ANNUAL REPORT OF THE ADMINISTRATOR FOR 1996
AND RELATED MATTERS

Addendum

MAIN PROGRAMME RECORD

REGIONAL BUREAU FOR EUROPE AND THE COMMONWEALTH
OF INDEPENDENT STATES

CONTENTS

| I. INTRODUCTION                       | 1 - 5 | 2 |
| II. OPERATIONALIZING SUSTAINABLE HUMAN DEVELOPMENT AND STRENGTHENING COUNTRY OFFICES AND HEADQUARTERS | 6 - 33 | 3 |
| III. NEW PROGRAMMING ARRANGEMENTS AND DELIVERY | 34 - 36 | 8 |
| IV. ADVOCACY, BUILDING CONSTITUENCIES AND MOBILIZING RESOURCES FOR SUSTAINABLE HUMAN DEVELOPMENT | 37 - 45 | 9 |
| V. STRENGTHENING UNDP PARTNERSHIPS IN THE UNITED NATIONS SYSTEM | 46 - 49 | 10 |
| VI. UNDP PERFORMANCE IN COUNTRIES IN CRISIS AND OTHER SPECIAL CIRCUMSTANCES | 50 - 55 | 11 |
| VII. BUILDING A LEANER AND MORE ACCOUNTABLE LEARNING ORGANIZATION | 56 - 58 | 12 |
I. INTRODUCTION

1. A profound political, economic and social transformation is occurring throughout the region, as countries move from one-party rule to pluralist democracies and from centrally planned to market-driven economies. Most countries in the region have undertaken far-reaching internal reforms as they address the complex task of creating new nation-States.

2. Meanwhile, socio-economic conditions in most of the countries in the region have been in a severe downward spiral during the past three years. Declining gross national product (GNP), increasing poverty, unemployment and growing inequality of incomes have led to social tensions and threatened the reform process. Although the transition process is moving forward, it is doing so more slowly and with much greater social and economic hardship than was initially expected.

3. UNDP is working with the countries in the region to spur economic development and growth. At the same time it is addressing growing concerns relating to social cohesion, increasing poverty, gender inequities, governance and aid coordination.

4. Since the breakup of the Soviet Union, most countries in the region have established new instruments of governance in terms of electoral procedures, legislation and institutions. Democratic elections have been held. Former state security systems have been dismantled in most countries. A new climate of respect for human rights has been established. Largely unfettered mass media are providing a more open and often critical assessment of government performance. The transition period has been an energizing and liberating opportunity for countries to develop new policies and institutions geared to the needs of a post-communist society. The private sector has emerged as a vital force in many countries, replacing or taking over inefficient public enterprises and state-controlled domination of production and distribution. Military production facilities are being adapted to meet civilian consumption needs. Environmental problems are being alleviated.

5. However, much remains to be done. There are a number of trends that must be addressed and reversed. Real wages have declined sharply throughout the region. Unemployment has increased. Access to and provision of social services has declined. Women's conditions have worsened. Male mortality rates have increased. Crime levels and ethnic tensions are rising. There has been a substantial growth of "informal" economic activities, which are unregulated and pay no taxes.

/...
II. OPERATIONALIZING SUSTAINABLE HUMAN DEVELOPMENT AND STRENGTHENING COUNTRY OFFICES AND HEADQUARTERS

6. Sustainable human development policies are becoming increasingly central in defining national strategies that will stabilize the environment for the reform process. To facilitate the development of such policies, a central strategy of the Regional Bureau for Europe and the Commonwealth of Independent States (RBEC) has been to stimulate the production of annual national human development reports (NHDRs). This effort has proved to be an outstanding success, with 21 NHDRs produced in 1995, increasing to 25 last year.

7. The countries in the region have embraced the preparation of NHDRs, as a tool for public debates around issues of sustainable human development. Themes such as poverty eradication, sustainable livelihoods, gender equality, the environment and governance have become central to these debates. The NHDRs provide a wealth of statistical information focusing on the demographic, social, economic, environmental and cultural components of the societies in transition. A major regional project helped the national statistical offices in 26 countries in Central and Eastern Europe and the Commonwealth of Independent States in the collection, processing and analysis of social and demographic statistics in 1995 and 1996. This project will soon be reviewed to further strengthen the preparation of the NHDRs, thus enhancing their statistical base.

8. The Bureau's regional programme has been designed to dovetail with country programmes, consolidating the link between country offices and Headquarters to operationalize focus areas effectively. Activities under the regional programme are designed to benefit the majority of RBEC countries, constitute an additionality to those programmes, and facilitate action to launch new initiatives. To ensure full synergy in advancing sustainable human development (SHD) goals, regional programme funds are used together with national programme funds in a cost-sharing arrangement. This support will be further enhanced in 1997 with the creation of a Regional Support Team at the new RBEC Learning Centre in Bratislava, Slovakia, which is scheduled to become operational in the second quarter of 1997.

A. Poverty eradication and creation of jobs and sustainable livelihoods

9. In many areas that are critically important to the transition process, RBEC has successfully designed programmes to support essential themes. For example, the Bureau's creation of the Central and Eastern European Privatization Network has played a major role in the transition to market economies. The Network has enabled 23 countries in the region to share experiences in the field of privatization. It has also given countries in the Commonwealth of Independent States an opportunity to benefit from expertise developed in Eastern Europe. In a related activity, the development of small and medium-sized business centres and incubators in eight countries has contributed to the establishment of around 500 such enterprises each year. The jobs created by these enterprises are critical in reducing poverty in the region.

/...
10. UNDP and the United Nations Industrial Development Organization (UNIDO) joined forces to create a Small and Medium-sized Enterprises Business Consultancy Centre in Romania, providing assistance in the service, manufacturing, and processing sectors. Since the programme was launched in 1991, 15 additional independent self-financing centres have been opened throughout Romania with UNDP/UNIDO assistance and in close cooperation with the local authorities and entrepreneurs. Over 120 professional business counsellors have been trained. To date over 4,000 enterprises have benefited from the Centres’ services. Of these, 247 have received loans worth $31.5 million. More than 100 seminars, with 2,357 participants, have been held throughout the country. Through these efforts it is estimated that 4,000 jobs have been either created or secured.

11. The Tallinn New Entrepreneurs' Centre (TNEC) is one of six centres operating in Estonia where qualified experts provide advice free of charge on how to start a business. These centres were launched with the help of UNDP, the Nordic Council of Ministers and the Finnish Labour Ministry, each contributing $81,000. During the first half of 1996 19 new companies were founded under TNEC leadership. Demand for the Centre's services has grown faster than its financial resources. To help fill the gap, and in a strong indication of local involvement in the programme, about 30 large companies in Estonia have signed up to pay a membership fee and provide expert advice free of charge.

12. The International Labour Organization (ILO) and UNDP, together with the National Employment Service of the Bulgarian Ministry of Labour and Social Affairs, are working to help generate income and create employment in the country’s southwestern region. A Business Promotion and Support Centre was established to help new and already existing small and medium-sized enterprises. The Centre was opened in July 1996, with the participation of six municipalities in the region, local economic organizations, local branches of the National Employment Service and representatives of the local business community. Through training courses aimed at motivating and preparing unemployed people to start their own business, and by offering credit opportunities for small entrepreneurs, the Centre hopes to create several new enterprises in the near future.

B. Advancement of women

13. The Regional Bureau has also initiated the establishment of gender in development units in the region. These units help Governments focus on women’s issues and draw attention to the increasing feminization of poverty. During 1995 and 1996, units became operational in 18 countries.

14. With the support of these units, UNDP launched an intensive effort to prepare Governments and non-governmental organizations (NGOs) in the region for participation in the Fourth World Conference on Women held in Beijing in 1995. This involved a number of preparatory meetings and advisory services for the development of national and regional strategies. The largest effort, however, was the organization of the 'Beijing Express' - a train which started in Warsaw and arrived eight days later in Beijing. The train enabled more than 200 women from Governments and NGOs to attend the Beijing Conference. The trip was also
used to prepare the participants for the Conference. They were given instruction on the latest techniques in conflict resolution, empowerment activities, democratization and leadership skills.

15. RBEC continued to support the Beijing Platform for Action in the follow-up to the Conference. Through its country offices it arranged press conferences for the participants and organized Beijing Clubs where 'Beijing Express' and other Conference participants now convene on a monthly basis. RBEC is continuing to promote and strengthen gender in development units in the region through increased collaboration with national Governments, NGOs and other United Nations organizations.

16. A peace negotiation workshop is being prepared for 1997, to address women's role in preventive diplomacy and conflict management. Women from conflict areas and national and international experts will come together for round-table discussions and for training to enable the women, on their return home, to play an effective role in the peace process.

17. In Bulgaria, economic reforms brought with them a rising tide of unemployment. Massive cutbacks in staff fell hardest on the shoulders of women. The labour-market crisis hit both highly qualified professional women and women with little education, including gypsies and other minorities. In response UNDP launched a $115,000 technical assistance programme to help give women greater access to social and economic resources and ensure their adequate participation in the process of transition to a market economy. A qualification training programme, carried out in collaboration with the Ministry of Labour and Social Welfare, assisted unemployed women from five depressed areas of the country to acquire professional knowledge and skills. Over 80 per cent of the 130 participants trained under the programme found employment.

18. 'Investing in Women' has become a popular slogan in Turkey, thanks largely to UNDP support of campaigns and symposiums to make the public and the Government more aware of the important role that women play. The problem of violence against women has received attention in public seminars and on television. Training in how to deal with this issue is being given to police, lawyers and teachers. UNDP, the United Nations Children's Fund (UNICEF), the United Nations Population Fund (UNFPA) and the World Health Organization (WHO) are all working closely with the Ministry of Women's Affairs to strengthen programmes to help Turkish women better manage their lives.

C. Protection and regeneration of the environment

19. In the field of environment, significant new projects have been developed, using regional funds as well as the Global Environment Facility (GEF).

20. The Aral Sea was once the fourth largest inland body of water in the world. Since 1960 it has lost almost 75 per cent of its volume and 50 per cent of its surface area. The receding water has exposed a sea bed which is thick with agricultural chemical residues and salt. The deadly dust affects crops, water and air and poisons the environment. The environmental crisis in the Aral Sea basin affects over 35 million people.
21. UNDP and the Inter-State Council for the Aral Sea organized an International Conference on Sustainable Development of the Aral Sea in Nukus, Uzbekistan. It brought together heads of state, NGOs and the agencies of the United Nations to identify solutions to the crisis and address the human needs of the region. The culmination of the Conference was the signing of the Nukus Declaration by the five Heads of State in the region. The Declaration commits the signatories to remedying the human and environmental consequences of the Aral disaster by dealing with both the effects and the causes. It also calls upon the international community for help in drafting a convention which will help re-establish the balance between ecology, economy and the people.

22. UNDP’s commitment to alleviating the crisis is embodied in its $3 million Aral Sea Basin Capacity Development effort. This programme brings together a number of national NGOs as well as government departments in an effort to tackle urgent human and environmental needs. It includes projects ranging from the Nukus Shelter Belt to a micro-credit initiative.

23. The ecosystem of the Barents Sea region of the Russian Arctic has been severely threatened owing to hazardous waste dumping and air pollution. In turn, this has impeded economic growth in the region. With support from Capacity 21, UNDP’s $885,000 Murmansk Region-Barents Sea Sustainable Development Programme addresses these problems. An environmental capacity-building programme has been developed. It brings together scientists, administrators, policy-makers, international experts and the general public. Multi-disciplinary task forces have been formed to identify and recommend solutions for critical environmental and developmental issues.

Governance

24. Throughout the region, country offices have been working closely with Governments to institute a democratic form of government and protect the human rights of all citizens.

25. After 50 years as part of the Soviet Union, Lithuania has had only five years to establish a democratic society. Part of UNDP’s mission is to help build democracy by encouraging the growth of institutions that allow citizens to make their views known. NGOs are a vital part of any democratic society. There are now 3,000 NGOs registered with the Lithuanian Ministry of Justice. Some are run by highly motivated people and are extremely active, but others suffer from lack of recognition, scant resources and inexperience. Communication between some of the NGOs and the Government is poor, sometimes leading to unfavourable legislation. An NGO Information and Support Centre (NISC) was opened, backed by UNDP and the Lithuanian Open Society Fund (Soros Foundation). NISC gives advice about establishing NGOs and offers courses in financial management and public relations. It also helps NGOs attract funding and contact Governments, international organizations and NGOs worldwide. NISC collects information on existing or proposed legislation in order to lobby the Government to provide more support for NGOs. The UNDP budget for the centre is $245,000, of which $50,000 comes from the Baltic Trust Fund (BTF), $50,000 from BTF-Denmark, and $95,000 from the Government of the Netherlands.
26. Another innovative programme in the area of governance that is being widely replicated relates to ombudsmen. Rapid changes to legislation, social benefits and property rights in Lithuania meant that public servants sometimes made arbitrary decisions which adversely affected citizens' livelihoods. A law creating an ombudsman's office was passed and five ombudsmen were appointed to investigate citizens complaints concerning abuse of official positions and obstructive bureaucracy. UNDP support for the ombudsmen includes training, equipment and publicizing their existence. In May 1996, a Lithuanian ombudsman attended an international conference in Moldova to share Lithuania's experience with other countries in the region that want to set up a similar system.

27. When Estonia regained independence the legal status of nearly one-third of its population - people who had settled in Estonia during Soviet occupation - remained unresolved. An Aliens Act adopted by Estonia's Parliament required all persons without Estonian citizenship to apply for residence and work permits. By 12 July 1995, the Estonian Migration Board had received about 335,000 applications which had to be registered and processed within a year. UNDP was asked to provide technical support for processing this enormous number of applications. With additional funds from the Governments of Denmark, Finland, Norway, Sweden and Switzerland, UNDP recruited experts and provided local offices of the Board with computers linked into a network. The staff of 320 people were trained in processing techniques. All 335,000 applications for residency were processed and entered into the database by the deadline. Residence and work permits were granted to 325,000 non-Estonians almost immediately, legalizing their status in Estonia. The remainder encountered delays of a few months, mainly to clear up errors in the applications. In the end, less than 100 applications were rejected.

28. In Latvia the Human Rights Office handles complaints of human rights violations, provides information and education about human rights and investigates human rights issues. In early 1996, a $1.1 million UNDP programme was approved to develop the Office's capacity to fulfil this broad mandate. With $900,000 in assistance from the Governments of Finland, the Netherlands and Sweden, and the financial support and assistance of the United Nations Centre for Human Rights, this UNDP capacity-building initiative is providing the Office with the training and expertise needed to discharge its mandate. During its first six months over 300 written complaints and as many oral complaints and requests for advice were received and handled individually by the Office. Nearly two-thirds were successfully resolved. The activities of the Human Rights Office provide an effective and innovative model for many other countries in transition to a democratic civil society based on the rule of law.

29. To help the Government of Kazakhstan in its efforts to achieve macroeconomic stability and move to a market-based economy, UNDP recruited a team of experts from Poland, led by the former Minister of Finance. The group had first-hand experience working in a transitional economy, and has made a significant impact on government policies through a combination of advisory services, workshops and lectures to train high-level government officials. The training focused on such critical topics as banking reform, inflation control, fiscal and tax policy, debt and foreign investment promotion.
30. In Kyrgyzstan UNDP, in close collaboration with the United Nations Educational, Scientific and Cultural Organization (UNESCO), helps equip representatives of media and government information officers with the basic tools they need to ensure a healthy dialogue for a democratic society. The programme on support to mass media in a period of reforms and transition provides a platform for an ongoing dialogue at the national level. Some 200 journalists have been trained in community-based public participation reporting methods. This led to radio and TV documentaries in remote areas of the country. These programmes, for the first time, have given pensioners, children, youths, women and refugees a voice in determining their future.

31. UNDP has also been a leader in assisting countries in managing external resources and aid coordination. Fifteen countries have joined a regional programme on external resources management in order to coordinate aid flows more efficiently.

32. UNDP was instrumental in the establishment of an external resource management facility in the Azerbaijan Prime Minister's office. In Georgia, an aid coordination agency was established. Moldova developed an external resources management programme in collaboration with UNDP. UNDP contributed $288,000 to the effort, which was augmented by $450,000 from the Government of the Netherlands. In Tajikistan, UNDP and the World Bank jointly financed the establishment of the Aid Coordination Unit within the Ministry of Economy and External Economic Relations to serve as the interface between the Government and the donor community.

33. After Kyrgyzstan created the State Committee on Foreign Investment and External Assistance, known as Goskominvest, UNDP became its main counterpart in mobilizing and coordinating foreign assistance. Now, Goskominvest is looking ahead with confidence in the knowledge that it has the capacity to manage over $1 billion of assistance successfully.

III. NEW PROGRAMMING ARRANGEMENTS AND DELIVERY

34. New programming arrangements are being carried out efficiently and effectively. Six advisory notes were prepared, and followed up by six country cooperation frameworks (CCFs) for the Czech Republic, Hungary, Kazakstan, Kyrgyzstan, Moldova and Slovakia which were submitted to the Executive Board at its first regular session of 1997. Five additional CCFs and the Regional Cooperation Framework 1997-2001 were submitted to the Board at its second regular session.

35. During the fifth cycle, 30 per cent of programme funds were delivered through the national execution modality. This was an important achievement, considering that most of the offices in the region were opened only in 1993. Without the experience of development assistance and the United Nations/UNDP delivery system, most government departments were unprepared to undertake this form of execution at the outset. However, there was a distinct upward trend in the use of national execution during the cycle.
36. The delivery rate increased dramatically in the final quarter of 1996. Deliveries from the IPF in the first four years of the cycle totalled just under $40 million. At the end of September 1996, additional deliveries were estimated at $13.7 million, but by the end of the year this figure had advanced to $22.3 million.

IV. ADVOCACY, BUILDING CONSTITUENCIES AND MOBILIZING RESOURCES FOR SUSTAINABLE HUMAN DEVELOPMENT

37. The NHDRs have become a basis of advocacy and a yardstick for monitoring a country's progress towards human development. One of the major achievements of RBEC has been its successful encouragement of almost every country in the region to produce a NHDR. Country cooperation framework submissions in the region have been heavily influenced by the NHDRs.

38. In order to promote an exchange of information among countries concerning NHDRs, and to disseminate the messages of these important national documents, the Regional Bureau established a permanent home page on the World Wide Web in 1996. This Internet posting contains full versions of the NHDRs for the countries in the region and detailed reports concerning democracy, governance and participation in those countries.

39. In Kazakhstan, the statistics, analysis and policy suggestions were highlighted in articles and speeches by the President and senior leaders. The concept is being embodied in new government initiatives, such as the preparation of the National Environmental Action Plan for Sustainable Development.

40. Poland's second NHDR, "Habitat and Human Development Report" was inspired by the Second United Nations Conference on Human Settlements (Habitat II) held in Istanbul in June 1996. It was introduced in the Senate Chamber by the Marshal of the Senate and is now a part of the curriculum at several Polish universities. The Ministry of Labour and Social Policy now proposes producing human development reports for all of Poland's 49 provinces.

41. Turkmenistan's 1996 NHDR was prepared by professionals at the Academy of Sciences, who benefited from a UNDP workshop that brought them into contact with a number of international experts. The production of the report helped the national professionals learn how to engage in critical analysis of government policies and suggest modifications, something they were not encouraged to do under the Soviet regime.

42. The Ukraine Human Development Report of 1995 was the only such national report prepared specially for the World Summit for Social Development held in Denmark in March 1995. President Leonid Kuchma took it to Copenhagen and referred to it in his statement at the Summit.

43. In Kazakhstan, United Nations agencies established four thematic groups for the follow-up of the United Nations conferences. A group on social services is co-chaired by UNESCO, UNICEF and WHO. The group on employment is chaired by ILO. The World Bank heads the group on sustainable development and the group on the advancement of women is co-chaired by the United Nations Population Fund.
(UNFPA) and UNICEF. Talks are under way to expand these thematic groups to include national and local authorities, as well as NGOs.

44. Although RBEC programmes accounted for less than 3 per cent of UNDP total core resources for the period, concerted efforts to mobilize external resources have recently started to yield results. Trust funds, cost-sharing and other sources of funding increasingly have allowed RBEC to carry out programming far larger than its core resources alone would have allowed.

45. RBEC established a region-wide resource mobilization strategy by which countries were to mobilize non-core resources equivalent to three times the level of core resources. Thus, non-core funds of $37.3 million were on average almost three times UNDP core funds allocated for country and regional programmes for 1992-1996. The strategy was for core resources to serve as seed money, providing catalytic inputs for programmes in the SHD areas with sufficient visibility and impact to attract funding from other multilateral and bilateral donors, including cost-sharing contributions from programme countries.

V. STRENGTHENING UNDP PARTNERSHIPS IN THE UNITED NATIONS SYSTEM

46. As the institution with the major, and in many cases the only full-fledged, United Nations office in programme countries, UNDP has played an important role in representing United Nations agencies. It has supported implementation of their programmes and promoted joint United Nations initiatives in key SHD programme areas, including participation in and follow-up to global United Nations conferences.

47. The two global United Nations conferences in which UNDP worked closely with other members of the Joint Consultative Group on Policy were the World Summit for Social Development (Copenhagen) and the Fourth World Conference on Women (Beijing). In Turkey, a United Nations Inter-Agency Social Development Programming Committee was established after the Copenhagen Conference with a view to focusing United Nations system development cooperation on poverty alleviation in the southeastern region, the least developed region of the country. As follow-up to the recommendations of the Beijing Platform for Action, support was provided to NGOs doing advocacy work in many programme countries, including establishing a Support Centre for Women in Moldova.

48. UNDP, UNICEF and the Office of the United Nations High Commissioner for Refugees (UNHCR) co-financed an initiative of the Government of Kyrgyzstan in hosting a Central Asian Conference on regional cooperation. The success of this initiative encouraged the Heads of State of the five Central Asian republics to hold similar sub-regional meetings on matters of common concern, including the Nukus Conference on the devastating physical and natural environmental problems of the Aral Sea basin. These problems are being addressed at the regional level through a joint coordinated effort by the World Bank, the United Nations Environment Programme (UNEP) and UNDP and, at the national level, through close collaboration and in some cases joint programming between UNDP, UNICEF, UNFPA and WHO.
49. The field of health-care system reform has been given priority attention in a number of countries through collaborative United Nations undertakings. In Lithuania, UNDP and WHO provided support to the Health Care Reform Management Bureau of the Ministry of Health in formulating a new primary health care strategy which was subsequently adopted by Parliament. The Bureau’s work guided the formulation of the UNFPA-supported programme on reproductive health as well as the collaborative work of UNICEF and UNDP in the preparation of a situation analysis of families and children in Lithuania. In Uzbekistan, a United Nations Health Forum was established with the participation of WHO (Chair), UNDP, UNFPA, UNICEF and the World Bank. Similar United Nations thematic groups/task forces have been established in Moldova and Poland, for example, for the formulation and implementation of national programmes on AIDS prevention and control.

VI. UNDP PERFORMANCE IN COUNTRIES IN CRISIS AND OTHER SPECIAL CIRCUMSTANCES

50. UNDP has contributed significantly to the alleviation and suffering and hardship in Countries in Crisis and other special circumstances. It has made nearly $6.2 million available from various sources during the 1992-1996 period to support Bosnia and Herzegovina in its process of reconstruction. UNDP is currently involved in 32 ongoing or planned operations valued at $34.4 million, thanks to additional funding from other donors, a major one being Japan. A multidisciplinary United Nations system mission under the leadership of UNDP was fielded in March 1996. Its task was to assist the governmental structures recognized under the Dayton Agreement to design a programme in support of the reconstruction effort, good governance and sustainable human development. The mission produced plans for a $110 million programme to help reconstruct the country’s social and economic fabric and facilitate its transition to a market economy.

51. In Armenia, faced with the challenge of programming development activities in an environment that were essentially focused on humanitarian assistance, UNDP launched a programme aimed at spurring economic growth in line with its sustainable development mandate. It also seeks to strengthen the Ministry of Foreign Affairs, the State Statistics Department, and rural rehabilitation through the World Food Programme (WFP) and the White Helmets Initiative.

52. The UNDP programme for Tajikistan totalled around $5 million, with emphasis on the economic and social spheres, aid coordination, peace-building, women in development, governance and rehabilitation and reconstruction. The UNDP peace-and confidence-building programme was staffed by United Nations Volunteers and financed with a $245,000 contribution from Sweden and $62,000 from the United States of America. Some 50 youth and community centres, involving over 3,000 young people, were established in nine districts most affected by the 1992-1993 civil war. Over 100 sporting events have been organized, in addition to concerts, literary evenings, youth leadership camps and reconstruction and rehabilitation work. Reviving agriculture has received considerable attention, with all model youth clubs engaged in crop cultivation for the benefit of their communities. Micro-credit schemes have facilitated the integration of 500 returnees into the communities. After only a year of operation a formal review concluded that the programme has succeeded, under extremely difficult
circumstances, in bringing together people of different ethnic and regional origins for the purpose of promoting peace and reconciliation. A two-year extension is now under way, with UNDP contributing $550,000 and the United States adding another $50,000.

53. UNDP works closely with the United Nations Department of Humanitarian Affairs (DHA) Coordinator of United Nations humanitarian operations in all countries in crisis. In Azerbaijan and Georgia, the Resident Coordinator also serves as the DHA Coordinator.

54. With a programme budget for Azerbaijan of more than $2.1 million, UNDP is focusing on aid coordination, environmental management, governance, administrative reforms and reconstruction of war-affected areas. It has recently begun an integrated programme to revive the industrial heart of the country.

55. In Georgia, UNDP has allocated $2 million for post-crisis development activities in various regions of the country, especially the former conflict zone in South Ossetia.

VII. BUILDING A LEANER AND MORE ACCOUNTABLE LEARNING ORGANIZATION

56. Although programme resources for the period 1997-1999 have been increased threefold, in terms of staff the Bureau will continue to operate with one-third of what is, on average, available in other bureaux. Another challenge is the necessity to train new national staff members who are unfamiliar with UNDP procedures.

57. The Bureau has also been a leader in employing new information technology and launched the INTERNET link through the UKRAINE FREERNET project. The result has been an exponential increase in demand for UNDP support in this area. This type of communication infrastructure will serve as the basis for networking among country offices and national institutions in the implementation of regional and national programmes. It will also link RBEC countries with those in other regions. Through the technical cooperation among developing countries modality, RBEC countries have been able to tap into Latin American experience in the areas of resource mobilization, public sector reform and social safety nets.

58. To keep donors and other interested parties abreast of its activities, the Bureau publishes an annual report detailing successful and replicable programmes in each country, as well as under the regional programme.