

ECONOMIC COMMISSION FOR EUROPE

EXECUTIVE COMMITTEE

Fifty-first Meeting
Geneva, 21 May 2012

Item 5

Informal document No. **2012/14**

UNECE Technical Cooperation Activities 2011
Annual Report

ANNUAL REPORT ON UNECE TECHNICAL COOPERATION ACTIVITIES IN 2011

I. INTRODUCTION

1. The present report is submitted pursuant to the UNECE Technical Cooperation Strategy adopted by the Commission at its sixty-second session, held in April 2007, in which the member States requested the secretariat to submit annual reports on UNECE technical cooperation activities to the Executive Committee.
2. The report is structured around three major United Nations programmes implemented by UNECE: “Economic Development in Europe”, “Regular Programme of Technical Cooperation”, and “United Nations Development Account”.
3. It also includes separate chapters on (a) *Delivering as One*, (b) funding of the UNECE technical cooperation activities, and (c) evaluation of technical cooperation projects. Details of the technical-cooperation activities and their funding are provided in Annexes I and II.

II. HIGHLIGHTS OF ACCOMPLISHMENTS IN 2011

4. Technical cooperation services were provided through the following programmes:

2.1 Programme “Economic Development in Europe”

Subprogramme 1 – Environment. The objective of this subprogramme is to safeguard the environment and health, improve environmental management throughout the region, and further promote the integration of environmental policies into sectoral policies.

5. Technical cooperation activities facilitated the accession of EECCA and SEE countries to environmental conventions, and contributed to enhancing their capacity to implement these instruments. The Assistance Programme contributed to strengthening the capacity of participating countries to self-assess their progress in implementing the *Industrial Accidents Convention*. As a result of assistance received within the framework of the *Aarhus Convention*, the Government of Turkmenistan initiated the revision of the Law on Public Associations as a basis for its compliance. Following the UNECE training activities, several countries announced their intention to ratify the PRTR Protocol of this Convention. A training course under the *Espoo Convention* held in Tashkent has led to the expected legislative review in 2012, to assist Uzbekistan in preparing for accession to the Convention. As a result of a project for Western Balkan countries implemented under the *Convention on Long-range Transboundary Air Pollution*, Albania, Montenegro, Serbia and the former Yugoslav Republic of Macedonia have developed national action plans for ratifying and implementing the Convention's three most recent protocols. The Second Assessment of Transboundary Rivers, Lakes and Groundwaters was launched at the Seventh Ministerial Conference “Environment for Europe” (21-23 September 2011) under the *Water Convention*. It provides information and a stimulus for Governments and other stakeholders to improve the status of transboundary waters and related ecosystems. National Policy Dialogues on integrated water resources management in Eastern Europe, the Caucasus and Central Asia have contributed to the development of sound water policies in ten beneficiary countries.

Subprogramme 2 – Transport. The objective of the subprogramme is to facilitate the international movement of persons and goods by inland transport modes and improve safety, environmental protection, energy efficiency and security in the transport sector to levels that contribute effectively to sustainable development.

6. The subprogramme continued the implementation of the “Euro-Asian Transport Links” project (Phase II). Under this project, two expert group meetings were held in Kazakhstan and Russia. The project has produced safe, secure and efficient Euro-Asian transport solutions for addressing both physical and non-physical obstacles to

transport. The results include an investment strategy for developing 404 priority transport infrastructure projects along the main Euro-Asian routes, at a total cost of \$271 billion, the development of a GIS database and related applications, and the provision of policy recommendations. The subprogramme also fostered the development of transport networks in Central, Eastern and South-Eastern Europe through the implementation of the Trans-European Railways (TER) project. A Steering Committee meeting and a capacity building roundtable on rail investment financing organized within the framework of this project in Azerbaijan contributed to an increased knowledge by stakeholders in participating countries of best practices on securing public and private funding of large-scale infrastructure projects.

7. UNECE provided training on border crossing facilitation to Central Asian countries using the facilities offered by OSCE Border Staff Management College. Workshops and advisory services on border crossing facilitation were also provided to Bosnia and Herzegovina, Kazakhstan, Russian Federation and Turkey. They facilitated the implementation by the EECCA and SEE countries of the relevant UNECE legal instruments, namely the Customs Convention on the International Transport of Goods under Cover of TIR Carnets, and the International Convention on the Harmonization of Frontier Controls of Goods. In support of these activities, the subprogramme, in cooperation with OSCE, completed three years of research and published a joint OSCE-UNECE best practice guide on border crossing facilitation. Given the global nature of many UN transport legal instruments administered by UNECE, a number of advisory missions and capacity-building workshops took place outside of the UNECE region. Among those were policy advice and bilateral consultations on the transport of dangerous goods with the League of Arab States in Cairo in October 2011, and on the accession to the 1958 Agreement with the Colombian authorities in Bogota in October 2011. It is expected that the emerging car manufacturing centres in Asia and Latin America will adhere to the UN vehicle agreements and regulations, as a result of policy advice provided by UNECE staff during relevant workshops and meetings in Brazil, Colombia, Indonesia and the Philippines.

Subprogramme 3 – Statistics. The objective of the subprogramme is to improve the reliability of national official statistics and their comparability at the international level, and to ensure the coordination of international statistical activities undertaken in the region.

8. In 2011, technical cooperation activities focused on enhancing the capacity of national statistical systems of EECCA and SEE countries to produce accurate and timely statistics according to international standards and guidelines, including the UN Fundamental Principles of Official Statistics. To achieve these goals, the subprogramme organized seminars and training workshops, and provided advisory services in various statistical areas such as national accounts, MDG indicators, short-term economic statistics, population and housing censuses, gender statistics, migration statistics, measuring violence against women, environment and sustainable development statistics.

9. As a result of capacity-building and advisory services, most SEE countries completed their population and housing censuses in compliance with the recommendations of the Conference of European Statisticians. For some of these countries, this was the first census in 20 years, providing quantitative information about the massive displacement of population that took place in the subregion in the 1990s. Based on the UNECE publication *Practical Guidelines for Seasonal Adjustment* and other training material, the Caucasus and Central Asian countries started to compile short-term economic statistics according to international best practices. These statistical indicators will be of great support for national policymakers and other stakeholders, allowing for international comparison of economic development.

Subprogramme 4 – Economic Cooperation and Integration. The objective of the subprogramme is to promote a policy, financial and regulatory environment that is conducive to economic growth, innovative development, and higher competitiveness of enterprises and economic activities in the UNECE region.

10. As a result of growing demand from countries with economies in transition, in 2011 greater emphasis was placed on capacity-building activities and policy-advisory services. Such a shift was made possible thanks to factors such as the establishment of efficient teams of specialists and expert networks, the accumulation of experiences on good practices, the development of training tools, and success in raising extrabudgetary financing. The International Conference on Knowledge-based Development and Innovative Entrepreneurship, held in Baku, Azerbaijan served as an example of a cross-cutting policy-oriented event, combining knowledge sharing and learning elements.

11. The subprogramme strengthened its focus on implementing a new type of policy advisory service, namely, the national *Innovation Performance Reviews*. These studies are focused on identifying possible policy actions aimed at enhancing innovation activity in the reviewed country, and improving the efficiency of the national innovation system. After the successful pilot project in Belarus, the subprogramme undertook a similar project in Kazakhstan in 2011.

12. Another new policy advisory service was introduced in the area of Public-Private Partnerships (PPP), which focuses on assessing the readiness of countries for making use of the PPP model. In 2011, a number of meetings were held with officials from line ministries, municipal authorities and private-sector operators in the Republic of Moldova in the framework of the *National PPP Readiness Assessment*. This Assessment will raise awareness of the PPP model among public and private officials, assess the enabling environment for the successful undertaking of PPP projects, and identify sectors where potential PPP projects could be undertaken. In addition, the subprogramme started implementing a cooperation agreement with the Russian Vnesheconombank to provide support for a newly established PPP Training Centre for the Commonwealth of Independent States (CIS). This Training Centre will be affiliated with the UNECE International PPP Centre of Excellence, and train public officials from CIS countries to implement PPP projects in their countries.

Subprogramme 5 – Sustainable Energy. The objective is to move towards a more sustainable development path for the production and use of energy and the fuller integration of the energy infrastructure and energy markets of the countries in the region.

13. Through the “Energy Efficiency 21” (EE21) region-wide programme, technical assistance was provided to countries with economies in transition in the development of sustainable energy policies and regional cooperation on energy efficiency (EE) and renewable energy (RE) market formation. Capacity-building and policy advisory activities under the projects “Financing Energy Efficiency and Renewable Energy Investments for Climate Change Mitigation” (FEEI) and “Global Energy Efficiency 21” (GEE21) contributed to improved knowledge and skills of policymakers and energy managers in policy reform and business planning and implementation of EE and RE projects, including the preparation of commercially viable project proposals. In 2011, more than 200 project proposals were submitted for the indicative project pipeline for a future investment fund under the FEEI project.

14. The work of the Task Force established with the Group of Experts on energy efficiency led to the formulation of a “Global Strategy for Energy Efficiency Market Formation”. It will serve as a basis for regional and national strategies in the UN Regional Commissions. In addition, a common strategy on interregional cooperation between the CIS countries for the development of a coherent energy efficiency and energy saving policies for secure energy supplies was developed under the project “Increasing Energy Efficiency for Secure Energy Supplies”.

15. Capacity-building workshops organized under the “*Cooperative Project on Methane Capture and Use*” contributed to improved knowledge on international best practices and case studies in methane management and coal mine safety contained in the UNECE publication “Best Practices Guidance on Effective Methane Drainage and Use in Coal Mines”. Capacity-building workshops on the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources 2009 (UNFC) strengthened the knowledge and expertise of policy makers and experts for the implementation of UNFC.

Subprogramme 6 – Trade. The objective of this subprogramme is to facilitate trade and trade-related economic cooperation among countries of the UNECE region and with the rest of the world.

16. The capacity of transition economies in trade facilitation implementation has been strengthened through their participation in UNNExT, a joint UNECE/UNESCAP network of experts. Countries with economies in transition participating in the network include Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. In addition, Afghanistan and Mongolia have joined the network.

17. Technical cooperation activities also contributed to strengthening the capacity of countries in the CIS region to use UN/CEFACT standards. More specifically, CIS countries agreed to implement major e-standards which were drawn up by UNECE and later adopted as ISO standards. The standards suggested for transposition and implementation in the CIS region include UN/EDIFACT (most widely used standard for electronic data interchange, also adopted as an ISO standard ISO 9735), and a standard for the uniform format and harmonization of paper documents - UN Layout Key (adopted as ISO standard ISO 6422).

18. In agricultural quality standards, capacity-building and advisory services contributed to increased application of UNECE standards, resulting in improved quality of products produced and traded in an increasing number of countries. In 2011, the Republic of Moldova adopted 32 UNECE-based standards as part of their technical regulation on fresh fruit and vegetables; Kyrgyzstan - 12; Tajikistan - 3; and the Russian Federation - 17. In other CIS countries, work is under way to adopt most of UNECE standards as intergovernmental standards in 2012 and 2013. Major

exporting countries of fresh fruit and vegetables outside the UNECE region, including Chile, Ghana, Kenya, Morocco and South Africa, now base their national standards on those of UNECE.

19. Thanks to recent technical cooperation projects, new in-vitro biotechnological methods to produce healthy seed potatoes have been introduced in the Russian Federation. This was part of ongoing efforts to create centres for training and large-scale production of disease-free plant material for multiplication. Indonesia and Lebanon requested UNECE to provide technical assistance in setting up similar facilities. In addition, potato breeders from France and the Russian Federation signed a cooperation agreement to develop, test and commercialize new productive and disease-resistant potato varieties in these countries.

Subprogramme 7 – Timber and Forestry. The objective is to promote sustainable forest management, including the sound and legal use of wood, other forest products and services throughout the UNECE region.

20. Technical cooperation activities included the organization of seminars and workshops on emerging policy issues and the preparation of regular and ad-hoc analytical surveys. These activities contributed to advancing the development of national forest programmes of countries in the Caucasus, Central Asia and South-Eastern Europe and improving the national data collection in the fields of forest assessment, wood production, consumption and trade. The subprogramme organised several capacity-building workshops to facilitate the exchange of best practices and experience on issues such as valuation of and payment for ecosystem services, mobilization of wood resources on a sustainable basis, modern wood products marketing, and climate change mitigation and adaptation. They brought together countries facing similar challenges, helped to promote policy dialogue and encouraged collaboration between public and private actors.

Subprogramme 8 – Housing, Land Management and Population. The objective is to improve housing, urban and land management in the region as well as the knowledge base on population issues, strengthening the formulation and implementation of policies, enhancing social cohesion, and developing capacities at the local and national levels.

21. In 2011, the housing and land management subprogramme completed the country profiles on the housing sector of Kyrgyzstan and Tajikistan. The studies identified key challenges and provided specific recommendations aimed at facilitating reforms in the housing sector of both countries. To analyse best practices in detecting and preventing fraud in land-registration systems, UNECE published a study on *The Challenges of Fraud to Land Administration Institutions*. This publication will help Governments to review and update legislation and policies for monitoring, preventing and combating fraudulent practices in land administration.

22. The subprogramme also promoted the implementation of the *Action Plan for Energy Efficient Housing in the UNECE Region* and the recommendations contained in the country profile studies by organising a joint UNECE/UN-Habitat training workshop on “Affordable Housing Provision in CIS countries” in Minsk in March 2011. The workshop provided experience-based knowledge and international case studies illustrating policy approaches developed in the UNECE region to secure access to affordable and energy-efficient housing. In addition, the subprogramme developed a National Action Plan of Montenegro for energy-efficiency measures in the residential sector under a joint UNECE/UNDP project within the framework of One UN. Implementation of the Plan will lead to reductions in energy-use and greenhouse gas emissions from the housing sector and help to generate green jobs in the building and construction industries.

23. The population subprogramme contributed to strengthening the national capacity for implementation of policies and actions in response to population ageing by organizing capacity-building workshops, as well as sharing good practices through the publication of three Policy Briefs on Ageing: *Tapping the potential of volunteering*, *Cooperation on Ageing Policies in the UNECE region*, and *Images of older persons*. Training workshops for government officials and civil society representatives from 10 UNECE countries contributed to enhancing their capacity for developing projects for local communities to integrate older persons and provide care for frail community members. Additionally, the Republic of Moldova has developed a Plan of Action to implement the recommendations of the Road Map on Ageing developed with UNECE assistance.

2.2. Regular Programme of Technical Cooperation

24. Activities under the above programme contributed to strengthening the national capacities of countries with economies in transition to accede to and implement international legal instruments, norms, and standards. They also supported these countries' efforts to achieve internationally agreed development goals, including the Millennium Development Goals.

25. Most of the activities were conducted by Regional Advisers, who provided advisory services and carried out capacity-building activities (workshops and seminars) and field projects in the following areas of work:

Subprogramme 1 – Environment. The objective of this subprogramme is to support the ratification and implementation of UNECE environmental conventions in the region.

26. Activities of the Regional Adviser focused on supporting the ratification and implementation of the UNECE environmental conventions in the region. As a result of seven field projects, the capacity for transboundary water cooperation in EECCA and SEE has been strengthened. A new agreement between Ukraine and the Republic of Moldova on cooperation in the Dniester river basin was submitted for approval. A bilateral working group of senior officials was set up to develop an agreement on the Kura river between Azerbaijan and Georgia. A regional working group of senior officials was set up for cooperation on water quality in Central Asia. In Western Balkans, the Drin Core Group of senior officials from all riparian countries was established and a Strategic Shared Vision for the Sustainable Management of the Drin Basin was signed by these countries.

Subprogramme 2 - Transport. The objective is to strengthen the national capacity of EECCA and SEE countries to implement effectively UNECE legal instruments, norms, standards and recommendations on transport-related issues.

27. Activities under this subprogramme contributed to strengthening national capacity of SEE and EECCA countries to accede to and implement UNECE legal instruments, norms, and standards on transport, including through the United Nations Special Programme for the Economies of Central Asia (UN SPECA) Working Group (WG) on Transport, thematic workshops and advisory services. As a result of SPECA WG on Transport meetings, Azerbaijan and Kazakhstan agreed to establish National Road Safety Targets, bringing the number of countries with national targets to 38 in the UNECE region. UNECE technical cooperation activities contributed to the accession of seven new EECCA countries to the UNECE Transport Conventions and Agreements: Serbia became party to AGTC and ADN; Georgia acceded to the AETR; and Azerbaijan, Kazakhstan and Tajikistan joined several other Conventions and Agreements. All SEE countries participated actively in the TEM and TER Master Plan Revision carried out during the biennium.

Subprogramme 3 - Statistics. The objective is to enhance the implementation of international standards and good practices by national statistical systems, in particular in the economically less developed subregions of UNECE.

28. Activities of the Regional Adviser contributed to improved understanding of the role of Official Statistics and enhanced knowledge of (a) international guidelines, standards and nomenclatures for producing comparable and reliable official statistics, and (b) the impact of globalization on economic and social statistics. As a result, 13 countries improved timeliness, comparability and accuracy of major economic, social and demographic statistics with a significant improvement in their capacity to produce MDG indicators. During the reporting period, 13 countries produced national MDG reports based on sound methodology, and the number of indicators in the UNECE regional database increased by 60%. A methodological handbook was developed to provide guidance on the compilation of MDG indicators. Most of the EECCA and SEE countries successfully conducted population and housing censuses following the UNECE recommendations.

29. At the request of Kyrgyzstan and Ukraine, a global assessment of their national statistical systems was conducted to align legal and institutional statistical frameworks of these countries to the UN Fundamental Principles of Official Statistics, and develop long-term strategies for the national statistical capacity. RPTC resources were effectively used to leverage the UN Development Account and extrabudgetary resources for major capacity building programmes in the field of statistics.

Subprogramme 4 – Economic Cooperation and Integration. The objective of the subprogramme is to strengthen subregional economic cooperation and integration among countries with economies in transition, with special emphasis on those participating in the Special Programme for the Economies of Central Asia (SPECA).

30. Technical assistance activities of the Regional Adviser were aimed at strengthening subregional integration and cooperation among countries with economies in transition, particularly those participating in SPECA. In 2011, the SPECA Economic Forum reviewed economic cooperation and integration in Central Asia during the last 20 years. It identified best practices, adopted guidelines and developed a set of recommendations on further strengthening regional cooperation and integration. These recommendations were translated into specific capacity-building projects now being implemented by SPECA project working groups. Responding to the demand, increased attention was paid to supporting the stability and sustainable development of Afghanistan through strengthened regional economic cooperation. The Third Aral Sea Basin Programme, addressing, inter alia, issues of water and energy nexus and food security, was prepared with IFAS and UNECE assistance, and is ready for adoption by Governments. A draft institutional agreement to serve as a modern legal basis for the International Fund for Saving the Aral Sea was also submitted to high-level political decision makers for approval.

Subprogramme 5 – Sustainable Energy. The objective is to strengthen the national capacity of countries with economies in transition to integrate energy efficiency issues in their sustainable development programme.

31. Activities under this subprogramme focused on strengthening the national capacity of countries with economies in transition to implement recommendations on sustainable energy development. UNECE activities resulted in improved energy conservation and efficiency across the UNECE region, particularly in a reduction of energy-related environmental impacts, and facilitated the formation of energy-efficiency markets in economies in transition. Four countries implemented UNECE recommendations on energy efficiency and adopted appropriate national energy policies and measures to apply international and UNECE recommendations on sustainable energy development. Six countries with economies in transition received UNECE advisory services on eliminating existing barriers to the development of energy efficiency and renewable energy sources, which contributed to the preparation of energy-efficiency and energy-saving strategies and policies by Azerbaijan, Armenia, Kazakhstan, Russian Federation, and Ukraine.

Subprogramme 6 – Trade. The objective is to assist the less advantaged countries in the UNECE region in the implementation of trade facilitation and development measures using international standards and best practices, and in the development of trade policies and strategies to facilitate their integration in the global economy.

32. Technical cooperation activities of the Regional Adviser were aimed at promoting trade and trade-related economic cooperation among countries in the UNECE region through increased implementation of the UNECE recommendations, standards, guidelines and tools for trade policy development, trade facilitation and electronic business. Fourteen countries and regional groupings (Customs Union of EurAsEC, SPECA, RCC, etc.) strengthened their capacity to implement UNECE's trade facilitation standards and tools, improve trade development and facilitation policies, incorporating them in national and regional strategies and projects. Fourteen countries continued or launched their national Single Window (SW) projects; one country declared a first phase completed; two countries developed SW Action Plans; and two countries established interagency working groups. The implementation of international standards on trade facilitation contributes to their integration in the world economy. Five studies (with recommendations) on the readiness of the legal and technical systems for trade facilitation and a SW in Russia and the Customs Union, and feasibility of a SW in Vnukovo Airport were prepared or finalized under UNECE guidance. Other major results include proposals for amendment of the Customs Code of the Customs Union and the development of a project for an integrated information system of the EurAsEC Customs Union countries.

2.3. United Nations Development Account

33. During the reporting period, six UNECE-led projects funded from the UNDA were under implementation.

34. The project “*Enhancing the capacity of developing countries to implement international standards for commercial agricultural products to improve their trade competitiveness*” (project duration 2008-2011) was successfully implemented in the regions covered by the five UN Regional Commissions. It attained its objective to improve the capacity of low-income agrarian economies to implement international standards for commercial

agricultural products, and strengthen their competitiveness on international markets. As a result, 65 UNECE-based standards were adopted in national legislation and sub-regional norms. In addition, the project contributed to: (a) minimizing the risk of technical barriers to trade by introducing international quality standards for agricultural produce into national control mechanisms; and (b) the introduction of new technologies of seed production in the CIS region in cooperation with the private sector. The effectiveness and sustainability of the project were further increased through partnering the activities with those funded from the Russian voluntary contribution.

35. The objective of the project *“Improving Water and Health in Central, South Eastern and Eastern Europe, the Caucasus and Central Asia”* (project duration 2009-2011) was to strengthen the capacity of EECCA and SEE countries to develop efficient and coordinated national strategies for the protection of human health, the sustainable management of water resources, and improved access to safe drinking water and adequate sanitation. This goal was achieved by promoting accession to, and implementation of the Protocol on Water and Health (PWH) to the UNECE Convention on the Protection and Use of Transboundary Watercourses and International Lakes. As a result, Bosnia and Herzegovina ratified the Protocol, Slovenia and Serbia had finalized the preparatory process, and Armenia and Georgia have been increasingly involved in similar processes. Other important accomplishments include: (a) a significant increase in the political awareness of water and health related issues and of the PWH’s role as a legally binding framework to address these topics; (b) improved implementation of the Protocol through advancement in the development of national strategies and policies encompassing water, health and environment; and (d) increased public participation in environmental policy making through the active involvement of NGOs. The project had also attracted additional financial resources from the Governments of Finland, Germany and Switzerland, which enabled the expansion of its activities.

36. The objective of the project *“Water Quality in Central Asia”* (project duration 2009 - June 2012) is to contribute to the development of efficient and coordinated national policies on water quality aspects of integrated water resources management in Central Asia. Beneficiaries of the project are Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan, which share water resources (rivers, lakes and groundwaters) in Central Asia. As a result of the project, the regional Working Group on water quality management met twice in 2011 to finalize a regional diagnostic study based on national-level studies that had been prepared by all five countries. In addition, a plan for future cooperation *“Development of the regional cooperation to ensure water quality in Central Asia”* as well as *“The guidelines for water quality monitoring in Central Asia”* were developed by the Working Group and approved by relevant institutions in all participating countries. A workshop on monitoring and assessment of transboundary waters to train more than 30 national experts was organized. Joint assessments have been made of transboundary waters in the region and water quality monitoring was implemented in three countries.

37. The project *“Mitigating Climate Change through Attracting Foreign Direct Investment in Advanced Fossil Fuel Technologies”* (project duration 2011-2013) was implemented in nine countries: Afghanistan, China, India, Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan, Ukraine, Uzbekistan. The project aims to enhance Governments' abilities to attract FDI into advanced fossil fuels technologies to support energy security and low-carbon sustainable development. By the end of the first year of project implementation, important steps were made towards enhancing countries' ability to attract FDI into the power sector. Six out of nine baseline studies were initiated or finalized. The three workshops organized under the project were instrumental in improving relationships and establishing networks among national and international stakeholders, technology providers and foreign investors.

38. The project *“Facilitating Climate Change adaptation in transport through addressing the energy-environment linkage”* (project duration 2011-2013) was launched in countries covered by the five UN Regional Commissions. The project objective is to ensure the standard and transparent evaluation of the CO₂ footprint of land transport with a view to raising awareness among Governments and other stakeholders, and providing a rational basis for sustainable transport policies. Based on the replies to the UNECE questionnaire on inland transport CO₂ emissions provided by member States of the UN Regional Commissions, a Global Status Report on the status of inland transport CO₂ emissions has been prepared. The structure and methodology of the ForFITS (Future Inland Transport Systems) model has been developed, and the preparation of a modelling tool is in progress. Once developed, this online tool will help to assess inland transport CO₂ emissions and evaluate potential policies for climate change mitigation.

39. The project *“Strengthening the capacity of developing and transition economies to link to global supply chains through the reduction of trade obstacles”* (project duration 2011-2013) is being implemented in the regions covered by the five UN Regional Commissions. Its objective is to improve the capacity of developing and transition economies in these regions to integrate into global supply chains through the reduction of trade barriers. An

international conference launched the project in December 2011 and agreed upon a set of recommendations and actions for the preparation of regional workshops and studies in the framework of this project.

III. DELIVERING AS ONE

40. Pursuant to the General Assembly resolution on triennial comprehensive policy review of operational activities adopted in the follow-up to the World Summit in 2005, and the subsequent resolution on System Wide Coherence, UNECE has been participating in the “*Delivering as One*” initiative. Through the United Nations Development Assistance Framework (UNDAF) and One UN programmes, UNECE has been supporting country-led efforts to achieve international development goals by providing policy advice and capacity building in such areas as environment, sustainable energy, statistics, trade and trade facilitation, innovation and knowledge-based development.

41. In 2011, the UNECE finalised and signed UNDAFs with the Governments of Kyrgyzstan and Ukraine, as well as the second One UN programme with the Government of Albania. It also participated in the development of One UN Programme of the Republic of Moldova for the period 2013-2017. The total number of countries with UNECE participation in UNDAF and One UN reached 17 in 2011.

42. Participation in UNDAF and One UN has enabled UNECE to:

- Better align its work to national development priorities of UNDAF participating countries;
- Multiply the effect, increase the impact and the sustainability of its operational work;
- Enhance country ownership and achieve greater coherence and synergies of its work with relevant national, regional and international stakeholders;
- Leverage additional resources to support country-led development efforts; and
- Increase the visibility of its work at the country level.

IV. FUNDING OF THE UNECE TECHNICAL COOPERATION ACTIVITIES

43. Technical cooperation activities were funded from the regular budget as well as from extrabudgetary resources. Funding from the regular budget included three sources: 1) the Programme “Economic Development in Europe”; 2) the Regular Programme of Technical Cooperation; and 3) the United Nations Development Account.

44. Resources from the Programme “Economic Development in Europe” were used for technical cooperation activities aimed at raising awareness and dissemination of information about the UNECE legal instruments, regulations, norms and standards.

45. Resources from the Regular Programme of Technical Cooperation were used for regional advisory services: advisory missions, capacity-building (workshops, seminars and training courses) and field projects in six areas: environment, transport, statistics, economic cooperation and integration, sustainable energy, and trade. In 2011, final expenditures for these activities amounted to US\$ 1.9 million. The economic cooperation and integration subprogramme accounted for 20.9 per cent of the expenditures, representing the highest allocation of funds. The distribution of total expenditures among the remaining subprogrammes (environment, statistics, transport, sustainable energy and trade) was as follows: 17.7 per cent, 17.1 per cent, 15.8 per cent, 14.3 per cent, and 14.2 per cent respectively.

46. Resources from the United Nations Development Account were used for supporting the efforts of countries with economies in transition to achieve internationally agreed development goals, including the Millennium Development Goals (MDGs). The total expenditures of UNDA resources for the UNECE projects in 2011 amounted to US\$ 757,110. In 2011, two additional project proposals totalling to US\$ 2 million were approved for funding from the eighth tranche of the Development Account (duration period of 2012-2015).

47. Extrabudgetary resources accounted for 85 per cent of all the UNECE resources for technical cooperation in 2011. They included voluntary contributions from Governments, intergovernmental and non-governmental organizations, the European Commission (EC), and the private sector to the UNECE Trust Funds. In 2011, Trust Fund contributions reached US\$ 13.87 million (a 6.5 per cent increase since 2010), mostly due to the higher contributions by intergovernmental and non-governmental organizations and the European Commission. Contributions by UNECE member States continued to decrease.

48. Nonetheless, Member States were the largest contributors and provided 67.8 per cent of the total extrabudgetary resources to UNECE in 2011. The top ten bilateral donors, by size of contributions, were as follows: Russian Federation, Norway, Germany, Finland, Switzerland, France, Netherlands, Italy, United Kingdom and Sweden. These countries accounted for 82 per cent of the total extrabudgetary contributions of member States to UNECE. The Russian Federation was the largest donor country in 2011, providing approximately 13 per cent of all voluntary contributions of member States to UNECE.

49. The share of the European Commission contributions has increased from 3.5 per cent in 2010 to 5 per cent in 2011. The contributions from the private sector and intergovernmental and non-governmental organisations increased from 3.5 and 15.9 per cent in 2010 to 4.9 and 22.3 per cent respectively in 2011. Gaz de France was the biggest private-sector donor, providing approximately 17 per cent of total voluntary contributions to UNECE from the private sector. As for the intergovernmental and non-governmental institutions, the largest contributions were received from the International Road Union (IRU) followed by the Organisation for Economic Co-operation and Development (OECD).

50. The total expenditures of extrabudgetary resources for UNECE technical cooperation amounted to US\$ 12.825 million in 2011. The environment subprogramme accounted for the largest share (66.1%¹) of the UNECE extrabudgetary expenditures. The shares of the other subprogrammes (transport; sustainable energy; economic cooperation and integration; trade; statistics; housing, land management and population; and timber and forestry) in extrabudgetary expenditures were significantly lower: 11 per cent, 8.5 per cent, 5.7 per cent, 3.4 per cent, 1.9 per cent, 1.8 per cent, and 1.2 per cent, respectively in 2011.

V. EVALUATION OF TECHNICAL COOPERATION PROJECTS

51. During the reporting period, UNECE continued promoting the evaluation of its technical cooperation programmes and projects. The evaluations of 4 projects carried out in 2011 showed that all these projects were linked to the normative work and focused on strengthening the national capacity of countries with economies in transition in the areas of competence of UNECE. The highlights from the evaluation findings are summarized below.

52. The objective of the self-evaluation of the UNECE *Environmental Performance Review* (EPR) Programme was to identify measures aimed at improving its effectiveness and efficiency. The evaluation covered the period of 2009-2011 when EPRs were undertaken in Azerbaijan, Bosnia-Herzegovina, Georgia, Tajikistan, the former Yugoslav Republic of Macedonia, Turkmenistan and Uzbekistan. The methodology of the evaluation included desk research, analysis of data collected through interviews and questionnaires of key stakeholders, and preparation of the evaluation report. Although the overall assessment of the programme showed its effectiveness, the evaluation also outlined the need for (a) strengthening the role of the UNECE EPR Secretariat in facilitating better collaboration and responsiveness of countries under review and ensuring better accessibility of national information and data, (b) developing the modalities for providing comments on the draft report by all members of the EPR team, and (c) reducing delays in launching the EPR reports in order to improve the visibility of the EPR Programme and its outreach. The findings of the evaluation will be presented to the UNECE Committee on Environmental Policy and used to improve cooperation between the host authorities, international experts and the UNECE secretariat in carrying out the EPR Programme.

53. The purpose of the interim self-evaluation of the project *Financing Energy Efficiency and Renewable Energy Investments for Climate Change Mitigation* (FEEI) was to assess its effectiveness in reducing barriers to financing energy efficiency (EE) and renewable energy (RE) projects in 12 participating countries with economies in transition. The evaluation covered the period of 2010-2011 and was based on the following methodology: (a) a project mid-term review conducted by an independent consultant; and (b) questionnaire-based surveys and questionnaires of experts and National Participating Institutions. The evaluation showed that the project had contributed to improvements in national policy and regulatory frameworks and strengthened local capacity for preparing bankable energy efficiency and renewable energy projects.

¹ Includes the expenditures of US\$2.4 million from the Trust Funds established under the Convention on Long-range Transboundary Air Pollution for funding the work of the coordinating programme centres.

54. Specific achievements of this project include: the establishment of National Participating Institutions/National Coordinators to facilitate implementation at the local level; the provision of policy recommendations on EE and RE to all participating countries; the collection of data to identify potential EE and RE projects; and the preparation of draft legal documents for the creation and operation of the Investment Fund. However, the evaluation also revealed some challenges in the project implementation and identified areas for improvement. In particular, it recommended creating a “Strategic Task Force” to provide advice on setting up the Investment Fund and establish a Grant Finance Facility, as part of this Fund, to support project developers in bringing the quality of their finance applications to bankable standards. The findings of the self-evaluation will be used to review the project scope and implementation with a view to achieving the project’s goals.

55. Two UNECE projects funded from the United Nations Development Account (UNDA) and completed in 2011 underwent external evaluations. The objective of the evaluations was to assess relevance, efficiency, effectiveness, impact and sustainability of these projects. The methodology for the evaluations included three main phases: desk research, analysis of data collected through interviews and questionnaires, and subsequently, preparation of the evaluation report. The highlights of findings of the evaluation of these two projects are summarized as follows.

56. The external evaluation of the project *Enhancing capacity of developing countries to implement international standards for commercial agricultural products in order to improve their trade competitiveness* concluded that its relevance was high. The project had a tangible impact on national capacity to implement international standards and contributed towards achieving some MDGs. A critical mass of knowledge on agricultural quality standards and their implementation was generated, and a number of UNECE-based standards were adopted in national legislation and subregional norms. To strengthen the sustainability of the project and further promote UNECE standards, the establishment of a multidonor trust fund was recommended. The evaluation also recommended developing durable and effective partnerships in capacity building with two other main actors in this area – the Codex Alimentarius and the OECD.

57. The external evaluation of the project *Improving water and health in Central, South Eastern and Eastern Europe, the Caucasus and Central Asia* showed that the project objective was attained. Through the capacity-building activities, the establishment of networks of stakeholders and the preparation of guidance materials for the development of surveillance and early warning systems the project contributed to strengthening capacity of EECCA and SEE countries to implement the Protocol on Water and Health (PWH), and develop coordinated national strategies for the protection of human health. To ensure sustainability of the project, the following was suggested: (a) to continue subregional capacity-building activities to promote the implementation of PWH; and (b) to promote the establishment of national coordination and funding mechanisms for proper implementation of PWH.

VI. CONCLUSIONS AND RECOMMENDATIONS

58. In the period under review, UNECE carried out 120 advisory missions, 122 capacity-building activities (workshops, trainings and seminars) and implemented 36 various projects including 6 projects funded from the United Nations Development Account. Countries with economies in transition² were the major beneficiaries of the UNECE technical cooperation accounting for 85³ per cent of activities.

59. Most of the UNECE technical cooperation activities were of either regional or subregional nature and involved experts and policy makers from several countries. Among the subregions, countries of Central Asia and Eastern Europe benefited the most from the UNECE technical cooperation activities, at 29 and 12 per cent respectively, followed by South-Eastern Europe (10 per cent) and the Caucasus (4 per cent). About 45 per cent of technical cooperation activities involved two or more subregions. The regional/subregional approach to technical cooperation enabled the UNECE to optimize the use of limited resources, multiply the effect of its assistance and facilitate sharing of experience, lessons learnt and best practices among countries.

² Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Croatia, Georgia, Kazakhstan, Kyrgyzstan, Montenegro, Republic of Moldova, Serbia, Tajikistan, the former Yugoslav Republic of Macedonia, Turkmenistan, Ukraine and Uzbekistan.

³ Based on data from the Integrated Monitoring and Documentation Information System (IMDIS).

60. In 2011, the UNECE further strengthened partnerships in the region, in particular with other UN entities such as UNDP, UNICEF, UNFPA, UNEP, UNIFEM, UNCTAD, UN-HABITAT, UNITAR, UN Regional Commissions and specialized agencies (FAO, WTO, WIPO, WMO, ILO, UNIDO, WHO, etc). UNECE also continued its close cooperation with international and intergovernmental organizations such as OECD, OSCE, EFTA, EC, IAEA, IRU, WCO and financial institutions, including the WB, the EBRD, IDB and ADB. A significant number of activities were implemented in partnership with regional and subregional organizations and initiatives, such as the CIS, EurAsEC, BSEC, EC-IFAS, CAREC, etc. Providing technical cooperation services has been also strengthened through close cooperation with national development agencies (GIZ, SDC, USAID, DFID), the private sector, civil society and research institutions.

61. Though there have been many projects and programmes implemented by UNECE in partnership with other UN entities, international and regional/sub-regional organization, a number of UNECE activities implemented jointly by its subprogrammes remain extremely low. The report *“Resilient people, resilient planet: A future worth choosing”*⁴ prepared by the Secretary-General’s High-level Panel on Global Sustainability argues that sustainable development is above all about recognising, understanding and acting on interconnections between economy, society and environment. These critical interconnections are unfortunately missing and the sectoral approach in UNECE technical cooperation work prevails.

62. There has also been an increase of separate technical cooperation activities. However, given their small size and short duration, it is difficult to judge their results, including their impact and sustainability. **There is a need to move from separate activities to projects and from projects to programmes, to overcome the fragmentation and increase the impact of UNECE technical cooperation.**

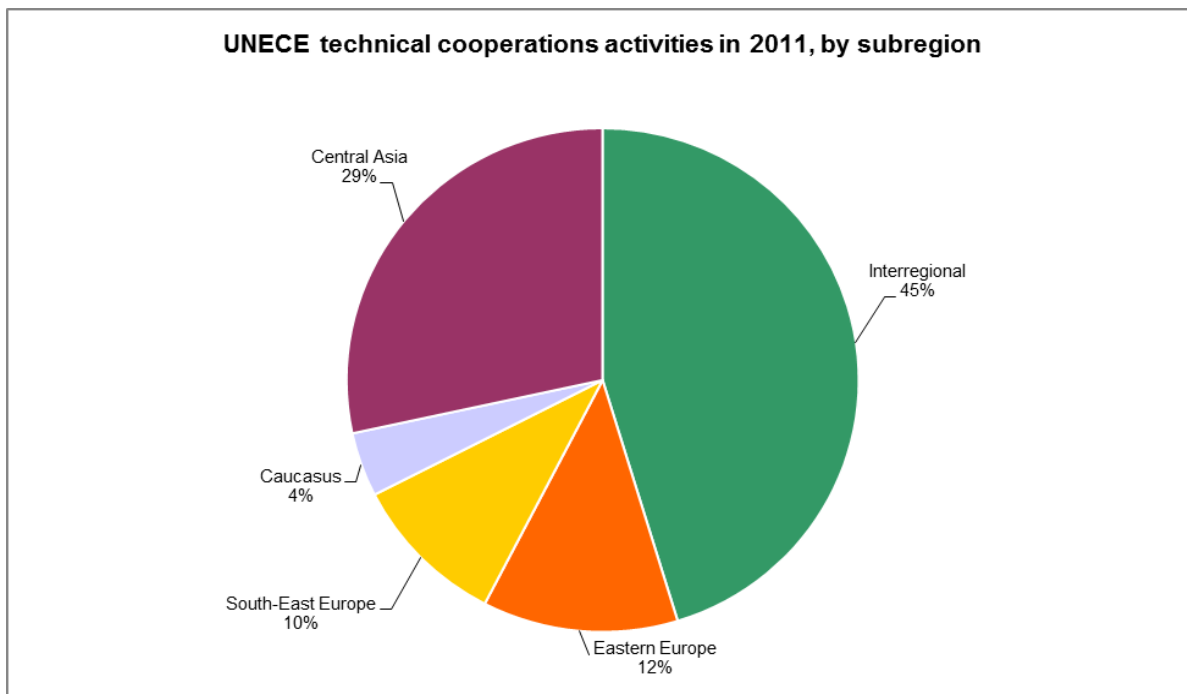
63. Extrabudgetary funding accounted for 85 per cent of UNECE resources for technical cooperation in 2011. Such high dependence on extra-budgetary resources makes the delivery of UNECE technical cooperation both unpredictable and unsustainable. **In light of the above, every Division should develop an effective resource mobilization strategy. Such a strategy must be based on the Strategic Framework and the Programme Budget for the biennium. This will enable to use the regular budget resources for leveraging extra-budgetary resources for technical cooperation activities.**

64. Most extra-budgetary resources of UNECE are earmarked. Combined with high concentration of extra budgetary funding among a few donors, this can effect UNECE priorities and lead to supply driven activities. **In this regard, it is recommended that any project proposal for extrabudgetary funding must include reference to consultations with beneficiary countries and their agreement on the project objectives, expected results and indicators, as well as the strategy and activities.**

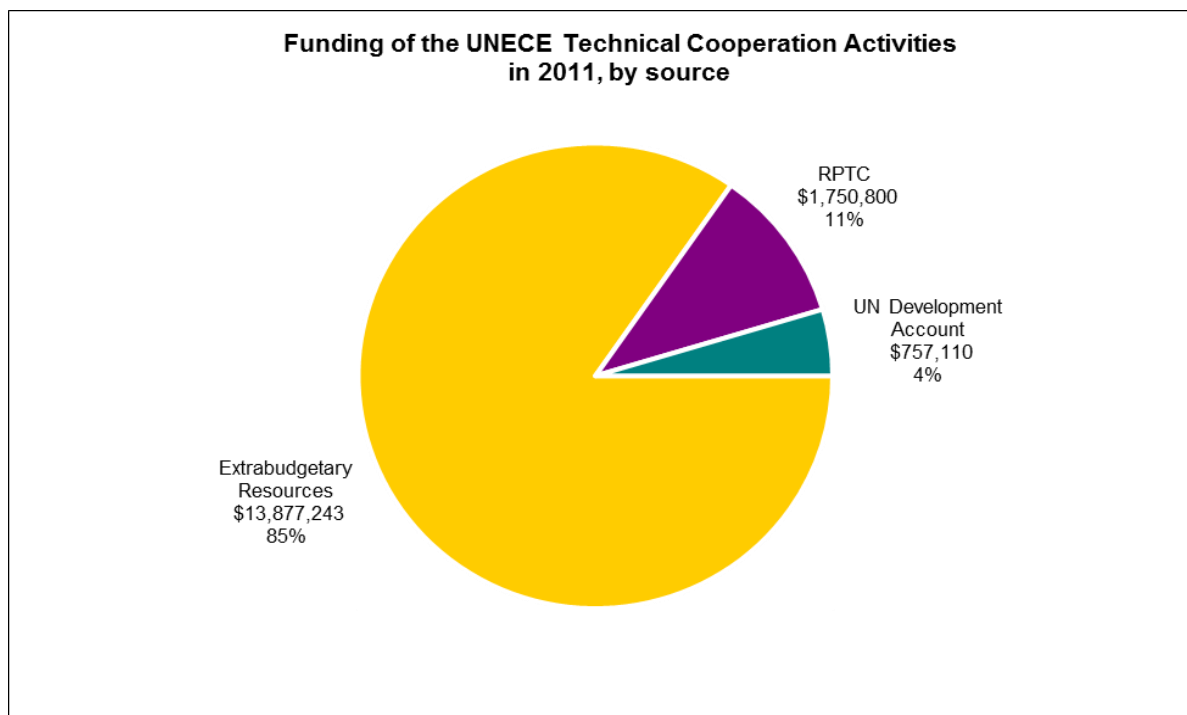
65. Steady increase of extrabudgetary funding not matched with the increase of the regular budget resources has stretched the UNECE absorptive capacity to the limits. This can compromise the quality of the technical cooperation projects and, eventually, put at stake the credibility of UNECE. **To avoid this situation, every Division shall carefully assess its absorptive capacity (regular budget and extra-budgetary staff, gratis personnel, consultants/contractors, Junior Professional Officers, etc.) before undertaking an additional new technical cooperation project and committing to its implementation.**

⁴ A/66/700

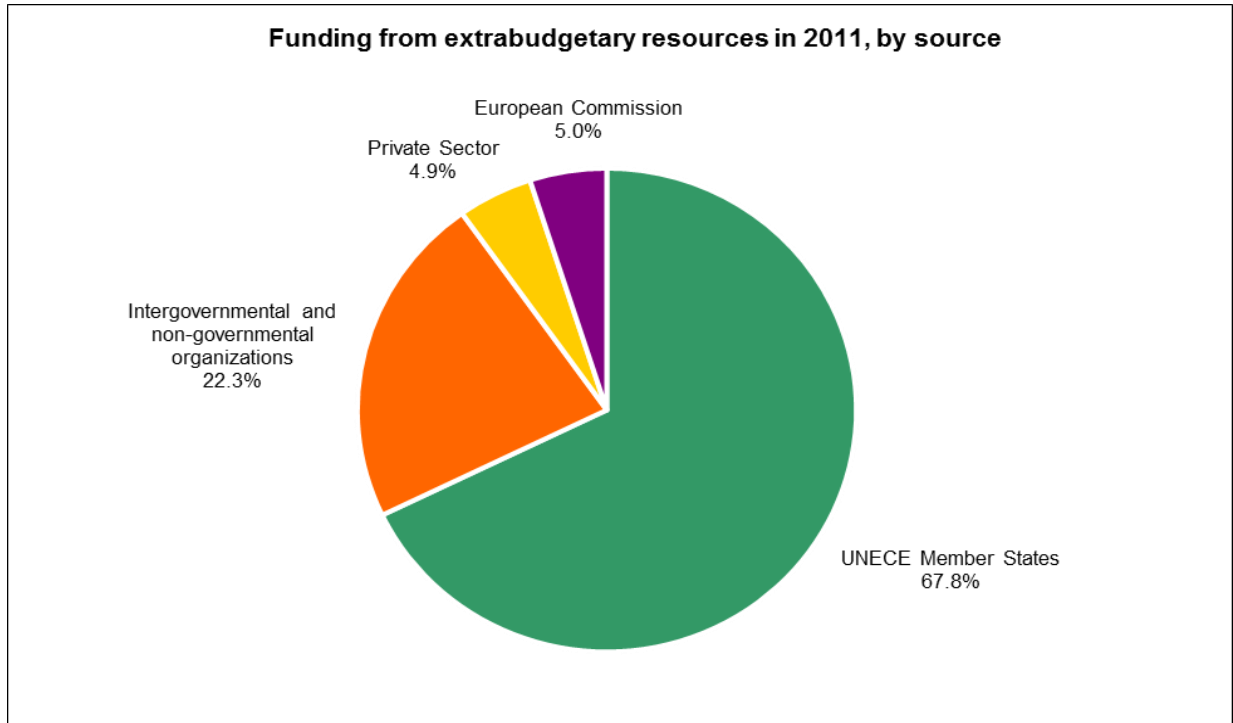
Graph I



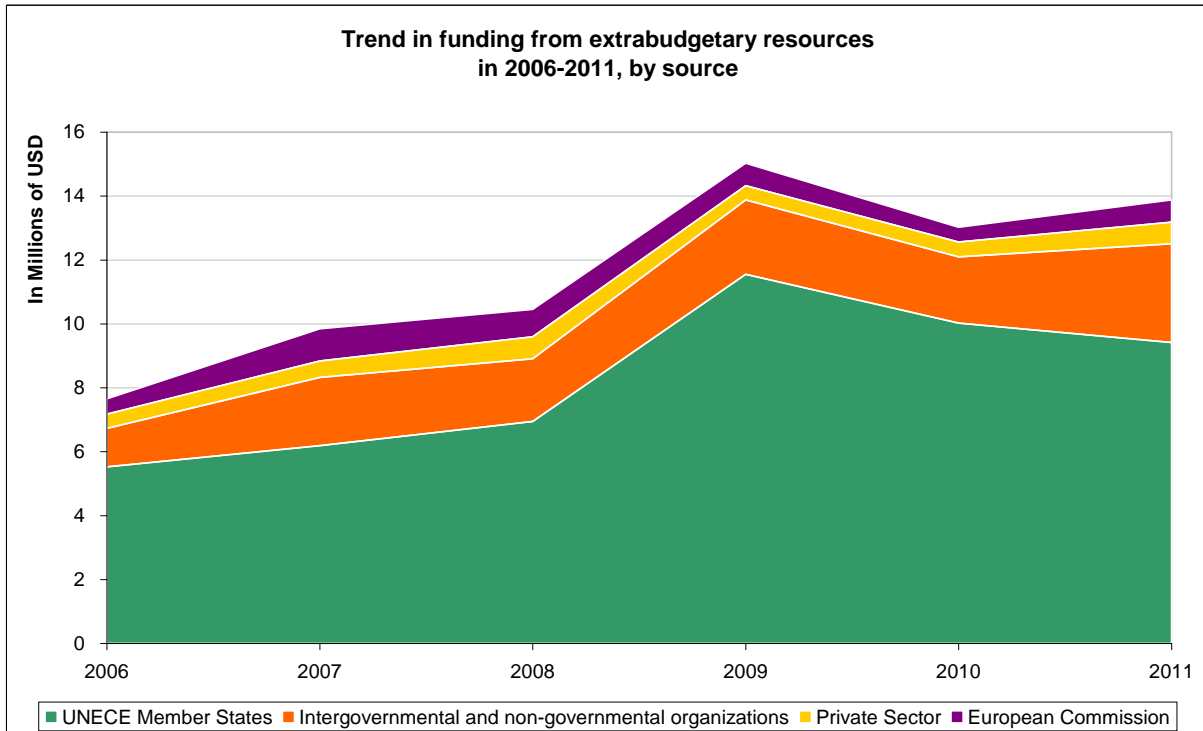
Graph II



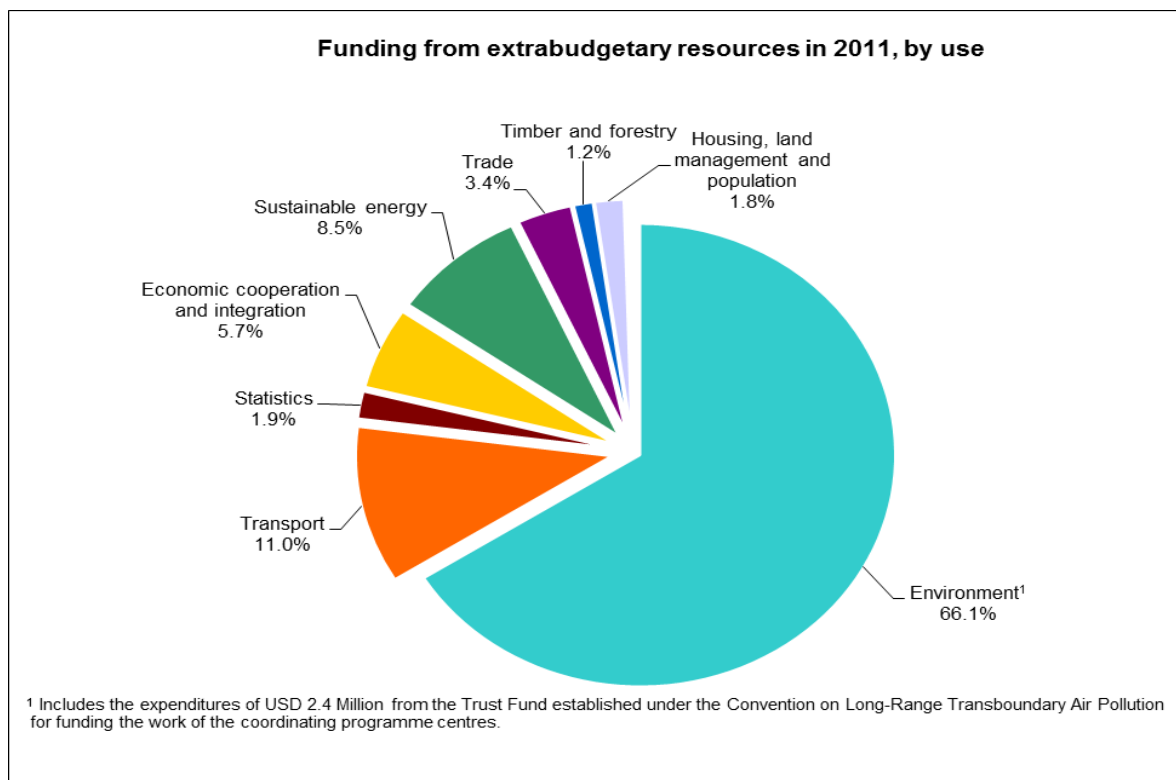
Graph III



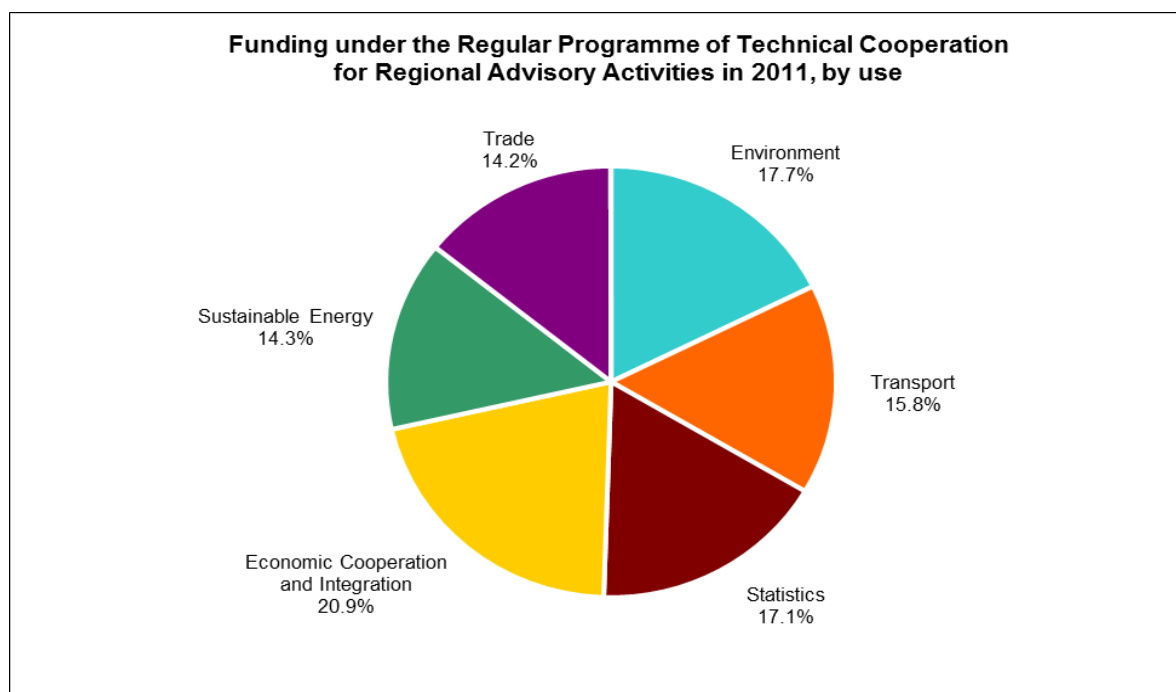
Graph IV



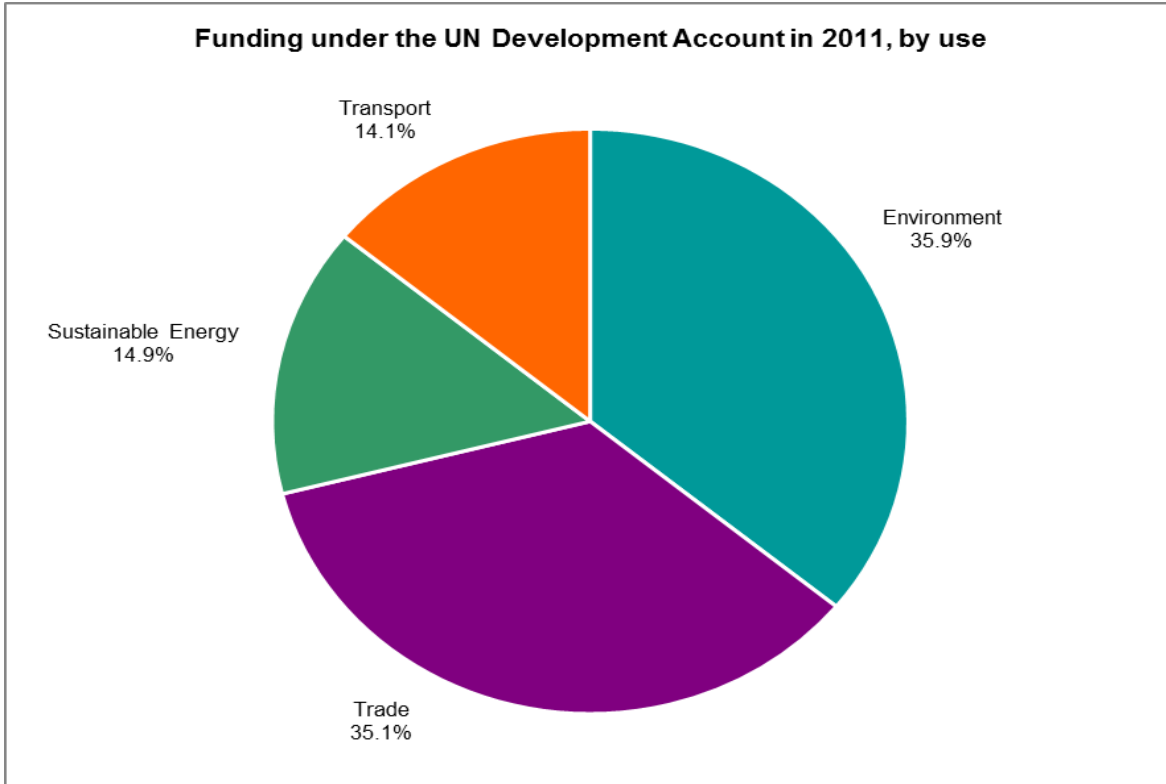
Graph V



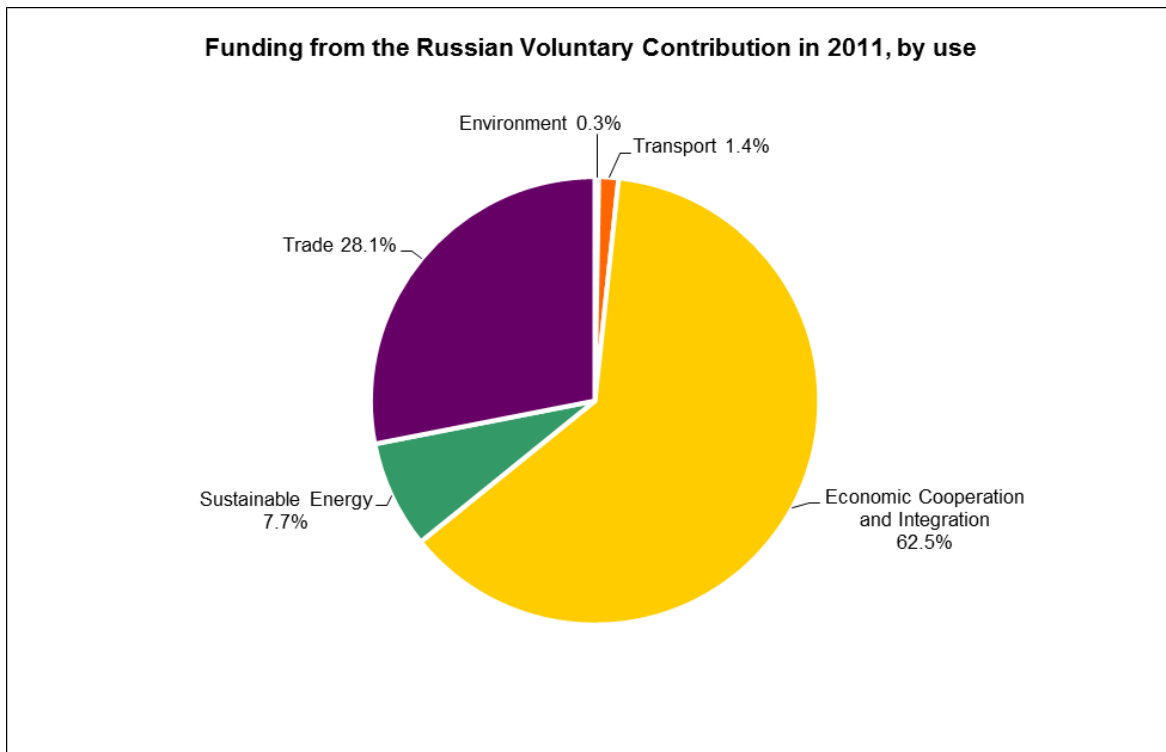
Graph VI



Graph VII



Graph VIII



Donors' Contributions to the UNECE Trust Funds

UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE EXTRABUDGETARY CONTRIBUTIONS BY DONOR AND BY YEAR (Amount in US\$)				
Donor Name	2008	2009	2010	2011
Albania	1,400	1,800	780	429
Armenia	20,898	20,298	18,798	20,721
Austria	158,315	192,162	115,653	180,819
Azerbaijan	1,864	244	244	572
Belarus	2,345	2,345	2,345	3,702
Belgium	187,731	165,955	158,878	181,531
Bosnia and Herzegovina	33,113	10,613	10,613	21,300
Bulgaria	28,645	19,770	52,003	33,040
Canada	36,000	60,237	38,899	78,047
Croatia	27,254	26,333	63,832	94,876
Cyprus	4,260	25,357	12,668	12,910
Czech Republic	141,182	87,105	150,778	108,164
Denmark	70,920	90,127	88,239	175,092
Estonia	12,522	3,861	7,051	7,368
Finland	106,532	280,816	1,263,169	1,026,351
France	417,384	1,278,115	1,225,261	735,322
Georgia	14,704	22,103	659	524
Germany	696,893	2,420,760	1,109,360	1,040,175
Greece	39,732	56,982	20,000	-
Hungary	91,712	55,632	55,632	24,000
Iceland	1,804	1,804	1,804	-
Ireland	94,956	78,387	65,759	77,513
Israel	-	2,500	15,000	15,000
Italy	420,224	1,358,817	500,636	488,393
Kazakhstan	4,375	593	119,276	23,957
Kyrgyzstan	600	677	-	500
Latvia	20,551	8,704	5,816	6,059
Liechtenstein	1,058	1,028	1,551	500
Lithuania	27,271	23,171	23,171	26,511
Luxembourg	15,291	8,833	22,565	4,909
The former Yugoslav Republic of Macedonia	544	244	-	-
Malta	1,750	4,664	1,000	892
Republic of Moldova	1,000	1,049	4,861	596
Monaco	305	306	306	294
Montenegro	49	49	224	-
Netherlands	582,057	463,445	502,642	647,297
Norway	432,848	538,389	788,396	1,086,833
Poland	92,305	76,571	73,337	122,925
Portugal	52,570	28,380	31,096	63,521

UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE
EXTRABUDGETARY CONTRIBUTIONS BY DONOR AND BY YEAR
(Amount in US\$)

Donor Name	2008	2009	2010	2011
Romania	37,846	184,864	17,500	27,500
Russian Federation	1,264,208	1,274,208	1,274,242	1,268,192
Serbia	1,024	5,252	6,090	17,041
Slovakia	56,795	35,703	24,137	24,196
Slovenia	29,821	39,480	36,575	50,409
Spain	386,371	451,927	184,757	168,607
Sweden	108,390	320,067	270,737	198,406
Switzerland	718,241	1,228,694	1,148,693	813,605
Tajikistan	200	200	200	200
Turkey	50,380	45,375	40,375	52,735
Turkmenistan	356	-	400	-
United Kingdom	355,580	408,058	438,467	456,326
Ukraine	12,690	13,237	14,458	12,196
United States of America	80,000	125,000	17,000	15,000
Bank of International Settlements	7,021	-	-	-
European Business Congress (EBC)	115,464	104,987	126,050	-
EFTA European Free Trade Association	29,968	-	-	-
Eurasian Development Bank	-	-	-	135,200
European Environment Agency	-	-	-	157,500
IBRD/World Bank	150,000	-	321,000	213,000
International Road Union (IRU)	1,274,000	715,067	959,000	1,473,937
Organization for Economic Cooperation and Development (OECD)	-	280,899	269,906	591,327
UNDP Kazakhstan	-	-	-	112,000
UNEP	-	750,000	-	-
UN Foundation	364,265	479,037	323,823	-
UNFPA	-	-	67,000	96,000
UNOPS	-	-	-	313,538
European Commission	854,279	698,775	458,275	692,592
Botas A.S. (Turkey)	16,199	14,505	14,035	-
CEPI	7,396	-	-	-
EDF France	-	-	32,059	35,714
Egyptian Natural Gas	-	-	12,698	14,648
Essent N.V. (Netherlands)	63,025	27,404	28,070	29,296
Europaforum Wien	-	-	-	26,667
GasTerra B.V. (Netherlands)	41,009	34,256	36,415	17,711

UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE
EXTRABUDGETARY CONTRIBUTIONS BY DONOR AND BY YEAR
(Amount in US\$)

Donor Name	2008	2009	2010	2011
GAS NATURAL SDG, Barcelona, Spain	-	-	16,030	35,422
Gaz de France (Suez)	40,881	-	69,577	111,588
Gazprom	40,881	34,256	34,993	35,422
Geoplin	16,404	14,150	14,566	14,169
IBGE (IBGE - Institut Bruxellois pour la Gestion de l'Environnement)	13,369	-	6,086	1,289
INA - Industrija Nafta (Croatia)	16,174	13,299	-	29,121
MOL Hungary	-	-	14,035	14,286
Naftogas of Ukraine	16,174	13,702	14,035	14,169
National Grid Company Plc (UK)	37,901	36,262	-	-
OMV Gas Gmbh (Austria)	32,808	26,598	26,364	28,338
Polish Oil & Gas Company	16,404	13,299	14,035	14,286
Public Donation	130,709	54,439	42,622	164,379
S.N.G.M. Romgaz SA	16,404	13,702	14,035	14,169
Shell Energy Europe (Netherlands)	40,498	34,483	-	-
Socar-State Oil Company of Azerbaijan Republic	-	-	-	18,598
Sonatrach (Algeria)	24,260	-	20,951	-
Srbijagas (Serbia)	16,174	15,385	14,035	14,648
Statoil (Norway)	40,498	34,256	-	-
STEG (Tunisia)	16,199	13,702	13,999	14,835
Swiss Gas	32,808	26,598	29,132	28,338
Wintershall Holding AG (Germany)	32,808	26,598	-	-
Total	10,448,848	15,025,950	13,018,759	13,877,243

List of acronyms

ADB	Asian Development Bank
ADN	European Agreement concerning the International Carriage of Dangerous Goods by Inland Waterway
AETR	The European Agreement concerning the Work of Crews of Vehicles engaged in International Road Transport
AGTC	European Agreement on Important International Combined Transport Lines and related Installations
BSEC	Black Sea Economic Cooperation
CAREC	Central Asia Regional Economic Cooperation
CIS	Commonwealth of Independent States
DFID	UK Department for International Development
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EC-IFAS	Executive Committee of International Fund for saving the Aral Sea
EE	Energy Efficiency
EECCA	Eastern Europe, the Caucasus, and Central Asia
EFTA	European Free Trade Association
EPR	Environmental Performance Review
EurAsEC	Eurasian Economic Community
FAO	Food and Agriculture Organization
FDI	Foreign Direct Investment
FEEI	“Financing Energy Efficiency and Renewable Energy Investments for Climate Change Mitigation”
GEE	Global Energy Efficiency
GIS	Geographic Information System
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IAEA	International Atomic Energy Agency
IFAS	International Fund for Saving the Aral Sea
IDB	Inter-American Development Bank
ILO	International Labour Organization
IMDIS	Integrated Monitoring and Documentation Information System
IRU	International Road Union
ISO	International Organization for Standardization
MDGs	Millennium Development Goals
MoU	Memorandum of Understanding
NGO	Non-governmental organization
OECD (DAC)	Organisation for Economic Co-operation and Development (Development Assistance Committee)
OSCE	Organization for Security and Cooperation in Europe
PPP	Public-private partnerships
PWH	Protocol on Water and Health
PRTR	Pollutant Release and Transfer Registers
RE	Renewable Energy
RPTC	Regular Programme of Technical Cooperation
RCC	Regional Cooperation Council
SDC	Swiss Agency for Development and Cooperation

SEE	South-Eastern Europe
SPECA	Special Programme for the Economies of Central Asia
SW	Single Window
TC	Technical Cooperation
TEM	Trans-European Motorway
TER	Trans-European Railway
TIR	Transports Internationaux Routiers (International Road Transports)
UN/CEFACT	United Nations Centre for Trade Facilitation and Electronic Business
UNCTAD	United Nations Conference on Trade and Development
UNDA	United Nations Development Account
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNECE	United Nations Economic Commission for Europe
UNECLAC	United Nations Economic Commission for Latin America and the Caribbean
UN/EDIFACT	United Nations Electronic Data Interchange For Administration, Commerce and Transport
UNEP	United Nations Environment Programme
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNESCAP	United Nations Economic and Social Commission for West Asia
UNFC	United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources
UNFPA	United Nations Population Fund
UN-HABITAT	United Nations Human Settlements Programme
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNIFEM	United National Development Fund for Women
UNITAR	United Nations Institute for Training and Research
UNNExT	United Nations Network of Experts for Paperless Trade
USAID	United States Agency for International Development
WB	World Bank
WCO	World Customs Organization
WG	Working Group
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization
WTO	World Trade Organization