

**UNDP Regional Bureau for  
Europe and the Commonwealth of Independent States  
Bratislava Regional Centre**

**Regional Project Document and  
Regional Program Action Plan for 2006-2010**

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## List of Abbreviations

<b>BCPR</b>	<b>(UNDP) Bureau for Crisis Prevention and Recovery</b>
<b>BDP</b>	<b>(UNDP) Bureau for Development Policy</b>
<b>BSB</b>	<b>Bratislava (Regional Centre) Supervisory Board</b>
<b>CCA</b>	<b>Common Country Assessment</b>
<b>CBFs</b>	<b>Capacity Building Facilities</b>
<b>CBD</b>	<b>Convention on Biological Diversity</b>
<b>CIS</b>	<b>Commonwealth of Independent States</b>
<b>CSO</b>	<b>Civil society organization</b>
<b>EBRD</b>	<b>European Bank for Reconstruction and Development</b>
<b>EC</b>	<b>European Commission</b>
<b>EU</b>	<b>European Union</b>
<b>GDP</b>	<b>Gross domestic product</b>
<b>GEF</b>	<b>Global Environmental Facility</b>
<b>GTT</b>	<b>Global Task Team</b>
<b>HDI</b>	<b>Human Development Index</b>
<b>HRBA</b>	<b>Human Rights-Based Approach</b>
<b>ICT</b>	<b>Information and communication technology</b>
<b>IDP</b>	<b>Internally displaced persons</b>
<b>ILN</b>	<b>Information and Learning Network</b>
<b>ISP</b>	<b>Implementation Support Plan</b>
<b>ISS</b>	<b>Implementation Service Fee</b>
<b>IWRM</b>	<b>Integrated water resources management</b>
<b>LPAC</b>	<b>Local Project Advisory Committee</b>
<b>MDG</b>	<b>Millennium Development Goal</b>
<b>MoU</b>	<b>Memorandum of understanding</b>
<b>MSME</b>	<b>Micro, small and medium-sized enterprises</b>
<b>MSU</b>	<b>Management Support Unit (Bratislava Regional Centre)</b>
<b>NBSAP</b>	<b>National Biodiversity Conservation Strategy and Action Plans</b>
<b>NGO</b>	<b>Non-governmental organization</b>
<b>ODA</b>	<b>Official development assistance</b>
<b>OECD</b>	<b>Organization for Economic Cooperation and Development</b>
<b>OSCE</b>	<b>Organization for Security and Cooperation in Europe</b>
<b>OSI</b>	<b>Open Society Institute</b>
<b>PSPD</b>	<b>Policy Support and Programme Development unit (Bratislava Regional Centre)</b>
<b>RBEC</b>	<b>(UNDP) Regional Bureau for Europe and the CIS</b>
<b>RPAP</b>	<b>Regional Programme Action Plan</b>
<b>RCF</b>	<b>Regional Cooperation Framework</b>
<b>SBAA</b>	<b>(UNDP) Standard Basic Assistance Agreement</b>
<b>SME</b>	<b>Small and medium-sized enterprises</b>
<b>SURF</b>	<b>(UNDP) Sub-regional Resource Facility</b>
<b>UN</b>	<b>United Nations</b>
<b>UNDAF</b>	<b>United Nations Development Assistance Framework</b>
<b>UNDP</b>	<b>United Nations Development Programme</b>
<b>UNECE</b>	<b>United Nations Economic Commission for Europe</b>
<b>UNEP</b>	<b>United Nations Environmental Programme</b>
<b>UNFPA</b>	<b>United Nations Population Fund</b>
<b>USAID</b>	<b>US Agency for International Development</b>
<b>WBI</b>	<b>World Bank Institute</b>
<b>WFD</b>	<b>Water Framework Directive</b>
<b>WTO</b>	<b>World Trade Organization</b>

**Part I. Basis of Relationship**

1000. WHEREAS all the Governments participating and as covered by the mandate of the UNDP Regional Bureau for Europe and the Commonwealth of Independent States (hereinafter referred to as “the Governments”) and the United Nations Development Programme (hereinafter referred to as “UNDP”) have entered into basic agreements to govern UNDP’s assistance to their countries (Standard Basic Assistance Agreements or SBAA) or other legal instruments which were signed by UNDP and the respective Government,

1001. The Governments and UNDP re-affirm their mutual agreement to cooperate for the realization of the Millennium Development Goals (MDGs) and for the achievement of the goals of United Nations Conventions and Agreements to which all parties are committed.

1002. The Governments and UNDP are in mutual agreement on the content of this Regional Project Document for Europe and the Commonwealth of Independent States (CIS) for 2006-2010 and on their responsibilities in the implementation of the Regional Programme of UNDP’s Regional Bureau for Europe and CIS. This Regional Project Document, together with the annual work plans concluded hereunder, comprise the project document as referred to in the SBAA.

1003. The Governments and UNDP hereby declare that their responsibilities in relation to this Regional Programme will be fulfilled in a spirit of close cooperation and have agreed to specific activities and arrangements described below.

## **Part II. Regional Situation Analysis**

2000. The countries working with the UNDP Regional Bureau for Europe and the Commonwealth of Independent States (RBEC) recorded major development successes during 2001-2005. Human development index rankings in the region are uniformly better today than they were in 2001. Economic growth has been strong across much of the region, and some of the highest growth rates were recorded in the less wealthy economies, such as Tajikistan and Azerbaijan. Relatively large endowments of human capital, particularly in terms of skilled labour, are clearly paying off, particularly in countries like Ukraine, which reported rapid and accelerating economic growth during 2000-2004. Countries in the Western Balkans and Central Asia continued to recover from the conflicts of the 1990s.

2001. Institutional frameworks for viable market economies, democratic polities, and independent civil societies matured within the region. This is the case both for states that underwent dramatic transitions away from Soviet-era structures in the 1990s, and for other countries in the region, such as Turkey. Improvements in environmental sustainability often went hand in hand with economic growth.

2002. One of the region's most important development successes was the May 2004 accession of 10 countries to the European Union (EU). In addition to representing the attainment of ambitious development goals, these broadly successful transitions are important global development events in their own right.

2003. These hopeful trends are offset, however, by troubling tendencies. The relatively high development levels in the region, combined with its improving economic picture, deflected attention from the global development agenda articulated in the Millennium Declaration and the Millennium Development Goals (MDGs). The rapid economic growth of 2001-2004 was often accompanied by less robust progress – and sometimes regression – in poverty alleviation. Improvements in absolute poverty measures in the region are not always accompanied by commensurate declines in relative poverty measures. Progress in extending the benefits of globalization and democratization to all the region's citizens remained uneven, with women, children, and ethnic minorities too often victims of poverty and social exclusion. Growth slowed to a crawl in some of the Central European economies during 2000-2003, and corruption limited growth prospects across the region. Some countries reporting rapid economic growth enjoyed less robust increases in public sector capacity and human security.

2004. Ensuring high standards of democratic governance remains a challenge for many countries. The region is not free of human rights abuses, and the conduct of elections has raised domestic and international criticism. Civil society organizations face restrictions in some countries. Conflicts in the Caucasus and Moldova continue to defy resolution. Trafficking in human beings, weapons, and narcotics is a growing concern. Manifestations of gender inequality, including violence against women and unequal political and economic participation, remain pervasive.

2005. Demographic and migratory trends are causes of deep concern. Except in Central Asia, populations are aging and declining and fertility rates are falling, and in some CIS countries mortality rates are rising, particularly for men. Legacies of forced migrations continue to cast long shadows over development prospects in the Western Balkans. Unfavourable HIV/AIDS and other epidemiological trends that have taken hold in some CIS and new EU countries could undermine sustainable economic growth.

## **Part III. Past Regional Cooperation and Lessons Learned**

3000. The second regional cooperation framework (RCF) for Europe and the CIS, implemented during 2002-2005, emphasized improving the quality of governance as a development challenge common to all countries in this diverse region. Regional programming under the second RCF emphasized the transfer of transition successes and best practices through extensive use of expertise from new EU Member States. The RCF combined broadly regional initiatives (e.g., sharing of transition successes and best practices among programme countries, MDG advocacy, and training) with the introduction and development of subregional programming in Central Asia and Southeast Europe. Programming in these two subregions – in which most of the countries with national Poverty Reduction Strategies are located – underscored UNDP's commitment to helping countries with the greatest need for international support.

3001. Publications produced with support from the second RCF consolidated the credibility of UNDP as a regional development institution and provided advocacy platforms on key issues. This was underscored by regional human development reports on the Roma in Central and Eastern Europe and on HIV/AIDS;

national early-warning reports produced by country offices in Southeast Europe; and national and subregional MDG reports. Publications to be released in 2005-2006 – including a regional MDG report and human development reports on development challenges in the CIS and Central Asia—continue this trend.

3002. Programming under the second RCF underscored the relevance of the MDGs in the region, despite the prevalence of middle-income countries whose official data do not suggest the presence of extreme poverty. The presentation of disaggregated MDG indicators in MDG reports for new EU Member States, published in 2004, called attention to social exclusion of Roma, women, and rural residents of the poorer regions of these countries. The European Commission welcomed the reports as complementary to the social inclusion agenda of the European Union in these countries. In 2005, an additional study was published on Roma, refugees, and internally displaced persons in nine Central and Southeast European countries. This study provides new disaggregated data to measure poverty and social exclusion.

3003. The second RCF highlighted the importance of partnerships. The impact of regional initiatives on behalf of Roma communities was magnified by the UNDP partnership with the World Bank and the Open Society Institute within the framework of the inter-governmental ‘Decade of Roma Inclusion’ initiative. The prospects of the UNDP subregional programme in Central Asia are strengthened by firm ties with the European Commission, the United Nations Environment Programme (UNEP), and the Organization for Security and Cooperation in Europe (OSCE) on projects in anti-trafficking, border management, trade, transit, tourism, and environmental security. The regional emerging-donor initiative, which helped new EU Member States make their development cooperation activities more effective, is founded on partnerships with the Governments of the Czech Republic, Hungary, and Slovakia. Regional projects on decentralization, parliamentary development, and migration have benefited from support from the Governments of the Netherlands and Norway.

3004. The second RCF made the most of innovations in UNDP corporate philosophy and management. Operational management of regional programming was transferred from New York to the Bratislava Regional Centre, where it benefited from its merger with the Bureau of Development Policy’s Subregional Resource Facility (SURF). The integrated SURF/regional programming unit of the Bratislava Regional Centre developed the communities of practice and the knowledge management tools needed to make UNDP a knowledge-based organization and promote dissemination of expertise among country offices. The successful direct execution of regional programming under the second RCF proved the value of pragmatic, flexible execution arrangements that reflect the advisory service nature of UNDP regional programming.

3005. This framework allowed regional programming under the second RCF to offer regional partners and country offices a full portfolio of projects and services. Regional approaches added value in a number of areas, including:

- (a) the transfer of transition and development successes from the new EU Member States to countries in the Balkans and the CIS, as well as to other developing countries;
- (b) the development of disaggregated MDG indicators to measure poverty among vulnerable groups;
- (c) decentralization including fiscal matters, local development and area-based development;
- (d) support for parliaments and ombuds institutions;
- (e) anti-trafficking initiatives (particularly in Belarus and Romania); and
- (f) sub-regional programming in Central Asia.

## **Part IV. Proposed Programme**

### **Programme Overview**

4000. The Regional Programme presented below is organized according to UNDP’s four practice areas:

- A. Poverty reduction
- B. Democratic governance
- C. Energy and environment
- D. Cross-cutting issues

The Regional Programme will provide assistance in these four areas. However, the bulk of the assistance will be allocated to the first three.

This document also includes a section (E) on subregional programming.

4001. The description of the proposed programme is presented by practice area in the order listed above. The subjects are presented according to the order of the corresponding UNDP service line. For each subject, the text describes its context, rationale, priority areas, and implementation strategy.

#### **A. Poverty Reduction**

4002. Programme activities for poverty reduction will address the following subjects:

- Monitoring human development, MDG achievement, and poverty reduction
- Pro-poor policy reform to achieve the MDGs
- Private sector development, including local poverty initiatives
- Trade policy reform
- Civic engagement.

#### **Service Line 1.1: Monitoring human development, the MDGs, and poverty reduction**

4003. Context. The countries of Eastern Europe and the CIS have made uneven progress in their transitions to market economies. Some Central European countries have been highly successful and have already joined the EU. Some CIS and Southeast European countries continue to be associated with instability, a legacy of violent conflicts and still unresolved territorial disputes. In all of these countries, however, their transitions from centrally planned economies and egalitarian social orders have brought about widening inequalities and the expansion of pockets of poverty.

4004. Since 2000, RBEC has assisted countries in achieving the MDGs. At the national level, RBEC, UNDP country offices, and national teams have worked together to bring the MDGs to the centre of national development debates. Nevertheless, the MDGs are still unknown in some parts of the countries in Eastern Europe and the CIS, especially at the community level.

4005. UNDP places a priority on addressing the needs of vulnerable and marginalized populations in the region in order to increase their development opportunities. However, the effective and efficient involvement of these populations requires adequate data to determine who are the most vulnerable and what are the spatial dimensions of poverty and vulnerability. National statistical averages tend to blur problems, such as pockets of poverty, areas with high infant mortality, and groups with low educational attainment rates. The lack of disaggregated socio-economic data inhibits the development of meaningful policies and targeted responses.

4006. In addition, the institutional and regulatory environment for data collection in the region is insufficiently 'friendly' to ethnic-sensitive data. In this regard, UNDP has started to build partnerships and bring together 'data producers' (statisticians from national statistical offices in Eastern Europe), 'policy producers' (government representatives, primarily those working in offices that deal with minority issues) and 'data users' (experts from international organizations and national research institutes).

4007. Rationale. The rationale for programme activities in this area is based on the needs in the countries of the region for disaggregated socio-economic data on vulnerable groups as well as on the spatial dimensions of poverty, unemployment and vulnerability. A related challenge is developing analytical capacities, appropriate institutional linkages and useful application of these data and capacities to national policies and programmes. The approach to implementing the MDG agenda at the country level will rest on the commitment of the national governments to pursue broad-based processes of assessment and dialogue to reach agreements with civil society organizations and development partners on relevant targets, policies, institutional responses, and resources required for the achievement of the MDGs.

4008. Priority Areas. Programme activities will address the following priority areas:

- Strengthening statistical and analytical capacities in national institutions for monitoring human development, the MDGs, social exclusion, and poverty reduction, with particular emphasis on improving the quality of National Human Development Reports and MDG reports.

- Strengthening capacities of policy makers, country offices, civil society organizations and NHDR teams to understand, utilize and analyze data.
- Strengthening policy making related to pro-poor growth and the achievement of the MDGs.

4009. Strategy. The primary beneficiaries of programme assistance include: national statistical offices, policy makers, civil society organizations, other donors and UNDP country offices. Programme activities will facilitate knowledge creation and sharing, and foster the development of capacities among these stakeholders in the areas of human development and ethnic data collection and analysis. Activities will facilitate dialogue among policy makers, statisticians and minority representatives to create the conditions for reliable and sustainable data collection reflecting the true face and distribution of poverty in the region. Specific activities intend to achieve improved statistical and analytical capacities for monitoring human development, the MDGs, social exclusion, and poverty reduction in national and regional organizations. In the case of the EU candidate countries, monitoring poverty will be very much linked to monitoring social and economic trends as laid out in the EU's Laeken indicators. Such monitoring capacity can become a tool to measure and inform social policy in other countries in the region as well. These activities will include the establishment of a regional UN inter-agency system of MDG and human development indicators and the development of several methodologies (trainings, workshops, web-based modules, manuals) to enable national statistical offices and relevant international actors to produce disaggregated statistics (by groups, including ethnic groups, and by sub-national territorial units) more easily. In addition, programme activities will promote the DevInfo software package (which allows users to access data on the MDGs) and provide training and related manuals or databases to national stakeholders and country offices. Special focus will be placed on the production of ethnically-sensitive data. Data collection will emphasize quantitative socioeconomic data and the disaggregation of poverty and other MDG-related indicators at the sub-national level.

4010. Programme activities will also promote the understanding of human development approaches to development challenges by developing and providing training and instructional materials on human development and the MDGs for targeted recipients. Other activities will seek to improve the quality of the National Human Development Reports prepared in the region and the capacities of the national teams to use human development data in poverty monitoring. The programme will also conduct research and publish regional resource materials that will codify best practices and lessons learned to support national policy and programme development.

4011. Programme activities will also build deeper understanding of the MDGs at the country and regional levels, enhance MDG monitoring capacity, promote broad engagement of all stakeholders in customizing targets and indicators to reflect national development challenges, and foster the development of implementation strategies based on MDG needs assessments. Specific activities will assist country offices to prepare MDG needs assessments and related policies for use of assessment data. A web-based dataset of human development and MDG statistical indicators and methodologies will be established and maintained for the region. Other activities will further develop the community of practice through training, knowledge-sharing events, and the preparation of "how-to" guides. In addition, the programme will continue research and analysis on the monitoring of the MDGs, human development and poverty.

4012. Programme activities will support the design and implementation of pro-poor policies expanding human development opportunities. These activities will include work to align PRSP and MDG processes, support high-level policy reform initiatives, and regional pilot projects targeting social policy reform and vulnerable groups in the areas of employment, income generation, and education. These activities will be implemented in close cooperation with national partners and concerned UNDP country offices.

### **Service Line 1.3: Local Poverty Initiatives**

### **Service Line 1.5: Private Sector Development**

4013. Context. A vibrant and competitive national private sector has a central role in achieving the MDGs by addressing poverty and empowering the poor and vulnerable groups. This is achieved through employment creation, income generation and contributions to economic development and sustained and equitable growth. (See the UNDP report, "Unleashing Entrepreneurship").

4014. Economic development in most countries in the region is progressing, but not as quickly as it can, while GDP levels in the majority of countries have still not recovered to their pre-1989 levels. Despite the growing private sector across the region, in a number of countries in Central Asia and the Western CIS, the private sector contributes 50 per cent or less to GDP, i.e. Moldova – 50 per cent, Tajikistan – 50 per cent, Turkmenistan – 25 per cent and Uzbekistan – 45 per cent. These countries rank rather low in the human development and poverty indices. The countries where the private sector contribution reaches 60 – 75 per cent, i.e. Armenia – 75 per cent, Kyrgyzstan – 75 per cent, Kazakhstan – 65 per cent, also score low or medium in HDI and poverty indices. The Western Balkans countries, where the private sector contributes to GDP by 60 per cent or more, rank better in the HDI index, but the unemployment rate remains at strikingly high levels of 30-40 per cent. This suggests that increased private sector activity and globalization alone do not necessarily ensure human development and poverty reduction.

4015. The emerging SME sector in the region remains small in terms of its contribution to GDP and employment. This can be attributed to its main characteristics: low levels of SME formation, prevalence of self-employed entrepreneurs and micro-enterprises engaged in low value-added activities with limited growth potential and higher mortality rates. The employment, production and innovation potential of the SME sector has yet to materialise. Consequently, it is imperative to stimulate the growth of SMEs, especially in more disadvantaged parts of the region. To do this, the overall environment for investment and business development must improve.

4016. Rationale. To ensure that private sector growth translates into human development, reduced unemployment and reduced poverty, programme activities will support informed policy-making and capacity-building for governments in the region with respect to business and investment climate reform. Through research and analytical work, these activities will contribute to improved understanding of the major policy gaps related to business and investment-climate reform. Other activities will support sound dialogue between the government, businesses and investors as well as NGOs and donors on private sector development and actively support participation of the private sector in development projects.

4017. Priority Areas. Programme activities will address the following priority areas:

- increasing private sector engagement in development through the Global Compact networks and pro-poor investments;
- increasing the adoption of pro-poor MSME policy reforms and their effective implementation;
- optimizing trade liberalisation and trade policies so that they positively affect human development, and are pro-poor;
- enhancing regional economic cooperation, private sector development and employment creation in the Western Balkans, Black Sea region and Central Asia.

4018. Strategy. The main beneficiaries of the programme activities will be local and national governments, businesses (including small and medium enterprises and large investors), civil society organisations and UNDP country offices.

4019. In the area of SME development, programme activities will focus on strategic interventions aimed at business, trade and investment climate reform. Subject to the availability of resources, these will include comprehensive assessments of business and investment climate to enable informed policy-making and international benchmarking and promotion of greater involvement of the private sector in reform processes through functioning government-business forums. UNDP country offices will be encouraged to increase their SME portfolios. Other activities will continue to support the improvement of national capacities to support sustainable financial and business development services to the SMEs.

4020. Programme activities will support the country offices in their private-sector engagement activities through continuous skill building and learning events. Other activities will support the launch of Global Compact networks as well as bolster existing ones. Through the Growing Sustainable Business project, the programme will establish a mechanism for brokering new investments by foreign and local companies and reducing barriers to investment by creating forums for dialogue and exchange among stakeholders, including investors, NGOs, businesses and the government. The resulting new investments and growth in the local

private sector will create new employment opportunities and bring new or less expensive services and products to poor and underserved communities.

4021. The programme will also support economic reintegration and development in war-affected border areas in the Western Balkans, highlighting investment opportunities for prospective investors and facilitating links between businesses across borders, creating new employment opportunities and reducing regional economic imbalances. To address high unemployment in the Western Balkans, other activities will support labour market reforms drawing on the experience in Central European countries and measures to prepare the labour force for entering the labour market.

4022. Finally, the programme will further develop the community of practice in the area of private sector development through training and knowledge-sharing events for national partners, other donors, and UNDP practitioners; continuing research and analysis of private sector development related topics; and preparation of additional 'how-to-guides' on the topics endorsed by country office practitioners to assist them with project formulation and implementation. 'How-to-guides' will be used as tools to ensure the quality of UNDP private sector projects and their alignment with internationally accepted standards and benchmarks.

#### **Service Line 1.4: Globalization Benefiting the Poor (Trade Policy)**

4023. Context. Increasing sustainable and pro-poor trade will help countries in the region achieve MDG 8: 'Develop a global partnership for development'.

4024. Countries in the region have recently joined or are about to join multilateral trading systems such as the World Trade Organization (WTO) and the EU. However, the accompanying trade liberalization does not automatically lead to economic growth and poverty reduction. To achieve potential benefits, countries need to ensure that their internal and external policies mitigate any short-term negative effects of trade liberalization, such as layoffs in an affected industry, while allowing the private sector to effectively enter new markets, and consumers to enjoy lower prices. In addition, support organizations, such as research institutes and export promotion agencies, lack the capacity to maximize the benefits of trade. The capacity of the private sector to compete internationally must be enhanced.

4025. It is widely recognised that poverty-alleviation is related to economic growth and that economic growth is related to globalization of economies. In the modern international trade environment, connecting economies is about more than lowering tariffs. A number of technical issues (standardisation, harmonisation of standards, recognition of certification, customs classification etc.) needs to be addressed to enable increased economic activity. Varying trade regimes, decaying infrastructure and a multitude of borders and customs in sub-regions such as Central Asia are restricting regional trade among neighbours and reducing the competitiveness of local producers on the international market.

4026. Rationale. To ensure that private-sector growth translates into human development, reduced unemployment and lower poverty, programme activities will support informed policy-making and capacity building for governments and support organizations in the region with respect to trade policies. Through research and analytical work, these activities will help improve understanding of the major policy gaps related to trade liberalization and how to use trade policies as a tool for human development.

4027. Priority Areas. Programme activities will address the following priority areas:

- shaping internal and external trade policies so that they promote human development and are pro-poor;
- enhance capacity to interpret and negotiate trade agreements;
- improve the ability to capitalize on trade opportunities for poverty alleviation and overall human development;
- increase cross-border cooperation between countries to improve regional trade and the conditions for international trade, for example in the Central Asian region.

4028. Strategy. The main beneficiaries of programme activities will be national governments, non-governmental support organizations (i.e. export promotion agencies), businesses (including small and medium enterprises and large investors), civil society organisations and UNDP country offices.

4029. Through research and analysis, the programme will improve our understanding of the impact of trade liberalisation on human development and poverty reduction. Building this knowledge will ensure that governments, civil society organisations as well as businesses and donors have a better understanding of the benefits of trade policies as tools for pro-poor growth, and that they utilise trade liberalisation as a tool for human development and poverty alleviation. To achieve this goal, technical assistance to governments, NGOs and SMEs will be provided to ensure that national policies and institutions take advantage of the opportunities provided by trade.

4030. The programme will provide beneficiaries with training and advice on interpreting trade agreements, and how to negotiate them to ensure economic development that is pro-poor and takes into account human development.

4031. The programme will support the development of regional economic integration projects at the sub-regional level. A *bottom-up approach* will be encouraged in which the private sector takes a leading role in identifying not only sub-regional investment and trading opportunities but also non-tariff barriers hampering economic integration in specific sub-regions.

4032. Programme activities will support the country offices in their trade development work.

4033. Finally, the programme will investigate the need to establish a trade community of practice. If the need is there, it will be developed through training and knowledge-sharing events for national partners, other donors, and UNDP practitioners. The programme will continue research and analysis of trade-related topics and prepare additional 'how-to-guides' on topics endorsed by country office practitioners to assist them with project formulation and implementation.

### **Service Line 1.6: Civic Engagement**

4034. Context. The fall of the Berlin Wall in 1989 and the subsequent collapse of the former Soviet Union led to a renewal of the voluntary sector throughout Eastern Europe and the Commonwealth of Independent States. With the disappearance of state repression, an embryonic non-governmental, not-for-profit community of organizations grew rapidly. An infusion of external advice and aid, most of it emanating from multi-lateral and bi-lateral donor support, facilitated this growth.

4035. Over the course of the last decade, the sector has grown enormously, if unevenly. The attributes of civil society organizations (CSOs) – in regard to their sectoral coverage and level of capacity – vary significantly within the region. Many organizations still remain at a nascent stage of development although numerous others – in countries with vibrant historical civic movements – are involved in policy negotiations at the highest level.

4036. There are considerable sub-regional discrepancies in civil society development. Countries can be divided into two groups. The first group comprises countries where the civil society sector tends to enjoy better state-citizen relations. They have conducive legal and tax frameworks, more sophisticated advocacy and policy-oriented CSOs, and more amenable environments for freedom of association and voice. Those countries with more rigid regimes, including several with very restrictive environments and those where legislation makes circumstances difficult, comprise the second group of countries.

4037. In the RBEC region, CSOs are facing challenges and provided with opportunities that shape their practice and ideology. These issues manifest themselves internally and externally. Four important issues are:

- **Representation and Capacity**. From within, CSOs often lack institutional capacity, internal management and financial coherence, intellectual prowess on policy issues, legitimate representation, and the ability to appropriately network. While there is a large number of registered CSOs, only a small percentage of them is active or effective.

- **Non-conductive Environments.** Externally, CSOs must often work in difficult environments. A prominent obstacle to the implementation of poverty-reduction strategies and the achievement of the MDGs is the absence of commitment and capacity among governments, who are primarily responsible for providing the resources, policies and information needed to make poverty reduction a national priority. The reluctance of governments to cooperate with CSOs on an equal level is a key barrier, as CSO involvement is critical to accomplishing the MDGs.
- **Financial Viability.** Aid dependency is part of the problem. International donors remain the primary source of funding for many CSOs throughout the region. Donors often use CSOs to support their own agendas and priorities through project-based funding without a clear long-term strategy for sustainable development.
- **Unexploited Economic Potential.** Underemployment levels in the region are persistently high, rising to over 40 per cent in some countries. Meanwhile, voluntary-sector activity has been largely confined to the provision of social welfare services and humanitarian assistance. In marked contrast to OECD countries and many advanced transition economies, the potential contribution of social enterprises to employment creation remains largely unrealized, particularly in relation to disadvantaged groups.

4038. Rationale. UNDP's work on building civil society is linked to two interlocking processes: i) the quest for more democratic, transparent and accountable governance, one that increasingly accepts civil society as a complementary power, and ii) the increasing presence of market-based approaches to national economic management. With trends towards smaller, decentralized governments and economic policies that restrict social spending, new and broader responsibilities have been vested in the market and civil society actors in the pursuit of growth and human well-being. Whereas the market promotes profit-enhancement, civil society emphasizes enhanced standards of living (economic or otherwise). Most people recognize that no single actor in society can be expected to address all the needs of the vulnerable and disenfranchised. Civil society organizations have been called upon to take on a much larger share of responsibility for this.

4039. To facilitate the functioning of CSOs, programme activities will play an important role in addressing the issues identified above relating to the internal capacities of CSOs, the enabling environment for their establishment and operation, and their interface with and financial dependence on international donors.

4030. Priority Areas. Programme activities will address the following priority areas:

- Improving legislative, financial, and regulatory frameworks for civil society organizations so they can benefit from freedom of expression and association as well as engage in local and national policy and planning processes;
- Strengthening policy-making and managerial capacities of CSOs through training and networking as well as exposure to European norms and values;
- Improving the financial viability of CSOs through the promotion of socially-oriented enterprises (as sources of funding), through the coordination and harmonization of donor contributions to the voluntary sector, and through the facilitation of other innovative funding mechanisms.

4031. Strategy. The programme activities will target CSOs, policy makers and other government officials, donors, and UNDP country offices.

4032. Programme activities will promote efforts to enhance CSO policy analysis and advocacy skills for poverty reduction and democratic governance; conduct or fund research on key constraints to the formulation of effective poverty reduction strategies, and innovative models of people's participation in policy-making. Specifically, the programme will support:

- Efforts to motivate CSOs to self-regulate by offering education on the benefits of this through national and regional networks.
- Replication of and adaptation to the current legal and regulatory framework in Central and East European countries, which can serve as a model for states in transition such as those in Central Asia; facilitation of "East-East" cooperation and exchange of lessons; and mediation of CSO interaction with state organs.

- Awareness building of the significant contributions that civil society can make to enhanced living standards at the local and national-levels.
- Continued strengthening of CSOs' intellectual prowess, advocacy, networking and strategic planning and coalition-building processes on key policy development issues, as they relate to poverty reduction, at the national and international levels.
- Increasing coordination of donor relations with CSOs.
- Addressing issues of financial sustainability that are critical to the functioning of CSOs as well as focusing on CSO contributions to poverty reduction vis-à-vis employment generation and income diversification.
- Promoting European integration as a useful vehicle for ensuring better state-CSO relations and as a mechanism for accessing resources, and deploying standardized regulatory frameworks premised on international covenants and EU law.
- Efforts to further strengthen the civic engagement community of practice and the production of knowledge products that are essential for all stakeholders.

## **B. Democratic Governance**

4033. Programme activities for democratic governance will address the following subjects:

- Human rights and justice
- Decentralization, Local Governance and Urban/Rural Development
- Public Administration Reform
- Anti-corruption
- E-governance

### **Service Line 2.4: Human Rights and Justice**

4034. Context. There are strong links between establishing inclusive democratic governance, enhancing human security, protecting human rights and securing access to justice. After independence, most countries in Europe and the CIS signed and ratified the key international and regional human rights treaties expressing their commitment to international norms and standards. EU accession requirements have had a positive impact on the human rights record of many countries in Central Europe and the Western Balkans. However, in the Caucasus and Central Asia, implementation of legal frameworks has been progressing slower.

4035. Reform is underway in many countries, most prominently in Central and Eastern Europe, to create independent justice sectors. This reform is taking place in both the criminal and civil justice systems. In many countries of the region both courts and governments have been run inefficiently and without systems of democratic accountability. In some countries, public corruption has been fostered at every level. The causes of public corruption include the longstanding and continuing concentration of power in executive branches of state, an absence of governance checks and balances, and a lack of accountability mechanisms. The concentration of power in the executive branch of government, coupled with the relative institutional weakness of the legislative branch, creates a major challenge for the parliaments of these countries. Hence, parliaments are unable to assert their policy-making role or effectively oversee executive action. As a result of insufficient legislative oversight and a weak justice sector, poor people and other vulnerable groups may be victimised by incapable, corrupt or indifferent officials without having a reasonable chance to seek legal remedies for mistreatment. The lack of affordable legal services affects anyone who is poor, and has particularly serious effects on retirees, the disabled, the persistently unemployed, refugees and women. The dearth of low-cost legal advice and representation for members of vulnerable groups is coupled with a lack of awareness of human rights and government obligations and responsibilities. The impact extends beyond

individual plight. For example, growing tensions between security services and communities threaten peace and stability in some parts of the region.

4036. More positively, democratic institutions such as national human rights institutions or ombuds institutions have been established in the majority of the countries of the region. These are bodies established by governments to help poor and disadvantaged people obtain remedies that would otherwise remain inaccessible to them. The presence of ombuds institutions has also been useful in preventing future grievances since they generally have both a monitoring role and one that allows them to act pre-emptively. These institutions also provide public education concerning human rights and corresponding duties. Newly established ombuds institutions, mainly in the Balkans, Caucasus and Central Asia, have yet to become entirely operational and effective and to gain the full support of high-level public authorities. These institutions need multi-faceted assistance that addresses human and financial resource challenges such as capacity building for staff, establishment of appropriate procedures and administrative systems, technical tools, and support for educational and public relations functions.

4037. Rationale. Strengthened respect for human rights protection in the region is essential for human security, as well as for economic growth to translate into human freedom and development. Parliaments, in particular, must play a stronger role in shaping and facilitating this process, using their potential to bridge differences over controversial issues. This is particularly important in transition countries, where institutional capacities are often weak while societies undergo rapid and drastic change. Nevertheless, many countries of the region still lack the legislative frameworks and conducive environments needed to put into place equitable access to justice mechanisms, and to enable the legislative branch to act as a counterbalance to the executive, and for ombuds institutions to perform their mandates effectively.

4038. Human rights should be considered as a critical component of the development agendas of countries in the region that have ratified the human rights treaties developed under the auspices of the United Nations. A human rights-based approach (HRBA) will be used as the basis for UNDP's development programming in the region. This approach will aim to assist governments in implementing the treaties they have ratified including by setting developmental goals that address the rights of the most deprived and vulnerable members of society.

4039. Work within the area of Human Rights and Justice will build on strengths and comparative advantages that the Regional Centre can bring to bear. These include:

- Unique and distinctive relationships with governments and other partners at the national level to enter into dialogue;
- Strategic partnerships with the donor community and civil society;
- A presence in over 20 countries of the region;
- A regional network of 'communities of practice' and its capacity to generate, codify and disseminate knowledge to enable the production and sharing of knowledge on human rights.

4040. Priority Areas. Programme activities will address the following priority areas:

- Increasing the capacities of ombuds institutions to carry out their oversight functions and redress mandates with an emphasis on strengthening systems and procedures;
- Enhancing capacities of parliaments to promote human security and development by more effectively performing their legislative and representative functions and better counterbalancing executive power;
- Improving the knowledge and skills of government planners, regional centre staff, and country office personnel on the application of a human rights-based approach to development programming;
- Gathering and presenting analytical data concerning access to justice in the region for use in future regional programming;
- Strengthening the regional Human Rights and Justice community of practice by sharing knowledge and best practices, so that members can provide high-quality technical and policy advice.

4041. Strategy. The direct beneficiaries of the programme activities will be staff of national human rights and ombuds institutions, government development planners, parliamentarians, parliamentary staffers, personnel of justice sector institutions and regional centre and country office personnel. Indirect beneficiaries include claim holders, voters, civil society organizations and the executive branch of government.

4042. Programme activities will reinforce and complement programming carried out on the national level by UNDP Country Offices. Regional initiatives will be organized to bring together leading experts, community of practice members, government and civil society partners to explore key issues in the priority areas above and facilitate joint planning and transfer of knowledge throughout the region, both among partner institutions and country offices. 'East-East' cooperation and partnerships such as with professional associations of Ombuds will be promoted and supported.

4043. Programme activities will emphasize the production and dissemination of knowledge to enhance stakeholders' understanding of relevant topics. The development of knowledge products will be participatory in order to enhance national ownership. Lessons learned will be codified and shared within the region and globally. Capacity building initiatives and training for national human rights institutions will be based on these knowledge products. An access to justice study will provide the analytical basis for ensuring that future national and regional access to justice programming is strategic and relevant.

#### **Service Line 2.6: Decentralization, Local Governance and Urban/Rural Development**

4044. Context. The status of decentralisation reform efforts varies across Europe and the CIS. Motivated by the possibility of EU accession, the governments of countries in Central and Eastern Europe used decentralization as a means to counter economic inefficiencies and to improve the delivery of public services including to poor and disadvantaged people. The broad goals of these efforts were to counter deteriorating economic conditions and to establish and strengthen democratic systems of public administration. These efforts were largely confined to those countries that have now joined the EU.

4045. In other parts of the region, the legacy of the centralized state continues to hinder political and economic reforms. Central governments in the Caucasus and Central Asia remain in control of decision-making over financial resources and service delivery to local communities. Local governments in these countries generally lack the support that would permit them to assume direct responsibilities for these matters. In the Balkan region, political and ethnic tensions foster instability, which hinders the development of democratic and decentralized systems. The failure to pursue decentralization reforms in these countries prevents local governments from developing capacities to manage and implement social and economic programmes including poverty reduction strategies. In addition, any such efforts would also be constrained by inadequate fiscal capacities. More importantly, the lack of relevant knowledge and experience has meant that new thinking on how to implement reforms has not yet significantly contributed to progress.

4046. The factors cited above are inhibiting the political development and the economic growth that is necessary for the implementation of decentralization. They also limit the political and fiscal support needed to achieve social development objectives, such as the MDGs. There is substantial room for improvement within the national and local governance systems throughout the region to address, *inter alia*, the policy formulation process, management of financial resources, quality of local service delivery, establishment of standards and regulations, performance monitoring and evaluation, and the application of e-governance, each of which is an essential factor in the improvement of local governance.

4047. Rationale. Effective fiscal decentralization is necessary to complete the decentralization reforms that many countries have undertaken. Countries still lack legal frameworks that clearly assign fiscal management functions and allocate the necessary fiscal capacity to sub-national levels of government. Knowledge about methods of inter-governmental fiscal relations is limited. Past efforts at fiscal equalization have, in some cases, actually produced greater regional and intra-municipal financial disparities. The reliance on shared taxes, limited own-source revenues, and lack of transparent inter-governmental allocation methods have hindered local governments in meeting their expenditure targets. The reform of budget and finance laws and inter-governmental fiscal systems are high priorities.

4048. Further, local governments have limited capacity to engage in meaningful partnerships with the central government, the private sector and civil society organizations to implement programmes and deliver public services. The quality of public service delivery suffers at the local level due to the lack of supportive legal frameworks and inadequate knowledge and experience among managers. These problems are exacerbated by the lack of appropriate national policies on civil service training, sustainable training institutions, and the limited attention given to the employment conditions and professional standards for civil servants at the local level.

4049. Priority Areas. Programme activities will address the following priority areas:

- Increasing the knowledge and capacity of national and sub-national stakeholders to implement fiscal decentralization policies;
- Improving local public service delivery to enhance social development and promote the attainment of the MDGs;
- Promoting socially inclusive and human rights-based approaches in all areas of local development and capacity building for decentralization and local governance;
- Strengthening information and knowledge brokering systems to provide the basis for high-quality technical and policy advice to – and by – regional Local Governance and Decentralization community of practice members.

4050. Strategy. The main beneficiaries of programme activities will be local government units, local government associations, national-level ministries involved in public finance, research and policy institutes involved in providing training and technical assistance, policy makers, and UNDP country office personnel in the region.

4051. Based on the regional context and Regional Centre experience in local development in the region, new programme activities will emphasize areas of the greatest need: fiscal decentralization policy and legal development, improved financial resource planning through the introduction of new budgeting methods, and improving public service delivery to achieve social development. Programme activities will provide high-quality policy advice to advance the decentralization and local democracy agendas and enhance the capacities of local stakeholders for integrated local development and the attainment of the MDGs. The programme will support research, analytical work, publication of regional resource materials and other substantive support to stakeholders.

4052. Piloting and documentation of new methods will enable the stakeholders in the countries of the region to select and employ the most relevant approaches for improving local governance and service provision. The Information and Learning Network (ILN) and LOGIN will serve as support structures for information on local development across Europe and the CIS. These mechanisms will be used by the Regional Centre to codify and share knowledge and experience, facilitate collective learning, and promote 'East-East' partnerships.

4053. The programme will undertake, subject to the availability of funds, the following specific projects and activities:

- Fiscal decentralization: Support to interested countries for drafting laws on local government budgets and inter-governmental fiscal relations, development of cooperation with fiscal decentralization initiatives on regional technical assistance, forums and capacity building; and research on fiscal decentralization with the IMF and other partners.
- Public service delivery: a comparative study on public private partnerships and inter-municipal cooperation and policy advice in selected countries on the legal and institutional framework;
- Local government training: development of a training programme on public private partnerships and leadership with relevant training materials and a toolkit; preparation of the guidance note on the quality assurance system for local government training based on approaches developed by the Council of Europe and UNDP;
- Local e-governance: development of tools and materials to build competencies of local public administration institutions to teach e-governance;

- Localization of the MDGs: Support design and implementation of sub-national, local government, and community-based targets and strategies to achieve the MDGs through the Capacity 2015 platform, to include local private sector development and capacities to programme, finance, monitor and evaluate at the local level
- Knowledge sharing: best practices and knowledge brokering and sharing through the Information and Learning Network (ILN).

### **Service Line 2.7: Public Administration Reform and Anti-Corruption**

#### **Service Line 2.5: E-governance and access to information**

4054. Context. The progress made in the establishment of functioning public institutions varies across Europe and the CIS. In most of the CIS, fundamental improvements are still needed. Recent developments in Georgia, Kyrgyzstan and Ukraine have opened new windows of opportunity for reform. In the Western Balkans, weak state structures and systems of public administration are hampering efforts to catch up with other CEE countries that have made substantial progress in making the transition to democratic institutions, a market economy, and have integrated with the EU. However, in the Western Balkans, as well as in Romania, Bulgaria and Turkey, the prospect of EU accession provides a compelling motivation for reform of state structures. UNDP support to civil society is relevant in the context of public administration reform. In addition to the intrinsic value of involving civil society in decision-making processes, support to CSOs is instrumental in the quest for more democratic, transparent and accountable governance.

4055. In new EU member states, the substantial problem of insufficient administrative capacity for effective implementation of European law still persists. These countries are continuing reforms but are no longer priorities for UNDP support since they have joined the EU. However, they have developed knowledge and expertise during the EU integration process that can now be usefully shared with other countries of the region, as facilitated by the Regional Centre. Additionally, the Regional Centre has experience in the use of Capacity Building Facilities (CBFs) as means to attract skilled professionals and support capacity building within public administration in countries after profound political changes. Successful practices accumulated by existing CBFs have the potential to be used elsewhere in the region.

4056. Corruption is undoubtedly one of the key (and perhaps defining) governance problems of the region. As in much of the rest of the world, corruption in Eastern Europe and the CIS has gone from being a well-known secret to a topic that is widely acknowledged and discussed, most often in generalities, without focusing on realistic solutions. Many countries of the region suffer from high levels of public corruption that frequently undermine efforts at administrative reform and impede the development of governmental capacity to fulfil state responsibilities. Several countries have established National Anti-Corruption Plans that will need strong implementation programming to ensure meaningful progress. There is clear potential for civil society to play a greater role in, *inter alia*, monitoring these plans. So far, however, many of these plans and strategies have either not been implemented or have not proved to be very effective.

4057. Rationale. Poverty reduction strategies, information society policies, anti-corruption strategies, and other development plans have been developed in most countries of the region. These plans and strategies have been officially adopted by their governments, but their actual implementation is often weak or inefficient, as shown by the limited results achieved. This is due, in part, to a lack of effective strategic planning and policy coordination capacities on the part of national governments. Further, in many countries in Europe and the CIS, there are multiple public agencies with overlapping responsibilities and competing policy priorities that make cross-sectoral coordination very difficult.

4058. Even when planning and coordination are present, many countries in the region lack the administrative structures and regulatory frameworks to deliver needed public services. Most also lack a corps of professional public administrators with the experience to effectively design and implement needed reforms that benefit citizens, including poor and disadvantaged people. In a number of countries, decisions have been made to decentralize service delivery functions to sub-national administrations without adequately clarifying the residual role of national administrations.

4059. In addition, there is limited capacity on the part of governments to design, implement and monitor e-government initiatives, with virtually no local training, research and advocacy capabilities available. The

successful experience of the Estonian e-Governance Academy in teaching public officials about e-government across the region has generated numerous requests to help with the establishment of training courses and facilities in local public administration schools and institutions.

4060. Another critical step towards meaningful reform is the need to build a more inclusive and participatory policy development and implementation processes. In most countries of the region, the benefit of public consultation and constructive involvement in policy development and implementation remains an unexplored field.

4061. Finally, there is a continuing need to strengthen institutional accountability, transparency and integrity in the countries in the region. While public scrutiny and government reform have begun to have an impact on public corruption in some countries, only carefully designed and implemented programs aimed at increased institutional integrity and enhanced enforcement capacity together with civil society monitoring are likely to create significant sustainable change.

4062. Priority Areas. Programme activities will address the following priority areas:

- Improving strategic policy-making and strengthening policy coordination capacities at the national level;
- Increasing administrative effectiveness and efficiency in the implementation of policies agreed at all levels of government including e-governance solutions;
- Improving institutional capacity of governments to prevent, confront and reduce public corruption.

4063. Strategy. The direct beneficiaries of programme activities will be national governments, civil servants and public managers involved in the development of public policies and in the implementation of MDGs and poverty reduction policies; personnel working in specialized government agencies, such as supreme audit institutions, law enforcement, and public procurement, and in the provision of public services; and staff and project personnel in country offices.

4064. Building on past experiences and lessons learned, programme activities will focus on making effective contributions to the achievement of two overarching developmental changes:

- Improved capacity of national governments in the region to undertake quality policy making and to more effectively implement MDG and poverty reduction policies; and
- Improved institutional capacity to confront and reduce public corruption including corruption in post-conflict countries.

4065. Programme activities will be designed and implemented to support country-level activities as well as activities that have regional applicability and complement country-level efforts by UNDP. These activities will enable the transfer of knowledge across the region and should result in the development of strategies and methodologies and good practices that can be replicated in the region.

4066. Programme activities will use modern Information and Communication Technologies (ICT) and will work towards aligning all countries with the benchmarks set by the European Union's vision of building open information societies. E-governance is frequently featured in national policy planning and action plan documents. However, the use of e-government solutions has not yet been effectively integrated into reform strategies and benefits of the full transformational potential of ICT in public management have not yet been fully realized.

4067. Specific programme activities will seek to achieve the following objectives:

#### Public Administration Reform

- Promote the establishment or strengthening of legal and institutional frameworks enabling ex-ante poverty, conflict, human rights, and gender impact assessment of public policies and legislation in a number of countries in the region;

- Strengthen the capacity of national government to perform high-quality poverty, conflict, human rights and gender impact assessments;
- Strengthen the capacity of civil servants in countries in the region to effectively implement the MDGs and poverty reduction policies, including through the use of CBFs;

#### Anti-Corruption

- Equip governments in the region with model national anti-corruption plan provisions and implementation strategies as a result of identification and analysis of common regional elements;
- Increase the capacity of public officials to meet institutional integrity, accountability, and transparency goals through training, equipping and institution-building initiatives;
- Develop and implement new and modified methodologies to reduce the impact of public corruption on achieving the MDGs.

#### E-governance

- Strengthen the capacity of governments to design, implement and monitor successful e-governance initiatives.

### **C. Energy and Environment**

4068. Programme activities for energy and the environment will address the following subjects:

- Frameworks and strategies for environmental integration
- Water governance
- Energy
- Biodiversity and Land Degradation

#### **Service Line 3.1: Frameworks and strategies for environmental integration**

4069. Context. The institutional capacities of the countries in the region are inadequate to meet their commitments under various multilateral environmental agreements and conventions. The absence of regulatory infrastructure for meaningful environmental mainstreaming has led to the failure to translate the convention requirements into the national development agenda items. In most countries, there are no systemic incentives (legal, procedural or budgetary) to promote cross-sectoral cooperation for compliance with the regional and global environmental agreements. Moreover, there are structural factors that promote the sense of territoriality and competition over the limited resources, such as, overlapping mandates and centralized decisions on budget allocations. More effective coordination between the sectoral ministries and scientific institutions could foster more efficient deployment of limited human and financial resources for national and global environmental agendas.

4070. The use of strategic environmental planning instruments, such as national environmental assessments, has typically been confined within the environmental sector. These tools have not been employed as tools for integrated planning at the national level involving all sectoral and coordinating bodies, private sector and civil society. Therefore, the impact of environmental plans has been limited and they are often wish lists without significant budgetary commitments or appropriate political endorsements.

4071. The deficiencies of environmental policy-making and planning at the national level are also reflected at the regional level where cooperation on environmental matters is essential for environmental and human security in the region.

4072. Rationale. Countries cannot achieve the goals of multilateral environmental agreements and the MDGs due to lack of institutional capacity to establish environmental priorities and implement requisite actions. In order to support national efforts to meet commitments and achieve national goals under these

agreements, the programme will directly support the development of needed national and regional capacities.

4073. Priority Areas. Programme activities will address the following priority areas:

- Enhancing national capacity to meet obligations under global environmental conventions.
- Introducing Strategic Environmental Assessment frameworks for mainstreaming environmental concerns into the national development policies.
- Facilitating regional policy discussions and partnerships for environmental and human security.
- Improving policy frameworks for public participation and access to environmental justice.

4074. Strategy. The main beneficiaries of programme activities will be national governments, research institutions, civil society organizations and country offices.

4075. Programme activities will address national capacity needs assessments in relation to multilateral environmental agreements with particular focus on opportunities for synergies between convention obligations and country development priorities. The programme will promote the introduction of “Strategic Environmental Assessment” methodology at the national level as a tool for mainstreaming environmental concerns into the national development policies. The programme will also continue to facilitate policy discussion and regional partnerships for achieving environmental and human security. Programme activities will be carried out with direct support from the Global Environmental Facility (GEF) assistance for enabling activities and capacity development.

### **Service Line 3.2: Water Governance**

4076. Context. Water resources represent a critical ingredient of economic development in the region, providing water for consumption, sanitation, irrigation, industrial use, transportation, fishing & aquaculture, recreation and other amenities. Water-based ecosystems are central to the region’s natural environment, and many of them contain globally significant biodiversity. Many aquatic ecosystems in the region have suffered serious degradation or are threatened by pollution, over-harvesting of surface and groundwater, invasive species, and habitat loss. Achieving a balance between the demands of human societies for water and the needs of the aquatic ecosystems on which those societies ultimately depend remains a key challenge.

4077. Expansion and further consolidation of the European Union requires adapting and harmonizing member and neighbour country’s policies, legislation and institutions to EU norms. In the water sector, this process is being driven by the adaptation of the EU Water Framework Directive (WFD), which addresses, in addition to national-level legislative reforms, trans-boundary cooperation in water management among EU Member States, and between EU Member States and their neighbours.

4078. While striving to meet higher standards in the water sector, most countries in the region are still coping with the environmental and institutional legacies of the communist era, as well as with the compartmentalization of natural watersheds by new national borders. These problems have had a particularly severe socio-economic impact at the local and municipal levels, where communities and water utilities are facing deteriorating infrastructure as well as inappropriate legislative and economic frameworks.

The main challenges for the region as a whole and its sub-regions include:

- In Central Asia, hydropower-irrigation trade-offs dominate the water management discussion. Due to their increased energy needs during winter months, upstream countries store a considerable amount of water during the summer. This reduces the irrigation water available for downstream countries in the summer, and leads to flooding in downstream areas in the winter (the so-called ‘water-energy nexus’).
- In Central Asia, the Balkans, and in the South Caucasus region, water governance issues are often influenced by the prevailing political situation and directly linked to conflict and security. This has direct implications for local communities and municipalities, and in particular for vulnerable groups and individuals in trans-boundary river and sea basins.

- New national borders have divided previously unified entities with regard to water governance. The disappearance of centralized water management amongst former Soviet republics has often resulted in a lack of cooperation amongst the new riparian states around a given water body.
- Unsustainable and inadequate management of water and land resources has left behind high pollution levels or ecological or human health and security hot spots, including nuclear waste storage facilities in river basins.
- Economic growth and recovery of the industrial sector are likely to entail rising pollution outputs into various water bodies, if adequate measures for emission control from industrial sites are not undertaken.
- The agricultural sector, together with outdated or non-existent wastewater sanitation facilities, is contributing to pollution and high nutrient levels in most of the water bodies, particularly in Eastern and Southern Europe; policy reform and adequate technical measures and investments are needed to address these challenges, and to ensure sustainable access to adequate quality drinking water for the entire population in the region.
- Finally, the deteriorating water supply and sanitation infrastructure, combined with the very low interest of potential donors in this sector (partly because many don't support water pricing reforms) are leaving urban and rural communities with deteriorating drinking water and sanitary conditions.

4080. Throughout the entire region, effective water governance and trans-boundary cooperation is constrained by:

- Limited, inaccurate and/or non-transparent data and information collection and analysis.
- Lack of capacity to address the complexity of issues under Integrated Water Resources Management (IWRM), paired with a weak understanding and application of international water law.
- Lack of financial investment to maintain and promote infrastructure activities, as well as to support necessary policy reform processes.

4081. Rationale. UNDP has over a decade of experience in fostering policy reforms in shared water bodies, including river basins, lakes, and enclosed seas. On the sub-regional level, UNDP has in the past successfully played the role of a neutral broker amongst riparian states, enabling trans-boundary dialogue and the establishment of coordination and cooperation partnerships. Through its national presence, UNDP is in the position to combine regional and national-level aspects of water governance and promote a comprehensive and effective approach at the sub-national level, including decentralization and the strengthening of water governance at the local and municipal (oblast) level.

4082. The long history of UNDP interventions in the area of water governance reform in the region represent a significant pool of knowledge, experience and good practice examples in the area of effective water resources management and governance. This resource and the network of water governance experts will be used for capacity development as well as for catalytic replication and upscaling of proven approaches to effective water governance. The strong presence in the region will enable the fostering of functional relationships with key partners and donors.

4083. Priority Areas. Programme activities will address the following priority areas:

- Enhancing trans-boundary water-resource management, with a special focus on national policy reforms for integrated land and water management.
- Enhancing Integrated Water Resources Management at the national and local/municipal level, including sustainable access to water supply and sanitation services.

4084. Strategy. The main stakeholders in programme activities will be the various ministries in national and sub-national governments, concerned NGOs, private investors, donors, country offices and other regional practitioners.

4085. Programme activities will build on long-standing activities and existing expertise in the region, striving to strengthen effective water governance at the local, oblast, national and sub-regional level, aiming to incorporate water governance considerations into national sustainable development frameworks, and

putting into place trans-boundary dialogue and processes to improve cooperation on regional and global water challenges.

4086. Specific programme activities will focus on the production of four outputs:

- Enhanced sub-regional dialogue on Integrated Water Resource Management, and established trans-boundary and national-level (inter-ministerial) coordination mechanisms in selected international water basins.
- Relevant regional knowledge and expertise identified, codified, and disseminated.
- Improved regional capacity to address Water Governance considerations within sub-national, national and regional policy frameworks.
- Strategic partnerships with relevant regional and global partners strengthened, and resources mobilized.

4087. Activities supporting the first output include the development and implementation of sub-regional (GEF- and non-GEF) projects and demonstration initiatives. The latter will aim to foster dialogue among and within countries around IWRM, and to establish cross-border cooperation. The replication of good national-level IWRM practices through strategic and technical support to national partners and country offices will be promoted and facilitated.

4088. Regarding the second output, knowledge management interventions will include the identification, codification, and dissemination of knowledge and expertise through a number of high-quality knowledge products and initiatives. The focus will be on establishing new, or strengthening and promoting existing regional practitioner's networks. Special emphasis will be put on the creation of cutting-edge knowledge through targeted assessments and research interventions, including baseline studies, needs assessments, and impact studies.

4089. The third output will entail a number of capacity development, awareness-raising, and training interventions for selected stakeholders and practitioners. In parallel, the systematic provision of on-demand and pro-active services, along with high-quality technical support and advisory services is intended.

4090. The fourth output will be achieved through proactive networking with UN agencies and key partners in the area of water governance, trans-boundary cooperation and IWRM, including the periodic participation in strategically important regional and global events. Networking activities will connect government personnel, other practitioners and country office staff to global expertise and resources.

### **Service Line 3.3: Energy**

4091. Context. High energy consumption levels are common across Central and Southeast Europe and the CIS. High consumption is associated with energy intensive industries, but also with low energy prices, subsidies, and continued state ownership in energy producing and consuming sectors. These circumstances have delayed economic restructuring, investment in efficient technologies, the introduction of efficient business practices, and the emergence of other competitive services and products. These have also resulted in high levels of air pollution and greenhouse gas emissions and probable contributions to global warming. Progress towards efficient and clean energy production and consumption has been mixed across the region over the last decade. In most Central and Southeast European economies, energy efficiency has started to improve. However, in some of the CIS countries, energy intensity per unit of gross domestic product, the most commonly used macro-indicator of energy efficiency, has continued to increase to several times the OECD average (Ukraine and Russia being the two most notable examples).

4092. The last decade was marked by the emergence of global climate change policy, which was recently formalized in the Kyoto Protocol on Climate Change. Participation in the Kyoto Protocol provides the countries in transition with new opportunities to mobilize resources for modernization of their energy sector and to achieve other sustainable development objectives. However, the market for carbon emissions varies significantly throughout the region. Most EU member states and EU acceding countries are at the top of investment ratings. (Bulgaria, for instance, is ranked the highest and has the largest carbon investment

portfolio among RBEC countries). The remaining countries have yet to develop the required institutional framework and projects that would be eligible for carbon trading schemes.

4093. Rationale. Experience and lessons learned from past programme activities in the region suggest that there are several generic barriers to realizing significant energy saving and greenhouse gas reduction in Eastern European and CIS countries:

- First, integrated national and sectoral energy policies and regulations that promote sustainable energy use are lacking on both the supply and demand sides. On the demand side, price adjustments, tariff reforms and removal of subsidies (combined, where necessary, with targeted assistance for low income households) should motivate consumers to use energy more rationally. Mandatory efficiency requirements for equipment, buildings and vehicles are examples of possible demand-side policy measures. In addition, energy issues have not been integrated into environmental, social and regional development policies.
- The level of awareness among national decision-makers and the public in general about the economic and environmental importance of efficient energy use remains extremely low. Further, the capacities of national energy agencies are insufficient to ensure effective design, monitoring and implementation of energy policies. Participation in the carbon market mechanisms also requires skilled personnel and an appropriate national institutional framework, both of which are inadequate or entirely lacking in almost all countries in the region.
- Finally, there is a need to overcome financial barriers to energy investments. There are perceived needs for specialized financial and technical expertise and for investment guarantees to make investments in energy efficiency more commercially attractive and affordable. The carbon market is another emerging opportunity to leverage investment resources in the energy sector.

4094. Priority Areas. Programme activities will address the following priority areas:

- Strengthening institutional capacities for development and implementation of national and sectoral energy and climate change policies and programmes;
- Improving access to financing for energy efficiency and greenhouse gas reduction including, *inter alia*, Kyoto Protocol and other carbon market schemes.

4095. Strategy. The primary beneficiaries of the programme activities will be national government planning and energy agencies, non-government organizations, municipalities and country offices.

4096. Programme activities will provide policy and technical advice to regional governments and country offices to help mobilize resources from GEF for implementation of national and regional climate change projects in line with both national and global priorities. The focus of GEF-supported programming will be on removing policy, capacity, financial and technological barriers to the introduction of energy efficient technologies and processes, renewable sources of energy and sustainable transport modes.

4097. The programme will also seek to build capacities and create enabling environments for national participation in the Kyoto Protocol and other carbon market mechanisms. Specifically, programme activities will support the development of national Kyoto Protocol implementation strategies and the establishment of required institutional frameworks; create in-country expertise for the identification and development of viable projects for carbon-trading schemes; and strengthen country office knowledge and capacities to develop and implement projects in support of Kyoto Protocol implementation.

4098. Other programme activities will promote exchange of information, expertise and lessons learned among all stakeholders. These activities will include the capture, analysis and dissemination of experience and best practices derived from the implementation of GEF-supported energy and climate change activities. The programme will also facilitate 'East-East' cooperation and the establishment of a regional network of practitioners involved in implementing the Kyoto Protocol.

### **Service Lines 3.4-3.5: Biodiversity and Land Degradation**

4099. Context. Out of the 34 globally recognized biodiversity hotspots, Europe and the CIS are home to four (in the Caucasus, the Irano-Anatolian, the Mediterranean Basin and the mountains of Central Asia). The region also contains 17 UNESCO World Natural Heritage Sites, 192 Ramsar sites, 98 Biosphere Reserves, 1,133 Important Bird Areas and 26 Global 200 Ecoregions. The main threats to the region's biodiversity are: habitat conversion and fragmentation, overexploitation of natural resources, pollution and climate change. The causes of the problems vary across Central and Eastern Europe and the CIS. The region has experienced increased natural resource exploitation, land redistribution and privatization without the proper enabling environments. In some cases, growth patterns that have accompanied EU accession have exacerbated the environmental problems. Without adequate safeguards, closer integration with the EU may result in additional adverse impacts.

4100. Land degradation in this region is predominantly associated with inappropriate land use and agricultural, pasture and forestry practices. While economic factors are driving the trend towards land consolidation, the national and local land markets are still poorly developed, especially in low-income countries. Land issues are acute in Central Asia, where the population is highly dependent on subsistence agriculture and animal husbandry. Over 80 per cent of the Central Asian region is in climatic zones that are classified as dry, sub-humid, semi-arid or arid. More than half of Central Asia is highly susceptible to desertification and land degradation. Desertification and land degradation affect the very survival of the largely rural population in these areas.

4101. In the CIS, rural populations often fail to benefit from free markets because of the absence of institutional or legal reforms, such as on land use, which could facilitate a successful transition. Even if these reforms were in place, people would still lack the skills or experience necessary to take advantage of them. Consequently, rural communities in poorer regions of the CIS have resorted to basic subsistence agriculture, combined with gathering whatever products local ecosystems can provide, resulting in an overexploitation of natural resources.

4102. Trends in the field of biodiversity conservation and management differ markedly across the region. Most countries in the region have ratified the Convention on Biological Diversity (CBD) and have developed or are developing National Biodiversity Conservation Strategies and Action Plans. In the past, planning processes in this area were heavily centralized, involving mainly governmental officials and scientists. More recently, there has been a shift towards participatory and multi-disciplinary processes in some countries, while others continue using the traditional top-down approaches. There is general recognition across the region that protected areas alone are not enough to conserve biodiversity and that new partners and mechanisms are required to change behaviour and resource use. With a scarcity of national and international financial resources for biodiversity conservation, there is more emphasis on biodiversity-friendly economic alternatives for the communities dependent on natural resources, on new financial mechanisms to sustain protected areas, and on cooperation with the private sector. However, the relevant governmental and non-governmental organizations in the region lack the capacity to effectively address the root causes of biodiversity loss, to integrate biodiversity conservation principles into policies, strategies and planning for key economic sectors, and to effectively manage biodiversity.

4103. Rationale. UNDP, using mainly financial resources provided by GEF, has been assisting the countries in the region for a number of years in fulfilling their commitments to the CBD. Currently, the UNDP-GEF portfolio in Europe and the CIS is composed of 38 projects in different stages of development covering 20 countries. The portfolio has a total value of \$188 million, of which the amount secured from GEF is \$53.4 million and the rest is leveraged in co-financing. The current portfolio addresses the global conservation priorities in the region, with most of the Global 200 terrestrial ecoregions covered. In addition, all the projects have been designed to address the national priorities identified in the National Biodiversity Conservation Strategy and Action Plans (NBSAP).

4104. Given the problems in the region with regard to biodiversity and land management and the expertise and innovation that has resulted from the large number of past and ongoing GEF-financed projects, the programme is well placed to continue to address issues of sustainable land management and biodiversity conservation, as well as compliance with the related global conventions.

4105. Priority Areas. Programme activities will address the following priority areas:

- Strengthening capacities at national focal institutions, local government and civil society organizations to develop improved policies and methods for combating desertification and land degradation through sustainable land management practices;
- Strengthening capacities of governments and country offices to develop interventions to sustain protected areas;
- Mainstreaming biodiversity into policies, programmes, and practices that affect productive sectors and landscapes;
- Strengthening policies at the national level for addressing global biodiversity challenges;
- Enhancing regional cooperation and partnerships on land and biodiversity issues.

4106. Strategy. The main beneficiaries of programme activities will be local and national governments, non-governmental organizations, local communities, the private sector and country offices.

4107. For the new EU accession, candidate and potential candidate countries, the EU is a major factor, both positive and negative, for sustainable development and conservation in the region. A number of EU laws and policies that are being prepared and implemented by the new and future EU Member States provide potentially powerful tools for biodiversity conservation, including the Water Framework Directive; the Habitats and Birds Directives, and the Natura 2000 network of specially protected sites. The real challenge in the next few years will be: (i) to ensure that the opportunities provided by EU legislation and funding are used to the fullest extent, both to minimize potential negative impacts as well as to maximize potential benefits for conservation; (ii) to establish partnerships between the new Member States and the candidate countries to ensure transfer of knowledge; and (iii) to identify the main drivers of change associated with EU accession and use them as vehicles to mainstream biodiversity requirements.

4108 To be successful, conservation projects in the region should: (i) pay closer attention to poverty issues and be better linked to the development agenda; (ii) ensure that alternative livelihoods are developed, based on comprehensive socio-economic and cultural analysis and resulting in clear economic and ecological benefits; and (iii) ensure the full participation of key stakeholders.

4109. Generally, programme activities for sustainable land management and biodiversity in the region will: (i) be established strategically in a multi-donor framework for sustainable land management in Central Asia; (ii) incorporate the topics of land governance, capacity building and knowledge management; and (iii) utilize area-based development programming as a key entry point for promoting cross-sectoral synergies and integrated approaches to natural resource management.

4110. The programme will assist national stakeholders and country offices to develop full GEF-funded portfolios in Land Degradation and Biodiversity to support the sustainability of protected areas, to promote the mainstreaming of biodiversity into productive sectors, and to support effective responses to the objectives of the Convention on Biological Diversity. The programme will also support the design of pilot activities that target vulnerable geographic areas and communities and focus on the promotion of traditional knowledge and indigenous practices.

#### **D. Cross-cutting issues**

4111. Programme activities for cross-cutting issues will address the following subjects:

- Emerging Donors
- Gender Mainstreaming
- Conflict Prevention and Peace Building
- Responding to HIV/AIDS.

## **Service Line 1.4: Emerging Donors Initiative**

4112. Context. UNDP RBEC has been supporting ‘Emerging Donors’\* since the end of the 1990s. In 2003, the Regional Centre launched the Emerging Donors Initiative within the framework of the Regional Programme with seed funding of \$300,000. This initiative is coordinated with national activities in those countries where UNDP country offices or important UN presences in the area of development cooperation are present. Through UNDP regional programming, the initiative enables emerging donors to leverage their ODA resources in multilateral partnerships with UNDP, with one another, and with traditional donors.

4113. UNDP has helped build national capacities for development cooperation, prepare development cooperation frameworks, and establish ODA delivery mechanisms in the Czech Republic, Slovakia, Hungary and Latvia, and most recently in Russia, Lithuania and Slovenia. Close collaboration is currently being established with Turkey’s International Cooperation Agency. In order to promote national expertise and to establish transparent and programmatically sound ODA delivery mechanisms, UNDP has signed trust fund agreements with Slovakia, Hungary and the Czech Republic. These trust funds are important in and of themselves, but in addition, they can promote trilateral cooperation between traditional and emerging donors on the one hand, and recipient countries on the other.

4114. The lessons learned to date from the development cooperation provided by the emerging donor countries suggest that they are effectively contributing to solutions to the major development challenges in the region. There has been useful sharing of experience in the following areas: strengthening of democratic institutions and their efficient performance (parliaments, regional governments, local governments); decentralization processes; establishment of ombudsmen institutions; enhancement of supreme courts; and in the EU accession process. In the environment area, the most frequent areas of cooperation are the development of strategies for sustainable development, energy efficiency, and remediation of ecological problems related to former military bases and old industries. Socio-economic issues addressed by emerging donors have included privatization, monetary policies during the transition period, and development of small- and medium-sized enterprises (SMEs). In addition there has been significant cooperation in health, especially HIV/AIDS, and education in the form of scholarships for students from the recipient countries.

4115. Rationale. Emerging donors are playing a growing role in the development process. In the past several years, the demand for expertise from other transition and developing countries has been increasing. As former recipient countries that have successfully navigated the transition process, emerging donors are uniquely placed to provide expert knowledge to the development community. By sharing the experiences, expertise, and ‘best practices’ of their transitions, emerging donors can help close the gaps in development assistance that stand in the way of meeting the MDGs.

4116. Priority Areas. Programme activities will address the following priority areas:

- Increasing development cooperation between emerging donors and recipient countries, with a special focus on Southeast European and CIS countries.
- Enhancing capacities to deliver development assistance among emerging donors.
- Enhancing the role of UNDP and the UN system as partners for and facilitators of East-East and East-South development cooperation; and
- Increasing trilateral cooperation among traditional donors, emerging donors and programme countries.

4117. Strategy. The direct beneficiaries of programme assistance are the emerging donor countries and the recipients of their assistance.

4118. New programme activities will continue the successful strategy of ongoing activities. The elements of this strategy include:

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\* UNDP applies the term ‘emerging donors’ to the new EU member states, Bulgaria, Romania, Russia and any other country in the RBEC region wishing to start a development cooperation programme.

- Support for development of national capacities for development cooperation, in the form of policy advice, staff training, and public awareness raising about development and development cooperation.
- Adaptation and transfer of delivery mechanisms for development cooperation including trust funds, cost-sharing arrangements, and other forms of cooperation such as parallel financing or programmatic support.
- Targeted efforts to involve traditional donor countries in trilateral cooperation with the emerging donors.

### **Service Line 1.6: Gender Mainstreaming**

4119. Context. In Eastern Europe and the CIS, the transition and reform process has not been gender-neutral. It has affected women and men in the region in different ways. Labour market changes have affected the traditional role of men as breadwinners, resulting in high rates of male mortality, suicide and alcoholism. Life expectancy gaps between men and women are the highest in the world. Though women outlive men by almost 13 years in some parts of the Western CIS, their lives are not healthier or better economically. Gender-based discrimination is indirect, hidden and varied. Impoverishment and social exclusion have increased over the past decade, while in some parts of the region indicators in these areas have dropped to levels found in the least developed countries

4120. Though post-Soviet women remain ‘well educated’, their education provides neither job security, higher income, nor access to decision-making, especially at the top levels. At the same time, in some Central Asian countries women and girls are dropping out of school at a rapid rate. Representation of women in central and local governments, parliaments and other bodies of power remains low throughout the region. Data are lacking that would illuminate how much access women and men have to financial and other resources.

4121. Studies conducted over the last decade show that violence against women, as a consequence of gender inequality, is acute throughout the region. A significant number of women, men and children (boys and girls), particularly in Central Asia, are involved in drug trafficking or have become victims of human trafficking, which can be considered a symptom of relative and absolute poverty.

4122. Rationale. Making gender equality a reality is a core commitment of UNDP. There are two complementary approaches for realizing this goal: mainstreaming gender across all policies, programmes and operations, as well as providing support to stand-alone gender projects that address specific disparities and gaps. To implement both approaches, regional programming will focus on building capacities in gender mainstreaming both in the region and within UNDP. Conventional statistics disaggregated by sex, as well as gender statistics, are prerequisites for gender mainstreaming, as are in-depth research, analytical capacities and monitoring mechanisms such as that required for reporting on the internationally agreed goals declared in the MDGs, the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and in the Beijing Platform of Action.

4123. Priority Areas. Programme activities will focus on the following priority areas:

- Improving the collection, analysis, presentation and dissemination of gender statistics, and developing the capacity to use data for conducting gender analysis in the design and implementation of gender-responsive policies and programmes.
- Developing knowledge products that analyze gender issues in the region and disseminate existing analytical and methodological tools for successful approaches to achieving equal opportunities.
- Expanding the regional community of practitioners on gender and enhancing capacities to disseminate knowledge and awareness on gender equality issues and to influence the overall development agenda.
- Enhancing regional and country-level capacities to apply gender mainstreaming for improved and more effective UNDP programming.

4124. Strategy. The target beneficiaries are UNDP country offices in the region, and through them, national policy makers, representatives of national institutions responsible for promoting gender equality in their respective countries, local administration, civil society groups, academia, practitioners, activists, and all other stakeholders who can form part of a regional Community of Practice on Gender Equality and Gender Mainstreaming.

4125. Regional programming for 2006-2010 envisages holding a set of activities in Gender Mainstreaming within the cross-cutting issues cluster to provide expertise on gender issues. This will not, however, replace the need for practice areas to mainstream gender into the design, implementation, monitoring and evaluation of their respective portfolios – which is now mandatory in UNDP. The Gender Unit of the Bratislava Regional Centre will be consulted throughout the programme and project implementation cycle and serve as a resource and facilitator.

4126. Programme activities for gender mainstreaming will focus on regional and national capacities to ensure sustainability and long lasting results. Particular attention will be given to developing new tools and refining existing ones. The programme will update the handbook, “Gender Mainstreaming in Practice,” to strengthen its methodological ‘how-to’ section and add case study examples from the region. A new training module will supplement the handbook to facilitate its application. In addition, a series of sub-regional training workshops will build regionally-based expertise. An on-line course will be developed on the basis of the updated materials and disseminated for further use by national partners and country offices. In addition, programme activities will continue to promote tools on gender-sensitive legislation and gender budgeting.

4127. The programme will carry out indicated follow-up activities derived from the findings and recommendations of the specific reports on gender and ICT in the region and trafficking in human beings in the CIS. New research on gender issues in the region will explore the links between gender and some specific regional issues, such as gender and the environment, or gender and life expectancy, with the purpose of providing policy recommendations based on evidence.

4128. Gender statistics will remain an important area of work. Specific training that brings together data producers and data users at the sub-regional level will be continued. In addition, a manual will be developed in close partnership with the United Nations Economic Commission for Europe (UNECE), the World Bank Institute (WBI), the United Nations Population Fund (UNFPA), the Food and Agricultural Organization (FAO) and the US Agency for International Development (USAID) on the collection, analysis, and dissemination of sex-disaggregated data and other indicators related to gender equality.

#### **Service Line 4.1: Conflict Prevention and Peace Building**

4129. Context. Nearly half of the region’s two dozen countries have experienced conflict during the past 15 years. The legacies and the implications of the possible resumption of conflict cast long shadows over development prospects, particularly in the Caucasus, Central Asia and Western Balkans. Crisis factors are often closely related to political and economic legacies of communism and the Cold War and to the complex socio-economic and political problems stemming from the post-communist transition. These often inter-related structural factors are the root causes of conflicts, tensions and security threats that occur with varied intensity and extent across the region. Conflict situations also vary with the different capacities of the countries to cope with the large-scale political, economic and social transitions that have taken place during the last decade.

4130. Rationale. A key lesson learned from past and ongoing regional programmes is that the risks and conditions that are now associated with the fragile situations in the RBEC region are different from those of the immediate post-crisis phase. This recognition affects the way in which development interventions need to be conceptualized and implemented, particularly in places where governance processes and institutions are extremely weak. In most crisis-affected countries in the RBEC region, it becomes more and more important to look beyond proximate causes, focusing instead on the unresolved underlying structural conditions. A conflict-sensitive approach must be integrated into ongoing development programmes in the areas of governance, poverty reduction and environment.

4131. Priority Areas. Programme activities will address the following priority areas:

- Integrating conflict-sensitive approaches into development programming in the region.
- Improving knowledge management systems and tools on conflict analysis and crisis prevention.

4132. Strategy. The main beneficiaries of programme activities will include national government policy makers and other stakeholders, concerned non-governmental organizations, research organizations, members of the community of practice, and staff of country offices.

4133. The focus on mainstreaming and knowledge management represents a shift from immediate post-crisis programming to longer-term conflict prevention, addressing root causes of conflict through conflict-sensitive development. Knowledge management will focus on the distinct nature of crisis dynamics in the RBEC region, drawing lessons learned from a decade's worth of post-conflict programming, while using and building upon the other resources available in UNDP's Bureau for Crisis Prevention and Recovery (BCPR).

### **Service Line 5.2: Responding to HIV/AIDS**

4134. Context. The number of people living with HIV in Eastern Europe and the CIS has risen dramatically over a short period of time, reaching an estimated total of 1.4 to 2.1 million people at the end of 2004. This figure represents more than a nine-fold increase in less than 10 years. This epidemic is uniquely far-reaching and severe, as it primarily affects and kills young adults in the prime of their lives as workers and parents: of the total number of reported HIV cases, over 80 per cent are young people under the age of 29. In most countries, the cause of these infections is injecting drug use. However, sexual transmission of HIV is generally increasing, indicating that the epidemic has gained a foothold in the wider population.

4135. Even though many governments in the region have officially acknowledged the scale and danger of the AIDS epidemic and have developed partnerships with international organizations to implement HIV/AIDS programmes, the sense of ownership and leadership from political elites and the commitment from national institutions is still lacking. By its nature, HIV/AIDS is a very sensitive and politically controversial issue. Pervasive denial and complacency make it difficult for many decision makers to respond to the epidemic immediately. This situation is reinforced by the fact that the extent of the problem is not yet fully evident since a relatively low number of HIV-infected people living in the region are visibly ill. Nevertheless, the epidemic is real and growing and can only be reversed through a concerted effort by all segments of society, with a high level of political commitment and leadership that will recognize the danger and the need for an urgent response. Such leadership needs to effectively engage and coordinate all government agencies and sectors of society, including people living with AIDS and civil society organizations, and implement a comprehensive multilevel and human rights-sensitive response.

4136. In many ways, the countries of the region have a unique opportunity to reverse the spread and reduce the impact of HIV. The epidemic is still in its early stages in the region, and there is a significant body of tested responses that can be applied to halt and reverse the epidemic.

4137. Rationale. Several on-going broader processes provide important context/rationale for UNDP's work in HIV/AIDS. First, AIDS has an essential place in the MDGs, both as a goal in its own right, and as an important issue for achieving five of the other seven goals. Second, the process of UN reform has created an opportunity for accelerating UN efficiency and effectiveness on HIV/AIDS. Third, the Global Task Team (GTT) – established to improve the institutional architecture of the HIV/AIDS response – has redefined UNDP's niche in responding to the epidemic. With the agreement of major development actors, UNDP is recognized as a leading agency to address unprecedented governance and human development challenges related to the epidemic by promoting multi-sectoral action and approaches that are sensitive to human rights.

4138. Priority Areas. The Regional Programme will focus on enhancing the effectiveness of national responses, including making progress on MDG 6 (which addresses HIV/AIDS) and establishing an enabling environment for human rights.

4139. Based on UNDP's priorities for HIV/AIDS, the Regional Programme will address these challenges by developing capacity for multi-sector responses and promoting an environment that fosters human rights. It will focus on three areas:

- HIV/AIDS and Human Development
- Governance of HIV/AIDS responses
- Human Rights, Gender and HIV/AIDS

4140. Strategy. HIV/AIDS and Human Development. The Regional Programme will promote multi-sector responses that mainstream HIV/AIDS in national development plans, sector programmes and decentralized plans. In partnership with the World Bank and other relevant organizations, it will provide technical support to assist countries to more effectively integrate HIV/AIDS into MDG-based national development and poverty reduction strategies and implementation modalities.

4141. Governance of HIV/AIDS responses. The Regional Programme will support the harmonization and alignment of UN priorities and donor assistance with national HIV/AIDS strategies, and it will provide implementation support for the ‘three ones’<sup>1</sup> principles for coordination of national AIDS responses. With its implementation-support focus, it will continue to deliver policy advice on improved coordination and management of HIV/AIDS responses. In order to increase effectiveness of programmes and to continue delivering strategic technical assistance, the Regional Programme, through support to the Resident Coordinator system, will promote integration of HIV/AIDS into UN Country team common country programming processes.

4142. Enabling a Human Rights environment. The Regional Programme will support countries in creating an enabling human rights environment to protect the rights of people living with HIV/AIDS, women and vulnerable populations, and to allow people with HIV to live productive and fulfilling lives with dignity. This will include addressing stigma and discrimination, gender power relations and promoting legislative and other measures to ensure people’s full human rights. The Regional Programme will actively support the involvement of people living with HIV in the planning, implementation and evaluation of responses to HIV/AIDS. The regional ‘We care’ programme will continue to promote access for all UNDP staff members and eligible dependents to care, treatment and support.

4143. UNDP-GFATM partnership. The Regional Programme will continue efforts to cooperate with the Global Fund to Fight Tuberculosis and Malaria through capacity building support to principal recipients and other local implementing partners.

4144. Over the next five years the Regional Programme will use the following approaches to reach its thematic goals and thus contribute to halting and reversing the epidemic:

- Knowledge-based policy development through research and analysis of experience.
- Leadership and capacity building for multi-stakeholder and multilevel planning, coordination and implementation of HIV/AIDS responses, including mainstreaming AIDS into national policies and sectoral development plans.
- Improved programming in support of national performance through more coherent and harmonized UN system action.
- Advocacy and communications to address stigma, discrimination, gender, vulnerability and protection of people living with AIDS.

4145. The programme will undertake sub-regional research and provide evidence-based policy recommendations to support multi-sectoral responses to HIV/AIDS. It will continue to collect and analyse regional and worldwide experience in HIV/AIDS governance practices, and will integrate available knowledge into UNDP programming.

4146. Programme activities will also continue to place a high priority on leadership and capacity enhancement of national partners in the planning, implementation and coordination of multi-stakeholder and multilevel response to HIV/AIDS. The programme will provide training for policy makers, civil servants and civil society organizations in strategic planning, including mainstreaming of HIV/AIDS into national development strategies, and on various aspects of managing and harmonizing national response to the HIV/AIDS epidemic. The programme will emphasize ‘East-East’ cooperation and the sharing of best practices for the transfer of know-how and expertise within the region.

4147. In terms of enhancing UN system response, the Regional Programme will provide support to the UN Country Teams in designing and monitoring HIV/AIDS aspects of the Common Country Assessment - UN Development Assistance Framework (CCA/UNDAF), Country Programme Action Plans and UN Implementation Support Plans (ISPs) as a way of delivering strategic technical assistance to support national development priorities.

4148. Building on the human rights-based approach, the programme will address issues of vulnerability, gender sensitivity, stigma and discrimination through regional and national advocacy and communication activities to develop a deeper understanding of the epidemic and its underlying causes among opinion leaders, decision makers and key actors.

4149. The programme will strengthen the HIV/AIDS community of practice through training and knowledge-sharing events for practitioners and partners. The on-line knowledge database will include comprehensive information in selected priority areas, examples of analytical documents, publications, project documents, reports, how-to guides, toolkits and other relevant regional resources.

4150. The main beneficiaries of programme activities will be UNDP country offices, national policy makers, local governments, civil society organizations, including those representing vulnerable groups and people living with AIDS.

### **E. Subregional programming**

4151. Growing subregional differentiation requires appropriate subregional responses. In Central Asia, sustainable trans-boundary water management is a key development challenge, as was highlighted when Tajikistan sponsored the 'Water for Life' declaration for 2005-2015 of the General Assembly. Water and land management issues in Central Asia, combined with rapid population growth, may exacerbate problems of unemployment, informal labour migration, and strains on education, health care, and other social services. Regional programming will help bring UNDP's extensive expertise in water-related issues to bear on these challenges. Programming in Central Asia will also focus on achieving the outcomes set forth in two large border management and anti-trafficking projects funded by the European Union, and in the trans-border early warning system being implemented in portions of the Fergana Valley in Tajikistan and Kyrgyzstan. The implementation of the second phase of the Silk Road project (involving China and four Central Asian countries), as well as concrete measures to realize the goals for trans-border cooperation declared at the UNDP-sponsored Afghanistan/Central Asia intergovernmental conference in May 2004, will feature in programming in Central Asia. In addition to supporting poverty reduction and democratic governance, these projects can help Central Asian countries find new forms of regional cooperation, both with one another and with other neighbours.

4152. Subregional programming involving the European and Central Asian countries of the CIS will assist in developing the basis for multilateral free trade, regional and sub-regional cooperation and integration, and post-conflict development. To overcome the Chernobyl nuclear accident's lingering consequences, which now primarily concern poverty and lack of socio-economic opportunities, programming will seek to provide information to citizens in the affected areas of Belarus, Russia and Ukraine; it will offer policy advice in an effort to reorient government spending; and it will contribute to 'area-based development' that aims to restore a sense of community and self-reliance. Programming involving the Caucasus countries will promote sound management of joint water and other resources, thereby helping to identify and prevent possible environmental sources of crisis.

4153. In Southeast Europe, subregional programming will emphasize the development and implementation of cross-border projects to promote employment and economic development, increase human security, help resolve cross-border environmental challenges, and better measure social exclusion. Publications such as the 2006 vulnerable groups' survey will facilitate extensive analytical and advocacy work. Regional programming will help Southeast European countries that have completed (Bulgaria, Romania), or are now beginning (Croatia, Turkey, possibly the Former Yugoslav Republic of Macedonia) European Union accession negotiations to become more effective donors of official development assistance.

4154. Regional programming in the new European Union countries and European Union accession countries will help them to share their best practices in development and transition with their eastern and southern neighbours, and with other regions. UNDP will seek to 'regionalize' projects in new European Union countries that have had a

positive impact, particularly in terms of promoting accession to the European Union and the cohesion of the European neighbourhood. The development and implementation of cross-border projects will help link countries and communities that now find themselves on opposite sides of the new borders of the European Union (e.g., Poland and Ukraine; Hungary and the Union of Serbia and Montenegro). Projects to improve water governance and promote sustainable development in the Tisza River Basin, in which European Union Member States Hungary and Slovakia work with accession country Romania and ‘new neighbours’ the Union of Serbia and Montenegro and Ukraine to find common solutions to river basin management issues, are one such example. UNDP subregional programming will in this way benefit the ‘new neighbours’, including the countries of the Southern Caucasus, as well as the new Member States.

## **Part V. Partnership Strategy**

5000. The Regional Programme requires a variety of partnerships for its successful implementation. The Regional Centre will establish, enhance and nurture a number of different, often overlapping, categories of partnerships. The types of partnerships can be described as strategic, implementing, financial, UN system and knowledge. Within each programme area, the programme manager will establish or enhance an appropriate mix of partnership arrangements.

5001. Strategic partnerships. Strategic partners share common goals. UNDP and its strategic partners in the Regional Programme are mutually committed to the proposed outcomes of the Programme. Indeed, UNDP’s strategic partners may be actively carrying out other related activities using their own resources. UNDP’s main strategic partners in the Regional Programme are the national governments of the region. In addition, UNDP will partner with other international organizations that have similar strategic regional objectives, to which national governments are committed, in regard to specific regional or sub-regional outcomes.

5002. Implementing partnerships. Implementing partners are the agencies selected by UNDP to carry out Regional Programme activities. These partners may be UN agencies (including UNDP itself), government agencies, non-government organizations, research institutes or universities among others. UNDP will directly execute (DEX) the Regional Programme through the Bratislava Regional Centre. In some cases, other UN agencies will be designated as implementing agencies. The Regional Centre will also select contractors – non-governmental organizations or firms – by competitive bidding to assist the Centre in the implementation of specific components of programme activities.

5003. Financial partnerships. In order to expand the scope and impact of the Regional Programme, the Regional Centre will prepare and implement a resource mobilization strategy to augment core resources available from UNDP. Programme managers will focus on donors with substantive interests in their respective programme areas. The members of the Bratislava Supervisory Board (BSB) will also actively seek to mobilize resources from UNDP’s strategic partners. Financial partners are typically other donor organizations that act primarily as funding agencies. These agencies enter into cost-sharing agreements with UNDP in areas of common interest for the management of their resources and the implementation of agreed projects or activities. The Regional Centre also expects to mobilize resources from strategic partners – the EU, GEF and RBEC governments. Other organizations targeted for resource mobilization include multi-lateral development banks, bi-lateral donors, foundations, and emerging donor countries.

5004. UN agency partnerships. The Regional Programme will continue to expand partnerships with other UN agencies in order to take full advantage of the specialized expertise of these organizations. One way in which such partnerships will be fostered is at the country level where Regional Programme activities intersect activities being carrying out by UN Country Teams under the leadership of the UN Resident Coordinator. In such cases, the Regional Programme will coordinate its activities and endeavour to complement the work of the Country Team.

5005. Knowledge partnerships (communities of practice). To foster knowledge networking, information-sharing and learning, UNDP has created internal knowledge partnerships, known as ‘communities of practice’. These partnerships are networks of UNDP country office staff responsible for thematic portfolios, other in-house specialists and volunteers. All RBEC country-office and Regional Centre personnel are members of at least one community of practice. These partnerships are built around the seven substantive

areas of greatest interest to UNDP: poverty reduction, democratic governance, energy and environment, gender, crisis prevention and recovery, HIV/AIDS, and ICTD. These networks share information through mail groups, workshops and other initiatives designed to promote peer interaction and mutual support. The networks aim to identify and apply best practices to help the organization 'work smarter' in order to serve member countries better. Funding is envisaged to strengthen internal and external capacities for competency upgrades to respond to emerging regional priorities.

## **Part VI. Programme Management**

6000. The Regional Programme for Europe and the CIS described in Part IV above is an amplification of UNDP's 2006-2010 Regional Programme Document for the Europe and CIS region that was approved by the Executive Board in New York in June 2005.

6001. In accordance with the UNDP Programming Guide of August 2005, this document also serves as a Regional Programme Action Plan (RPAP). The purpose of the RPAP is to ensure the effective planning and execution of development programmes and projects, and their operationalization through annual work plans (AWP) or projects.

6002. The Bratislava Supervisory Board (BSB) will oversee the implementation of the Regional Programme. The BSB is comprised of the RBEC Director (chairman), the Director of BDP, and resident representatives from each of the four sub-regions. The BSB will:

- provide policy advice on the formulation and implementation of the Regional Programme;
- facilitate communication, cooperation and coordination among the Regional Programme, RBEC, BDP and other UNDP headquarters units;
- ensure that national authorities are aware of Regional Programme activities and related needs for national follow-up action;
- assist the Bratislava Regional Centre with resource mobilization;
- review and respond to monitoring and evaluation reports on programme activities (see Part VII below);
- conduct an annual review of programme progress;
- review annual work plans for programme activities.

6003. The Director of the Bratislava Regional Centre (BRC) will play the role of principal resident representative, and the Republic of Slovakia will be the host country, as described in the UNDP programming manual pertaining to regional project documents. Operational management of regional programming within the BRC will be delegated to the BRC's Policy Support and Programme Development (PSPD) unit. The PSPD will be responsible for the overall planning and management of regional programme activities in consultation with the Regional Bureau for Europe and the Commonwealth of Independent States (RBEC) and national stakeholders. The PSPD will manage the Regional Programme in accordance with UNDP Financial Regulations and Rules, the UN system of harmonized programming guidelines, and other relevant UNDP guidelines and procedures.

6004. The Bratislava Regional Centre will directly execute Regional Programme activities and BRC will be the lead implementing partner (DEX). In some cases, other implementing agencies may be selected on the basis of their competence to manage the activities concerned. If necessary, capacity assessments may be undertaken to determine competency.

6005. With assistance from Practice Leaders, the PSPD Chief will designate individual policy advisors or specialists to act as programme managers. These managers will be responsible for directly managing programme activities or for ensuring that other implementing agencies and responsible parties carry out activities in accordance with the relevant agreements or contracts. The Management Support Unit (MSU) of the Centre will provide operational – including financial management – support services to the PSPD. The Centre's management will approve the staffing table for the Centre on an annual basis with appropriate allocations from both core and non-core resources.

6006. Programme managers will prepare project documents that will have to go through the Local Project Advisory Committee (LPAC) and Annual Work Plans for each element of the Regional Programme in accordance with UNDP formats and procedures.

6007. Understanding that the present document covers the timeframe of five years and thus there may be a need for modifications in outcomes, outputs, and/or activities, the BRC management might recommend appropriate changes subject to consideration by the BSB.

6008. The Bratislava Regional Centre will apply results-based management to the implementation of all programme activities. The programme results to be achieved are set out in the Results Framework. Programme managers will report progress towards the achievement of results on a quarterly basis to the PSPD Chief who will coordinate consolidation of the reports.

6009. The Regional Centre will assume full responsibility for financial management of all activities managed by the Centre. These responsibilities include budget management, accounting and financial reporting. The Centre will enter and maintain all budgetary and accounting information in the UNDP Atlas financial management system. Notional budgetary information for the Regional programme is provided in Annex A, the Resources Framework.

6010. With the guidance and support of the Bratislava Supervisory Board, the UNDP Bratislava Regional Centre will develop and implement an appropriate strategy for the mobilization of additional resources to expand the scope and impact of the Regional Programme.

6011. The Regional Programme will apply the standard UNDP cost-recovery policy aiming for 7 per cent recovery from mobilized non-core resources (GMS) and the application of an implementation service fee (ISS).

6012. The BRC will attempt to keep the allocation of its regular and non-core funds for implementation support and miscellaneous expenses to a minimum feasible level. Furthermore, BRC management will carefully analyze cost-saving options prior to approval of the allocations on an annual basis.

6013. Adequate funding is expected to be allocated annually in the Regional Programme to support knowledge management and learning initiatives, including support for competency upgrades, capacity building and skills development of BRC personnel. The BRC Learning Committee and the BRC Learning Manager will support the BRC leadership in this endeavour.

6014. Advocacy and communications are essential components of the Regional Programme. The BRC will fund strategic communications and advocacy efforts. It will employ communications personnel and allocate funding for communication purposes.

## **Part VII. Monitoring, Programme Review, Evaluation and Audit**

7000. The Regional Programme will be managed, monitored and evaluated on the basis of the qualitative and quantitative indicators as outlined in the in the Results Framework. Output indicators will be included in all Annual Work Plans and will provide benchmarks to indicate the extent of progress towards the completion of activities.

7001. The Evaluation Adviser will also ensure rigorous monitoring of the Regional Programme through the Regional Impact Assessment Facility. Although the purpose of this facility is to support Country Offices in strengthening monitoring and evaluation activities, the methodology, expertise and training it provides will contribute to the quality control of the Regional Programme. The production of knowledge products as well as maintaining an evaluation expert roster will also contribute to better monitoring at the regional level.

7002. The Regional Programme is subject to periodic audits in accordance with UNDP rules and regulations. BRC management will arrange for a mid- and end-term independent evaluation of the Regional Programme.

## **Part VIII. UNDP Financial Commitments**

8000. In accordance with the Regional Programme Document approved by the Executive Board, UNDP commits a minimum \$ 25.7 million of core resources to this Regional programme.

8001. In addition, UNDP is committed to mobilizing an additional \$15 million of other resources for the programme, subject to donor interest.

## **Part IX. Government Commitments**

9000. Governments in the RBEC region are requested to agree in principle to the following commitments:

- To assist in the coordination of Regional Programme activities with relevant national development agencies and their activities.
- To actively support resource mobilization for Regional Programme activities.
- To consider government cost-sharing with UNDP as an option for their participation in regional activities.
- To participate in Regional Programme review meetings, audits and evaluations as necessary.

9001. Finally, Governments are reminded that the protections accorded to UNDP and the commitments of Governments included in the UN Convention on Privileges and Immunities and the Standard Basic Assistance Agreement (SBAA) apply equally to Regional Programme personnel and activities.

9002. This Regional Project Document/Regional Programme Action Plan (RPAP) shall be the instrument, referred to as such in Article I of the SBAA, between the participating governments and the United Nations Development Programme.

## **Signatures**

*IN WITNESS THEREOF the undersigned, being duly authorized, have signed this Regional Programme Action Plan on this day [day, month, and year] in [name of city, name of country].*

### Annex A—Resources framework

<b>RBEC Regional Project Document/Regional Programme Action Plan (2006-2010)</b>						
<b>Estimated Core/Regional TRAC Resources (in US\$ thousands)</b>						
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>total (2006-2010)</b>
<b>Regional TRAC forecast*</b>	<b>5600</b>	<b>5600</b>	<b>5600</b>	<b>5600</b>	<b>5600</b>	<b>28000</b>
<b>- Regional projects, Practices, advisory services and other regional initiatives</b>						
- Poverty Reduction	1780	1800	1805	1805	1790	8980
- Democratic Governance	1220	1230	1240	1240	1222	6152
- Energy and Environment	705	707	714	714	700	3540
- HIV/AIDS	115	43	42	42	41	283
- Gender Mainstreaming	177	170	169	169	168	853
- Crisis Prevention and Recovery	45	42	42	42	41	212
<b>- Sub-regional programming</b>						
- Central Asia	100	100	100	100	100	500
- West Balkan	100	100	100	100	100	500
- Western CIS	50	50	50	50	50	250
- Caucasus	50	50	50	50	50	250
- EU accession, neighborhood countries	20	20	20	20	20	100
<b>- Regional Director's Discretionary Fund</b>						
	200	200	200	200	200	1000
<b>- Other</b>						
- Monitoring and evaluation	110	110	110	110	110	550
- Knowledge management and Communities of Practice development	260	310	270	290	310	1440
- Next RPD formulation and present RPAP evaluation	0	0	20	0	30	50
- Advocacy activities	230	230	230	230	230	1150
- Emerging donors initiatives	258	258	258	258	258	1290
- Supervisory Board meetings	20	20	20	20	20	100
- Common costs	160	160	160	160	160	640

\* Note: These data are based on tentative figures of UNDP's Office of Budget and Resources for the 2004-2007 period.

<sup>i</sup> The 'three ones' principle refers to one HIV/AIDS Action Framework that provides the basis for coordinating the work of all partners; one National AIDS Coordinating Authority, with a broad-based multisectoral mandate; and one country-level Monitoring and Evaluation System.