

THE STATE OF THE UNECE

External evaluation report



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1. Foreword

During the 59th Annual Session of the United Nations Economic Commission for Europe (UNECE), Member States decided to commission a comprehensive report on the state of the UNECE. The primary aim of this report was to develop recommendations on the scope of changes to the role, mandate and functions of the UNECE, which are necessary in light of the changed European institutional and political landscape.

Our evaluation team was selected to undertake this work between January and June 2005. It was supported by extra-budgetary funding provided by the Member States. We carried out a wide range of activities in preparation of the final report. These include the following:

- Reviewing relevant UNECE documentation, partly at their respective headquarters;
- Participating in the UNECE 60th Annual Session and interviewing Member States delegations;
- Meeting with several Member State representatives in Geneva and in selected national capitals;
- Meeting with representatives of selected UN and other international organizations that cooperate with the UNECE;
- Meeting with the UNECE Executive Secretary;
- Interviewing senior managers from all UNECE divisions;
- Meeting with the UNECE Bureau, the GEPW and the Steering Committee;
- Preparing and distributing a detailed questionnaire to all UNECE Member States via their permanent missions in Geneva, as well as to relevant international organizations and major groups;
- Analyzing the interviews and questionnaire responses;
- Progress reporting to the Annual Session of the Commission and the Ad Hoc Session of the Commission; and
- Formal reporting of the results of the work to the Bureau, the GEPW and to the Ad Hoc Session of the Commission.

The terms of reference (TOR) for the comprehensive work were prepared by the Group of Experts on the Programme of Work (GEPW), a governing body that represents all 55 Member States of the UNECE. The TOR stated explicitly that the primary objective of the report was to identify a new role

for the UNECE in light of the important changes in the political and institutional landscape of the region. Member States were clear from the onset that neither the dismantling of the UNECE, nor cuts in its budget would be desirable outcomes. At the same time, Member States indicated that budget increases were unlikely, and that recommendations on how best to streamline, refocus and reallocate limited resources would therefore be of particular importance.

Bearing these constraints in mind, the evaluation team produced a series of recommendations to streamline the work of the UNECE and to focus its activities in areas where it has a clear comparative advantage over other international organizations working in the ECE region. The team's analysis was based on the numerous interviews it conducted and on the written responses it received to the detailed questionnaire it developed and distributed to UNECE Member States and its institutional partners; responses were received from 34 Member Countries (62 %) and 20 international and non-governmental organizations. All the geographical areas of the UNECE were covered in the interviews conducted and in the responses received.

The team expresses its appreciation to all Member States, members of the UNECE Secretariat, international organizations and to a number of individuals who contributed their time and energy to this evaluation.

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2. Executive Summary

The United Nations Economic Commission for Europe (UNECE) was established in 1947 as one of the five regional commissions of the United Nations. The UNECE's terms of reference define its primary objective as increasing economic cooperation among its Member States and improving their economic welfare. From its inception, one of its key purposes has been to support the economic reconstruction of Europe. During the Cold War, UNECE served as an important bridge between the East and West.

During the 1990s the political map of Europe changed dramatically. Most notably, the number of Member States to the UNECE increased from 34 to 55. This growth, combined with the recent phase of EU expansion, has presented new challenges to the UNECE. Like other European organizations working in the ECE region, such as the OSCE and the Council of Europe, the UNECE must now define a new role to ensure continued relevance and effectiveness in the changed regional landscape.

This external evaluation of the UNECE was carried out at the request and with the financial support of UNECE Member States. It was clearly intended as an exercise in refocusing the UNECE's role and mandate and reallocating its limited resources. It was clear from the beginning that closing the UNECE or cutting its budget would not be an option, but that budgetary increases could not be envisaged either.

One of the main conclusions of our work is that the current governance of the UNECE is too heavy and unnecessarily complex. Indeed, the current governance system includes the Bureau, which is comprised of the representatives of the Member States; the Annual Session of the Commission; the Group of Experts on the Programme of Work (GEPW), which also represents all 55 Member States; and the Steering Committee, which represents the different Permanent Subsidiary Bodies (PSBs). It has become clear that this structure is not working optimally and that it must be rationalized. For example, the evaluation team recommends that the UNECE Annual Session should be convened on a biannual basis, and a special high-level seminar should be convened every other year in Geneva or in one of the ECE Member States. The team also recommends that the Bureau and the GEPW merge to form one single governing body, the Executive Committee (ExC). The Steering Committee should be dismantled, but the chairs of the PSBs should be invited to report to the ExC and to participate in the formal discussions related to their specific work programmes.

Another key observation the team would like to highlight is that the current governance structure provides too much freedom to the PSBs to establish their own ad-hoc working groups and task forces. This has effectively led to the creation of “shadow programmes” that function over and above the accepted work programmes of the UNECE, with the consequence that new priorities are identified, which cannot be met with the existing budgetary resources. In this light, the team recommends that all of these bodies be streamlined and provided with clear mandates, time frames, and budgets, to be formally approved by the ExC.

In addition, the team recommends a number of changes to the current organization of the UNECE’s divisions and respective sub-programmes. This recommendation reflects the clear feedback from Member States that even the most highly regarded programmes require some reform. For example, while Member States expressed considerable appreciation and continued support for the sub-programmes on environment, statistics, transport, timber, sustainable energy, trade development and technical cooperation, the team recommends that their mandates be reviewed to ensure optimal performance.

Taking the views of Member States into consideration, the team also recommends that the sub-programmes on human settlements, industrial restructuring and enterprise development, and economic analysis should be discontinued. Some of the activities of these sub-programmes should be relocated to other divisions: economic analysis activities, for instance, could be carried out in the statistical division. It is important to note that the economic analysis division received the heaviest criticism from Member States.

In order to function more effectively in a very different ECE region than the one that existed at the time of its inception 60 years ago, the UNECE is encouraged to establish more partnerships with a number of organizations in Europe. In the context of technical assistance to the developing countries of Europe (e.g. in the Balkans, in Central Asia and in Caucasus), closer cooperation should be established with UNDP and the World Bank. UNECE should also take concrete steps to ensure more systematic cooperation with the European Commission (EC), with the Council of Europe (CoE), and with the Commonwealth of Independent States (CIS). The Memorandum of Understanding with the OSCE provides a useful model for collaboration that should be explored with other organizations.

The team maintains that the pace of reform to be undertaken by the UNECE and its Member States is particularly critical, especially in light of the challenges it currently faces regarding its efficiency and effectiveness. The evaluation team consequently recommends fast-track implementation of the key recommendations of this evaluation, including the discontinuation of activities that are not receiving strong support from the Member States.

3. The European Institutional Architecture

The changing political landscape

Europe's political landscape has changed in profound and dramatic ways in the past twenty years, starting with the fall of the Berlin Wall, the dissolution of the former Soviet Union, the emergence of new states in Central and South Eastern Europe and the accelerating pace of European integration. All of these events have contributed to the spread of democracy, deepening economic interdependence, and the primacy of trade liberalization, which in turn have significantly influenced the impact and interface of international organizations operating in the ECE region. The European Union (EU), the North Atlantic Treaty Organization (NATO), the Organization for Security and Cooperation in Europe (OSCE), the European Free Trade Association (EFTA) and the Council of Europe (CoE) are just some of the bodies that have created a "dense institutional matrix" in the ECE region.

The end of the Cold War catalysed the adoption of market economies and democratic institutions by the newly established group of transition countries – some young independent states, others former socialist countries. These changes also introduced a new level of European interaction, and many organizations that played key roles during the Cold War period became victims of their own success. Indeed, increasingly less formal and more direct interaction between governments, unimaginable during the Cold War, made many of the organizations that had previously played important intermediary roles between government actors redundant. At the same time, new programmes and activities were created to support accelerating political changes, trade liberalization and cooperation in Europe. New donor funding was allocated to the least developed areas of Europe, such as the Balkans, the Caucasus and Central Asia.

The membership of all of the newly independent states that emerged from the dissolved Soviet Union, as well as that of the new states from the former Federal Republic of Yugoslavia, has had significant implications: the UNECE's membership has grown from 33 to 55 states. This considerable expansion is mirrored in its geopolitical diversity. While diversity breeds stability in natural ecosystems, the substantial economic, political and social differences between the UNECE's Member States are a potential source of division, especially now that 25 of them are Members of the European Union, with several more to join in the coming years.

EU enlargement

As noted above, one of the driving forces in the acceleration of the process of European economic and political integration has of course been the enlargement of the European Union (EU). The EU can now look back on a history of several waves of enlargement. The Treaties of Paris (1951) establishing the European Coal and Steel Community (ECSC), and Rome (1957) establishing the European Economic Community (EEC) and EURATOM, were signed by six founding Members: Belgium, France, Germany, Italy, Luxembourg and the Netherlands. The EU then underwent four successive enlargements. Denmark, Ireland and the United Kingdom joined in 1973, Greece in 1981, Portugal and Spain in 1986, Austria, Finland and Sweden in 1995 and finally Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia in 2004. The EU now has 25 Member States. According to the EU Accession Treaty signed on April 25, 2005, Bulgaria and Romania will become members of the EU with a target date for accession on January 1, 2007. Turkey and Croatia are being considered for possible accession and it is foreseeable that EU enlargement will continue eastward to include several of the Balkan countries.

The EU's influence is being increasingly felt across the geographical borders of its Member States, through its various neighbourhood policies, border cooperation and aid programmes. EU enlargement has also had significant implications for the UNECE. First, for instance, many new EU Member States have given EU international cooperation activities priority over similar activities undertaken by organizations such as the ECE. Second, the countries actively applying for EU Membership now or in the future are expected to develop new national institutions, as well as legislation policies and programmes, to enhance their chances for accession to EU Membership. This does not only include activity in the economic sector, but also in such spheres as the environment, human rights and governance reform.

The establishment of the Commonwealth of Independent States (CIS)

EU enlargement has been paralleled by another process of integration in Eastern Europe, which was marked by the establishment in 1991 of the Commonwealth of Independent States (CIS). This important political step created a framework in which participating states could interact on the basis of sovereign equality. The member countries include Azerbaijan, Armenia, Belarus, Georgia,

Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Uzbekistan and Ukraine; they represent 12 of the 55 UNECE Member States.

In 1993, CIS States established the Economic Union to create a common economic space grounded in the principle of the free movement of goods, services, labour and capital. CIS countries also agreed to coordinate monetary, tax, price, customs and external economic policies and to coordinate methods of regulating economic activity and creating favourable conditions for the coordination of industrial production, since the collapse of the Soviet Union had also fragmented earlier production structures in the area.

Developing and post-conflict countries in Europe

The dramatic changes in Europe have catalysed important and very positive developments, such as the end to the ideological conflict between socialism and market economies, and the increase of newly independent states. At the same time, the period has been characterized by brutally destabilizing forces, with new conflicts and wars undermining economic and social development in the Caucasus and Balkans. In addition, economic progress has proceeded at a considerably slower pace in the new Central Asian republics than in other parts of Europe.

Of the 55 UNECE Member States, as many as 14 meet OECD/DAC eligibility requirements for Official Development Assistance (ODA); and out of those 14 countries, six are in the “low income country” category. The need for urgent implementation of the UN Millennium Development Goals in the European context is underscored by the fact that poverty, even extreme poverty, is found in a remarkably large part of the European continent.

ODA recipient countries in Central and Eastern Europe	
Albania	The former Yugoslav Republic of Macedonia
Armenia *)	Moldova *)
Azerbaijan *)	Serbia-Montenegro
Bosnia-Herzegovina	Tajikistan *)
Croatia	Turkey
Georgia	Turkmenistan *)
Kyrgyzstan *)	Uzbekistan
*) Low-income country	

Source: OECD Development Assistance Committee (DAC)

As in all developing countries, poverty is linked with social and health problems such as tuberculosis and HIV/AIDS, or the risk of increasing illegal immigration and human trafficking, not to mention environmental resource scarcity and the generation of new forms of internal conflict. The economic and social needs of the poorest countries in Europe therefore continue to be an important priority on the European political agenda and a key challenge to be addressed by the UNECE in coming years.

Inter-regional cooperation

Some of the UNECE Member States are also Members of other UN regional commissions. For example, the Central Asian republics of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan are also Members of the UN Economic and Social Commission for Asia and the Pacific (ESCAP). In this context the establishment of the United Nations Special Programme for the Economies of Central Asia (SPECA), under the auspices of the UNECE and the ESCAP, has been an important vehicle for inter-regional cooperation. The UN Resident Coordinators, located in UNDP Country offices, and the Executive Committee of the Interstate Council of the Central Asian Economic Union (CAEU) provide assistance in its implementation. The primary aim of SPECA is to mobilize additional internal and external funds to solve the emerging challenges that are better addressed collectively. SPECA has proven to be a constructive model of regional cooperation.

In an increasingly globalized political and economic climate, new forms of region-to-region cooperation should be explored, especially between UNECE and the UN Economic Commission for Africa (UNECA) on issues relating to transboundary resources and illegal immigration. At the same time, cooperation between the ECE and the UN Economic and Social Commission for Western Asia (ESCWA) – which currently includes activities such as inter-regional transport links and trade development supported through the UN Development Account (UNDA) – should be stepped up. This is particularly important since Israel is a member of the UNECE, but the Arab countries in the Middle East are members of ESCWA. As the Middle East peace process continues to unfold, transboundary issues such as transport and environment will become increasingly important political priorities.

4. Expectations towards UNECE

During the evaluation work, it became evident that the Member States still saw a role for the UNECE. The evaluation team worked under the assumption – expressed in its Terms of Reference (TOR) – that the review should produce a clearer definition of the role, purpose and mission of the UNECE. Member States indicated three clear limitations for the evaluation:

- 1) The evaluation was not be understood as a budget-cutting exercise;
- 2) Closing the UNECE down was not an option;
- 3) There should not be any expectation of significant increases in the UNECE budget.

Given this framework, the evaluation team focused on providing recommendations for more effective uses of existing resources. This was done from the point of view of UNECE “clients”: the Member States, international organizations and non-governmental organizations, some of which represent the private sector that works closely with UNECE.

Different divisions of the UNECE Secretariat have been complaining for a long time of inadequate resources for their work and this message was indeed expressed in all the interviews conducted within the Secretariat. Instead of reducing the number of the activities and allocating adequate resources to the remaining ones, the trend has been to increase activities under divisions and sub-programmes, with the consequence that some meeting reports are little more than lists of tasks that have not have been fulfilled due to inadequate resources. Trying to run too many activities with too little resources is unsustainable.

The evaluation has tried to recognize areas where the UNECE has a genuine comparative advantage over other organizations working in the same geographical area. This of course means that it is necessary to systematically phase out and ultimately discontinue activities in which the UNECE is deemed inefficient, in which duplication exists or for which there is no need expressed from the Member States or other stakeholders.

The task of the evaluation has therefore also been to identify potential new niches in order to better respond to the ever-changing needs of the Member States. It is understood, however, that new activities can only be implemented once others are discontinued. Indeed, the current situation can only worsen if new tasks are welcomed by the Secretariat without corresponding decisions to end

others. The evaluation team cautions against endorsing new tasks and at the same time shying away from more unpleasant decisions.

UN reform

Public administrations in general and international organizations in particular are not well equipped for rapid course changes. During the Cold War decades, UNECE enjoyed a certain political role and off-and-on public recognition as one of the few fora in which East-West dialogue took place. Even during those years, however, the Commission's daily work was not in the public eye because its principal activities – norms and standard setting – did not shine or sparkle. Still today, the diversity of issues and fields in which UNECE is active make it difficult for the organization to convey a concise, easily understood image to the outside world.

The final goal of the evaluation, as identified by some Member States, should be the improvement of efficiency, flexibility, transparency and accountability of the organization. This implies the need for an enhanced understanding of how the UNECE allocates resources and staff.

During the evaluation work, some Member States referred to the proposed and ongoing larger UN reform(s). The evaluation team would like to stress that a reform of the UNECE is urgent, even if this endeavour includes similar principles as those envisaged in general UN reforms, it should be considered as a separate and simpler task. This is particularly true in light of the wide support for renewing the UNECE that was expressed by the Member States.

During some interviews, the evaluation team faced a general scepticism towards the UN system and its alleged slowness, ineffectiveness, non-transparent procedures and general bureaucracy. The team considers this kind of attitude unjustified and unhelpful. Indeed, many UN agencies have improved their performance drastically in recent years, and this should be possible for the UNECE as well. Admittedly, UN agencies have varying reputations depending on the effectiveness of their management and their capability to focus on the issues that are currently on the international agenda. Europe is now facing rapid political, economic and social changes, and the evaluation team does not have any doubt that a reformed UNECE could contribute remarkably to this development.

Given that the UNECE no longer has the heavily politicized function of facilitating East-West dialogue, some advocated that it take on a very technical role and be an organization without political influence

or interest. This approach, though, may also lead to a dead-end, as political support and interest is essential for fundraising and the future development of any international organization. The question of ministerial or high level political involvement is further addressed in chapter 8 of this report.

Priorities of the Member States

In the interviews and responses to the questionnaire, some Member States clearly differentiated the role and functions of the UNECE from those of the other four regional commissions. Even though similar key functions can be identified for all the regional commissions – such as the implementation of the decisions of UN global conferences – European circumstances are very specific.

The variety of already existing and functional organizations – such as the OSCE, the OECD, the Council of Europe, the EC or the CIS – was often mentioned by the UNECE Member States. Cooperation with existing organizations was deemed of utmost importance for the UNECE, which is criticized by many Member States as being too slow and ineffective in the coordination and division of labour with other international organizations.

Member States further stressed that UNECE activities should always be demand driven, and some expressed the opinion that the UNECE Secretariat did not clearly analyse the needs and priorities of the Member States, but rather “remained busy” with a number of activities that were not prioritized by the Member States.

Finally, it was remarked that due to lack of analytical capacity, some of the least developed countries in the region might welcome interest and involvement by any UN organization, regardless of its relevance or effectiveness for the case in point.

Cooperation with other international organizations

The evaluation team was provided with a list of the international organizations with which the UNECE has had continuous or incidental interaction. The team sent specific questionnaires to all of these organizations. In addition, team members paid personal visits to those which seemed to be the most important and natural partners of the UNECE and conducted interviews with senior managers. These included the EC, the OECD, the OSCE, the UNDP, the UNESCO, the UNEP, the UNIDO, the WTO, the World Bank, the IMF and the Council of Europe.

These inquiries revealed that generally speaking, the political and/or executive level of the partner institutions did not have any clear view of their relationship with the UNECE; indeed in some cases, they were not even aware of it. On the departmental level, however, most organizations appreciated the cooperation with the UNECE, particularly in the fields of environment, norms and standard setting, transport and statistics. It is no accident that those same fields received the highest priority grades in Member States responses.

Interaction between the ECE and the European Union, for example, is particularly evident in the field of norms and standards. The Directorate General of the Commission in Brussels lauded the productive cooperation within the working group in Geneva, the presence of all norm -setting agencies there, the participation of NGOs in the procedures, the consideration of environmental issues and the opportunity, thanks to the ECE's UN legitimacy, to get European regulatory models accepted internationally, beyond the borders of Europe. In its Conclusions of 17 December 2004, the EU Council explicitly endorsed – as it had in earlier Conclusions – the “promotion of standards-receptive regulatory models, such as those developed by the UNECE”.

With OECD the ECE enjoys a fruitful cooperation in the field of statistics. This is, in fact, a triangular operation with EUROSTAT, which mainly takes place within the “Conference of European Statisticians”. On environmental matters, the OECD and the ECE collaborate in the “Environment for Europe” process as well as in the EAP task force. Furthermore, the two organizations also work together on norms and standards, particularly in the field of agriculture. The evaluation team holds, however, that the division of labour between these two and other organizations (such as the WTO) and agencies (such as ISO and Codex Alimentarius) can and should be rationalized with the aim of distributing the different tasks in a more coherent and transparent way.

The Council of Europe and the ECE, because of their fairly similar mandates and arenas of action, should have been closely associated for a long time. Yet they have had surprisingly little continuous contact over the years and while discussions during mutual visits of the two principals have always touched upon numerous topics of common interest, they have not produced sustainable patterns of institutional interaction. For now, only the ECE Population Activities Unit and the Statistical Division have intensified their collaboration with corresponding CoE entities, but a Memorandum of Understanding on international census monitoring is under discussion.

It should further be noted that the Council of Europe is the only pan-European organization that also has a parliamentary dimension: the Parliamentary Assembly. While it has no legislative powers, but only advisory and consultative ones, its members – prominent parliamentarians from all Member Countries – regularly address all the issues they deem important for the European continent as a

whole and do not limit themselves to CoE topics. The Economic and Development Committee of the Assembly has vetted the work of the ECE several times and has emphatically called for enhanced cooperation between the CoE and the ECE (see Plenary Resolutions of 1995 and 1998).

The one European organization with which the ECE has formally established collaboration through a Memorandum of Understanding (MOU) is the OSCE, the Organization for Security and Co-operation in Europe. Informal cooperation between the two organizations has existed for quite some time, mainly in the form of mutual participation in conferences and other ad-hoc activities. During the negotiation of the MOU, it was apparent that the OSCE was the more active party; it had a good reason to be: its Ministerial Council, in a new Strategy Document approved in Maastricht in 2003, had requested that the organisation intensify its role in the economic and environmental fields, as well as strengthen its cooperation with UNECE in particular, for it realized that the OSCE itself was more focused on the promotion and fostering of good governance in transition countries, but that it lacked both resources and expertise in the economic sector.

The OSCE, moreover, has established certain binding economic and environmental commitments for its Member States; the annual OSCE Economic Forum serves to review and monitor the fulfilment of those commitments. The ECE has in the past – and is expected in the future – to contribute more substantially to this monitoring on the basis of its economic analysis and its environmental performance reviews. It is also expected provide input to the nascent OSCE Early Warning System. The team sees the MOU with the OSCE as an important step for the ECE, which could be used as a model for similar arrangements with other partner organizations, provided that the cooperation with the OSCE develops in a mutually beneficial manner and does not turn out to be a one-way street.

The responses received from other organizations generally stated that the UNECE itself must do more to enhance cooperation and coordination with potential partners in order to avoid duplication and identify synergies. It is essential that UNECE increase its liaison work with other organizations active in the European theatre. Some of these even have liaison offices in Geneva – like IMF and World Bank – that could be easy focal points for UNECE to start a regular dialogue.

5. UNECE governance

The UNECE currently suffers from significant governance problems. One widely recognized phenomenon is that the UNECE carries out too many activities and lacks a corporate identity. These problems are more specifically addressed in chapters 6 and 7.

The UNECE Secretariat receives mandates and guidance from more than one source. As a UN regional commission, it does work for and on behalf of the UN General Assembly, ECOSOC, and the UN Secretariat.

In addition to participating in the UN General Assembly and ECOSOC, UNECE Member States convey their expectations and provide guidance to the Secretariat either individually through their Geneva missions or through the Commission's formal meetings, the Principal Subsidiary Bodies (PSBs), the Bureau of the Commission and the Group of Experts on the Programme of Work (GEPW).

UNECE in the UN framework

Generally speaking, the five regional commissions benefit from a significant degree of freedom and independence in the UN system. Strict guidance from UN Headquarters is the exception rather than the rule. The five commissions coordinate their work among themselves with the help of a small office in New York, but it is clear that coordination is not closely monitored or indeed required.

The UN Economic and Social Council (ECOSOC), the umbrella body of the commissions, receives their annual reports and provides them with general policy guidelines – most recently a call for more emphasis on the regional dimension of UN work – but does not seem to take into consideration how diverse the five commissions are on account of the special nature of the different regions they cater to.

The UN General Assembly also generates mandates for the regional commissions. Indeed, the commissions are expected to monitor the status of fulfilment of the Millennium Development Goals (MDGs), to enhance sustainable development and to do follow-up work for the UN global conferences on such issues as gender and population. This type of mandate is a considerable burden for the UNECE, given that it is the commission with the lowest regular budget and the smallest number of

staff. The UNECE is hence not as focused on development issues as the other four regional commissions.

For the UN Secretariat, interaction with the commissions is steered by one of the so-called “Executive Committees”, which groups the Department of Economic and Social Affairs (DESA) with UNEP, UNCTAD, and ECA, ECE, ECLAC, ESCAP and ESCWA. The objective is to foster coordination and synergies between these instances, and to avoid duplication of work among the participants. But the Committee has admittedly not been particularly active in the past and has only recently gained some momentum.

Role of the Member States

The second major source of guidance for UNECE is its 55 Member States. The first line of communication between Member States and the UNECE Secretariat is obviously through the States’ permanent missions in Geneva. An informed bilateral dialogue presupposes that at least one diplomat in the mission keeps abreast of ECE activities.

This is unfortunately not always the Geneva reality. Indeed, the permanent missions in Geneva are over-stretched by the large number of specialized agencies, funds and programmes they have to cover with limited staff. As a rule they cannot designate one staff member to follow the Commission exclusively. The fact that the Commission’s work itself deals with such a wide array of subjects, from statistics to timber, adds to the complexity of the task. As a result, the UNECE is considered a relatively low priority by the Geneva diplomatic community and receives little attention.

The situation in the 55 Member States capitals is similar. Here again the great variety of UNECE activities comes into play. Individual line ministries in a Member State may be highly interested and actively involved in the specific output of one ECE division, but they do not always seem to understand the necessity to streamline their interaction with other ministries and with the Ministry of Foreign Affairs, the traditional coordinating body for international activities. Consequently, several separate communication lines between a given capital and parts of ECE may exist, but they are in most cases not tied into a consolidated form of guidance.

UNECE governing bodies

This fragmented and highly specialized input from Member States capitals reaches the UNECE through the Principal Subsidiary Bodies (PSBs), the numerous Working Parties, Working Groups and

Task Forces for the various fields of UNECE activities to which national experts are regularly dispatched. The chairs of the different PSBs meet with the UNECE Secretariat in Steering Committee meetings, but this latter body's actual power of coordination appears to be relatively weak. The Steering Group was set up as an advisory body to promote inter-sectoral activities and review issues of common concern to all PSBs. It is understandable that UNECE divisions develop a natural loyalty to the line ministries in Member Countries from which the experts hail. This allegiance, though, often seems stronger than the in-house loyalty towards other divisions, with the result that horizontal communication within the UNECE is underdeveloped, synergies are not well exploited and sectoral fragmentation stands in the way of a concise corporate entity. The UNECE Secretariat's programme and budgetary planning is further complicated by the fact that individual sectors establish new Working Groups and Task Forces and change priorities without formal decisions from higher administrative bodies.

The meeting of the Commission with its 55 Member States is the highest decision making body in the UNECE. The recent formal annual meetings of the Commission, however, have not produced strong guidance for the work to the UNECE. Instead it has become apparent from the low attendance rates of higher-ranking representatives from the capitals that the governments' engagement in the work of the ECE is declining. Given this situation, the discussion of the programme of work rarely results in more than a one-sided presentation of Secretariat papers with little substantive response from the floor. For example, the recent Spring Seminar, a well-intentioned symposium of highly qualified panellists speaking on key themes from the ECE menu, was attended by only a handful of listeners.

Between the Commission's annual sessions, a permanent critical dialogue with the Secretariat and clear guidance on the work programme should be secured by the Bureau of the Commission. But the same diagnosis as above applies here: only few permanent representatives can afford to devote enough time to ECE to be informed interlocutors. Some representatives have even been known to decline an invitation to serve in the Bureau. The Bureau is hence clearly not able to carry out its supervisory function with the necessary weight and continuity.

This leaves the Group of Experts on the Programme of Work (GEPW) as the only comparatively continuous supervisory body for the UNECE. The Group was established in the 1997 reform as a mechanism that would allow for continuous adjustment to the programme of work, in recognition of the fact that ambassadors found it impossible to follow the work of the UNECE Secretariat themselves, but saw the need to secure quasi-permanent control and a sounding board for the UNECE administration. The Group was therefore given the function of advising the Commission on how the programme of work could be adjusted in the light of new priorities, competing demands,

budget changes etc. In the past two or three years, however, its role has evolved to include other specific tasks mandated by the Commission or its Bureau.

The evaluation team's view is that the GEPW – in its present configuration as a “committee of the whole” in which all Member States can participate but only some 20 delegates attend regularly – is too cumbersome to serve its original purpose well, especially given that the participants' level of expertise and ability to deal with all ECE issues is uneven. The GEPW also lacks a clear definition of its responsibilities, which would be essential to structure its interaction with the UNECE Secretariat in a more effective way. Finally, its role in vetting the ECE budget proposal, which is key to exercising meaningful programme supervision, is hampered by the fact that the substantive budget negotiation takes place in the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the Fifth Committee in New York.

The new Executive Committee (ExC)

The inadequate governance situation described above is the root cause of many of the UNECE's current difficulties and insecurities. It must be reflected upon and actively addressed by all concerned, including by the UNECE Secretariat, which must work to intensify the dialogue with its shareholders and spare no effort to keep them informed of its endeavours and achievements by energetic and creative public relations.

The evaluation team stresses the importance of receiving frequent and coordinated guidance from the Member States to the UNECE, and is therefore recommending that the GEPW be upgraded to an Executive Committee (ExC) for the UNECE. The new ExC could merge with the Bureau, and the Steering Committee would be discontinued. The Chairs of PSBs should participate in ExC meetings whenever substantive or budgetary issues for their sectors are debated. The ExC could designate a smaller number of delegates, no more than eight, to act on its behalf to exercise continuous oversight and guidance for the Secretariat.

The new ExC would take a more active role in programme planning and would already be involved in preparing the Biennial Programme Plan (BPP) with the Secretariat. At this stage, it would also include the PSB Chairs in the programme planning.

By involving the new ExC earlier and more intensively in programme planning, the coherence and policy guidance of the UNECE programmes would be strengthened. The Member States' need for more information on programme and budget planning would also be served.

Commission sessions every two years

It is recommended that the objectives of UNECE operations be defined and reviewed once every two years by the biannual session of the Commission. In years when the session of the Commission does not convene, the new Executive Committee (ExC), as described above, would be responsible for overall guidance on the programme of work. It would take final responsibility for guaranteeing that the structure of sub-programmes is coherent and supportive of the overall objectives of the Commission.

Every other year the UNECE should hold a substantive seminar – like the Spring Seminar but on any topic dealt with by the UNECE sub-programmes – either in Geneva or in some of the UNECE Member States. This would increase the interest towards the UNECE in the Member States as well.

Recommendations

- The UNECE must continue to fulfil the mandates handed down by the UN General Assembly, ECOSOC, and the UN Secretariat, but should do it only to the extent permitted by existing resources. The ECE Secretariat should also strive for a clear and balanced division of labour with other UN bodies and other international organisations that are competent in the respective field and present in the European theatre.
- ECE Member States should try to enhance coordination in capitals between the line ministries that provide input and dispatch experts to the various PSBs. All Member States should see to it that PSB participants give regular feedback to their Geneva Missions from their capitals about directives and decisions taken in these bodies.
- The ECE Secretariat must considerably intensify its efforts to keep Member States posted about its plans and endeavours, more ex-ante than ex-post.
- The Commission should convene formally only once every two years, but the Secretariat should spare no effort to gain high-ranking participation from capitals and to turn the meeting into a real dialogue between ECE shareholders and administration.
- Every other year, instead of the meeting of the Commission, there could be a high-level substantive seminar, similar of current Spring Seminars, either in Geneva or in some of the Member States.

- The GEPW should be upgraded and merged with the current Bureau as a new Executive Committee to supervise and conduct a continuous dialogue with the Secretariat. Member States should give it a firmly legitimate role and position it between the PSBs and the Commission with a clear mandate to focus on coordination, cross-sectoral issues, and the budget.
- Interaction between the Secretariat and the new Executive Committee should be at least on a monthly basis. In these meetings, the Secretariat should not extensively brief the ExC on its past activities, but concentrate on foreshadowing work in progress, future plans and initiatives and seek endorsement for them. Member States representatives should have the opportunity to identify and discuss their evolving priorities and react to Secretariat projects before they are launched.
- Regularity and frequency of the dialogue between the Executive Committee and the Secretariat are essential in order to develop better mutual trust and understanding. If it is felt that monthly meetings are too time-consuming for some delegations, then the Executive Committee should consider designating a smaller number of its members, perhaps not more than eight, to act on its behalf.

6. UNECE management

In the interviews and replies to the questionnaire, Member States were notably critical in their views on UNECE management structures and procedures.

A frequently presented view was that the Commission lacked a clearly defined purpose or mission, i.e. understanding what UNECE actually is about. This lack of an unambiguous mission statement causes natural problems for the UNECE strategic management. Coherent top-down deduction of objectives from its mission statement to sub-programme level as well as efficient horizontal coherence of these objectives becomes difficult. Given the unsatisfactory structure of governance, however, the Member States have so far felt unable to improve the situation.

Results-based budgeting (RBB)

The UNECE, as a part of UN system, has introduced results-based budgeting (RBB). To support it, systematic programme planning, monitoring and evaluation (PPME) have become imperative and indispensable.

In results-based budgeting, as opposed to input budgeting, emphasis is on outputs and consequent accomplishments. Financial management focuses on the overall expenditures instead of on the inputs. Programme managers get more leeway to choose and change the input mix to optimally obtain the desired outputs. Proper PPME functions, by defining the objectives, accomplishments, indicators and outputs, guarantee that transparency and accountability are not lost. Control of the use of resources shifts considerably from ex-ante to ex-post reporting. This presupposes that input data is stored and collected; that the organization's evaluation functions are able to assess performance, such as impact, efficiency and effectiveness after implementation; and that mechanisms to make performance information public and to feed into the next budgeting process function well.

Programme planning, monitoring and evaluation (PPME)

At the UNECE, the principal tools of PPME are the strategic framework and the programme narratives. The strategic framework identifies the objectives of each sub-programme for the next two years and attaches between one and three performance indicators to each of these. Programme narratives spell out sub-programme objectives in more detail, and list accomplishments, indicators for

achieving them and outputs. On the basis of these documents each division drafts a more detailed programme of work.

For monitoring, the UNECE follows the UN system, in which outputs are listed in a database and delivery is checked regularly.

Evaluations are produced primarily as self-evaluations, either by the Secretariat or by the Member States in PSBs. Audits have been commissioned for some of the larger projects. Self-evaluation cycles are obligatory and their results are meant to form the basis of programme performance reports (PPR).

The UN Office of Internal Oversight Services (UNOIOS) has defined three requirements for ensuring an effective and sustainable PPME culture:

- 1) The establishment of a unit dedicated to these functions;
- 2) The allocation of resources for evaluation;
- 3) The scheduling of regular evaluation exercises.

Compared with the other four regional commissions, the ECE is poorly equipped to fulfil its PPME obligations. Indeed, not only does it not have a dedicated unit to monitor and assess programme performance and to oversee self-evaluation by programme managers, but current staff resources (one P-4 and 60% of the work time of a D-1 to plan and coordinate all the work programmes) are obviously inadequate. The ability of ECE programme managers to satisfy the modalities of RBB is hence limited.

According to the Member States, a major deficiency in UNECE management manifests itself in insufficient information received from the Secretariat. The programme narratives do list sub-programme objectives, accomplishments with indicators and outputs, but it is said to be difficult to grasp how the outputs and accomplishments actually relate.

The evaluation team noted that the definition of meaningful performance indicators which would allow to measure accomplishments seems to be difficult in many cases. Some of the UNECE sub-programmes and divisions have made serious efforts to assess real relevance of their services and products by using, for instance, the number of adapted standards or website downloads as performance indicators. They have also tried to evaluate the performance of separate technical assistance interventions or elements of their yearly programme. Sub-programmes and divisions, however, vary considerably in this respect.

Evaluation functions at UNECE

In 2004, the Office of Internal Oversight Services (UNOIOS) reported “inconsistencies and weaknesses in the planning, selection, scope, methodology, conclusions, timing and costs of the self-evaluation exercises” of the regional commissions, including UNECE. Moreover, “there was no systematic monitoring of recommendations stemming from those exercises”. Bearing in mind the crucial role of evaluation for proper PPME management, these observations were of major import. At the time, the UNECE stated that it was “in the process of developing a set of evaluation methodologies that would correspond to the different types of ECE activities and better harmonize the self-evaluation methods employed by the various sub-programmes”.

The UNECE has repeatedly claimed to be a successful organization. It has argued that its “achievements contributed to promoting economic cooperation and facilitating policy dialogue, to preventing new and reducing existing dividing lines in the UNECE region and to further promoting sustainable development in the UNECE region”. Reference has often been made to success stories such as UNLK, EDIFACT, and agricultural standards. The evaluation of the impact of all of the UNECE’s activities is nonetheless just as demanding as it is for other international organizations. Indeed, how can one assess the impact of UNECE operations on international development?

Most of the Member States consider the production of norms and standards to be the UNECE’s main function and its niche in the architecture of international organizations in Europe. To evaluate this kind of operation is undoubtedly demanding, as it requires – in some cases – active participation by Member Countries. They have to be committed and able to provide information on the actual use of various UNECE tools. In the case of conventions, it is easy to know whether Member States have joined as parties. In case of softer kinds of tools – standards or recommendations – it is much more difficult, as it requires information on how widely they were used by private sector enterprises, for example. In this respect, the UNECE differs considerably from the other regional UN commissions, which mainly provide technical assistance to member countries and act as regional arms of the UN system.

For proper RBB management to function, the UNECE should be able to overcome difficulties of evaluation caused by its specific nature. Benefits of results-based management cannot be reaped without corresponding investments in evaluation functions, for example.

Evaluation of sub-programmes

At sub-programme level and between PSBs the evaluation practices at the UNECE still vary considerably. As stated earlier, evaluations are mainly carried out as self-evaluations either by the Secretariat or by Member States in PSBs. In 2004 the Annual Session recommended that all PSBs implement a biennial evaluation of their programme of work and activities. An effort has been made to link evaluation results to programme performance reports (PPRs). The Secretariat has begun to prepare guidelines for evaluations; these are expected to be available in 2005. In addition, external audits have been commissioned for some of the larger projects.

Evaluations of individual technical assistance interventions are not systematically conducted throughout the organization, although this would be feasible. It would require that interventions be designed to make evaluation possible. Currently, many of UNECE's technical cooperation interventions are so small that they raise questions about their design, their impact and the sustainability of their results. Furthermore, as they operate with very modest financial resources, the UNECE technical assistance interventions are mainly implemented in the form of one-time workshops, training sessions or seminars. This type of technical assistance has been deemed to have poor sustainability and impact by many other donor organizations.

Evaluation and monitoring ability is also linked to the UNECE's unclear image. For an organization to have a clear image, it must be able to show the outside world that it has well defined goals and objectives and that it is capable of achieving or at least approaching them. This is what the UNECE, with its very complex programme of work and relatively weak monitoring and evaluation functions, has been unable to show. The repercussions for its external image and credibility are obvious.

Resource management

In its resource management the UNECE has had to acknowledge that its core budget growth for the coming years will most probably be null, especially given that decisions concerning the core budget are made at UNHQ, where the Commission does not have a strong constituency to defend its interests.

The nature of UNECE work probably complicates lobbying for it at UNHQ and among Member States. Besides the tasks that all regional commissions carry out, the UNECE, through its production of norms and standards, provides the international community and economy the kind of goods that have global relevance. Global goods, though, tend to be the ones that nobody wants to pay for.

In comparison to other regional commissions the staffing of ECE is very light. It also receives the smallest allocation for technical assistance operations of all the regional commissions, although it has many more Member Countries than some of the others. Most (87,4 %) of the regular budget's technical assistance funds go towards the salaries of regional advisers; very little is left for the actual technical assistance operations.

UNECE is thus operating under severe budgetary constraints and all the sub-programmes lament the scarcity of financial and human resources. Many of the Member States acknowledge this scarcity, though they also point out that reasons for it may be found in the lack of prioritization.

When asked about management of the available resources, the Member Countries' message is, with very few Exceptions, uniform. Most regret the lack of transparency of the UNECE financial administration: "it's very difficult to discover where resources are coming from and where they are going to". This lack of transparency is also seriously damaging the possibilities for fundraising within the Member States.

Assessment of the programme's efficiency and effectiveness is said to be practically impossible, not the least because all outputs financed by extra-budgetary resources are not presented in the narratives. Many Member States would like to receive more information on all financial resources already at the planning phase and see financing and programme activities tied to each other in a more visible way.

The secretariat emphasises that it has provided the GEPW and the Geneva Group with more detailed financial information, including information on extra-budgetary funding, upon request.

Relation between results-based budgeting and PPME and functions at the UNECE

Detailed ex-ante itemization of expenditures according to activities does not belong to the principles of results-based budgeting. The Member States of the UNECE, however, lament the lack of transparency and financial information. They wish for detailed financial information to be available already during the planning phase.

This discrepancy indicates that the UNECE Secretariat has not been able to fulfil the PPME requirements of RBB in a satisfactory way. Indeed it seems that new budgeting methods were implemented at the UNECE before the capacity to maintain transparency and accountability was put into place.

This situation is probably made worse by the difficulty of applying the necessary PPME methods to an organization specialized in producing intangible products and services such as norms and standards. UN rules on providing ex-ante information on extra-budgetary funding are certainly also significant in this context.

The Secretariat

The UNECE secretariat received very critical feedback from Member Countries during this evaluation, though some of the separate divisions and their services to PSBs and sub-groups were lauded. The Member Countries felt that the Secretariat was not functioning in a transparent way. Information was not available when needed on budgetary issues, for example. The Secretariat was also seen to neglect Member Countries' needs and wishes and it was often described as having an "agenda of its own" or "political aspirations". New activities were said to have been initiated by the Secretariat without Member Countries' prior knowledge or consent.

The Secretariat's relationship to the Member States and its information sharing practices clearly need to be improved. Indeed, one Member Country commented that the "management of the ECE Secretariat has developed a strong 'defence syndrome' against attempts by Member States".

The Member States also discussed horizontal and vertical communication within the Secretariat and its separate divisions. Seen from the outside, this communication was thought to be insufficient. The Secretariat has established various groups consisting of division representatives to improve the flow of information between them. This has certainly brought about improvements in many specific areas of work (such as the groups on substantive matters such as the "OSCE task force" or the "MDG task force"). Groups on management issues also exist. It is noteworthy, however, that this criticism was expressed by the Member Countries even though such arrangements had been made. Indeed it seems that these groups still have little relevance to the issues of programme and budget planning, which are the most important areas to the Member States.

Recommendations

- The UNECE should strengthen its programme planning, monitoring and evaluation (PPME) resources and launch a concentrated effort to bring its managers up to speed in the application of the pertinent skills.
- At least one additional P3 post should be assigned to the PPME functions. A dedicated unit for planning and evaluation should be established, but it should remain attached to the Office of the Executive Secretary and under the responsibility of the Deputy Executive Secretary in order to secure the continuous involvement of senior management.
- Programme managers throughout ECE should receive systematic PPME training, which could be provided by the Management Consulting unit of the UN Office of Internal Oversight Services.
- In project management, UNECE should use the services of the United Nations Office for Project Services (UNOPS), which provides technical and administrative support to other UN programs on a per-project basis.
- The structure and contents of the Strategic framework and programme budget narratives should be developed so that as many outputs financed by the core budget or extra-budgetary funds as possible are presented and the relation between outputs and accomplishments is clarified. This would also facilitate ex-post assessment of programme performance, for example of programme effectiveness.
- In reporting, both core budget and extra-budgetary funds should be broken down and presented according to the sub-programmes and their activities, to enable evaluation and assessment of programme performance.
- The new Executive Committee, strengthened by the chairs of the PSBs, should also be involved in budget planning already during its early phases, i.e. when programmatic changes and determination of outputs are made.
- After the programme budget is approved, all the changes or new resources should be discussed with the Executive Committee, which should also approve all new activities. This

applies especially to extra-budgetary funds. If some resources were unforeseen during the planning phase, they should be visible as soon as they materialize, for transparency's sake.

- Indicators should be further developed to better reflect actual accomplishments. In individual sub-programmes some “downstream” indicators should be developed together with the Member States, in order to acquire information on the real use and relevance of UNECE soft legislation tools, norms and standards.
- The UNECE should continue to develop and streamline its evaluation functions and practices. These should be allocated sufficient funds to make evaluation of programmes credible. The first draft guide on evaluation is still a far cry from a systematic presentation and guideline for evaluation functions of an organization such as the UNECE.
- An evaluation is usually expected to shed light on a programme's efficiency, effectiveness, impact, relevance and sustainability. To achieve this, programme planning should give information on resources, activities, accomplishments, outputs and objectives (the terminology varies from an organization to another), or should at least make this information available afterwards. As stated above, the current planning tools of the UNECE do not sufficiently provide this information. They should be developed in this direction, and the guideline-in-making should have the ambition to give genuine guidance on how evaluations should be carried out.
- Evaluations of separate sub-programmes' technical assistance operations should be conducted on a more regular basis. A common policy and practice for these evaluations should be implemented. More attention should be given to the project design to ensure impact and sustainability, but also to enable performance assessment.
- External evaluators should be used more often. External evaluations could be carried out on a rotating basis, so that each year one of the biannual sub-programme evaluations is conducted by external experts. Self-evaluation does not always produce the best possible results.
- Emphasis should be given to feeding the results of the evaluations back into programme and budget planning processes in their early phases. The connection between performance and resource allocation could thus be strengthened. Involvement of the new Executive

Committee in early phases of budget and programme planning would help capitalize on the evaluations' results.

7. UNECE Divisions and Sub-programmes

Member States' views on UNECE working areas

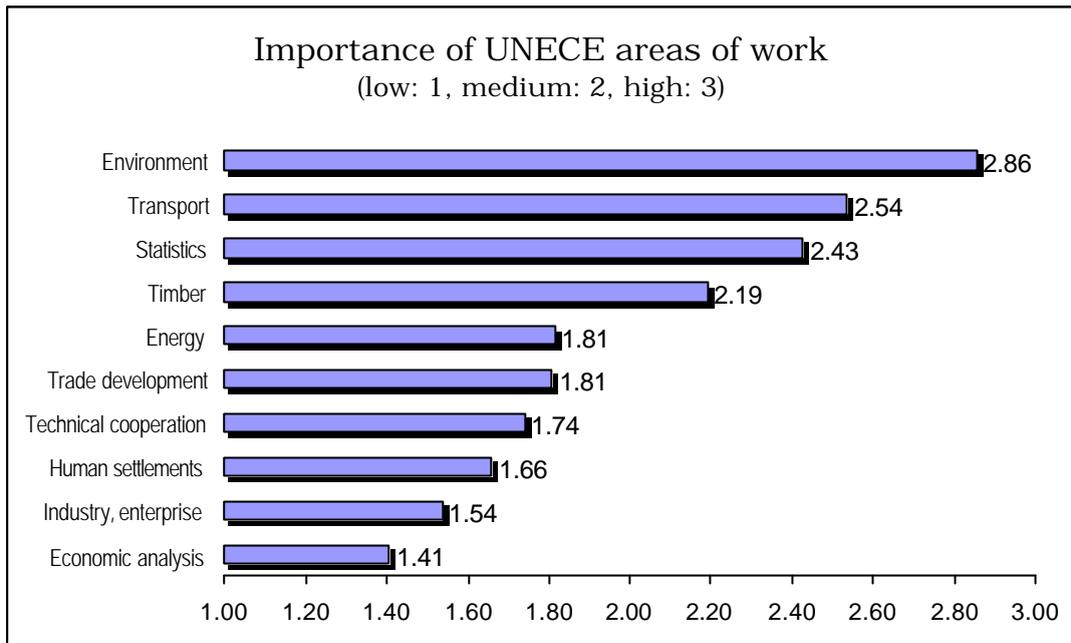
The evaluation team has thoroughly studied and taken into account the detailed responses that Member States and international partner organizations provided to the questionnaires. Not surprisingly, these responses differed on many points, depending on the varying national interests and positions of the Member States. Some of the key findings could be also shown as diagrams. In their written responses and in the interviews, however, Member States offered a much more detailed picture of their priorities for the future work of the UNECE. As promised to the Member States, these responses will be kept confidential, and no reference will be made to any single country or government.

When analysing responses to the questionnaire, it is important to note that the answers given by Member States could not be grouped according to geographical lines or memberships in other European organizations. Replies to the questionnaire were received from all geopolitical areas of the UNECE, and altogether 34 Member States out of 55 handed in written responses. This signifies that 62 % of the Member States gave their feedback and priorities for the work of the UNECE.

Member States were asked to express their priorities for all the nine sub-programmes of the UNECE; technical cooperation – even though it is not a sub-programme as such – was also included in the questionnaire. Member States expressed their priorities on a scale of 1 to 3, where 1 was low priority, 2 medium priority and 3 high priority.

In addition Member States were asked to give verbal answers to a number of questions on each sub-programme, and on their priorities for UNECE activities in general.

This poll produced very clear-cut opinions from the Member States and defined clear priority areas in which the Member States wanted the UNECE to focus. These are the results:



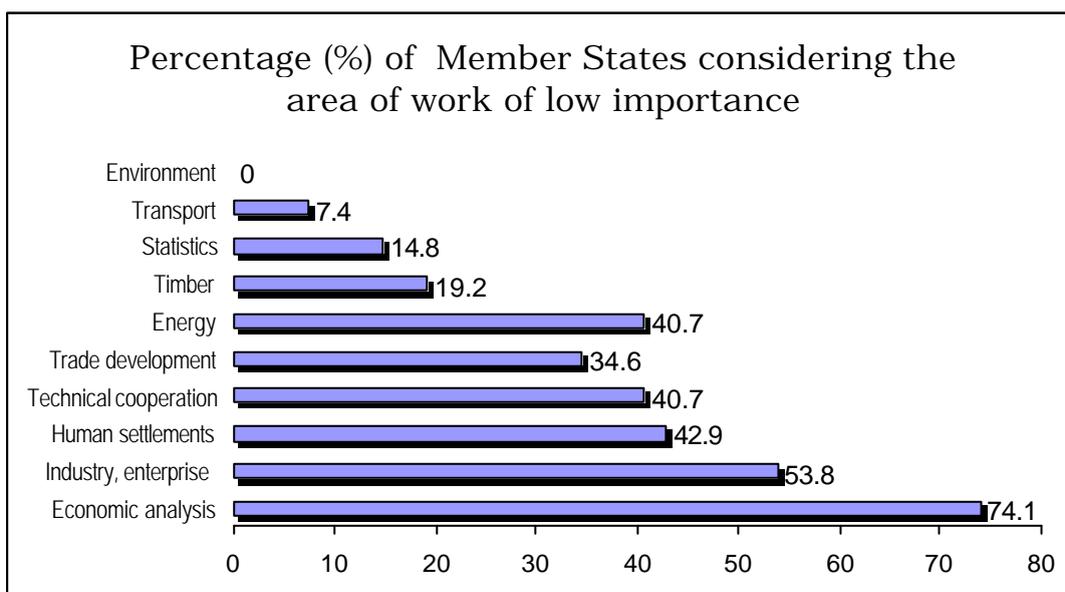
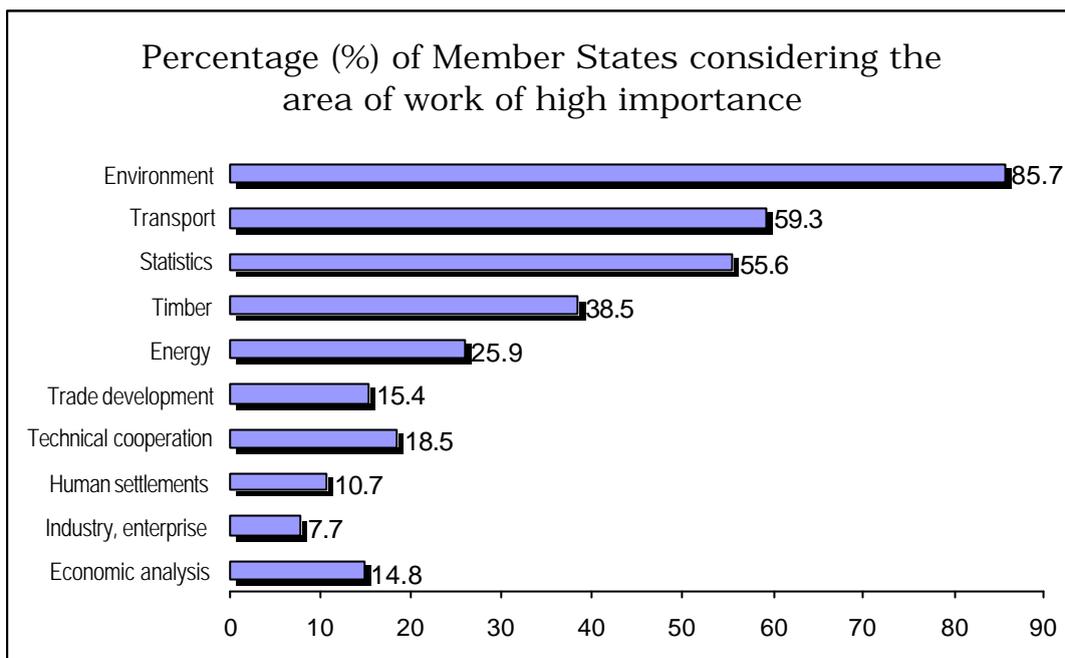
The field of environment seems to have the highest priority for most UNECE Member States. The statistical analysis has shown that 85.7 % of Member States that answered the question of priority areas considered the area of environment to be of high importance, while none of the answers given considered it a low priority area. On the scale of 1 to 3, environment got the highest mean, 2.86.

The next most highly prioritized area is transport, with 59.3 % of answers defining it as a high priority area, and only 7.4 % giving it low priority. On the scale 1 to 3 transport scored 2.54.

The area of statistics received high priority status in 55.6 % of answers and low priority status in 14.8 % of answers. On the scale of 1 to 3 it scored 2.43.

Environment, transport and statistics sectors all got more than 50 % high priority answers. After them came the timber division, which 38.5 % of answers indicated as a high priority area and 19.2 % as a low priority area. In the scale of 1 to 3, it scored 2.19.

Results then weakened remarkably. Energy is considered a high priority area by 25.9 % of the answers, but 40.7 % give it a low priority status. It scored 1.81 on the scale of 1 to 3. Trade development got the same score, as 15.4 % of the answers considered it to be a high priority area and 34.6 % to below priority area.



Technical cooperation did not fare any better. On the scale of 1 to 3 it reaches 1.74, but only 18.5 % of the answers give to it a high priority status; 40.7 % consider it as low priority area.

Human settlements scored 1.66, with 10.7 % of the answers deeming it to be a high priority area and 42.9 % a low priority area.

Industrial restructuring and enterprise development got the second lowest mean, 1.54, and was considered as highly important by only 7.7 % of the answers, and unimportant by 53.8 %.

The lowest grade in this poll was given to the economical analysis: it scored 1.41 on the scale of 1 to 3. Indeed 74.1 % of answers considered it as a low priority area, while only 14.8 % looked upon it as a high priority area for the UNECE.

International cooperation is not a beauty contest, and there is much unexciting work carried out in the international secretariats to keep the ball rolling. Since the UNECE's main role is to serve its Member States, these answers at least provide an indication of which sectors Member States consider most successful and which most need reorganizing..

7.1. The Environment and Human Settlements Division

Environment and human settlement activities

As one of the sub-programmes of UNECE work, the division includes the following environmental activities:

- The Committee on Environmental Policy brings together governments to formulate environmental policy and support implementation through seminars, workshops and advisory missions, as well as providing a forum for the exchange of experience and practice;
- Regional and cross-sectoral processes, such as the Environment for Europe ministerial process and the environment, transport and health tripartite cooperation process;
- Environmental performance reviews assess member state efforts to lower pollution, manage natural resources and improve environmental performance;
- Negotiation of environmental treaties, including the Convention on Long-range Transboundary Air Pollution, Convention on Environmental Impact Assessment in a Transboundary Context, Convention on the Protection and Use of Transboundary Watercourses and International Lakes, Convention on the Transboundary Effects of Industrial Accidents, Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters.

Human Settlements activities include:

- The Committee on Human Settlements provides a forum for the compilation, dissemination and exchange of experience on housing, urban development and administration and advises member countries on human settlements policies and strategies;
- The Working Party on Land Administration promotes issues related to land administration such as security of tenure, establishment of real estate markets, and modernization of land registration systems in market economies;
- The Housing and Urban Management Network (HUMAN) promotes partnership between member states and the private sector, financial institutions, NGOs, professional associations, and local authorities;
- Country profiles on the housing sector and the land administration reviews aim at assisting countries in transition to establish dialogue among all major stakeholders in the housing sector to address human settlements challenges.

- In 1996 the UNECE started the Meeting of Officials on Land Administration (MOLA), which was converted into the Working Party on Land Administration in 1999. The Working Party aims at promoting land (immovable property) administration through the security of tenure, the establishment of real estate markets in countries in transition, and the modernization of land registration systems in the advanced economies. It has promoted privatisation and effective real estate markets through modern land registration systems in the ECE region. It also sends independent expert missions to the ECE countries to render policy advice and recommendations on national programmes on land market development and real estate registration.

Relevance and comparative advantage

Member state responses reveal that awareness of the ECE Environment and Human Settlements Division varies. However, the majority of those who answered stated that the Environment and Human Settlements Division is known at a high or medium level in their countries.

The most useful of the UNECE's environmental activities, according to the Member States, are the environmental performance reviews. The environment treaty negotiation processes, as well as regional and cross-sectoral processes, are also highly appreciated.

It is important to note that Member States considered the Committee on Human Settlements to be less relevant or useful. 42.9 % of the answers gave the Sub-programme on Human Settlements low priority, while only 10.7 % gave it high priority.

The advantage of the UNECE Environment and Human Settlements Division was seen mainly in its broader geographic coverage, as compared with other organizations working in the field of environment (such as the EC and OECD). The UNECE indeed has solid experience in transition economies, and has played an important role in leading the Environment for Europe process. The close cooperation between the UNECE Environment and Human Settlements Division and organizations like the OECD, OSCE and UNEP has served not only to enhance the Division's overall level of efficiency, but also to reduce overlap between these organizations.

The Member States considered the comparative advantage of the Committee on Human Settlements to be that it is the only inter-governmental body related to human settlements that operates on a permanent basis across the entire region of Europe. In addition, it appears that some of the work carried out by the Committee – such as the recent publication of a housing country profile for Russia –

is indeed unique and does not compete directly with other organizations. Other human settlements organizations working on the European level do not incorporate governments per se; rather, they are composed of members of the academic and research community or of private sector actors.

The inclusion of non-EU governments in the work of the Committee on Human Settlements has been particularly important, since the countries with the greatest need for housing-related support are in fact the Central and Eastern European countries. It should be noted that the Committee serves as a multilateral forum that encourages policy dialogue between EU and non-EU countries and plays an essential role in elaborating housing policy. Member States further assert that the Committee is better equipped to undertake long-term initiatives than it is to carry out short-term projects such as those initiated by INTERREG.

The ECE Committee on Human Settlements seems to address the regional challenges and specificities of the European political, social, economic and cultural context more efficiently than UN-Habitat. The Committee also embraces a cross-sectoral approach, designed to take the different policy spheres of environment, energy, transport, consumption patterns and social cohesion into account.

In the environmental sector, the cooperation between the UNECE and the network of Regional Environmental Centres (RECs) – supported e.g. by EC and US – could be strengthened. There are now several Regional Environmental Centres in Central and Eastern Europe and in Central Asia. According to the feedback from Member States, UNECE's cooperation with the RECs is not always optimal, as they are too often considered as competitors.

The UNECE's cooperation with the United Nations Environment Programme (UNEP) has on the other hand been quite successful. UNEP's Regional Office for Europe, which is located in Geneva, has actively participated in UNECE activities such as the Environment for Europe ministerial level conferences. It could be argued that the UNECE could take on more of UNEP's regional activities and that the cooperation between the two organizations could be even closer.

Yet the OSCE, UNDP and UNEP have jointly been running an "Environment and Security" project in Central Asia and the Caucasus, which has received much attention from the countries involved and from Member States in Europe. It is important to ask why the UNECE is not among the partners of this initiative, as issues of "soft security" are in many ways linked to environmental, economic and social development.

Finally, sector conventions such as the Århus and Espoo conventions are also globally important in the sense that they are used as international references for public participation (Århus) and for the assessment of the effects of transboundary pollution (Espoo). The UNECE should seek greater collaboration with both.

The Member Countries also recognize that the important Multilateral Environmental Agreements (MEAs) that have been negotiated under the auspices of the UNECE have had a strong influence on the development of environmental policy at the international level. The five UNECE Conventions have spawned a broad base of cooperation with relevant partners in their respective sectors. The most valuable contribution of the UNECE Environment and Human Settlements Division has indeed been the negotiation of important conventions and protocols on air pollution, transboundary waters, environmental impact assessment, industrial accidents and public transportation. Member States suggest that this important role should be enhanced and expanded, especially given that the many environmental challenges faced by the region – such as long-range transboundary air pollution – can not be adequately addressed by the EU alone.

Recommendations

Based on the feedback from the questionnaires and the interviews, the following recommendations can be made:

- As the human settlement activities in the division are receiving very little support from Member States, they can be discontinued. However, useful products like housing country profiles could in the future be carried out by the UNECE statistical division.
- The UNECE Environment Division should be further consolidated into three major directions with a new strategic long-term objective. The three areas should include: Environment for Europe, Environmental Conventions and Environmental Performance Reviews.
- Greater efforts must be directed towards the implementation of the ECE environmental conventions, notably through further capacity building and workshops at sub-regional levels.
- There is a necessity to strengthen cooperation with other international institutions, in particular with the UN and the EU. Member States also expressed the need for stronger cooperation with NGOs and the private sector.

7.2. The Transport Division

Division's objectives and activities

The ECE's Transport Division includes the following activities:

- The UNECE Inland Transport Committee (ITC) and its working parties serve as forums for the development of necessary legal and technical norms and standards in the field of transport. This normative work has three components: the establishment of international infrastructure networks for inland transport modes; uniform regulations for traffic and vehicles; and the harmonization and simplification of border crossing procedures and transport facilitation;
- Development of methodologies, guidelines and definitions on transport planning, as well as the collection of for transport statistics;
- The ITC cooperates with the Environment Division to jointly address the transport related environmental and health concerns.

In assessing the profile of the UNECE Transport Division throughout the region, Member States were asked to determine how well the Transport Division was known in their respective countries.

Questionnaire responses revealed that the UNECE Transport Division is reasonably well known.

Questionnaire responses further revealed that the participation of Member States in the committees, working parties, seminars and expert groups of the UNECE Transport division is very high. Indeed a majority of respondents recently participated in the World Forum for Harmonization of Vehicle Regulations, as well as in meetings of the Working Party on Transport of Dangerous Goods (WP15) and those of the Working Party on Transport of Perishable Goods (WP11).

One very important comparative advantage of the UNECE Transport Division, as recognized by a large number of Member States, is the geographical scope of application of the Division's norms and standards. It is important to note that the ECE Transport Division has very active participants who are not actually members of the ECE; these members have even, in the past, contributed extra-budgetary resources. In addition, experience has shown that countries outside the EU have also benefited from EU legislation, since the elaboration of many EU norms and standards has been based on key UNECE agreements. In the case of vehicle construction, for example, part of the EU legislation closely followed the regulations annexed to the UNECE agreements. Some of the Division's norms and standard-setting work is thus global in nature, and not relative only to the European continent.

Several Member States asserted that the mutual recognition of technical requirements between countries plays an important role in the removal of barriers to trade. Given the inclusion of non-EU Member States, this has had the effect of extending the economic and trade benefits of the EU “single market” well beyond the 25 Members of the European Union.

The development of global requirements is essential for the continued competitiveness of the automotive industry in Europe. The regulation of transport standards and norms facilitates international trade, which in turn is seen by many of those who responded to generate economic growth. Furthermore, the Transport Conventions of the UNECE are regarded as playing a critical role in the facilitation of transportation throughout Europe and other regions beyond; this is also considered as an important driving force of economic growth.

Relevance and comparative advantage

The work of the UNECE Transport Division is relevant not only to Member States but to the private sector as well. The UNECE has the ability to achieve practical results through international agreements, particularly concerning the regulation of technical aspects of various transport policy challenges. In the field of vehicle regulation there is no equivalent international organization to the WP29 (type-approval, mutual recognition of approvals and conformity, for example, are key advantages of the WP29 over other similar standardization bodies).

Anyone who has ever travelled on European roads will recognize the familiar blue and white TIR plate borne by thousands of lorries and semi-trailers using the TIR Customs transit system. For the driver, the transport operator and the shipper, this plate stands for fast and efficient international transportation by road. Work on the TIR transit system started soon after the Second World War under the auspices of the UNECE. Nearly twenty-five years after its revision in 1975, the TIR Convention has proved to be one of the most effective international instruments prepared under the auspices of the United Nations Economic Commission for Europe (UNECE). To date, it has 64 Contracting Parties, including the European Community (EC). It covers the whole of Europe and reaches out to North Africa and the Near and Middle East. The United States of America and Canada are Contracting Parties as well as Chile and Uruguay in South America. TIR is a good example of UNECE’s influence on global trade facilitation.

Some Member States maintain that the role of the UNECE’s Transport Division has been somewhat reduced by the enlargement of the EU. In addition, the new Member States participate actively in the

European Conference of Ministers of Transport (ECMT). The ECMT is an inter-governmental organization established by a Protocol signed in Brussels in 1953. It currently has 43 full Member Countries, 7 Associate Countries and one Observer Country. It works closely with the OECD, notably in the field of research. There has been some overlap between the ECMT and the Transport Division on issues related to railways. In this light, the evaluation team stresses the necessity for the UNECE to build proper synergies with the European Conference of Ministers of Transport (ECMT) to avoid duplication and unproductive competition.

Recommendations

- Member Countries indicated that the duplication between the UNECE Transport Division and other relevant international organizations should be addressed and that unnecessary activities within the Transport Division should be terminated. Issues like rail transport systems, or safety in road and railway tunnels were mentioned as issues where overlaps currently exist.
- Duplication of work between several organizations including the UNECE and the ECMT was also highlighted..
- Closer cooperation needs to be established between the Trade and Transport Division of the UNECE, which would facilitate trade between countries while increasing road safety and security.
- Closer cooperation should be established between the Environment and Transport Divisions of the UNECE to guarantee collaboration on the environmental aspects of transportation while ensuring that the work does not duplicate that carried out in other organizations.
- In addition, Member States maintain that the TIR Convention must be further expanded to include territories outside the UNECE region. The TIR Convention also needs to have at least some of its procedures computerized.

7.3. The Statistical Division

Objectives and activities

The overall objective of the statistical sub-programme is to improve the reliability of national official statistics and ensure their comparability at the international level. The planned accomplishments of the sub-programme include:

- Further developed national institutional frameworks and corresponding implementation practices of Member Countries;
- Increased implementation of internationally recommended standards and practices to ensure comparable statistics, particularly by the less advanced countries in the region;
- Streamlined activity patterns of statistical work between international organizations through elimination of overlaps and gaps;
- Increased access by users to reliable, timely and comparable macroeconomic, social and demographic statistics.

These accomplishments are to be achieved through some of the following outputs and activities:

- Servicing of inter-governmental and expert bodies, especially the Conference of European Statisticians;
- Production of regular publications such as the Statistical Journal of the United Nations Economic Commission for Europe, and Trends in Europe and North America; as well as booklets, fact sheets, wall charts, and technical materials like the updated online database "Integrated Presentation of International Statistical Work Programmes in the ECE region";
- Carrying out technical cooperation operations in the Member States;
- Providing advisory services, training courses, seminars and workshops.

Technical assistance is directed towards South-Eastern European and CIS countries; it mainly undertakes capacity building interventions to assist Member governments in the organization of statistical systems, indicators of human development and MDG reporting, principles of statistics and more. Technical assistance is carried out by the regional adviser on statistics or the Statistical Division staff.

The work under the Sub-programme is carried out by the Statistical Division and steered by the Conference of European Statisticians (CES) under the joint auspices of the ECE and the United Nations Statistical Commission. CES is the principal subsidiary body of the Programme. The CES is

also in charge of coordinating all statistical work in ECE, including statistical work carried out in the Economic Analysis Division and its Population Activities Unit; in the Environment and Human Settlements Division; in the Timber Branch of Trade Development and Timber Division; and in the Transport Division.

The total number of staff in the Statistical Division is 32, of which 18 are professionals.

Relevance and comparative advantage

Member Countries' views on the importance and relevance of the UNECE Statistical Programme were quite unanimous. In 55.6 % of the replies to the questionnaire, the Sub-programme was deemed highly important. Only 14.8 % of the Member States who replied identified the Statistical Programme as having low importance, and indeed, it seems to enjoy the most solid Member State support after the Environment and Transport Divisions.

Based on the views expressed in the interviews and replies to the questionnaire, the most relevant parts of the Programme seem to be the coordination of international statistical work in the UNECE region and the methodological work carried out in various statistical areas. The main product of the coordination work is the Integrated Presentation of International Statistical Work, which is maintained and updated by the CES.

Most of the Member States expressed satisfaction with the way the CES is leading the Statistical Programme, both in terms of substance and working methodologies. Possible overlapping elements with the participating organizations' statistical activities are checked regularly as a part of the coordination of their work. The sub-groups have been established according to product and required time frame. This helps in keeping the number of sub-groups under control.

The relevance of the UNECE Statistical Sub-programme for the OECD and EU countries is obviously more limited than for the SEE, Caucasus, Balkans and CIS countries. The former are served by their national statistical bureaus, by EUROSTAT, and by the OECD. They consequently mainly appreciate the UNECE Statistical Programme for its coordinating functions and methodological work.

The collection, processing and dissemination of macroeconomic, social and demographic statistics is not the most appreciated part of the Sub-programme. Quite a few Member States even doubted the rationality of attempting to produce statistics when the gathering the data, and publishing and marketing the outcomes seem to stretch the scarce resources beyond reason. But these Programme

components were nevertheless highly rated by some Member States, notably by non-EU and non-OECD countries. Practically all Member States found great value in the Statistical Programme's ability to function as a bridge between different Member groups, bringing together statisticians representing extremely varied situations and levels of economic and administrative development.

Cooperation between UNECE and other international organizations was seen to function well.

Some Member States wanted to see the Statistical Programme's resources strengthened and other divisions' statisticians to be moved to Statistical Division.

Findings

The UNECE Statistical Programme seems to have found its niche in the area of international statistics. Its relevance appears to be high, since the CES – which actually leads the programme – has become something of a clearing-house for open questions and issues in its field. The CES also provides a fairly successful forum for exchanging views and promoting international harmonization in statistics. The heterogeneity of UNECE Member States does not seem to be an obstacle. Indeed, countries with differing economic and social situations can participate meaningfully in the meetings and learn from each other. The fact that countries outside the UNECE region are willing to participate in the Programme's activities may also be seen as an indicator of its success.

The Sub-programme further succeeds in drawing together the main national and international organizations and in coordinating their work programmes, though "coordination" in this instance signifies providing a forum for exchanging information and avoiding overlaps rather than actual guidance or management. Finally, the UNECE Statistical Division appears to be successful in providing the required support and secretarial services.

In the field of statistics the UNECE has filled the gaps between various actors and responded to actual demand. It has thus acquired significance beyond the ECE region as well. UNECE statistical methods have more than once raised interest outside the region and been adopted by countries that are not members of the UNECE. The enlargement of the EU will, however, progressively decrease the Programme's relevance, as work on economic, social and demographic data and statistics of EU Member Countries is carried out by their national statistical bureaus and by EUROSTAT.

The evaluation team considers the coordination of international statistical work, the work on methodology in various statistical areas and, to some extent, technical assistance to be the core of the UNECE statistical programme and the ones to which resources should be channelled.

The main tasks of coordination are updating and maintaining the Integrated Presentation of International Statistical Work and secretariat support to the CES. Both of these are fairly labour intensive components of the Programme, as is the methodological work, which requires both technical expertise in statistics and logistical, publishing and other kinds of services for the steering groups, task forces and other meetings in specialized areas. In the methodological work the main expertise comes from national experts participating in the Programme.

The most labour intensive part of the programme, however, is the collection, processing and dissemination of macroeconomic, social and demographic statistics. It engages the majority of staff members in one way or another. Data for EU and OECD countries are, to the extent possible, taken from other organizations (OECD and, in the case of EU countries, EUROSTAT), and an extension of this possibility of data collection to cover all data from new EU countries can be expected for the near future.

Today already some publications and components of statistical production seem to add very little to services and publications provided by other international and national institutions. One example is the above-mentioned online database, which contains information on EU and OECD countries that can be found elsewhere. In the case of transition economies, moreover, it is legitimate to wonder whether resources could be more efficiently used to support these countries' representatives' participation in UNECE's coordination exercises, methodological work and technical assistance, rather than to produce statistics on their economies.

Recommendations

- The team regards coordination, methodological and technical assistance work as the genuine niche for the Statistical Programme's work. Consequently, the team recommends that the UNECE reconsider the actual production and publication of member country statistics (the third component of the Statistical Programme). Long-term results of the Programme for transition economy countries' capacities would probably benefit from this.
- To begin with, it is recommended that publications such as "The Trends" be discontinued and that the contents of the online database be reviewed and improved.

- The restructuring of the Economic Analysis Programme as proposed in this evaluation should lead to the freeing of Statistical Division human resources, which could be used in the niche areas defined above.
- More funds will be needed for technical assistance in capacity building for transition economies. This, however, would require technical assistance interventions to be more carefully planned and designed, so as to ensure real impact and sustainability of their outcomes.
- The Statistical Programme should take over the statistical tasks of the Sub-programmes that this evaluation recommends be downsized or discontinued.

7.4. The Economic Analysis Division

Objectives and activities

The Sub-programme of Economic Analysis aims at “providing an in-depth and comprehensive analysis of current economic developments and problems in the ECE region, focusing on macroeconomic and structural issues as well as on core UN development themes. It thus provides an international perspective for national economic policy makers through policy debates and publications. The activities in the field of population aims at supporting the implementation of the final documents of the regional and global conferences in this area through monitoring and exchange of experiences; they also contribute to better-informed policy-making through data collection and research activities, with a particular emphasis on issues concerning generations and gender”.

The planned accomplishments of the sub-programme include:

- Increased understanding of economic developments and policies in the ECE region;
- Enhanced policy debates on economic and development issues, including those relating to core United Nations themes.

The listed outputs and activities include:

- Servicing of inter-governmental and expert bodies, such as the Economic and Social Council (ECOSOC) and the Economic Commission for Europe (ECE);
- Substantive servicing of meetings, such as the spring Seminar and the meetings on the follow-up of the Berlin Ministerial Conference on Ageing;
- Producing background papers for meetings on the follow-up of the Berlin Ministerial Conference on Ageing and for the High-Level Segment Policy Debate of the Annual Session of UNECE, for example;
- Producing periodical publications (the ECE Quarterly and the Economic Survey of Europe) and technical material such as the demographic database of European countries; and technical cooperation field projects.

The Economic Analysis Division (EAD) of the UNECE also follows and reviews the realization of OSCE commitments in the economic field and prepares a report on this subject for the OSCE annual meeting, as stipulated in the MOU between the two organizations. Finally, it provides support to other sub-programmes and divisions of the UNECE on economic issues.

The Economic Analysis Sub-programme does not have a Permanent Subsidiary Body to plan and guide the programme's implementation; it thus misses direct contact with and guidance from Member States. The work is carried out by the Economic Analysis Division. In practice, the Sub-programme is led by the Executive Secretary of the UNECE. Unlike most other UNECE divisions, the EAD does not have a large number of working parties and ad hoc expert groups to serve. As a result, the division cannot draw on Member Countries' experts and surveys and publications have to be produced by regular staff or consultants.

The UNECE has a MOU of cooperation with OSCE on issues of environmental and economic security. In addition, the Sub-programme has frequent but not formalized relations with the main international organizations active in the UNECE region.

EAD staff consists of thirteen economists and six support staff. The Division also includes the Population Activities Unit (PAU), which has two professionals and one support staff.

Relevance and comparative advantage

Only 14.8 % of the Member States that replied to the questionnaire considered economic analysis to be an important UNECE area of work, while 74.1 % of Member States thought it had little relevance; indeed economic analysis ranked lowest of all UNECE areas of work.

Of all EAD products and services, the Member States declared to be most familiar with the EAD's flagship publication "Economic Survey of Europe" and the work done in the Population Activities Unit (PAU). Yet it is precisely the "Survey" that was most severely criticized by the UNECE's Member States. Sharp criticism was already voiced against the publication in the annual session of UNECE in 2004, on the grounds that similar analysis was produced by many other international and regional organizations. The criticism was then directed toward the "Survey's" submission procedure, structure and selection of topics. The EAD was advised to discontinue the publication of the second issue of the "Survey", to shorten it, to reduce its coverage thematically and make it more focused, and to specifically cover the South-East European, Caucasus, Central Asian and CIS countries.

These guidelines were followed by the EAD during the production and publication of the 2005 Survey. The feedback from Member States during this evaluation was nonetheless overwhelmingly negative. Indeed, the publication was mostly seen as irrelevant, albeit with some exceptions.

The same applies to the majority of other outputs – activities as well as publications – of the Economic Analysis Sub-Programme. The Programme's objectives themselves were not questioned and no one seemed to doubt the relevance of the above-mentioned mission statement, but with outputs raising such fundamental questions, the Member States' opinion of the Programme's impact and effectiveness could only be very poor.

Policy analysis is already considered by the majority of Member States to be carried out elsewhere: in other international organizations, financing institutions, universities and think tanks, for example. There seems to be an abundant supply of analysis and information available to all UNECE Member States. This is especially true for OECD and EU countries, but also for others.

The Economic Analysis Sub-programme contributes greatly to the organization of the High-level Policy Segment of the Annual Session and spring Seminar of the UNECE. Member Country criticism of the High-level Policy Segment has been noted in this report. The Spring Seminar was not seen in a more positive light by the Member States.

In general, EAD publications were not well known or highly appreciated by the Member States. EAD's technical cooperation activities were neither well known nor considered important.

The feedback on the PAU was mostly positive; its operations seem to be widely appreciated.

Within the Secretariat, the UNECE's comparative advantage in economic analysis is considered to be in offering non-EU and non-OECD Member States economic policy alternatives for their economic policy, as opposed to mainstream policy recommendations provided by institutions like Bretton Woods. Such a role, however, was hardly mentioned in Member States replies.

Several Member States gave very clear-cut and sometimes drastic recommendations. Some said, for instance, that the bulk of the economic analysis programme could be closed down and that staff of the EAD could be moved to other programmes and divisions. Some specific tasks, such as cooperation with the OSCE could be maintained. The information needs of other sub-programmes in the field of economics could be covered by using the expertise of other international organizations.

Some Member States, though, appreciated the work carried out in the Sub-programme and recommended that its operations be extended and its resources increased.

It is important to note that the variety of these views did not follow any particular country grouping. The majority of States, whether OECD and EU Members or not, was very critical in its assessment of

the Sub-programme's relevance. Views supporting the work and increase of the EAD's resources were clearly a minority, but could be likewise be found among different groups of Member States.

Findings

The assessment of the evaluation team is that there seems to be little demand for the Sub-programme's services and products among Member States. Furthermore, since the Sub-programme does not have either a PSB to guide its work or the funds to travel and gather information in the field, it is difficult for the EAD to identify Member States' actual needs and to adjust the programme accordingly. The Programme is thus to a large extent Secretariat-driven (it is the Secretariat that struggles to figure out what Member States need and how to produce it). This process sometimes results in a new product or service, which the EAD then has to "sell" to Member States. This effort, though, is also hampered by the lack of sufficient resources for travelling and liaising. This process cannot be described as very demand-driven one.

There is abundant supply of alternative policy analysis providers with better resources. The UNECE programme is currently not very well known, and it cannot plausibly be claimed to influence Member States' economic policies. Raising the programme to that level would require a considerable increase of its resources.

The Sub-programme, moreover, does not have sufficient resources for meaningful technical assistance operations. Influencing the Member States' economic policy in a sustainable way would require resources, continuity and a local presence that the UNECE does not currently possess.

Recommendations

- The team recommends that the Economic Analysis Sub-programme be discontinued. Such tasks as the OSCE cooperation and population activities should be moved to other sub-programmes and divisions, like the Statistical division.
- The Spring Seminar would be discontinued and merged with the High-level Segment of the bi- annual session.
- The Post-transition Economic Forum would be discontinued.

- The development of the Early Warning Mechanism, whose feasibility is currently being assessed, would be continued only if strong evidence were found of its relevance in consultation with other international organizations.
- The Programme and the EAD would focus on carrying out the tasks agreed on in the MOU with the OSCE, servicing the other sub-programmes and divisions and preparing the biannual session and its High-level Segment. Other policy analysis and advice roles would be discontinued.
- Technical assistance operations would be discontinued.
- The PAU's operations would be moved to the Statistical Division.
- This new structure would release a significant portion of financial and human resources for other UNECE functions and for its Secretariat. Even given current commitments like the cooperation with OSCE that should continue, a rough estimate is that approximately half of the human resources could be reallocated.

7.5. The Industrial Restructuring, Energy and Enterprise Development Division

Activities

The programme of work and activities of the Industrial Restructuring, Energy and Enterprise Development Division (IREED) primarily focus on three main areas:

- The legal, regulatory and policy framework governing industry, the energy sector and, more broadly, the private sector;
- The market structure, conduct, practices and performance of these sectors in contributing to the sustainable economic development, growth and prosperity of ECE Member States; and
- The provision of technical assistance (capacity building and training) in these areas to countries with economies in transition.

The constituencies for this work are: government officials and regulatory authorities responsible for legal, regulatory, policy and corporate issues of direct relevance to industry and the private sector; officials from private and state-owned enterprises affected by government measures and policies; and international governmental and non-governmental organizations, including industry and professional associations active in those areas.

The division is composed of four sections, each responsible for significant elements of the work programme of the ECE: Sustainable Energy, Legal and Commercial Practices, Industrial Restructuring and Enterprise Development, and Regional Advisory Services.

Sub-programme 5: Sustainable Energy

This Sub-programme works to promote a sustainable energy development strategy for the region, with the following objectives:

- Sustained access to high quality energy services for all individuals in the ECE region;
- Security of energy supplies in the short-, medium - and long-term;
- Facilitation of a transition to a more sustainable energy future and the introduction of renewable energy sources to reduce health and environmental impacts resulting from the production, transport and use of energy;

- Well-balanced energy network systems across the whole of the ECE tailored to optimize operating efficiencies and overall regional cooperation;
- Sustained improvements in energy efficiency, in production and use, particularly in countries with economies in transition; and
- In the context of post-EU enlargement, the integration of energy restructuring, legal, regulatory and energy pricing reforms, as well as of the social dimension into energy policy making.

The Sub-programme also addresses inter-sectoral issues, in particular in the field of energy and environment. The Sub-programme is designed to take into account of goals of the United Nations Millennium Declaration, the outcome of the World Summit on Sustainable Development, and the proposals emanating from the process on strengthening the Organization, initiated by the Secretary General in 2002. The sustainable energy work programme has five major components centred on promoting convergence in the overall legal, regulatory and policy framework, including the development of classification systems and guidelines; the promotion of energy efficiency and conservation, notably in economies in transition; the encouragement of greater use of natural gas as a "transitional" fuel to bridge the gap until "new" environmentally benign energy sources are developed and commercialized; the greening of the coal-to-energy chain; and the addressing of issues related to electric power network system interconnections.

Relevance and comparative advantage (Energy)

25.9 % of the Member States that replied to the questionnaire considered sustainable energy as a highly important UNECE area of work, but 40.7 % disagreed and gave low priority status to this sector. The results of the questionnaire show that Member States' views on the usefulness of the Division's activities on energy are divided.

Those who answered positively invoked private sector involvement in the meetings, as well as private sector support of the UNECE's Gas Centre. Work on energy efficiency and links between energy and the environment were also considered important by some Member States. The much-needed expertise in emissions trade under the Kyoto Protocol was stressed in some answers. Likewise the useful and important role of the Working Party on Gas was mentioned by a number of governments.

Several governments, however, remarked that there were serious overlaps between the energy activities of the UNECE and the Energy Charter (PEREAA), the International Energy Forum (IEF) and

the IEA, the International Energy Agency of the OECD. The UNECE's Energy Security Forum was also criticized for duplicating the work of the IEA and the activities of the EC in the energy sector.

The UNECE's comparative advantage was seen to lie in its expertise in the Central and Eastern European energy sector and particularly in Central Asia. Finally, the specialized work by the UNECE on coal and gas was also mentioned positively by several Member Countries.

Recommendations on energy

The UNECE's work on sustainable energy received positive feedback from several Member States, even though several overlaps and duplications were mentioned. The team therefore recommends that the Energy Sub-programme be continued, but that:

- Overlaps and duplications between the UNECE Sub-programme on Energy and other international organizations be addressed immediately, i.e. that UNECE either cancel its own duplicating activities or search clear divisions of work with other organizations active in European energy sector;
- Specific Memorandums of Understanding (MOUs) should be established with the IEA and with the Energy Charter to achieve a coherent division of labour between these organizations and the UNECE;
- The involvement of the private sector in UNECE's energy work should be further enhanced, and the possibilities for private and extra-budgetary funding for energy activities should actively developed;
- UNECE should develop active horizontal communication between divisions like environment, transport and energy on sustainable energy, energy saving and the environmental implications of energy consumption.

Sub-programme 9: Industrial Restructuring and Enterprise Development

The programme deals with the following major areas:

- Industrial development;
- Knowledge-based economy; and
- Enterprise development.

It is supported by the Working Party on Industry and Enterprise Development (WP8), which was established by the UNECE in 2000 upon a recommendation of the Committee for Trade, Industry and Enterprise Development.

The Working Party on International Legal and Commercial Practices (WP5) is also part of Sub-programme 9. The focus of this sub-programme (covering the work of both WP5 and WP8) is to foster the development of effective and competitive enterprises, in transition economies in particular, through:

- The promotion of entrepreneurship (small- and medium -sized enterprises);
- Increased competitiveness, particularly of the hard-hit industrial sector;
- Growth of the knowledge-based economy; and
- Improved policies as well as public and private practices in support of investment promotion.

Working Party 8 assists UNECE Member States in restructuring uncompetitive enterprises and sectors, promoting new enterprises and encouraging the development of the knowledge-based economy. Specifically, it:

- (i) identifies and examines best practices and policies conducive to industrial restructuring and enterprise development;
- (ii) organizes the exchange of information and experience, and facilitates international cooperation between the public and private sectors in these areas; and
- (iii) develops recommendations on government action encouraging industrial restructuring, development of new enterprises and emergence of knowledge-based economy.

For the implementation of its activities the Working Party may establish sub-groups (teams of specialists, advisory groups and ad-hoc task forces). At present, such sub-groups include a Team of Specialists on Industrial Restructuring and Competitiveness and a Team of Specialists on Internet Enterprise Development.

It should be noted that the PSB for Sub-programme 9 is the Committee for Trade, Industry and Enterprise Development, which oversees the work of both Sub-programme 6 and Sub-programme 9 and their related Working Parties. It is obvious that it is very difficult for this PSB to give guidance on such a variety of different topics. This further weakens the position of Sub-programme 9.

Relevance and comparative advantage (Industrial Restructuring and Enterprise Development)

On the contrary to sustainable energy, which was recognized as an important sector by at least some UNECE Member States, the Industrial Restructuring and Enterprise Development Sub-Programme scored very badly in the questionnaire: only 7.7 % of answers ranked these activities as a high priority in the work of UNECE, while 53.8 % of Member States gave them a low score. These activities indeed got the lowest ranking in the priority areas of UNECE, and second worst ranking overall (after Economical Analysis).

It is also obvious that these activities are not well known by the Member States, for very few Member States added any written comments to the low points they gave to industrial restructuring and enterprise development. Several Member States said that “these activities should be eliminated” or that “all activities could be terminated”.

A positive exception here was the Working Party on International Legal and Commercial Practices (WP5), which was mainly considered to be doing valuable work, though it was thought to overlap somewhat with WIPO. The UNECE was nevertheless considered to be more successful in attracting experts for its meetings.

Some Member States, finally, also recognized the importance of UNECE activities in the Programme of Work on Small- and Medium -sized enterprises (SMEs).

Recommendations on industrial restructuring and enterprise development

After analysing the responses, the team recommends that:

- The activities on industrial restructuring and enterprise development be discontinued;
- Remaining responsibilities in this Sub-programme should, if necessary, be transferred to other divisions of the UNECE or to other international organizations working in the same field. The activities of WP5 and of the Programme of Work on Small- and Medium-sized Enterprises (SMEs) should be transferred to Sub-programme 6: Trade Development;
- The name of the division should be changed to Sustainable Energy Division.

7.6. The Trade Development and Timber Division

The Trade Development Sub-programme

The Trade Development Sub-programme works to facilitate trade and economic cooperation between countries of the ECE region and with the rest of the world by developing and maintaining effective international trade-related instrument, norms, standards and recommendations; by increasing implementation of these tools; and by enhancing policy dialogue on trade practices and regulatory frameworks.

The practical outputs needed to reach these objectives include:

- Servicing the numerous inter-governmental and expert bodies which belong to the Sub-programme;
- Publishing a wide array of periodical and non-periodical publications, booklets, fact-sheets and technical material on the programme;
- Arranging seminars for outside users; and
- Organizing technical cooperation activities such as training courses, seminars and workshops on trade issues in transition countries and on regulatory practices.

The PSB for the Trade Development Sub-programme is the Committee for Trade, Industry and Enterprise Development. The programme covers several areas and is organized in an impressive number of working parties, ad hoc teams, advisory groups and other similar sub-groups.

The Trade Development Programme's share of the UNECE core budget is approximately 11 %. Its share of extra-budgetary funds is relatively small, around 7%. The number of staff running those two programmes in the Trade Development and Timber division is 29.

In the last round of UNECE reform following the Plan of Action of 1997, the bulk of the work on agricultural products was taken over by the FAO, but the development of quality standards was left to the UNECE. Part of the staff in the agriculture and timber sections is actually paid by FAO – a result of the two organizations' continued cooperation and coordination.

Relevance and comparative advantage (Trade Development)

Member Countries' views on the Trade Development Sub-programme varied considerably. The Sub-programme as a whole did not seem very relevant from the Member States' perspective: only 15.4 % of the Members who replied to the questionnaire judged the programme to be important, while 34.6 % considered it unimportant.

Even so, the Member Countries saw the value of the UNECE in the area of trade development to be in predominantly technical functions – norms and standards setting – though a number of Member States saw this role diminishing. Indeed other international organizations providing development of trade-related standards, including the ITU and the ISO, were said to be working in a more efficient and transparent way.

It should be noted, however, that in the field of norms and standards setting, UNECE work is of a global nature (e-business and agricultural standards are good examples). This special characteristic of the UNECE sets it apart from other UN regional commissions since individual countries, international organizations and the private sector from outside the UNECE region actively participate in its work, which in turn influences the global economy and trade.

In their replies and interviews, very few Member Countries mentioned the third component of the programme's work plan, the policy dialogue on trade practices and regulatory framework. Technical assistance to transition countries raised both critical and supportive comments from those who replied.

Some Member States emphasized the role of the Trade programme in spreading trade-related international norms and standards in transition countries. This was seen to benefit both WTO Member and non-Member Countries.

Practically all separate areas of the Sub-programme (especially Agricultural quality standards, Trade facilitation and Electronic business and Regulatory cooperation) were spoken well of. Most of them were also criticized, however, creating a complex picture to interpret.

The Programme's activities in developing quality standards for agricultural products received predominantly positive feedback. While many States referred to Codex as a relevant reference organization in this field, it was the UNECE that was judged to respond to Member Country needs better. OECD work on agricultural products was also frequently mentioned, and many Member States

reflected on the possibility of bringing work on agriculture under one same roof, either in the OECD or in the UNECE. Recommendations to initiate discussions with the OECD on this matter were made by several Member States.

Most Member Country comments focused on the United Nations Centre for Trade Facilitation and Electronic Business, CEFACT. Products such as EDIFACT, UNLK and UNeDocs were frequently seen as success stories and proof of the UNECE's ability to develop trade facilitation tools according to real demand. CEFACT was also often considered to provide international economic tools that had relevance far beyond the actual UNECE region. One of CEFACT's merits was specifically said to be its voluntary nature, in contrast to the rules-based WTO and WCO. Finally, Members deemed it to provide the necessary forum for private sector industry competitors to cooperate in producing standards for their common use.

Several Member States underlined the technical nature of CEFACT's work. Whereas the production of standards and tools was valued per se, policy discussions and marketing potential advantages of trade facilitation received minor attention. Some members recommended allocating more of the Secretariat's human resources to CEFACT.

While appreciating the work done at CEFACT so far, many Member Countries simultaneously doubted whether the UNECE would also be the right organization to tackle trade facilitation issues in the future. Comparisons with other international organizations, and analysis of their respective strengths and work programme overlaps were provided in many replies.

As an argument in favour of a strong role for CEFACT, attention was directed to the particular usefulness of its work in the implementation of potential WTO agreements on trade facilitation and the benefits that UNECE's trade facilitation tools would have for the implementation of revised GATT articles. The two following trade facilitation tools were mentioned in a positive light by the Member States:

- The UN Layout Key (UNLK), UN/EDIFACT, UNeDocs and Single window recommendation for Article VIII;
- The Recommendations on the Documentary Aspects of the International Transport of Dangerous goods and Harmonization Convention for Article X.

In addition, CEFACT's work was in some replies seen to be important to new or acceding WTO Members and developing countries. On the other hand, the fact that the UNECE did not have observer status in the WTO's Trade Facilitation Negotiations Group was considered to be a serious hindrance for CEFACT's work.

The conclusions drawn from these deliberations differed widely. Some countries wanted to continue and strengthen CEFAC's work. The recommendation was made that the UNECE should be given observer status in WTO negotiations so as to allow trade negotiators to better understand the value of CEFAC's tools. The possibility of an agreement with the WTO on the assistance the UNECE could provide for the negotiations was also suggested.

Other replies, however, included recommendations to leave trade facilitation issues to other organizations, such as the World Bank (for policy and technical assistance), the WTO (for negotiations and technical assistance) and UNCTAD (for policy discussions), and the development of e-business tools to the private sector, OASIS (Organization for the Advancement of Structured Information Standards) and ISO (International Organization for Standardization), to name but a few.

The UNECE, and CEFAC in particular, was seen to be "attempting too many activities with insufficient resources resulting in a failure to deliver declared outputs or promote the adoption of existing standards and recommendations". Organizations such as UNCITRAL, ITU and ISO, with which CEFAC was said to be overlapping, were in fact assessed to have superior working methods, better participation of experts in their meetings and more professional secretariats. If nothing else, CEFAC was perceived to need a clearer mandate and stronger support from the UNECE Secretariat.

Member States made fewer remarks on regulatory cooperation and standardization. These were mostly positive, but the work programme was also said to proceed slowly and a recommendation was made that it should be reviewed.

Opinions on technical assistance varied greatly between praise for its results and strong views that the UNECE should not be wasting scarce resources in activities for which it has neither the necessary expertise nor sufficient results to have real impact.

Findings (Trade)

The UNECE's Trade Development Programme can claim some of the clearest successes the organization has enjoyed so far by producing norms and standards. Indeed, many sectors of the global trade in agricultural products use UNECE quality standards and UN/EDIFACT is said to be

used in different applications by national administrations and the private sector in several countries, for example by banks exchanging information and making mutual transactions (SWIFT).

However, success in the past does not automatically imply future success.

As mentioned above, UNECE activities on trade facilitation and its relations with other international organizations in this field, particularly with the WTO, inspired many Member Countries to comment. The annual session of the UNECE in 2004 already warned against duplicating work by the WTO in the field of trade facilitation.

Besides the WTO and the UNECE, there are many other international organizations active in trade facilitation. The World Bank is currently trying to coordinate trade facilitation policy discussions and activities in the Bank's Member States through the Global Facilitation Partnership for Transportation and Trade (GFP). The GFP focuses on economic development and trade facilitation; electronic commerce and business; trade liberalization and facilitation; and trade logistics and facilitation. The Bank is actively promoting partnership agreements between different organizations in order to coordinate trade facilitation. UNECE is a member of the GFP.

Within UN system, the UNTF (United Nations Trade Facilitation Network), of which UN/CEFACT is a member, works to coordinate the activities of separate organizations. The WCO improves customs procedures and processes and works together with the WTO and UNCTAD in the area of trade facilitation. It has also developed tools to analyse Member Countries' needs in the field. The International Monetary Fund (IMF) also advises governments on how to simplify trade procedures, trade liberalization, border controls and more.

In the context of WTO trade facilitation negotiations, the roles of the WTO and the UNECE complement each other in principle: the UNECE provides tools for implementation of eventual future agreements. It should be noted, however, that at the current stage of negotiations, the WTO does not benefit directly from the UNECE's expertise and services. The UNECE, furthermore, is not the sole provider of trade facilitation tools for possible future agreements. On the contrary, it has to convince its potential "clientele" of its products' superiority and necessity. Its UN status certainly has advantages, but at the same time, many developing countries tend to shun tools developed by European organizations, regarding them as too advanced and expensive. Many WTO countries see the WCO as the source of expertise in technical matters connected to trade facilitation. Indeed, the WCO has also many more Member Countries than the UNECE and is seen as a truly global multilateral organization. The UNECE's relevance is limited by its regional role.

UNCTAD is also active in trade facilitation and it has observer status in the negotiations group. Developing countries seem to feel more comfortable working with UNCTAD than the UNECE in trade facilitation issues. OECD, for its part, has the capacity to analyse trade facilitation as a trade policy issue, and the results of its work are widely available. The UNECE does not seem to be considered the optimal partner or adviser for transition countries when it comes to policy analysis and enhancing policy dialogue in trade facilitation issues; this is partly because it does not have observer status in the negotiations group.

It is likewise difficult to see a role for the UNECE in the area of technical assistance in trade facilitation. Indeed, technical assistance activities in various aspects of trade facilitation are already carried out by the World Bank, the WCO, the EU, the WTO and a wide array of bilateral actors. In comparison to these organizations, the UNECE does not have the capacity or the resources to make a real difference.

This last point leads to the core issue of the relevance of UNECE programmes, of Trade Development Programme as well as the other ones: it is understandable that UNECE pursue the development of tools and services that are helpful for trade facilitation, for example, and promote the use of these tools in Member States and beyond. But (to use the expression of one Member State representative): "Scarce resources should not be used by trying to produce something that is then hoped to be used. They should be allocated to functions where the demand is already there, in which UNECE has undisputed competitive advantage or in which no other party is already active."

The evaluation team hence recommends that the UNECE Trade Development Programme should focus on roles in which it has clear competitive advantage. The team is of the view that this condition is not currently filled in all the parts of the Sub-programme.

Recommendations (Trade)

On trade facilitation, the team recommends:

- To continue activities in trade facilitation but to focus on providing tools for technical work required for standards production.
- To leave policy analysis and dialogue to the organizations better resourced and positioned to cover it.

- To embark on technical assistance interventions only if they support and contribute to the programmes of these other players.

The above recommendations also apply to other areas of the Trade Development Sub-programme.

In addition the evaluation team recommends that the UNECE consider:

- Initiating talks with the OECD to bring the work on agricultural quality standards under the same roof. The work on agricultural quality standards is seen to be one of the areas of clearest UNECE competitive advantage;
- A review of the programme on Technical Harmonization and Standardization Policies, in which it would be reasonable to rethink the need for the market surveillance components of the programme, for example;
- Leaving the development of standards for electronic business to other players, notably to private sector enterprises and their organizations;
- A continuous review of the number and structure of ad hoc and expert groups. As it is elsewhere in this report, it is recommended that the sub-groups be organized with a certain time frame or product, instead of being more or less permanent.

The Timber Sub-programme

One of the unique forms of good cooperation between the UNECE and other UN bodies is its work on timber, which dates back to the 1940's. The UNECE and FAO run the timber activities in Europe jointly, with the consequence that staff paid by FAO can be found in UNECE offices. UNECE has a Timber Committee (TC), which meets annually in Geneva and constitutes a forum for policy debates and discussions on market trends and outlooks. It also reviews implementation of the work programme.

FAO, for its part, has a European Forestry Commission (EFC) which meets every two years, alternately in an HQ location (Geneva or Rome) and a Member Country. It reviews recent developments in policy and institutions and acts as a policy forum. It identifies emerging policy issues

in the region for the FAO Committee on Forestry (COFO). It also reviews implementation of the work programme.

The Bureaus consist of the officeholders, Chairman and Vice-Chairs, of the TC and the EFC and the Chair of the Working Party on Forest Economics and Statistics. The Joint FAO/ECE Working Party on Forest Economics and Statistics meets annually in Geneva to provide guidance for activities in various work areas. The Secretariat for these activities is in Geneva, and has staff from both UNECE and FAO.

The integrated programme has seven teams: 1) Markets and Marketing; 2) Monitoring Forest Resources for Sustainable Forest Management in UNECE regions; 3) Gender and Forestry; 4) Best Practices in Forest Contracting; 5) Support and Contribution to Sustainable Development of the Forest Sector in South East Europe and in the CIS; 6) Forest Fires; and 7) Forest Communicators Network.

Member country views on the timber sector

Member Countries' views on the Timber Sub-programme were generally positive: 38.5 % judged the Programme to be important for them, while 19.2 % disagreed. This is a particularly positive result in light of the fact that the Timber Sub-programme uses only 2.9 % of the UNECE's core budget, and that its staff consists of only four professionals, one of which is paid by FAO.

In their answers, some Member States wrote that the overlaps and duplication were already minimized due to the fact that FAO – and ILO – were already cooperating with the UNECE timber sector. Attention was also paid to the fact that the EC did not have a mandate on forestry issues. In addition, there were several positive mentions of the UNECE's role in including non-FAO Member States – like Russia – in European timber and forest cooperation. Finally, the publication "European Forest Sector Outlook Studies (EFSOS)" seemed to enjoy the recognition of specialists working on forest and timber issues.

Some Member Countries expressed concerns that areas such as timber and CEFACT were covered by the same division, even though they were deemed to have very little in common and the line ministries in capitals were usually different for these two issues.

The question of closer cooperation and coordination between the UNECE's timber sector and the Ministerial Conference on the Protection of Forests in Europe (MCPFE) should also be raised. The first Ministerial Conference was held in Strasbourg in 1990, on the initiative of France and Finland. It was attended by 30 European countries, as well as by the EC and several inter-governmental observer organizations. Recognizing the need for cross-border protection of forests in Europe, the participants agreed on six resolutions. These Strasbourg Resolutions specifically focused on technical and scientific cooperation in order to provide the necessary data for common measures concerning European forests.

Close collaboration between the MCPFE and the joint UNECE/FAO timber programme is desirable, not least because it could lead to greater contributions by the political level to the work on UNECE on timber issues. It should be noted that some cooperation between the MCPFE and the joint UNECE/FAO Timber Programme already takes place. In particular, the UNECE has been made responsible for monitoring forest fires in Europe, as well as monitoring assistance to countries in transition.

Findings and recommendations (Timber)

The evaluation team considers that given its resources and personnel, the Timber Sub-programme is doing good work within the UNECE. It also has found its natural partners in other UN organizations, and seems to avoid the duplication of its activities. The team recommends that:

- The Timber Sub-programme should continue in the current framework, in which it benefits from close cooperation with FAO;
- When UNECE divisions are restructured, the right role and place for the Timber Sub-programme can be revisited;
- Cooperation between MCPFE and UNECE should be further developed.

7.7. The Technical Cooperation Unit

Objectives and activities

The Technical Cooperation Unit (former known as the Coordinating Unit for Operational Activities) was created in 1997 to provide support and coordinate UNECE technical cooperation. The Commission defined its role and functions as follows:

"A Coordinating Unit for Operational Activities is established in the ECE secretariat. Its role will be to deal with issues and activities which, within the ECE mandates, respond to the needs of specific groups of countries – countries in transition, sets of countries belonging to the same sub-region or groups of countries spread throughout the region but having a common interest in a specific issue, where ECE has recognized expertise.

The identification of [...] issues will be demand driven; a country can propose a topic and the Unit will assist in channelling this proposal to other possibly interested countries. Through their direct contacts with technical ministries of Member States, Regional Advisers may facilitate this identification of topics of common interest to several countries.

In addition to carrying out these activities, the Unit will have the role of supporting and, when necessary, coordinating all other operational activities undertaken by the ECE Divisions, including by the Regional Advisers, in response to special needs and priorities of countries in transition. In this respect, it will prepare a report both on its own activities and on those developed by the Divisions. This report will be submitted to the Commission every year."

In 2004 the "UNECE Technical Cooperation Strategy" was endorsed at the 59th annual session of the Commission.

The Technical Cooperation Unit is one of the younger units in the UNECE organigramme. While some ECE Divisions have been engaged in technical assistance activities for some time – mainly through their regional advisers – the need to create a structure to support and coordinate their operations in this field was only felt eight years ago, when the entire focus of the organization gradually shifted to serving the transition countries. The Unit was designed as part of the Executive Secretary's Office, because of its crosscutting responsibilities.

The regional advisers now have two reporting lines: one to their respective division head, the other to the head of the TCU. Their activities are to a large extent dependent on the availability of travel funds, which are very limited. Regional advisers are encouraged to raise supplementary funds by themselves.

The evaluation team has come to the conclusion that in transition countries, the regional advisers and other experts dispatched on behalf of the UNECE can do important and valuable work in assisting these countries to implement norms, standards and conventions and thus to raise them to a pan-European level. The team therefore considers it desirable that this aspect of UNECE work be strengthened. It also recognizes, however, that regional advisers are only useful to the extent that they are really able to share their knowledge with different stakeholders in the Member States, and to participate in different meetings and seminars in their particular sector. The budget should hence be designed in such a way that regional advisers have proper travel budgets. This would contribute to the mobility of the UNECE as a whole.

Relevance and comparative advantage

Technical cooperation, on the other hand, received a relatively low evaluation in Member States responses to the questionnaire; the majority view is that ECE technical cooperation should be exclusively reactive and demand-driven. At the same time, a majority of stakeholders favoured the prioritization of transition countries in the future UNECE endeavours.

The explanation for this apparent inconsistency probably lies in the lack of a well-defined policy and mission statement for the TCU. Indeed it seems that the "Technical Cooperation Strategy", adopted by the Commission in 2004, is not an effective tool in current circumstances. Internal coordination within the UNECE of technical assistance activities conducted by the different Divisions is not sufficient. Consolidated fundraising by the Unit for all the regional advisers might help, but will it be sufficiently successful to guarantee their more regular presence in the target countries?

If it is true that most Member States endorse a more energetic engagement of the ECE in that part of Europe where the Commission has an edge, simply because other international organizations are not as involved there, then it is imperative that ECE's technical cooperation concept be better articulated and its substance expanded. Since the ECE does not, and will probably never have substantial funds at its disposal to conduct heavy weight development projects in transition countries, its technical cooperation "niche" must be a different one. It is a fact that many transition countries find it difficult to

define their needs and aspirations in the field of development; some of them are confronted with numerous project offers from better financially equipped international institutions (such as the World Bank or the EU) or individual national donors and are hard put to make reasonable choices.

The UNECE, because of its reputation as a “neutral” agency and its well-established network of contacts in most of these countries, could play a useful role in facilitating and coordinating technical cooperation activities and projects financed by others. The team notes that at least one regional adviser has apparently already been involved in such work.

When entering the field of technical assistance or any development cooperation project, there are three important criteria to take into account: 1) the ownership of the project or activity has to be in the recipient country, and the recipient should be organized in such a way that parallel authorities are not asking for the same type of support from different organizations; 2) the organization delivering the capacity building or support should be recognized as having a comparative advantage in the field of its activities; and 3) the project or activity should be part of the wider development matrix of the country, and should be recognized as such.

The first requirement is up to the recipient country. The second one is the responsibility of the organization and the international community; in the UNECE’s case it is the Member States that have to ensure that UNECE products are competitive. The third criterion touches on the responsibility of the organization to take part in the coordination meetings and planning activities of those international organizations that are coordinating the aid or development activities.

In the Balkans, most of the coordination work is carried out by the EU-initiated Stability Pact for South Eastern Europe, in which more than 40 partner countries and organizations already cooperate. In Central Asia and the Caucasus, the country offices of the United Nations Development Programme (UNDP) and the World Bank are the key players in coordination. In the Mediterranean region there are already several development initiatives, including the Euro-Mediterranean Partnership.

If UNECE wants to be an active player in technical assistance and in any development activities, it has to establish proper contacts, possibly even memorandums of understanding, with the key players in different areas. The team, thanks to the interviews it conducted in partner organizations, has become aware of surprisingly negative attitudes between the UNECE and UNDP, while the World Bank seems not to be aware of any technical assistance activities conducted or offered by the UNECE.

The team holds the view that it should be possible for the UNECE to develop some comparative advantage in its technical assistance – in Central Asian and Caucasus countries for example – but that coordination and marketing work has to be carried out first. Only then will the UNECE be able to convince the donor community of its comparative advantage and raise extra-budgetary funds.

Recommendations

- Technical cooperation has a logical place in an Economic Commission for Europe which focuses its work on transition countries, but its concept and strategy must imperatively be better defined;
- The UNECE's technical assistance should concentrate on the sectors where UNECE already has in-house expertise and comparative advantage over other organizations;
- The Secretariat must energetically seek coordination and harmonious cooperation with all other organizations active in this area thus avoiding any overlaps and duplication of work;
- Target countries should actively endorse ECE's systematic involvement in technical cooperation, not just through the ad-hoc activities of the individual divisions;
- The use of UNECE's own regional advisers should be strengthened by allocating enough resources to their travel budgets and facilitating their participation in important substantive and regional meetings and seminars. This will also contribute to better coordination between the UNECE and other organizations active in the field.

8. General conclusions and recommendations

Based on the questionnaires completed by the Member States, the interviews conducted and the discussions with senior members of the UNECE Secretariat, the team would like to draw the following general conclusions and recommendations.

Form a new mission statement for the UNECE

The UNECE was once a forum for European East-West dialogue. Since then, it has been seeking a new identity. There now is a need to provide a clearer definition of the role, purpose and mission of the UNECE.

The UNECE has been carrying out important work on the environment, transport, statistics, norms and standard setting, and also in many technical sectors, such as timber. While this work is not reported on the front page of leading international press on a daily basis, it still plays an important role in the process of European integration. Many of these activities have impacts on areas beyond European borders. For example, the UNECE has been the cradle of standards and conventions adopted worldwide.

The UNECE has 55 Member States, of which 14 are categorized as developing countries. Poverty and underdevelopment are still problems for many European citizens. These areas need development cooperation and technical assistance.

The UNECE is promoting sustainable development in the wider Europe. This includes economically, socially and environmentally sustainable development for Europeans.

Create more effective governance

The current governance of the UNECE is too heavy and unnecessarily complex. The UNECE Annual Session should be convened on a biannual basis. The Bureau and the GEPW should merge to form one single governing body, the Executive Committee (ExC). The new Executive Committee should supervise and conduct a continuous dialogue with the Secretariat. Member States should give it a

firmly legitimate role and position it between the PSBs and the Commission with a clear mandate to focus on coordination, cross-sectoral issues, and the budget. The Steering Committee should be dismantled, but the chairs of the PSBs should be invited to report to the ExC and to participate in the formal discussions related to their specific work programmes.

Improve management

The UNECE should strengthen its programme planning, monitoring and evaluation (PPME) resources and launch a concentrated effort to bring its managers up to speed in the application of the pertinent skills. A dedicated unit for planning and evaluation should be established.

Relations between the Secretariat and the Member States need to be improved. Currently, there is a high degree of mistrust between the Member States and the UNECE secretariat, which partially paralyses the work of the UNECE and hampers the securing of extra-budgetary funding from the Member States.

There is a need to enhance horizontal communication by convening more regular meetings between divisions and sub-programmes, and by establishing joint projects and programmes between them. Information dissemination and outreach should also be strengthened.

Raise the political profile

Much of the work of the UNECE – for example the activities related to norms, standards setting and transport – is viewed as highly technical. Despite their relevance for European and global trade and the world economy, these issues do not grab the political interest of governments and decision-makers.

Only in the area of environment has the work of the UNECE succeeded in systematically engaging political actors – for instance through the regular process of Environment for Europe, which benefits from the participation of ministers of environment in the pan-European region.

In several areas where the UNECE has failed to draw the political interest of decision-makers and ministers, other organizations have been successful. Examples exist in the transport and forest/timber sectors. Political interest and support is of great value when increasing the comparative advantage of various sectors in the UNECE. Getting the message to political decision-makers, parliamentarians

and members of government, furthermore, will help considerably in any fundraising efforts UNECE undertakes.

Restructure the divisions and sub-programmes

All divisions and sub-programmes received criticism from the Member States during the interviews and in questionnaire responses. Recurring issues are the lack of horizontal communication, the lack of overall planning and prioritizing in the Secretariat, the view that divisions are seeking to “keep busy” with new activities that are not properly planned and established, and the lack of coordination with other international organizations which leads to duplication of work and overlaps. Some sub-programmes, moreover, have only very weak support by the Member States. Resources that are released from closing down the activities that are no longer supported by the Member States should be used to increase the comparative advantage of the ongoing other UNECE activities.

Invest in comparative advantage

All organizations should specialize in areas in which they have a comparative advantage. The work of the UNECE in several sectors is well recognized and respected. The UNECE should focus on the areas where it possesses a greater capability than other relevant organizations. In parallel, the UNECE should systematically phase out activities that are clearly inefficient, ineffective, or that overlap with the work of other organizations that are better placed and equipped to carry out the functions in question. The organization should also identify potential new niche strengths in order to better respond to the ever-changing differentiating needs of the Member States.

Implement the Millennium Development Goals

Action is needed to implement several of the Millennium Development Goals (MDGs), including to fight poverty, improve health conditions, improve housing, and to guarantee safe drinking water. UN Regional Commissions play a role in implementing these MDGs. In Europe, many international organizations, UN agencies, financial institutions and development agencies work in parallel. This calls for good coordination and division of labour. The UNECE could function as a “clearing house” by providing a forum to all stakeholders to share their information, views and experience, and to improve the coordination of these activities. With its current resources, it would not be realistic for UNECE to

take the lead or even to have the coordination responsibility for such a variety of important development goals.

Improve cooperation with other organizations

The UNECE should build partnerships with key international organizations and institutions in all areas of its work. Memorandum of understanding should be agreed on with all key partners, including the EC, CIS, UNDP, Council of Europe, OECD and the World Bank. This would also minimize the risk of overlaps and duplication of work. Several key UN agencies have their headquarters in Geneva, and many others have regional or liaison offices here. There is often room for improvement in the exchange of information between UN agencies and programmes. To use resources effectively, UN agencies must ensure closer cooperation. The UNECE can create a positive model of cooperation with other UN agencies.

Build partnership with UNDP

An important partner for the UNECE in providing technical assistance in the Balkans, in the Caucasus and in Central Asia is the United Nations Development Programme (UNDP). UNDP's Regional Bureau for Europe and the CIS (RBEC) was established to assist countries of the Commonwealth of Independent States, Central Europe, the Baltic States, and the Balkans. UNDP has a total of 24 country offices in the area, which would provide excellent contact points for these countries. UNDP country offices are specifically mandated within the UN system to assist other UN bodies and specialized agencies. The country offices are managed by UNDP's Resident Representatives, who also coordinate United Nations activities in their countries and serve as UN ambassadors to their host countries.

Promote cooperation with regional commissions

The UNECE should seek to replicate the existing partnerships it has in Central Asia (with ESCAP and SPECA), in other geographical areas, such as the Mediterranean area (with ECA and ESCWA) and the Middle East (with ESCWA). The cooperation with the UN regional organizations should be enhanced.

Invest in public relations

The UNECE has to improve its own corporate image. This will require allocating greater resources for public relations work, contacts with media, having more materials and publications available on the Internet, and identifying the printed materials that are in real demand. Currently only one professional staff member is responsible for public relations in the UNECE. This is obviously inadequate.

Revamp fundraising activities

Once changes have been made to the governance structures, a new corporate image will restore the organization's credibility with governments and other international organizations, and will impact favourably on fundraising efforts. Fundraising efforts could also benefit from the creation of joint projects with other stakeholders. The arrival of additional funds will allow new programmes and initiatives to start.

Improve human resources management

Improved communication is needed within the divisions and sub-programmes of the Secretariat. This can be achieved by human resources management measures to ensure that employees in the UNECE periodically change divisions and sub-programmes, and by encouraging staff members to gain experience at other UN and international organizations, as well as in the field. Measures should be taken to facilitate staff visits to the Member States, participation in important meetings and conferences in their specific field, and to arrange key events in the Member States. In addition, regional advisors should have adequate travel budgets to allow them to best serve the interests of the organization.

Use professional UN project services

The UNECE is implementing several technical cooperation projects within its sub-programmes, some of which are funded with extra-budgetary resources, which need professional handling and administration of projects. A UN body has been established for these specific purposes: the United Nations Office of Project Services (UNOPS) provides technical and administrative support to other UN entities. UNOPS also has representatives and offices in many of the countries in which UNECE is

carrying out or planning technical assistance projects. To avoid unnecessary administrative costs and delays use the professional UN arm for project services.

Prioritize gender issues

Issue related to gender should be given high priority. Special efforts should be made to consider this aspect in the everyday management and governance of the UNECE. Efforts should be made to provide equal opportunities to both genders and to systematically support the gender that is less well represented both in the staffing of the Secretariat, and in the Committees, PSBs and working groups. Member States should also be encouraged to seek gender balance in their participation in UNECE meetings and seminars. Performance on attaining gender balance in the divisions, sub-programmes and projects of the UNECE should be reviewed on a regular basis. In the UNECE sub-programmes and related projects, a professional gender impact analysis should always been carried out. There are several internationally recognized tools for the analysis of gender equality and impacts within projects, used by governments and development agencies. These methods should be fully adopted.

Strengthen the role of the private sector

The role of the private sector in the UNECE should be strengthened, and the representatives of the private sector should always have access to the different activities of the UNECE. In addition, the public relations efforts towards the private sector should be strengthened. Public-private partnerships should be implemented wherever feasible.

Strengthen the role of NGOs

The role of the non-governmental organizations in UNECE should be strengthened. In some areas – such as transport and environment – non-governmental organizations already play a very substantial role. Means of supporting NGO participation in all UNECE activities should be explored.

Implement recommendations on the sectors

In each of the sections of this report there are specific recommendations to be implemented to improve the overall performance of the UNECE. These changes in the UNECE are urgent, as keeping the momentum of change is of utmost importance.

Appendix 1

Terms of Reference of the Commission (E/ECE/778/Rev.3)

1. The Economic Commission for Europe, acting within the framework of the policies of the United Nations and subject to the general supervision of the Council shall, provided that the Commission takes no action in respect to any country without the agreement of the Government of that country:

(a) Initiate and participate in measures for facilitating concerted action for the economic reconstruction of Europe, for raising the level of European economic activity, and for maintaining and strengthening the economic relations of the European countries both among themselves and with other countries of the world;

(b) Make or sponsor such investigations and studies of economic and technological problems of and developments within member countries of the Commission and within Europe generally as the Commission deems appropriate;

(c) Undertake or sponsor the collection, evaluation and dissemination of such economic, technological and statistical information as the Commission deems appropriate.

2. The Commission shall give prior consideration, during its initial stages, to measures to facilitate the economic reconstruction of devastated countries of Europe which are Members of the United Nations.

3. Cancelled

4. The Commission is empowered to make recommendations on any matter within its competence directly to its member Governments, Governments admitted in a consultative capacity under paragraph 8 below, and the specialized agencies concerned. The Commission shall submit for the Council's prior consideration any of its proposals for activities that would have important effects on the economy of the world as a whole.

5. The Commission may, after discussion with any specialized agency functioning in the same general field and with the approval of the Council, establish such subsidiary bodies as it deems

appropriate for facilitating the carrying out of its responsibilities.

6. The Commission shall submit to the Council a full report on its activities and plans, including those of any subsidiary bodies, once a year, and shall make interim reports at each regular session of the Council.¹

7. The members of the Commission are the European Members of the United Nations, the United States of America, Canada, Switzerland² and Israel³. Insofar as the former USSR was a European Member of the United Nations, new members of the United Nations that had been constituent republics located in the Asian part of the former USSR are entitled to be members of the UN/ECE.

8. The Commission may admit in a consultative capacity European nations not Members of the United Nations, and shall determine the conditions in which they may participate in its work, including the question of voting rights in the subsidiary bodies of the Commission.

9. Cancelled

10. Cancelled

11. The Commission shall invite any Member of the United Nations not a member of the Commission to participate in a consultative capacity in its consideration of any matter of particular concern to that non-member.

12. The Commission shall invite representatives of specialized agencies and may invite representatives of any intergovernmental organizations to participate in a consultative capacity in its consideration of any matter of particular concern to that agency or organization, following the practices of the Economic and Social Council.

13. The Commission shall make arrangements for consultation with non-governmental organizations which have been granted consultative status by the Economic and Social Council, in accordance with the principles approved by the Council for this purpose and contained in Council resolution 1296 (XLIV) parts I and II.

¹ The Economic and Social Council decided, in resolution 232 (IX), that "it does not, for the present, require the Commission to submit interim reports to each session, in accordance with point 6 of its terms of reference".

² Pursuant to resolution 1600 (LI), Switzerland became a member of the Commission on 24 March 1972.

³ Pursuant to ECOSOC resolution 1991/72, Israel became a member of the Commission on 26 July 1991, on a temporary basis.

14. The Commission shall take measures to ensure that the necessary liaison is maintained with other organs of the United Nations and with the specialized agencies.
15. The Commission shall adopt its own rules of procedure, including the method of selecting its Chairman.
16. The administrative budget of the Commission shall be financed from the funds of the United Nations.
17. The Secretary-General of the United Nations shall appoint the staff of the Commission, which shall form part of the Secretariat of the United Nations.
18. The headquarters of the Commission shall be located at the seat of the European Office of the United Nations.
19. The first session of the Commission shall be called by the Secretary-General of the United Nations as soon as practicable after the Commission has been created by the Economic and Social Council.
20. The Council shall, from time to time, make special reviews of the work of the Commission.

Appendix 2

UNECE Member Countries

Dates of membership of the Economic Commission for Europe

55 member countries

Albania	14 December 1955
Andorra	28 July 1993
Armenia	30 July 1993
Austria	14 December 1955
Azerbaijan	30 July 1993
Belarus	28 March 1947
Belgium	28 March 1947
Bosnia and Herzegovina	22 May 1992
Bulgaria	14 December 1955
Canada	9 August 1973
Croatia	22 May 1992
Cyprus	20 September 1960
Czech Republic	28 March 1947
Denmark	28 March 1947
Estonia	17 September 1991
Finland	14 December 1955
France	28 March 1947
Georgia	30 July 1993
Germany	18 September 1973
Greece	28 March 1947
Hungary	14 December 1955
Iceland	28 March 1947
Ireland	14 December 1955
Israel	26 July 1991
Italy	14 December 1955
Kazakhstan	31 Jan 1994
Kyrgyzstan	30 July 1993
Latvia	17 September 1991

Liechtenstein	18 September 1990
Lithuania	17 September 1991
Luxembourg	28 March 1947
Malta	1 December 1964
Monaco	27 May 1993
Netherlands	28 March 1947
Norway	28 March 1947
Poland	28 March 1947
Portugal	14 December 1955
Republic of Moldova	2 March 1992
Romania	14 December 1955
Russian Federation	28 March 1947
San Marino	30 July 1993
Serbia and Montenegro	1 November 2000
Slovakia	28 March 1947
Slovenia	22 May 1992
Spain	14 December 1955
Sweden	28 March 1947
Switzerland	24 March 1972
Tajikistan	12 Dec 1994
The former Yugoslav Republic of Macedonia	8 April 1993
Turkey	28 March 1947
Turkmenistan	30 July 1993
Ukraine	28 March 1947
United Kingdom	28 March 1947
United States	28 March 1947
Uzbekistan	30 July 1993

Appendix 3

List of Acronyms

ACABQ	Advisory Committee on Administrative and Budgetary Questions, UN General Assembly
BPP	Biennial Programme Plan for the UNECE
CAEU	Executive Committee of the Interstate Council of the Central Asian Economic Union
CES	Conference of European Statisticians
CIS	Commonwealth of Independent States
CoE	Council of Europe
COFO	Committee on Forestry, FAO
DAC	OECD Development Assistance Committee
DESA	United Nations Department of Economic and Social Affairs
EAD	Economic Analysis Division, UNECE
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECLAC	United Nations Economic Commission for Latin America and the Caribbean
ECMT	European Conference of Ministers of Transport
ECOSOC	United Nations Economic and Social Council
ECSC	European Coal and Steel Community
EEC	European Economic Community
EFC	European Forestry Commission
EFSOS	European Forest Sector Outlook Studies
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
ESCWA	United Nations Economic and Social Commission for Western Asia
EU	European Union
EURATOM	European Atomic Energy Community
ExC	Executive Committee for the UNECE
FAO	Food and Agriculture Organization of the United Nations
GATT	General Agreement on Tariffs and Trade
GEPW	Group of Experts on the Programme of Work, UNECE
GFP	Global Facilitation Partnership for Transportation and Trade, World Bank
HUMAN	Housing and Urban Management Network

IEA	International Energy Agency
IEF	International Energy Forum
ILO	International Labour Organization
IMF	International Monetary Fund
IREED	Industrial Restructuring, Energy and Enterprise Development Division of UNECE
ISO	International Organization for Standardization
ITC	UNECE Inland Transport Committee
ITU	International Telecommunication Union
MCPFE	Ministerial Conference on the Protection of Forests in Europe
MDGs	Millennium Development Goals
MEAs	Multilateral Environmental Agreements
NATO	North Atlantic Treaty Organization
NGOs	Non-Governmental Organizations
NIS	Newly Independent States
OASIS	Organization for the Advancement of Structured Information Standards
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OES	Office of the Executive Secretary of UNECE
OSCE	Organization for Security and Co-operation in Europe
PAU	Population Activities Unit, Economic Analysis Division of UNECE
PEREAA	Energy Charter Protocol on Energy Efficiency and Related Environmental Aspects
PPME	Programme Planning, Monitoring and Evaluation
PPR	Programme Performance Reports
PSB	Permanent Subsidiary Body of UNECE
RBB	Results-based budgeting
RBEC	Regional Bureau for Europe and the CIS, UNDP
RECs	Regional Environmental Centers
SEE	South Eastern European
SME	Small and Medium Size Enterprise
SPECA	United Nations Special Programme for the Economies of Central Asia
TC	Timber Committee, UNECE
TCU	Technical Cooperation Unit, UNECE
TIR	Transports Internationaux Routiers
UN	United Nations
UN/CEFACT	United Nations Centre for Trade Facilitation and Electronic Business

UN/EDIFACT	United Nations Directories for Electronic Data Interchange for Administration, Commerce and Transport
UN-HABITAT	United Nations Human Settlements Programme
UNCITRAL	United Nations Commission on International Trade Law
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNECA	United Nations Economic Commission for Africa
UNECE	United Nations Economic Commission for Europe
UNEP	United Nations Environment Programme
UNeDocs	United Nations electronic Trade Documents
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
UNLK	United Nations Layout Key
UNOIOS	United Nations Office of Internal Oversight Services
UNOPS	United Nations Office for Project Services
UNTF	United Nations Trade Facilitation Network
WP	UNECE Working Party
WCO	World Customs Organization
WIPO	World Intellectual Property Organization
WTO	World Trade Organization