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**UNECE's ACHIEVEMENTS AND CONSTRAINTS DURING 2002 AND
PERSPECTIVES FOR 2003**

Report by the Executive Secretary

Summary

At its fifty-seventh session, the Economic Commission for Europe approved recommendations of the Group of Experts on the Programme of Work concerning the organisation of the Annual Session. Those recommendations derived from the experience of the annual sessions organized since the adoption of the ECE Reform (Plan of Action) in 1997.

One of the Group's recommendations was that the Executive Secretary should report on the achievements of, as well as constraints on, the work of the Commission during the inter-sessional period, and perspectives for the following year cycle.

The present report is in response to that recommendation; information by sector is contained below. In this connection, it is to be noted that the achievements and perspectives are not simply a repetition of the agreed programme of work but rather the highlights from the secretariat's point of view.

Subprogramme 1: Environment

1. The overall objective of the Environment subprogramme is to improve environmental management in the UNECE region and further promote regional sustainable development.

2. Main achievements in 2002 included:

- The contribution by the regional commissions to the World Summit on Sustainable Development (WSSD) held in August-September which led to a better recognition of the role of the regional level in the follow-up to the Summit. The regional commissions cooperated closely to achieve this result. In addition, the UNECE side-event in Johannesburg on public participation was very well attended, in particular by delegates from other United Nations regions, thereby promoting the concept of public participation in decision-making processes.
- Adoption by the High-Level Meeting on Transport, Environment and Health held in July of a Pan-European Programme in this area and the establishment of a tripartite Steering Committee to guide the process further.
- Continued smooth preparations for the May 2003 Kiev Ministerial Conference "Environment for Europe". Negotiations of three Protocols to four UNECE environmental conventions are expected to be finalized successfully for adoption and signature at Kiev.
- Adoption of the environmental performance reviews of Albania, The former Yugoslav Republic of Macedonia and Yugoslavia by the Committee on Environmental Policy (CEP) in October and a first discussion on a comprehensive document on the findings of the EPR programme. The report is expected to be presented to the Kiev Conference.
- The first meeting of Parties to the Aarhus established the management of the Convention, including setting up a compliance regime. It also elected a Bureau with the innovative element of appointing one NGO representative as observer in the Bureau.
- A first discussion by the CEP on a draft outline for an UNECE Environmental Strategy for the next 5-10 years. The Strategy, prepared in close consultation with the UNECE environmental convention bodies, is expected to be adopted by the CEP in October 2003.

Constraints

3. The non-recurrent activities for the Kiev Conference and the WSSD have required extraordinary efforts from the staff as very few additional resources have been made available and considering the major workloads involved. Another important constraint relates to the limited capacity of many countries in transition, in particular those in Eastern Europe, the Caucasus and Central Asia (EECCA) and the Balkans, to implement international commitments and participate in international meetings.

Perspectives for 2003

4. The Ministerial Conference "Environment for Europe" will make important decisions on new legal instruments, sub-regional programmes and other substantive issues, including the future of the process. The final preparations for and the conduct of the Conference as well as the immediate follow-up will provide the UNECE secretariat with demanding tasks.

5. The follow-up to the WSSD in the UNECE region will start in earnest in the spring. The Division will actively contribute to the design of the follow-up and to consultations with key partners, liaising with the other regional commissions and the secretariat of the Commission on Sustainable Development.

6. The first meeting of the tripartite Steering Committee on Transport, Environment and Health, to be held in April, will identify priority activities for practical implementation and discuss securing sufficient resources.
7. The finalization of the UNECE Environmental Strategy and its adoption by the CEP will provide ample opportunities for in-depth consultations and cooperation with the Convention bodies and other key stakeholders. The preparation of the Strategy will have to take careful note of other processes under way with a bearing on UNECE activities in this area.
8. The first review of Georgia will be one of the out-puts of the Environmental Performance Review programme. The future programme will be guided by the decisions at the Kiev Conference, which will be based on a comprehensive study of the lessons learned and the findings made by the programme since its inception in 1993 by the Lucern Ministerial Conference. More emphasis will now be laid on implementation of the recommendations made to countries and on conducting second reviews.
9. The implementation of and compliance with existing legal instruments on the environment will be given increasing prominence. Well- focused capacity building activities and professional guidance will be directed, in particular, to countries with problems of acceding to and implementing the instruments.

Subprogramme 2: Transport

10. In 2002 the Inland Transport Committee (ITC) pursued its overall aim to further improve the efficiency, safety and sustainability of the transport system in the UNECE region, as a basis for the economic and social development of member countries and the competitiveness of the economy of the whole region. To this end, the Committee and its subsidiary bodies updated a number of UNECE Agreements and Conventions as well as Recommendations and Resolutions and also continued its work on the development of common methodologies for transport planning and the collection of transport statistics, including on road accidents.
11. The main achievements of 2002 were:
 - Adoption by the ITC of a Resolution on the work of the Ad hoc Multidisciplinary Group of Experts on Safety in Tunnels inviting Governments to implement the Group's Recommendations and requesting the Committee's subsidiary bodies to consider introducing them, to the extent possible, into the relevant legal instruments.
 - Finalization of amendments to the European Agreement concerning the Work of Crews of Vehicles engaged in International Road Transport (AETR) to introduce the digital tachygraph as the control device for driving and rest periods of professional drivers in international transport. The digital tachygraph will allow better control of those periods, thereby improving drivers' working conditions and reducing the risk of accidents.
 - Work on a package of amendments to the Vienna Conventions on Road Traffic and on Road Signs and Signals to improve road safety regulations, and the decision to hold the Fourth Road Safety Week in the UNECE Region from 5-11 April 2004.
 - Updating of 42 Regulations annexed to the 1958 Agreement. One ratification to the 1998 Global Agreement and four additional accessions were registered, increasing to 22 the number of Parties. Global Regulations were being prepared on the basis of agreed priorities. Work on Rule No. 2 annexed to the 1997 Agreement on safety inspections of

- heavy commercial vehicles was under way.
- Adoption of Guidelines for socio-economic cost benefit analysis of transport infrastructure project appraisal. Development of the Common UNECE/ESCAP Strategic Vision for Euro-Asian Transport Links was pursued and demonstration runs of block trains along two Euro-Asian routes were organized.
 - Extension of the European Agreement on Main International Railway Lines (AGC) to the Caucasus and Central Asian countries. Border crossing was monitored in some Eastern and South-Eastern rail borders and causes of border delays investigated.
 - Adoption of Resolution No. 250 on Promotion of Inland Water Transport providing an Inventory of the Most Important Bottlenecks and Missing Links in the E Waterway Network. Agreement was also reached on Resolution No.50 on Prevention of Water Pollution by Vessels.
 - Examination of Partnership Models and Best Practices in Combined Transport and Efficiency of/in Combined Transport Terminal Operations in order to improve competitiveness of combined transport.
 - Adoption of a new draft Annex to the International Convention on the Harmonization of Frontier Controls of Goods on efficient border crossing procedures.
 - Adoption by the ECOSOC Committee of Experts on the Transport of Dangerous Goods and the Globally Harmonized System of Classification and Labelling of Chemicals of the 13th revised edition of the UN Recommendations on the Transport of Dangerous Goods (Model Regulations), including new provisions concerning security. Adoption by the same Committee of the Globally Harmonized System of Classification and Labelling of Chemicals, requested in Chapter 19 of Agenda 21, after ten years of intersectoral cooperation, in particular with ILO and OECD. Adoption of amendments to UNECE legal instruments regulating international transport of dangerous goods by Road (ADR) and Inland Waterways (ADN) and cooperation with other organizations (OTIF, IMO, ICAO) to ensure adoption of equivalent amendments to their respective instruments concerning the transport of dangerous goods by other modes and their simultaneous entry into force (1 January 2003).
 - Continued secretariat promotion of Sub-regional and Interregional cooperation on transport - Trans-European North-South Motorway and Trans-European Railway Projects started to implement a new short-term strategy to further integrate them in the pan-European transport infrastructure development context. Work resumed on the MoU on Facilitation of International Road Transport of Goods in the SECI Region and a new SECI Working Group on Danube Transport was established to remove existing obstacles and further facilitate navigation on the Danube. The UN Development Account Project on Capacity Building in the Development of Interregional Land and Land-cum-Sea Transport Linkages was reviewed better to take into account the concerns of SPECA countries.

Constraints

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

Perspectives for 2003

13. In 2003, the Inland Transport Committee will continue updating the international legal instruments developed under its auspices, paying increasing attention to their implementation. The Committee will also pay greater attention to the development of transport infrastructure in the UNECE region, including Euro-Asian transport links. Implementation of the Development Account Project mentioned above will provide a major impetus to these links.

14. More specifically, a package of amendments to the Vienna Conventions on Road Traffic and on Road Signs and Signals as well as to the European Agreements supplementing them will be finalized and transmitted to the Secretary General for legal notification. A new Protocol to the Convention on the Contract for the International Carriage of Goods by Road (CMR), introducing the use of an electronic consignment note, may be adopted. Seven new UNECE Regulations annexed to the 1958 Agreement and at least one global technical regulation under the 1998 Global Agreement may be adopted. Recommendations on safety in rail tunnels will be finalized. Amendments to the AGTC Agreement introducing best practices for partnerships and terminal efficiency measures may be adopted. The secretariat will publish the 2000 Road Traffic Census on E-roads. It will also start, together with the ESCAP secretariat, implementation of the Development Account Project on Interregional Transport Linkages.

Subprogramme 3: Statistics

15. The overall aim is to promote the efficiency and relevance of official statistics and better coordination in international work on official statistics across the region; to make a substantive input to the work on strengthening systems of official statistics based on UNECE Fundamental Principles in the region; and to collect and provide the statistical material and expert advice to other subprogrammes such as economic analysis as well as to horizontal concerns such as the Millennium Development Goals, sustainable development, and gender-related issues.

16. Main achievements in 2002 included:

- A review by the Conference of European Statisticians (CES), at its fiftieth anniversary session in June 2002 held at the OECD in Paris, of the format and structure of future plenary sessions to better respond to the major political changes affecting countries in the UNECE region. It agreed that future sessions should be composed of three modules: a half-day segment for formal business; and two one-day seminars of priority interest to all UNECE countries, one devoted to “foundational issues of statistical systems”, and the other to emerging new issues.
- Launching of new projects to provide more detailed statistics on foreign trade and industry, to monitor inflation, and to harmonize statistics from some transition economies with those from western economies.
- The completion of the migration of end-use variables from transition economies into a database environment; the development of analytical tools as aids for internal analysts; and the implementation of an initial WEB interface for access to the database in conjunction with the Environment and Human Settlements Division.
- Provision of bilateral statistical advice to Belarus, Bosnia and Herzegovina, The former Yugoslav Republic of Macedonia, Turkey and Yugoslavia.
- Holding of working sessions with countries in transition on national accounts, prices,

agriculture, and human development. This was achieved in cooperation with the Council of Europe, Eurostat, OECD and UNDP.

- Setting up of the UNECE gender statistics website and its related database in cooperation with national statisticians and UNDP. The database is currently available on UNECE intranet; public access is expected by January 2003.

Constraints

17. In order to be able to collect and manage data from national and international official statistics in a flexible and efficient way, an IT environment that provides adequate tools for statisticians is needed. The recent cut in the IT budget has been very detrimental in this respect, and possibilities of training statisticians concerning IT and statistics proper are far too limited.

18. The CES has played a pioneering role in merging professional meetings of various organisations on the same issue. This has allowed a saving in the number and duration of meetings, but has caused an increasing number of jointly organised meetings to be held outside Geneva, notably in Paris and Luxemburg. In order to be seen as contributing organisation in substance and to be able to update the integrated programme of statistical activities, the secretariat has to follow the work of other organisations much more closely. These demands require more frequent missions to partner organisations, which are not possible with the present travel budget.

19. With the exception of the gender website, the rich data material collected by the Division is only accessible in electronic format to inside users. This is mainly due to the limits concerning IT mentioned above, but also because a public database usually triggers many requests for additional information from outside which have to be answered by staff. While the opening of databases to the outside remains a priority objective of the Division, it does not have the staff resources today to respond to an increasing number of such additional queries.

Perspectives for 2003

20. The main perspectives for 2003 are:

- To ensure that the Conference of European Statisticians implements successfully the new structure for organising its sessions so as to strengthen its leading role in guiding the development of official statistics in the UNECE region.
- To create the capacity to monitor progress towards the Millennium Development Goals and sustainable development through relevant and internationally comparable indicators that are part of official statistics.
- To publish and disseminate as widely as possible the Anniversary Book on the History of the Conference of European Statisticians: the publication will highlight the major accomplishments of the Conference during the past 50 years and the increasing challenges for official statisticians in future.
- To publish and disseminate a new issue of the statistical publication "Trends in Europe and North America" aimed at a broad public audience. It will provide demographic and socio-economic information on each of the 55 UNECE member countries in the following fields: population, families and households, education, employment, income and output, health, housing, transport and tourism, energy, environment, communication, participation, crime

and safety. The 2003 issue has already been preceded by an update of Mini-Trends and the new country profiles are available on the website.

- To develop the Integrated Presentation of International Statistical Work that is compiled for the 25 or so international agencies active in the UNECE region into a database and make it public on the UNECE web site.
- To publish and disseminate the Inventory of National Practices for Measuring Non-observed Economy in the UNECE region and develop it as a tool for monitoring the implementation of recent international standards in measuring hidden economic activities and for cross-country comparisons.
- To launch the UNECE Gender Statistics Database and improve the use of data on the status of women and men at national and international level. The focus will be on bringing the model of the regional web-site into national contexts, improving the capacity of the countries to produce and disseminate gender related data and encouraging the use of the data for programming and monitoring policy programmes.
- To create the conditions for public dissemination via the web of thematically organised and coherent economic reference series that are immediately useable without need for further processing, especially for transition economies.
- To develop further the advisory services of the Division to member countries on a bilateral as well as multilateral basis, the latter in the form of special working sessions on transition related issues, in statistical areas such as national accounts, prices, social and demographic statistics, at the request of governments.
- To place new emphasis in technical cooperation in the application of the UNECE Fundamental Principles of Official Statistics, notably through regional workshops and bilateral assistance at the request of governments.

Subprogramme 4: Economic Analysis

21. In implementing this subprogramme, the Economic Analysis Division aims to provide information and analysis that is helpful to a broad cross-section of policy makers and economists in government, research institutes and universities as well as the private business sector and the public at large. The general objective is to improve knowledge, stimulate the exchange of views and sharing of experience leading to a greater mutual understanding and the reduction of conflicts between national policies.

22. The main achievements in 2002 included the following:

- The two issues of the *Economic Survey of Europe* produced in 2002 provided a review of current macroeconomic developments and an assessment of the short-run outlook in the UNECE region with special emphasis on eastern Europe and the CIS. The first issue of May 2002 contained also special studies on: Technological activity in the UNECE region during the 1990s; Alternative policies for approaching EMU accession by central and east European countries; New forms of household formation in central and eastern Europe: are they related to newly emerging value orientation?
- The second issue of November 2002 included the papers presented by experts at the UNECE Spring Seminar, which discussed “Labour Market Challenges in the UNECE Region.” The four sessions focused on the problem of unemployment in western market economies; characteristics of unemployment in the transition economies; policies to raise labour supply; and on the question whether migration can alleviate the labour market problems in Europe. The Seminar provided once again an opportunity for a free and open

discussion of an important topic among experts from governments, academics, representatives of other international organizations and the private sector.

- As in previous years, EAD also prepared an up-date of the macroeconomic situation in the UNECE region (Mid-year economic review) for the 2002 annual ECOSOC session.
- The UNECE Ministerial Conference on Ageing was held in September 2002 in Berlin (Germany). The Conference adopted two main documents: the *Regional Implementation Strategy for the Madrid International Plan of Action on Ageing 2002* (RIS) and the *Berlin Ministerial Declaration: A Society for All Ages in the UNECE Region*. The RIS is expected to serve as a framework for future national policies in response to demographic ageing across the region. Many of the participants in the Conference, including NGOs, stressed the importance of an adequate follow-up.
- The work on the Generations and Gender Programme (GGP) gained momentum during 2002. The GGP has been actively promoted among UNECE member States and, as a result, a number of them have joined it or are preparing to do so. The programme has also attracted attention in Asia, where Japan has decided to join it.

Constraints

23. A major constraint was the long delay of more than two months between the submission of the *Survey* text to UNOG publishing services and the effective publishing date which affects negatively UNECE's ability to provide timely current analysis to its readership. In addition, the limited resources in the Division clearly limit the scope for meeting the increasing varied demand for studies on special, important economic issues.

Perspectives for 2003

24. A constant challenge remains to further strengthen the *Survey*'s analytical content and to make relevant contributions to the discussion of issues important to member States. It is essential to ensure that the *Survey* continues to be a useful source of information for our readers, especially those involved in economic policy advice. Apart from conjunctural analysis, there is a wide range of other important issues which could be discussed in the *Survey*, for example the economic implications of EU enlargement; issues of structural change and structural reforms; the problem of ageing populations; regional perspectives on issues related to the Finance for Development process such as FDI and the mobilization of domestic resources; problems related to sustainable development and the Millennium Development Goals. In this connexion it is also planned to organize a workshop on real income disparities in the UNECE Region and policies that promote catch-up processes leading to real income convergence. The Spring Seminar of March 2003 will discuss the topic "Sustainable development in the UNECE region" focusing on the environmental dimension of economic growth; and on sectoral dimensions of sustainable development, *viz.* energy and transport. A main challenge will be to adapt the structure of future *Surveys* to the implications of the enlargement of the European Union envisaged for 2004.

25. Subject to relevant decisions of the Commission, in the field of population activities the secretariat could launch a follow-up to the Ministerial Conference on Ageing. The aim will be, among other things, to begin to assist the UNECE member States with an effective exchange of information, experience and best practices regarding policies in response to demographic ageing. This would also involve cooperation with the European Centre for Welfare Policy and Research in Vienna (Austria). A second meeting of the Informal Working Group of the GGP in February

2003 will finalize the questionnaire of the Generations and Gender Survey. It is planned to field surveys in several countries. A joint UNECE-UNFPA regional Cairo+10 meeting is also envisaged to assess implementation of the Programme of Action adopted at the 1994 International Conference on Population and Development and of the Recommendations adopted at the 1993 European Population Conference. The possibility of having the Council of Europe, European Commission and WHO join in the organization of this meeting is being explored.

Subprogramme 5: Sustainable Energy

26. The main objective of the sustainable energy subprogramme is to assist UNECE countries in overcoming two fundamental challenges in the field of energy: (a) the transition to a more sustainable development path for the production and use of energy; and (b) the fuller integration of the energy economies and energy infrastructure of countries in the region. The UNECE activities in the energy field are implemented under the Committee on Sustainable Energy, its Working Party, Ad Hoc Groups of Experts, and Task Forces, and by extra-budgetary projects, such as the Energy Efficiency 21 and the Gas Centre. The Committee engages in an extensive exchange of information, views and experiences among member States on general energy issues and national objectives with an emphasis on sustainable energy policies; develops and implements norms and standards, including labelling and classification systems, for the sustainable production and use of energy, and assists in the harmonisation of legislation and policies dealing with the exploitation and use of energy; addresses issues such as the restructuring of the energy sector and the market adaptation of the coal-energy chain in the context of sustainable development, including energy reforms in central and eastern Europe, integration of energy systems, and new developments affecting energy demand and supply in the short- and medium-term, including pricing policies and interconnection of electric power and gas networks in the region.

27. Main achievements in 2002 included:

- Debate at the annual session of the Committee on Sustainable Energy on the reform of energy pricing to meet sustainable energy development objectives and on energy security in the light of recent developments, including through a round table with the participation of the Secretary General of the Organisation of Petroleum Exporting Countries (OPEC).
- A review of developments related to gas industries and gas markets, the progress of reforms, issues related to security of gas supply, and the relationship between natural gas and the environment, as well as discussion of the EU "Green Paper" and developments in natural gas vehicles markets, an inter-sector project on the development of transport corridors for international transport of goods by gas-driven vehicles ("Blue Corridor").
- Continuation of the Gas Centre's activities related to the EU Gas Directives and to gas transportation issues. These included the examination of the ramifications of the EU Gas Directive for the 15 EU countries, their gas markets and gas industries as well as its implications for countries in central and east Europe, consideration of how central and east European countries and their gas industries can best prepare themselves and benefit from the experiences acquired in western Europe and North America, and the examination of issues related to gas transportation in an open and liberalized environment. The establishment of a Task Force on the Security of Natural Gas Supplies.
- Continuation of the Energy Efficiency 21 Project's work to promote regional cooperation on energy efficiency market formation and investment project development to reduce greenhouse gas emissions in economies in transition. Extra-budgetary support is provided

by the United Nations Foundation, USAID, Enron Corp, Fridtjof Nansen Institute, Institute for Energy Technology and other co-financing partners. Under the UNF supported project, 80 initial investment project proposals were identified and evaluated. Approximately 30 of the best proposals are being developed as pre-feasibility study business plans through training courses underway or planned in each beneficiary country.

- Implementation of the second phase of the project on Energy Efficiency and Energy Security in CIS and development of energy efficiency demonstration zone projects in cooperation with UNDP and the Global Environment Facility in Ukraine, Kazakhstan, Russian Federation and Belarus. Implementation continued of the sub-regional project on the Rational and Efficient Use of Energy and Water Resources, with significant support from the United Nations Development Account, launched in Central Asia.
- Establishment of an inter-sector Ad Hoc Group for the harmonization of terminology of all energy commodities (petroleum, natural gas, coal and uranium). The objective of this harmonized terminology is to be able to evaluate, on a common basis, the world's energy reserves and resources by applying market criteria.
- Realignment of the programme of work of the Ad Hoc Group of Experts on Coal and Thermal Power to better respond to the challenges of the current global sustainable development and environmental debate. Initiation by the successor Ad Hoc Group of Experts on Coal in Sustainable Development of a project, in cooperation with DESA, on mitigating the "economic and social impacts of restructuring of the coal sector of the transitional economies", aiming to maximise the benefit to the transitional economies of the unparalleled experience of western Europe in coal sector restructuring. Promotion and deployment of appropriate cleaner coal technologies continued as a priority area.
- Continued advisory, technical and secretariat support to the SECI Project Group for its activities, including a USAID supported project on teleinformation systems among national electric power dispatch centres in SECI countries, and a new one on the Regional Electric Power Transmission and Expansion Planning in South-eastern Europe.

Constraints

28. The 1997 UNECE reforms streamlined three major committees/working parties (Coal, Electric Power and Energy) into one Committee on Sustainable Energy while reducing regular budget resources by 40%. The new Committee has been very effective in reorienting its work toward sustainable energy while attracting strong support in participants' commitment and extra-budgetary support. Only about 50% of the Committee resources now come from the regular budget, while the other 50% come from foundations, government departments, companies and the General Assembly Development Fund. The main constraint on the programme's further expansion is the number of regular budget staff and resources available to manage additional activities.

Perspectives for 2003

29. The Sustainable Energy sub-programme will incorporate new initiatives in 2004-2005 with greater attention to social issues, policy dialogue, renewable energy sources, zero emission technologies and inter-sectoral activities. The work programme will place more emphasis on the social implications of economic development as called for in the Millennium Declaration, such as restructuring in coal mining communities in economies in transition based on the experience in western countries. It will provide additional analysis and policy dialogue on key issues such as energy security, liberalisation of energy markets and development of cleaner, more efficient

energy systems to reduce greenhouse gas emissions in line with the recommendations of the WSSD. The work programme will be implemented increasingly with innovative Internet applications to enhance communications and value-added information transfers within and between UNECE member States in accordance with the likely recommendations of the World Summit on the Information Society. It will build on inter-sectoral activities initiated in the previous biennium with joint projects in environment and transport, notably on reforming energy pricing policies and the 'Blue Corridor' project use of natural gas as a transport fuel.

Subprogramme 6: Trade Development

30. The overall aim of the Trade Development subprogramme is to reduce the main internal and external obstacles to trade and economic cooperation in the UNECE region and to promote economic integration in Europe. This is done by creating an open forum for exchanging experiences and policies, and by facilitating and developing international trade infrastructure in terms of trade-related norms, standards, tools and policy recommendations. UNECE devotes particular attention to countries in transition, and especially the less advantaged ones.

31. This subprogramme, together with the Industrial Restructuring and Enterprise Development subprogramme, is carried out under the Committee for Trade, Industry and Enterprise Development.

32. In 2002, the main achievements of the Trade Development subprogramme centered on trade facilitation, harmonization and standardization, and trade policies and promotion:

- In the area of trade facilitation, the Trade Development subprogramme supported the integration of all member States, and particularly of transition economies, into the regional and global economy. To this end, studies and capacity building activities such as seminars, workshops and advisory services were initiated. For example, the International Forum on Trade Facilitation, held in May, presented the benefits of trade facilitation for the public and private sectors as well as mechanisms for improving capacity building in developing and transition economies. The Forum also helped identify opportunities for better cooperation between governments, international organizations and private companies. The Forum was followed by a Roundtable on Trade Facilitation in Transition Economies focussing on landlocked transition countries.
- The Trade Development subprogramme helped facilitate trade through the development and implementation of information and communication technologies (ICT) in the UNECE region. It continued developing and promoting electronic business (e-business) norms, standards, recommendations and procedures to facilitate trade, in particular at the first UN/CEFACT Forum held in Geneva in September. In addition, a new database system and Internet-based registration and dissemination systems were developed for the UN/LOCODE list of locations used in international trade. The UN electronic Trade Documents project (UNeDocs) helped make trade documents more accessible to small and medium-sized enterprises (SMEs) and users in transition economies via personal computers and the Internet.
- The UN Development Account project "Capacity Building in trade facilitation and electronic business in the Mediterranean" used e-business concepts to facilitate trade in the Mediterranean region and improve the competitiveness of companies from that region. E-business techniques helped simplify and harmonize trade procedures, implement

automated processes and information technology for administration and commerce and facilitate the participation of SMEs in e-business.

- The subprogramme has been a driving force in creating and promoting frameworks for effective and harmonized technical regulations based on international norms and standards as well as in examining standardization policies. In this vein, October's Forum on Market Surveillance examined current legal instruments aimed at ensuring the safety of products and services on markets with a view to improving these instruments. In another example, a team of experts from the Working Party on Technical Harmonization and Standardization Policies has worked together with private companies to develop a "Telecom Industry Initiative" pilot project based on a WP.6 recommendation. . The purpose of this project is to reduce technical barriers to trade through the harmonization of technical regulations for selected telecommunications products.
- Agricultural quality standards were extended into new areas, as the UNECE Working Party on Agricultural Quality Standards began work on new standards for internal quality and maturity, looked at the special needs of organic produce and continued developing new trade descriptions for use in electronic commerce. The UNECE also contributed to capacity building in central Asia for SMEs in the implementation of agricultural standards and participation in global supply chains by helping the United Nations Economic and Social Commission for the Pacific (ESCAP) to organize an Asian Seminar on Safe and High Quality Food for International Trade, in New Delhi in April.
- In 2002, the subprogramme addressed the need for policy development through seminars and briefings such as those on the WTO Doha Development Agenda and ICT for Development. It also assisted transition economies in strengthening policies and institutions for sustainable trade development through the implementation of existing trade facilitation norms and standards. For example, the Trade Division continued implementing its extra-budgetary activity on "Capacity Building to Improve Trade Finance and Investment Prospects for the Sustainable Management of the Russian Timber Sector", establishing close cooperation with the authorities of the newly created Russian Northwest Federal District. The subprogramme also continued its efforts to promote trade by finalizing the first version of its Trade promotion directory and to publicize its work by expanding from 29 to 51 its Multiplier Point Network of national centres for disseminating information about its activities.

Constraints

33. A general constraint which is affecting all parts of the work programme is the lack of travel funds for supporting expert meetings held outside Geneva (such as the UN/CEFACT Forum, the WP.6 Rapporteurs meetings, etc), coordination with other agencies inside and outside the United Nations system, as well as the organization of seminars, workshops, and other capacity building activities outside Geneva. Other constraints that are unique to particular parts of the Trade Development subprogramme are mentioned under the relevant activities above.

Perspectives for 2003

34. In 2003, the Trade Development subprogramme will continue its work on norms, standards and recommendations, but will also look at some of the social implications of economic development as called for in the Millennium Declaration, in particular by promoting "an open, equitable, rule-based, predictable and non-discriminatory multilateral trading system," especially

in economies in transition. It will provide additional analysis and policy dialogue on key issues such as the development and harmonization of technical, agricultural and electronic business standards. It will continue to consider the role of new information technology in trade and trade facilitation and develop its use where appropriate. To support implementation, UN/CEFACT will continue its work on the benchmarking of trade facilitation and the development of a “single window” recommendation for export and import procedures. In addition, the Working Party on Technical Harmonization and Standardization Policies will continue with pilot projects and recommendations for reducing technical barriers to trade, and the Working Party on Agricultural Quality Standards will hold a follow-up seminar on food supply chain globalisation.

Subprogramme 7: Timber

35. The objective of the subprogramme is to promote sustainable development of the forest/timber sector through monitoring, analysis and the provision of a forum for policy debate. In the UNECE region, some of the main issues concern economic viability of forestry, mechanisms for policy formulation which take account of the interests of all stakeholders, and managing the impact of policy decisions in other sectors, such as energy, environment, climate change, rural development, etc.

36. Main achievements in 2002 included:

- Markets and trade of forest products were monitored and attention drawn to the increasingly severe problems of economic viability of the sector and the need to promote the sound use of wood to improve the sustainable development of the region’s forest and timber sector.
- UNECE, with its partners, presented data on indicators of sustainable forest management for the Ministerial Conference on the Protection of Forests in Europe (to be held in Vienna in April 2003), and participated actively in the revision of the indicator set.
- The European forest sector outlook studies programme prepared a baseline scenario for the long-term outlook of the sector and considered the potential long-term consequences of different policy options, inside and outside the sector. The cross-sectoral approach is essential for correct understanding of structural trends
- Work continued on the interface of timber, trade and environment policies. In particular UNECE continues to be the leading objective source of comprehensive information on markets for certified forest products.
- UNECE continued to monitor forestry assistance to countries in transition and maintains a database on the topic. Recommendations were prepared for governments and international agencies on strategic priorities.
- UNECE also continued, with its partners, to provide the essential core data on production and trade of forest products and on all aspects of the forests of the region. It played a major role in global work, under FAO leadership, and in harmonising concepts and definitions to improve data quality.
- Work continued on the social dimension of the sector with a seminar on partnerships, a study on participation in forest decision making, and analysis of the forest sector labour force.
- The secretariat led the work under FAO auspices on monitoring trends in forest policies and institutions and identified a set of “major policy issues” at the regional level for the consideration of global bodies.

Constraints

37. Although forests cover between a quarter and a third of the region's land area, and are an essential part of biodiversity and landscape, besides providing employment to about 4 million people in Europe, their economic importance (measured in a conventional way, without proper internalisation of values) is relatively minor in most countries. For that reason even pressing forest issues, identified as such by international fora, have difficulty in achieving the necessary high visibility. Increasingly, decisions taken in other sectors, notably trade, energy, environment, agriculture and rural development, have a major impact on forest/timber sector policies and the sector is increasingly determined to be "proactive and assertive" in articulating their concerns. Thus the main challenge for the sector and the subprogramme is to engage a meaningful dialogue with other partners and stakeholders.

Perspectives for 2003

38. The main achievements expected for 2003 are:

- Positive participation in the fourth ministerial conference on Protection of Forests in Europe (MCPFE), Vienna, April 2003, and a confirmed leading role for UNECE in the programme of work to be decided on after the Conference by MCPFE Member countries.
- Publication of the European forest sector outlook study, leading to a widespread debate on strategic policy options, based on the study's analysis
- Strengthening of links between the forest dialogue at the regional level (UNECE, FAO, MCPFE) and the global level (UN Forum on Forests), and clearer integration of regional forest/timber concerns into the implementation of the WSSD Plan of Implementation
- A clear statement of policy on sound consumption patterns for wood, based on a seminar in Romania
- Continued monitoring of trade/environment/timber issues, notably certification of forest products
- Continued monitoring of forestry assistance to countries in transition
- Continued supply of information and analysis on markets, forest resources and policy issues and trends.

Subprogramme 8: Human Settlements

39. The main objective of this subprogramme is to improve the situation in human settlements in the UNECE region by supporting in particular socially vulnerable population groups and taking into account the gender perspective.

40. Main achievements in 2002 included:

- Adoption, by the Committee on Human Settlements in September, of guidelines on condominiums and the holding of an in-depth discussion on social housing. In both areas further work will be implemented.
- Discussion by the Committee of the Country Profiles on Albania, Republic of Moldova and Romania with the objective of facilitating their effective implementation.

Constraints

41. The resource constraints in the secretariat are felt in particular in implementing the programme on in-depth country reviews on human settlements and land administration, which require a lot of preparatory, coordination and finalization work by the secretariat. These programmes are, however, much appreciated by countries in transition, which leads to often long delays between the request by a specific country for a review and the capability of the secretariat to initiate one. Also, the follow-up to reviews is limited by the resource constraints.

Perspectives for 2003

42. One Country Profile on housing and one review on land administration will be carried out on the Russian Federation. Taking into account the size of the country and the complexity of its developments, these projects will put great challenges to the secretariat. In addition, work on a Country Profile on Armenia has started. Two workshops on social housing and the work on implementation of the guidelines on condominiums will also be given high priority.

Subprogramme 9: Industrial Restructuring and Enterprise Development

43. The objective of this sub-programme is to assist Governments in the areas of investment, industrial restructuring and enterprise development, and emerging knowledge-based industries. It aims especially at facilitating industrial restructuring and modernization to ensure the sustainability of industrial development, alleviating internal constraints to private enterprise and entrepreneurial activities, assisting countries to benefit from opportunities offered by the new knowledge-based economy, and promoting international norms, standards and legal instruments in order to mitigate external obstacles to domestic and foreign investment, and the integration of economies in transition into the European and global economy. Work is carried out by the Working Party on International Commercial and Legal Practice and the Working Party on Industry and Enterprise Development.

44. Main achievements in 2002 included:

- An international Forum bringing together delegates from the public, private sectors and from the EIB, EBRD and EU, which examined the capacities of governments to formulate bankable projects for private infrastructure finance. The PPP Alliance agreed to assist the development of some of the projects proposed at the Forum to pre-feasibility and to initiate programmes of training for governments to improve project preparation.
- Agreement to enhance cooperation with the OSCE. The secretariat published the “Role of the Economic Dimension in Conflict Prevention” following the joint UNECE-OSCE conference held in Villars in November 2001.
- A Land for Development Conference in Rome, Italy in September 2002 agreed on the need to enlarge property rights to include low income and poor people and to help governments create an enabling environment so that more inclusive property markets can be created in emerging market economies, and agreed to a land for development programme that would focus on financing and legal issues for property development.
- Support continued to improve the enforcement of IP rights for sustainable development. Consultative visits and training workshops and seminars on valuation and a High-Level Task Force on Valuation and Capitalization of Intellectual Assets were held. A regional seminar on WTO issues and the TRIPS Agreement was also organized in Bishkek.

- During 2002, industry and enterprise development focus was enhanced on cross-sectoral issues and more emphasis placed on social components, through inter alia the organization of various meetings, including the First Regional Forum on Youth: “Security, Opportunity and Prosperity”, which developed recommendations to the UNECE and other organizations of the United Nations system dealing with youth issues.
- Expansion of the Portrait Gallery of Excellent Women Entrepreneurs to include about 200 women entrepreneurs from 34 countries and continuation of the contest of Excellent Women Entrepreneurs for 2002.
- Organization of the Workshop on E-Regulatory Framework Development, Forum on Online Dispute Resolution and other events promoting new knowledge-based economy, including a Side Event on E-Policy and E-Regulation during the Pan-European Conference of the World Summit on the Information Society (November 2002, Romania). Publication of the Information Economy Report 2002-2003 covering 16 countries of the region as well as nine country reports “Towards a Knowledge-Based Economy”.
- Further development of the strategy to assure the contribution of SMEs in the sustainable economic development of the region, through inter alia preparation of reports on SME development and the organization of SME-related activities, meetings and training courses. In the area of women entrepreneurship, activities focused on identifying gender-specific barriers to women’s entrepreneurship, promotion of role models, establishment of sub-regional and regional networks, and the need to enhance women’s capacity to use ICT for business.

Constraints

45. The sub groups under Working Parties have developed into large networks of government and business representatives, which provide high quality advice in a comprehensive manner. The programmes have attracted extra budgetary support, which has paid in some cases for project managers to administer the network. However, the expansion of the scope of activities is sometimes constrained by the lack of resources.

Perspectives for 2003

46. The sub programme will place additional emphasis on the social dimension of sustainable development in industry and the societal role of enterprise development as stipulated by the Millennium Declaration and the outcome of WSSD. It will seek to improve governance in the public and private sectors. A number of meetings on good governance are planned for 2003. The sub-programme will also further focus on implementing international norms and standards with the objective of facilitating the transformation of transitional economies on the basis of market economy principles. It will continue to provide a platform for policy dialogue on topical issues, e.g. the social aspects and financing of industrial restructuring. It will also continue developing guidelines for transition economies in the area of property evaluation and quality management systems. A meeting of REAG, for example, will be held to agree on common international standards for valuing land in 2003. The secretariat will seek to take full benefit of opportunities offered by modern telecommunication technologies to raise the efficiency of its work, in particular in establishing and maintaining the relevant networks in transition economies. The secretariat will explore possibilities of cooperation between different parts of the UNECE work programme, in particular in the areas of industry and energy restructuring, quality standards and technical harmonization, and land for development and human settlements.