently drafting a new programme of cooperation for the Russian Federation (2008-2012) and which in principle is likely to cover types and areas of assistance similar to those envisaged for Central Asia.

Ukraine

- UNODC is planning to continue its current activities in Ukraine focusing on HIV/AIDS prevention and care for injecting drug users and in prison settings, and is exploring other assistance possibilities as well.

UNODC's views on how to strengthen the cooperation between the UN system and the economies in transition

- Apply "One UN" approach
- Assist countries in coordinating aid within relevant thematic areas

UNWTO

1. Introduction

All countries with economies in transition are member States of the UNWTO, including Tajikistan and Montenegro that joined the Organization in 2007. Within its Regional Commission for Europe and the General Programme of Work UNWTO provides assistance to these countries in their efforts to further develop their tourism sector in a sustainable way.

The still unexploited tourism potential and the political willingness to place tourism as a priority in the national agenda are among the strengths UNWTO has identified in most of the countries in transition. Their favourable price competitiveness in respect of traditional destinations, their proximity to important generating markets as well as the diversification of the tourist demand with a curiosity for new locations and products in these markets, are key factors that help to increase the tourism development potential of economies in transition. Not fully developed infrastructures with a huge demand for investments, as well as the slow process of privatization of large public tourism structures and the slow adaptation of “old” social tourism concepts to new realities are some of the weaknesses these countries are facing. In addition the distorted perception of their destinations and the lack of relevant qualifications of human resources affect the further development of the tourism sector.

2. Tourism Policy

UNWTO is paying particular attention to the elaboration of adequate tourism policies and governance issues in the countries of transition and serves as a forum for sharing knowledge and best practices among countries with different levels of development within the European region. For this purpose, two seminars on tourism policy and best practices have been held. In the short-term the issue of tourism policy and mechanisms for its elaboration will be given particular attention at UNWTO in respect of these countries.

3. Development Assistance

Within its development assistance programme, UNWTO has implemented during the following technical assistance projects in these countries; some of them are upcoming or ongoing:

- *Albania*: assistance in the elaboration of national tourism law and of regional tourism strategy in Korca region
- *Macedonia*: national tourism development strategy 2008-2012
- *Belarus*: draft of national tourism development strategy
- *Armenia*: draft community based tourism strategy
- Federal Republic of Dagestan, *Russian Federation*: project formulation mission for the elaboration of a regional tourism development strategy plan

For further information: <http://www.unwto.org/develop/>

4. Tourism Statistics

UNWTO has continued to assist its Member States in the elaboration of tourism statistics (Tourism Satellite Accounts) and in methodologies for the economic measurement of tourism. In this regard countries receive on a regular basis statistical publications as well as technical assistance upon request. In the beginning of 2008, UNWTO has launched the implementation of

a two-year capacity building programme on tourism statistics for several European member States, including *Albania, Russian Federation, Kazakhstan* and *Montenegro* among others.

5. Promotion and Marketing

In order to ensure the continuous improvement of competitiveness of destinations, the UNWTO keeps its Member States informed of current market performance, trends and best practices in the area of market research and promotion and provides training on marketing and promotional tools upon request. Such trainings were held in *Belarus, Azerbaijan, the Russian Federation and Lithuania*. Upon request of the Republic of *Georgia* and *Kazakhstan*, UNWTO has provided assistance in the organization of press trips by international journalists, who also provided training in communication issues to representatives of the local mass media. A conference on Tourism and Communication was held in Tbilisi, *Georgia*. In addition, UNWTO provides upon request training for diplomats on the issue of Marketing and Promotion to those countries which do not have National Tourism Offices established abroad. Such training has been held in *Azerbaijan* for career diplomats.

6. Information Sharing

UNWTO has published in the reported period several studies and proceedings of conferences to which Member States have unlimited access. The publications include, but are not limited, to:

- Training manual on Poverty Reduction and Tourism
- Guidebook on Heritage Interpretation
- Sources and Methods, Labour Statistics- Employment in the Tourism Industries

In the field of sustainable development UNWTO shared with the countries in transition a guidebook on Indicators of Sustainable Development for Tourism Destinations which describes major sustainability issues and suggests the use of relevant indicators and measurement techniques. Technical seminars have been held on that topic throughout the European region, *inter alia*, in *Montenegro* and *Kazakhstan*.

7. Education and Training

The UNWTO Department of Education and Knowledge Management provides regular training to public tourism officials, including officials from countries in transition. Training courses were held twice in the reported period and included representatives of the Russian Federation, Poland, Latvia, Montenegro, Kazakhstan and Georgia.

8. Silk Road Project

The UNWTO's long-term tourism project on the Silk Road, the overall aim of which is to promote a special Silk Road Tourism concept, continues to serve as a platform for information sharing and coordination efforts among Central Asian countries and other countries along the ancient Silk Road. The UNWTO Silk Road Project Office in Samarkand, Uzbekistan is compiling a data base on tourism products along the Silk Road.

For further information please visit: www.unwto.org

WFP

Though WFP's main area of operations is focused in Africa, WFP is carrying out activities in a limited number of economies in transition. Good examples of such economies as outlined below are found in Central Asia and Eastern Europe.

Armenia

- WFP started its operations with emergency food distributions in 1993 to mitigate the plight of refugees and internally displaced persons (IDPs). Subsequent efforts also focused on the resident population when it became apparent that they were suffering almost as much as the displaced due to deep economic crisis, armed conflict, blockades, an energy crisis and "shock therapy" following independence.
- WFP is working with UNICEF and Ministry of Health to establish a mandatory wheat flour fortification. This will provide a durable solution for anaemia and micronutrient deficiencies which have doubled in the last five years.
- WFP is establishing operational linkages with UN agencies and other stakeholders to ensure a smooth hand over and transition after the end of operations at the end of 2008.
- The UN can support the Government in ensuring legislations which will protect health and food security of the population. One of those legislations is wheat flour fortification.
- The achievement of food security will be a conglomerate of external support to the agricultural sector with government and private sector investment. Avoiding monopolies in imports and production will also improve the overall economy.
- The UN can continue to support rule of law and human rights activities as countries in transition and young democracies have still a long path to achieve them fully.

Azerbaijan

- The WFP project, which started in 1993, has been directed to the internally displaced population from the Armenia – Azerbaijan conflict over Nagorno-Karabakh. The project, which has averaged around 150,000 rural IDP beneficiaries for the past years, will end in June 2008 and beneficiaries have been gradually handed over to the Government.
- While there were some small recovery-type activities in the PRRO, these were limited to small-scale food-for-work (FFW) and food-for-education (FFE) that provided a take-home ration based on school attendance. The majority of assistance has continued to be through general food distributions over the 15 years of WFP operations.
- Strengthening cooperation between the UN system and the Government has been tackled by other UN agencies with increasing focus on technical support, and a move away from humanitarian assistance.
- There is little concrete information on progress towards meeting Millennium Development Goals (MDGs), since the last MDG report was issued in 2005, covering the period 2003 and 2004 – i.e. before the large growth in the economy. However, both WFP monitoring and government statistics suggest that families spend an average 54 percent of income on food, so rising food prices could well have an impact on poverty levels.

Georgia

- Most of WFP resources are channelled through a recovery component that includes community-based FFW activities to promote sustainable food security among rural poor population; FFE programme to maintain attendance, improve concentration and learning capacity among primary schoolchildren; and nutritional support to TB patients and

people living with HIV to promote treatment and recovery among these categories of beneficiaries. Through its relief component, WFP provides food assistance to most destitute population groups, including institutionalized children, elderly persons and Chechen refugees.

- This is WFP's last regular food aid operation in Georgia, challenging the agency to emphasize advocacy and local capacity-building activities to prepare a solid background for hand-over of WFP-assisted projects to local partners.
- During the current operation WFP piloted a Cash for Work (CFW) project which was very successful in the targeted areas. CFW is an adequate tool for countries in transition as there is food availability but lack of access due to low income. Farmers supported through this project invested in agricultural inputs and improved their crop outputs.
- The UN system should be able to advise the Government on the privatization of social services and provide experts in different sectors such as health, education, vocational training and labour to ensure that reforms take into consideration the most vulnerable sections of the population.

Russia

- WFP resumed its operations in the North Caucasus in 2000, responding to the impact of the second Chechen civil war, which erupted in 1999. Since 2000 WFP Russia has provided relief aid to the most vulnerable, socially unprotected groups of the population in Chechnya and internally displaced persons in Ingushetia.
- Taking into account recent years' political stabilization, return movements and economic recovery, WFP has gradually phased down its relief operations, targeting those most vulnerable with very limited or no potential of self-reliance through general food distribution and supplementary feeding. At the same time, WFP has supported recovery through continued FFE, covering most primary schools in Chechnya as well as FFW/Training.
- In line with the political stabilization and as part of its hand-over strategy, WFP has increasingly involved government line ministries in the two North Caucasus republics in targeting and programme implementation.
- Consensus was reached on the timeframe of continued WFP assistance through the end of 2008, by which time the Government may be in a position to cover needs, currently addressed by WFP, through its own mechanisms and increased resource allocation. It is also expected that continued economic growth will have a positive impact on poverty reduction and substantially reduce the number of vulnerable persons over the coming years.
- Suggestions to strengthen cooperation include: strengthening government capacity to target vulnerable populations through better vulnerability analysis and mapping (VAM) techniques; and encouraging countries in transition to become donors, supporting the work of multilateral organizations.

Tajikistan

- WFP has been working in Tajikistan since 1993. The goal of WFP's operation has been to protect livelihoods and preserve assets, improve rural household food security, increase food production and promote investment in human capital, while also providing timely and adequate emergency assistance at times of crisis.

- This is being accomplished through a combination of recovery activities, such as FFE, food-for-health and FFW, and relief assistance for particularly vulnerable groups and victims of natural disasters.
- The activities aim to support and contribute to the Government's efforts to achieve the MDGs, as reflected in the Poverty Reduction Strategy and the National Development Strategy.
- WFP hopes to complement and reinforce the Government efforts, together with the World Bank and FAO, in setting up a strong national food security policy and strategy that will particularly focus on improved and increased food production and social protection of the most vulnerable groups.

The mission statement of WHO's Regional office for Europe specifies that it supports Member States in developing their own health policies, health systems and public health programs; preventing and overcoming threats to health; anticipating future challenges; and advocating public health. WHO Europe's Health System Strategy (2005) aims to help Member States overcome the challenges they face and finally, to progress in the achievement of the MDGs and contribute to social well being at large.

With each of the governments of the 18 countries in the WHO European region with economies in transition, WHO Europe elaborates biennial collaborative agreements which are part of a six-year provisional Medium-term framework for collaboration. They contain priorities for collaboration with the national health authorities that take into account the Organization's global priorities and country's needs and contributions in the country by other partners, as well as WHO's own capacities.

Within all collaborative frameworks WHO Europe provides evidence and country-tailored technical assistance aiming at:

- Supporting the efficient performance of and investment in effective health systems to improve people's health which should also lead to economic development and greater social well-being.
- Increasing countries' capacity to tackle the social and economic determinants of health and of health inequalities. This is of particular relevance for transition countries as many of them have undergone an unprecedented mortality crisis upon the onset of transition, largely driven by socioeconomic change. (Albania, Czech Republic, TFYR Macedonia, Lithuania, Slovenia and Tajikistan).
- Highlighting the consequences of ill health for a number of economic outcomes at both individual and macroeconomic level, for instance in the Russian Federation or in Estonia.

To increase the impact of cooperation between the UN and transition countries, highlighting the importance of health and putting health higher on the political agenda will be crucial - both as a determinant of socioeconomic development and also as a consequence of social and economic factors that need to be taken into account when thinking about the most (cost-) effective ways of achieving improved health.

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WIPO

The main focus for WIPO's activities in countries with economies in transition has been to ensure the most appropriate capacity building cooperation activities responding to the current and future requirements in these countries. Important efforts have been made to ensure that the integration of countries in the world economy and international trade is promoted with such technical assistance which takes into consideration the differing levels of economic and social development, as well as the diverse level of intellectual property (IP) infrastructure.

WIPO has accordingly adapted its cooperation with various countries in the region to respond to the various capacity building requirements and expectations. In particular, WIPO has supported these countries by developing and modernizing their IP systems in a way consistent with their development priorities and national plans. The key focus has been to support countries in building national capacity in terms of IP structure and human resources, combined with enhancing the general and specific awareness level and knowledge base for effective use of IP for economic, social and cultural development.

WIPO's technical assistance activities have been designed in close consultation with the countries concerned to respond to their diverse and specific needs in order to develop and enhance their capacity in all important areas of IP such as development of IP services, awareness building, human resource development, strengthening of relevant institutions and infrastructure, formulations of legislation, enhancing professional and user capabilities both at national and regional levels. Particular attention was given to the promotion of teaching IPRs and academic research.

In many countries IP has been playing a prominent role in the accelerated economic, social and cultural development, and as a result their requests and needs for technical assistance have reached a higher professional level - hence the task for WIPO was to provide more specific assistance of an advanced level to satisfy the enhanced expectations, in particular in respect of identification, use and management of IP rights.

The main challenges faced by WIPO and which represented the basis of cooperation activities were the following:

- to promote integration of the IP dimension as an important policy tool in to the relevant national policies and strategies;
- to customize IP policies and strategies to suit the individual level of development taking into consideration the available resources, strengths and limitations;
- to assist countries in upgrading their national IP infrastructure in line with recent international and regional changes;
- to enable countries to establish efficient IP enforcement mechanisms; and
- to enhance capabilities to create, manage and commercialize IP for development.

At the request of Member States, new approaches in the cooperation activities have been introduced, namely by developing new IP tools focusing on the specific challenges and needs in countries in transition, for such topical issues as:

- Management of Academic Intellectual Property and Early Stage Innovation;
- Special Features of the Copyright Systems
- Enforcement of Intellectual Property Rights;
- Use of IPRs by SMEs with particular focus on CIS countries.

WTO

The main purpose of WTO's trade capacity building programmes is to provide direct support to beneficiaries enhancing their human and institutional capacity to deal with the challenges emerging from the multilateral trading system. In the WTO, economies in transition fall under the regional configuration of Central and Eastern Europe, and Central Asia.⁹ This category now excludes all those countries which have acceded to the European Union. Technical assistance by the WTO has no specific categorization for economies in transition, but is administered uniformly to the entire region, of which the predominant number are in fact economies in transition.

In this region, technical assistance was provided through a mixture of national and regional seminars, as well as by associating participants to the Geneva-based Trade Policy Courses (TPCs) and other training events. .

From July 2006-December 2007, WTO undertook a total of 53 technical assistance activities for the benefit of this region. It should be recalled that several countries in this region are in the process of accession for membership to the WTO, for which national based technical assistance (TA) activities are often the most effective mode of delivery. For the delivery of regional seminars, close cooperation continued on a regular basis between the WTO and the Joint Vienna Institute (JVI), which provides excellent training facilities for WTO training courses and which hosts an average of 8 WTO related training events per year. The cooperation arrangement between the WTO and the JVI works to the mutual satisfaction of both parties.

In several cases, close cooperation took place with the World Bank, with whom the WTO Secretariat co-organized training events on WTO issues, essentially geared towards acceding and recently acceded countries. Cooperation also takes place with other training centres/bodies, including the International Development Law Organization (IDLO), based in Rome, Italy.

By way of illustration, a one-week training course was held at the JVI, in Vienna, Austria, from 22-26 October 2007, organized jointly by the WTO and the World Bank Institute (WBI), which brought together officials from acceding countries, to specifically address accession related issues for countries in Central and Eastern Europe and Central Asia. This was the second such course jointly organized between the WTO and WBI on Accessions, and had been designed in such a way as to combine economic issues, including theory and practice, while at the same time engaging participants through an interactive process, e.g. through question and answer sessions, quizzes, country presentations and a discussion of case studies.

A total of 18 government officials attended the seminar, all representing acceding countries, including Azerbaijan, Bosnia and Herzegovina, Iran, Kazakhstan, Montenegro, Russian Federation, Serbia, Tajikistan, Ukraine, Uzbekistan. This one week training course offered basic training on the economics of trade policy reform and on the WTO, WTO accession and the Doha Round. The objectives set out at the beginning of the course included, that by the end of the course the participants would gain a thorough overview of the economic rationales for trade reform and for accession, and would also acquire improved knowledge of the basic WTO-

⁹ The countries covered in this category are: Afghanistan, Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Croatia, Former Yugoslav Republic of Macedonia, Georgia, Iran, Israel, Kazakhstan, Kyrgyz Republic, Moldova, Montenegro, Russian Federation, Serbia, Tajikistan, Turkey, Turkmenistan, Ukraine, and Uzbekistan.

related international trade architecture. The course was delivered through a combination of face-to-face lectures, case studies, interactive exercises and participants' presentations.

In terms of the future activities foreseen for this region, these are contained in the Secretariat's biennial Technical Assistance and Training Plan 2008-2009, which was adopted by Members in November 2007.