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Country cooperation frameworks and related matters

**Second extension of the first country cooperation
framework for Estonia**

Note by the Administrator

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I. Background and justification

1. The UNDP office opened in Tallinn in May 1993. A short-term country framework guided UNDP activities from 1993 to April 1995, during which time an initial country programme for 1995-1996 was prepared. The first country cooperation framework (CCF) for Estonia for the period 1997 to 1999 was approved by the Executive Board at its second regular session 1997. It was subsequently extended through 2000 by the Executive Board at its first regular session 2000. The 1992 Memorandum of Understanding between the Government and UNDP states in paragraph 5, "the Government of the Republic of Estonia wishes, in accordance with decision 92/8 of the UNDP Governing Council, to limit its recipient country status to the transitional period ...".

2. In October 2000, an independent country review report for Estonia was completed. The report observed that the social and economic transformation of Estonia has progressed at a rapid pace. The country has achieved macroeconomic stability and created an environment favourable to sustainable economic development. The country has been successful in its efforts to integrate with the European and global economy and Estonia has applied for membership in the European Union. As part of this integration, Estonia is currently seeking to transform its status as a net aid recipient to become a net aid contributor. The country's own development assistance policy was approved by the parliament in early 1999.

3. In line with the country's rapid and successful transition, the Government and UNDP have agreed to undertake a phased closure of UNDP programme activities in Estonia. A limited extension of UNDP presence through December 2001 is required in order to ensure the fulfilment of financial and operational commitments.

II. Objectives

4. The first CCF focused on democracy and governance and on alleviating the social impact of transition from a centrally planned to a market economy. Programme activities have supported government and civil-society efforts to develop an open and stable democratic society, with interventions focusing on the most vulnerable segments of society.

The two thematic areas have included: (a) facilitating the integration of national minorities into mainstream social, economic and political life; (b) developing poverty-reduction measures; (c) increasing the overall efficiency of the public sector; and (d) promoting equal opportunity and rights, especially with regard to gender, capacity-building in civil society, support for Agenda 21 and use of information and communication technology (ICT) in development. UNDP has been well positioned and effective in providing assistance in these areas, in promoting issues relevant to Estonian development and in helping the Government to focus on European Union accession.

5. UNDP has actively supported policy development and increased public awareness through the production of thematic publications, including the annual national human development reports; *Towards a Balanced Society: Men and Women in Estonia*; *Integrating Non-Estonians into Estonian Society: Setting the Course*; *Children in Estonia*; the ICT-themed *Estonia's Tiger Leap into the 21st Century*; *Human Rights in Estonia*; and *Poverty Reduction in Estonia*.

6. The integration of national minorities has been supported by the joint Nordic/United Kingdom/UNDP project, *Support to the State Programme for Integration of non-Estonians into Estonian Society* and the joint European Union, Poland and Hungary: *Action for the Restructuring of the Economy (PHARE)*, UNDP *Estonian Language Training Programme*. These interventions have positively contributed to the elaboration and implementation of the state integration programme adopted in 2000. The three-year Nordic/United Kingdom/UNDP project is scheduled for completion in 2001.

7. The Government and UNDP believe that the recently formed United Nations Association (UNA) in Estonia will prove to be an effective partner in promoting the goals and ideals of the United Nations Charter. UNDP has been the main supporter of the establishment and capacity-building of UNA, and will certainly continue to strengthen it in 2001.

8. The one-year CCF extension facilitating the phased closure of UNDP programme activities in Estonia will take place under the auspices of a nationally-staffed UNDP liaison office which will: (a) fulfil financial and operational commitments, including to UNDP cost-sharing donor partners, and ensure a procedurally compliant and timely exit of

UNDP from Estonia; and (b) enable the completion of ongoing projects by channelling remaining programme resources into the integration process and into strengthening the recently established UNA.

III. Recommendation

9. The Administrator recommends that the Executive Board approve the second one-year extension of the first country cooperation framework for the Republic of Estonia for a period of one year, from 1 January 2001 through 31 December 2001.

Annex

Resource mobilization target table for Estonia

(In thousands of United States dollars)

<i>Source</i>	<i>Amount</i>	<i>Comments</i>
UNDP regular resources		
Estimated IPF carry-over	51	
TRAC 1.1.1	268	Assigned immediately to country. Includes AOS balance.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentage is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes.
Other resources	660	In line with decision 95/23, paragraph 19.
SPPD/STS	168	
Subtotal	1 147^a	
UNDP other resources		
Government cost-sharing	-	
Third-party cost-sharing	3 636	
Funds, trust funds and other	1 557	
	of which:	
UNFPA	100	
"Tiger Funds" ICT	45	
Baltic Trust Fund	672	
Poverty Alleviation Trust Fund	150	
GEF	440	
Capacity 21	150	
Subtotal	5 193	
Grand total	6 340^a	

^a Not inclusive of TRAC 1.1.2 for 2001, which is allocated regionally for subsequent country application.

Abbreviations: AOS = administrative and operational services; GEF = Global Environment Facility; ICT = information and communication technology; IPF = indicative planning figure; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core; UNFPA = United Nations Population Fund.