The present report is a follow-up and complement to Conference Room Paper 3 on “Strengthening the Organization – UNECE’s Secretariat’s Self-Assessment”, presented at the fifty-seventh Annual Session of the Commission in May 2002. As mentioned on numerous occasions by the Executive Secretary, the reform of the UNECE, like that of the United Nations, is an ongoing process and can only be achieved through dialogue and partnership. Therefore, the comments of member States on Conference Room 3 have been very much appreciated by the Executive Secretary and have helped in the preparation of this document, the objective of which is to further stimulate the discussion on how to improve the United Nations Economic Commission for Europe, particularly in respect of the proposals and information presented below.

The Introduction in Part 1 recalls the link between the Secretary-General’s Reform and the UNECE Reform.

Part 2 of the report provides information on the state of the United Nations Reform Process as well as that in the UNECE. With regard to the latter, Parts 3-5 of the report focus on three areas: adjustments to the intergovernmental structure, strengthening of the secretariat and technical cooperation. Nine actions related to these areas are highlighted.
I. INTRODUCTION

1. At the fifty-seventh session of the Commission in May 2002, Conference Room Paper 3 “Strengthening the Organization” – UNECE Secretariat’s Self Assessment” was presented. The paper responded to the Secretary-General’s initiative, at the commencement of his second term of office, to continue the process of strengthening the Organization in the light of the Millennium Declaration principles and priorities. The self-assessments of the departments of the United Nations, including the UNECE, were used in the preparation of the Secretary-General’s report “Strengthening of the United Nations: an agenda for further change” (A/57/387) that was discussed at the fifty-seventh session of the General Assembly as item 53 of the agenda.

2. The Secretary-General’s report stressed the need for a strong multilateral institution as a more effective instrument to implement the priorities adopted in the United Nations Millennium Declaration. Therefore, it suggests the United Nations must really do what matters and drop what is no longer relevant. New issues have acquired urgency such as globalization and its impact on development, conflict prevention and the combat against terrorism. In accomplishing the United Nations core mission of steering globalization towards development and sharing as widely as possible its benefits, it is increasingly recognized that the United Nations must align its activities with priorities set at the global conferences which shape the development agenda in the context of globalization, in particular the International Conference on Financing for Development (ICFfD, Monterrey 2002), the World Summit on Sustainable Development (WSSD, Johannesburg 2002), the World Assembly on Ageing (WAA, Madrid 2002), and the World Summit on Information Society (WSIS, to take place in Geneva in 2003).

3. The role of the regional commissions has been given greater emphasis since 1998 through ECOSOC resolutions and reports of the Secretary-General. This role is further strengthened by the outcomes of the above-mentioned global Conferences and the commitments taken on these occasions. The Monterrey Consensus encourages actions to, inter alia “promote the role of the regional commissions and the regional development banks in supporting policy dialogue among countries at the regional level on macroeconomic, financial, trade and development issues” (para. 64). The Implementation Plan of the WSSD adopted in Johannesburg stated, “the Implementation of Agenda 21 and the outcomes of the Summit should be effectively pursued at the regional and sub-regional levels, through the regional commissions and other regional and sub-regional institutions and bodies” (para.158). Along the same lines, the Madrid International Plan of Action on Ageing stated that the United Nations regional commissions have responsibility for translating the International Plan of Action on Ageing, 2002, into their regional action plans. They should also assist, upon request, national institutions in implementation and monitoring of their actions on ageing (para. 128).

4. Paragraph 41 of General Assembly Resolution 57/300 “Strengthening of the United Nations: an agenda for further change”, requests the Secretary-General to submit a progress report on the implementation of the reform measures as considered in the resolution to the General Assembly at its fifty-eighth session. In the same resolution the General Assembly reaffirms its determination to strengthen further the role and the performance of the Organization.
5. In view of this and particularly since the United Nations reform is recognized as an important process to improve the responsiveness of the Organization to the needs of Member States and to existing and new challenges, the objective of this paper is to further stimulate the discussion on how to improve the work of the United Nations Economic Commission for Europe. The paper, which is a complement to the above-cited Conference Room Paper, reviews, in Part 2, the reform processes at the level of the United Nations and the UNECE. With regard to the latter, it focuses, in Parts 3-5, on three areas:

- Adjustments of inter-governmental structure as discussed in 2002 at the inter-governmental and secretariat level
- ECE strategy for technical cooperation
- Strengthening the secretariat

II. REVIEW OF THE REFORM PROCESSES

A. United Nations Reform

6. The reform of the Secretary-General, outlined in his report to the General Assembly entitled “strengthening of the United Nations: an agenda for further change” (A/57/387) builds on his initial round of reform undertaken soon after he took office in 1997. Although much has been achieved since then, the Secretary-General, of the view that more changes are needed, initiated a second round of improvements “aimed at ensuring that the Organization devotes its attention to the priorities fixed by Member States”. The Secretary-General set in motion this second round in February 2002 when he requested all United Nations departments, including the UNECE, to conduct a self-assessment exercise and to submit the results by mid-April.

7. The final report, which was launched by the Secretary-General on 23 September 2002, contains 36 actions considered necessary by the Secretary-General to implement improvements in the Organization. In introducing his report to the General Assembly, the Secretary-General stressed that the report is guided by what the Member States have decided should be the Organization’s priorities. The Secretary-General also urged delegates to treat the reform as a package. He concluded by emphasizing his wish for there to be real dialogue between Member States and the Secretariat, as well as his hope that the General Assembly would adopt a single resolution giving him clear guidance on the way forward.

8. Following the Secretary-General’s presentation of his report, it was discussed by the Executive Committees of the Secretary-General. At the meeting of the Executive Committee for Economic and Social Affairs (EC-ESA) held on 26 September, it was noted that the report states that EC-ESA must provide strategic direction and complementarity in the work of the various entities in the economic and social area. The report has specific recommendations on the Committee’s future work in the area of joint planning for publications, formulation of the Medium Term Plan, and the programme budget for the economic and social area. The EC-ESA will meet in February 2003 for a more in-depth consideration of these proposals. Prior to that, and in order to comply with the Secretary-General’s guidelines concerning the preparation of the proposed programme budget for 2004-2005, a classification of activities showing “who does what” has been prepared on the basis of inputs from the EC-ESA entities. The objective is, in addition to dealing with any instances of duplication, to introduce possible joint activities and more generally to strengthen complementarity and mutual reinforcement.
9. At the intergovernmental level, the General Assembly held a series of informal consultations on the reform proposals prior to circulating a draft resolution in early December. On 20 December 2002 the Assembly adopted resolution 57/300 on the reform, which addresses the different proposals contained in the Secretary-General’s report. A number of the resolution’s provisions are of direct interest to the UNECE, such as:

“The General Assembly”.

- Welcomes the efforts and initiatives of the Secretary-General aimed at further reforming the United Nations to cope with contemporary challenges and address new priorities facing the Organization in the twenty-first century;
- Emphasizes the need to further strengthen the efforts of the United Nations in implementing the development goals through enhanced mechanisms, adequate resources and effective follow-up activities;
- Welcomes the intention of the Secretary-General to submit a shorter proposed programme budget for the biennium 2004-2005 that fully justifies the resource requirements and better reflects the priorities of the medium-term plan for the period 2002-2005, the United Nations Millennium Declaration and the outcomes of the major international conferences, taking into account the full scope of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, while emphasizing that reform should not be seen as a budget-cutting exercise;
- Also welcomes the intention of the Secretary-General to issue a document clarifying the roles and responsibilities of the various United Nations entities in the area of technical cooperation by September 2003 and to submit a report thereon to the relevant intergovernmental bodies for their consideration;
- Welcomes the efforts of the Secretary-General to strengthen the system of evaluation and monitoring that underlines the importance of assessing programme impacts;
- Notes the proposal of the Secretary-General for a single-stage intergovernmental review of the programme budget and medium-term plan, contained in action 22 of his report, and requests the Secretary-General to submit a report clarifying his proposal for consideration by the General Assembly at its resumed fifty-seventh session;
- Shares the vision of the Secretary-General to foster excellence among United Nations staff, inter alia, by rejuvenation, while ensuring the highest standards of efficiency, competence and integrity, as well as equitable geographical representation and gender balance;
- Welcomes the intention of the Secretary-General, as set out in action 32 of his report, to continue to improve management, and requests the Secretary-General to continue to improve accountability and responsibility as well as monitoring and control mechanisms and procedures;
- Requests the Secretary-General to submit a progress report on the implementation of the reform measures as considered in the present resolution to the General Assembly at its fifty-eighth session.

B. The UNECE Reform

10. The Executive Secretary presented the above-referenced Conference Room Paper 3 to the fifty-seventh Annual Session of the Commission in order to involve UNECE member States as early as possible in the process and to have the first in a series of discussions on strengthening ECE. Some of the issues contained in the paper were also discussed at the meeting of the Steering Group, held during the week of the Annual Session. In introducing her paper, the Executive Secretary emphasized that the Commission should not only build on old achievements but must be able to respond to new challenges using its comparative advantages and increasing cooperation with other organizations. At the same time, the overriding principle guiding the exercise must be that of focus. She also underlined the need for the UNECE to be able to respond efficiently to global processes, bearing in mind what others are doing and what the UNECE’s niche should be. Following an initial discussion by the Commission, the Chairperson
emphasized the need to actively involve member States in discussions on the paper through the Steering Group, PSBs, the Bureau and the Group of Experts on the Programme of Work (GEPW). Member States were also invited to submit their written comments on the paper.

11. The comments of member states (Spain on behalf of the European Union (and with the support of Bulgaria, Cyprus, Czech Republic, Slovenia, Slovakia, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania and Turkey); Canada; Latvia; Malta; Romania; Russian Federation; Switzerland; and the United States) were circulated to all UNECE member States in mid-July. The comments included inter alia:

- References to the continued validity of the 1997 Plan of Action, and that it should serve as a point of departure for any changes
- The need for the full involvement of member States in the reform process
- The need to maintain the focus of the Commission’s activities in those areas where it has recognized expertise and proven advantages
- Recognition of the need to adapt to new challenges and circumstances but in a manner that builds on existing strengths and not at the expense of diluting the focus of UNECE or jeopardizing core strengths.
- The risk of duplication and overlap
- The importance of prioritizing activities
- The need for member States to articulate a balance among the pillars of UNECE work (analysis/norm-setting and technical assistance)
- The need for strategies in respect of UNECE’s technical assistance.
- References to the governance of UNECE, in particular the need for the Annual Session to review the programmes of work of the PSBs.

12. A brief discussion on the paper was subsequently held at the Ad Hoc Informal meeting of the Commission on 20 June 2002. At the Ad Hoc Informal meeting of 14 October 2002 delegates were also briefed about the Secretary-General’s reform and the implications for UNECE, including those related to the preparation of the proposed programme budget. In addition, they were informed about secretariat changes planned by the Executive Secretary and her wish to continue a dialogue on reform in UNECE.

13. The GEPW discussed the Executive Secretary’s paper at its meeting on 17 June 2002 and again briefly at its meeting on 9 October 2002 in the presence of the Executive Secretary. Many of the comments made during those meetings echoed those addressed to the Executive Secretary in writing. The request was also made that a revised version of the paper be prepared.

14. The following summarizes the PSB and PSB Bureaux’ discussion of the paper:

- The Bureau of the Timber Committee discussed it in May and the Committee itself in September. Both endorsed the stress put by the Executive Secretary on policy dialogue and on a cross-sectoral, holistic, approach, as well as on partnerships and avoiding duplication. They also considered that there were no resource savings to be made from merging the Timber Committee with any other PSB and that there could be negative consequences in that neither the timber nor the trade expert communities would find it worthwhile to attend a merged committee.
- The Committee for Trade, Industry and Enterprise Development considered the report in May and approved a statement regarding the Executive Secretary’s initiative. That included, inter alia, the Committee’s declared readiness to review its structure, including interlinkages and possible links with other existing PSBs. In October, the enlarged CTIED Bureau, in the light of the Executive Secretary’s request, discussed the intergovernmental structure of the Committee. A number of preliminary proposals were discussed and it was decided that the matter would be reconsidered in February 2003 at the next meeting of the enlarged Bureau.
- At its June 2002 session, the Conference of European Statisticians agreed that the Bureau of the Conference, the Conference itself and the secretariat should continue to work actively towards contributing positively to strengthening the ECE as an organization.
• Both the Bureau of the Committee on Human Settlements and the Bureau of the Committee on Environmental Policy discussed the paper at their meetings in May and July respectively, and the Committees were informed about the process at their subsequent meetings.
• The Bureau of the Committee on Sustainable Energy and the Committee, while taking no formal decision in respect of the paper, generally endorsed the concept of the initiative through its approval of selected changes to its programme of work.
• The Bureau of the Inland Transport Committee at its meeting in July 2002 stressed the need to have the requirements of the transport sector adequately reflected in the reform process.

15. The inputs and contributions of member States, individually or in meetings of the Commission, the Steering Group, the PSBs and the Group of Experts were appreciated and have assisted the Executive Secretary in formulating a number of proposals as presented below for the consideration of the Commission.

II. INTERGOVERNMENTAL STRUCTURES

16. In Conference Room Paper 3 it was stated that the mandate of the UNECE and increasing its capacity to respond to new priorities requires an adjustment of the existing inter-governmental structure.

17. The Secretary-General’s Report attaches critical importance to the adjustment of intergovernmental structures in the context of UN reform. “… if we want a stronger United Nations, change is a necessity for the intergovernmental organs as well. (para. 14). More generally, the focus of the Secretary-General’s report on streamlining and reducing the burden of meetings, reports and conferences, and aligning activities with priorities would not be credible, if it did not imply correspondingly a serious and in-depth reconsideration of the existing intergovernmental structures and their modus operandi, not only at Headquarters but also in individual agencies and entities.

18. The departmental self-assessment of the UNECE linked the adjustment of existing intergovernmental structures to the need for better responding to new priorities and new challenges. “The intergovernmental structure should reflect the main priorities of UNECE’s activities; it needs to be more homogeneous, better focused and flexible. (p.5)”. Suggestions were made in the report “Strengthening the Organization” to stimulate discussion on the improvement of the inter-governmental structure.

19. The proposals in the Self-assessment report have - as intended - produced discussions among member countries and various groups and bodies, such as PSBs, and their Bureaux, the Steering Group and the GEPW. The outcome of these discussions can be summarized at this stage as follows:

• There has been broad and general support for assessing the intergovernmental structure in support of better focusing and streamlining
• Some PSBs have started in-depth reconsideration of the structure of intergovernmental bodies and proposed changes will be submitted to the Commission at the Annual Session in 2004.
• In general, the positive outcome of the exercise is that a process has been started, or, where the process was already underway, a speed-up was stimulated.

20. It is proposed that the review of inter-governmental structures be carried out on a regular basis at all levels of the organization following the guidelines of the 1997 reform, and that the role of the Commission be strengthened. It is recommended that adjustment of the existing
inter-governmental structure at the Commission level be discussed at the Annual Session if the Bureau of the Commission or an Advisory Body (GEPW, Steering Committee) or the secretariat proposes it.

**Action 1:** The Annual Session will discuss the adjustment of the intergovernmental structure at the Commission level if any eligible body proposes it.

21. It is proposed that PSBs ensure that the Commission is regularly informed of the assessment of their inter-governmental structure. Therefore, it is proposed that regular reporting of PSBs to the Commission on this issue be introduced. The review/assessment includes reporting of adjustments of mandates and tasks for the working parties as bodies of a standing nature and on temporary mandates of ad hoc groups of experts with a precise programme of work and a sunset clause. The review/assessment review should define which ad hoc groups of experts and, if necessary, which working parties will be phased out. The competencies on taking decisions in this respect are not changed.

**Action 2:** PSBs will review annually their intergovernmental structure, including related advisory groups such as teams of specialists, and report to the Commission at its Annual Session.

22. The “Strengthening the Organization” paper proposed that the Commission consider a number of possible mergers between existing PSBs like the Committee for Trade, Industry and Enterprise Development and the Timber Committee, consider extending the mandate of existing committees like the Committee on Sustainable Energy into the Industrial Restructuring, Enterprise Development and Energy Committee, and the Committee on Human Settlements into the Committee for Social Affairs, Land Development and Human Settlements) and creating a new committee.

**Action 3:** The secretariat will produce a report with suggestions in relation to the mentioned inter-governmental restructuring to be considered by the Commission at the 2004 Annual Session.

### III. STRENGTHENING THE SECRETARIAT

23. The new challenges and priorities and the need to better respond to the requests of member States – in a context of zero or minimal resource growth – requires constant upgrading and improving of the secretariat’s effectiveness. The secretariat is confronted with the need to strengthen strategic thinking, to further implement a cross-sectoral approach, to extend its contribution in norms, standards and other legally binding instruments’ setting and their implementation, to further strengthen the policy relevance of analytical work, to confront the increasing requirements of policy dialogue, to increasingly interact with non-governmental stakeholders, etc. In order to cope with these numerous tasks, it is important to introduce greater flexibility into the programme of work, to adjust more frequently its organizational structure, to invest in the training of staff and technological infrastructures, and to increase transparency and participation in decision-making, i.e. in general to develop a conducive “corporate culture”. Although changes within the secretariat are a prerogative of the Executive Secretary, the better understanding of the efforts on the part of intergovernmental bodies increases cooperation and therefore the efficiency of the Commission.
24. In his report, the Secretary-General made a commitment to submit to the General Assembly in 2003 a thoroughly revised programme budget that reflects the agreed priorities. In paragraph 44 he stresses the need to update the programme of work and to dispense with mandates that are no longer relevant on a recurrent basis. He also proposes to introduce time limits to initiatives that involve major commitments of funds. In Conference Room Paper 3, it was stressed that the review of the work programme is a complex process that includes examining the priority-setting mechanism as well as the activities review of the secretariat and the intergovernmental bodies. It also requires in-depth discussion of the strategic orientation of the UNECE. The secretariat made considerable efforts to improve the programme of work planning process in the course of preparing the programme budget for the biennium 2004–2005. The consultative process involved divisions and senior management, PSBs, GEPW, Steering Committee and dialogue at the level of the Commission. The process requires further adjustments including, and in particular, the need to start the process earlier to allow more time for discussions on strategic direction of the UNECE. Better mechanisms for adjusting the programme of work on an annual basis are also needed.

**Action 4:** The secretariat will propose adjustments to the programme of work planning process in order to ensure that it better reflects priorities and new challenges and ensures increased transparency and efficiency. These will be considered at the next Annual Session.

25. The need to further incorporate cross-sectoral issues into the programme of work derives from the emergence of inter-sectoral priorities and objectives such as sustainable development, development of the information society, etc. The programme of work for 2002-2003 and for the next biennium is sector-based due to the limitations of the Medium-Term Plan. Nevertheless, many linkages among different sectors are increasingly recognized at the level of secretariat and inter-governmental bodies, (e.g. transport-environment, energy-environment, transport-trade, etc.) and they are increasingly reflected in the programme of work, including in the provision of technical assistance. To promote an understanding of the strategic directions and of the increasing cross-sectoral orientation of UNECE, a secretariat staff meeting was held that focused on an exchange of information on the programme of work in 2003 and in 2004–2005.

26. A review of the current organizational arrangements was undertaken in order to exploit synergies, adjust the structure to evolving requirements, and allocate existing professional staff to the various tasks in an optimal manner, etc. The first result of this organizational review was the establishment of the Industrial Restructuring, Energy and Enterprise Development Division, effective 1 November 2002. The new Division is the result of the merger of the Sustainable Energy Division and the Industrial Restructuring and Enterprise Development Section, which had been shifted from the Trade Division to the Coordinating Unit for Operational Activities at the end of 2001. A new Technical Cooperation Unit (TCU) has been formed entrusted with the tasks of formulating technical assistance policy, coordination, monitoring and evaluation of technical assistance. Other changes in the organization of the secretariat may become necessary in the future, as the reforms underway take shape that suggest new forms of structuring that better correspond to the priority work areas of the Organization. The flexibility and adaptability of the organizational structure, and its ability to change in response to evolving needs are a vital requirement of, and therefore a permanent feature of the secretariat if it wants to remain an
effective and high-performance institution. An organogramme of the existing structure of the secretariat will be provided.

27. In order to ensure higher transparency, accountability and efficiency in respect of Regular Budget and extra budgetary resource utilization, a number of measures are being implemented. These include the management of hospitality, training and regional advisory funds. Efforts are also being made to foster a greater Commission-wide understanding about the United Nations regulations and rules governing the utilization of resources regarding trust funds. The next steps are being looked into and will be reported to the Commission.

Action 5: The secretariat will investigate opportunities to increase transparency and efficiency in the management of budgetary and extra-budgetary funds and will inform the Commission at the next Annual Session

28. Staff performance depends critically on the quality of personnel, their understanding of the basic strategies, their readiness to share a common vision and their ownership of the broad directions of work, etc. In order to increase staff efficiency it is essential to invest in their training and enhance their motivation by increased transparency and participation in decision-making. The role of senior management to foster cohesion and provide a convincing leadership are other key factors that help to build a corporate culture that makes it possible to perform better. In the field of training, a policy on the training of staff members was adopted (Directive No. 6, 26 June 2002). In order to increase transparency various measures have been introduced, including:

- Defining procedures, roles and responsibilities (the following Directives have been adopted: No. 1: Functions and Responsibilities of Focal Points within the UNCEE, 10 June 2002; No. 3: Rules for the Clearance of Documents, 3 June 2002; No. 4: Rules on Regional Advisors, 10 June 2002; No. 7: Procedure for Submitting Publications, 6 July 2002.
- A quick reference guide to administration, administrative procedures and requirements has been produced and posted on the Intranet (“Admin made easy”). The purpose is to explain the norms and rules governing the UN, their complexity and the commitment of the administration, in cooperation with Headquarters and member States, to simplify mechanisms and cut down the existing administration burden.
- Making reports of the regular Directors’ meetings accessible to all staff through the Intranet;
- Staff meetings, meetings with focal points, Regional Advisers organized on important issues.

29. A mechanism for increased participation of staff in decision-making has been established. It includes staff brainstorming discussions of strategic issues; (e.g. UNECE reform, building the information society, the future of post-enlargement Europe, UNECE partnerships with the business sector); establishing advisory bodies composed of staff members (e.g. the Editorial Working Group, advising on publications strategies, the Web-user Group, aimed at improving the UNECE web site, the IT focal points network, connecting the people responsible for supporting IT in the various divisions).

30. Public information is a constant part of the secretariat’s work. Information is disseminated through the web site, press releases, UNECE Highlights (4 times a year) and publications. The web-user working group has been revitalized in order to increase the quality of the UNECE web site. Rules for press releases and notes for the press, adopted in January this year as Directive No. 8, aim at attracting more attention to the work of the UNECE. The new UNECE Report, with broader targeting, is an attempt to provide concise information on UNECE activities in past and current years. The secretariat also intends to introduce a two-page weekly
newsletter and to increase the frequency of UNECE Highlights from four to six times a year as well as to introduce some changes in its format and contents (e.g. shorter and more focused on analytical information, etc.)

31. The Secretary-General’s Report puts considerable emphasis on the need to reduce the number of reports and publications in order to avoid overlap and duplications, and focus available resources on actual priorities. An in-depth review of on-going and planned publications has been carried out as part of the planning of activities for 2003 and the programme and budget process for the next biennium 2004–2005. As a result of the latter exercise, which has taken several stages and iterations of bilateral and multilateral discussions among Divisions, the Executive Office and the Executive Secretary, publications have been cut by approximately 25%. A UNECE publication strategy aimed at improving the quality of UNECE publications has been discussed and adopted, and is now being implemented under the oversight of the newly formed UNECE Editorial Group. A set of common rules, additional to the general UN rules for publications, have been defined with a view of setting quality standards for UNECE publications, standardising the process for planning and clearance, consolidating a common corporate identity and image of UNECE publications. A new series of UNECE Occasional Papers will be launched to publish essays produced by the UNECE and to disseminate them for discussion. UNECE-wide publications series have been introduced with the aim of better targeting the different publications typologies, extending the outreach of publications beyond the technical networks of the specific UNECE sectors, and consolidating a common identity across the different sectoral outputs of the UNECE.

32. The Secretary-General’s Report acknowledges that “reform … requires a bigger investment in information technology”, and proposes a “new strategy for the use of information and communication technologies…[to be] submitted at a subsequent stage of the current session of the Assembly, as requested by Member States”. The UNECE has adopted an IT strategy as an integral part of its internal reform and modernization efforts. This strategy implies:

- Upgrading of the hardware software and middleware infrastructure. In September 2002, the migration from the obsolete cc:mail system to Lotus Notes was successfully completed, relying only on internal staff and with no disruption of on-going activities.
- New outsourcing arrangements, outsourcing of non-core functions such as hosting and maintenance of servers, with UNOG and ICC are being finalized.
- Implementation of remote access to data for staff, accompanied by corresponding training and tutoring.
- Planning of a web content management system. This system is currently being studied by the Users Group, with the aim of maintaining a decentralized and flexible structure, but at the same time strengthening oversight and a common corporate structure.
- Creation of a UNECE-wide advanced data warehouse, accessible on the web. This is currently under study, based on the extension and harmonization of the databases used for the Economic Survey of Europe.

33. The secretariat increasingly interacts with non-governmental stakeholders such as the business sector, NGOs and other representatives of civil society. The secretariat will further work in promoting partnerships with the business sector and focus on integrating partnerships into the development and implementation of conventions, norms and standards, working with different aspects of development (like housing real estate, market prevention of industrial accidents, etc.) Using partnerships for technical cooperation will also be pursued. All UNECE partnerships with the business sector will be published on a UNECE website. There is a need to further raise awareness of the role of partnerships among staff and developing its capacity for partnerships through staff training. A part of the staff training will include a segment on understanding the risks and challenges of cooperation like selecting acceptable partners,
avoiding conflicts of interest, minimising undue influence, and ensuring accountability and transparency. The relationship with the business sector is regulated by the Secretary-General’s guidelines “cooperation between the UN and the Business Community” of 17 July 2000. The necessity of introducing internal UNECE guidelines that will complement those of the Secretary-General is being studied.

**Action 6:** The secretariat will further analyse modalities of the UNECE cooperation with the business sector and the necessity to adjust the general guidelines to UNECE needs. If necessary it will produce internal guidelines on cooperation with the business sector.

V. UNECE TECHNICAL COOPERATION

34. At present, no distinct unifying strategy for UNECE technical cooperation exists. Activities are usually initiated in response to recommendations by intergovernmental bodies, to requests by individual countries and/or country groups, or on the basis of project proposals made by donor organizations or countries. They are funded from different sources and evaluated either in accordance with established United Nations rules (such as those required by the Development Account or the Regular Budget) or on the basis of evaluation procedures established by UNECE Divisions. Most of the activities are linked to existing sub-programmes and have a clear sectoral focus. Some have a cross-sectoral nature (enterprise development, entrepreneurship and SMEs and investment mobilization) but the proportion is modest. Assistance in addressing structural development problems has been provided mainly within the cooperation framework of SECI and UN/SPECA.

35. The effectiveness of technical cooperation largely depends on prioritization, means and methods of implementation, resource availability and government support and cooperation. The present situation for **priority setting** for technical cooperation could be improved. At the intergovernmental level, the Commission has the responsibility and decision-making power with regard to both the strategy and priorities for UNECE technical cooperation. However, this responsibility has been shifted to the PSBs. As a result, UNECE technical cooperation is dominated more by sectoral rather than cross-sectoral and/or system-wide concerns. Furthermore, in some instances PSBs treat the report on regional advisory services rather formally, just taking note of the report without devoting sufficient time to reviewing results, impact, value added and/or the relevance of on-going technical cooperation activities, especially from the perspective of recipient countries. At the secretariat level, prioritization of technical cooperation is done mainly by Divisions in the course of preparing annual and biennium budgets and work programmes and plans. The Regional Advisers, functionally attached to the substantive Divisions, set up priorities for their work and prepare their own work-plans in consultation with the Division Directors. Often the availability of extra-budgetary funds serves as a major criterion for prioritization. The Technical Cooperation Unit (formerly Coordinating Unit for Operational Activities, see above) functions according to the 1997 mandate, which states:

- “To deal with issues and activities which…respond to the needs of specific groups of countries -countries in transition, sets of countries belonging to the same sub-region or group of countries…having a common interest in a specific issue…”;
- “Supporting and, when necessary, coordinating all other operational activities undertaken by ECE’s Divisions, including by the Regional Advisers, in response to special needs and priorities of countries in transition…” (All the above within the given mandates and Unit’s own resources), and
36. The shortcomings of the existing mechanism of priority setting for UNECE technical cooperation are the following:

- It does not provide recipient countries/country groupings with adequate opportunity and mechanism to participate in priority setting.
- The existing prioritization process is dominated more by sector-specific priorities than by the consideration of economic efficiency gains on a system-wide basis.
- It is overly cumbersome and lacks sufficient monitoring and control.

To raise the effectiveness of the UNECE technical cooperation, the following mechanism of priority setting is proposed:

- The PSBs, and the GEPW discuss and make recommendations for prioritization of the UNECE technical cooperation in consultation with representatives of sub-regional groupings and initiatives.
- The Commission will consider and act upon the joint recommendations submitted by the above.
- The UNECE Divisions and the Technical Cooperation Unit will incorporate the approved priorities into their work plans.
- The UNECE secretariat Joint Committee on Technical Cooperation, as proposed and defined below, will facilitate steps 1 and 2 of the scheme.

**Action 7: The secretariat will provide substantive support for the implementation of the above mechanism, if agreed**

37. While transferring the priority setting mechanism to a group with cross-sectoral focus and responsibility will help create a unified strategy for technical cooperation, it will not be sufficient. It will also be important for this group to articulate a unifying strategy that can be used to guide decisions on individual issues. In articulating such a strategy this group might want to draw upon three principles that may be employed to guide priority choices:

- The principle of sustainability of economic activities.
- The principle of economic efficiency.
- The principle of equity.

The application of the principle of sustainability will ensure that a critical mass of technical cooperation will be targeted to the most needed areas, countries or country groupings. The application of the principle of economic efficiency will allow focus on those activities that will bring visible efficiency gains. The application of the principle of equity will help to take into consideration possible distributional effects of the UNECE technical cooperation.

38. In articulating such a unifying strategy for technical cooperation the group may also want to consider selected aspects of major strategic goals of the organization and the major challenges it faces:

- to promote economic cooperation between the countries of the region and to assist countries in transition in integrating their economies into the European and global economy.
- to minimize potential short-term negative implications for non-acceding countries and to expand positive impacts of the EU enlargement.
- to improve the long-term capacity of non-acceding countries to withstand external shocks and to maximize potential benefits from the increased proximity and size of the EU market.
- to strengthen cooperation with sub-regional country groupings and initiatives, with which the UNECE has already established either formal or informal cooperation ties in order to improve cooperation within the member States and with the EU member States.
• as the results of the transition process differ from one economy in transition to another, the UNECE should try to increase the chances of the least advanced economies to benefit from the expected further deepening economic integration of Europe and the associated increase in living standards.

39. It may also want to consider selected aspects of the strategic goals of technical cooperation of the UNECE, which include:

• minimization of trade barriers with a focus on economies in transition and non-accessing countries and on trade facilitation.
• integration of economies in transition and emerging market economies in European transport and electric networks with the special emphasis on the land-locked economies in transition.
• promotion of networking among SMEs, business/producer associations, expert institutions and organizations, etc.
• promotion of the efficient use of energy resources.
• ensuring the sustainability of industrial and other economic activities.
• ensuring the rehabilitation and protection of the environment.
• support of the development of e-economy and information society.
• promotion of women’s and youth entrepreneurship, including e-commerce.
• promoting development of statistical tools for monitoring progress towards development goals and good governance.

40. Attention also needs to be given to the coordination mechanism for technical activities. At present, the UNECE technical cooperation activities have been implemented by the Regional Advisers, regular staff, and experts, either hired by the UNECE or on a voluntary basis. In some instances, this is done through partnership with other United Nations agencies and international organizations, regional, sub-regional and national organizations, active in a particular field, or with the private sector. The contribution of the UNECE partners has been made either in a financial or in-kind form, or both. Recently, the UNECE has begun employing the Internet as an implementation tool in delivering its technical assistance to recipient countries and organizations. However, due to the absence of any assessment, it is difficult to determine which of the implementation means are the most effective and efficient. The UNECE needs to undertake an evaluation of its implementation means in order identify the best ones.

41. The coordination mechanism could be improved. Currently coordination is carried out both by Divisions or by the TCU and by the Office of the Executive Secretary. With regard to the former, Regional Advisers operating within joint inter-divisional projects (energy/water projects in Central Asia) or within specific sub-regional frameworks (SPECA and SECI) are coordinated either by respective Divisions directly overseeing the implementation process, or by the TCU through inter-divisional or joint meetings with Regional Advisers and mission reporting. Coordination by the Office of the Executive Secretary relates in particular to cross-sectoral technical cooperation, i.e. it provides the impetus and reinforcement to cross-sectoral linkages.

42. In order to ensure better over-all coordination, it is proposed:

• To set up a committee (Joint Committee on Technical Cooperation), comprising UNECE Directors, a representative of the Executive Office, and the Chief of the TCU, which would perform the coordination function, facilitate the priority-setting mechanism, assess project relevance to the programme of work and develop fund-raising strategies.

In this connection, one of the responsibilities of the TCU will be to focus on adequate coordination and, together with the Committee on Technical Cooperation, it will develop and
service priority-setting mechanism (The responsibilities of the Unit in monitoring, evaluation and reporting are defined below.)

43. At present, the **monitoring function** is split into a number of processes:

- Financial monitoring, being performed by the Executive Office.
- Subject-oriented monitoring, being performed by the TCU.

There are principal differences between the two systems of monitoring. While the former is focusing on the financial expenditure of resources allocated to technical cooperation, the latter is focusing on the subject-content of activities. The consequent categorization of technical activities employed by each of the approaches also differs.

44. It is important to identify and select a monitoring technique, which would allow integrating both the effectiveness and efficiency dimensions of the UNECE technical cooperation. One possible approach could be through combining substantive and financial monitoring.

**Action 8: The secretariat will identify and implement a monitoring technique for UNECE technical cooperation**

45. It is also important to technically equip the TCU, taking into consideration its miniscule capacity. Employing appropriate project management software, allowing the Unit and the Divisions and the Regional Advisers to reduce time spent on reporting, could do this, and would facilitate feedback.

46. At present, the **evaluation** of the UNECE technical cooperation is performed by:

- UNECE Divisions;
- Technical Cooperation Unit;
- Office of the Executive Secretary.

The criteria been used for the evaluation purpose vary, depending on the purpose and recipient of the evaluation results. The prevailing approach has not been the efficiency/effectiveness approach. Attempts to establish a centralized and sound evaluation system have not been very successful mainly due to resource constraints. Experience of other United Nations bodies and agencies shows that evaluating technical cooperation is an expensive and time-consuming task.

47. Under the current circumstances, the following solution could be considered: Each technical cooperation project or programme will be evaluated in a process that accompanies project or programme implementation. The specific evaluation process to be used will be determined in each case, in cooperation with both recipient and donor countries to the project or programme. The form of evaluation processes will depend on available resources. If possible, preference will be given to outside evaluation processes. If funds are not available for this option, an evaluation method will be determined that is consistent with the emerging UN secretariat practices in this area. With this perspective, the ECE will participate in the UN Working Group on Evaluation. Subject to the above constraints and/or resource availability, a detailed evaluation strategy will be developed by the TCU. Results of project evaluation, particularly with a view to assessing the relevance, effectiveness and efficiency of the UNECE technical cooperation projects and programmes, will be reported annually to the Commission.
Action 9: The secretariat will put greater emphasis on the evaluation of technical cooperation and will use the most appropriate evaluation technique available

48. At present, there is no unified fund-raising strategy and no formal resource mobilization mechanism. At the same time, as the 2002 Report on the UNECE technical cooperation activities shows, the total number of projects and the amount mobilized from various extra-budgetary sources to fund these projects are rather impressive. Fund-raising has been done by Directors of the UNECE Divisions, TCU, and Regional Advisers. Efforts have been undertaken by the TCU staff to set up a mechanism for presenting requests/project proposals received from countries in transition to the GEPW. So far, one project-proposal introduced through such a mechanism, a South Caucasus project, has received funding from the Government of Italy. Another method was developed to mobilize donors or sponsors through publishing information on country projects, for which partners were sought. A number of such projects in Ukraine and Belarus were included in bilateral cooperation agreements by donor countries (Germany and Italy). Some of the UNECE Divisions (Energy Division, for example) have developed their own system of fund-raising, which has proved successful. However, most of the resources came from United Nations or other multilateral foundations, such as the UN Development Account, UNDP and GEF. The availability of extra-budgetary resources is of paramount importance to the UNECE under the conditions of zero-growth of its resource base. It is also extremely important in view of the fact that most resources of the global United Nations agencies are now concentrated on the poorest and least developed countries in Africa and Asia. However, in the UNECE region, seven countries seem to be rapidly moving towards the same situation and some of them, by the extreme poverty criterion, already join the list of the world poorest and disadvantaged countries. These are Armenia, Azerbaijan, Georgia, Kyrgyzstan, Republic of Moldova, Tajikistan and Uzbekistan. To provide adequate technical assistance to these economies on a priority basis and in a systematic and targeted way, the UNECE needs additional resources. The UNECE therefore needs to develop a specific fund-raising strategy and mechanism, which could help to expand and diversify its extra-budgetary sources.

49. The UNECE is not in a position to hire a professional fund-raiser nor is it possible to train and assign a regular staff-member to fully devote his or her time to fund-raising. Under these circumstances, it is important:

- To continue to use decentralized fund-raising, which has been practised by UNECE Divisions and Regional Advisers.
- To extend the use of a website to promote UNECE projects and mobilize donors and sponsors. The latter could be done in cooperation with national business associations, council of industrialists, chambers of commerce, bilateral development assistance agencies, etc.
- To develop detailed fund-raising strategies (secretariat Committee on Technical Cooperation).

50. In setting up an internal organizational structure for the purpose of coordination, monitoring and evaluation of UNECE technical assistance, it is important to minimize overlapping, avoid bureaucratization and ensure cooperation. To achieve this, technical cooperation management functions and responsibilities should be clearly defined.

(a). UNECE secretariat Joint Committee on Technical Cooperation.

The functions and responsibilities of this Committee are:
• Coordination of technical cooperation activities within the strategic framework adopted by the Commission, especially those activities which require inter-divisional cooperation.
• Coordination of the implementation of technical cooperation agreements between the UNECE and sub-regional country groupings.
• Support role for the priority-setting mechanism.
• Selection of project-proposals for fund-raising and presentation to the GEPW.
• Clearance of the annual report on technical cooperation.

(b) UNECE Divisions.

The functions and responsibilities of the Divisions are:

• Elaboration of the sectoral technical cooperation work-plan within the overall UNECE strategic technical cooperation framework.
• Preparation of the project proposals for fund-raising and presentation to the GEPW.
• Implementation of the work-plan.
• Evaluation of the technical cooperation activities delivered by the Division.
• Coordination and oversight of the work of the Regional Advisers functionally attached to the Division.
• Performance evaluation of the Regional Advisers.
• Preparation of the divisional report on technical cooperation.

51. The role of the TCU has been reviewed and renewed. Elements of its work, which include among others the sub-programme on Industrial Restructuring and Enterprise Development and servicing the Working Party on International Legal and Commercial Practices, were redeployed to another division. New functions and responsibilities of the TCU are:

• Preparation of the unified UNECE work-plan of technical cooperation activities.
• Monitoring of the implementation of the work-plan.
• Promotion of the UNECE project-proposals and mobilization of sponsors and partners, including by means of the Internet.
• Development of cross-sectoral and sub-regional technical cooperation initiatives in consultation with the UNECE Divisions, sub-regional, regional and international organizations and other potential partners.
• Establishment of a consultation mechanism with sub-regional country groupings and initiatives on joint technical cooperation activities.
• Preparation of the annual report on technical cooperation to be submitted to the Commission’s annual session.
• Development of an adequate evaluation system in consultation with the Divisions and Executive Office.
• Consolidation and monitoring the work of the UNECE Regional Advisers.

52. Regional Advisers have been playing manifold roles and have performed various functions in respect of UNECE’s technical cooperation. They have provided expertise, promoted UNECE norms, standards and regulations, and facilitated their implementation, organized workshops, conferences and forums, and coordinated UNECE field projects and cooperation activities, and finally, acted as fund-raisers. Functionally, half of the Regional Advisers were attached to the UNECE Divisions and half to the TCU. Respectively, they were reporting on their activities to both the Divisions and TCU, with the latter being responsible for coordination of their overall work programme. The responsibility for performance evaluation of the Regional Advisers was also correspondingly divided between the Divisions and the TCU.

53. Such a division of responsibilities with regard to the Regional Advisers has complicated the assessment of the value-added and impact of the work of each of them, undermining thereby the effective utilization of their capacity.

54. New rules on Regional Advisers, recently introduced, stipulate the following functions and responsibilities of the UNECE Regional Advisers:
• Provide expertise and, if necessary, hire consultants to respond countries’ needs
• Initiate and assist in workshops, training courses, etc.
• Undertake other activities, if necessary
• Streamline, focus, coordinate technical assistance in his/her field with other UN and non-IN institutions
• Cooperate with Regional Advisers’ Coordinator.
• Provide relevant information to the Directors of relevant Divisions, Regional Advisers’ Coordinator and the Office of the Executive Secretary
• Raise funds.

The Regional Advisers’ Coordinator is responsible for:

• Coordinating regional advisory services across country-groupings, initiatives and sectors in the UNECE
• Drafting a consolidated report on the performance of the UNECE Regional Advisers.
• Monitoring the activities undertaken by the UNECE Regional Advisers.
• Collecting and assessing relevant information provided by the Regional Advisers, including on constraints they face in implementing their work-plans, and on countries’ requests for assistance.
• Evaluating Regional Advisers’ activities and reporting the evaluation results to the Commission.