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Statement

by

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**United Nations Under-Secretary-General
Executive Secretary of the United Nations Economic
Commission for Europe**

at

**Meeting of the National Coordinators
Central European Initiative**

24 January 2014, Vienna, Austria

Mr. Chairman,
Dear Colleagues,

It is a pleasure to be here today in Vienna as part of this meeting of the Central European Initiative (CEI). The UNECE while not having an extensive relationship with this organization especially in the most recent period, nevertheless has a fairly long history. The CEI and the UNECE first signed a MOU and a Cooperation Agreement to formalize their cooperation back in 1998. The mandates of both of our organizations are similar in numerous important areas and, where somewhat different, are nevertheless highly complementary. In addition, all of the member states of the CEI are also UNECE member States. I should note that the UN General Assembly recently reaffirmed the importance of the CEI and further encouraged its cooperation with UN entities including the UNECE.

Since the beginning of the transition of the former planned economies toward market economies, a key objective of the UNECE has been to foster economic development in these economies and assist them in their re-integration into the world economy and into global institutions. Over the years we have worked with the CEI in several areas. A primary focus of our cooperation at the turn of the century was on providing investment guidance through a specific methodology that could facilitate the identification of investments in the region, the development of bankable proposals and their submission to potential investors, international financial institutions and commercial banks.

I therefore wish to reiterate our commitment to work with the CEI in the years ahead toward our joint objective of promoting the economic development of the non-EU economies in east, central, and southeast Europe. The UNECE has also worked with a number of the other international organizations represented here today, and I take this opportunity to extend our interest in strengthening our partnership with them as well. It is obviously important that we try to minimize any overlap that exists in our activities as each organization should concentrate on activities where it has the best expertise.

From our side, we are able to offer extensive technical expertise in a large number of areas such as environment, transport, sustainable energy and trade. Work in these areas is complemented with our expertise in statistics, timber and forestry, public-private partnerships and in promoting competitiveness and innovative economies. Not only does UNECE develop norms, standards and conventions, but we also provide assistance concerning their implementation in the CEI sub-region. However, given the budget cuts which we are facing we depend on extra-budgetary funding and partnerships to do so.

Most recently there have been discussions between the ECE and CEI on the possibility of creating an initiative to further promote best practices regarding financing of renewable energy investments. Similarly to the work done for decades to promote energy efficiency investments, UNECE intends to contribute to the creation of a suitable market environment to promote renewable power investments in the UNECE region.

In this direction, the UNECE Committee on Sustainable Energy clearly indicated last November the need to set up a specific Group of Experts on Renewable Energy. A first meeting of this group is scheduled to take place on 18-19 November 2014.

We are in close contact with the CEI Secretariat in Trieste and other international partners (e.g. IEA, IRENA) for the establishment of this new group of experts on renewable energy and the identification of specific activities for a work plan in line with our respective mandates.

For example, cooperation with the CEI could contribute to strengthening national capacities at the decision-making level that supports the development and implementation of biomass strategies in its member countries and, overall, in the UNECE region. This will further strengthen the efforts to achieve the targets set at the national, regional and global level.

Another area I would like to highlight is related to trade policy. A central component of the recent WTO agreement in Bali concerns commitments to enhance trade facilitation. UNECE has pioneered work in trade facilitation for over 50 years and has developed a host of UN recommendations, standards and tools through our Centre for Trade Facilitation and Electronic Business (known as UN/CEFACT), including three recommendations and a number of standards on the Single Window for exports and imports. The UNECE is committed to providing its full support to help countries implement the WTO Trade Facilitation Agreement.

One area where I am aware that the CEI has been active is water resources management. Given UNECE's role as Secretariat of the Convention on the Protection and Use of Transboundary Watercourses and International Lakes and our expertise in integrated water resources management, there are opportunities for cooperation in this area. We are very active on this theme in eastern and south-eastern Europe, including in developing new policy tools such as an assessment of the water-food-energy-ecosystems nexus in transboundary basins.

A second area of common interest is in drinking water and sanitation. CEI has supported projects on water and wastewater in municipalities with the support of the CEI Fund at EBRD. The UNECE and the regional arm of WHO jointly provide the secretariat of the Protocol on Water and Health. The Protocol also receives some support for water and sanitation projects through a dedicated Water Fund at EBRD. A particularly successful area of work under the Protocol recently has been on equitable access to drinking water and sanitation, with the development of a supporting policy tool—a scorecard—applicable in all countries in the region and tested in Portugal, Ukraine and the City of Paris.

As most of you are aware, the Member States of the United Nations are in the process of formulating a unified global development framework referred to as the Post-2015 Development Agenda. This will replace the Millennium Development Goals framework which will expire in 2015. This new framework will likely be far more universal and emphasize inclusiveness and environmental sustainability in addition to the aim of eliminating absolute poverty. As such this future agenda will be applicable to the CEI region. The UNECE will adjust its programme activities in the coming years to ensure that we can assist our member States in achieving the goals incorporated in the post-2015 agenda. Thus at the most general level, any activity that contributes to achieving the post-2015 development goals would be an area in which we could have a possible interest in working together.

I encourage you to look at a report produced jointly by the UNECE, UNDP and about a dozen other UN European agencies that assesses the challenges that our member States face in light of the post-2015 agenda. I have some copies with me today and it is also available on our web site. Although the support the UNECE can provide is often rather technical and in specific sectoral areas, I believe we must keep in mind these more general challenges, which are outlined in this report, in designing our assistance to this region.

Finally, at a somewhat more generic level for our discussions today, let me summarize what I consider to be the four fundamental challenges that the region must address.

Firstly, the reform process of creating democratic and market-based economies has somewhat stalled and needs to be reignited. Although much has been achieved since 1989, democratic institutions remain weak, economic governance needs improvement and market mechanisms need strengthening.

To some degree the political problems confronting these economies are the result of their second fundamental challenge – the lack of social cohesion within these countries. These take many forms, whether it is conflicts between religious groups, ethnic divisions, language differences, or between geographical regions. This social discord is not only undesirable in itself but it has created an environment that has discouraged investment and the proper development of public infrastructure.

The third challenge, for which much progress has been made, regards the integration of the transition economies into the European as well as the global economy. The UNECE has been quite active in developing trade facilitation measures in southeast Europe, Turkey, Ukraine, and the Caucasus since the 1990s. The region's countries need to implement the Bali WTO agreement, and the UNECE is ready to help. Fourthly, there is the issue of slow economic growth, increasing economic inequality and, in most countries, quite high unemployment.

These challenges can best be addressed with enhanced cooperation amongst the regions' governments and with the assistance of the international organizations.