UNITED NATIONS SYSTEM

SUBMISSION TO THE SECOND COORDINATING CONFERENCE ON ASSISTANCE TO THE NEWLY INDEPENDENT STATES

Lisbon, 23-24 May 1992
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>I. Involvement of the United Nations System</td>
<td>1</td>
</tr>
<tr>
<td>A. Technical assistance</td>
<td>1</td>
</tr>
<tr>
<td>B. Medicine</td>
<td>4</td>
</tr>
<tr>
<td>C. Food</td>
<td>8</td>
</tr>
<tr>
<td>D. Energy</td>
<td>10</td>
</tr>
<tr>
<td>E. Shelter</td>
<td>12</td>
</tr>
<tr>
<td>II. United Nations technical assistance and advisory capacities</td>
<td>16</td>
</tr>
<tr>
<td>A. United Nations</td>
<td></td>
</tr>
<tr>
<td>1. Department of Economic and Social Development (DESD)</td>
<td>16</td>
</tr>
<tr>
<td>2. Department of Humanitarian Affairs (DHA)</td>
<td>23</td>
</tr>
<tr>
<td>3. United Nations Economic Commission for Europe (ECE)</td>
<td>24</td>
</tr>
<tr>
<td>4. United Nations Office at Vienna (UNOV)</td>
<td>31</td>
</tr>
<tr>
<td>5. United Nations Industrial Development Organization (UNIDO)</td>
<td>32</td>
</tr>
<tr>
<td>6. United Nations Centre for Human Settlements (UNCHS)</td>
<td>32</td>
</tr>
<tr>
<td>7. United Nations Conference on Trade and Development (UNCTAD)</td>
<td>33</td>
</tr>
<tr>
<td>8. United Nations Development Programme (UNDP)</td>
<td>33</td>
</tr>
<tr>
<td>9. United Nations Environment Programme (UNEP)</td>
<td>34</td>
</tr>
<tr>
<td>10. United Nations Population Fund (UNFPA)</td>
<td>34</td>
</tr>
<tr>
<td>12. World Food Programme (WFP)</td>
<td>37</td>
</tr>
<tr>
<td>B. Specialized Agencies</td>
<td></td>
</tr>
<tr>
<td>1. International Labour Office (ILO)</td>
<td>37</td>
</tr>
<tr>
<td>2. Food and Agricultural Organization (FAO)</td>
<td>38</td>
</tr>
<tr>
<td>3. World Health Organization (WHO)</td>
<td>40</td>
</tr>
</tbody>
</table>
INTRODUCTION

The fundamental and far-reaching reform of the economic and social systems in the Commonwealth of Independent States have profound implications for global peace and security. The attention of the world community has increasingly focused on the implications of these changes and the need to ensure their success. The United Nations can play a unique role as a source of multifaceted, impartial, international expertise and advice.

Part I of this paper details the current involvement of the United Nations system in the Commonwealth of Independent States and in the activities which followed the Washington Conference. Many United Nations agencies have been working actively within the five working groups — food, medicine, shelter, energy and technical cooperation and the results are reported herein. Part II describes the technical assistance and advisory capacities of the many offices of the United Nations which are of relevance to the process of transition in the CIS.

Although this document is a working draft to be finalized in August 1992, it is hoped that this will provide an introduction to the great potential for collaboration between the CIS and the United Nations system.

I. INVOLVEMENT OF THE UNITED NATIONS SYSTEM

A. Technical Assistance

In addition to its universality and neutrality, the UN system has several comparative advantages for the task of supporting the Commonwealth of Independent States and the development towards market economies in democratic societies.

In the fields of food, medicine, energy and shelter, the United Nations system has the experience and the capacity to contribute through early warning systems, needs assessments, development of distribution systems and actual responsibility for delivery. In addition, the United Nations system has the experience of mounting emergency humanitarian operations in these fields. Some of these activities could include:

Immediate needs

1. Food and food distribution. The United Nations system’s comparative advantage is its ability to coordinate the flow of information from all Governments, international and bilateral agencies and non-governmental organizations. It has the possibility of bringing together all available data and information in any part of the newly independent States and to produce unbiased assessments of the situation. The World Food Programme has extensive experience in coordinating food management, international purchasing and shipping, distribution arrangements, monetization, internal logistics and monitoring. The most pressing challenge facing the international community is assisting the CIS to cope with the current food shortages. In light of recent political and economic developments in the CIS, the food supply provision will need to be monitored very closely. Within the United Nations system, this responsibility lies with the Food and Agriculture Organization Global Information and Early Warning System on Food and Agriculture (GIEWS). It has demonstrated its ability to efficiently and economically purchase and transport large quantities of food internationally, and to make available a multilateral transfer facility.
It can also enhance food aid coordination by sharing of food aid data through the WFP International Food Aid Information System (INTERFAIS).

2. **Energy.** In the short-term, emphasis should be placed on the rehabilitation of existing equipment which could be expected to yield large increases in output and the restoration of trade in energy. The former calls for extensive technical assistance and immediate supplies of spare parts as soon as needs are identified. The latter is partly a political issue closely related to the stabilization of economic relations among the Republics which may also involve technical assistance in the areas of energy policy and pricing, including strengthening of institutions.

3. **Medicine.** The comparative advantage of the United Nations system lies in its capacity to establish internationally acknowledged health standards and to coordinate international health policies, through the World Health Organization, and in its ability to provide an immediate operational response, through the United Nations Children’s Fund, to meet the most urgent needs of the most vulnerable population groups, namely, mothers and children. In the immediate term, priority will be given to guaranteeing vaccine supplies, reestablishing the flow of essential drugs, assessing the extent of nutritional problems, providing transportation and fuel for health activities. Medium-term objectives will include reorganization and equal distribution of health services, development of a mix of public and private health care services and health manpower assessments.

4. **Shelter.** Because of its neutrality, its ability to provide independent advice, and its relative cost advantage, the United Nations should play an important role in coordinating technical assistance in the area of shelter. UNCHS (Habitat) already has considerable experience in dealing with the housing problems of the former Soviet Union and had been asked to provide the authorities with technical assistance with respect to privatization of the housing sector. Priority areas appear to be launching of emergency housing schemes for forced migrants, internal refugees and displaced persons, direct assistance to the authorities in the disposal of the public housing stock, a quick resolution of the urban land question, training of the personnel of local authorities and privatization of the construction sector.

**Immediate needs — Economic transition**

Apart from these immediate needs, the main challenges are undoubtedly in the political and socio-economic areas. In the political area, the challenge is to promote the growth of democratic institutions. In the socio-economic area, the challenge is two-fold, namely, to introduce a functioning market economy and to do so with an appropriate social safety net. Since the success of the fledgling democratic institutions may well depend on a successful economic transformation, it is necessary to elaborate briefly on those issues in this area that are key to the transition process and in which the United Nations system can make a contribution.

1. **Assisting in the formulation of laws and regulations required for the development of a market economy and helping to build the institutions of a market economy.** In the economies of the West, the growth of the regulatory and institutional framework of thriving economies took centuries. In the former Soviet Union, this process has to be telescoped literally into a few years and, therefore, requires broad-based technical assistance in such areas as the legal framework for privatization, the introduction of commercial law, accounting standards and taxation laws, the establishment of a financial system, the
creation of stock exchanges and, given the special circumstances in the former Soviet Union, the conversion of defence-related industries.

2. **Human resources development, including training.** Laws, regulations and institutions geared towards a market economy are meaningless unless the individuals who are responsible for their functioning have the required expertise and skills. This is particularly true for the private sector where managers, accountants, financial experts, etc., are needed to build-up successful enterprises. A massive programme of human resource development and training, both domestically and abroad, is, therefore, in order. Particular attention should be given to the training-of-trainers, in order to achieve the highest possible multiplier effect in the areas central to the functioning of a market economy. Core social policy measures will have to be formulated in order to mitigate the effect of economic reforms on the most vulnerable sectors of the population, as well as to mobilize human resources, thereby ensuring that the process of economic reform can be implemented effectively. Technical assistance will thus be required to help the CIS take fully into account the human dimension of transition. Efforts will also be needed to introduce new arrangements for delivering social services, including unemployment support mechanisms, to reorient investment in social infrastructure, to design compensatory measures for persons with special needs, and to promote a civil society.

3. **Development of entrepreneurship and privatization.** Since enterprises are central to the functioning of any market economy, every effort ought to be made to encourage and provide assistance to the development of entrepreneurship in the Newly Independent States. Furthermore, since, at present, most of the production facilities are state-owned, massive technical assistance is required to promote a rapid privatization programme.

4. **Agrarian reform and rural development.** The transition from a centralized to a market economy requires the formulation of food and agricultural policy and related pricing reforms. Specifically designed training programmes in policy analysis and rural planning will have to be set up. Advice must be provided on the broad range of legal issues involving agricultural production and products, the management of renewable natural resources and the environment. Technical assistance must be provided to assist the merging privatized farming sector in all phases of crop production, protection, storage and marketing, as well as in the establishment and management of commercial farms and agro-industries. Assistance must also be provided in forest industry improvement and development as well as in the development of the fishery sector.

5. **The establishment of a social and labour relations infrastructure.** The introduction of a market system obviously creates not only opportunities but also entails a great number of risks especially for the welfare of employees. Technical assistance is required in establishing a comprehensive social safety net which softens as much as possible the pains of the transition.

6. **The promotion of foreign direct investment, trade and technology transfer.** Since foreign direct investment brings with it technology, managerial skills, entrepreneurship and access to market in addition to helping immediately to ease domestic supply bottlenecks, an immediate effort is required to introduce the regulatory and administrative framework for foreign direct investment and to undertake a range of training workshops and promotional activities in this area. Furthermore, efforts are needed to support trade in order to earn urgently needed foreign currency. Promotional fora bringing together business
persons from the CIS and western developed and developing countries would be particularly useful in this respect, as would be the establishment of business information centres in key locations.

7. Environmental protection. As we all know, environmental degradation in the former Soviet Union has reached catastrophic proportions in many places. An effort has to be made to rehabilitate the environment in all its aspects. It may be appropriate, in this context, to give special attention to the fallout of the Chernobyl accident.

8. Statistics and economic analysis. Since we suffer from a lack of hard data on the economic and social situation in the former Soviet Union, technical assistance is required to collect and analyze data to implement international statistical standards and in order to put decision-makers in both governmental and private institutions, as well as at the international level, in a better position to make correct decisions.

B. Medicine

The United Nations is highly concerned about the deteriorating health situation in the Commonwealth of Independent States (CIS). The initiative to be launched by the international community to respond to the acute health care needs of the CIS finds the full support of the World Health Organization (WHO) and UNICEF who feel they can make significant contributions to this effort. A UNICEF/WHO collaborative mission with participation of UNFPA, WFP, and UNDP was carried out in February and March 1992 to assess needs and recommend priority actions. WHO plays a key role as the coordinating authority in international health through its worldwide accepted health policies aimed at health for all peoples through primary health care, as initiated at the International Conference in Alma Ata, Kazakhstan, 1978. These policies are most pertinent vis-à-vis the present problems in the CIS. Likewise, UNICEF has particular operational capacity not available elsewhere internationally. UNICEF and WHO also have special responsibility for assisting in the achievement of the goals and strategies of the World Summit for Children, as signed by 131 Heads of State or Government in 1990 committing them to support international action to support the essential needs of children and families. For CIS with increasing lack of prenatal care, along with increasing infant and child morbidity and mortality, these goals take on special significance.

Immediately following the changes in the CIS, WHO responded to the new situation by rapidly assessing the health implications of the change and their consequences for international cooperation. This process was facilitated by the fact that 10 of the former republics of the Soviet Union are now accredited members of the World Health Organization. These are Armenia, Belarus, Georgia, Krygystan, Lithuania, Latvia, Moldova, the Russian Federation, Tajikstan and Ukraine.

To facilitate a speedy response for technical cooperation, the Director-General of WHO has created, jointly with the WHO Regional Office for Europe (Copenhagen), a Global Task Force for Health Development in Countries of Central and Eastern Europe which has developed a series of activities to support these countries, including the newly independent states.

The EUROHEALTH programme has been established and is undertaking the following technical cooperation with the newly independent states:
• Establishment of country profiles. Comprehensive assessments have been carried out in the difference republics. The process of desegregating data for country profiles is almost complete and data, as it is gathered from various sources, will be included in databases, which are available by remote access or on diskette.

• Vaccine action plans are being developed and advice has been given to help restore vaccine production and to find partners for implementing an action plan to stop vaccine-preventable diseases.

• Rapid nutrition assessments have been carried out and others are planned.

• Mother and Child Care and Aids prevention programmes are being supported through the Healthy City network.

• In the area of environmental health, collaboration has been initiated with the World Bank in Belarus, with UNDP for the Black Sea, and with UNEP for the Aral Sea. The EURO Centre for Environment and Health has undertaken a radiation health mission to Ukraine and Belarus. Consultantships on water pollution are planned to Georgia, Russia and Ukraine.

• As part of strengthening manpower development, nurse education material has been distributed to schools in various republics through the WHO Collaborating Centre in Kazakhstan.

• Discussions have been initiated to appoint liaison officers in the republics and the first two will take place in June.

UNICEF began its dialogue about the transition process with the relevant parties of what is now the CIS even prior to acceleration of the current changes. UNICEF has played an active role in work on economic adjustment that is carried out in a manner that supports human needs and mobilizes human capacity. These activities include both policy analysis and advice as well as actual operational support. Initially, this work was focused on developing countries, but is now being carried out in virtually all of the countries of Central and Eastern Europe.

As the situation in the CIS has deteriorated, UNICEF has stepped up its operational support, within the limited resources currently available. For example, UNICEF has been providing shipments of emergency medical supplies and essential drugs to various members of the CIS and has funded a mission of high level experts (from outside and within the U.N. system) organized by the U.N. Centre for Social and Humanitarian Affairs in Vienna. As the next step in accelerating its efforts, and as part of its role in implementing the conclusions of the Conference, UNICEF organised the collaborative mission mentioned above.

The family planning needs of CIS have been closely monitored by the United Nations Population Fund (UNFPA). Current contraception throughout CIS and the Baltics is extremely low and lack of modern family planning services is reflected in the high numbers of induced abortions (the highest in the world); particularly in the western republics and high population growth rates in other republics. For
example, according to the data collected by the mission, many Russian women would have six to eight abortions during their reproductive lives.

Governments are eager to enhance family planning services as a major health intervention to benefit mothers and children. The need to strengthen family planning is explicitly mentioned in the Tashkent Appeal for Partnership, signed by the representatives of the Court Central Asian republics and Kazakhstan on 27 February 1992. The missions noted that many rural areas resemble or even surpass unfavourable conditions found in developing countries with short birth intervals and high fertility. Many urban areas combine characteristics from developed countries with reasonably low fertility but with an almost total neglect of contraception and reliance on induced abortion as a fertility regulating method. Available data on current contraceptive prevalence put the number of current users at 30%, but with an overwhelming majority practising more traditional, less reliable methods such as withdrawal and rhythm. Government services would normally include oral contraceptives, IUDs and condoms. However, concerns among both service-providers and clientele about oral pills (no low dose-pill available, the poor quality of locally produced condoms and IUDs, further jeopardize the family planning programme. In sum, family planning needs of all CIS and Baltic countries are enormous, particularly bearing in mind the substantial number of women in the reproductive age group (70 million), the almost total absence of safe, modern, reliable and quality contraceptives and, instead, a tradition to rely on abortions to control fertility.

In terms of immediate needs, governments have already requested emergency shipments of IUDs which would be required to replace defective, locally manufactured ones and to meet the apparent unmet demand for quality IUDs. As intermediate needs, regional and in-country training workshops on reproductive health and family planning, and on Islam and family planning for the predominantly Muslim republics, should take place soon to start bridging existing gaps in knowledge and skills. Demographic, health and socio-cultural surveys are needed in all countries to arrive at better data bases not only in terms of numbers but also for gaining more qualitative insights for supply and demand of family planning services. Moreover, the results of these surveys will be instrumental in preparing national contraception policies, and implementation strategies including comprehensive IEC campaigns. Technical assistance to the individual republics would be required, and experience from other countries should be shared to assist CIS and Baltic countries to adopt a cafeteria style approach and meeting demand for all safe, modern and reliable contraceptives.

Another major area requiring urgent assistance from the international community, would be the review and strengthening of national production of contraceptives. There is an obvious demand from quality contraceptives and national production of IUDs, pills and condoms should be taken up on a priority basis. Technical assistance is required to review local production facilities, applied technology, international standards and marketing options. Following the planned privatization of many public companies in CIS countries, privatization of existing facilities and eventual joint ventures with existing private companies, should not be overlooked.

UNFPA could assist the CIS Republics and the Baltic States in the above-mentioned areas provided, however, that external financial resources be made available to UNFPA particularly since our financial resources would not permit us to address these needs. Donors can use UNFPA’s technical capability in addressing the needs of the CIS Republics and the Baltic States, provided that all financial resources are met.
The joint WHO/UNICEF mission carried out in February and March 1992 assessed the health and health care needs of a number of republics (Armenia, Belarus, Estonia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, the Russian Federation, Tajikistan, Turkmenistan, Ukraine, Uzbekistan). An illustrative list of priorities is summarized below:

**Immediate Needs**

1. With immunizations ceasing in January 1992, there has been a resurgence in the incidence of infectious diseases which previously had been kept at bay through the high coverage of basic immunization. Vaccines supplies must be guaranteed and the necessary structures for delivering them set up, maintained and strengthened.

2. The missions drew upon long standing international experience to help establish a highly prioritized list of cost-effective essential drugs, vaccines and medical supplies. Necessary steps must be taken to re-establish the flow of essential drugs. Until this is done, immediate supplies of essential pharmaceuticals will need to be provided on an emergency basis.

3. It is necessary to revise protocols on drug use and update procedures and practices that are now considered outmoded or inappropriate according to WHO standards such as growth hormones for low-birth weight babies, sub-clavian catheters, multiple intravenous antibiotics for mild infections, and the isolation of newborns.

4. There is a need to focus priorities on preventive measures along with treatments for the more common but important conditions amenable to simple remedies.

5. The health and well-being of vulnerable population groups such as children, the handicapped, the elderly, the poor, etc. is particularly vital since these population groups tend to get hit the hardest in a period of transition. Every effort must be made to develop social security nets when the mix of private/public systems are introduced. These will include insurance, social security, etc.

6. Health management information systems must be strengthened and adapted to make them responsive to new health policies, resources and decision-making structures.

7. Rapid procedures have been used to assess the extent of serious nutritional problems. This must continue and emergency steps taken to assure the adequate feeding of children and women. Nutrition monitoring systems must be simultaneously established or strengthened to monitor groups particularly at risk.

8. Abortions are being used as a principal method of family planning. Other options for family planning need to be made available and the public educated in their use.

9. Health information and promotion, including the promotion of breast-feeding and self-health for families under pressure is a priority area. A booklet on breastfeeding has been prepared by WHO and UNICEF and translated for the widest possible distribution.
10. Rapid assessment and response capacity must continue to ensure that outbreaks of communicable diseases and potential epidemics are contained. The newly independent states must also review, strengthen and monitor HIV/AIDS prevention and control.

Medium-Term Objectives (one-two years)

1. Reorganization and equal distribution of health services is urgent with particular emphasis on shifting from costly hospital care to primary health care service, particularly in rural areas.

2. Development of an effective definition of the private/public mix that ensures access by disadvantaged groups and the development of the necessary private/public mix of health care financing and health insurance schemes.

3. Health manpower assessments should continue to be undertaken and appropriate new policies developed which include education, training, and retraining strategies.

4. Based on assessment of current situation and needs, major health promotion initiatives should be undertaken particularly in the areas of nutrition and diet, and tobacco, alcohol and drug abuse.

5. Develop feasible, low cost programmes to assess and provide adequate water and sanitation facilities in both urban and rural areas;

6. Initiate strong remedial steps and preventive policies and regulations in the area of environmental contamination, particularly as it affects human health.

7. The collaborative missions recommended that some $420 million of international support should be provided over the next 18 months (the remainder of 1992 and 1993). This would provide most of the urgent priority support required in the areas of health and urgent human needs. Some $100 million of the total is needed for priority urgent support over the next nine months and the remaining US$320 million priority support during 1992 and 1993.

C. Food

Immediate Needs

1. The most pressing challenge facing the international community at this hour is in assisting the CIS to cope with the current food shortages.

The UN system is uniquely placed to support this endeavour.

- It collects, analyses and disseminates continuously updated information on the current food situation, in the countries concerned, on their crop prospects, on the magnitude of imported food needs, be they food aid or commercial imports, and on the population’s nutritionally needs.
• It pools information from, and in turn submits consolidated information to, governments, international and bilateral agencies and NGOs, and in particular its many organizations and agencies active in the field to help those in need, be they refugees or those struck by disasters, vulnerable groups or victims of epidemics.

• It assesses the magnitude of the problem and the most appropriate response.

• It monitors and publicizes all donor food aid allocations and other measures designed to strengthen the food sector, as well as commercial transactions.

• It mobilizes international financial and in-kind support where needed.

• It purchases and transports large quantities of food aid international to those in need.

2. With the UN system, FAO and WFP have key responsibilities in this regard. Thus:

• The FAO Global Information and Early Warning System on Food and Agriculture (GIEWS) assures the continuous monitoring of food supply/demand conditions, the identification of countries or regions where food shortages are imminent and the assessment of possible food aid requirements, with the information thus gathered, analyzed and disseminated world over. Today GIEWS is the only comprehensive international source of information of its kind, embracing all countries of the world including the CIS whose food supply outlook was the subject of a number of special detailed assessments last year which were disseminated worldwide in five languages.

• Special ad hoc FAO/WFP Crop and Food Supply Assessment missions are sent to countries or areas facing difficulties.

• The FAO Committee on Surplus Disposal (CSD) which brings together all the major donors and exporters and in which the USSR has recently participated as an observer monitors and provides information on food aid allocations.

• WFP has considerable experience and knowledge of ports and internal transportation infrastructure of the Soviet Union as a result of its involvement in the Afghanistan Emergency Programme. It employs Russian aircraft quite extensively for its emergency operations in Africa.

• More generally, WFP has extensive experience in the assessment of food aid needs for targeted beneficiaries and in monitoring such aid flows both in country and — through INTERFAIS — of food aid flows worldwide.

• WFP’s unique experience in coordinating food management, international purchasing and shipping, distribution arrangements, monetization and internal logistics could be utilized by the international community. At this moment, it is difficult to determine the location, nature and duration of priority needs for targeted feeding in the CIS countries. The programme, however, stands ready to consider how best it might complement those efforts through the provision of technical advice and/or an actual operating role. Selective provision of these services would be
dependent upon the availability of additional programme resources to ensure they are not at the expense of our ongoing commitments to third world countries.

- There may be a particularly useful role for WFP to play in providing its bilateral — for fee — services for purchasing and shipping bulk food (either those supplied on credit, or humanitarian aid to be monetized) on behalf of some donors who wish to prevail themselves of this proven international facility. WFP has performed such services in delivering food to Poland, Bulgaria and Romania, and in some cases by purchasing in Hungary.

**Medium-term Assistance — Prerequisites for Rehabilitation and Development**

The challenge in the medium-term is to resuscitate the food and agricultural sectors in order to stabilize food supplies, and avert shortages of the type currently being encountered. This will require technical assistance across the whole spectrum — from production through processing to distribution, taking full advantage of the privatization of the economy to stimulate economic growth and development.

The UN system as a whole has both the competence and the mandate to provide technical assistance to the countries concerned in all the areas related to the food and agriculture sector. While FAO clearly has a primary role to play in many areas close collaboration will be required with other organizations for which appropriate inter-agency mechanisms are in place.

It is not possible to provide even preliminary estimates of financial requirements without prior consultation with the governments concerned, careful and detailed assessments of needs and agreement within the international community on allocation of responsibilities between bilateral and multilateral organizations. However, it should be pointed out that while the former U.S.S.R. is one of the world’s largest net importers of food, it has the potential to become self-sufficient and even a net exporter merely by reducing harvesting and post-harvest losses to levels already achieved in Europe and North America. The thrust of efforts in the medium-term to rehabilitate the food and agriculture sector should address this problem as a matter of priority. More detailed proposals are contained in the technical papers presented by FAO and other organizations.

**D. Energy**

**Immediate Needs**

The sharp decline in energy production in the Soviet Union in 1990 and 1991 has continued through the dissolution of the USSR. Republics depending on imports from other Republics suffer from shortages that hamper transportation and production and lead to both electrical power and heating shortages. The principal causes have been well-documented through the Energy Working Group Missions, and include:

- Recent disruptions in trade among energy exporting and energy importing areas due to economic and political disorder and the desire of producers to abandon the old token prices for oil in favour of world prices which are about one hundred times higher;
• Years of neglected maintenance of oil production equipment, pipelines, mines, power stations, and heating systems, resulting in gross inefficiency, extremely high fatalities in coal mines, and dire environmental consequences.

• Failure to complete power plants under construction, either for economic reasons or political opposition on environmental grounds; and

• Grossly inefficient use of energy in transportation, heating and industry, encouraged by absurdly low prices.

The Russian Republic and some other oil producers remain substantial exporters of oil and gas. The members of the CIS thus have the collective capacity to meet urgent domestic needs of an emergency character. Oil shortages in Georgia and Kyrgyzstan, as well as overall shortages in Armenia, have been established as priority concerns for emergency assistance. Although other republics may request fuel relief from the outside, this has not been established as a humanitarian need by the Energy Working Group.

Short-term measures

In short-term, the most effective means of improving the energy situation seem to be:

• the rehabilitation of existing equipment which could be expected to yield very large increases in output; and

• the restoration of trade in energy.

The former calls for extensive technical assistance and immediate supplies of spare parts for specific needs identified by the Energy Working Group missions. The latter is also strongly dependent on political factors, including the stabilization of economic relations among the Republics, but may also call for technical assistance in the areas of energy policy and pricing, including strengthening of institutions. Current UN efforts to improve energy statistics for the region will prove invaluable in developing focused assistance, and the UN will explore how to integrate pertinent data with the CCEET data base established through OECD and IEA.

Costs in the short-term would be modest compared to the effect of measures of rehabilitation of existing equipment. Sending technical missions to all the Republics would cost at most $2 million in all. Rehabilitation, including technical assistance and spare parts, might be initiated with $50-100 million for the first year.

The medium- and long-term measures

The costs of short-term action are particularly low compared to the high capital costs involved in making the energy systems environmentally acceptable and economically and technically efficient. The
Soviet Union was the largest producer of energy in the world. It also consumed vastly more energy in relation to its industrial and agricultural production and population than other countries. It is not surprising that the capital needs will be very great in all sectors:

- Oil and gas: exploration, drilling, production, transportation (pipelines), refining and distribution;
- Coal: mining safety and efficiency;
- Electricity: plants and distribution; and
- Energy use throughout the economy.

These capital needs are not for tomorrow, however, and they will be met out of domestic and foreign finance rather than emergency aid. The World Bank and the private markets (including direct foreign investment) will play a primary role. But progress in these areas will also depend on a strengthening of the absorptive capacity, which once more raises the importance of technical assistance.

**Technical assistance in energy**

The United Nations has a long record in technical assistance in the energy field in developing countries. The UNDP and DESD spend $60 million a year in this area, and other agencies some $10 million a year. Some of the new Republics of the CIS face problems of development which are similar to those which UN agencies have been working with for a long time. Although the UN did not in the past operate extensively in the Soviet Union, it has staff members from several Republics whose native tongue and familiarity with local conditions have often been indispensable to the success of a project. Rehabilitation and spare parts projects in the power sector are under discussion by UN and bilateral agencies and the World Bank.

**Coordination of technical assistance in energy**

Technical assistance efforts under UN sponsorship have provided the system with extensive experience in monitoring regional programmes. This experience includes: programme design, recruitment of experts, project management and quality control, and liaison between donor and recipient agencies. These capabilities will permit rapid implementation of programmes involving either their-party donors or multiple recipient Republics.

**E. Shelter**

**UNCHS (HABITAT) involvement in the Commonwealth of Independent States**

The United Nations Centre for Human Settlements (Habitat) has a long experience of cooperation with the former Soviet Union. During the last two years, UNCHS (Habitat) has organized a seminar on National Shelter Strategies (Moscow, September 1990) and supported a follow-up seminar on privatization.
of housing markets (Moscow, November 1991). UNCHS (Habitat) has provided its technical assistance to the Town Planning Institute of Belarus for planning and construction in the area affected by the Chernobyl accident and has prepared a resettlement project for the region of Kiev, Ukraine. A programme aimed at defining an enabling strategy for the housing sector in the Russian Federation is presently under discussion between UNCHS (Habitat) and the Russian Ministry of Architecture, Construction and Municipal Economy.

UNCHS (Habitat) took part in the Washington Conference in January 1992. It represented the United Nations system at the Shelter Working Group meeting, held in Bonn on 24-25 February 1992. UNCHS underscores that technical assistance should constitute the top priority of the international support to the housing sector of the New Independent States while priority projects should be prepared in close collaboration with concerned governments. This assistance should cover both the structural reform of the housing sector and the modernisation/privatisation of the building industry. The International Resident Advisor Programme, suggested at the Bonn meeting, could offer a way of providing such a medium-term technical assistance. UNCHS (Habitat) is ready to participate in the preparation, coordination and implementation of this programme, provided financial resources would be made available by the donor community.

The Ministers of Housing of Central and Eastern Europe, including Belarus and the Russian Federation, at a meeting held in Warsaw on 4-5 February 1992, together with the Executive Director of UNCHS (Habitat), adopted the "Warsaw Declaration" which stated, inter alia, that UNCHS (Habitat) was expected "to provide technical assistance to Central and Eastern European governments for identifying and preparing project proposals to be submitted to potential donors".

Analysis of Current Situation

- The collapse of the old Union structure and its institutions not only meant the end of any central body responsible for housing and housing construction throughout the CIS, but also dashed the hopes of all of those whose aspirations for better housing had been pinned on the former central delivery and allocation mechanisms for housing. In this regard, it should be remembered that one of the more publicized (and popular) measures announced by the last Union government under President Gorbachev had been a massive programme to provide all Soviet citizens with adequate housing by the year 2000, in keeping with the target set under the Global Strategy for Shelter to the year 2000 adopted by the United Nations. This programme is now defunct and no alternatives for people to gain access to better housing have been put in place. As a consequence, up to 30 per cent of the population of the former Soviet Union, most from low-income groups, still live in inadequate housing, often sharing communal kitchens and other facilities. Overcrowding is common and outright homelessness increasing, particularly in major urban areas. Since these are also the social groups most severely affected by the recent economic reforms, the potential for political disaffection, undermining the reform process, is grave.

- Compounding the situation is the large number of people requiring emergency housing—forced migrants, internally displaced persons fleeing political, ethnic and civil strife and, most significantly, returning-military personnel withdrawn from postings within the former Warsaw Pact areas and the Baltic states.
Involvement of the United Nations System

The dissolution of the Soviet Union also means that responsibility for housing will revert to the former republics and to other lower levels of government — a transfer which would in itself be an organizational/institutional challenge of major proportions. But the transfer is also taking place within the context of a change over to a market economy with the rules of which neither the authorities nor their clients have any familiarity.

Illustrative of the kinds of dilemma facing the new authorities is the following example. In the major urban areas, local authorities have started to enact measures to dispose of the public housing stock by either turning housing units over to their occupants free of charge (e.g., Moscow) or at a minimal fee (e.g., St. Petersburg). However, these new owner/occupants will have to pay a new tax (or service charge) to cover basic services and the maintenance of infrastructure and common areas. It can already be assumed that this tax will exceed the previous rent levels, and given the policy trend towards free market pricing, could entail sharp increases in the costing of these services, including, of course, energy, especially heating. Indeed, the possibility exists that such taxes or levies would raise the cost of housing to the average household from around five per cent of income today to at least 25 per cent. If one considers the sharp increases experienced since 1 January 1992 in basic foodstuffs and other services, and when combined with the prevailing climate of job insecurity, this will place many urban households in an impossible situation in which they will have the means neither to hold on to their homes nor to feed themselves, or can, at best, choose to do one and not the other. [Increasing wages would only feed inflation, which would also threaten the economic reform process and not altogether reassure the international financial community. Slowly phasing in higher service costs in order to reduce the tax burden, however, implies subsidies which the budget cannot afford. The combination of all of these factors present a formidable problem and could undermine the stability required for a smooth transition in the short and medium-term.]

Compounding these macro-economic legal/institutional issues regarding the operation of the housing sector within a market economy, are the very simple daily operational issues, especially at the local administrative level, involving such matters as property registration and transfer, tax collection and allocation and the efficient provision of services, matters with which most employees at the local government level have no experience at all.

One final matter bears mentioning, and it is a major concern. The construction (and building material) sector was an important contributor to Soviet economic performance and employment. As the example of the former GDR indicates, construction of all types is proving to be a locomotive for regenerating economic growth after a period of severe contraction following political and social upheaval. The current turmoil in the former Soviet Union risks creating a paralysis of this important sector, which may further endanger economic performance and increase unemployment, thus again worsening the political climate.

Recommendations for Action

The overall emphasis should be on measures which are also conducive to medium-term and long-term policy objectives leading to stable democratic government and an efficient market economy, although, of course, some allowance should be made for the special situation of the former Soviet Union and the
need, as appropriate, to adapt liberal economic principles to local conditions, at least as transitional measures.

Immediate action

- Launching of emergency housing schemes for forced migrants, internal refugees and displaced persons (military personnel among them);

- Concerted effort to resettle population affected by the Chernobyl disaster, to avoid further exposure to health hazards and accelerate rehabilitation of the concerned communities;

- To provide a social safety net and as a temporary emergency measure, arrangements should be made to persuade enterprises from evicting redundant employees from employer-provided flats and other forms of housing.

Medium-term action

- Direct assistance and advice to authorities of the former Soviet Union on the disposal of the public housing stock, the setting of new taxes and the pricing of services and maintenance costs, as well as their collection;

- Advice and assistance on the establishment of the legal/institutional/operational framework for operating the housing sector within the context of a market economy, including the establishment of housing, financial and land markets;

- A quick resolution of the urban land question, without which the above-mentioned regime cannot operate nor housing construction expand;

- Training of the personnel of local authorities in particular in matters related to taxation, collection, budgeting, registration of land and property, as well as in procedures conducive to the efficient completion of these basic tasks, including the issuance of permits, etc.;

- Privatization of the construction sector, encouragement of small and medium enterprises, and a willingness to consider foreign investment in the sector in order to harness both outside capital and expertise; and

- Finally, the formulation of new housing policy on the part of the Republics, and, if appropriate, of regional and local authorities, both as a stimulant to economic growth and in order to address the housing needs over the medium- and long-term. Market economy implies labour mobility, and this is not possible without housing markets and available housing stock.
II. UNITED NATIONS TECHNICAL ASSISTANCE AND CAPACITIES OF RELEVANCE TO THE PROCESS OF TRANSITION IN THE COMMONWEALTH OF INDEPENDENT STATES

A. UNITED NATIONS

1. Department of Economic and Social Development (DESD)

The Department of Economic and Social Development (DESD), which was created on 1 March 1992 as a result of the reorganization of the United Nations Secretariat, has eight divisions, namely:

- Development policy and analysis;
- Economic and Social Council Affairs and Inter-Agency coordination;
- Population;
- Programme support;
- Science, technology, energy, environment and natural resources;
- Statistics;
- Technical cooperation policy;
- Transnational corporations and management.

Its activities include:

- **System-wide coordination and policy guidance.** The new Department provides system-wide leadership in the field of development and international economic cooperation. This includes coordinating all United Nations activities in the economic and social fields, especially to ensure a multidisciplinary approach to development problems. The Department services the Economic and Social Council and the United Nations substantive commissions and committees in the economic and social fields. It prepares reviews and formulated recommendations for ECOSOC and the General Assembly on system-wide issues relating to operational activities, and following system-wide consultations, provides policy guidance to United Nations organizations on such issues. The Department manages system-wide aspects of the Resident Coordinator system, including the designation process. Within the United Nations system, it is a focal point for technology assessment. It also coordinates the implementation of the Programme of Action for the Least Developed Countries and promotes international support for the system-wide plan of action to ensure the effective implementation of the United Nations New Agenda for the Development of Africa in the 1990s. The new Department provides substantive services for the inter-agency machinery of the Administrative Committee on Coordination, including such inter-agency task forces as that on the United Nations follow-up to the Washington Conference on Assistance to the Commonwealth of Independent States.

- **Research and Analysis.** The United Nations has for many years been a unique place for the gathering, analysis and dissemination of information from the world, about the world and for the world. A key objective is to identify emerging global social and economic issues and to assist the international community in the formulation of international cooperation policies. Key target
audiences for United Nations research and policy-oriented studies are the General Assembly, the Economic and Social Council and other intergovernmental and inter-agency bodies. Increasing efforts are being made to effectively disseminate the wealth of data gathered at the United Nations to a wider audience as well. The annual World Economic Survey and the Report on the World Social Situation (published every four years), the Monthly bulletin of Statistics, the analytic and statistical publication World's Women, many studies on transnational corporations and a variety of economic and demographic projections are used around the world. In addition, a wide range of technical reports, studies and books are published on priority sectoral issues. Much of the new Department's substantive work in fact directly supports development efforts. In the field of statistics, for example, the Department develops methodologies and standards for use by Member States, collects and disseminates international statistics, coordinates international statistical activities and provides substantive support to statistics projects and programmes in developing countries.

- **Technical Cooperation.** The Department provides politically neutral and commercially disinterested technical support to the development efforts undertaken by developing countries with funding from UNDP, UNFPA, Trust Funds, the Global Environmental Facility and other sources. In 1991, the former Department of Technical Cooperation for Development, now part of the new Department of Economic and Social Development, implemented a $182 million technical cooperation programme, 47 per cent of which was in Africa. By facilitating a new synergy between research and policy analysis, operational activities and coordination in the economic and social fields, the new Department is equipped to provide extended and enhanced technical cooperation in macroeconomic policy and economic management, public administration (including strengthening the electoral machinery), public finance, population, statistics, mineral, water and energy resources (exploration, development and management), cartography, mapping and surveying, remote sensing, public works, transport and municipal engineering. Interdisciplinary expertise is provided in such areas as formulation of national development strategies, environmental and sustainable development concerns, especially relating to natural resources and energy development and use, investment promotion, the application of science and technology to development, women in development, technical cooperation among developing countries, and disaster preparedness and reduction.

(a) **Transnational Corporations & Management Division (TCMD)**

TCMD deals with issues relating to transnational corporations and developing countries, enterprise management, and government institutions, fiscal and financial policies, and public and financial management. It has executed over 200 projects in nearly 60 countries with a budget of nearly US $40 million. It is the single largest international technical cooperation programme dealing specifically with foreign direct investment. It has considerable experience in facilitating joint ventures, designing foreign investment policies, laws and administrative structures, assessing foreign investment potential and promoting foreign investment, developing internationally compatible accounting standards, establishing investment institutions, and training officials in the private and public sector in negotiating or managing foreign investment projects.
More than ever before, countries must make the best possible use of all available resources as a catalyst for realizing the productive potentials of their national and human wealth. To this end, the United Nations has, historically, provided assistance to Governments to strengthen both their public and private sectors in their striving for economic growth and equitable development.

The efficient administration of government—providing needed services to diverse sectors of the population at least cost—is a key ingredient in national economic growth and therefore in the overall health of the world economy. For more than 40 years, the United Nations Central Programme in Public Administration and Finance has assisted Governments to upgrade their public administration and financial management capabilities in order to efficiently and effectively manage their national development plans. Today, the Division’s training, research and consultancy services play a key role in helping Governments in transition to confront new challenges facing them in an increasingly complex, interdependent world.

The Division foresees continuing to contribute its expertise to re-orient and improve the functioning of government in priority areas for assistance. In the field of public management, the Division offers advisory services, technical assistance and training programmes for public service improvement in such areas as administrative reform, management, human resources planning, privatization, decentralization, computerized information management, and environmental and electoral administration, and for the strengthening and creation of national and regional institutes of public administration.

To assist transitional economies to better allocate and control public expenditures, the Division offers advisory services and training in the fields of fiscal and financial management, government budgeting and accounting, tax administration, public enterprise restructuring and management, aid accountability, and automated financial management information systems.

TCMD has already implemented a series of activities in the former Soviet Union in these areas. It recently received numerous requests from various entities in the Commonwealth of Independent States Union for further technical assistance. The following have been identified as the priority areas for helping to integrate the newly independent states into the world economy through foreign investment:

- Regulatory and institutional development in the area of foreign investment, including studies assessing the potential for foreign investment, training workshops and investment promotion activities, and establishment and management of free economic zones;
- Accountancy development, including improving regulatory framework, accounting education and establishing the accounting and auditing professions; and
- Entrepreneurial development, including nurturing of local enterprises through business skill development and technical training.

(b) Development Policy and Analysis Division (DPAD)

DPAD provides economic policy advice to developing countries, prepares the World Economic Survey and the World Social Survey, carries out research in economic policy and projections related to
the needs of developing countries. It supports both research and operational activities in support of developing countries.

DPAD could assist the CIS in the areas of economic analysis, economic projections and modelling, international trade strategies, and macroeconomic coordination. This assistance could take the form of policy advice and technical assistance in the above-mentioned areas including the task of establishing adequate economic policies, legal frameworks and institutions.

(c) Population Division (PD)

The Population Division, through its regular work programme, provides population research at the national and global levels in support of population and development policy formulation for the countries of the CIS. The Division can also play a primary role in the execution of the United Nations programme of technical cooperation in the area of population analysis. Such activities are essential support of the assistance provided by other United Nations agencies and units, since population (people) are the central concern of programmes affecting health, housing, food production and distribution, environment, development and the like. The essential goal is to provide information on population trends and policies and on new and emerging issues and their causes and consequences for all countries, and to ensure that the information is unbiased, accurate and up-to-date.

The following activities can be identified as priority areas for assistance to the newly independent states:

- Preparation of the biennial assessment of world population estimates and projections. The Division, as part of its regular programme in the area of global population estimates and projections, will shortly have available evaluated and reliable population and demographic estimates for each of the republics of the former Soviet Union. Among them are current estimates of population size and demographic indicators such as distribution by sex and age, levels of life expectancy and infant mortality, fertility levels and size of urban populations and major cities. In addition, past histories of such population and demographic change, as well as projections toward the year 2025, are being made for the individual Baltic States of Estonia, Lithuania and Latvia, and for an aggregated entity comprising the countries of the CIS plus Georgia.

- Compilation of a database of government population policies for each of the newly independent states, as well as for all countries of the world. As just one aspect of the policy formulation and analysis activity, questionnaires for the United Nations Seventh Inquiry to Governments on national population policies are being sent to each country of the CIS as well as other former republics. This unique and uniform compilation of government population policies helps ensure that technical assistance programmes work in tandem with other government policies and programmes.

- Collection and analysis of information on levels and mixes of contraceptive use in countries around the world.
• Dissemination to the newly independent countries and to involved international organizations, a knowledge based on the relationships of population with resources, environment and development, on determinants and consequences of mortality and fertility change, on population policies, and monitoring of change of population and demographic variables. Typical activities are the biennial reporting on the monitoring of population trends and policies, the quinquennial review and appraisal of progress made towards the implementation of the World Population Plan of Action, biennial reporting on the population activities of the United Nations system, biennial assessment of world population estimates and projections, and operation of the Population Information Network (POPIN).

• Collaboration with the Statistical Division and other units in providing technical assistance in the area of population analysis.

(d) Science, Technology, Energy, Environment and Natural Resources Division (STEENRD)

The Science, Technology, Energy, Environment and Resources Division (STEENRD) is responsible for developing and implementing DESD activities in related fields for the promotion of sustainable development. The range of activities include:

• coordination and policy development;

• research for policy support; and

• operational programmes and advisory services consistent with overall sustainable development priorities.

In the energy and environmental sector, these priorities include the following:

• assisting governments in establishing national energy policies and alternative strategies for the development of energy resources, as well as the use of energy;

• strengthening and building national institutions for energy planning and energy resources development, including assistance in drafting legislation and training personnel;

• developing adequate information systems for energy planning and resource development;

• establishing pilot projects to demonstrate the feasibility for new and renewable energy technologies; and

• developing and implementing strategies, policies and programmes to analyze and minimize environmental consequences due to energy production, transformation and utilization.
The STEENRD Division coordinates all activities related to environmentally sound sustainable development at the level of the entire Department of Economic and Social Development. In order to facilitate these activities, STEENRD has several ongoing efforts supporting science and technology research applied to the energy and environmental sectors.

These include programmes in energy efficiency, energy transmission and distribution, conservation, clean coal technology, energy statistics and human resource development. Considerable experience is also available for the implementation of technical assistance workshops, training and fellowship programs, and the ability to draw upon a large pool of internationally qualified consultants for specific energy activities.

Since many of these efforts are directly applicable to the CIS agenda, and in order to make maximum availability of both the capacity and commitment, STEENRD technical staff have served as United Nations focal point for the Energy Working Group since the announcement of the Baker Initiative, and have actively contributed to the preliminary, Washington, Paris and Brussels Energy Working Group sessions.

The Energy Working Group mission teams identified several problems requiring mid- to long-term assistance, rather than emergency and humanitarian measures. Developing programmes to address these problems is compatible with both the nature and level of support that STEENRD can provide, as shown by the following:

- A recent STEENRD project (UNDTCD RER/87/005) promoted the development and utilization of advanced computer-oriented monitoring and control technology for coal mines in the former USSR and other Eastern Europe countries, and provided tools to evaluate the impacts of the emerging market economy approaches on the coal industry. A follow-up project will address economic and environmental issues resulting from major changes in the coal mining sector, and emphasizes the importance of constructive trade relations in developing regional, interdependent energy strategies.

- STEENRD has assisted Belarus in reviewing the critical energy situation, and in December 1991 conducted an expert mission to Belarus that resulted in a proposal for training in energy assessment and human development. STEENRD is also working with the IVTAN Scientific Association to establish a regional centre for environmentally clean energy at the former USSR Academy of Sciences Institute for High Temperature in Moscow.

- STEENRD technical staff participated in the Chernobyl Task Force Initial Mission, and could provide support for clean-up and transportation programmes identified by the Energy Working Group. The Division is particularly well-situated to advise and assist in these activities, which require both energy and technical assistance components.

- STEENRD can provide Governments with state-of-the-art contract services, technical information and policy advice for investment promotion in oil and gas resources. Extensive experience with centrally-planned economies provides a useful point of reference for guidance in the transition to market mechanisms, which has been cited as a critical concern in all sessions of the Energy Working Group.
• STEENRD and the ECE are conducting complementary activities under ECE Project "Energy Efficiency 2000", including a city-scale energy efficiency demonstration project in the Russian Federation, workshops for economies in transition, and statistical collection systems.

• The 1991 Stockholm Initiative on Energy, Environment and Development (SEED), co-sponsored by DESD, proposed strategies and recommendations emphasizing linking supply and demand in the electrical power sector. Supply-side energy efficiency improvements in the electrical sector will offer short-term "additional" capacity at costs well below construction costs for new facilities, and is consistent with the Energy Working Group emphasis on increasing efficiency before investing in new production sources. STEENRD is currently implementing a pilot programme that will identify and encourage joint venture opportunities for private sector cooperation in this sector. STEENRD will coordinate the CCEET Energy Data Base and on-line Register with its current roster of energy and environmental experts to facilitate this programme.

• Strategies and recommendations from SEED, which were forwarded to the Preparatory Committee of the United Nations Conference on Environment and Development (UNCED), can be linked directly to the electricity generation, transmission and distribution problems in the CIS republics to facilitate upgrading and renovation.

Human resource development is an essential requirement for most of the energy activities identified through the Energy Working Group missions, and several participants in the May 12 Paris indicated their willingness to participate in training activities. STEENRD is able to assist with the design, supervision and quality of control of training for the full range of CIS energy sector activities. In instances where "twinning" or third party arrangements are sought, STEENRD participation will maximize use of its ability to provide both services and linkages.

Similar activities are developed in the field of New and Renewable Sources of Energy (NRSE), integrated water management, infrastructure and transportation, mineral exploration and exploitation and remote sensing.

Assistance to countries in assessment and choice of technology, with particular attention to technology conversion from military to civilian use, are also in the work programme of the Division.

(e) **Statistical Division (UNSTAT)**

The Statistical Division (UNSTAT) has four major areas of responsibilities: the collection, compilation and dissemination of international statistical data; the improvement of statistical methodology; substantive support for technical cooperation activities in statistics; and the promotion of coordination in international statistical work. These activities are carried out in close collaboration with statistical services of the United Nations Regional Commissions, the specialized agencies of the United Nations system and other international organizations.
UNSTAT has already been involved in technical assistance activities to individual CIS member-states in the field of statistics. In November 1991, a joint multipurpose diagnostic mission to the Russian Federation, Ukraine and Kazakhstan has been undertaken with representatives of UNSTAT, IMF, World Bank, OECD and EUROSTAT. As a result of this mission, the needs of the statistical offices in specific statistical activities have been determined. Specifically, the following assistance from UNSTAT has been offered:

- provision of technical documentation (handbooks, statistical papers, technical report, etc.) on internationally recognized statistical methodology (most UNSTAT documentation is available in Russian);
- provision of technical assistance and expertise in all the fields covered by UNSTAT, including national accounts, industry, energy, prices, trade, economic classifications, demographic and social statistics, household surveys, statistical organization, international statistical coordination, and statistical data processing; compilation of current statistics for the United Nations Monthly Bulletin of Statistics;
- organization of expert group meetings/seminars/workshops on various fields of statistics. UNSTAT and former DTCD have organized a number of such international forums, drawing on ruble funds.

UNSTAT recently received numerous requests from various countries of the former USSR for technical assistance in the field of statistics. Field missions to those independent states not covered by previous mission are needed in order that priorities and resource requirement in technical assistance may be determined.

Along with the statistical services of IMF, the World Bank, OECD, the European Community and ECE, UNSTAT is also actively participating in the Steering Committee on Coordination of Technical Assistance in Statistics to Countries of the Former USSR chaired by Mr. Jean Ripert.

2. Department of Humanitarian Affairs (DHA)

The Department of Humanitarian Affairs (DHA) was established on 1 March 1992 in response to General Assembly resolution 46/182. DHA absorbed the Geneva-based Office of the UN Disaster Relief Coordinator (UNDRO). The Emergency Relief Coordinator and Under-Secretary-General for Humanitarian Affairs assumed his post on 1 April 1992.

The functions of the new Department are: 1) to advise the Secretary-General on emergencies and recommend action; 2) to provide a framework for cooperative efforts by the international community; 3) to facilitate and coordinate the efforts of the UN agencies engaged in humanitarian work in the field, in their response both to sudden natural disasters and to frequently protracted complex emergency situations; 4) to address the diplomatic and political aspects of the delivery of humanitarian assistance; 5) to service as a focal point for information and action on emergencies including the issuance of
consolidated appeals, the organization of donor meetings and the collating of information on the response to the appeals; 6) to develop effective tools for dealing with humanitarian emergencies such as rosters of skilled personnel and emergency-related equipment.

Assistance to the Commonwealth of Independent States (CIS):

- DHA stands ready to coordinate necessary humanitarian assistance in any of the newly independent states. The Department has begun to informally monitor developments in the area with a view to identifying potential situations requiring emergency assistance.

- DHA, together with the Political and Peacekeeping Departments of the UN Secretariat and representatives of UNHCR, has just completed a fact-finding and assessment mission to Armenia and Azerbaijan including Nagorno-Karabakh in order to initiate a programme of international relief for the humanitarian needs in the area of tension. Funding will be sought for such a programme in which international governmental and non-governmental agencies will be invited to participate.

3. United Nations Economic Commission for Europe (ECE)

Of all programmes the ECE faces, perhaps the greatest challenge in providing a timely and effective response to the changes under way in Central and Eastern Europe and the former Soviet Union. A major guideline given by the Commission in its decisions is the general task of assisting countries in transition to market economies and helping them, to integrate into the European and world economy. With a view to developing urgent, practical measures for technical assistance to these countries; including the former USSR, the ECE has developed a major programme of workshops on questions relating to practical transition problems such as market adaptation, privatization, restructuring of industries and transport, foreign investment, and others. More than 40 workshops have been organized so far, mostly in the countries concerned and more than 50 others are under preparation. The success of the programme has elicited great interest and appreciation despite certain difficulties of financing. The Commission of the European Communities and Canada have agreed to provide some financial support for this programme, and it is hoped that other donors will follow suit. During several decades, the ECE has accumulated considerable experience and knowledge concerning specific problems of central and east European countries not to be found in other organizations. This is of particular relevance in the independent economic analysis of the ECE secretariat dealing with developments in the former Soviet Union and in Central and Eastern Europe in general. This expertise and experience are and will be of great value to the republics of the former Soviet Union in need of technical assistance. In the ECE assistance to the former USSR, in addition to workshops takes the form of special guides and studies devoted to problems of transition to a market economy, consultations with the authorities of the former USSR Republics, organization of special seminars and symposia, demonstration and pilot projects, and also internship for specialists from the former USSR in the ECE secretariat, and so on. A special feature of the ECE activities is the elaboration of regionwide legally binding instruments such as conventions and protocols especially in the fields of transport and environment and the elaboration of regionwide standards which facilitate integration of the former Soviet Union into the European and world economy. Below is
information relating to the provision of technical assistance to the former Soviet Union within the framework of the ECE in different fields and in different forms.

1. **Trade and Privatization Problems.** In the context of ongoing policy advice in the field of privatization provided to the former Soviet Union by the Trade Division, the following assistance has recently been given:

   - In October 1991, at the invitation of the Russian authorities, a staff member of the Trade Division participated in a Conference held in Moscow on privatization and restructuring of enterprise, sharing expertise in methods and procedures of privatization, procedures for the evaluation of enterprise in the market and western experience in enterprise;

   - In November 1991, the Division Director made a presentation to Russian ministers of the new ECE Guide on legal aspects of privatization in industry. The Guide, prepared by an ECE Working Party, is being now translated into Russian for distribution to the Russian authorities to assist them in formulating their privatization regulations.

   - A group of specialists from the Association of Users of Electronic Data Interchange (PEPI) will visit the ECE secretariat from 23 to 30 May 1992 to study the UN/EDIFACT system with the aim to implement its technology in Russia and other CIS countries.

Consultations are presently taking place between the Trade Division and Russian ministries and enterprises, particularly Marka Limited, to assist in the organization of workshops on issues such as privatization, reforms of foreign trade and payments and conditions, the role of small and medium-sized enterprises, and measures required for encouraging foreign investment. These workshops will take as their point of departure studies prepared by the secretariat containing analytical material and policy advice. Thus, the workshop on conditions favouring foreign direct investment would be based on the secretariat’s recently concluded study of that subject in the economies in transition. Similarly, the Guide on training facilities for the management of joint ventures, which emanated from the workshop held in Vienna on that theme, will be the basis of a new workshop to be held in Rome in Italy on training in the economic in transition, notably in the former USSR. Similar materials have been prepared on the subjects of privatization and fostering the role of small and medium-sized enterprises, on which subjects it is also envisaged to hold workshops. The quarterly *East-West Joint Ventures and Investment News* published by the ECE secretariat provides ongoing and up-to-date information on, and a comparative assessment of, regulation on privatization and foreign direct investment adopted by some Republics of the former Soviet Union, as well as on statistical trends in foreign investment in Russia and Ukraine. A co-publication with the United Nations Commission on Transnational Corporations on foreign direct investment laws in central and eastern Europe and the former Soviet Union is currently being finalized for publication and wide distribution.

2. **Industry**

   **Steel.** At the request of the former USSR Ministry of Metallurgy, the Working Party of Steel organized in March 1991 a workshop on restructuring the steel industry in the former USSR. In
September 1991, a seminar was organized on Producers' and users' metallurgical requirements in the welding of steel products in Kiev, Ukraine.

*Chemicals.* A support programme has been set up to assess and provide assistance in order to mitigate the consequence of the accident at the Chernobyl nuclear power plant; it was agreed that the secretariat should continue its efforts in this field.

*Engineering Industries and Automation.* The ECE secretariat is providing assistance to the Government of Belarus on the privatization of a large state-owned ball-bearing manufacturer and was also assisting in organizing a workshop on strategies of privatization and management of engineering industries in Belarus which was held in February 1992 in Minsk. A seminar on foundry production and ecology is also being organized in Minsk, Belarus for 1993. In addition, the secretariat is assisting the Government of Belarus in launching a project under its auspices on the development of systems for automated control of the content of radionuclides in food products. To assist Ukraine, a seminar is being organized on new materials and their application in engineering industries which will take place in Kiev in October 1992. One thousand complimentary copies of the ECEC publication entitled *Food-Processing Machinery, including packaging techniques* were issued in Russian and made available to interested organizations and enterprises in the Russian Federation, Ukraine and Belarus.

*Standardization policies.* A workshop on conformity assessment and harmonization is to be organized in the Russian Federation in early 1993.

3. **Energy**

*Energy Efficient Demonstration Zones in the Russian Federation.* The energy economic of central and eastern Europe are half as efficient as the energy economies of market economy countries. In 1990 and 1991, this "gap" increased further as a result of economic growth contracting faster than energy use. Within the framework of the ECE project "Energy Efficiency 2000" and under the auspices of the State Committee on Energy of the Russian Federation, a city-scale energy efficiency demonstration project will be undertaken in the Russian Federation. The site selection and details of the project are under active consideration.

*Solar energy.* The ECE Seminar on Solar Power Systems held in the Crimea in April 1991 concluded, *inter alia,* that the development of a high-capacity solar power plan in Ukraine required the upscaling of demonstration plants from the few megawatt level to the 100 megawatt level. In view of the costs involved, such a project should be designed as an international joint ventures involving industry. The experience gained in Ukraine with a 5 megawatt power plant, the favourable insolation conditions, contacts established during the ECE Seminar and reported plans to extend the existing installation suggest building a 100 megawatt international demonstration plant in the sun-belt of Ukraine, possibly close to or at the existing facility. Not only would this plant diversify the fossil-fuel based power economy of the region and, hence reduce pollution, but it would allow international equipment manufacturers to test their technologies and equipment on a large scale in an international environment.
Network interconnections. The import dependence of the electric power systems of the Baltic States on one supplier and concerns about the environmental implications of power generation in the Baltic States themselves, have given rise to the issue of an interconnection of the power systems of the Baltic States with NORDEL, grouping Finland, Sweden, Norway, Denmark and Iceland. The ECE Working Party on Gas has been concerned with the rational use and transportation of gas. Estimates about gas leakages from the Russian gas pipeline network vary. It is admitted, however, that leakages exceed international norms and result not only in loss of a precious resource and of revenues but contribute to climate change. Consultations have begun within the framework of the ECE on the undertaking of an international pilot project. A representative section of a Russian trunk gas pipeline would be selected for international scrutiny: leakages would be measures; reasons for losses would be identified; costs and benefits of remedial measures would be evaluated; various national and foreign technologies and sealing processes would be tested. The project would identify shortcomings of administrative or entrepreneurial nature and serve as a test case for the possible further retro-fitting of Russian gas pipelines on a business basis. Foreign investors could be remunerated from the receipt of the gas saved.

Oil Shale. Work also has been done on environmentally-sound oil shale mining and power generation in Estonia. Oil shale is the primary source for electricity production in Estonia. Since the mining of oil shale and the deposit of waste and ash have created a severe ecological situation, alternatives should be found to shutting down oil shale capacity and reducing exports to Latvia or the Russian Federation. There is the alternative option of retro-fitting stations with specifically-designed environmental controls and of applying modern-cast mining and recultivation techniques.

Workshops. Under the guidance of the ECE Committee on Energy and under the responsibility of a host government, workshops are held on specific transition issues, such as the market adaptation of energy industries, or tariff design. Eight such workshops have been held since 1990, nine more are being planned, of which one is the Russian Federation on "Market adaptation of energy intensive industries in Central and Eastern Europe".

4. Agriculture and Timber

Agriculture. Preparation are in hand under the aegis of the ECE Committee on Agriculture for an ad hoc meeting to be held in Belarus in 1992 to discuss the impact of agriculture of nuclear accidents, based on the experience of the Chernobyl accident, and in cooperation with other international organizations, to draw upon a framework for possible international cooperation in this field. Agriculture in the former USSR was seriously affected by the Chernobyl accident and technical support that will be provided as a follow-up will be directed to the Russian Federation, as well as to Belarus and Ukraine. Activities of the ECE Working Party on Standardization of Perishable Produce and Quality Developments are aimed partly at aiding the countries in transition, including those of the former USSR, with technical advice on improving the quality of their agricultural produce for both the home market and eventually for export markets. Activities of the FAO/ECE/CES Working Party on Food and Agricultural Statistics include cooperative projects related to the introduction of new agricultural statistics in transition countries, including those that comprised the former USSR. Looking beyond the short-term difficulties associated with food shortages and distribution problems, the Committee on Agriculture is in a position to provide
valuable assistance to the countries concerned in their efforts to improve agricultural productivity and efficiency through restructuring of agricultural enterprises, including privatization and other types of agrarian reform, as well as of the food-processing and distribution industries. Measures would include the introduction of efficient equipment and technical and managerial systems, based on experience developed in market economy countries and being applied in other countries in transition.

Timber. Under the aegis of the Joint/FAO/ECE Committee on Forest Technology, Management and Training, an ad hoc meeting was held in Belarus in spring 1992 to assess the impact of the nuclear radiation from the Chernobyl accident on forest resources in the region, including the Russian Federation, Belarus and Ukraine. The IAEA also participated. Recommendations were drawn up on measures to rehabilitate damaged forests, prevent further dispersal of radiation, protect forest workers who have to work in affected areas and afforest damaged agricultural land not longer fit for food production. These will be considered by the Joint/FAO/ECE/ILO Committee on Forest Technology, Management and Training at its nineteenth session in September 1992. The Division’s work on Forest Economics and Statistics includes cooperation between the secretariat and experts in the countries concerned, including those of the former USSR to develop databases and improve data collection systems. A workshop on the adoption of the forestry and forest industry sectors to a market economy system, is to be held in Moscow in autumn 1992. Long-term ECE/FAO studies on European timber trends include assessment of trade prospects with the constituents of the former USSR and among them.

5. Transport. Insufficient transport infrastructure and inadequate transport operational performances have largely contributed to the difficult economic situation the former USSR is facing. From the point of view of longer term assistance, transport may be considered one of the requirements for successful relief operations in other areas. The ECE secretariat already has extensive experience in working on regional transport projects such as, for example, the Trans-European North-South Motorway (TEM) Project of eleven member countries. This project covers several central and east European countries in transition and the ECE secretariat has been organizing training courses, seminars, workshops, etc, related to the project outputs for these countries. The existing technical know-how in road planning, financing and building could also be made available to the countries of the former Soviet Union. Similarly, to TEM a Trans-European Railway (TER) Project has been set up. The former Soviet Union has expressed its intention to take part in this project through which technical assistance in rail matters could be provided. The situation regarding road safety in the CIS States is one of the worst in Europe. The ECE activity in the field of road safety may be helpful for them in developing appropriate activities and measures aimed at decreasing the number of road accidents and road accident victims. In particular, the recommendations regarding improvement of the road-user behaviour and waging road safety campaigns, adopted by the ECE Seminar on Road Safety (20-21 March 1992), may be utilized to this end. Experts of the automotive industry of the CIS States also benefit from the activities of the ECE Working Party on the Construction of Vehicles, developing Regulations attached to the 1958 Agreement concerning the Adoption of Uniform Conditions of Approval and Reciprocal of Approval for Motor Vehicle Equipment and Parts, to which the former USSR became a party in 1987. Since then, 61 Regulations were accepted into the national legislation of the country, a bulk of a total of 88 Regulations currently in force. The application of the Regulations harmonizing the technical requirements in the construction of road vehicles contributes greatly to the integration of the automotive industry of the Independent States into the European and world automotive markets as well as to higher safety and pollution prevention standards.
in road transport. The accession of the new States to the ECE Conventions and Agreements in the transport area is essential, taking into account both the interests of those States and proper operation of international transport. In this connection, the ECE secretariat is providing the new States with information and assistance as to their accession to the above instruments.

6. **Environment.** Participation of experts from the former USSR in various ECE environmental activities have been helping the country to continuously coordinate its national environmental policies with other ECE member countries and to reduce the level of environmental pollution and improve its environmental performance. Attention will, inter alia, be given to prevention of, preparedness for and response to industrial accidents, including the implementation of the ECE Convention on the Transboundary Effects of Industrial Accidents. Ongoing assistance to the Russian Federation and other European republics of the former USSR in the most critical areas will assist those countries, not only to resolve urgent environmental problems nationally but contribute to the fulfilment of their international commitments vis-a-vis specific legally-binding documents to which the former USSR is either a Party or a Signatory.

7. **Human Settlements.** The ECE Committee on Human Settlements' current involvement in shelter and housing problems in countries in transition has been made in recognition of the importance of such questions in these countries. Workshops have been used to address the urgent needs in the housing field. Already eight workshops were organized, most of which the former USSR took part. A workshop was held in Minsk on resettlement of population as a result of the Chernobyl accident. The Russian Federation also participated actively. The Russian Federation is planning to organize a workshop relating to shelter problems in Moscow on privatization in the housing and building sectors next year. The delegation of the former USSR indicated at the last session of the Committee on Human Settlements that they are already using the ECE Housing Policy Guidelines and have translated them into Russian. These guidelines result from the workshops. On different occasions, the delegation of the Russian Federation has made proposals for the new ECE activities in the fields of housing and construction.

8. **Statistics.** In the framework of transition activities of the Conference of European Statisticians (CES) and of the ECE Statistical Division, the former GOSKOMSTAT of the USSR, as well as the statistical offices of Belarus and Ukraine have always been invited to workshops on transition problems organized by the ECE Statistical Division or initiated by the division in its match-maker function, though due to budgetary or language problems, participation has not always been possible. Methodological documents for statistics under market economy conditions including the recently published "Guide to the compilation of transport statistics in market economies" and "Readings on food and agricultural statistics for use in market economies" were made available to the offices concerned. The Conference actively participates in the coordination of assistance projects to states of the ex-USSR in the field of statistics.

9. **Economic analysis.** In addition to the assistance in different sectors, the ECE secretariat has for years contributed to the identification of underlying problems of the economy of the former Soviet Union and possible ways to overcome them. Specifically, the following issues could be highlighted:

- Throughout the 1980s, the analysis contained in the ECE Economic Survey of Europe and the Economic Bulletin for Europe has successively pointed out the major problem areas of the economy of the former USSR and other centrally planned economies. The analysis has over the
past several years made clear that without genuine economic reforms, the long-term decline could not be arrested.

• In the autumn of 1988, the ECE secretariat, jointly with the Vienna Institute for Comparative Economic Studies, convened the first comprehensive international symposium on economic reforms in the European centrally planned economies, including the former USSR. The resulting volume - Economic Reforms in the European Centrally Planned Economies soon became one of the most comprehensive source on reforms available. In 1990, a similar symposium was convened jointly with the Munich-based Ost-Europa Institute and Sud-Ost Institute, focusing on external aspects of economic reforms. The next resulting volume - Reforms in Foreign Economic Relations of Eastern Europe and the Soviet Union, has also been well received.

• A chapter from the Economic Survey of Europe in 1990-1991, entitled The Hard Road to Market Economy: Problems and Policies, has been widely used in many other organizations - the EC, OECD, EBRD, ILO, UNICEF - and in both transition and western countries. Its relevance for the former USSR has been confirmed by the fact that the blueprint on the conditions and framework of economic reforms has been translated and published in Russian in a review issued in some 30,000 copies.

• In the Economic Survey of Europe in 1991-1991 a special chapter was included on the hard core of transformation in Central and Eastern Europe - restructuring of property rights and privatization. The chapter highlights various property concepts and the importance of anchoring unambiguous property rights for the establishment of a market system, as well as the motives and objectives for, obstacles to and mechanisms of privatization, with lessons from the privatization experience to date and the agenda for near term. The same Survey also offered a framework for analysis and tentative assessment of potential migration from east to west.

• On the basis of the regular analysis of current economic developments, the secretariat has revealed many weak points of economic doctrines and methods applied in the former USSR. Some of them have subsequently been highlighted in the form of special studies, containing explicit messages for the authorities of the former USSR as well as other countries.

• In the Economic Survey of Europe in 1989-1990 issued in March 1990, i.e. only a few months after the revolutionary events in Central and Eastern European countries began, the secretariat indicated that the economic situation in those countries was so difficult that it could be compared with the post war situation in Western Europe, thus, claiming that the transition countries cannot alone overcome their situation. On that basis, a conclusion was drawn and explicitly expressed that another internationally coordinated programme was needed for technical and economic reconstruction of Eastern Europe and the former Soviet Union, similar to - but not replicating - the Marshall Plan of 1950s. Taking into account substantial other differences between the two historical situations, it was indicated that in the case of the transition countries, priority should be given to technical and other assistance.

• In the Economic Bulletin for Europe, Vol. 43, issued in December 1991, in the light of the sharply deteriorating situation in Central and Eastern European countries, the secretariat once again stressed that their transition to the market system is inseparable from technical and
economic reconstruction of their economies. On that basis, a proposal was made for a second European Recovery Programme as a framework for coordination of all assistance provided to those countries. Both professional and general public largely commented on that proposal and several prominent western officials explicitly supported it.

4. United Nations Office at Vienna (UNOV)

UNOV has the capacity to assist the CIS in areas such as formulation of social policy measures, crime prevention, defense conversion and women's rights. A high level mission led by UNOV was sent to the Russian Federation in order to advise on the social policy measures needed to mitigate the effect of economic reforms on the most vulnerable sectors of the population.

Specific topics are:

1. Social Policy
   - privatization: the impact of various forms of ownership, transfer mechanism;
   - mechanisms for providing social services;
   - unemployment support mechanism;
   - compensatory measures to protect the purchasing power of low-income persons; and
   - support for voluntary organizations.

2. Crime Prevention
   - improving court administration;
   - management of the prison system;
   - training programmes for lawyers, law enforcement officials and judges;
   - formulation of specific assistance programmes for victims of crimes;
   - creation of national crime prevention centres; and
   - special programmes for non-violent conflict resolution.

3. Defense conversion

   An advisory mission was organized in 1991 to ascertain the potential for creating a pilot factory for the production of orthopaedic equipment in St. Petersburg. UNOV would be in a position to provide technical assistance. This would also include the creation of spin-off companies, databases and studies on the social effects of such conversion programmes.
5. United Nations Industrial Development Organization (UNIDO)

UNIDO has already analyzed the basic issues confronting the Eastern European countries and reached the following conclusions with respect to medium-term technical assistance needs, providing existing resource constraints can be overcome:

- formulation of industrial policies and regulations;
- industrial restructuring and re-enforcement or creation of institutional infrastructure;
- human resources development and transfer of technology;
- development of enterprise-to-enterprise cooperation, privatization and investment promotion;
- environmental protection issues; and
- industrial information.

As indicated in the above-mentioned tables, UNIDO, which provided technical assistance to the former Soviet Union, has prepared 24 project proposals for the Commonwealth of Independent States.

6. United Nations Centre for Human Settlements (UNCHS)

The United Nations, through its primary agency in the shelter sector, UNCHS (Habitat), should play an important role in coordinating technical assistance that will be provided to the former Soviet Union. Its neutrality and ability to provide independent advice, its relative cost advantage as well as the transparency of its financial accounting constitute the rationale for such a coordinating role. Other relevant factors are the considerable experience of UNCHS (Habitat) in dealing with the housing problems of the former Soviet Union, and its coordinating function in the implementation of the Global Strategy for Shelter to the year 2000. Indeed UNCHS (Habitat) had been specifically requested by the authorities of the former Soviet Union, as well as several of the former socialist countries of Eastern and Central Europe, to provide them with technical assistance with respect to the privatization of the housing sector.

Since 1990, UNCHS (Habitat):

- has organized a sub-regional seminar on National Shelter Strategies in Moscow, at the request of the Soviet Government;
- has provided technical assistance to the area of Belarus affected by the Chernobyl accident, in the field of construction and regional planning;
- has supported a joint US-Russian seminar on real estate development and privatization of housing markets;

- has prepared a resettlement project proposal for the region of Kiev, Ukraine, in order to mitigate the consequences of the Chernobyl accident; and

- has prepared a programme proposal aiming at defining an enabling transitional strategy for the housing sector in the Russian Federation.

According to UNCHS' (Habitat) experience, a minimum amount of US$10 million per year would be needed to cover key technical assistance to the former Republics of the Soviet Union in the area of housing. This is apart from the cost of provision of emergency housing of the kind referred to above.

7. United Nations Conference on Trade and Development (UNCTAD)

UNCTAD has a capacity to provide technical assistance to promote international trade in goods and services and to support the transition process.

UNCTAD has carried out several projects in the former Soviet Union and is presently in the process of reviewing requests for technical assistance in various areas. Technical cooperation needs that fall within the purview of UNCTAD's competence include the following broad categories:

- provision of trade information and formulation of trade policies to foster integration into the international trading system;

- computerization of customs and excise administration;

- multimodal transport operations, including advance cargo information system;

- formulation of laws and regulations to foster competition;

- formulation of policies to build up a service sector; and

- technology policies and legislation.

8. United Nations Development Programme (UNDP)

UNDP is the major funding agency for technical assistance in the United Nations system. Currently, all the CIS countries with the exception of Georgia and Tajikistan have a recipient status with UNDP. The Governing Council of UNDP has committed the agency to programme activities in these countries amounting to roughly $40 million. Programme-formulating missions have already been launched to
Belarus, Russian and the Ukraine and will be fielded to Armenia, Azerbaijan, Kazakhstan and Uzbekistan during the month of June 1992.

Without prejudice to any future purely developmental needs of these countries, based on a differentiation between their current and evolving status and situation, the present mandate of UNDP is to facilitate the launching of the transition process and to help consolidate it with the help of expertise, services and information available throughout the United Nations system and, through it, also from non-governmental and private sources in the world. It is also to facilitate, at this stage, the linkages with services that can be provided by the other Eastern European countries and by ODA-recipient states in a two-way process of technical and economic exchanges.

9. United Nations Environment Programme (UNEP)

UNEP, created in 1972 following the United Nations Conference on Human Environment in Stockholm, Sweden and in the face of accelerating environmental destruction, has the following tasks:

- to bring global environmental problems to light;
- to foster international cooperation;
- to build the planks for environmentally sound and sustainable development; and
- to galvanize meaningful action.

The agency is charged with building a multi-sectoral approach to environmental management, touching upon — like the environment itself — agriculture, forestry, mining, energy, industry, atmosphere, economics and trade, public finance and the myriad of other factors that interact with natural environment. It works with other UN organizations, NGOs and governments. In matters of children and the environment, it works with UNICEF; on environment and health, with the World Health Organization; on climate change with the World Meteorological Organization, and so on.


UNFPA helps developing countries find solutions to their population problems. It is the largest internationally-funded source of population assistance. Approximately one-third of all population assistance to developing countries is channelled through UNFPA. It helps to promote awareness of population problems in both developed and developing countries and the strategies best suited to deal with those problems. The Fund has assisted population programmes and activities in nearly every developing country.

Nearly half of UNFPA assistance is used for maternal and child health care— and family planning programmes. Another 18 per cent is used for population information, education and communication.
UNFPA also helps developing countries collect and analyze population data, organize censuses, formulate population policies, and undertake research on fertility, mortality and migration and their relationship to development. It supports special programmes concerning women, youth, the aged, AIDS and population and the environment.

Primarily a funding organization, many of UNFPA’s project and programmes which it supports are implemented by Governments, other agencies of the UN or non-governmental organizations. The agency offers assistance only at the request of countries. There is international agreement on the importance of population questions, but each country decides its own approach. It provides technical assistance, training and equipment, and support research and information activities geared to meet each country’s need. Funded programmes promote national self-reliance for the solution of population problems.


UNICEF has a proven and well-structured capacity to act rapidly at the field level in a flexible and effective manner. In addition, UNICEF has helped develop innovative approaches to adjustment/transition that help ensure meeting human needs and protecting the vulnerable during the transition process (as illustrated in the publications Adjustment with a Human Face and Children and Transition to the Market Economy).

Drawing on UNICEF’s capacity to act rapidly, in February and March 1992, six UNICEF/WHO collaborative missions with the participation of UNDP, UNFPA, and WFP were undertaken to eleven republics of the CIS and three Baltic countries. The inter-agency missions focused on three major areas: urgent basic medical needs over the short-term, the closely-related medium-term restructuring of the health system, and the broader social and economic measures necessary to ensure that urgent human needs are met during the transition.

The collaborative missions recommended that some $420 million of international support should be provided over the next 18 months (the remainder of 1992 and 1993). This would provide most of the urgent priority support required in the areas of health and urgent human needs. Some $100 million of the total is needed for priority urgent support over the coming months and the remaining $320 million priority support during 1992 and 1993. It should be underlined that these needs were identified for support by the entire international community (as distinct from UNICEF or WHO themselves).

The fourteen reports prepared by the missions underscore the need for international support to the health systems, covering both urgent and priority needs for vaccines and essential drugs as well as priority needs (in supplementary areas such as) nutrition and breastfeeding, family planning, environment, water and sanitation and health promotion.

At the conclusion of the missions to the Asian Republics (Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan) and Kazakhstan, UNICEF and WHO met with national representatives to discuss the missions’ findings. Out of this meeting came the Tashkent Appeal for Partnership which calls for coordinated action.
Following the UNICEF/WHO collaborative missions, emergency medical supplies ($700,000) including vaccines and essential drugs were sent to the CIS republics and Baltic States in March and April 1992. Moreover, in February 1992, UNICEF provided measles vaccine for Russia, to enable vaccination to proceed since local vaccine production ceased after October 1991.

UNICEF also participated in the Expert Delegation of the Medical Working Group from 24 February to 27 March to the CIS to assess the situation and determine the feasibility of an action plan for assistance in the health sector. Both the findings of the Expert Delegation and the work of UNICEF/WHO missions served as inputs to the meeting of the Medical Working Group.

UNICEF also participated in the follow-up meeting of the Medical Working Group held at WHO headquarters in Geneva on 30 April and 1 May 1992. The objective of the meeting was to review and discuss the priority needs of the CIS, taking into account the findings of both the UNICEF/WHO collaborative and the NATO mission.

UNICEF plans to support the CIS Republics and provide selected technical assistance in the following areas:

- health communication and promotion, including breastfeeding;
- water and sanitation;
- social protection, policy development and advocacy and low-cost technologies;

UNICEF is currently working with the Russian vaccine production facility (Poliomyelitis Institute) to reestablish polio-vaccine production capability in Moscow. UNICEF is also assisting in identifying funding for this activity.

UNICEF and WHO are planning a meeting in early July to review medium-term vaccine requirements and sources for CIS.

UNICEF is also an active participant in the U.N. system-wide Inter-agency Task Force under the UN Department of Economic and Social Development which will serve as a clearing house and steering group for common efforts.

UNICEF's Supply Division in Copenhagen is the centre of the organization's Global Supply Operation. The facility includes a warehouse that permits increased efficiency in the procurement, shipment and distribution of supply assistance to countries in which UNICEF is working and to meet emergencies. Standard items such as essential drugs, cold-chain equipment and syringes for vaccinations, are stocked and set-packed in the Copenhagen warehouse.

The UNICEF International Child Development Centre (Innocenti) in Florence, undertakes various studies and training activities. In 1991, the centre published an important study entitled "Children and the Transition to the Market Economy: Safety Nets and Social Policies in Central and Eastern Europe."
The Innocent Centre will also be undertaking some activities relating to the monitoring of social policies for children during the transition period.

12. World Food Programme (WFP)

WFP has extensive experience in the assessment of vulnerable groups feeding needs, in coordinating food management, in international purchasing and shipping, in distribution arrangements, internal logistics and monitoring. WFP may have a particularly useful role to play in providing its bilateral — for fee — services in purchasing and shipping food on behalf of donors (multilateral facility). It stands ready in principle to provide targeted assistance to one or more of the smaller, poorer new republics if acute needs are otherwise uncovered and were donors to so wish. It is also participating actively in the follow-up mechanism set up by OECD for the collection and dissemination of data on food pledges and deliveries to CIS countries.

WFP has not provided in the past technical or food assistance to the former Soviet Union. At the moment, there is no ongoing or planned programme of food assistance. However, since the Washington Conference, WFP has participated on an exploratory basis in UNICEF missions to CIS countries and with Office of the United Nations High Commissioner for Refugees in exploring the food needs of refugees and displace persons in Armenia. It has also participated in International Conference on Reform Strategy for the food sector in CIS and the OECD/CCEET (Center for Cooperation with European Economies in Transition) meeting.

B. SPECIALIZED AGENCIES

1. International Labour Organization (ILO)

ILO has the mandate and the capacity to advise on social policy, especially social protection and labour market policies. ILO advocates the full integration of the social dimension in the economic transformation. Social policy reform cannot have a residual function in the transition to a market economy. Unless market mechanisms can be combined with effective measures of social protection and labour market policies, then increasing inequality and discord could endanger the continuation of democratic processes.

The technical cooperation needs that the ILO addresses fall in the following broad categories:

- effective labour market policies and employment promotion, including training and retraining;
- development of industrial relation/systems based on tripartism, collective bargaining between employees and workers organizations and appropriate mechanisms for the resolution of social conflicts;
- reform of social security systems, in particular the development of unemployment insurance and the reform of pension schemes; and
• improvement of the working environment and occupational health and safety.

Active labour market policies on the part of the governments concerned are required to fully utilise the human resource potential available in the region. A network of efficient employment services is essential. New forms of labour market training and retraining, and mechanisms to facilitate labour mobility have to be applied. A legislative framework and supportive policy for job creation and small firm development has to be instituted.

The reform of social security and social protection policies have to concentrate on the establishment of basic social safety nets which provide a minimum income for those becoming unemployed. Revised old-age pension schemes, which will provide adequate protection for the retired and elderly, the strengthening of protection for families with children and the reform of health care services have also to be addressed.

At last but not least, a properly functioning industrial relations system is vital to any economic development and to the maintenance of social peace. It is the means whereby social consensus can be achieved in the economic policy context. The tripartite framework for consultations and negotiations with and between the social partners has to be set up. In all the afore-mentioned areas, the legislation had to be fundamentally changed in order to bring it in conformity with ILO standards.

The assistance provided by the ILO in these areas took above all the form of technical advisory services, information and training seminars, study visits and consultations. Moreover, the ILO initiated analytical work on labour market developments in a number of countries and organised meetings on an East-West basis to exchange experience and to formulate policy recommendations. Examples of such meetings were the Prague Conference on migration and the ILO/OECD Conference on labour market and social policy implications of structural change held last year, and recently the Turin Centre Senior level meeting on employment and training in Central and Eastern Europe and the ILO Symposium on New Perspectives for Tripartism in Europe.

2. Food and Agriculture Organization of the United Nations (FAO)

FAO, the specialized agency of the UN system in the fields of agriculture, forestry and fisheries, is prepared to provide, in cooperation with bilateral and multilateral funding sources, specialized technical assistance services to the CIS in selected areas where the comparative advantage of the Organization is particularly relevant to the needs of the new Republics.

FAO could assist in assessing the food situation and related emergency food aid needs, monitoring systematically crop conditions and prospects, identifying measures to improve storage, transport and distribution of food products to reduce post-harvest losses and in providing advice on legal and policy issues related to the transfer of property rights, privatization and the introduction of a market economy.

FAO is prepared to field multidisciplinary missions to identify immediate technical assistance requirements and to formulate priority project and programme proposals for the consideration of the international donor community.
The following indicative list illustrates the range of expertise available:

1. **Monitoring the food situation.** Through FAO’s unique Global Information and Early Warning System (GIEWS) to monitor all factors likely to affect the situation such as weather, crop conditions, storage, transportation, government policies, consumption, prices, trade, and to issue early warning of potentially serious shortages; quickly mount food and food-aid assessment missions (average cost US $100,000) to provide accurate and timely situation reports to the CIS and potential donors.

2. **Relevant Policy Analysis and Advice.** Training programmes in policy analysis and agricultural planning could be rapidly organized to facilitate the formulation, implementation and monitoring of structural reform programmes, as well as conditions for the promotion of entrepreneurship in the context of a competitive market environment.

3. **Legal Issues Related to Privatization.** Advising countries on the full range of legal issues (e.g., legislation, international agreements, joint ventures) including: Agrarian Law — establishing appropriate land tenure, setting up agricultural enterprises, legal framework for transactions, registration of private property, adjudication of property rights, private contracts, dispute-settlement and environmental regulation; natural resources and environmental management; product standardization legislation, particularly food, through FAO’s Codes Alimentarius Commission.

4. **Food Policy Management and Agricultural Improvement.** Promote food processing and food quality control; crop production, protection, storage and marketing, including agricultural credit, crop insurance facilities, advice on risk management and incentive schemes; reducing food losses through improved methods of harvesting, packaging, storage, transportation and distribution; establishment and management of commercial farms and agro-industries; advice on agricultural mechanization, drainage and salinity problems, as well as on water quality and environmental issues; livestock production; strengthen the necessary database on land and water resources for agricultural production through remote sensing and FAO’s unique Geographical Information System (GIS).

5. **Forestry Development.** Assessment of forest resources and the monitoring of their evolution; assistance in forest industry improvement and development; improved marketing capacities and commercial trade development.

6. **Fisheries Development.** Advice on fishery policy and fishery sector development covering processing and marketing, quality control, packaging transport and storage of fish products, fisheries legislation, as well as management and legal aspects of privatization and joint ventures.

7. **Sector Review Work and the Identification and Preparation of Investment Schemes.** Review of agricultural sector policies, legislation and programmes, recommending adjustments and identifying technical assistance, training and investment priorities as a basis for the subsequent preparation of large-scale investment projects; sectoral reviews, sector/subsector studies, identification and preparation missions (costs ranging from US $150,000 to US $250,000 per mission).
The FAO Investment Centre

1. The aim of the FAO Investment Centre is to assist developing countries to formulate capital investment projects in the field of agriculture, including forestry and fisheries, for financing mainly by multilateral financing institutions. Thus, during 1991, forty investment projects prepared with Investment Centre assistance were approved for financing, for total investments of US $3.86 billion in external loans and the balance through commitments by 33 recipients governments. The accumulative total of Investment Centre-assisted projects approved during 1964-1991 stands at 873, for total investments of $44.7 billion, including $23.2 billion in financing from external resources.

2. The Investment Centre could, if resources are made available, provide assistance in the identification and preparation of agricultural development projects (including rehabilitation and conversion projects) in CIS countries. Identification missions might have to be preceded by agricultural sector or sub-sector studies, depending on whether previous work in this respect has been done by other agencies, such as the World Bank, EEC, or FAO itself. Full preparation of projects identified by Investment Centre missions would normally be undertaken only once a financing institution has indicated concrete interest in an identified project.

With respect to a regional focus, the Investment Centre would prefer to focus on the Central Asian countries (Uzbekistan, Kirghizistan, Tadzikistan, Turkmenistan) which are largely agricultural and, with respect both to natural conditions and main products (cotton, livestock) are similar to countries in which the Investment Centre has worked extensively. The Caucasian countries (Georgia, Armenia and Azerbaidzhan) would be a second priority.

With respect to a subsectoral focus, the conversion and rehabilitation of large irrigation systems, the privatization of farm mechanization, and the privatization of input supply and produce distribution systems are likely to deserve attention, judging by Investment Centre experience in Eastern Europe, and other formerly socialist economies.

Individual exercises (sector/subsector studies; identification missions; and preparation missions) would each require between US $150,000 and US $250,000 depending on the complexity of the task and would take about 10 to 12 weeks in total (of which 4 weeks in the field).

3. World Health Organization (WHO)

Following the Working Group on Medical Assistance to the Commonwealth of Independent States held in Washington on 23-23 January 1992, WHO undertook a number of activities:

1. Participated in the mission of the medical working group to the newly independent states and hosted the second meeting of the Medical Working Group at WHO headquarters in Geneva on 30 April and 1 May 1992. The meeting was organized and co-chaired by the governments of France, Japan and the United States of America. Representatives attended from the newly independent states, international organizations including UNICEF; UNDP and UNFPA, as well as nongovernmental organizations such as the International Federation of Pharmaceutical Manufacturers Association (IFPMA), and the
International Committee of the Red Cross (ICRC). Countries who formed part of the original medical working group were represented in addition to a number of other countries who have joined the group since the Washington Conference. The purpose of the meeting was to analyze the priority needs of countries concerned through a process of consultation and dialogue. This dialogue was based on the fact-finding missions and activities undertaken by the Washington group, IFPMA, as well as other activities and missions such as UNICEF/WHO joint collaborative mission. The meeting provided a good opportunity to validate the outcomes of these different missions and activities with the countries concerned. It also furnished an opportunity for potential donors to identify areas for possible support in the area of drugs, pharmaceuticals, medical supplies and equipment. Finally, the meeting discussed the Terms of Reference of the WHO clearinghouse mechanism, and agreed on the following functions. The Clearinghouse functions include the following:

- Collation, assessment and analysis of health care needs and support requirements;
- Ensure efficiency of assistance by matching resources to needs;
- Establish communication mechanisms including comprehensive databases drawing upon multiple sources to identify gaps, emerging difficulties, and to closely follow the evolving gaps, emerging difficulties, and to closely follow the evolving health situation;
- Explore innovative support mechanisms for technical and other support and to facilitate the restoration of domestic productive capacity in the health area;
- Monitor the evolving health situation, effectiveness of support received from the international community, and the general improvements seen in health status.

Final endorsement of the clearinghouse mechanism will be obtained during the Second Coordinating Conference which will be held in Lisbon on 23-May 1992.

2. WHO hosted and participated in the meeting organized by IFPMA and USAID held in WHO headquarters in Geneva on 7 May 1992. This meeting analyzed urgent needs requiring emergency aid; the possibility of restructuring and reconstructing the pharmaceutical capacity of the CIS and the possibility of joint ventures. The meeting was well attended by the pharmaceutical industry and some ministers from the CIS.

3. WHO undertook a joint collaborative mission with UNICEF in February and March 1992 with the participation of UNFPA, WFP and UNDP. The outcome of these missions confirmed the widespread disruption of equipment and medical supplies. There has been a collapse of importation and production in this area due to shortages of raw material, adequate equipment, and hard currency.

- The general health status of the people is poor. Life expectancy at birth is five to six years lower when compared with the rest of Europe and men have a life expectancy which is nine years less than women. Infant mortality is two to three times higher than in Western Europe.
• There are high rates of cardiovascular disease, accidents, alcohol and tobacco abuse. Women suffer much higher death rates from cancers than in Western Europe and abortion is frequently used as a method of family planning leading to high rates of pelvic disease and maternal mortality.

• Other dominant medical problems include acute respiratory infections, diarrhoeal diseases, increase of vaccine-preventable disease due to lack of vaccines and disruption of immunization programmes, tuberculosis, nutritional deficiencies, and reduction in neonatal care and breastfeeding promotion programmes.

• Health care priorities were defined and included the attainment of international norms such as for the treatment of diarrhoeal diseases and tuberculosis, restoration of the level of child immunization coverage, ensuring women's reproductive health, promotion of breastfeeding, the prevention of iodine deficiency, the provision of safer drinking water and sanitation, environmental safety and nutritional needs.

• The mission provided a list of essential drugs, vaccines and medicinal supplies following international mandates of WHO and UNICEF.

• While supplies and equipments are important, the mission found that objectives could not be achieved unless the concomitant technical support in the form of technical advice and training programmes for health professionals and others is also provided.

• In response to these findings and the need for urgent support, both WHO and UNICEF have stepped up support. In addition to ongoing programmes in WHO such as training and workshops in the area of EPI, nutrition, breastfeeding, and environmental health, many activities are being undertaken as part of the EUROHEALTH programme. Some of these activities are outlined in section II B of this document and include comprehensive health assessments in the different republics, provision of desegregated data, technical advice on vaccine production, and rapid nutrition assessments.

• An estimated US $418 million is required for support in 1992 and 1993. Support for medical care totalling US $255 million will be required for essential drugs, vaccines and medical supplies.

• The protection of vulnerable groups such as children, the elderly, the handicapped and the poor has to be ensured in the transition to a market economy. This includes putting in place safeguards such as insurance schemes, social security schemes, etc. It is particularly important that funding agencies such as the World Bank and others take into account the human dimension of structural reform.