

UNDP's Submission

“Economic Assistance to the Eastern European States affected by development in the Balkans”

GA Resolution 56/110

Since 1998, UNDP has delivered more than \$293 million in the Balkan countries (including Serbia-Montenegro and Kosovo, Bulgaria, Romania, Bosnia-Herzegovina, Albania, Former Yugoslav Republic of Macedonia, and Croatia) to address the deleterious results of the conflicts and crises these countries experienced throughout the 1990s. UNDP's programmes seek to improve overall economic conditions by facilitating an enabling environment that includes good, effective public administration; sound rule of law to encourage private sector development and foreign direct investment; preventing renewed conflicts by addressing the needs of excluded, vulnerable populations; and addressing human insecurity concerns caused by trafficking of small arms and women.

Specific UNDP programmes include:

1. ***Economic Recovery through Micro-Finance and SMEs:*** UNDP has implemented income and employment-generating programmes in Bosnia, Serbia-Montenegro including Kosovo, Albania, Bulgaria, and FYROM a first step towards economic recovery. UNDP in Croatia, Kosovo, and Bosnia has also implemented micro-finance and SME programmes to further strengthen private sector development and economic growth.
2. ***Foreign Direct Investment:*** UNDP views FDI as an essential component of economic growth in this region. Its programmes assist governments in the region create an environment conducive to FDI, and to promote FDI. UNDP has already been engaged with specific FDI promotion activities for Bosnia-Herzegovina and FYROM. Additionally UNDP is a co-organiser and sponsor of a major FDI summit for the countries of this region, taking place in Bucharest in October 2003.
3. ***Public Administration Reform:*** Effective public administration is essential to creating a secure, effective environment for economic reform and growth. In this light, UNDP is implementing an innovative, multi-donor Capacity Building Fund in Serbia-Montenegro to support the reform process through training, technical assistance, and logistical support. In Bosnia-Herzegovina, UNDP has embarked on a comprehensive civil service capacity building programme. UNDP in Kosovo, FYROM, and Albania is working with public administration reform through local governance activities.
4. ***Rule of Law:*** Rule of law is necessary to encourage private sector development and to attract foreign direct investment. UNDP is currently engaged in rule of law programmes in Serbia-Montenegro and Montenegro.

5. ***Security and Small Arms Reduction***: UNDP recognises that the lack of security or weak security mechanisms are among the biggest obstacles to stability and economic development in this region. UNDP is therefore implementing a number of small arms reduction programmes in the region, including Bulgaria, Bosnia-Herzegovina, Albania, FYROM, Serbia-Montenegro and Kosovo.

Additionally, UNDP is a close partner to the Stability Pact for SouthEastern Europe in achieving its goals for reconstruction of this region. Specifically UNDP is hosting the IT for Development secretariat in Sarajevo, and is the implementing arm of the Stability Pact's South Eastern Europe Small Arms Center based in Belgrade. UNDP has also recently joined the Stability Pact's Business Advisory Council, to better merge its activities in a coordinated fashion with the Stability Pact's programmes.

Finally, recognizing the important links between the countries of SouthEastern Europe and the need to promote intragration within the region as a step towards EU Accession, UNDP has developed in partnership with the UN Foundation a sub-regional programme for the region which emphasizes economic development through trade, building civil society engagement, unlocking the informal economy, and supporting development in vulnerable, trans-border regions.