



United Nations

# UNECE Weekly

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## Regional Cooperation Council starts work

The Executive Secretary Marek Belka represented UNECE at the Inaugural Meeting of the Regional Cooperation Council in Sofia on 27 February — the Council is the successor to the Stability Pact. In his remarks Mr. Belka stressed that the regional ownership of the cooperation process, with which the Council was associated, was a major step forward for South-East Europe as it strengthened the sense of responsibility and achievement and could be an important impetus for the member countries to persevere in reforming their economies, in building strong institutions and good governance, and in developing regional cooperation and solidarity so as to maximize the potential of the subregion.

South-East Europe is Europe's most dynamic frontier with 5.7% real GDP growth in 2007 compared with less than 3% average for the EU. Its net FDI inflows have reached record levels. The subregion could benefit hugely from its central geographical position as a communication, transportation and energy hub, bordering the Black Sea region and the Mediterranean; it is a gateway to Russia, the Caucasus, Central Asia, and the Middle East, whose resources are of growing importance in geopolitics.



From left to right, Ivaylo Kalfin, Foreign Minister of Bulgaria; Goran Svilanović, former Foreign Minister of Serbia and Montenegro; Marek Belka, UNECE Executive Secretary

UNECE is able to offer concrete support to the subregion, as a technical and economic organization. UNECE is active in many areas relevant for South-East Europe, including trade facilitation and transit and border-crossing management: To give one recent example – since January 2007, Turkish truckers prefer the longer and less developed route to Central Europe via EU members Bulgaria and Romania as opposed to the historical route via Sofia and Belgrade. Why? Simply because of the burden of border crossing and transit procedures that still exist on the historical route. UNECE has decades of experience and readiness to help solve these problems. ✎

## UNECE and Russians collaborate on PPPs



Interview with Mr. Dmitry Amunts, Deputy Minister of Culture and Mass Communications of the Russian Federation and newly elected Vice-Chair of the new Team of Specialists on Public-Private Partnerships

Mr. Amunts, you've just become a prize-winner of an Annual International Award

"Person of the Year - 2007" for doing the most to advance the cause of Public-Private Partnerships (PPPs) in your country, a prize established by RosBusinessConsulting. Why are you and your Ministry interested in PPPs?

The prize was a great surprise, but shows how important the topic of PPPs has become in the Russian Federation.

With respect to the interest of my Ministry in PPPs, culture, as in almost every country, has to take a back seat to other priorities for the national budget. So we have to consider all options in order to raise financing.

While the Russian Federation legislation prohibits privatization of national heritage sites, it does allow for the granting of concessions to private partners. When I visited Germany recently, I saw first hand how transferring a site to a private partner resulted in it getting a new lease of life. Restoring national heritage sites benefits the economy because it boosts tourism.

The linking of improving national heritage sites with the development of tourism is a key message that we want to give to the business community. We need to do a lot of this as there are 88,000 heritage sites in the Russian Federation, of which only 27% are in a satisfactory state.

A good example of what we want to achieve is our scheme to renovate the All-Russia Exhibition Centre in Moscow. This was founded in the 1930s to showcase all the great achievements of the Soviet Union, such as the latest technology and different cultures all housed in pavilions with different architectural styles.

The Centre covers an area greater than



## New Director



Following the retirement of Mr. George Kowalski at the end of 2007, Mr. Frederic Romig was appointed Director of the Sustainable Energy Division effective 1 March. Mr. Romig was formerly the Deputy Director of the Division.

Commencing at the UNECE in 1979 at the P2 level, Mr. Romig offers a good example of how hard work and commitment can be rewarded with a long and successful career in the United Nations system.

During his 29 years at the UNECE, Mr. Romig has gained extensive knowledge and experience across the full energy sector.

In particular, he was instrumental in the establishment of the UNECE's flagship programme on energy efficiency and responsible for facilitating more than \$10 million in extrabudgetary funding. ✎

For more information on the Sustainable Energy Division visit: [www.unece.org/ie](http://www.unece.org/ie)



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that of the Principality of Monaco and has approximately 400 buildings. In the 1990s it was used as a market, but it has now become very run down and requires new investment.

*Why do you think other Ministries are also interested in promoting PPPs in the Russian Federation?*

You are right, over the last three years a great deal of interest has arisen in PPPs, especially from the Ministry of Transport, but also from the Ministry of Economic Development and Trade as well as the Ministries of Health, Education and Regional Development. A number of these Ministries even have special staff dedicated to PPPs. The reason for their interest is that an investment fund for co-financing projects was established in 2006 and this fund will act as a catalyst for mobilizing finance from the private sector. The assumption being that the impact of a project with combined funding from both the public and private sectors will be much larger and more beneficial than a project financed by the public sector alone.

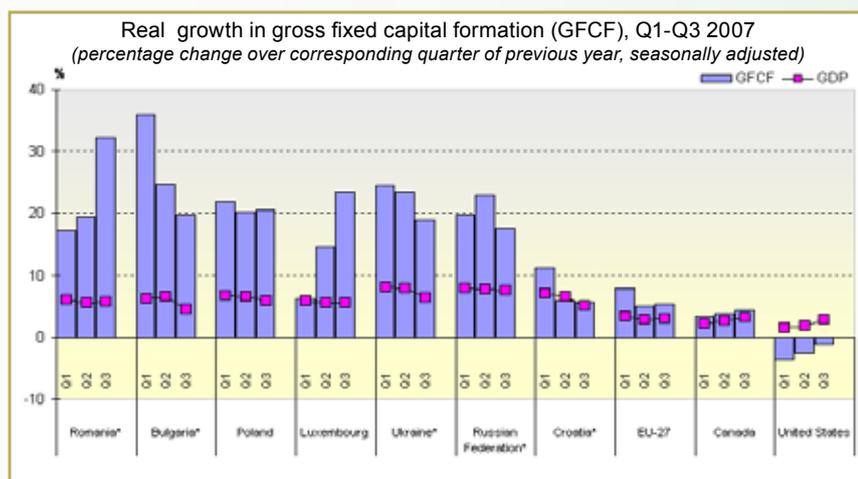
*Where do you precisely see the added value of this new UNECE initiative on promoting PPPs?*

As I mentioned, we were ready to move into PPPs so when we heard that the UNECE was active in this area we contacted them and are now ready to participate in their activities. The pragmatic and practical approach of the UNECE appeals to us and we are looking forward to working with them in the holding of a PPP conference and training event in Moscow on 6-7 October this year. ✎

For more information on UNECE work on PPPs contact Geoffrey Hamilton ([geoffrey.hamilton@unece.org](mailto:geoffrey.hamilton@unece.org)).

## Facts and Figures

### Investment activity remains robust in many UNECE countries



Source: UNECE Statistical database ([www.unece.org/stats/data](http://www.unece.org/stats/data)), Eurostat and national statistics.

\* Not seasonally adjusted.

Gross fixed capital formation (GFCF) is a measure of expenditures on investments in the national economy. In broad terms, it is defined as the total value of acquisitions, less disposals, of fixed assets during the accounting period. It represents the change in fixed capital stock, which is an important indicator in business cycle analysis. Increased investment activity is generally seen as a precondition for sustained economic growth.

As the chart attests, over the first three quarters of 2007 investments grew, in general, more rapidly than overall GDP. In most new EU Member States the upsurge in GFCF continued contributing increasingly to the economic growth after their accession to the EU. Vigorous fixed capital formation in several CIS countries reflected the continuous expansion of the private sector's investment activities against the backdrop of an improved business climate. On the other hand, the United States experienced a negative development in the course of 2007 mainly due to a decline in real residential fixed investment.