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**ECONOMIC COMMISSION FOR EUROPE**

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(Provisional agenda item 12)

**REPORT OF THE BUREAU \***

1. As stated during the Ad Hoc Informal Meeting of the Commission on 1 October 2004, the intent of the report below is to provide information in a formal reference document concerning the work of the Bureau since the fifty-ninth session of the Commission.
2. At its fifty-ninth session, in conformity with the Rules of Procedure, the Commission elected the following representatives as its Bureau for the forthcoming year: Ambassador W. Petritsch (Austria) as Chairperson and Ambassador V. Thanati, (Albania), Ambassador S. Aleinik (Belarus), and Ambassador A. Rimkunas (Lithuania) as Vice-Chairpersons.
3. At its first meeting the Bureau took a number of organizational decisions. In line with the practice established after the 1997 Reform of the Commission, and with a view to increasing communication and mutual understanding between the Bureau of the Commission and the Principal Subsidiary Bodies (PSBs), the Bureau divided the PSBs/sectors among the Bureau members. In order to facilitate contact with all member countries, the Bureau also decided to continue the practice begun during the 1997 reform of “dividing” the list of member countries into four “consultation groups.”
4. It was also decided by the Bureau to continue the practice of sending out informal summaries of its meetings to all member countries and to invite the Chair of the Group of Experts on the Programme of Work (GEPW) to attend its meetings. The summaries of the meetings thus far (2 April, 24 May, 30 June, 16 September, 30 September, 6 December) are included in the Annex.
5. During the year under review the Bureau has concentrated in particular on two substantive issues: the reform of the UNECE, including the comprehensive report on the UNECE, and

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\* Late submission due to clearance delays.

cooperation between the OSCE and the UNECE. Other issues taken up included preparations for the Spring Seminar and the Annual Session, the UNECE's follow-up to global conferences, and preparations for the UNECE Regional Preparatory Meeting for Beijing +10 in December 2004.

6. In addition to its regular meetings, Bureau members also held meetings with the Bureaux of "their" PSBs (see para. 3 above) which provided them with an opportunity to hear first hand about the policy/strategic issues being discussed by the PSBs. As of the time of this report, meetings had been held with the Bureaux of the Conference of European Statisticians, the Committee on Human Settlements, the Timber Committee and the FAO European Forestry Commission (in view of their joint session), and the Committee on Environmental Policy.

### Conclusion

7. The Bureau would like to thank all member States for their cooperation during the year in review which greatly facilitated its work.

ANNEX

SUMMARIES OF THE MEETINGS OF THE BUREAU  
OF THE ECONOMIC COMMISSION FOR EUROPE  
April – December 2004

**MEETING OF 2 APRIL 2004**

I. ITEMS DISCUSSED

The objective of the first meeting of the newly elected Bureau following the last Annual Session was to offer an occasion for the new members to have a first exchange of views on the work programme as well as to address certain organizational matters.

As regards the timetable for the next meetings in view of the decisions of the last Annual Session, the Chairman proposed to hold the next Meeting of the Bureau on 25 May 2004 and the next Ad Hoc Informal Meeting of the Commission on 27 May 2004. Please take note that due to the availability of conference facilities the latter date had to be changed to 28 May in the meantime.

II. UNECE REFORM

The Chairman pointed out that while the work of UNECE is considered to be relevant in a large number of areas, there is a need to adapt in view of the upcoming EU-enlargement, to examine the possible consequences for the work of the UNECE and to refocus the work on particular areas where the organization can provide added value. As resources are not expected to increase in the near future, UNECE needs to redirect certain activities accordingly. This concerns in particular the request by member States for a restructuring of the Economic Analysis Division that issues the yearly Economic Survey of Europe. Likewise, the envisaged strengthened cooperation with OSCE should not lead to negative implications for UNECE by concentrating too many resources on OSCE related work.

**Terms of Reference for the Evaluation of UNECE**

The Vice-Chair of the GEPW gave an update on the Terms of Reference that are currently being prepared by the Group of Experts and presented a first draft of the Terms of Reference, which will be discussed informally among the GEPW as well as together with the secretariat on 6 April. A revision of the draft is then to be discussed also with the Chairs of the PSBs. It was recalled that as decided at the last Annual Session, the Commission is to take a decision on the Terms of Reference in an Ad Hoc Informal Meeting of the UNECE before 31 May 2004. A draft text of the final Terms of Reference should thus be ready for the next Bureau meeting on 25 May.

During a short discussion on the draft terms of reference, there was a common understanding in the Bureau that it would be best to have up to three experts and that expertise on the UN system as well as of the European architecture would be a prerequisite. In order to reach the target date for the finalization of the Report by the sixtieth Annual Session, it would be necessary to monitor progress closely in view of the time constraints. It is also considered important to monitor the

work of the experts as their work proceeds and to ensure that both the GEPW, as mentioned in the draft text, and the Bureau are kept informed on a regular basis. It was stressed that special consideration also needs to be given to eventual future EU-enlargement as well as to the consequences of EU-enlargement for those countries not joining the EU. The Executive Secretary pointed to two elements included under paragraph 26 of the latest Annual Report that should be added to the Chapter on "Mandate and Structure" of the draft Terms of Reference. Accordingly, "UNECE efficiency" should be addressed under paragraph C(ii)(III) and a reference to "UNECE governance" should be included under paragraph C(ii)(II), in order to study the question of the mandate of the GEPW in a context that takes the whole UNECE governance structure into account.

With regard to the question of the financing of the evaluation study, which should be funded by extrabudgetary contributions by member States, the Chairman announced that he intended to send out a letter in due course urging member States to make voluntary contributions. The secretariat inquired whether the study was to be contracted by member States or the UN and stressed that in the latter case a competitive bidding would be required that implies strict rules and timetables; in addition a mandatory 13 per cent programme support charge would be levied, thus adding to the overall cost. It also appeared from the discussion that more details seemed to be needed in the present draft with regard to the financial aspects of the evaluation study, including a breakdown of the travelling costs foreseen for the experts.

As a result of the discussion, the following points need to be included in the Terms of Reference or require further elaboration by the GEPW:

- Identification of the role of the Bureau, including the issue of monitoring the work of the experts
- Elaborate on UNECE efficiency with regard to mandate and structure
- Reference to UNECE governance
- Financing of the evaluation study:
  - Contractor (member States or UN)
  - Details on financial aspects (traveling costs, etc.)

The Chairman pointed out that the restructuring of the Economic Analysis Division was of particular importance with regard to the evaluation process and the UNECE reform. In this connection, the Executive Secretary noted that because work towards the next Economic Survey must begin before the completion of the evaluation, a letter had been sent out to member States recently in order to ask for their suggestions for themes that could be included in the next Economic Survey. She expressed her desire to initiate a debate on the work of the Division and it was decided that one Bureau meeting would be devoted to this issue. The Chairman also expressed his hope that member States would be precise in articulating what they wanted in the Survey and that they would recall that it was part of the "bigger picture" within the UN.

### III. THE UNECE'S COOPERATION WITH THE OSCE

The Executive Secretary informed that a document is being prepared by the UNECE on Part 1 of the future Memorandum of Understanding. This paper, which will soon be circulated among all member States, will consist of an analysis of the Commitments and the indicators necessary to

review the commitments. It is foreseen to hold a Videoconference with the OSCE in the coming week – in the meantime announced by the secretariat to take place on 14 April. The Troika, the Bureau as well as especially interested delegations are invited to attend this Videoconference. The Executive Secretary also announced the preparation of a Transitional Report for the upcoming Economic Forum in Prague. This transitional report will consist of a chapter on methodology of the review of the commitments, a review of some commitments based on statistical indicators and, following a request by the OSCE, a review of the investment climate in the OSCE region.

Asked about the financial implications of the cooperation with the OSCE, the Executive Secretary explained that given the two-year budgetary cycle of the UNECE, for the moment there is only the possibility to raise extrabudgetary funds or the redeployment of resources.

#### IV. FOLLOW-UP TO GLOBAL CONFERENCES:

##### Agenda for UNECE Regional Preparatory Meeting for Beijing +10 (Follow-up to Beijing scheduled for the last quarter of 2004)

The Executive Secretary informed that with regard to the UNECE Regional Forum for Beijing +10, which is to take place during the last quarter of 2004, the **format** of the Forum still needs to be discussed, in particular: the level of participation and the choice of themes to be addressed. The strong interest of the European Commission in this event was also noted.

#### V. INFORMATION ON THE STRUCTURE OF THE SPRING SEMINAR 2005

The Executive Secretary informed that the structure of the Spring Seminar 2005 is still under preparation by the secretariat and that a note thereon would be circulated prior to the Ad Hoc Informal meeting. Comments and recommendations by member States could then be provided at the meeting.

#### VI. ORGANIZATIONAL MATTERS

##### A. Informal country consultation groupings

The Chairman asked the Members of the new Bureau to express their views on the need for changes regarding the membership of countries within each of the four informal country consultation groupings. It appeared from a short discussion that the current Chairs of the groupings were in favour of keeping the present distribution and did not propose any changes. It was also decided that Ambassador Rimkunas would take over the grouping previously chaired by Ambassador Kull and that Ambassador Petritsch would take over the grouping previously chaired by Ambassador Adam.

##### B. Principal Subsidiary Bodies “allocation” among Bureau members

As regards the “allocation” of the Principal Subsidiary Bodies (PSBs) of the UNECE, it was decided that the Chairman is taking over the PSBs previously assigned to Ambassador Adam (Committee on Environmental Policy, Committee on Human Settlements). Likewise, Ambassador Rimkunas is taking over the following PSBs previously “allocated” to Ambassador Kull (Committee for Trade, Industry and Enterprise Development, Conference of European Statisticians).

## VII. ANY OTHER BUSINESS

### Inland Transport Committee

The Executive Secretary informed on recent decisions by the Inland Transport Committee that could have important budgetary implications, one of which was the request to set up the Secretariat of the TIR (International Road Transports) Convention (financed up to now by extra-budgetary resources) as a unit to be directly funded by the UN regular budget. This request would need to be studied and eventually be included into the next proposed programme Budget Proposal later this year if it were decided to ask for such posts.

The Executive Secretary also informed that with regard to the non-establishment of a new UNECE-post in the Transport Division to administer the 1958 Agreement, following the UN-budget decision last year, the Transport Committee is urgently asking for a solution to their need for such a post. The Executive Secretary pointed out the difficulties involved in resolving this issue, noting that redeployment within the UNECE is not an easy solution in view of the special expertise required for this task; therefore it would be necessary to look at possible redeployment within the Transport Division.

## **MEETING OF 24 MAY 2004**

### I. ITEMS DISCUSSED

The objective of the meeting of the Bureau on 24 May 2004 was the preparation of the Ad Hoc Informal Meeting of the Commission on 28 May 2004, as well as any Other Business.

### II. EVALUATION STUDY OF THE UNECE

#### A. Terms of Reference and selection of the Review Team

The Chairman recalled that at the last Annual Session the Commission decided to commission a comprehensive report on the state of the UNECE. Further, the Commission instructed the Group of Experts on the Programme of Work (GEPW) to develop the terms of reference including a budget calculation and to determine the qualified authors for the report, for approval at an Ad Hoc informal meeting of the Commission before 31 May 2004. These decisions should now be taken in time for the Ad Hoc Informal Meeting of the UNECE on 28 May 2004.

The Chairman of the GEPW, Mr. Coduri, informed that the GEPW had finalized the draft Terms of Reference for the Evaluation of the UNECE on 28 April following an extensive consultation process involving notably member States, the secretariat as well as the Chairs of the PSBs. Likewise, the procedure for the selection of the review team had started as scheduled. Following the "request for proposals" sent out by the Chairman of the GEPW to 19 experts named by member States and the UNECE secretariat by way of a closed tender procedure, the time given for the submission of proposals had expired on 24 May. By then, the Chairman of the GEPW had received 7 positive replies, with 5 candidates providing detailed proposals.

The Group of Experts will proceed with the selection of the experts for the Evaluation Study at a meeting on 26 May. The GEPW expects to take this decision by consensus and the selected

experts are to be subsequently confirmed by the UNECE on 28 May. In case a decision by consensus cannot be reached, the GEPW will present a shortlist to the Commission for decision at the Ad Hoc Informal Meeting on 28 May.

The Executive Secretary pointed out that the Terms of Reference as finalized by the GEPW did not foresee a special role for the Bureau as was suggested at the last Bureau Meeting. During a short discussion Mr. Coduri explained that it was foreseen that a meeting to be held with the Review Team at the end of September would be open for the participation of both member States and the secretariat. All stakeholders would therefore be kept informed. In particular, the GEPW, in charge of the administrative aspects of the evaluation study, will make sure that the timetable is respected by the review team, while issues of substance will be up to the Commission to decide as seems appropriate, for instance at another Ad Hoc Informal meeting.

The Chairman concluded that it is of great importance for all stakeholders to closely follow the evaluation process. In particular, there is the need for cooperation between the secretariat and the GEPW, the latter being tasked with making sure that the timetable is respected and to advise the Bureau when decisions are needed so that it can consult prior to any decisions being taken. In this connection, the decision on the format of the meeting in September will be taken in due course as the evaluation study proceeds.

The Chairman expressed his confidence that the draft Terms of Reference for the Evaluation of the UNECE as finalized by the GEPW on 28 April will be formally adopted at the Ad Hoc Informal Meeting of the UNECE on 28 May 2004. He also stressed the fact that in case of major changes regarding the Terms of Reference, the experts would no longer be bound by their proposals. It follows that amendments at this stage would jeopardize the whole process given the tight time schedule. The Chairman also urged the GEPW to finalize the selection of the review team as scheduled and offered his good offices in this regard.

#### B. Fundraising

The Chairman recalled that at the last Annual Session the Commission also decided that the evaluation study should be paid for out of extra-budgetary resources committed for this purpose by member States. According to the budget calculation provided by the GEPW the total cost for the evaluation study is estimated at US\$ 140 000. The Chairman informs that so far he has received no response following his fundraising letter dated 7 May 2004 calling for voluntary contributions by member States. Therefore, two scenarios have to be considered:

If on 28 May there is enough funding available (Scenario A), the Commission can proceed according to the plan prepared by GEPW: The selected review team will be informed by 15 June and (once a contract has been established) asked to prepare an inception report (including a work plan) within one month and then start work on the evaluation study.

If on 28 May there is NOT enough funding available (Scenario B), a decision on the postponement of the evaluation study has to be taken at the Ad Hoc Informal Meeting on 28 May. It was recalled that the proposals submitted by the experts remain binding for three months that is until 24 August 2004. All stakeholders need to be aware that under Scenario B it will not be possible to finish the evaluation study as planned in time for consideration at the next Annual Session.

The Chairman called upon the Bureau Members to contact member States within their respective "Country Consultation Groupings" in an effort to provide the funding necessary for the evaluation study.

### C. Contractor and Fund Management

With regard to the question whether the study is to be contracted by member States or the UN, the Chairman informed that so far no member State had volunteered to act as Contractor and to manage the funds made available by member States. The preferred solution would still be to have a member State willing to take over this task. member States are thus called upon to make one more effort and consider all possibilities they may dispose of to this effect.

Otherwise the only remaining solution is to have the UNITED NATIONS act as contractor. The secretariat informed that in this case there the overall amount of funding required would increase due to the mandatory programme support charge of 13%. A reduction to this rate could be requested but would be, in the opinion of the secretariat's experience, difficult to obtain. If the UN were to be the contractor, consultancy contracts would be issued to the evaluators which in turn implied certain procedures to be followed. The Chairman asked the secretariat to provide the relevant details about the above in writing.

### III. UNECE REGIONAL PREPARATORY MEETING FOR BEIJING +10

The Executive Secretary presented the proposal for the agenda (focused on the UNECE mandate) and format of the UNECE Regional Preparatory Meeting for Beijing +10, scheduled to take place 7.-8. December 2004, in view of a decision on the format and themes at the Ad Hoc Informal Meeting of the UNECE on 28 May.

### IV. INFORMATION ON THE STRUCTURE OF THE SPRING SEMINAR 2005

The Executive Secretary presented information on the possible structure of the Spring Seminar 2005. It is foreseen that not all the topics listed under each of the four major subthemes will be taken up at the Spring Seminar 2005. Comments and recommendations by member States will be taken into account for the further preparation of the Spring Seminar.

### V. ANY OTHER BUSINESS

#### A. UNECE's cooperation with the OSCE

The Executive Secretary informed on the progress achieved by the UNECE-OSCE Intersecretariat Task Force in preparing a draft Memorandum of Understanding between the UNECE and the OSCE including a review of the respective commitments. With UNECE engagement being still open with regard to the cluster on Environment and Energy, the Executive Secretary recalled that it is up to member States to decide on the extent of UNECE leadership. Further, the Executive Secretary stressed that the extended cooperation with the OSCE has resource implications that need to be addressed. The Chairman of the GEPW informed that he intended to discuss this issue in the GEPW.

B. Agenda of the next Ad Hoc Informal Meeting of the UNECE

The draft Agenda for the next Ad Hoc Informal will include the Memorandum of Understanding between the UNECE and the OSCE as well as a discussion on the draft agenda for the next Annual Session, proposed to take place 21 – 25 February 2005.

C. UNECE's Knowledge Sharing Initiative

Based on comments received by member States, a revised document will be presented with regard to the UNECE Knowledge Sharing Initiative, which aims to organise a Seminar on the work of the UNECE (4 - 5 days twice a year) for experts from capitals as well as the Permanent Missions in Geneva. A decision about this will be taken at a forthcoming meeting.

**MEETING OF 30 JUNE 2004**

I. ITEMS DISCUSSED

The objective of the meeting of the Bureau on 30 June 2004 was the preparation of the Ad Hoc Informal Meeting of the Commission on 2 July 2004.

II. EVALUATION STUDY OF THE UNECE

A. Fundraising

The Chairman informed the Bureau members on the results following his fundraising letters dated 7 May 2004 and 3 June 2004 calling for voluntary contributions by member States by 25 June 2004 and recalling the decision by the Commission at the last Annual Session that the evaluation study of the UNECE should be paid for out of extra-budgetary resources committed for this purpose by member States. The Chairman informed that so far he has received positive replies in writing by Greece, Switzerland and Ireland. At the last Ad Hoc Meeting on 28 May, concrete announcements to contribute financially were also made by the United Kingdom, France and Finland. The Chairman informed that also some other countries have expressed their intention to make contributions. Still, in all total pledges received in written form cover only US\$ 32,050. Therefore, the pledged contributions in all do not yet even amount to half of the sum needed according to the budget calculation for the total cost of the evaluation estimated at US\$ 140,000.

At the Ad Hoc Informal Meeting on 2 July 2004, the Chairman intends therefore to make a further appeal to all UNECE member States in order to contribute at least a small sum for the evaluation study. The Chairman informs that he has also asked the UNECE secretariat as well as the EU-Commission to explore the possibility of making a contribution. As the contributions will also have to be paid for in advance before the evaluation study can be commissioned, the Chairman proposes that the Commission set a new deadline until 30 September 2004 for member States to meet the funding requirements before taking any further steps.

As a consequence, given that the budgetary requirements have not been met until now, a postponement of the evaluation study seems to be inevitable and it is to be expected that the evaluation study will not be ready for the next Annual Session. The Chairman emphasized that

the main goal of the current exercise is to get a high-quality study as a basis for a future reform debate and expressed his willingness to allow for a little more time in order to raise the money needed for it and to have it then presented at a later stage.

#### B. Contractor and Fund Management

With regard to the question whether the study is to be contracted by member States or the UN, the Chairman informed that by the deadline of 25 June 2004 no member State had volunteered to act as contractor and to manage the funds. The Chairman suggests therefore that the Commission takes a decision to the effect that the United Nations will take on the role of the contractor and fund manager.

The secretariat is asked to explore whether a “waiver” could be obtained in order to get an exemption (or at least a reduction) with regard to the payment of the administrative charge of 13% levied according to UN rules and regulations.

Asked to explain more in detail the procedure to be followed for the payment of the funds to the UN, the secretariat promised to provide the respective banking details to member States and made clear that contributions need to be paid prior to the beginning of the study, since contracts can be signed only once the budgetary needs are secured.

#### C. Selection of the Evaluators

The Chairman together with Mr. Kowalski (representing the UNECE secretariat) and Mr. Coduri presented the outcome of the interviews of the experts, held on 14 and 15 June 2004. Mandated with the selection of the evaluation team by the Commission at the last Ad Hoc Informal on 28 May 2004, the Chairman concludes the following:

For reasons of administrative constraints (UD\$ 22,000 rule applies with regard to annual remuneration from the UN) and lack of flexibility regarding the inclusion of another team member, the option of Mr. Slater’s team will not be retained.

The interview process has thus narrowed down the shortlist of candidates to a choice between two teams, Scanteam and Haavisto, with the understanding that the chosen team would preferably integrate Mr. Paschke as he will add value and expertise. Both teams are willing to integrate another team member. They are also both willing to extend their offers beyond the original 24 August deadline.

In line with his prior statements, the Chairman concludes that since the funding requirements have not been met so far, the Commission is not yet in a position to take a final decision on the selection of the evaluators.

### **MEETING OF 16 SEPTEMBER 2004**

#### I. ITEMS DISCUSSED

In the absence of the Chairman Ambassador Petritsch, the meeting was chaired by Vice-Chairman Ambassador Rimkunas of Lithuania. The objective of the meeting of the Bureau on

16 September 2004 was to discuss the following two items in preparation for the Ad Hoc Informal Meeting of the Commission on 1 October 2004, which will be preceded by a second meeting of the Bureau on 30 September 2004.

## II. DISCUSSION OF THE FIRST DRAFT AGENDA FOR THE SIXTIETH ANNUAL SESSION OF THE COMMISSION:

As called for in the Rules of Procedure of the Commission, the agenda for the Annual Session is drawn up by the Executive Secretary in consultation with the Bureau. Accordingly, the Executive Secretary presented the first draft agenda for the sixtieth Annual Session of the Commission for the Bureau's consideration. In view of the comments made by the Bureau Members, a revised version of the draft agenda, which will be discussed at the Ad Hoc Informal Meeting on 1 October, is attached to this protocol.

The Bureau agreed that the substantive items included in the draft agenda were very relevant. It also noted the proposal to include, in addition to the Report of the Group of Experts on the Programme of the Work, a separate report of the Bureau providing a summary of the work of the Bureau during the intersessional period.

In presenting the agenda, the Executive Secretary also suggested that at the conclusion of the discussion on each item, any decisions taken would be read out by the Chair and projected onto a screen for all to see and agree to. Thereafter all decisions would be consolidated into a report to be distributed to member States at the conclusion of the meeting (6 p.m.) on Thursday, 24 February. The report would then be taken up by the Commission on Friday, 25 February from 11 a.m. to 1 p.m., during which time agreed upon changes would also be projected onto a screen in the Conference Room during the discussion of the report. It was felt that this procedure would be less disruptive than the current one and allow for a more transparent and inclusive process.

## III. UNECE REGIONAL PREPARATORY MEETING FOR THE 10-YEAR REVIEW OF IMPLEMENTATION OF THE BEIJING PLAN OF ACTION:

The Executive Secretary presented a proposal concerning the proposed agenda of the Meeting, the composition of the Bureau and the organization of the panel discussions. The Bureau found the proposal balanced and agreed that the countries proposed for Bureau membership could be contacted by the secretariat on the understanding that any other country that wished to be considered should manifest its interest. An updated note will be prepared for the Ad Hoc Informal Meeting. The note will also contain information concerning the proposed procedure for the accreditation of NGOs which have not yet been accredited at the Beijing Conference or its follow up. In this connection, the secretariat proposed that applications be screened by the secretariat. Thereafter the list would be communicated to member States for approval, following the "silent procedure" process.

During the discussion under this item it was also recalled that extra-budgetary contributions from member States are still needed in order to allow for the participation of all UNECE member States (travelling costs).

#### IV. ANY OTHER BUSINESS

##### UNECE Evaluation Study Fundraising

Austria informed that since the last Ad Hoc Informal Meeting where a new deadline was set until 30 September 2004 for member States to meet the funding requirements, the Chairman has received in all financial announcements by Member States of about US\$ 94,500. Of this amount, so far only US\$ 16,106 has been paid into the respective UN accounts. It is recalled that more funds are still needed to reach the target of US\$ 140,000 and that the contributions will also have to be paid in advance (until 30 September) before the evaluation study can be commissioned.

#### **MEETING OF 30 SEPTEMBER 2004**

##### I. ITEMS DISCUSSED

The objective of the meeting of the Bureau on 30 September 2004 was the preparation of the Ad Hoc Informal Meeting of the Commission on 1 October 2004.

##### II. EVALUATION STUDY OF THE UNECE

###### A. Fundraising

The Chairman reiterated that the main goal of the current exercise was to get a high-quality study as the basis for a future reform debate. By now it is unlikely that the evaluation study will be ready for the next Annual Session, but will be presented at a later stage, preferably at an Ad Hoc Meeting of the Commission convened in the Spring solely for this purpose.

He recalled that at the last Ad Hoc Informal Meeting on 2 July 2004, the Commission set a (last) deadline until 30 September 2004 for member States to meet the funding requirements of US\$ 140,000 plus (maximum 14%) administrative fees. Furthermore, it was repeated that the contributions have to be paid in advance before the evaluation study can be commissioned!

Following his three fundraising letters to UNECE Missions and a letter sent this week to the EU Commissioner for External Relations, Mr. Chris Patten, in a last attempt to solicit the support of the Commission in Brussels, the Chairman reported that the results of the fundraising for the UNECE evaluation study as of 30 September were as follows:

Concrete announcements by Member States to make financial contributions amounted to US\$ 96,160. Of this sum US\$ 39,382 had been paid into the respective UN accounts. An in-kind contribution by Germany – details are still to be provided in written form – was evaluated at US\$ 24,156. The Fundraising Total was therefore: US\$ 120,316.

As the United Nations will take on the role of the contractor and fund manager, the secretariat has addressed a formal request regarding a possible reduction with regard to the payment of the administrative charge of 13% levied according to UN rules and regulations. It seems that a reduction of this charge can be expected, although written confirmation is still outstanding.

The Chairman concluded that prior to the beginning of the study, the announced financial contributions needed to be paid into the UN accounts. Furthermore, a written notice was expected from Germany regarding the details of the German in-kind contribution (participation of Mr. Paschke).

#### B. Selection of the Evaluators

The Chairman recalled that the interview process had narrowed down the choice to two teams, Scanteam and Haavisto, on the understanding that the chosen team would preferably integrate Mr. Paschke. Both teams are willing to do so. They are also both willing to extend their offers beyond the original 24 August deadline.

The teams have been contacted and both have signalled that they are willing to work for a lesser amount than the original budget estimate. Still, details regarding the adapted work plan, reduction of tasks in Terms of Reference, cooperation with Mr. Paschke etc. need to be negotiated.

The Chairman concluded that since the target sum of US\$140,000 in contributions by member States had not been reached, the details of the funding and contracting issues have to be negotiated with the experts. For this, the Chairman proposed to resort again to the “Troika-Format” which was used for the Interviews including the Chairman of the UNECE, the Executive Secretary and the Chairman of the Group of Experts in order to select the team. The Bureau supported this proposal.

### III. DISCUSSION OF THE FIRST DRAFT AGENDA FOR THE SIXTIETH ANNUAL SESSION OF THE COMMISSION

In view of the comments made by the Bureau Members on 16 September, a revised version of the draft agenda (which had been circulated to member States) will be discussed at the Ad Hoc Informal Meeting on 1 October.

Following a short discussion on the proposal to include, in addition to the Report of the Group of Experts on the Programme of the Work, a separate report of the Bureau providing a summary of the work of the Bureau during the intersessional period, it was agreed to put this under Item 10(a) on the understanding that this should be a short summary of items with which the Bureau had been seized, for the purpose of reference and information.

Furthermore, Belarus suggested to add to Item 8: “Major policy issues of the UNECE, including challenges of the Principal Subsidiary Bodies” a Progress Report by the Executive Secretary.

### IV. COOPERATION WITH THE OSCE

The Executive Secretary gave an update on the latest efforts to solve the problems encountered in negotiating the Memorandum of Understanding between UNECE and OSCE.

In this regard, the Chairman expressed his concern about the delay in finalizing the MoU. As to the different views expressed on this in Vienna and Geneva, he urged the secretariat to take a constructive approach in order to find a workable solution. This would imply that the secretariat clearly stated its limits with regard to the workload in question in order to find a common understanding on how to organize the work in question between UNECE and OSCE. Given the

limited capacity of the OSCE Secretariat in this regard, a solution involving the “outsourcing” of work with regard to the clusters on “Poverty, social exclusion and education” and “Public and corporate governance” to other international organizations was suggested, it being understood that while the UNECE could (and had) provided information concerning organizations competent in these fields, it was not for the UNECE to be involved in the drawing up of other MoUs. The possibility of reverting to a MoU which only mentioned the three clusters in which the UNECE would take the lead was also suggested as a possible solution to resolving the impasse.

#### V. UNECE REGIONAL PREPARATORY MEETING FOR THE 10-YEAR REVIEW OF IMPLEMENTATION OF THE BEIJING PLAN OF ACTION

The Executive Secretary gave an update on the proposed preliminary composition of the Bureau and the choice of panellists with the understanding that any other country that wished to be considered should manifest its interest.

#### VI. KNOWLEDGE SHARING INITIATIVE

The Executive Secretary presented a revised proposal of this initiative. It is understood that this does not require additional financial resources on the part of the secretariat.

### **MEETING OF 6 DECEMBER 2004**

#### I. ITEMS DISCUSSED

In the absence of the Chairman Ambassador Petritsch, the meeting was chaired by Vice-Chairman Ambassador Rimkunas of Lithuania. The objective of the meeting of the Bureau on 16 September 2004 was to discuss the following two items in preparation for the Ad Hoc Informal Meeting of the Commission on 7 December 2004.

#### II. PROGRAMME BUDGET NARRATIVES 2006-2007 – RECOMMENDATION OF THE GEPW

Ambassador Rimkunas recalled that according to the Plan of Action, the GEPW had prepared recommendations on adjustments and shifts in the UNECE programme of work for the programme budget narratives 2006/2007. At the Ad Hoc Informal Meeting of the Commission on 7 December these recommendations will be presented for adoption during a formal segment. At the same time, the Commission will request the Executive Secretary to take the recommendations into account in preparing the programme budget submission of the UNECE for the next biennium.

Mr. Coduri explained further that the Group of Experts had met several times to discuss the draft narratives and its recommendations on the basis of the priorities identified by the PSBs. During these meetings the GEPW received extensive documentation by the secretariat and was provided with presentations by the Heads of Divisions and Regional Advisors on the work of the PSBs. On 25 November, the GEPW approved the recommendations as revised at that meeting.

In view of the expected zero UN-budget growth, the recommendations of the GEPW in particular recommended shifting resources from the Economic Analysis Division to the priority areas Transport and Environment where a specific need for additional posts had been identified. At the same time the recommendations include proposals for a somewhat reduced output from the Economic Analysis Division.

On behalf of the Executive Secretary, Mr. Robineau stated that while recognizing the priority areas and objectives addressed by the GEPW, the Executive Secretary regretted that the recommendations, especially with regard to Transport, were so specific in terms of human resources as to leave little room to choose between different possible solutions, which besides internal redeployment could include also other possibilities such as extra-budgetary resources, and even the request of a new post given the fact that this was at the beginning of the budget process that would be decided upon ultimately by the budgetary bodies in New York.

He then proceeded to provide an assessment of how the implementation of the recommendations might be envisaged. In response to questions with regard to how the Economic Survey would be changed, he stated that it was foreseen that there would be shorter coverage of the macroeconomic coverage of Western Europe and North America, continued and strengthened focus on structural issues, more focus on sectoral economic issues, as well as attention to UN core themes.

The secretariat also warned that a further loss of G-posts (secretaries) would have serious consequences for the work of the UNECE, and expressed the hope that member States would work to prevent cuts in this regard.

### III. COMPREHENSIVE REPORT OF THE UNECE

Mr. Coduri as the only “Troika Member” present at the Meeting informed that following the decision taken at the last Ad Hoc Informal on 1 October to mandate the “Troika” with the final selection of the expert team, further explanations concerning the modified tender proposals provided in writing by the two short-listed teams and a new round of interviews led to the decision to choose the Haavisto Team with the understanding that the team integrates Mr. Paschke.

In order to provide member States with detailed information on the selection process and the latest update regarding the evaluation study a letter will soon be sent out by Ambassador Petritsch.

As to the fundraising, up to now US\$ 82,074,91 has been received by the UN, but there is still an outstanding amount to cover the revised budget of US\$ 98,160 for the evaluation study in view of the pledges received by member States.

As to the 13% overhead costs charged by the UN, the secretariat informed that the Controller had not agreed to a reduction in the rate of programme support. This was probably due to the fact that the complicated fundraising process/tracking of contributions/negotiating terms of contributions had involved much more work for the UN than originally foreseen. It was also recalled that the overhead had been established by a General Assembly resolution and therefore any waivers or reductions agreed to by the Controller had to be very well justified.

The secretariat noted that it was awaiting certain information from Mr. Haavisto that it needed to be in a position to request the consultancy contracts. It was hoped that this would be received shortly. Thereafter, and provided that the remaining pledges were paid, a request would be made for the contracts to be issued; the best case scenario would be for the contracts to be issued in early January. The study should then be delivered by the end of June 2005.

#### IV. ANY OTHER BUSINESS

##### A. The UNECE Post-Transition Economic Policy Forum

This project, raised during the discussions on item 1, will be on the agenda of the next GEPW meeting.

##### B. UNECE Regional Preparatory Meeting for the 10-year Review of Implementation of the Beijing Plan of Action

The secretariat informed that in the meantime the CIS countries have chosen Azerbaijan as Bureau member. The Bureau will be chaired most probably by Canada.

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