

Economic situation

The global economy is slowing and at risk of falling into a renewed recession



UNECE and the United Nations Conference on Trade and Development (UNCTAD) presented the World Economic Situation and Prospects 2013 (WESP) at a press conference at Palais des Nations on 16 January. This report is produced annually by DESA, UNCTAD and the five regional commissions. Robert C. Shelburne, UNECE Senior Economic Affairs Officer, was one of the speakers, alongside Alfredo Calcagno, Head of UNCTAD's Macroeconomic and Development Policies Branch.

The report finds that growth of the world economy weakened considerably during 2012 and is expected to remain relatively weak by growing at 2.4 per cent in 2013 and 3.2 per cent in 2014; this represents a significant downgrade from the UN's forecast of half a year ago. This pace of growth will be far from sufficient to overcome the continued jobs crisis that many countries are still facing. With existing policies and growth trends, it may take at least another five years for Europe and the United States to make up for the job losses caused by the Great Recession of 2008-2009.

In addition to this subdued baseline scenario, the report identifies three major downside risks which, if they were to occur, would lead to a new global recession: a further escalation of the euro area crisis, a failure to resolve the fiscal cliff in the United States (although this has been partially resolved with the agreement reached at the beginning of January 2013), and a hard landing in China & other emerging economies.

In order to avoid these downside risks and improve upon the likely baseline scenario, the report calls for different policy approaches, namely: shifting away from self-defeating fiscal austerity, redesigning fiscal policies to support job creation and green growth, coordinating monetary policy and accelerating financial sector reforms and enhancing development financing. In addition to discussing the weak growth and employment problems in the US and Europe, the economic situation in the transition economies was also presented.

Economic stagnation in South-Eastern Europe

The aggregate GDP of South-eastern Europe declined by 0.6 per cent in 2012, and is forecast to recover only modestly, by 1.2 per cent in 2013.

The major risks to the forecast are to the downside as the region's strong financial, trade and remittances linkages with some of the most troubled countries of the European Union, such as Greece and Italy, make it quite vulnerable should there be a further deterioration in the eurozone. FDI inflows into these economies remains at about half their levels prior to the crisis. This decline in investment is an important factor in explaining not only their current low growth and high unemployment, which exceeds 20% in four countries, but also their fairly weak medium to long run growth prospects. Unfortunately these countries have very limited policy space for improving their outlook in the short run.

CIS enjoys economic growth, but still below pre-crisis levels

Economic growth in the Commonwealth of Independent States (CIS) and Georgia, rose by around 3.8 per cent in 2012 and growth is expected to remain at a similar level in 2013, well below potential and pre-crises levels.

The unemployment rate reached historic lows in the Russian Federation as jobs growth was accompanied by a shrinking active population. By contrast, Kazakhstan continued to generate employment at a rapid pace, in line with the growth of the labour force. For the low-income countries, migration and remittances remained a channel to alleviate labour market tensions and support domestic demand.

Inflation fell throughout the region in 2012, despite poor crop yields, with the exception of Belarus, where the currency drastically depreciated in the aftermath of a balance-of-payments crisis. □

The report is available at: <http://www.un.org/esa/policy/wess/wesp.html>.

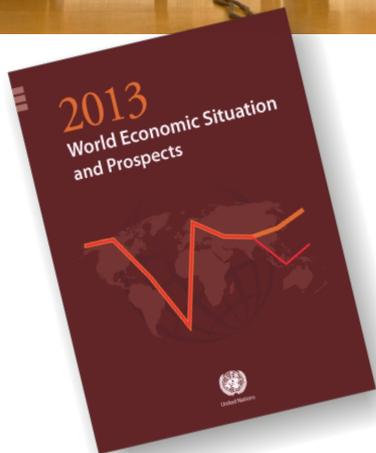
Launch of global consultation on water resources management - Join the debate now at #waterpost2015

Following the Rio+20 United Nations Conference on Sustainable Development in June 2012, the United Nations started an open consultation process to identify priorities from citizens around the world for the post-2015 development agenda. The global consultation process is being organized around more than 50 national consultations and 11 thematic consultations.

Water was chosen as one of the thematic areas. The Thematic Consultation on Water, led by UN-Water, UNICEF and DESA, with the support of the Governments of the Netherlands and Switzerland, began through the website <http://www.worldwewant2015.org/water> in November 2012.

Not an official record - For information only

Sustainable Development





Consultations on the theme's three streams: water, sanitation and hygiene; wastewater management and water quality; and water resources management — started on 14 January 2013 and will continue in the form of in-depth e-discussions over the next five weeks.

Participants will discuss important questions such as:

- How do water-related challenges and risks directly and indirectly affect you?
- How do we preserve water resources for future generations given the competing demands (i.e., agriculture, nature, transport, industry, domestic consumption, tourism, energy, etc.)? And who decides this?
- What key actions should be taken in your country to ensure water security for all uses, including the environment?
- What can non-State actors and non-water professionals contribute to better water management?

These consultations are an important opportunity to have your voice heard through the post/response system on the website. Given the importance of water for development, economic prosperity, the fight against poverty and environmental integrity, it is critical that there is an insightful and informative debate on the role of water in the post-2015 development agenda.

UNECE coordinates, on behalf of UN-Water, the consultations on water resources management, which is supported by a group of more than 20 United Nations and civil society organizations. Under this thematic area, discussions will be organized as follows:

- 14–21 January: Water for Energy, Energy for Water, facilitated by SIWI
- 21–28 January: Climate Change and Water-related Risks, facilitated by WMO
- 28 January–4 February: Water for Nature, Nature for Water, facilitated by IUCN
- 4–11 February: Water for Food, facilitated by FAO
- 11–17 February: Water for Peace, facilitated by UNECE and UNESCO
- 11–17 February: Governing and Managing Water Resources for Sustainable Development, facilitated by UNDP, UNEP and GWP

You can follow the conversation on the website (<http://www.worldwewant2015.org/water>), on Twitter (#waterpost2015) or on Facebook (WaterPost2015). Join in the discussion!!!

Moreover, as part of the water consultation, a meeting on the **Post-2015 Development Agenda Consultation on Water: Water Resources Management and Wastewater Management & Water Quality** will be held in Geneva on **27 and 28 February 2013**, at the invitation of the Government of Switzerland. Invited representatives of Governments, international organizations, civil society and business will gather in order to allow for a more profound technical and political debate and to synthesize the discussions of two of the three streams of the water consultation: water resources management and wastewater management and water quality, facilitated by UNECE and UN-Habitat/Aquafed, respectively. □

Water

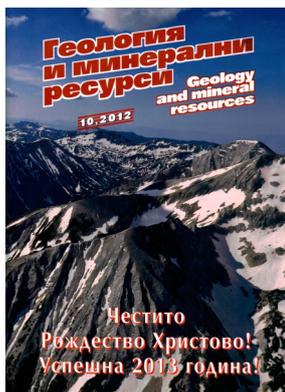


Preparing for the international year of water cooperation

The International Annual UN-Water Conference 2012/2013 **"Preparing for the 2013 International Year. Water Cooperation: Making it Happen!"** took place in Zaragoza, Spain, from **8 to 10 January 2013**, hosted by the Ebro River Basin Authority and organized by the UN-Water Decade Programme on Advocacy and Communication. The Conference focused on how different tools and approaches for dispute resolution are implemented in practice. The session on water cooperation between nations, jointly convened by UNECE and UNESCO, featured cases where transboundary water cooperation became a success despite the initially delicate political situation or difficult natural conditions. Cooperation efforts in the Sava and Tisza Basins on the Finnish-Russian and Spanish-Portuguese waters were presented. In that context, the importance of solid legal and institutional frameworks for cooperation as well as gradual efforts to build trust for transboundary water cooperation were emphasized. The conference outcomes include a synthesis of lessons learned on the use of approaches for dispute resolution, as well as case studies of successful water cooperation. □

For further information, please contact Iulia Trombitcaia at: iulia.trombitcaia@unece.org.

Energy



Now available in Bulgarian: UN Framework Classification for Fossil Energy and Mineral Reserves and Resources

Experts from Bulgaria's Ministry of Economy, Energy and Tourism have translated the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources 2009 (UNFC) into Bulgarian. The text was published in December in the Bulgarian journal *"Geology and Mineral Resources"*, edition No.10. The experts are members of the UNECE Expert Group on Resource Classification.

The UNFC is now available in Arabic, Bulgarian, Chinese, French, Russian and Spanish.

The public consultation for the draft specifications (basic rules application) for the UNFC closed on 22 December 2012 and all the comments received have been posted on the website: <http://www.unece.org/energy/se/reserves.html>. □

For further information, please contact Charlotte Griffiths at: reserves.energy@unece.org.

Not an official record - For information only