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Executive Secretary of the United Nations
Economic Commission for Europe**

**at
FIRST SERBIA – EU FORUM
Overcoming the crisis, moving towards the European Union
Belgrade, Serbia**

Closing plenary - 9 September 2011

Mr. Chairperson,
Distinguished Participants,
Ladies and Gentlemen,

Ministers, Excellencies, Ladies and Gentlemen,

Allow me, as the Executive Secretary of the United Nations Economic Commission for Europe, to share with you a few reflections on Western Balkans and the EU project and then briefly describe the cooperation between Serbia and UNECE, and explain why this cooperation helps Serbia to pursue its development and European integration objectives.

“Geopolitics of the Western Balkans: Is there more than the EU?” When I saw this theme on the program of the plenary session, my first thought was something like “...obviously, the EU is the only game in town...” However, I should rather say “it’s the only win-win game in this region,” i.e. a game that all participants can benefit from in some way. The theory of games shows that a cooperative strategy is the best way to resolve conflicts because it somehow accommodates all parties. In the Western Balkans, that is no easy feat to accomplish, for sure. But I am convinced that it can be done. For we know only too well that non-cooperative strategies yield inferior outcomes, both in theory and practice. The geopolitics in Europe was dominated by such strategies and resulting wars until recently. Obviously, the EU-centered cooperation is a better

way to go.

And yet, EU membership by itself does not guarantee success. Europe was hit by the recent crisis harder than any other region. And the recovery in the EU and Western Balkans, a region of countries aspiring to join the EU, has been slower than elsewhere with the exception of Japan. The crisis originated in the financial sector of advanced economies of the UNECE region and clearly demonstrated the great vulnerability of emerging economies of the region, including those of Western Balkans. Unfortunately, policy makers in the EU and US seem to be repeating the basic policy errors of the 1930s, focusing more on the long-term fiscal consolidation rather than on the urgently needed short-term stimulus. Keynes used to say ‘we are all dead in the long run.’ The upshot is that a premature fiscal consolidation can transform the ongoing fragile recovery in advanced economies into another major downturn that would have a damaging impact on European emerging economies.

Having said that, let me note that a small open economy like Serbia cannot unleash global financial storms – but it can respond to them more or less effectively. Joining the largest market in the world, including a large majority of European countries, bound by common rules and committed to mutual assistance, is definitely a good move. A close cooperation with our commission is another good move.

Cooperation between Serbia and the UNECE. Our mutual cooperation is important because it addresses some economic, environmental and social issues that are key to successful integration of Serbia into the European region and global economy. The UNECE is a technical organization for regional cooperation and its membership consists of 56 countries of Europe, Central Asia and North America. As part of the United Nations, UNECE offers a multilateral platform to negotiate international legal instruments and standards on major pan-European issues such as transport, environment, trade and energy. Such normative work is supported by our secretariat, which is itself connected to a large network of governmental experts and decision-makers.

UNECE’s products – norms, standards and international conventions – are technical. The activities of UNECE in providing legal norms, standards and best practice recommendations have assisted a number of the former transition economies in joining the European Union.

In their broad standardization work, the European Union and the European Commission have used many UNECE standards, including for example the UNECE legal norms on transit, vehicle standards, and road signs, UNECE quality standards for fresh fruit and vegetables or the UNECE layout for international trade documents.

Allow me to mention briefly some sectoral cooperation issues.

Environment. The UN system plays an active role in the search for environmentally friendly ways to produce and consume. The UNECE with its five environmental conventions and 12 related protocols as well as abundant

expertise and experience in regional approaches is well-placed to assist Serbia in its pursuit of sustainable development. Four of the five UNECE conventions focus on regional cooperation. Not only do they provide frameworks to address cross-border environmental issues, but they are also practical instruments to prevent conflict.

Being a Contracting Party, Serbia works actively on the implementation of all UNECE environmental conventions. In this way, the country progressively approximates the EU legislation in the environmental area. For instance, the UNECE project on the long-range air pollution is helping Serbia and other countries of the Western Balkans comply with European norms for the protection of the environment.

Trade. UNECE has contributed to the integration of Serbia into pan-European regional cooperation structures, by supporting the country's full integration into various regional initiatives and projects, providing for example assistance for the accession to the CEFTA free trade agreement, and the WTO negotiating process. UNECE has also been supporting Serbia's effort to establish a Single Window for export and import clearance and data harmonization.

In addition, UNECE stands ready to assist Serbia to meet the legal requirements under European legislation (the *acquis communautaire*) related to standardization, quality assurance, accreditation and metrology (SQAM); an area that the Serbian Government has included among its priorities under the "United Nations Country Partnership Strategy (2011 – 2015)". An outstanding need for Serbia in this area is to enhance its capacity to counter the proliferation of dangerous and counterfeit goods, which not only threaten public health but also undermine the competitiveness of local industry that is unable to compete against non-conformant, low-quality, cheap goods. Similarly, UNECE looks forward to supporting Serbia's efforts to comply with the EU's agricultural quality standards, which are based on UNECE standards.

Statistics. The UNECE Statistical Division has been actively working with the Serbian Statistical Office to enhance their capacity to produce statistics according to the international and European standards of official statistics, especially in price measurement, national accounting, gender statistics and population and housing censuses.

UNECE has further supported Serbia's accession to the EU within the context of the UNECE/Eurostat joint forestry sector questionnaire. UNECE has thus helped the country expand its network of partners in the EU and develop the capacity to meet the statistical requirements in forestry that will be required upon accession.

Transport. Serbia is Contracting Party to almost 40 UNECE Transport Agreements and Conventions including the most important on infrastructure, road traffic safety, transport facilitation, transport of dangerous goods and vehicle construction. Longstanding collaboration and active participation in UNECE transport work and various activities and projects have had important positive impact on Serbia's integration in the European transport system.

The most recent example of continuous collaboration with the UNECE and the interest to benefit from this cooperation is Serbia's accession to the UNECE Trans-European Railway project in 2010. Another example of good cooperation between UNECE and Serbia is the recent launching of the Decade of Action for Road Safety (2011-2020) that took place in Belgrade in April 2011.

Economic Cooperation and Integration. The UNECE program on Economic Cooperation and Integration aims to support member States with economies in transition, including Serbia, to create a policy, financial and regulatory environment conducive to economic growth, knowledge-based development and high competitiveness. For instance, the UNECE in cooperation with the Intellectual Property Office of Serbia and the Serbian Chamber of Commerce, organized a sub-regional conference on the Commercialization and Enforcement of Intellectual Property in Belgrade in April 2011.

The conference discussed national initiatives and regional cooperation on two issues of relevance to Serbia's aspirations to join the European Union: how to support small and medium-sized enterprises in exploiting intellectual property to create internationally competitive innovative businesses; and how to curb the international trade in counterfeit and pirated products.

The UN Development Assistance Framework (UNDAF). The UNDAF program in Serbia for the period 2011-2015 features three major priority areas: strengthened good governance; sustainable development and enhanced social inclusion; and increased regional stability and cooperation.

Within this national program, the UNECE committed itself to work toward reducing traffic accidents and casualties in partnership with UNDP, WHO and other UN organizations. We also provide technical assistance in partnership with WTO and UNDP to improve capacities of public administrators on designing and implementing PPP projects. Other technical assistance activities of the UNECE for Serbia include national capacity building for better regional trade facilitation and liberalization, product certification as well as border crossing facilitation.

Other areas in which the UNECE is active – for example energy efficiency – can be added to the list of themes that are conducive to European integration.

In closing, let me emphasize that I look forward to continuing UNECE's cooperation with Serbia. We need to work together for the sake of the stability and well being of our region.

Thank you.