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The MDGs in Europe and Central Asia: Achievements, Challenges and the Way Forward



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The MDGs in Europe and Central Asia: Achievements, Challenges and the Way Forward

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Foreword

by the Executive Secretary of the United Nations Economic Commission for Europe



The path-breaking United Nations Millennium Declaration, adopted in the year 2000 by world leaders, provides a comprehensive framework of core values, principles and key drivers in the three overarching mandates of the United Nations: peace and security, development and human rights. For the first time in the history of the United Nations, the subsequent Road Map towards the Implementation of the Millennium Declaration brings forward a set of eight universal development objectives with time-bound operational targets and quantitative indicators, covering all the major dimensions of well-being for any individuals in any society: decent income, employment, nutrition, access to essential services (health, education, water, housing) and environmentally sound living conditions.

Since then the Millennium Development Goals (MDG) have become a worldwide reference framework for moving ahead on all these fronts. The experience gained so far shows that in order to make substantial progress towards the MDGs, it is crucial to incorporate them into national development strategies, to create an enabling international cooperation environment, to design cost effective policies tailored to the development context of each region and individual country, and to develop a monitoring system with proper indicators to adjust these policies in view of their effective impact.

The mobilization of all agencies of the United Nations system to support the MDG process is outstanding and the present report is a clear illustration of such mobilization on the part of the Regional Offices of these agencies for Europe and Central Asia. Based on their respective areas of competence, they have prepared the various chapters of the Report, showing for each goal where the countries of the region stand one decade after the adoption of the Millennium Declaration, what are the accomplishments and policies to date and what should be the policy directions to take for accelerating progress. They have also contributed to the Overview which goes beyond a mere summary of the report by outlining the human development challenges specific to the region and highlighting the cross-sectoral policies to engage for both addressing these challenges and achieving the MDGs.

The pan-European region is highly diverse. It includes high-income economies of Western Europe which are also major Official Development Assistance (ODA) donors, middle income emerging donors from Central Europe which have joined the European Union and a group of 18 ODA eligible countries, half of which are classified as landlocked developing countries with a few being low-income countries and having most characteristics of the least developed countries. In the MDG perspective, the report focuses mainly on three country groupings: Eastern Europe, the Caucasus and Central Asia (EECCA); South-Eastern Europe (SEE); and the New Member States of the European Union (NMS). However, it also touches upon Western Europe in varying degrees whenever the goals are of concern to this part of the pan-European region, namely those related to poverty, gender equality, environmental sustainability and global partnership for development.



Foreword by the Executive Secretary

In general, the review of achievements in the countries covered by the report shows mixed results. On one hand, it highlights the remarkable progress achieved on the poverty front during the 2000-2008 period of vibrant economic growth, and a bounce-back from the deep transition recession in the emerging economies. Major progress was also made in other MDG related areas such as food security, women's employment, child and maternal mortality and, in the field of environmental sustainability, energy efficiency.

On the other hand, progress has been quite uneven, with large and persistent disparities between sub-regions and countries, as well as between geographical areas and population groups within countries. Acute poverty is by no means negligible in the pan-European region and the broad progress achieved until 2008 has been seriously threatened by the recent economic crisis. Other major MDG related challenges include the quality of primary education, under-representation of women in decision-making positions, unequal access to primary health care and reproductive health which impacts on reaching the health MDGs for socially excluded groups, lack of access to safe drinking water and sanitation in rural areas, growing informal settlements and, last but not least, rise in HIV and tuberculosis prevalence in parts of the region.

The fact that the minimum targets fixed globally will be difficult to reach for a significant number of countries and many population groups demonstrates the relevance of the MDGs for the pan-European region. And this relevance is reinforced by the fact that some countries have defined national MDG targets in view of their own development situation and perspective. These targets are either new or more ambitious than the existing global targets and, therefore, more challenging. By adopting such an evolving and contextualized approach these countries broaden the scope of the MDG framework and place it in a structural and longer term perspective, thereby reinforcing the validity of MDGs as a powerful reference for the design of development strategies and related policy making.

The overview of the Report shows that, in addition to policies linked to individual goals, achieving the MDGs requires adopting a broader approach and addressing a number of human development challenges which are specific to countries with transition economies. These challenges include rising inequalities, a large setback in social protection, an expanding informal sector, a decrease in male life expectancy and a massive surge of migration flows. Such profound changes have created a feeling of insecurity and frustration in large segments of the population. At the same time, the newly independent States emerging from the dissolution of the former Soviet Union and Yugoslavia have encountered additional problems of nation-building and for many of them this has been accompanied by regional tensions or large-scale conflicts, considerably diminishing their human capital and social cohesiveness.

A characteristic of the Eastern part of the pan-European region is the discrepancy between the seriousness of these problems and the governance capacity to solve them. This is because quite often public institutions are still in transition between the old intrusive, over-regulated State and a new State carrying out institutional reforms according to the principles of a participatory political and social system, and a market economy. A key challenge to these countries, therefore, is to strengthen the capability of the State to promote human development in the post-transition context.

Foreword by the Executive Secretary

In addition to the governance issue, the report points to other priority policy areas which can have a multiplier effect in reaching the MDGs. The following six should be highlighted. First, the design of sustainable social-protection schemes is critical to ensure a universal access to social services in a human rights perspective. Second, extra emphasis should be placed on promoting gender equality since it has cross-cutting effects on all the other MDGs. Third, budget allocation and choice in public investment must strike the right balance between social infrastructure and support to the productive capacity, including in the agricultural sector. Fourth, reviewing fiscal policies is decisive for reducing inequalities and for providing more fiscal space to finance social protection. Fifth, regional cooperation must be enhanced to address major MDG transboundary issues such as international migration, cross-border water management, trade and transport facilitation and climate change adaptation and mitigation. And sixth, donor countries of the region should at least maintain the existing ODA level for the lower income countries of the region and intervene for relaxing the conditionality of the international financial institutions on loans to emerging economies hardly hit by the economic downturn.

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This report is thus an outstanding expression both of the agencies’ continued commitment to support the MDG achievement in Europe and Central Asia, and of their willingness to adopt the “Delivery as One” approach on the policy side of their work as they are already doing on the operational side.

By highlighting good policies conducted so far and proposing directions for the future, the report takes deliberately a pragmatic and forward-looking approach and I should like to encourage policy-makers and other relevant stakeholders to consider replicating the good practices outlined in the report as well as implementing the suggested recommendations.

The next step will be to take up the conclusions of the forthcoming MDG Summit and follow them up in the particular development context of the pan-European region. No doubt that the United Nations Regional Offices for Europe and Central Asia will remain strongly committed to support the efforts of the countries of the region to implement the Summit outcome, with the ultimate objective of “keeping the promise” and fully achieving the MDGs by the 2015 timeline.

Ján Kubiš

U.N. Under-Secretary-General

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Abbreviations

AIDS	Acquired Immune Deficiency Syndrome
ALMP	Active Labour Market Policy
CBD	Convention for Biological Diversity
CIS	Commonwealth of Independent States
CO	Carbon Oxide
CO ₂	Carbon Dioxide
DAC	Development Assistance Committee
EBRD	European Bank for Reconstruction and Development
ECA	Emerging Europe and Central Asia
ECD	Early Childhood Development
ECOSOC	Economic and Social Council
EEA	European Environment Agency
EECCA	Eastern Europe, the Caucasus and Central Asia
EFA	Education for All
EU	European Union
EurAsEC	Eurasian Economic Community
FAO	Food and Agriculture Organization
GER	Gross Enrolment Rate
GHG	Greenhouse Gas
FDI	Foreign Direct Investment
G-8	Group of Eight
G-20	Group of Twenty
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GNI	Gross National Income
GNP	Gross National Product
HDI	Human Development Index
HIV	Human Immunodeficiency Virus
ICT	Information and Communication Technologies
IDP	Internally Displaced Person
IEA	International Energy Agency
IFI	International Financial Institution
ILO	International Labour Office
IMF	International Monetary Fund
ITC	International Trade Centre



Abbreviations

LRTAP	Long-range Transboundary Air Pollution
MDG	Millennium Development Goal
MDR	Multidrug Resistant
MIC	Middle Income Country
NMS	New Member States of the European Union
NO	Nitrogen Oxide
OECD	Organisation for Economic Co-operation and Development
PISA	Programme for International Student Assessment
POP	Persistent Organic Pollutant
PPP	Purchasing Power Parity
PRS	Poverty Reduction Strategy
ODA	Official Development Assistance
OSCE	Organization for Security and Co-operation in Europe
R&D	Research and Development
SDR	Special Drawing Rights
SEE	South-Eastern Europe
SME	Small and Medium Enterprises
SO ₂	Sulphur Dioxide
STI	Sexually Transmissible Infection
TB	Tuberculosis
TIMSS	Trends in International Mathematics and Science Study
TRIPS	Intellectual Property Rights
TSA	Targeted Social Assistance
UN	United Nations
UNAIDS	United Nations Joint Programme on HIV/AIDS
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UN-HABITAT	United Nations Human Settlements Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations Development Fund for Women
UPE	Universal Primary Education
WHO	World Health Organization
WPF	World Food Programme
WTO	World Trade Organization

Overview

Context and purpose of the report

At the start of the new millennium, 189 world leaders came together at the United Nations to create an agenda to make the future better for everyone on the planet. The result was the **Millennium Declaration** setting forth norms and core values to guide development. Those core values are freedom, equality, democracy, solidarity, tolerance, respect for nature, and a shared responsibility for human development.¹

The **Millennium Declaration** identified key drivers of development: attaining a lasting peace, addressing inequality and social exclusion, safeguarding human rights including legally empowering the poor, and creating an enabling environment for the private sector and trade.

The **Declaration** also established the rationale for the eight **Millennium Development Goals (MDGs)**, a set of time-bound, quantitative targets representing a common vision for development². The MDGs have become a guiding force for action and investment in many countries. The primary goal is reducing the basic dimensions of human poverty by 2015.

This report, prepared jointly by the United Nations Economic Commission for Europe (UNECE) and the Regional Offices for Europe and Central Asia of the United Nations Funds, Programmes and Specialized Agencies, takes stock of progress made in reaching the MDG goals and offers decision-makers policy-oriented, operationally feasible suggestions for bolstering progress towards fully achieving these goals by 2015. It also identifies and contextualizes the greatest challenges facing human development, taking into account the specific characteristics of the UNECE region.

Findings are based on the analytical work and practical experience of the contributing agencies, as well as on country-specific information and inputs from two regional consultations held in the first half of 2010. The first was hosted by UNECE in Geneva in March. The second conference, *Istanbul MDG +10: Europe and CIS*, was hosted by the Government of Turkey, in cooperation with the United Nations Development Programme (UNDP) and UNECE in June. These consultations provided opportunities for participating countries, United Nations agencies, and academic experts to assess the progress made in achieving the MDGs and to exchange policy ideas for accelerating this progress.

Given the particular dynamics and development context of the region, the report devotes special attention to characterizing the human development opportunities and challenges that have influenced progress towards the Millennium Development Goals. While overall indicators for the region on MDGs are positive, challenges nevertheless exist and should not be overlooked. Many of these challenges are found in countries of South-Eastern Europe and Eastern Europe, the Caucasus and Central Asia.

The overall message of this report is twofold. On the one hand, most of the region's economies have made remarkable progress towards the MDGs over the period 1995-2008, with two caveats: first, success has been greater when it is measured on the basis of global rather than national MDG definitions; second, large disparities exist among countries and subregions within the pan-European region, as well as among population groups and geographic areas within countries.

¹ <http://www.un.org/millennium/declaration/ares552e.htm>

² <http://www.un.org/millenniumgoals/bkgd.shtml>

On the other hand, given the huge setbacks associated with the transition recession crisis in the early 1990s and the more recent economic effects of the global financial crisis, a significant number of countries will find it difficult to fully achieve the MDGs by 2015. In order to meet the targets, these countries will have to overcome a number of specific development challenges which are explained below.

Following this overview, the chapters of the report provide a review of the eight goals. For each of them, the review consists of: (i) an analysis of the trends, illustrated by graphs and figures; (ii) the presentation of policies to date and successful country experiences; and (iii) a set of selected policy recommendations for each target related to the goal under review.

Geographical coverage

The report covers the UNECE region, with a particular focus on the emerging economies of Eastern Europe, the Caucasus and Central Asia (EECCA), South-Eastern Europe including Turkey (SEE), as well as the new post-transition EU Member States (NMS). Taken together, these three groups of countries are referred to as “Emerging Europe and Central Asia” throughout the report.³

The report occasionally refers to Western Europe under the goals relating to poverty, gender equality, environmental sustainability and global partnership for development, as these goals are also relevant to this part of the pan-European region.

The EECCA and SEE countries are highly diverse. Some, such as Kyrgyzstan and Tajikistan, remain low-income countries. For instance, Tajikistan’s gross national income (GNI) per capita in 2008 was \$600. At the other end of the spectrum, Slovenia, a new EU Member State, enjoys a GNI per capita of about \$24,000. Countries of Emerging Europe and Central Asia differ in other aspects too. A few of them, notably Azerbaijan, Kazakhstan, Russia, Turkmenistan and Uzbekistan, have huge oil and/or gas resources. In the light of such sharp differences in income and wealth, the report considers relatively homogeneous subregional averages as well as region-wide averages to derive meaningful indicators and conclusions. It also looks at in-country inequities, seeing that these pose considerable challenges for countries to meet many of the MDG targets.

Specificities of the MDG and human development challenges in Emerging Europe and Central Asia

The MDGs were designed to mobilize national and international efforts around key and concrete development objectives. They were mainly intended for addressing the challenges facing countries moving up from massive poverty and low stages of industrial development. However, most of the countries covered by this report are not in this situation. They entered the 1990s with relatively high levels of industrialization, as well as human development, as measured by the Human Development Index (HDI). But, for countries of the EECCA and SEE regions, the economic transition to a market economy has led to setbacks in development, causing serious hardship, displacement and social stress.

A critical aspect was the removal of structures and institutions that governed economic and social activity without having effective new ones to readily replace them. For much of the transition period, the region has been struggling with the need to create such a new institutional structure to place countries back on the path of recovery and long-term sustainable growth. And this remains a significant constraint for many countries outside the EU even today.

³ A list of countries by subregion is provided in Annex 1 of the Report.

At the same time, the newly independent States resulting from the dissolution of the former Soviet Union and Yugoslavia have encountered additional critical institutional and political problems of nation-building. Where this has been accompanied by regional tensions or large-scale conflicts, there has been even more displacement and regression in human development.

While there are few phenomena that are completely unique to this region, this history does result in a pattern of development challenges, needs and capacities that differs from those found in the “traditional” development context. For instance, institutional performance and capacities are unexpectedly uneven for countries which had generally reached a good level of human development or GDP per capita. Therefore, a key challenge for these countries is to strengthen the capability of the State to promote human development in the post-transition context, interacting with markets and participatory political and social systems. This challenge is closely connected to their other development challenges, which include pro-poor growth, sustainable social security and effective adaptation to the effects of climate change.

Despite progress, the region is still affected by major development challenges:

Poverty

Most countries of Emerging Europe and Central Asia registered a substantial reduction of poverty from the mid 1990s to 2007. However, according to the World Bank, in 2009, 36 per cent of the population in this region, or about 160 million people, were considered poor or at risk of poverty, living on less than \$5 per day.⁴ Two fifths of these live in Russia and Turkey. This highlights the rising income inequality as well as poverty challenges in countries that have Middle Income status (MICs).

Furthermore disturbing increases in relative poverty levels, which threaten social cohesion, have taken place during the recent great recession, and more and more people are falling into absolute poverty. In fact, the large segment of the middle class that has suddenly become vulnerable to poverty sets this region apart.

Education

Whereas school enrolment rates remain generally high, with the exception of minority groups in some countries, the quality of education has not kept pace with economic demands in a number of UNECE emerging economies. This situation, together with a brain drain, may be eroding human capital in many countries of Emerging Europe and Central Asia.

Gender inequality

Most countries of the pan-European region have made great progress in increasing women’s employment and advancing gender-equality legislation but equal political and economic opportunities for women are not yet in place. Social and human rights problems, including gender-based violence (GBV), continue to be major concerns throughout the region. These persistent problems reflect outstanding cross-sectoral issues such as the relationship between men and women in families and societies, and constitute a pervasive force against the full achievement of the MDGs. They need therefore to be comprehensively addressed.

Health

The health sector has made great advances in recent years, especially in reducing maternal and child mortality. On the other hand, all countries of the EECCA region still have to cope with major problems connected with demographic and epidemiological change, widening socioeconomic disparities, limited resources, and rising expectations. For instance, a

⁴ Some 40 million people in Emerging Europe and Central Asia lived at less than \$2.50 a day in 2009. See <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/ECAEXT/0,,contentMDK:21722062~pagePK:146736~piPK:146830~theSitePK:258599,00.html>

dramatic increase in injecting drug use and delays in widening HIV treatment from the mid-1990s onward has fuelled an explosive HIV epidemic. Today, Eastern Europe and Central Asia is the region of the world where HIV prevalence has climbed the fastest, especially among young people and increasingly among women. In parallel, poor adherence to accepted tuberculosis control practices has created high levels of human-produced multidrug-resistant tuberculosis. Of the 27 countries worldwide that account for 85 per cent of all multidrug-resistant tuberculosis cases, 15 are in Emerging Europe and Central Asia.

Environment and sustainable development

The pan-European region has made substantial progress in environmental protection, as manifested by the improved urban air quality, the phase-out of ozone-depleting substances, a larger use of renewable sources of energy, improved water management and increased coverage of nationally protected areas. Progress in promoting national sustainable development strategies is also noticeable across the whole region and most governments are signatories or parties to the major international environmental and climate change conventions and protocols. However, the region is still marked by current unsustainable patterns of production and consumption, environment-related health concerns, biodiversity loss, and deficiencies in ensuring access to safe drinking water and sanitation for all. Countries of Emerging Europe and Central Asia, in particular, lack strong drivers for environmental improvement and most suffer from structural, financial and human resource constraints. This explains the often weak degree of implementation of the legal commitments, plans and programmes adopted by these countries in the field of environment and sustainable development.

The region also faces a number of post-transition challenges:

Weak governance and fragile institutions

A specific characteristic of the transition countries in the region is that capacities of institutions overall tend to be weaker than those of individuals. This is due to the institutional collapse and economic dislocation that marked the early years of the transition. While many of these countries have made great strides in reforming public administration and developing a dynamic civil society, the new institutions are not yet stable or well rooted, nor have they often completely moved away from the old mode of functioning.

Poor governance leads to an opaque environment in both the public and private sectors. This creates room for so-called “rent-seeking behaviour”, and affects the way scarce resources are used for attaining broad objectives such as MDGs. In particular, policy choices may be guided less by what is best suited to these objectives than by how easy it is to implement the policies.

In several countries of Emerging Europe and Central Asia, this means that social-protection systems are not covering the most vulnerable persons. In other countries, taxation systems are not redistributing income and wealth equitably. Crucially, many systems lack automatic stabilizers that can protect the incomes of the poor and vulnerable during cyclical downturns, and this tends to reinforce inequalities. Weak governance also creates uncertainties in the business environment which puts a brake on the development of a vibrant enterprise sector and discourages foreign direct investment.

As compared with other countries of Emerging Europe and Central Asia, the New Member States have accomplished greater progress in building new institutional structures. They were helped on multiple fronts by the acceptance of the European model offered by EU membership as a powerful incentive for collective action, and by massive financial and knowledge assistance. Still, the gap between individual and institutional capacities is noticeable in varying degrees in these countries.

Frozen conflicts

Conflicts in the Caucasus, Cyprus, the Republic of Moldova, and parts of the Western Balkans and Central Asia converted millions of people into refugees and internally displaced persons. The conflicts are now frozen rather than resolved and can potentially flare up again any time. In many countries, an entire generation of youth has been raised in circumstances of post-conflict intolerance, and with limited possibilities to travel. Thus, by increasing political tensions and exacerbating sometimes racist and xenophobic feelings, conflicts have set back development, having hindered the accumulation of social and human capital needed to consolidate democratic values and achieve broader social inclusion and cohesion.

Inequality

Inequality has increased considerably in most countries in the region since over the last two decades. This is a particularly socially divisive issue in view of the low level of income inequality before the transition. The difference in income and wealth between the richest and poorest segments of society has grown rapidly and reached high levels within the lifetime of a single generation. Similar disparities exist among regions, notably between rural and urban areas. In Russia, for instance, the wealthiest regions have a Human Development Index comparable to that of Hungary, while in the poorest regions this index is roughly equal to that of low-income countries of developing regions.

Ethnic minorities (especially the Roma), the disabled, and other vulnerable groups face considerable income disparities, as well as marginalization, stigmatization and other forms of social exclusion. Deliberate outreach and targeting is therefore needed for those groups who are suffering the most from inequalities that hinder full MDG achievement.

Expansion of the informal economy

Another post-transition phenomenon is the development of the informal economy. By severely narrowing the tax base, this constrains budget revenues. And big producers and service providers often manage to evade taxes altogether. In the informal economy, people generally have poor working conditions and have no social-protection network.

Productivity in agriculture and small trading (sectors dominated by informal activity) has tended to lag behind other sectors throughout the past decade's period of rapid growth. The fragmentation of the agricultural supply chain stemming from high levels of informality—coupled with rent seeking behaviour by monopolies in wholesale and retail trade of food products—has had serious implications for the food security of the poor.

Demographic dynamics

Several countries with economies in transition face low fertility rates and ageing populations, and many remote areas are becoming depopulated. The same is also happening in other European countries. One major difference, however, is that life expectancy has been declining in several countries of the EECCA region, particularly for men. At the same time, some countries in the Caucasus, Central Asia and South-Eastern Europe have rapidly growing populations, with large numbers of young people entering the labour force without good prospects for employment.

Migration flows

The transition process has both eased constraints on migration and strengthened some of the incentives to migrate. Lower administrative, travel and cultural barriers have given people greater opportunities to engage in trade and to work in other countries. In addition to the emigration of older generations, many young people are migrating to escape poverty and this is exacerbating the problem of depopulation in several Eastern European countries. Thus, together with ageing, migrations contribute to make pension systems more unsustainable, aggravating an acute challenge that requires immediate policy attention.

Migration has been a safety valve for largely jobless growth, with several countries greatly relying on remittances to support consumption. In these countries, many vulnerable households rely on remittances, rather than social protection, to make ends meet. Prior to the crisis, remittances accounted for 38 per cent of GDP in the Republic of Moldova and 46 per cent in Tajikistan, for instance. In these extreme cases, labour emigration has seriously eroded the social fabric. It also has substantial knock-on effects in times of economic crises, not only because of the fall in remittances but also because of the soaring numbers of returning migrants.

Migration also leads to increased human trafficking, with patterns reflecting migration routes in the region. This is setting back not only economic development, poverty reduction and social protection but also any immediate hope of achieving gender equality and human rights, all crucial issues directly related to the MDGs.

Many countries in the region, especially those lying at the new boundaries of the enlarged European Union, increasingly have to deal with diverse types of migration, including irregular migration. The arriving migrants include not only irregular workers and social migrants but also asylum seekers, victims of human trafficking and unaccompanied children. Bound by their international humanitarian obligations, these countries must put in place mechanisms and procedures for identifying different categories of migrants so as to be able to provide the vulnerable with the protection and assistance they need.

Energy use and climate change

Since 1990, CO₂ emissions and energy use have decreased throughout the region, particularly in countries with transition economies. This is mainly due to a sharp decline of energy consumption following the collapse of industry during the transition recession and the subsequent high prices during the 1990s. Nevertheless, owing to insufficient investment in energy efficiency and still artificially low energy prices for final users, seven countries of the EECCA subregion⁵ remain among the world's 20 most carbon-intensive economies, and energy losses account for almost one third of their total domestic energy use. In the pan-European region as a whole, the level of reduction of CO₂ emissions is not sufficient for complying with the commitments of the Kyoto protocol.

Pollution hotspots

The pre-transition industrialization models have also left a damaging heritage of massive pollution and environmental neglect. The legacy of the Chernobyl nuclear accident site, the Semipalatinsk nuclear test area, the abandonment of dozens of radioactive uranium tailing sites and desertification of the Aral Sea have yet to be entirely addressed.

Economic growth and human development in the region

From the end of the Cold War to 2008

Nearly all the countries in Emerging Europe and Central Asia benefited from about a decade of strong economic growth averaging 7-8 per cent annually through 2008. However, gains across the region were not homogeneously distributed to the entire population. The groups least likely to have benefited were women and girls, minorities, migrants, the elderly and the disabled. As measured by the HDI, all new EU Member States and several others surpassed the human development levels they had reached in 1990. For instance, between 1990 and 2007, Turkey generated the largest HDI improvements in the region.

⁵ This group includes Kazakhstan, Republic of Moldova, Russian Federation, Tajikistan, Turkmenistan, Ukraine and Uzbekistan. For details, see the key world energy statistics of the International Energy Agency at http://www.iea.org/textbase/nppdf/free/2009/key_stats_2009.pdf

However, a large group of countries have yet to fully recover from the transition recession of the 1990s. In the Republic of Moldova, Russia and Tajikistan, the HDI in 2007 was below 1990 levels. If baseline data were available, we would see similar trends in Bosnia and Herzegovina, Georgia, Kyrgyzstan, Montenegro, Serbia, the Former Yugoslav Republic of Macedonia, and Ukraine.

Impact of the 2008–2009 global economic crisis

The Emerging Europe and Central Asia region was the most affected by the global financial and economic crisis beginning in mid-2008, with declines in economic output in 2009 averaging about 6 per cent.

The economic declines have major socio-economic implications. For instance, the number of unemployed (by International Labour Organization methodology) during the first six months of 2009 grew by almost a half in Russia and Turkey over the same period in 2008. In Latvia and Lithuania, the number of unemployed more than doubled.

As most countries can expect at best to register mild growth in 2010, the crisis will continue to hinder MDG achievement and human development in the region. In particular, there are limited prospects for increasing social protection because of the expected weakness of the economic recovery and the accumulation of public debt. Unless decisive measures are taken, this will affect the poor and vulnerable parts of society disproportionately, especially migrants, minorities, women, the elderly and the disabled.

But the troubles facing the region may have a silver lining. In some countries, social safety nets have in fact held up. In spite of the losses in fiscal revenue, spending on education and health has remained healthy. The impact and asymmetrical effects of the crises might therefore be smaller, and the impact on MDGs less serious.

As measurements of some impacts of the crisis, notably those on mortality rates and school completion rates, are not yet available, UNDP has attempted to quantify the human development impact of past declines in income in the region and combine these estimates with projected post-crisis changes in income⁶. The resulting projections for a range of indicators show that human development in the region is likely to be severely affected (unless policies alleviate the impact). For instance, the number of people living on less than \$5 per day, in terms of purchasing power parity, could increase by 30 million by 2012. And infant mortality could rise from 10 to 12 (per thousand live births) between 2009 and 2013.

Will the MDGs be achieved in the region?⁷

Up until the crisis, the main drivers of progress towards the MDGs had been rapid growth in labour productivity (with modest employment gains) owing to improved macroeconomic policies, a bounce-back from the deep transition recession, and high commodity prices for energy exporters. Growth was also driven by rapidly expanding trade, large quantities of foreign capital inflows, and the region's longstanding strengths in human capital.

However, this macroeconomic performance does not guarantee the full achievement of the MDGs by 2015. Substantial regional disparities, the expansion of the informal economy, ongoing demographic shifts and the recent setbacks due to the global crisis play an important role in determining whether or not the region is on track vis-à-vis MDGs and human development. Other specific circumstances impacting these objectives include a surge in social inequality, poorly functioning institutions

⁶ The Human Development Impact of the Global Crisis in Central, Eastern and Southern Europe and the CIS, by Balázs Horváth, Andrey Ivanov and Mihail Peleah, UNDP Bratislava Regional Center.

⁷ For an overview of the progress made and the policy challenges related to each MDG, please see annex 2.

and serious political conflicts. In these circumstances, the degree to which the goals can be achieved in countries of Emerging Europe and Central Asia will depend critically on the following:

- The speed of recovery from the crisis, and the policy responses to it.
- The commitment by national Governments to focusing resources on reaching the MDGs.
- The effectiveness of regional cooperation for addressing transboundary issues affecting the MDGs.
- The amount of foreign assistance that can be obtained for the most vulnerable countries of the region, as well as the effectiveness with which it is put to use.

Evidence-based policy making: a preamble for action

Three major conditions need to be fulfilled for evidence-based policy-making. These are:

- Fix clear priority development objectives with related indicators and targets;
- Design policies and assess their cost-effectiveness for achieving the priority objectives.
- Collect relevant data for monitoring the impact of these policies.

Furthermore, exchanging experiences, practices and lessons learned among countries within the region and even beyond can help these countries to design feasible and efficient policies, especially if the results of these policies and the circumstances for their replicability are properly analysed and assessed.

Incorporating MDGs in priority development objectives and promoting them throughout society

MDGs need to be incorporated into the key objectives of national development strategies. In turn, national Governments can support local Governments to incorporate MDG targets and indicators into their development plans. Equally, candidates running for local office can be encouraged to include MDGs in their political platforms, translating proposed MDG-related policies into specific projects.

Non-government actors can also play a critical role. Social partners (employers' organizations and trade unions), civil society groups, the media, and academia can influence the shaping of national development strategies and subsequent sector strategies, thereby building national and local ownership through participatory processes.

The incorporation of MDGs into broader national development strategies would balance the focus on individual goals with their dynamic interaction. In other words, the linkages among MDGs would be clearly demonstrated, for example along the following lines:

- Gender equality (MDG3) feeds into most other human development objectives and is markedly affected by their outcomes. In particular, investing in women and girls has strong multiple benefits for all MDGs.
- Poverty reduction (MDG1) and environmental sustainability (MDG7) are closely linked, with the causal relationship running both ways.
- Sustained improvements in poverty reduction also requires progress in health and education (MDGs 2 and 4-6), and vice versa.

- MDG 5 is also interconnected to other MDGs. As maternal mortality strongly affects newborn mortality, progress on MDG 5 will also influence the efforts to reduce child mortality (MDG 4). Progress on MDG 5 is also linked to MDG 6, which aims to combat HIV/AIDS and malaria, as these are important indirect causes of maternal death.

Demonstrating the cost-effectiveness of policy initiatives aimed at achieving the MDGs

The need for costing policy proposals is critical but has not been given sufficient attention. National and international policymakers can only decide on the allocation of resources for attaining MDGs after the cost-effectiveness of proposed solutions are assessed. Arguments for policies must be backed by calculations based on realistic assumptions and linked to annual budgets and the medium-term fiscal framework.

Costing is also essential for assessing possible trade-offs among MDGs and for choosing the optimal policy paths. Importantly, it could also provide estimates of the harm that inaction would cause, adding a dose of realism into debates on whether or not policy changes are needed. Budgeting from a gender perspective will ensure that the differing needs of women and men are accounted for both in policy and in its implementation.

Incorporating MDGs in building capacity for better social sector data

Policymakers aiming to reach the MDGs are often faced with a lack of reliable statistical data and this is a serious obstacle to the formulation of evidence-based policies to accelerate progress. In many countries of the region, large data gaps exist, both in time and in quality, and these data are seldom comparable across countries. Furthermore the reliance on aggregate statistics and national averages prevents the public and policymakers from seeing and understanding the true inequalities in the living conditions of individuals and social groups in diverse locations. Data need therefore to be disaggregated by sex, geographical area, ethnic minorities and other vulnerable groups so as to understand the trends within these populations. In particular, timely disaggregated data series are needed on health, employment, educational, environmental and gender-specific variables.

Without such data, the impact of policies cannot be evaluated and adjustments cannot be made to address any problems arising in achieving the MDGs. Regardless of how close or far a country may be from a given goal, the adoption of the MDG framework should encourage better data analysis and use in policy making. Although national strategies for the development of statistics in the EECCA, NMS and SEE countries have achieved impressive results, more needs to be done. In the region, experience shows that national statistical agencies with sufficient independence from political interference and competent staff have produced high-quality policy-relevant data. Government-controlled systems, on the other hand, have been less successful, reflecting political pressures or lack of adequate resources.

Policy recommendations for accelerating progress towards the achievement of MDGs in the region

What follows is a menu of policy suggestions that underpin progress towards the MDGs. Clearly not all recommendations can be put in place at once. They must be sequenced according to what is feasible given budgetary and other economic constraints. They also need to be combined through “policy packages” covering the interrelated areas where changes are crucial for achieving those MDGs which are of the utmost priority in a given country.

Designing a holistic policy framework based on the interrelationships among the MDGs

The major value-added of the MDGs is to establish clearly identifiable and quantitative development targets. However this “compartmentalization” of development targets should not lead to a similar set of policies narrowly focused on individual objectives. The MDGs are strongly interrelated and development policies should be designed within an integrated framework, taking a holistic approach.

The integrated policy framework for achieving the MDGs should strike the right balance between macroeconomic, sectoral and social policies in the pursuit of multiple objectives, including growth of productivity and employment, equitable income distribution, improved education and healthcare, and environmental sustainability. As well as delivering pro-poor growth, the policy framework should be gender sensitive. A number of structural policy issues are highlighted in the following paragraphs.

Improving governance quality and capacity

At the heart of the transition has been the drive to reduce the intrusiveness and the directive role of the totalitarian State and replace it in the economic sphere with market forces and in the political sphere with individual choice and action. After twenty years into transition, however, it is clear that a stronger governance capacity and quality has become the sine-qua-non of sustainable development and progress.

In many countries of the region, State systems continue to be excessively intrusive, and the desirable direction of change in this respect would appear to be towards less regulation from the excessive levels seen today. However, this does not mean weakening the State capacity but rather moving gradually from over-regulation to better regulation, respecting individual freedom and initiatives while preventing the abuse of power and guaranteeing social rights.

Raising institutional capacity is key to ensuring that economic growth works for human development. This is critical for countering rent-seeking activities, which are widespread in several countries of the region. Measures to improve transparency and accountability for decision-makers could result in substantial change. They could, for instance, help re-channel the resources that would usually be appropriated by a small elite into achieving the MDGs.

Supporting agriculture

In many countries of the EECCA and SEE regions a key policy area for poverty reduction, food security and greater gender equality is the organization of the agricultural sector. Governments should therefore opt for vigorous policies and measures that provide and protect equal land property rights for women and men, create an enabling environment for the new farms emerging from the privatization process and reduce the excessive market power of suppliers of key agricultural inputs. Furthermore, rural areas need better roads and storage facilities to minimize the current prohibitively high transport costs and harvest wastage.

Reducing inequalities by strengthening social protection schemes

Social-protection programmes do not always succeed in reducing poverty, owing to inadequate coverage and low take-up of benefits by the most needy, as well as leakages to the non-poor. Another reason is the demographic trends that introduce new vulnerabilities in population groups such as the elderly, migrants, ethnic minorities or unemployed youth. On the other hand, providing benefits to the poor indefinitely can result in poverty traps and dependency patterns that undermine the very purpose of an effective safety net.

There are two basic approaches that aim to provide sustainable social-policy solutions. The first is the “safety net” approach consisting in enhanced means-testing of benefit systems with administrative mechanisms to ensure that the most vulnerable are effectively reached and their human rights protected. Another way is categorical targeting which provides benefits to people falling into a specific category that is closely associated with poverty, such as old age pensioners or children. Categorical targeting may be a better choice if costs or capacity constraints for implementing means-testing are too high.

The other approach consists in setting up or strengthening schemes to ensure universal access to social services. Its aim is to provide effective social protection with wide coverage - an essential condition for further progress in achieving the MDGs. According to this approach, it is important to redress inequalities in access to employment and social services (health, education, water and sanitation) as well as to improve social protection. Countries should therefore put in place universal “social-protection floors” to support the maintenance and regeneration of livelihoods, particularly of disadvantaged and vulnerable groups. The “social protection floor” concept promotes a set of social transfers and rights allowing individuals to access essential goods and social services.

The choice of the right approach depends on the institutional and financial capacity of countries to implement targeted or universal programmes. While the safety net approach may be the most affordable and realistic for low-income countries, the universal approach is the most desirable in the medium and long term, being more powerful for reducing inequalities and guaranteeing social protection for all. However, it has to be set up in such a way that it does not decrease the incentive to work in the formal sector. And since this approach is more costly, it calls for the expansion of the fiscal space through, in particular, more progressive taxation, a better balance between labour and capital taxation, and a more efficient tax-collection system.

Fostering policies promoting employment and decent work with effective social protection

Two overarching issues strongly linked to progress towards MDGs 1 to 7 are: to create full, productive and decent employment, and enhance social-protection systems. Both require mutually consistent, employment-focused macroeconomic and structural policies. They also require a clear vision, transcending short time horizons and aiming at the sustainability of social security systems.

For instance, well-designed programmes to integrate ethnic minorities and other disadvantaged and socially excluded groups into national labour forces could simultaneously provide public health and pension systems with adequate financing (in the form of additional social security contributions or higher tax revenues). Such devices will bolster equality in the long run. Moreover, an effective and sustainable social-protection scheme can help safeguard human capital as well as social peace during cyclical downturns.

Macroeconomic policies should clearly define employment objectives, promote sustainable growth and control inflation. Governments should combine economic and employment-related measures with vocational and training reforms to ensure the availability of a skilled workforce. Reforms should focus on increasing the education and skills levels of the population and creating conditions for the continuous adjustment of skills of workers and jobseekers to changing demands in the labour market.

Strengthening the focus on education as key to equity and prosperity in the knowledge-based economy

Foregoing technological advances, such as Internet use, nowadays means missing out on life’s opportunities and running the risk of being marginalized. Hence the need for a dynamic, flexible and responsive educational system that transmits the necessary knowledge to use these technologies and to adjust to the ever-changing needs of the knowledge-based

economy. It is also necessary to develop the infrastructure allowing everyone to have access to broadband Internet. There is thus a broad policy agenda related to education and knowledge-based development which should be constantly in the focus of policymakers in the region.

Ensuring access to reproductive health care

Countries should ensure universal access to reproductive health services and supplies, as part of comprehensive attention to women and maternal and child health. In particular, re-prioritizing voluntary family planning is crucial for reaching out with cultural sensitivity to under-served populations so that they can exercise their rights, lower the number of unwanted pregnancies, expand choices for families and individuals, in particular women, prevent mother-to-child transmission of HIV and break the repetitive cycle of poverty, hunger and inequality by focusing on the poorest households and other marginalized groups.

Addressing the challenges of the water-energy nexus in Central Asia

Central Asia faces a number of large environmental challenges, many of which require the creation of a viable scheme for regional cooperation. This scheme might replace the centralized national management of transnational water and biodiversity resources.

The region also needs a proper maintenance scheme for large-scale energy and water supply infrastructures, including for irrigation. In the past 10 years, the area affected by salination and water-logging has increased by between a quarter and a half. The Aral Sea has lost 90 per cent of its volume since the early 1960s and its biodiversity is probably irretrievably lost. Lack of progress in these areas is a cause of rising tensions between Central Asian countries.

Reconsidering energy prices and subsidies

End-user energy prices in the region are not adequately linked to costs of power generation and transmission, and do not reflect the environmental costs induced by high energy consumption and CO₂ emissions. Low energy price thus represents a massive subsidy for carbon-heavy production and consumption patterns. Higher energy prices of fossil fuels are therefore needed to correct misleading signals created by the present level of price. But since reversing climate change is a challenge involving the whole world, effective global regulation must complement higher energy prices to change behavior on the scale and speed needed. Donor-financed policy action to facilitate the rapid diffusion of the best available technology for lowering net CO₂ emissions is also critical for success.

However it must be recognized that higher energy prices could hit the poor severely, undermining previous gains in reducing poverty, and may give rise to massive and destabilizing social effects. Thus, raising the price for final users needs to be accompanied by simultaneous, reasonably targeted increases in social transfers and assistance to the poorest and most vulnerable. The higher government revenues associated with raising the price of carbon-heavy energy could be used to finance such social transfers. The devastating consequences of not having effective policy measures of this sort were recently highlighted by the escalating social and political tension in Kyrgyzstan.

Addressing frozen conflicts

Resolving the region's frozen or open conflicts, in many cases involving acute protracted refugee and/or internal displacement situations, is a complicated issue. However, it clearly has the "highest gradient", in the sense that the payoff in terms of enhanced human development in a number of different dimensions could be enormous.

A breakthrough here could open the way for rapid progress in several MDGs. Projects that create jobs, enhance trust and build capacity will release important multiplier effects and thus help movement towards such progress. Some projects of this type are currently being designed. To address persistent inequalities effectively, these initiatives should benefit both majority and minority populations, and both men and women.

Anchoring action in a firm commitment to human rights and securing the legal empowerment of the poor

Whenever possible, the MDGs should be presented as encapsulating universally recognized human rights. In this way, the plans, policies and processes of development will be anchored in a system of entitlements and obligations established by international law. The rights-based approach highlights the existing inequalities and redresses discriminatory practices and unjust distributions of power that impede development progress. It aims to promote the sustainability of development work, empowering people themselves – especially the most marginalized – to participate in policy formulation and hold accountable those who have the duty to act.

In line with a rights-based approach, priority should be given to removing cultural, social and economic constraints that limit the access of disadvantaged groups to resources and social services such as education and health. Equally important is the urgent need to tackle violence against women as well as social and family barriers to their wider political, economic and social participation.

An area of exceptionally high return to well-formulated policy intervention would be legal empowerment of the poor. Today, millions of the region's poor live without access to the laws or the formal institutions that underpin society and sustainable, equitable growth. They must rely on informal institutions and are unable to use legal frameworks to protect their assets, homes or businesses, or to benefit from international labour standards and a functional property rights system.

Progress in enhancing human rights, ensuring access to justice and enforceable property rights holds the promise of sustaining and accelerating MDG progress, and notably, of lifting millions out of poverty. Groups representing these constituents should be involved when the situation is being analysed and the type of intervention defined.

Developing consistent migration policies

Social and budgetary policies must address looming demographic changes. Migration policy can contribute to a solution to declining work forces in ageing societies while at the same time helping to relieve unemployment pressures in the source countries. However, many countries that are net senders of migrant workers have also declining workforces and ageing societies and thus lose their most valuable factor of economic development.

Well-designed migration policy needs to be combined with economic, education, employment and social policy and contribute to economic and social development both in the countries of destination and countries of origin of migration. Regionally coordinated policy responses would best serve all countries' interests.

There is also a need for comprehensive rights-based approaches to managing mixed migration movements. International standards deriving from the international conventions on refugee status and migrants' rights should be the cornerstone for national policies on migration and asylum. Vulnerable categories of migrants and asylum seekers, such as unaccompanied children, elderly, women heads of household, victims of human trafficking, etc. should find appropriate responses in terms of access to territory and administrative procedures as well as material and legal assistance and the services underpinning basic human rights such as health and education.

In addition to strengthening national capacity to administer migration, it is essential to conclude further multilateral and bilateral agreements on the access to the labour market and social services for both traditional migrant workers and groups of most vulnerable migrants.

Addressing transboundary issues through regional cooperation

Policies implemented by one country usually have implications for others linked to it through trade, finance, migration, or other channels. Environmental sustainability (MDG7) provides the clearest example: climate change, biodiversity and water management are obviously transboundary, and even global issues. Public-health issues, particularly diseases covered by MDG 6, also transcend national borders and often require coordinated action across a range of countries. Benefits can also be achieved through addressing common social issues such as gender-based violence through multi-country strategies, taking what works in one context and expanding it to similar situations and achieving synergies of scale.

In many instances, the optimal solutions for accelerating progress toward MDGs are those that consider the impacts on neighbouring countries. To this end, all actors need to aim for regional policy approaches and solutions in designing economic, social and institutional policies aimed at facilitating the sustainable achievement of the MDGs. Human trafficking is one such issue requiring a regional approach.

Fostering aid efficiency through donor coordination

Donors can enhance aid efficiency by improving their coordination with each other. For instance, Governments could agree on a common logic underlying their support and on processes that minimize the call on government resources (e.g. sharing background information subject to government consent; devising non-overlapping and consistent conditions for donor assistance; and streamlining reporting requirements).

Donor coordination councils need to focus on supporting sustainable development. Moreover, the United Nations “Delivering as One” approach needs to be expanded and consolidated. Effectively applied, it can provide an effective mechanism to ensure that United Nations agencies act consistently for the global good.

Coordination between the United Nations and international financing institutions and regional agencies also needs to be sharpened. This will ensure that international organizations complement each other by focusing on their areas of comparative advantage and thus foster consistent policy advice and assistance.



Chapter on MDG 1



GOAL 1: Eradicate extreme poverty and hunger



GOAL 1: Eradicate extreme poverty and hunger

This goal covers three targets: (1) halve the proportion of people living in extreme poverty; (2) achieving full employment and decent work for all; and (3) halve the proportion of people suffering from hunger.

In view of its multidimensional character, the poverty target can be considered in itself as an overarching development goal. This is because the absence of a minimum income and of a social status within society leads not only to a deprivation of essential goods but also to a lack of access to all the basic social services that are covered by the other MDGs. The second target is intrinsically linked to the first one: productive employment and decent work is the most important structural factor for getting out of extreme poverty by providing the poor with both a sustained income and a status allowing them to escape from social exclusion. The third target obviously responds to the most basic need of any human being. But beyond hunger, it has also to be seen in terms of malnutrition, since the latter gravely affects the health, and therefore the capacities, of people in this situation.

Target 1.A: Halve, between 1990 and 2015, the proportion of people living in absolute poverty

I. Trends in poverty reduction

In the pan-European region, the magnitude and depth of poverty differs substantially across its subregions. In the high-income economies of Western Europe and the middle-income economies of the EU (new Member States) relative poverty is the most relevant concept. However, to varying degrees, countries still have pockets of extreme poverty, with segments of the population who suffer from insufficient caloric intake and micronutrient deficiency, and are usually unemployed, deprived of decent shelter and inadequately covered by basic social protection schemes.

In most of the middle-income countries of the EECCA and SEE regions, the proportion of the population living in a situation of extreme poverty is significantly higher: absolute poverty affects a sizable part, but certainly not the majority of the general population. As one moves down into the lower-income economies of the EECCA and SEE regions, the share of this population increases significantly and, by some measures, may characterize the majority of the population for the poorest countries.

Overall, this means that people in 29 countries of Emerging Europe and Central Asia (and even of Western Europe to a much lesser degree) have to face a poverty challenge that is not simply having fewer material possessions, but also a lack of minimum income, limited opportunities for education and employment, inferior health status, and structural impediments to social inclusion and empowerment.

However, the level of extreme poverty in countries with transition economies is relatively low compared with that of other developing regions. For example, although eastern Asia has already achieved the MDG target by cutting its poverty rate in half, the percentage of its population living in extreme poverty is still substantially higher than in the SEE region. On the other hand, extreme poverty in Central Asia is high compared with many other world regions; only sub-Saharan Africa and south Asia have a higher rate.

GOAL 1: Eradicate extreme poverty and hunger

Extreme poverty increased substantially in Emerging Europe and Central Asia during the transitional period of the 1990s, although there are limited supporting data for this period. Not only did real wages decline but unemployment and income inequality increased sharply. And budget cuts led to collapsing or significantly scaled-back social protection. After 2000, poverty rates declined considerably in all these countries thanks to a successful recovery process. However, since 2008 the global economic crisis has caused some reversals in this trend.

The overall picture is that the highest absolute numbers of the poor are in the middle-income economies, notably in large countries such as Russia, Turkey and Ukraine. It is the lower-income economies of the region that show the highest proportion of population living in a situation of extreme poverty.

Extreme poverty as measured by a minimum income level

To ensure comparability among countries, the indicator commonly used for measuring extreme poverty is a minimum-income threshold per day. This is defined as living on less than \$1.25 a day, measured at Purchasing Power Parity (PPP), in the global United Nations MDG framework. Thus, the number of extreme poor in the countries of the EECCA and SEE regions was estimated at 17.3 million in 2005, or less than 4 per cent of the total population⁸. However, in some of the countries, it is much higher: for example, the percentage is 10+ per cent in Georgia and Turkmenistan, while it is 20+ per cent in Kyrgyzstan, Tajikistan and Uzbekistan.

In the whole of the Caucasus and Central Asia in 1990, 6 per cent of the population had incomes under \$1.25 a day. By 1999, it was 22 per cent and in 2005 19 per cent. Recent United Nations projections estimate that in the countries with economies in transition the number of people living under this threshold increased by one million in 2009 over 2008 levels⁹.

The \$1.25 threshold is viewed by many as an inappropriate standard to assess extreme poverty in countries of the SEE and EECCA regions, due to a more urbanized environment and the extra food, shelter, heating and clothing expenses associated with living in a cooler climate. The World Bank has therefore proposed a higher standard of \$2.50 a day for defining extreme poverty.

By this standard, the number of people living in extreme poverty in the Emerging Europe and Central Asia declined by more than half over the 2000 to 2007 period to approximately 30 million. The World Bank has projected that this number will be 2.4 per cent higher in 2010 than it would have been should the crisis not have occurred. Other researchers have found that if policies are not more supportive than in earlier crises, this number could reach over 60 million by 2011¹⁰.

Poverty as measured by nationally defined indicators

Many countries of the region have also established their own national levels of poverty based upon their calculation of the income level needed for a minimum level of subsistence. For countries of the EECCA and SEE regions, these country-specific data are provided in table 1A, annex 3 for a few selected years. Although such data do not make it easy to compare trends among countries, they do allow progress in poverty reduction to be assessed.

⁸ World Bank, Policy Research Working Paper No 4703, Shaohua Chen and Martin Ravallion

⁹ United Nations, World Economic Situation and Prospects, New York, 2010.

¹⁰ Balázs Horváth, Andrey Ivanov, Mihail Peleah, and Michaela Pospisilova, Losing the Gains: How the Crisis Will Impact Human Development in the Region, Development and Transition No. 14, December 2009.



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They corroborate the conclusion that for these two groups of countries, poverty declined often substantially over the 2000 to 2008 period. However, preliminary data also confirm that much of the progress made during this period has been reversed. For example, according to the Russian State Committee on Statistics, the number of Russians living in poverty increased from 18.5 million at the end of 2008 to 24.5 million, or 30 per cent, during the first three months of 2009¹¹.

The EU countries have adopted a common methodology for measuring the population at risk of poverty, which is having disposable income below 60 per cent of national median income. This measure of relative deprivation, as shown in table 1B, annex 3, remained relatively stable over the period from 1995 to 2008, except for the Baltic States, Bulgaria and Romania where the population at risk of poverty reached around 20 per cent or more of the total population at the end of the period.

Increasing inequalities

The rise of economic and social inequality that affects distribution of incomes, access to property, good education and employment opportunities is a key driver of poverty in the region. Given its importance, reduced inequality has been introduced as a specific target in some countries' national MDG strategies (e.g. in Armenia, Latvia and the former Yugoslav Republic of Macedonia).

Inequality has increased substantially in almost all of the countries over the last decade. The main contributing factor was the rise in inequality of wages owing to the liberalization of product and labour markets. The level of inequality in the EECCA and SEE regions is far less than in some other developing regions, such as Latin America. But the rate of increase during the past two decades has been the highest in the world. The resource-rich countries also have high levels of inequality and high unemployment. Policies that promote economic diversification could help reduce inequality, increase employment and thereby reduce poverty.

The distribution of poverty

Wherever we find large pockets of poverty we also find a large informal sector. Poverty is concentrated in such sectors of the informal economy as smallholder farming and much of retail trade, where productivity is low and social protection non-existent. In these sectors, employees form the largest category of the working poor. Poverty also critically affects vulnerable groups – multi-children and single-parent families, the elderly, disabled and other socially excluded people, including Roma and refugees.

Ethnic and gender discrimination

Ethnic and gender discrimination are also significant factors explaining poverty in the region. The Roma population in central and southern Europe suffers from multiple acute forms of social exclusion. In Serbia, Romania and Albania, the percentage of the population living on under \$2.50 per day is between 20 and 40 per cent in Roma communities, while the same indicator is below 5 per cent for the rest of the population. In central Asian rural societies, customary law and societal norms tend to discriminate against women, severely limiting women's rights to own land and to access land-related resources.

Poverty also has an uneven spatial distribution, mostly affecting rural areas and small towns, especially those that grew around industrial enterprises suffering from decline owing to the economic crisis. A substantial number of the poor in countries with transition economies live in rural households for whom labour migration represents the main coping strategy. In the EECCA region, 31 million people have emigrated to work in another country, often in the same region; in 9 of these 12 economies, the emigration flow represents more than 10 per cent of the total population. Remittances sent by migrant workers to their families are a major source of livelihood for large parts of the population in Central Asia, south Caucasus, the Republic of Moldova, Ukraine and the Western Balkans. Amounting to 20 to 40 per cent of gross domestic product (GDP)

¹¹ Defined as 5,497 rubles a month (or slightly over \$5 a day at the market exchange rate).

in Tajikistan, Kyrgyzstan and the Republic of Moldova, the inflow of remittances has been a key contributor to increasing consumption and falling poverty. Recently, this flow declined significantly due to the economic crisis, in some cases by more than 25 percent, with serious implications for living standards and investment in health and education for the poorest segments of the populations in the receiving countries. However, remittances may be picking up again in 2010. Finally, migrant workers are often illegal, or even if legal they are not granted the same legal rights or given the same access to social benefits as domestic residents. As a result, these workers are often marginalized and exploited.

II. National strategies and policies to date

Most national Governments in the region have developed and implemented Poverty Reduction Strategies (PRS)¹², which integrate actions addressing poverty in a holistic way into a consistent overall policy framework. The strategies also act as a coordinating mechanism for sector-specific poverty reduction measures and set out medium-term targets and detailed action plans, with monitoring systems for tracking progress on poverty reduction and other MDGs.

Poverty Reduction Strategies have attained the status of national development strategies in a number of countries (e.g. Albania, Armenia, Kyrgyzstan, Republic of Moldova, Serbia and Tajikistan). This ensured the implementation of measures towards poverty reduction through a range of economic and social policies aimed at dynamic economic growth, technological modernization, improved public services and efforts directed towards improvement of living standards.

PRSs also raised the importance of activities addressing poverty-related issues through a range of sectoral programmes to cover the many multifaceted aspects of poverty reduction. Thus, poverty reduction in most PRSs was defined from a broad human development perspective, encompassing both income and non-income (health, education etc.) dimensions. However, in Belarus, Kazakhstan and Ukraine, Poverty Reduction Programmes had a sectoral focus, which reduced their potential impact on other sectors.

Although PRSs were grounded in an in-depth poverty analysis and identified good policy objectives and measures, they often lacked prioritization and a clear link to budgetary resources, which lessened their effectiveness. These lessons have been learned and taken forward by countries such as Tajikistan that have recently designed or are currently developing third-generation PRSs.

Among poverty-oriented policies that are sector specific, perhaps the most important ones have consisted in improving methodologies for targeting social assistance as a key instrument for tackling acute poverty. Stricter and more refined criteria for benefit entitlements in Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, and Serbia allowed an improved targeting of social assistance to the truly poor. In Kazakhstan, for example, the number of Targeted Social Assistance (TSA) recipients decreased from 860,000 in 2003 to 505,060 in 2005 while the amount of benefit increased, although at 40 per cent of the subsistence minimum, it is still insufficient to move the recipients completely out of poverty¹³. The improvement is a reflection of both the reduced number of the poor and stricter application of eligibility rules. In 2005, 63 per cent of TSA recipients were rural residents; and 79 per cent of all recipients were children under 18, pensioners, disabled and adults caring for children. Box 1 below highlights some good practices in the design and implementation of comprehensive poverty reduction policy frameworks.

All countries in the region have Programmes for Rehabilitation of the Disabled. They consist of a range of measures for medical, social and professional rehabilitation, and for developing a network of rehabilitation institutions. These include orthopaedic aid and technical facilities for rehabilitation of disabled persons, and help in accessing social infrastructure and services.

¹² The actual titles of PRSs differ in individual countries like the Welfare improvement Strategy in Uzbekistan or the State Programme of Poverty Reduction and Sustainable Development in Azerbaijan.

¹³ Poverty Reduction in Kazakhstan: Policy Outcomes and UNDP Contribution, UNDP 2006.

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There is nevertheless a need for further measures to enhance the effectiveness of the social protection system. Many of the poor, especially self-employed people in rural areas remain excluded from social assistance due to complicated application procedures and strict eligibility rules, pertaining especially to the imputed value and income from land and household livestock. On the other hand, there are signs that in some cases social assistance may create poverty traps and encourage a dependency culture.



Box 1:

Country experiences – Republic of Moldova, Serbia and Ukraine

All three countries made significant headway in poverty reduction by improving the targeting of social assistance and increasing benefits for the poor. However, poverty increased after 2008 due to the onset of the global crisis, and pockets of localized, acute poverty remain.

Republic of Moldova

The Republic of Moldova offers a good example of the critical role of political will in achieving MDGs despite the effects of the crisis. The country is on track to reach 21 out of 27 MDG targets, including those under MDG1. External support for the country's anti-crisis package attracted donor pledges of \$2.6 billion. Domestic backing bolstered by effective, well-targeted social protection, is critical for this success.

Serbia

The implementation of Serbia's Poverty Reduction Strategy has remained on track despite three changes in government. Its success is due to:

- a well-designed, realistic document;
- a strongly participatory process, involving NGOs and civil society, that generated strong buy-in, including from local Governments;
- an effective central coordination unit, led by the deputy Prime Minister.

Serbia is coming out of crisis, but there remain spending constraints, necessitating further reforms to do "more with less". Critical issues are identifying and supporting the "new poor", and effectively addressing social exclusion (using the EU social inclusion concept).

Ukraine

Ukraine was particularly hard hit by the crisis, with GDP down by 15 per cent in 2009, while social protection was poorly targeted—a critical area to address. The ranks of the rural and working poor swelled, with highest vulnerability in rural areas, and among large families and pensioners over 70.

Ukraine increased pensions and minimum wages by over 20 per cent in real terms in 2009. The incoming administration's first decision was to launch the development of a new PRS. It plans to compensate the poor for the looming increase in energy prices (which is necessary to ensure financial viability of utilities). It also considers vocational and adult education as important means of tackling high unemployment.

III. Future policy directions for accelerating poverty reduction

A key strategic priority for achieving MDG 1 is resuming sustained dynamic economic growth, which is essential for generating stable employment and raising income as a basis for improving welfare and achieving development objectives, including the other MDGs.

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To maintain a dynamic growth rate, more and better targeted investment is needed in many countries of the region. In addition to public investment in infrastructure and essential services, measures to improve the business climate are also required to attract more private investment, domestic and foreign, and to mobilize domestic resources, including remittances, to finance it.

Poverty reduction also hinges on a more equitable income distribution. Achieving greater equity in welfare requires a reduction of regional inequalities in living standards, including elimination of disparities in employment opportunities and in access to social services and infrastructure.

More specifically, the following policy directions conducive to a more equitable growth and poverty reduction can be highlighted.

- The SME sector as an engine of growth, employment and income generation should be supported by a more favourable tax regime with reduced rates stimulating small entrepreneurs and by removing administrative barriers to doing business.
- Remittances of labour migrants should be used more efficiently as a source of investment and growth. Incentives for investing remittance income in the economy should be created within the banking system, securities market and private pension funds.
- Social policy measures have an important role in the reduction of poverty. While the welfare of the working population can be improved principally through economic opportunities and higher incomes, social security and social assistance should continue to target children and vulnerable groups, including the elderly and disabled. To increase the contribution of targeted social assistance to poverty reduction it is necessary to refine the eligibility criteria to make targeting more effective and to increase the amount of support to those in real need.
- Migration policy and migrant rights need to be updated. Migration needs to occur under a legal framework agreed bilaterally (by sender and host countries), or multilaterally. Domestic legislation needs to protect migrants' rights and provide them full access to education, health and other basic social services.

Target 1.B: Achieve full and productive employment and decent work for all, including women and young people

I. Recent trends in employment and their impact on poverty

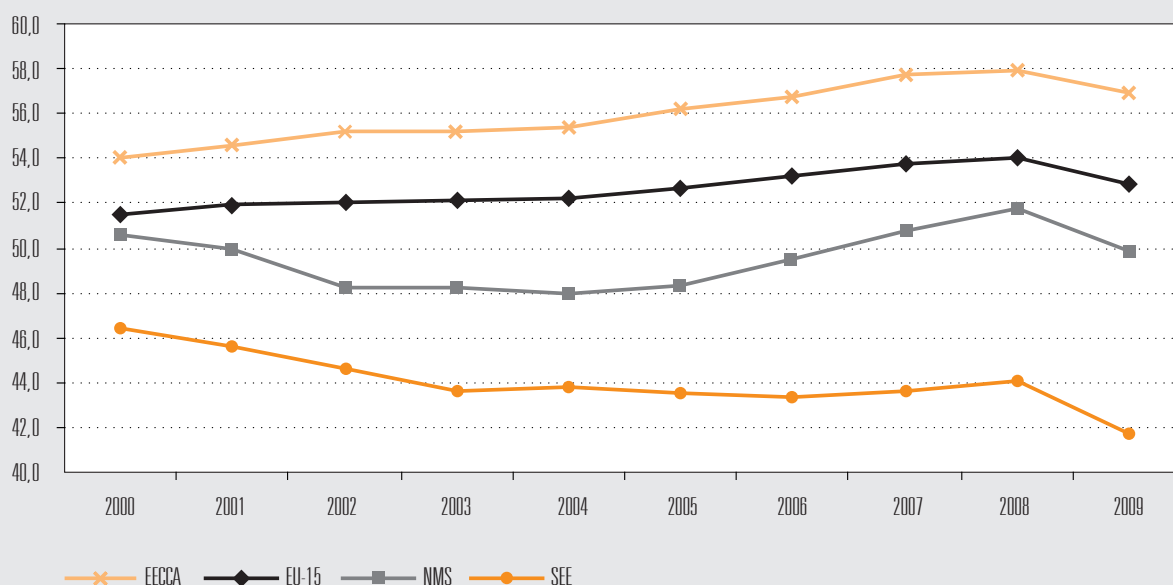
Poverty in Emerging Europe and Central Asia is significantly linked to unemployment since those with jobs outside of the informal and agriculture sectors are generally at least able to escape from extreme poverty. Between 1989 and 2003 total employment in SEE (including Bulgaria and Romania but excluding Turkey) fell by 27 per cent, by 17 per cent in Eastern Europe and the Caucasus countries of EECCA, and by 17 per cent in the New Member States (NMS), excluding Bulgaria and Romania. Over this period, employment increased by 15 per cent in Turkey and 10 per cent in the Central Asian countries¹⁴. Even since 2000, employment growth has been limited (see chart 1) and accompanied by relatively high rates of unemployment, which had important implications for poverty reduction.

¹⁴ UNECE, Economic Survey of Europe, 2005 No.1, Geneva, 2005.

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The relative failure in generating employment to match economic growth can be explained by two factors – a rapid increase in labour productivity (a positive development), and by informal employment. Labour productivity measured as GDP per person employed rose on average by 0.7 per cent annually between 2000 and 2007 in the EU-15, but much faster in the NMS, SEE and EECCA (4.5, 4.3 and 5.7 per cent, respectively). While the low initial level in the three latter groups of countries can be seen as one cause of this huge difference, the significant structural changes in GDP and employment are also important. In the NMS, and later in SEE, economic recovery in the years after 2000 has been driven by the revival of manufacturing, mainly in exports and the expansion of services, with both to a large extent being financed by foreign direct investment (FDI) flows. This development was accompanied by technological improvements that were, in general, labour saving. Many EECCA countries have largely based their economic expansion on hydrocarbon production, mining and the metal industry—structural shifts that were also labour saving—as well as on the service sector.

Chart 1: Employment-to-population ratio (per cent)



The security of formal employment has declined across the whole region, owing to more liberal regulation of employment relations and a higher use of time-bound and part-time contracts and other forms of atypical employment, such as agency work. The disadvantages often connected with atypical employment include lower pay, less access to training and services provided by the enterprise, poorer coverage by social security schemes, fewer opportunities for promotion and difficulties in obtaining housing loans from banks.

The share of self-employment (own-account workers and contributing family members) in total employment between 2000 and 2008 fell from 23.1 to 16.9 per cent for the NMS, from 40.8 to 30.8 per cent for SEE and from 20.5 to 16.7 per cent for EECCA, but increased in each of these subregions by 2-3 percentage points again in 2009.

Insecure employment contributes toward the ranks of the working poor, i.e. people who earn less than the established poverty line. Between 2000 and 2008, the share of working poor (earning less than \$2.15 per day) in total employment declined from 15.6 to 12.7 per cent in SEE and from 20.8 to 12.8 per cent in the EECCA countries, followed by an upward trend in 2009 owing to the economic crisis.

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The high economic growth in the years following 2000 has contributed to a significant decline in unemployment. While in 2000 the unemployment rate stood at 8.4 per cent for the EU-15, 12.2 per cent for the NMS, 10.4 per cent for SEE and 10.6 for EECCA, it fell to 7.1, 6.5, 11.7 and 7.4 per cent respectively in 2008. Thus, a considerably bigger reduction in unemployment was achieved in the central and eastern parts of the region. Again, the economic crisis has reversed this favourable trend: ILO projections for 2010 indicate an increase in unemployment to 9.9, 8.7, 14.8 and 8.9 per cent for the above regions respectively. Female unemployment rates have remained higher than male rates in all the sub regions, except for EECCA.

As compared to other age groups, the share of youth unemployment (between the ages of 15 and 24, in particular amongst new graduates without work experience) has worsened in many countries during the 2000s as a result of mismatches between their skills and those sought by employers. The youth unemployment rate in Emerging Europe and Central Asia is on average twice as high as the overall unemployment rate. The current crisis has further aggravated the situation, since employers have sharply cut recruitment. Other population groups disproportionately hit by unemployment are women with small children, persons with disabilities, low skilled workers, migrant workers and, more recently, older persons.

Underemployment in the form of the reduction of working hours and administrative leave, usually without pay, or the non-payment of wages - widespread in SEE (excluding Turkey) and EECCA in the 1990s - was much reduced after 2000. Unfortunately, the economic crisis has also contributed towards higher underemployment and the non-payment of wages in affected countries. For example, 3.6 per cent of workers in Ukraine were put on administrative leave and 10.3 per cent on a reduced work regime in June 2009, while the volume of unpaid wages grew by 38 per cent during the first half of 2009, reaching 7.6 per cent of the total wage bill.

II. National employment promotion policies adopted after 2000

The improved macroeconomic situation and national employment policies have both contributed to stronger job creation after 2000. In the EU, the European Employment Strategy (implemented in national action plans) emphasized employment promotion, the better matching of labour supply with demand and special assistance to harder-to-place persons. In a number of the then EU accession and non-EU countries, Governments supported the establishment of special industrial zones and/or provided subsidies, tax reductions or other concessions to foreign investors for greenfield investments or privatization of existing enterprises with the aim of accelerating economic development and creating new jobs.

Many countries have further liberalized their employment protection legislation (EPL) during the 2000s with the aim of reducing unemployment¹⁵, although the majority of analyses have not found that strict EPL has had a significant influence on aggregate unemployment. Countries have also shifted the emphasis towards activation policies and reduced income support in unemployment in order to motivate jobseekers to actively search for and take up new jobs. Due to stronger labour demand, such activation policies indeed helped to improve employment figures and richer countries even faced problems of labour shortages (in particular of skilled workers) and attracted labour migrants to vacant jobs. However, in SEE and in particular in EECCA, more liberal EPL coupled with loose legislation enforcement and a vast informal economy are undermining employment security. Their still weak public employment services and meagre resources allocated to active labour market policies further exacerbate the problem.

¹⁵ See e.g. Sandrine Cazes and Alena Nešporová, *Labour markets in transition: Balancing flexibility and security in Central and Eastern Europe*, ILO Geneva 2003; OECD, *Employment Outlook 2004*, OECD, Paris 2004; European Commission, *Employment in Europe 2006*, EC, Brussels 2006; Sandrine Cazes and Alena Nešporová (eds.), *Flexicurity: A relevant approach in Central and Eastern Europe*, ILO, Geneva 2007.

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The economic crisis has also pushed Governments to support employment as part of anti-crisis measures. In many EU member countries, both old and new, but also in Kazakhstan, Russia, Turkey and Ukraine, measures were adopted in agreement with social partners to prevent mass dismissals and unemployment. These measures included shorter working hours, temporary internal transfers or administrative leave subsidized by public employment services (at times combined with subsidized training to help workers improve their skills, and enterprises to accelerate their recovery). Some countries have also used wage subsidies or cut employers' contributions to social funds for all workers or selected vulnerable groups to reduce labour costs for employers.

Box 2:

The Road Map Programme of the Republic of Kazakhstan

In March 2009, the Government launched a Road Map programme to preserve employment through memoranda of understanding between the Government and social partners in big enterprise and to stimulate new employment through infrastructure projects, mostly at local level. During 2009, reportedly over 8,000 memoranda were concluded on introducing shorter working hours and partially paid administrative leave or the temporary transfer of workers to other workplaces, which helped to save a significant number of jobs. Over 4,700 investment projects were launched for the renovation and reconstruction of housing and communal services and the renovation, insulation and improved heating of schools, hospitals and public buildings. These created some 250,000 new jobs. Funding for the Road Map programme was 191 billion tenge (some \$1.3 billion) in 2009, of which two-thirds was provided by the state budget and one-third by local budgets. The programme contributed to reducing unemployment by 0.6 percentage points, from 6.8 to 6.2 per cent, in 2009. The Road Map programme continues in 2010, with a new allocation of 143 billion tenge, covered by the state budget and local budgets in roughly similar proportions, aiming to create 200,000 jobs in 2010. The Government has also launched a major programme of housing construction and other major infrastructure projects, envisaged to create another 200,000 jobs.

Many governments have stimulated employment through increased spending on infrastructure, as well as on energy efficiency and water management, and combined it with public and community work schemes. Support was also provided to the automobile industry (and some other sectors) and to small and medium-sized enterprises (SMEs) through enhanced access to capital and reduced tax rates. Assistance to the unemployed has been intensified through strengthening public employment services, additional funding for unemployment benefits and active labour market policies, in particular related to training and public works. Preliminary assessments of the impact of these measures show that they have helped to reduce unemployment, facilitated reemployment of displaced workers and contributed to bringing their skills up to date.

III. Future policy directions for accelerating the pace towards full and decent employment for all¹⁶

Macroeconomic policies should include clearly defined employment objectives to achieve full and productive employment and decent work, with full respect of fundamental rights in the workplace. Economic and employment-related strategies and measures need to be combined with vocational and training reforms to ensure appropriate skills for the workforce and to facilitate continuous adjustment to changing demand in the labour market. Resources from both public budgets and private employers' sources should be used for this purpose.

¹⁶ More in: Alena Nešporová and V. William Nero, *Promoting Decent Employment in Eastern Europe, Central Asia and Turkey*, a paper presented at the Ministerial Conference on the Social Impacts of the Economic Crisis in Eastern Europe, Turkey and Central Asia in Almaty, Kazakhstan, December 7-8, 2009. http://www.ilo.org/public/english/region/eurpro/geneva/download/events/almaty2009/ilo_paper_abstract_en.pdf

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Specific anti-crisis policies supporting employment and facilitating labour market adjustment include the following type of measures.

- Subsidized work-sharing schemes, wage subsidies or reduction of employers' contributions to social funds can preserve employment by reducing labour costs for enterprises while helping them retain their core workforce. Temporarily combining such measures with subsidized retraining in new skills would support the necessary restructuring of an enterprise and ensure longer-lasting returns on the resources invested in these employment support measures.
- Unemployment benefits for displaced workers and other eligible jobseekers are essential both as social protection and—in some countries—as a means of sustaining consumer demand, attenuating the decline in production and employment. Eastern Europe, Caucasus and Central Asia countries need to extend unemployment benefits to currently ineligible displaced workers, while the level of benefits should increase at least to the subsistence minimum in order to provide meaningful support against poverty.
- Active labour market policies (ALMPs) need to expand to improve the skills and employability of the labour force—especially harder-to-place jobseekers—and to reintegrate discouraged inactive persons. ALMPs should also support national and local development strategies. They should be regularly monitored and adapted to the situation in the labour market and to the needs of jobseekers and employers.
- In regions with massive unemployment, public works schemes can provide temporary employment for large groups of jobseekers, albeit at a significant budgetary cost.
- The capacity of public employment services as the main providers of job placement services for jobseekers and employers should be strengthened, especially in SEE, and in some cases in EECCA where they need to be re-established.
- Effective social dialogue among employers, the business community, workers, and Governments is critical to the formulation and implementation of successful crisis recovery plans and longer-term development strategies with strong employment content. Therefore, social dialogue institutions should be established and strengthened, and social partners supported to engage in a meaningful dialogue with Governments in order to shape policies.

Target 1.C: Halve, between 1990 and 2015, the proportion of people who suffer from hunger

I. Trends in food security since the 1990s

Under-nourishment

Since the late 1990s most of the countries in Emerging Europe and Central Asia have made considerable progress in reducing the incidence of hunger, halving it in accordance with the MDG 1C target. The Caucasus countries achieved the target as early as 2006. The Republic of Moldova and Turkmenistan may also be able to realize this goal. However, there is concern about some Central Asian countries where the rate of undernourishment (measured as the percentage of the population with a caloric intake below the minimum dietary energy requirement) appears to have increased, notably in Tajikistan and Uzbekistan.



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According to the FAO measurement, five of the EECCA countries had undernourishment rates of over 10 per cent in the period from 2004-2006. These include Armenia (23 per cent), Azerbaijan (11 per cent), Georgia (12 per cent) and Tajikistan (26 per cent). Elsewhere in the region the level of undernourishment from 2004-2006 stood at below 5 per cent, with Turkmenistan registering a slightly higher figure (6 per cent).¹⁷

Food security

The food security situation differs from country to country, with eight of the region's countries classified as ODA eligible countries with recurrent net food trade deficit. These are: Armenia, Azerbaijan, Georgia, Kyrgyzstan, Republic of Moldova, Tajikistan, Turkmenistan and Uzbekistan.

Food security is largely determined by local agricultural production, which is vulnerable to natural disasters and climate change. Since 2000, an increasing number of countries with transition economies have been affected by these risks. Armenia, Bosnia and Herzegovina, Georgia and Moldova saw a decline in agricultural output in 2009, particularly in cereals. The Food Security Monitoring System of the World Food Programme (WFP) reports that due to the earthquake and floods affecting Tajikistan in 2010, food insecurity has further worsened, affecting over one-third of the rural population¹⁸.

The cold 2007/2008 winter season caused death, illness, and insecurity among Central Asia's most vulnerable populations. Tajikistan was hit the hardest, along with the rural areas of Kyrgyzstan, Turkmenistan and Uzbekistan¹⁹. Food insecurity and volatility of agricultural production were compounded by past environmental mismanagement, manmade environmental disasters and the effects of climate change. Such environmental effects increase the scarcity of land and water resources and thus aggravate negative impacts on food supplies coming from the global market.

The impact of the global food crisis

In 2008, the region was confronted with rising food prices which resulted from the global food crisis and led to a reduction in the quantity and/or quality of food purchases. Apart from the direct impact on household incomes, the crisis has also negatively affected Government budgets. The surge in food prices has affected food security through a reduction in the quantity and/or quality of food purchases.

Most food prices, with the exception of sugar, decreased significantly after 2008, alleviating the problem. At the same time there was also some increase in food supply levels. However, world grain prices remain at least 40 per cent above 2000-2004 levels. Moreover, food prices in several countries declined much less significantly because of local conditions or market imperfections. In particular, bread prices, according to a recent FAO analysis, remain well above the pre-food crisis level.

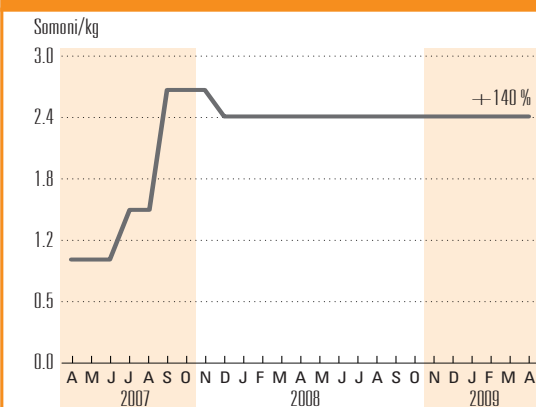
¹⁷ FAO. William Meyers and Guljahan Kurbanova, *Impacts of the Global Economic and Financial Crisis on Food Security in Eastern Europe and Central Asia*, a paper presented at a Ministerial Conference on the Social Impacts of the Economic Crisis in Eastern Europe, Turkey and Central Asia in Almaty, Kazakhstan, December 7-8, 2009.

¹⁸ REACT, *News Bulletin 18*. Rapid Emergency Assessment & Coordination Team, Tajikistan, April 7 – 21, 2010.

¹⁹ FAO. GIEWS. <http://www.fao.org/giews/english/index.htm>

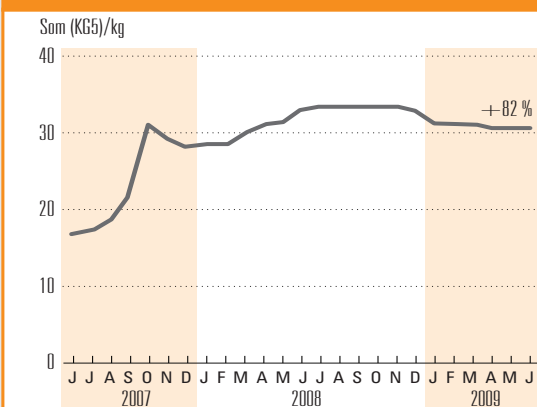
Chart 2: Examples of bread prices: Kyrgyzstan and Tajikistan

Retail bread price in Dushande, Tajikistan



Note: Percentages indicate change from 24 months earlier.

Retail bread price in Bishkek, Kyrgyzstan



Note: Percentages indicate change from 24 months earlier.

Source: FAO

Moldova's example illustrates how a country can be affected by the dual challenge presented by an extreme weather event and high international food prices. In 2007, Moldova suffered the most severe drought in its history. As a result, aggregate cereal production fell by 63 per cent against the previous year. Household food production, a mainstay of food supply for most rural families (70 per cent of the population) also fell sharply.²⁰

II. Policy responses and lessons learnt

Reforms made to improve the performance of the agricultural sector

The economic growth of the past decade, together with agricultural and land reforms, has helped to reduce poverty and food insecurity in the region (see box 3).

Box 3: Poverty reduction and food security: the case of Armenia

Economic growth and improved performance of smallholder agriculture led to a fall in poverty from over half of the population in 1999 to less than 25 per cent in 2007, and an even sharper fall in severe poverty from 21 per cent to around 3 per cent. Similar declines in the proportion of the undernourished were also achieved from 46 per cent in 1991 to 23 per cent in 2004-2006, leading to a 60 per cent reduction in the absolute number of undernourished over the same period. Armenia's Food Security Program (FSP) played a key role in the implementation of the country's Poverty Reduction Strategy between 199-6-2005. In parallel, the Government of Armenia took measures for creating an enabling environment for economic growth, and improved its disaster preparedness and response system. These measures, together with investments in infrastructure, have helped enhance competitiveness and preserve biodiversity.

Source: *Pathways to success*, FAO, Rome, 2009

²⁰ FAO. GIEWS. <http://www.fao.org/giews/english/index.htm>

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Higher food prices have generated a supply response in countries that did not have blockages in their agricultural supply chains. Grain supplies improved with the growth of local production, making the region a significant grain exporter as opposed to being a large importer of grains in the late 1980s. Grain production in the EECCA region declined in the 1990s, but since 2000 it has increased by almost half. In addition to the EU states, Kazakhstan, Russia, Turkey and Ukraine have contributed to global food supplies as grain exporters (see box 4).

Box 4:

Transforming Agriculture to Meet Demand: the case of Turkey

Transforming agriculture to meet demand was one of the main principles of agriculture policy in Turkey, which consisted of investing in rural development, creating agricultural extension services, and improving the land tenure and insurance systems. As a result, the food poverty ratio declined from 1.35 per cent in 2002 to 0.54 per cent in 2008 and the country's agricultural exports increased by 4.7 per cent annually over the period 2000–2007.

Source: Pathways to Success, FAO, Rome 2009; Turkish MDGs Report, 2010

Policy responses to the high food prices

Governments implemented a range of measures to mitigate the effects of the high food prices on food consumption. A number of countries resorted to protectionism to support local producers. The EU reported some 223 trade restrictive measures taken by the EU's main trading partners in the year to October 2009, which affected 5.2 per cent of EU exports²¹. One third of countries in the region introduced administrative restrictions or increased taxation on grain imports. These actions constrained access to grain imports in five of the region's grain importing countries that in response had to reduce import tariffs and increase imports from other trade partners.

Price controls were introduced with the aim of reducing price transmission to consumers. The Government of Ukraine defined mark-up limits on flour prices and retail price limits on the price of bread. The Russian Government implemented controls on the prices of primary products such as bread, milk, sunflower oil and eggs. In Kyrgyzstan, the Government sold bread and other primary products to the poor at lower prices.

Food aid

Armenia, Azerbaijan, Georgia, Kyrgyzstan, and Tajikistan have received significant food aid in recent years, but the downside (with long-term implications) of this has been to undermine local producers.

Overall, the countries of the EECCA region that have reformed their agricultural sector have been successful in decreasing undernourishment and increasing food security. However, in a number of moderate and slow-reforming countries, the agricultural sector continues to have a food deficit as a result of price policies and trade restrictions introduced at the time of the food crisis by exporting countries such as Kazakhstan, the Russian Federation and Ukraine.

III. Policy priorities for ensuring food security

The long-term policies to improve food security include those that sustainably support the income of the poor—economic growth, and land, economic and agricultural sector reforms. Agricultural and rural development constitutes a critical strategic direction for poverty reduction. A key constraint is poor rural infrastructure. Investments in public goods, such

²¹ Agra Europe 2009. <http://www.agra-net.com/portal2/puboptions.jsp?Option=archive&pubid=ag002>

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as irrigation and roads, contribute more to agricultural growth than other forms of public spending on agriculture (such as farm subsidies). Investments in rural infrastructure connect farmers to markets by reducing transport costs and helping to integrate smaller farmers in modern supply chains.

Better functioning markets facilitate improved price transmission and supply chain integration, which both help agricultural producers. Farmers gain from improvements in market efficiency, including improved transport infrastructure and market information systems, increased competition in the marketing chain, and increased efficiency and transparency. The Government's role is to create an enabling environment for new farms and agribusiness, and also to improve financial and technical support and information services.

Enhancing food security requires technical assistance to strengthen early warning systems monitoring agricultural production and food supplies. Creating safety nets and rapid response capacities combined with measures to improve food access through normal market channels are also important.

Measures needed to improve the food security situation in the region include the following:

- Improving information on food security which is currently limited, outdated or non-existent, thereby restricting the possibility to identify the food gaps as well as when and where to intervene. Many countries currently lack nutrition data, as well as reliable data on the coverage and quality of programmes despite considerable investments in data collection in recent years.
- Completing the WTO Doha Round of trade negotiations to restore trust in the international trading system through open and responsible trade policies, and improved multi-lateral rules.
- Ensuring coherence of food security measures within national Governments where they are covered by various Government departments (e.g. agriculture, health, education, water and sanitation). Nutrition, in particular, is often an administrative and institutional orphan. Ownership of programmes and policies at country, district and local level is often lacking and needs to be established to exercise responsibility for programmes, research, monitoring and information and to commit staff and resources.
- Enhancing investment (public and private), and agricultural research and development (R&D), is key for the stability of agricultural production and food security. The Government should take the lead in R&D, infrastructure investment and improvement of the business environment for the private sector to invest.
- Providing capacity building assistance to enhance stability in agriculture and food provision, and increasing the share of ODA in the agriculture sector.
- Providing risk management tools for farmers. Risks associated with yield and price variability can be mitigated with good risk management tools such as yield, price and/or revenue insurance, market information systems, improved access to futures markets, and contract facilitation. The Government should assist the private sector in offering such tools and use prudent incentive measures to encourage adoption.
- Including targeted food distribution programmes to complement targeted cash transfer schemes and employment schemes. Targeted social protection exists to cushion the biggest impacts of market and financial shocks on the neediest to limit the long-term consequences. Interventions need to have a particular focus on women and children under five years of age.



Chapter on MDG 2



GOAL 2: Achieving universal primary education

GOAL 2: Achieving universal primary education

Education is not only a basic human right but also a stepping-stone to the enjoyment of other rights. It is through education that people can access broader social, economic, political and cultural benefits. Education is also a driver for sustainable development. No country has ever climbed the human development ladder without steady investment in education. Education contributes to building a more prosperous, equitable and peaceful society by improving health, and reducing poverty and inequalities.

The Education for All (EFA) movement, launched in 1990 and reaffirmed in 2000, represents a firm international commitment to providing quality basic education to all. Building on this momentum, the Millennium Development Goals established a comprehensive global partnership to eliminate extreme poverty, recognizing education as a key component through MDG 2, universal primary education.

This goal requires every child to enrol in primary school and to complete a quality full cycle of primary education by 2015. Education interacts with many other areas of development, including health, environment, employment and poverty eradication. This chapter focuses on important achievements towards MDG 2, as well as the remaining challenges. It will also highlight examples of policies and measures implemented, underpinning successful elements, and provide key recommendations to accelerate progress toward the MDG 2 and a quality basic education for all.

I. Trends

The general picture of educational development in Emerging Europe and Central Asia is positive. Universal access to primary and secondary education and youth literacy has nearly been achieved in most countries of the region. But progress towards universal primary education across countries and within countries, and across populations and groups, has been uneven. Issues of inclusion and quality of primary education remain profound causes of concern.

Universal primary education

Numerous milestones have been reached towards the realization of universal primary education in Emerging Europe and Central Asia. In general, school access and retention rates are very high, and grade repetition at the primary level quite low.

To measure a country's progress towards MDG 2, three key indicators are used: Net Enrolment Rates (Primary), Survival Rate to Last Grade and Youth Literacy Rate²². The trends for these three indicators between 1999 and 2007/8 are given in table 2, annex 3.

In all countries for which data are available, the Net Enrolment Rate (NER) is around 90 per cent or above. Most countries of the region are within reach of achieving universal primary education. However, data available for 12 countries show that between 1999 and 2008 the NER increased in only two countries, Croatia and Azerbaijan. The modest declines in the remaining 10 countries illustrate the great difficulty Governments face in reaching the last 10 per cent of children currently excluded from the school system. Since it is usually more expensive and difficult to implement initiatives aimed at enrolling the hardest-to-reach children currently not in school, explicit political and financial commitments are needed to overcome

²² Net primary enrollment rate is the percentage of children of the official primary school age group who are enrolled at the primary education level. Survival Rate to Last Grade is the percentage of a cohort of pupils (or students) enrolled in the first grade of a given level or cycle of education in a given school year who are expected to reach the last grade. Youth Literacy Rate is the percentage of persons aged 15 to 24 years who can both read and write with understanding a short simple statement on their everyday life.

GOAL 2: Achieving universal primary education

obstacles to generalized access. On average between 5 per cent and 7 per cent of primary-school age children do not attend school. In some countries, such as Ukraine, the number exceeds 10 per cent²³. Nonetheless, since 1999 the region has significantly reduced its out-of-school population by 677,000, down to 1.8 million in 2007²⁴.

In most countries of the region, almost all children who enrol in primary school complete the first cycle. In 2007, at least 93 per cent of young learners completed the last grade of primary school in all countries for which data were available. In many countries, this rate is close to 100 per cent. Such an achievement is encouraging news for Governments, knowing that if they can enrol young learners into the first grade of school, their school systems are likely to allow them to complete the first cycle of education.

Nearly all youth in the region are literate. Despite the relatively low number of illiterate youth, there is still a large population in Emerging Europe and Central Asia who lack the knowledge and skills to participate actively in society. In today's world, however, just learning to read and write is not enough. Young people need to continually upgrade their skills according to changing technologies; which reinforces the importance of quality literacy programmes.

Marginalization in education

Marginalization in education is the single biggest factor preventing the universal achievement of MDG 2 in Emerging Europe and Central Asia. It is a form of acute and persistent disadvantage rooted in underlying diverse social and economic inequalities. These include poverty, gender, culture, language, ethnicity, race, geographical location, disability, and health. The inequalities, which rarely operate in isolation, can multiply the chances of children being left behind. Not only do marginalized individuals and groups study for fewer years but the education they receive is also of poorer quality.

In some countries of the region, such as Azerbaijan, Montenegro, Serbia, Tajikistan and Turkey, being born a girl still carries an educational disadvantage. Geographical isolation, extreme poverty, social exclusion, disability, and conflict also take their toll. In the former Yugoslav Republic of Macedonia, for instance, the average length of education is 7.3 years²⁵.

Roma communities also encounter institutionalized discrimination throughout Europe and are often excluded from education. In most countries of the region, many young Roma drop out of primary school. An estimated 15 per cent to 20 per cent of Roma children in Bulgaria and 30 per cent in Romania do not continue beyond fourth grade. No more than 20 per cent to 25 per cent of Roma children attend secondary school, while the vast majority of those that do are enrolled in vocational education.

While countries facing difficulties in achieving universal primary education tend to be the poorest ones, some relatively wealthy countries in Emerging Europe and Central Asia have not performed as well as could be expected. Overall, Turkey has made good progress in access to primary education with an enrolment rate which increased from 92.2 per cent in 2000 to 94.7 per cent in 2008, and is thus close to achieving universal primary education. However, according to the Demographic and Health Surveys (DHS), the eastern part of the country has a net enrolment rate of 79 per cent. Moreover, while the average number of years of schooling was 8.1 at national level, it was 6.3 years for the bottom 20 per cent of the population with the fewest years of education²⁶.

²³ UNESCO Institute of Statistics (UIS). The net enrollment ratio in primary education does not necessarily indicate the percentage of students who are not enrolled because some of them may be enrolled at different levels of education.

²⁴ 2010 EFA Global Monitoring Report 2010. Reaching the marginalized. Paris. UNESCO.

²⁵ Ibid.

²⁶ Ibid.



GOAL 2: Achieving universal primary education

Quality of education

Access to education is only one side of the coin. What and how pupils learn in schools remains a challenge. While in all countries with data, the survival rate to last grade at primary level is over 93 per cent, poor quality education in many countries of Emerging Europe and Central Asia is jeopardizing the life chances of millions of young people.

Evidence from international assessments of reading skills illustrates the extent to which quality varies between countries. The Programme for International Student Assessment (PISA) assesses students with about eight years of education and identifies students with reading literacy below level 1 as being at risk during the transition to work. In Kyrgyzstan, 88 per cent of students tested were at level 1 or below. The percentage of similarly performing students ranged from 52 per cent to 79 per cent in Azerbaijan, Montenegro, Romania and Serbia²⁷.

Learning outcomes measured by different tools have indicated a further need to take a comprehensive approach to addressing quality and relevance of primary education and improved learning environments. In many countries of the region, the shortage of trained teachers is a serious problem. To reach universal primary education by 2015, additional primary school teachers will have to be recruited in about half of the 15 countries with data.

On the positive side, the pupil/teacher ratio improved. In 2007, all countries in Emerging Europe and Central Asia had ratios below the widely recognized ceiling of 40:1, and even below the world average of 25:1.

II. Policies and measures to date

The following section highlights some successful policies, measures and lessons learnt that have helped strengthen inclusive education systems to achieve universal primary education.

Achieving universal primary education through a holistic approach

Informed policy-making

Some improvements in policy and planning areas have been seen during the past decade. These were partly due to (a) requirements by finance ministries that sector departments be more realistic in budget submissions and (b) requests by donors to provide financial support through sector-wide plans (SWAPs).

A demand by finance and planning departments that ministries of education improve their planning and budgeting activities has, in turn, created a greater demand for accurate information on both the inputs to the education sector and the resulting outputs. Although education monitoring and evaluation units exist within many education ministries, they have rarely been given much focus, importance or resources. In the past decade, this situation has begun to change as accurate information is regarded as essential to supporting arguments for additional financial support.

Early Childhood Care and Education (ECCE)

Early Childhood Care and Education (ECCE) programmes have been instrumental in improving the retention and learning achievements of children attending primary school. Particularly for poor and disadvantaged children, high-quality care in the early years can be a precursor for success in primary school, and compensate for social, economic and linguistic disadvantages.

²⁷ Ibid.

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Several countries have promoted ECCE policies and programmes. In Romania, for instance, the Early Learning and Development Standards initiative developed and facilitated the adoption of a common reference and national standards for more integrated, comprehensive and quality Early Childhood Development (ECD) services for children under three. The Republic of Moldova improved the quality and accessibility of ECD programmes, which is an integral part of the Consolidated National Action Plan on Education through the Education for All - Fast Track Initiative (EFA-FTI) Catalytic Fund approved in 2006. Together with other factors, this contributed to an increase in Gross Enrolment Rate (GER) in the Republic of Moldova's ECD programmes from 61 per cent in 2003 to 74 per cent in 2008.

In both Turkey and Poland, the proportion of children enrolled in pre-primary education more than doubled between 1998 and 2007²⁸. However, in Bosnia and Herzegovina and Tajikistan, enrolment rates were below 10 per cent in 2007. These rates were above 80 per cent in 10 countries in the region, and Belarus and the Czech Republic had over 100 per cent enrolment.

Literacy and skills for youth and adults

Primary education cannot expand without the complementary development of secondary and tertiary education, which is specifically required in the training of school teachers and administrators, and for providing important incentives for pupils to complete primary level schooling and beyond. The availability of secondary school options is also important to accommodate children at least until the minimum age of employment. Many Governments have responded to this concern. The GERs at secondary level are among the world's highest, ranging from less than 85 per cent in the Russian Federation, the former Yugoslav Republic of Macedonia, Tajikistan and Turkey to more than 97 per cent in Bulgaria, Estonia, Latvia, Lithuania, Poland and Uzbekistan.

The lack of second chance opportunities, the growing irrelevance of outdated curricula to modern job markets and the high adolescent and youth unemployment rates in the region are taking their toll on children and youth's demand for education. As well, difficult school-to-work transitions call for reconsidering the orientation of families' investments in post-primary education. The recent renewed interest in technical and vocational education and training (TVET) and higher education further underscores the necessity to look beyond primary education.

²⁸ Education at a Glance 2009.

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Box 5: The Mother-Child Education Programme in Turkey

The Mother-Child Education Programme (MOCEP) was developed jointly by the Mother-Child Education Foundation (AÇEV) and Boğaziçi University, in light of the findings of the “Early Support Research Project” conducted in 1982-1991; it was later expanded by ACEV experts and in 1993, widespread implementation was begun under ACEV. Its yearly intake is currently 30,000.

The programme is designed to empower mothers’ educator role by supporting them in their parenting roles and equipping them with the knowledge and tools necessary for fostering the cognitive development of their children. It focuses on social and economically disadvantaged families and mothers of 6-year-olds. It aims to promote school readiness by providing cognitive development to children and by creating an environment that will provide optimal psychosocial health and nutritional development.

The mothers who have participated in the process have better relations with their family and children, use less negative discipline methods, and have increased confidence and self-satisfaction. They became more involved in decision-making in the home, became interested in their children’s schooling and made more of an effort for school success.

The success of the programme is due to the commitment of the Government, including funding for the programme. A network of public education centres at the Ministry of Education supports the widespread operation of the programme. The continuous teacher training is a significant means of quality programme delivery and programme expansion. The programme supports children’s development as a whole: cognitively, emotionally, socially, and physically targeting children and parents just before children begin their formal schooling. It provides a low-cost alternative to centre-based pre-schools and also supports the immediate environment of the child. The home literacy environment is an important factor for developing school readiness. It is a scientifically proven programme starting as a research project and having long-lasting positive effects on mothers and children.

It represents a successful example of collaboration between Government and NGOs.

The Programme has also been translated into Arabic and Flemish and has been implemented in Bahrain, Jordan, France, Germany and Belgium.

Source: the MDGs Good Practices (UNDG upcoming publication, 2010)

Educated parents play a critical role in ensuring the readiness of children for primary education by sending their children to school, supporting their learning, and encouraging them to move on to the next stages of education. Educated mothers are particularly important as agents of change.

While adult literacy rates remain high at 97 per cent or above in nearly all countries of the region with data, with the exception of Turkey at 89 per cent, an estimated 8.7 million adults in the region still lack basic literacy and numeracy skills²⁹. Most of these are socially disadvantaged, migrants and the poor.

Improving quality education and equity concerns

Governments have demonstrated their commitment to reducing disparities and inequalities by fostering inclusive education policies. They have made concrete efforts across Emerging Europe and Central Asia not only to bring excluded groups into the education system but also to improve the relevance and learning environments for these newly enrolled students.

²⁹ EFA GMR 2010 Regional Review: Central and Eastern Europe and Central Asia. Paris. UNESCO.

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Some Governments have undertaken policy reforms. Armenia, for instance, has promoted inclusive education in the Medium-Term Expenditure Framework and the draft Education Development Programme for 2008-2015. Notably, the framework's Capacity-Building of Inclusive Schools initiative aims to ensure that quality primary education is accessible to students with special needs by supporting education reforms and infrastructure accommodation (including ramps and accessible transportation options). It also aims to build the capacity of teachers for producing child-centred, needs-based teaching and learning methodologies, and developing individualized learning plans.

In recent years, Poland has substantially reduced inequality among schools in the wake of a massive education reform that started in 1999. This reform changed the education structure, increased incentives for schools to promote education demand and placed more emphasis on resources for teachers, teaching and learning. Programme for International Student Assessment (PISA) results also show that between 2000 and 2006 Poland improved its performance in reading by 29 score points, a dramatic increase in the country's average learning outcomes³⁰. This shows that with sustained political will, overall improvements in education quality can be achieved in a short period of time.

Efforts have been also intensified in assessing learning outcomes (e.g. Albania established in 2001 an independent National Assessment and Evaluation Centre³¹), addressing teacher-related issues (e.g. Tajikistan improved teacher qualifications through an in-service training programme, Albania provided financial incentives to teach in rural areas), and improving the content of education (e.g. Turkey launched in 2003 a comprehensive curriculum reform in all grades of basic education, accompanied by new textbooks, teacher guides and in-service teacher training, Albania restructured its Institute of Pedagogical Studies with curriculum and teacher training centres).

Multi-sectoral approaches

Multi-sectoral approaches, including social-protection measures and programmes that link education with health, nutrition, labour, environment and finance, have been also playing critical roles in creating a level playing field in the educational system. In 2002, for instance, Turkey introduced conditional cash transfers, targeting regular school attendance at primary and secondary schools among children from poor households. Armenia through its Food-for-Education programme increased incentives for participation and high attendance through providing school meals. UNICEF's Child-Friendly School framework is an example of how the quality of education can be addressed through a multi-sectoral approach.

Tajikistan enacted a new law on education in 2004, and introduced a national educational plan, with the aim of promoting participatory governance, higher teacher salaries, and better quality education. Lithuania in 2001 drew up national legislation on education, which reaffirms the right to education as a fundamental human right. It also stipulates that new educational system should promote equal opportunities, efficiency and quality education specifically for socially excluded groups, persons with disabilities and vulnerable and disadvantaged children. The new law also guarantees the quality of education services and their constant improvement through the coordination of policy formulation, management, planning, delegation of powers and responsibilities, analysis and monitoring.

Education financing

Globally, progress towards achieving universal primary education has been supported by increases in government spending, effective use and equitable distribution of resources; as well as by the provision of international aid for education. Many countries in the region have sustained progress towards universal primary education and EFA through the injection of more public funds in real terms. The share of national income devoted to education in 2006-2007 varied across the region, from 2 per cent to 7.6 per cent for countries with data, whereas a global indicative target encourage Governments to allocate

³⁰ Ibid.

³¹ Examples in this paragraph are from the 2008 EFA Global Monitoring Report 2008: Education for All by 2015 – Will we make it? UNESCO.



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6 per cent of their gross national product, as recommended by Delors Report³². Over the same period, countries of Emerging Europe and Central Asia allocated 7.8 per cent to 25.6 per cent of government expenditure to education, while a global indicative target is 15-20 per cent. Evidence shows that several countries intensified efforts. Between 1999 and 2006-2007, the share of education spending in gross national income rose in nine of the 16 countries with data. Some increases were significant in certain countries such as the Republic of Moldova (+65.9 per cent) and Kyrgyzstan (+53.4 per cent). However, in other countries of the region, the share decreased during the same period³³.

The global economic slowdown is jeopardizing the advances made in the region. While it is still premature to comprehensively assess its effects on national education systems, there is a danger that budgetary pressures, reduced household incomes and rising poverty will stall or even reverse progress. In a recent study³⁴, some civil society organizations in Central and Eastern Europe reported reductions in teachers' salaries and the postponement of national education reforms because of decreased national funding.

III. The way forward

Future education policies should maintain and strengthen national political commitments to providing free and compulsory primary education for all. Governments should continue to take stock of and scale up successful measures, especially in priority areas where education gaps are most pronounced.

In Emerging Europe and Central Asia, most country-level efforts should be mobilized towards reaching the last 10 per cent of out-of-school children and reinforcing the quality of primary education and beyond, while maintaining the current level of access to primary education.

The following section provides a brief overview of the major recommendations to accelerate progress towards achieving MDG 2 and the EFA goals.

- *Address UPE through a holistic approach and a lifelong perspective.* With high rates of primary school participation, it is particularly important for many countries in this region to address universal primary education through a holistic approach to the education sector and through a lifelong learning perspective. This needs to be underpinned by stronger and well-informed processes of educational planning, implementation and monitoring, which are linked to broader development policy and budgetary frameworks.
- *Data monitoring and evaluation.* Many countries have strengthened their information-management systems, increased the capacity and availability of education indicators, improved their data collection, analysis and application, and reinforced their monitoring and evaluation systems. They must continue to build on such momentum by addressing the weaknesses which still exist.

Not enough disaggregated data are available. The current data gaps include basic information for planning and monitoring: for instance, the number of children attending school, the characteristics of those not in school or who have dropped out, the availability and use of educational material, and languages of instruction. Learning outcomes are not being sufficiently monitored. There is thus a critical need to strengthen national capacities of some countries in the fields of data collection, monitoring and evaluation.

³² Learning: The Treasure Within, Report to UNESCO of the International Commission on Education for the Twenty-First Century, Paris, 1996.

³³ Based on data from the UNESCO Institute for Statistics. In some countries with rapidly growing economies (e.g. Azerbaijan), the share of public education spending in gross national income declined but the expenditure increased in absolute terms.

³⁴ *The Implications of the Global Financial Crisis for NGOs Working Towards the Achievement of Education for All, Regional Report: Europe and North America*, Background paper commissioned for the Fifth meeting of UNESCO's Collective Consultation of NGOs on Education for All (CCNGO/EFA), drafted by the Education International and coordinated by UNESCO

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- *Making education more affordable, accessible and culturally appropriate, in particular for marginalized groups.* Capacity should be reinforced and governance and efficiency improved in order to develop and strengthen inclusive and efficient education systems that are resilient to external pressures. Within educational systems, Governments should make inclusive policies and create programmes to better reach target groups based on information on marginalized populations.

Taking the following measures would greatly benefit disadvantaged groups:

- removing school fees
 - lowering indirect costs associated with uniforms, textbooks and informal fees
 - building schools closer to marginalized communities, especially for gender parity
 - providing accelerated learning programmes
 - expanding access to early childhood services
 - encouraging early intervention for disadvantaged children
 - encouraging participation and empowering learners and families to contribute to policy discussions.
- *Improving the learning environment, and the quality and relevance of education.* Quality standards in primary education should be raised by policies and measures to address different elements of education quality. This would include teachers, curriculum, learning and teaching materials, language of instruction, school management and leadership, and assessment of learning outcomes.

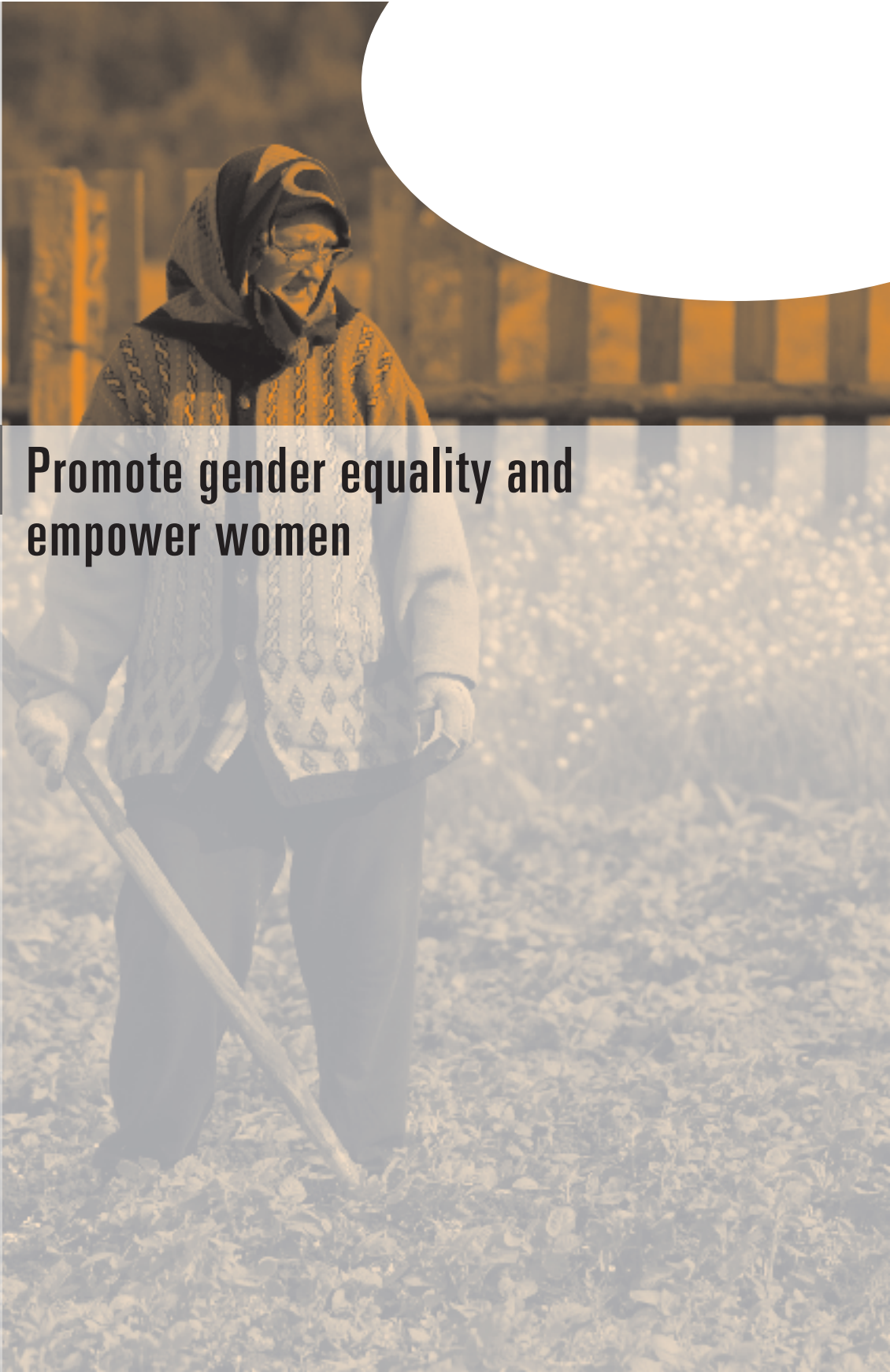
To ensure a comprehensive teacher policy, efforts should be invested in training, retraining and retaining teachers with increased social status, and improving teachers' working conditions. Teachers who have regular contact with excluded families and with parents of pupils in difficulty should be given special training, support and incentives. They should also be included in the development of educational policies.

There is also a need for better coordination within the international community to do more for the quality goals: develop indicators that can stimulate investment and policy actions to enable educational systems to better assess and improve learning, as well as to set priorities for, and facilitate, capacity-building in this area.

- *Capacity-building and governance.* Optimum results are obtained when adequate financing is associated with capacity development. Along with trained and motivated individuals, effective institutional functioning is critical to implementing new policies and making educational reform work. Capacity-building is a complex notion, with many cultural, political and organizational dimensions. Its objective is to induce institutional change in education management. In particular, there is a need to enhance good governance as well as the delivery of quality education programmes in more decentralized school systems. Capacity-building efforts should therefore promote transparency and accountability by introducing new financing and accounting mechanisms, together with decentralization towards school self-management, public accessibility to information and community participation.
- *Financing.* To maintain universal access to primary education while improving its quality, countries with below-average educational performance should increase overall domestic and external investment in education, and use and redistribute available resources effectively.

The global financial crisis and a decreasing demographic trend in some countries should not be used to justify decreased government spending to the education sector, unless the current education expenditure and employment exceed international norms. No less than 6 per cent of a country's national income is encouraged to be devoted to education and 15-20 per cent of government budget should be dedicated to primary education, both of which have been widely accepted by international community. The allocation of public resources for education should serve to reduce inequities rather than to exacerbate them, particularly through affirmative action geared towards communities and geographical areas disadvantaged in terms of access to and quality of education.

Chapter on MDG 3

A woman wearing a headscarf and a patterned jacket is working in a field. She is holding a long wooden tool, possibly a hoe or a similar agricultural implement, and appears to be tending to the plants. The background shows a wooden fence and some trees.

GOAL 3: Promote gender equality and empower women

GOAL 3: Promote gender equality and empower women

Gender equality is a basic human right but also a decisive factor for peace and stability, social cohesion and sustainable economic growth, allowing for the best use of human resources and talents of both women and men. Apart from being a Millennium Development Goal in itself, gender equality is therefore the key to the achievement of all MDGs. In recognition of this, an explicit gender dimension has been introduced in Goals 1 and 5 in 2005, adding targets on full, productive and decent employment – especially for women and youth – and on universal access to reproductive health. Gender mainstreaming is nonetheless also imperative for all other MDGs.

The only target assigned to MDG 3 (target 3.A) refers to education and there are specific indicators for female attendance at primary, secondary and tertiary levels. In addition, two indicators address the status of women in the labour market and their role in the political process. In line with this framework, the remainder of this chapter will focus on selected critical areas of women's empowerment, notably poverty, education, paid employment and decision-making.

I. Trends

Women in poverty

The level of absolute poverty in UNECE emerging economies varies significantly with per capita income levels. A recent study by the United Nations Development Fund for Women (UNIFEM) used a regional poverty line of PPP US\$ 4 a day to classify these economies according to poverty rates³⁵. The "extreme poverty" group includes countries with poverty rates of at least 60 per cent (Armenia, Azerbaijan, Georgia, Kyrgyzstan, Republic of Moldova, Tajikistan and Turkmenistan). The "high poverty" group consists of countries with poverty rates of 40-60 per cent (Albania, Bulgaria, Kazakhstan, Montenegro, Romania, Russian Federation, Serbia, Turkey and Ukraine). The "intermediate poverty" group consists of countries with poverty rates of 15-40 per cent (Belarus, Bosnia and Herzegovina, Estonia, Hungary, Latvia, Lithuania, Poland, Uzbekistan and the former Yugoslav Republic of Macedonia). The "low poverty" group consists of countries with poverty rates below 15 per cent (Czech Republic, Croatia, Slovakia and Slovenia).

There is a strong correlation between poverty and economic structure. For instance, the share of employment in agriculture ranges from 42 per cent in the high poverty group to 8 per cent in the low poverty group. The UNIFEM study has also identified links between poverty and the nature of employment. Women tend to be overrepresented in the group of people with vulnerable employment that includes temporary and informal jobs. They are also overrepresented in low-productivity and low-pay sectors such as agriculture. In contrast, only 19 per cent of gainfully employed women but 27 per cent of men work in industry, a sector characterized by comparatively high productivity and pay levels. There are also persistent gender pay gaps in similar occupations. Income distribution is more unequal in poorer countries where many women and other vulnerable persons experience both abject poverty and relative deprivation. Consequently, they are often driven to migration to higher-income countries.

³⁵ See F. Gul Unal, M. Dokmanovic and R. Abazov, *The Economic and Financial Crises in CEE and CIS: Gender Perspectives and Policy Choices*, UNIFEM Discussion Paper, October 2009.

GOAL 3: Promote gender equality and empower women

The indicators pertaining to the MDG 3 are related to the underlying factors of poverty of women and vulnerable social groups, i.e. education, labour market and access to decision-making positions. Despite significant improvements in official statistics in recent years, timely and reliable educational and employment data disaggregated by gender, subregion and ethnicity within countries are still rarely available. This makes a comprehensive evaluation of the achievements pertaining to MDG 3 in UNECE emerging economies difficult.

Education

Gender parity in education has practically been achieved in the UNECE region. In particular the countries with transition economies made important strides in this area, including universal enrolment for basic schooling, free access (at least formally) to schools and universities, with a strong emphasis on equity. The economic crisis at the beginning of the transition period put many of these achievements at risk, but nevertheless most of the countries managed to maintain high female enrolment rates for compulsory as well as post-secondary education even during deep economic recessions³⁶.

In the Caucasus and the central Asian countries, remaining gender disparities in education appear more pronounced in rural than in urban areas, especially where there is a large rural population, such as Azerbaijan, Kyrgyzstan, Turkmenistan and Uzbekistan. Shortages in public funding, impoverishment of the population, and a return to traditional practices (especially marriage of girls at an early age) are contributing factors.

In most countries in the UNECE region (especially the Baltic States), women now outnumber men in third-level education, with Tajikistan and, to a lesser extent, Turkey being notable exceptions. There remain, however, large gender differences in the fields of study chosen. Men continue to dominate the science, mathematics and computing programmes while women dominate business administration, law, social sciences, journalism, humanities and arts. Gender segregation in the educational choices risks reinforcing occupational segregation in the labour market and thereby the gender pay gap.

The available reading, mathematics and science performance surveys of 15-year old students show a significant gap in the quality of education between advanced OECD countries and UNECE emerging economies in the EECCA and SEE³⁷. Although the 15-year old female students in participating EECCA and SEE countries have demonstrated on average no worse science competencies for tomorrow's world than their male peers, their level of achievement lags noticeably behind students from high-income countries. These findings imply major challenges for policy makers in UNECE emerging economies.

Such challenges include not only providing good teachers and adequate school facilities but also adopting affirmative action programmes to avoid catastrophic educational outcomes of the most vulnerable social groups. For instance, the poor quality of education available to Roma in countries where they account for more than 10 per cent of school students (Bulgaria, Hungary, Montenegro, Romania, Serbia and Slovakia) means that they will have problems finding jobs. Given the existing demographic trends, this form of social exclusion could produce a growing underclass of unemployable population in the absence of appropriate integration policies.

³⁶ UNICEF, *Innocenti Social Monitor 2009*, Florence, 2009.

³⁷ Over 400,000 students participated in the 2006 PISA survey of the OECD. The 57 participating countries included Azerbaijan, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Kyrgyzstan, Latvia, Lithuania, Montenegro, Poland, Slovenia, Romania, Russian Federation, Serbia and Turkey. Results are available at http://www.oecd.org/document/2/0,3343,en_32252351_32236191_39718850_1_1_1_1,00.html.

GOAL 3: Promote gender equality and empower women

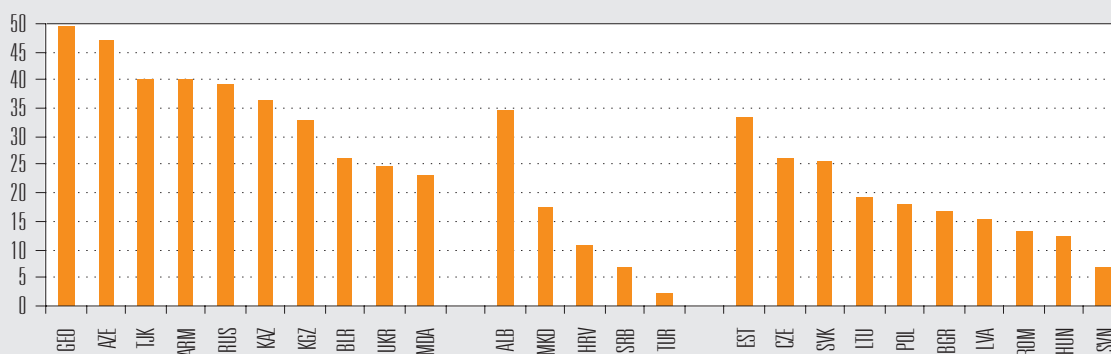
Employment

Women's labour market participation in the UNECE region has increased in recent years and is the highest in the world. Still, in all countries, women's economic activity rate is lower than men's. The highest rate is found in Iceland where nearly 80 per cent of women of working age are economically active. In contrast, only about 25 per cent of Turkish women participate in the labour market. On average, women's employment rates tend to be higher in the EECCA and the Baltic States than in the EU (especially the NMS from central Europe) and the Balkans.

However, despite the importance of women for the labour market and their high education level, the quality of women's employment and the career opportunities open to them are a serious problem in countries of Eastern Europe, Central Asia and the Caucasus. Vertical and horizontal labour market segregation continues to be a major concern: the majority of women still occupy lower-paid, part-time or other unstable jobs at the lower end of the career ladder. They are also concentrated in fewer occupations, and have more career interruptions, largely due to care responsibilities. These differences contribute to slower career progressions and lower earnings - indeed wage differentials remain a resilient challenge to equality in the region.

Chart 3 shows that the gender pay gap in UNECE emerging markets ranges from less than 10 per cent in some SEE countries to over 40 per cent in some countries of Central Asia and the Caucasus³⁸. In all countries there are important variations by sector (the gap tends to be higher in the private than the public sector), and by occupation and educational level (the gap is generally larger for people with higher education). Many women find it difficult to find work, especially those trying to re-integrate into the labour market after maternity leave. And unemployment remains generally higher for women than for men. As a result, the higher educational attainment of women in many countries is not yet reflected in women's job quality and remuneration³⁹.

Chart 3: Gender pay gap by subregion, 2008 or latest available year (per cent)



Source: UNECE Statistical Database.

³⁸ Gender pay gap is the difference between men's and women's average monthly earnings from employment, shown as a percentage of men's average earnings. International comparisons of the gender pay gap should be interpreted with care as there are variations in measurement across countries: www.unece.org/stats/gender.

³⁹ UNECE, Gender Gap and Economic Policies, 2009.

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When jobs are not available in the formal sector, job seekers look for employment in the informal sector. In the EECCA in particular, many women continue to work in the informal economy, including home-based market-oriented production of goods and services (sewing, souvenir production and home-care services) and subsistence food production. Due to the rising job uncertainty reflected in atypical working arrangements and increased outsourcing, self-employment has become an increasingly important source of income for women and their families. This makes them vulnerable to poverty risks in view of the low incomes and the lack of social security coverage in the informal sector (see chapter I).

The agrarian reform in post-Soviet Central Asia disrupted the socio-economic arrangements in rural areas and failed to develop adequate physical infrastructure, social protection and credit facilities. This has led to a dramatic rise in inequality and poverty. Women suffered the most, with many losing their jobs during the restructuring of the large collective and State farms of the Soviet era⁴⁰. Moreover, the revival of customary law and traditional cultural and social practices, some of which tend to discriminate against women, and limited women's awareness of their legal rights have prevented them from obtaining land tenure and adequate access to land-related resources⁴¹. Recent studies indicate that agricultural productivity in Central Asia and other parts of EECCA increased significantly since late 1990s, driven by the strong performance of individual farms⁴². If this productivity advance can be sustained in the aftermath of the global economic crisis, the question is how to ensure that the growth process becomes more equitable.



Box 6:

Rural women and property rights in Tajikistan

A review of the first phase of the land reform in Tajikistan in 2002 revealed that only 2 per cent of the de-collectivized land was registered in women's names. This was due to the customary law taking precedence over the State legislation on land ownership, property and inheritance as well as very limited awareness among rural women of their land and property rights and entitlements.

In 2003, UNIFEM launched a project to support the process, implementation and monitoring of the land reform. Working with central and local authorities, informal institutions, traditional and religious leadership, it aimed at strengthening institutional capacities and creating information and monitoring mechanisms through which rural women and men would be able to better protect their economic rights and livelihoods. A Coordination Council, headed by the deputy Prime Minister and including representatives of various task forces, was set up to provide legal advice and outreach and support for court cases. Additional capacity development activities were organized for lawyers, judges, NGOs and individual women and men to better understand and claim their rights.

The project resulted in amendments to the Land Code and to relevant policies and laws which were adopted by Parliament and signed into law by the President. More than 5,000 women and men in 16 pilot regions were provided with legal advice, which resulted in positive resolution of their claims. The district task forces, financed now by the local authorities, continue to function. By 2008, the percentage of farms registered in women's name had risen to 14 per cent.

⁴⁰ Max Spoor, *Agricultural Restructuring and Trends in Rural Inequalities in Central Asia. A Socio-Statistical Survey*, UNRISD, Programme Paper Nr. 13, November 2004.

⁴¹ For more information on gender aspects of land reform in Central Asia see e.g. *UNIFEM Gender Pulse* No.6 (May - June 2004), <http://www.unifemcis.org/img/docs/9.pdf>.

⁴² See e.g. Zvi Lerman and David J. Sedik, *Sources of Agricultural Productivity Growth in Central Asia: The Case of Tajikistan and Uzbekistan*, Policy Studies on Rural Transition No. 2009-5, FAO Regional Office for Europe and Central Asia.



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The impact of the global economic crisis

The recent recession has greatly increased the vulnerability of poor women⁴³ since it has led to an increase in employment of women in the informal sector. For women, the lack of job opportunities in the formal sector and an oversupply of workers in the informal economy usually mean low wages and few if any benefits⁴⁴. Concerns that the existing gender pay gap might increase during this crisis have been confirmed by recent evidence from developed countries (e.g. UK, US)⁴⁵. In SEE and EECCA economies, the gender pay gap may have increased due to the widespread underemployment and rising wage arrears⁴⁶.

Recession-induced deteriorations in labour markets tend to affect women more than men, since already before the crisis they were more likely to work in the informal sector and were paid less than men⁴⁷.

During the recent economic crisis, female unemployment rates have remained higher than comparable male rates in all UNECE subregions but EECCA. The economic downturn in Eastern Europe (Belarus, Republic of Moldova, Russia and Ukraine) first hit the industries with a relatively high proportion of male employment (construction, manufacturing, mining and transportation) and women were consequently less affected by layoffs. Nevertheless, women with small children, and other vulnerable population groups, were disproportionately hit by unemployment.

Decision-making

While women's participation in economic and political decision-making has increased over the past decade in many countries across the region, improvements in women's access to power have generally been rather slow and uneven and women continue to be largely underrepresented in all areas of decision-making in most UNECE countries. Where women are given more political responsibility, it tends to be limited to socio-cultural issues. Although there are no legal barriers for women to vote and stand for elections in the UNECE region, their under-representation in power and decision-making across the region implies that significant challenges to women's empowerment persist.

Chart 4 shows that in most UNECE emerging economies women account for 10-25 per cent of members of national parliament (MDG indicator 3.3). Only three countries (Belarus, Kyrgyzstan and the former Yugoslav Republic of Macedonia) report a share higher than 25 per cent. Female representation in national parliaments improved considerably over the last decade, although gender parity was clearly not achieved. Interestingly, women tend to be better represented in decision-making at the local than at the national level in many UNECE countries.

⁴³ According to recent estimates of the World Bank, the number of poor and vulnerable persons in UNECE emerging economies increased by 13 million in 2009, reflecting the rising joblessness. Output and employment are unlikely to recover to pre-crisis levels before 2011 or 2012.

⁴⁴ Ursula Hermelink and Claudia Trentini, *Gender-sensitive Economic Policies in the UNECE Region in the Context of the Economic and Financial Crisis*, UNECE Discussion Paper No. 2009.3, Geneva, 2009.

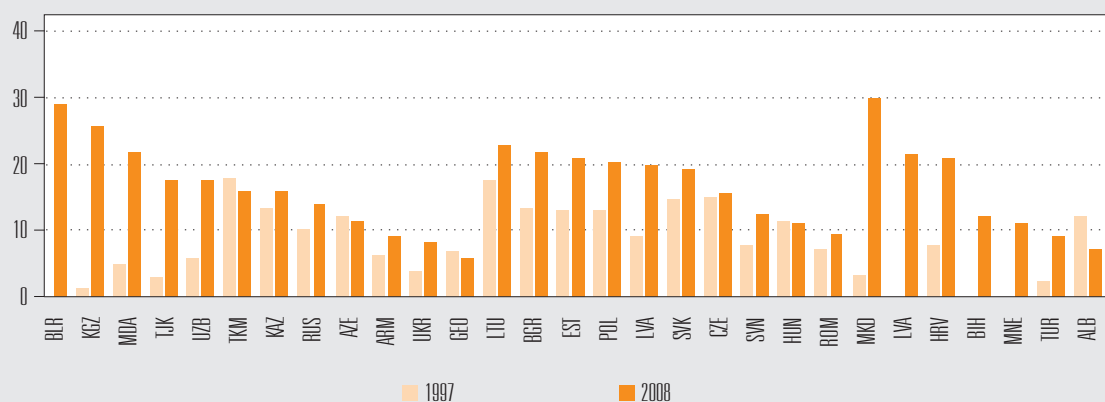
⁴⁵ Ursula Hermelink and Claudia Trentini, *Gender-sensitive Economic Policies in the UNECE Region in the Context of the Economic and Financial Crisis*, UNECE Discussion Paper No. 2009.3, Geneva, 2009.

⁴⁶ For details, see the section of the report pertaining to the MDG target 1.B.

⁴⁷ Fatma Gul Unal, Mirjana Dokmanovic and Rafis Abazov, *The Economic and Financial Crises in CEE and CIS: Gender Perspectives and Policy Choices*, UNIFEM Discussion Paper, November 2009.

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Chart 4: Women in parliament by subregion, 1997-2008 (per cent)



Source: UNECE Statistical Database.

Although the access of women to political decision-making has improved in a number of EECCA and SEE countries, this progress seems to have been achieved mainly with the aid of temporary measures that have increased the numbers of female elected representatives. However, a meaningful participation in political decision-making is also conditional on the quality of governance, which remains poor in most EECCA and SEE countries⁴⁸.

In all countries of the UNECE region except Finland and Spain, men outnumber women as ministers in national government. Female ministers tend to be concentrated in social-cultural functions and rarely head the ministries responsible for the economy, infrastructure, home affairs, foreign affairs, and defence. Although government is a large employer of women, they tend to be less represented in the higher administrative posts, especially in Western Europe where the share of female senior civil servants often does not exceed 30 per cent. However, in a number of transition economies (e.g. the Baltic States, Kazakhstan) this share exceeds 50 per cent.

The significant and persistent under-representation of women in decision-making positions is not limited to the political sphere but can be also found in the business sector. According to the UNECE database, the share of women in all (public and private) managerial positions remains generally below 50 per cent, although it exceeds 30 per cent in a number of EECCA and NMS countries. With respect to this share, there appears to be no clear trend in the EECCA although it has increased in some NMS countries and one EU-candidate country (Croatia) over the last decade⁴⁹.

International migration of women

The global economic crisis could endanger the achievements of the past years and even slow down the pace of progress by diverting issues related to women's rights and gender equality from the political, economic and social agenda of countries. At the same time, new challenges to gender equality are arising across the region. With regard to the dramatic increase of migration flows in the UNECE region in recent years, the condition of working migrants and trafficked women needs particular attention.

⁴⁸ Detailed information on national corruption levels is provided in annual reports of Transparency International.

⁴⁹ For details, see table 5, annex 3.



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About half of the migration to western European countries is accounted for by women, mostly working in private households and in the sex industry. These categories of migrant workers are particularly vulnerable. Their work and status in society make them “invisible” - being usually informal workers, they are at a high risk of exploitation and abuse and do not have access to social benefits or health protection.

Migrant domestic workers contribute to the sustainability of western European ageing societies⁵⁰, freeing time for western women to enter the formal labour market while leaving a significant care gap in the eastern European part of the region where fertility rates are also rapidly declining. A long-term sustainable equilibrium for the whole UNECE region’s welfare and employment systems can only be achieved through systematic gender-sensitive migration policies in both sending and receiving countries, and the better use women’s human resources in the labour market while ensuring that career and family can be adequately combined.

II. Policies to date and good practices

Women in poverty

Several UNECE emerging economies (Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Republic of Moldova, Serbia and Uzbekistan) have made efforts to introduce a gender perspective into their national poverty-reduction strategies and policies. In Western Europe, increasing attention is paid to women’s employability and work-family reconciliation as measures to alleviate female poverty. This is done in particular through social inclusion strategies where the gender dimension is taken into account. Most EU countries, including new member States, address women’s poverty in gender-sensitive national action plans and focus primarily on measures increasing women’s employability in the formal sector.

Some national policies stress the crucial role of social transfers in combating poverty for both women and men (e.g. Bulgaria, Lithuania). In particular, income transfers to single parent families are regarded as an important measure to alleviate women’s and children’s poverty (e.g. Russian Federation). A number of emerging economies in the region have introduced measures in support of female entrepreneurs, including micro-credit schemes (e.g. Turkey) and the removal of barriers to market entry for micro and small enterprises that tend to be dominated by women (e.g. Kazakhstan, Russian Federation).

Education

Although Target 3.A on gender parity in education has been nominally achieved in the UNECE region, the EECCA and SEE countries are faced with the urgent task of improving considerably the quality of education. In these countries, a comparatively high proportion of students achieved less than adequate levels of mathematical, reading and science proficiency, indicating an urgent need to upgrade educational standards. Such improvements should include key areas such as the curriculum, teaching competence, school infrastructure as well as a sensitive promotion of gender parity, especially in parts of the Caucasus and Central Asia where there has been a revival of traditional social values during the post-Soviet period.

With respect to education of disadvantaged ethnic minorities, some UNECE countries with transition economies have adopted recently policies that are intended to encourage integration from an early age (see Box 7).

⁵⁰ The average fertility rate in the UNECE region has declined over the past two decades from 2.4 to 1.5 children per woman between 1980 and 2005. Over the same period, the old-age dependency ratio (population aged 65 and higher over the population aged 15 to 64) has increased in virtually all UNECE countries. This process will accelerate during the coming decade when the falling fertility rates impact the size of the workforce and the baby-boom generations of the 1960s retire. (UNECE, Gender Gap and Economic Policies, 2009)

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Box 7:

Educational equity programmes: the case of Hungary

Hungary has introduced educational equity programmes for disadvantaged groups, including the Roma, who account for 13 per cent of primary school children. In particular, the integration of young children from disadvantaged families in pre-school facilities has proved to be effective. Hungarian municipalities must provide pre-school places for at least one year but a longer enrollment of children from disadvantaged families has been encouraged with the aid of cash awards for parents. The authorities have also introduced incentives to reward schools that accept Roma and other students from disadvantaged backgrounds. Integrated schooling has improved the educational achievement of the Roma without affecting negatively the performance of other students. Although school integration policies increase short-term budgetary outlays, in the long term they generate net budget savings of some EUR 70,000 for each successful Roma student⁵¹.

Employment

Reconciling paid work with family responsibilities continues to be one of the main obstacles to economic activity of women. More and more countries are recognizing that good education alone is not enough for a strong female labour force participation and that the true enabling factor for eliminating gender differences in the labour market lies in the organization of unpaid (notably care) work, which is predominantly performed by women. Following the restructuring of Soviet State-owned enterprises with extensive social facilities, women in EECCA have been confronted with an increasing unpaid workload at home, including the care for children and the elderly.

As a consequence, the dominant policy measure in supporting women's employability consists in providing affordable childcare facilities, either through an increase in the number of public institutions or in the form of subsidies for privately organized childcare enabling the main caregiver (typically a woman) to return (faster) to participate in the labour force. For instance, it has been shown that in the case of Russia replacing family allowances with childcare subsidies would increase female employment while reducing poverty⁵². In some EECCA countries, the legislation providing childcare benefits and parental leave has been strengthened (Kazakhstan, Kyrgyzstan, Republic of Moldova and Ukraine). Several UNECE emerging economies (Kyrgyzstan, Serbia and Turkey) have also introduced schemes to stimulate female entrepreneurship.

While childcare has received considerably more political attention than the care for dependent adults⁵³, there are some examples of recent successes in this area. For instance, in the former Yugoslav Republic of Macedonia expert analyses of a specific healthcare reform, Diagnosis-Related Groups (DRG) identified policy options for alleviating the negative impacts of the DRG on women whose unpaid care workload has increased. Such options are being explored by several municipalities, which are considering introducing institutionalized home care practices, while key institutions in the health sector have acknowledged the need for reforming primary healthcare and strengthening and expanding existing services from preventive to curative.

⁵¹ For details, see OECD Economic Surveys: Hungary, Paris, 2010.

⁵² See M. M. Lokshin, Household Childcare Choices and Women's Work Behavior in Russia, Policy Research Working Paper 2006, World Bank, 1999.

⁵³ This is partly due to an increasingly popular view of the State as "social investment state" where State spending, rather than only meeting current needs, should be an investment that will reap rewards in the future. Children are an important constituency of the social investment state because investing in their opportunities is likely to reap the highest "pay-offs" in the future compared to "investments" in adults or the elderly. (Shahra Razavi, *The Political and Social Economy of Care in a Development Context*, UNRISD Gender and Development Programme Paper No.3, Geneva, 2007.) However, given the dramatic population ageing in many countries, there will eventually be no way around systematically addressing the issue of elderly care (and the gender dimensions of it) as well.



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Further, a number of UNECE countries use affirmative measures for women's employability that rely on tax incentives. For instance, in Turkey a measure introduced in 2008 foresees that social security premiums of employed women would be borne by the State for five years⁵⁴. Such measures encourage employers to hire women while reducing the labour costs paid by the business sector.

The impact of the global economic crisis

Policy responses to the global economic crisis in the EECCA and SEE subregions have not been uniform, reflecting the actual fiscal positions and national priorities. The resource-rich economies have been able to finance spending with the aid of the national funds accumulated during the period of high prices and massive exports of natural resources. In contrast, a number of resource-poor and high-poverty countries have received financial assistance from the International Monetary Fund (IMF), with conditions that have been less onerous than those imposed during the 1998 financial crisis. In a number of cases, the adopted stimulus packages included enhanced infrastructure spending, as well as cash transfers to the households hit by the crisis without any gender targeting. These spending packages have been temporary and are unlikely to be sustained in the longer term⁵⁵.

Decision-making

For addressing gender imbalances in political decision-making, explicit targets and quotas have become increasingly popular in the UNECE region. These instruments have proved quite successful in raising the level of women's participation in power. In Serbia, where a 30 per cent quota for female candidates in electoral lists has been established, the number of seats in parliament held by women nearly doubled, from 30 seats (12 per cent) in 2006 to 54 (22 per cent) in 2010. In Belarus, after the introduction of an explicit target (set at 30 per cent) of women's political representation, the share of women in national parliament rose to 32 per cent, up from 10 per cent in 2004. Other EECCA countries have also undertaken affirmative action to ensure women's representation in power and decision-making. Three countries with transition economies (Republic of Moldova, Kyrgyzstan and the former Yugoslav Republic of Macedonia) have greatly improved the political representation of women, while combining proportional representation with a quota system⁵⁶.

International migration of women

Three United Nations legal instruments aim to protect human rights of migrants. A majority of UNECE countries, including most of the transition economies, have become contracting parties to the United Nations human trafficking and migrant smuggling protocols (2000). However, only six countries (Albania, Azerbaijan, Bosnia and Herzegovina, Kyrgyzstan, Tajikistan and Turkey) have ratified the 1990 Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families. Since these legal instruments set out provisions to combat abuse and exploitation of migrant workers, they could be relevant to the development of gender-sensitive migration policies in both sending and receiving countries of the UNECE region, including bilateral and multilateral agreements. In addition, almost all UNECE countries, being members of the Organization for Security and Co-operation in Europe (OSCE), have adopted a number of OSCE commitments, including equal rights of men and women as well as rights of national minorities and migrant workers.

⁵⁴ See National Reports submitted for the Beijing+15 Regional Review, available on: www.unece.org/gender/National_Reports.html.

⁵⁵ For details, see Fatma Gul Unal, Mirjana Dokmanovic and Rafis Abazov, op. cit.

⁵⁶ See UNDP, *Enhancing Women's Political Participation: A Policy Note for Europe and the Commonwealth of Independent States*, Bratislava, 2010.

III. The way forward

Beyond the achievement of broad gender parity in education and some progress in gainful employment and access to decision-making positions, there are signs of new challenges to gender equality, which have been exacerbated by the global economic crisis. The crisis hit Emerging Europe and Central Asia harder than any other region, resulting in a sharp reduction of national incomes and significant increases in involuntary unemployment and poverty in all subregions.

While crises can result in political paralysis and shrinkage of State protection, often leading to a longer-term decline, they can also be tackled head-on as a key driver for change by a strong political leadership, with a focus on effective, accountable public authority, supported by collective action by informal institutions and social groups around policy reforms and social accountability. Thus, action-oriented policies for gender equality and the achievements of the MDGs could include the following dimensions.

Sex-disaggregated data and gender statistics

- Sex-disaggregated data and gender statistics in general need to be improved. They could be used to better detect gender differences in poverty, in access to decent work and in vulnerable employment. In all areas, particularly the labour market, the statistical agencies should pay special attention to the situation of vulnerable women (e.g. ethnic minorities, migrants, elderly, disabled, rural, single parents) who face multiple forms of discrimination. When measured by the indicators disaggregated by social group, educational parity would most likely be achieved for some groups only. Similarly, the other MDG 3 indicators should be disaggregated and monitored for specific groups of vulnerable women.

Social protection

- UNECE emerging economies need to improve **social protection** with the aid of short-term protective measures, such as cash transfers or assistance in kind to the households living in abject poverty, and improved social services; preventive measures to buttress coping strategies, proactive measures to improve economic security (e.g. job-creating schemes, access to credit, public works programmes), as well as transformative measures to address the specific vulnerabilities of some women's groups such as ethnic minorities, migrants, women heads of households; divorced, widowed and/or elderly women; rural, landless, etc.. Low and medium-income countries will require **additional development assistance** in order to keep progressing towards gender equality and other MDG targets, including financing from the European Bank for Reconstruction and Development, IMF, World Bank and other institutions. Other, resource-rich, economies could redirect a portion of export-tax revenues and royalties towards improving their social safety nets and other forms of social protection while preserving the strong incentives to work.
- Longer-term **structural policies** should reform the fiscal system so as to create a comprehensive gender-based budgeting mechanism and ensure the quality and sustainability of major public programmes (education, healthcare, pensions, social assistance) with universal access.
- In addition to public investment in social programmes, it is critical to provide financing for maintaining existing infrastructure and developing new **infrastructure** in order to facilitate a more productive involvement of women in economic activity, especially in agriculture-based economies. Such investment in energy and transport networks, rural infrastructure, schools and healthcare facilities needs to be linked with reforms that would improve the quality and delivery of associated services as well as a more effective implementation of anti-discrimination legislation.



GOAL 3: Promote gender equality and empower women

Education

- If UNECE emerging economies are to continue their remarkable catch-up to the per capita income levels of other countries in the region, they will have to ensure a lasting improvement of the **quality of education** and better educational outcomes of students from disadvantaged backgrounds, particularly ethnic minorities and girls in rural areas. Policies that would integrate children from vulnerable families in pre-school programmes with the aid of financial incentives should be developed and implemented soon, if this has not already been done. Specific measures should be developed to address **gender segregation in educational choices** which in turn, risk reinforcing occupational segregation

Employment

- The **gender pay gap** and **vertical labour market segregation** need to be urgently tackled through gender-responsive decent work policies as well as incentives systems; in the same vein, **horizontal labour market segregation** needs to be attended to with a combination of measures including labour market analyses, information and service provision.
- A specific and rather difficult policy challenge is posed by the **women's unpaid care work and work-family reconciliation** that can be viewed as a precondition for gender equality in the labour market and beyond. In this area, a fundamental political debate is needed to answer the basic questions concerning the responsibility for and organization of the care for children and the elderly. Although some forms of institutional arrangements exist across the UNECE region, much more work needs to be undertaken to tackle this issue.
- The challenges posed by **international migration** across the UNECE region may well intensify not only in the aftermath of the global economic crisis, but also in view of the population dynamics in the wider region. In this context, the six core international human rights treaties are universal and apply to both citizens and non-citizens, whether their status is regular or irregular, and contain strong non-discrimination clauses equally applicable to migrants. In addition, the United Nations Convention against Transnational Organized Crime and its protocols on human trafficking and migrant smuggling, as well as the United Nations Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families recognize the specific vulnerabilities of migrant workers and promote humane and lawful working and living conditions. The Convention also provides guidance on how to draw up national migration policies based on respect for human rights and the rule of law. These legal instruments and standards, as well as the OSCE human dimension commitments, including rights of migrant workers adopted by all Member States should constitute the bases of systematic gender-responsive migration policies and bilateral and regional agreements, which are essential for the equilibrium of the welfare and employment systems of the region, as is **legislation on domestic work**, recognizing the private household as a workplace.

Governance and decision-making

- For the participation of women in **decision-making**, affirmative measures such as quotas and explicit targets for female representation in the legislature can achieve rapid results. They need to be paired with capacity development measures to achieve good political governance and ensure that female policy makers and legislators perform well in their new positions.
- The full involvement of an **informed and vibrant civil society** in the pursuit of MDG 3 and other development goals is essential for success and capacities need to be further developed in support of informed public participation in an equitable and inclusive development agenda.

Health-related MDGs



GOAL 4: Reduce child mortality



GOAL 5: Improve maternal health



GOAL 6: Combat HIV/AIDS, malaria and other diseases

An integrated approach

Millennium Development Goals 4, 5 and 6 tackle some of the world's most pressing health concerns; they aim to reduce child mortality, improve maternal health and combat HIV/AIDS, malaria and other diseases (including TB), respectively. This chapter provides a summary of progress towards these goals in the Emerging Europe and Central Asia region. It begins with considerations on cross-cutting issues relevant to all three health MDGs. It then briefly presents trends, select promising practices, and policy considerations to accelerate the pace towards the achievement of each health MDG.

Crosscutting challenges and opportunities

All countries of Europe and Central Asia have to address major health challenges in a context of demographic and epidemiological change, socioeconomic disparities, limited resources, technological developments and rising expectations. Responding to these challenges and meeting the health MDGs requires strong health systems that ensure equitable access to high-quality services. As stated in the Tallinn Charter: Health Systems for Health and Wealth, "a health system is the ensemble of all public and private organizations, institutions and resources mandated to improve, maintain or restore health. Health systems encompass both personal and population services, as well as activities to influence the policies and actions of other sectors to address the social, environmental and economic determinants of health".

The values and principles of primary health care include equity, solidarity, social justice, universal access to services, multisectoral action, transparency, accountability, decentralization, and community participation and empowerment. All of these provide a basis for strengthening health systems to ensure progress towards the MDGs⁵⁷. These same principles are vital for tackling other health challenges in the pan-European region, such as adult morbidity and mortality linked to non-communicable diseases (which accounted for 77.8 per cent of the region's total burden of disease in 2004)⁵⁸.

Of particular salience in the light of the current financial crisis and economic downturn are issues related to health-system financing and universal access to services. Catastrophic health expenditure threatens to impoverish households in those countries of Europe and Central Asia where health systems rely heavily on household contributions⁵⁹. Increased attention is being drawn to the importance of developing and strengthening social protection floors⁶⁰, which include social health protection against out-of-pocket payments (i.e. payments made by households at the point of receiving health services net of any insurance reimbursement)⁶¹. Since such out-of-pocket payments affect the poor disproportionately, their impact on

⁵⁷ World Health Assembly resolution WHA63.15 on monitoring of the achievement of the health-related Millennium Development Goals. Geneva, World Health Organization, 2010.

⁵⁸ Millennium Development Goals in the WHO European Region: A situational analysis at the eve of the five-year countdown. Copenhagen, WHO Regional Office for Europe, 2010.

⁵⁹ Ibid.

⁶⁰ The social protection floor concept promotes nationally defined strategies (comprising a basic set of rights and transfers) that protect a minimum level of access to essential services and income security (8). Social health protection is an important part of a comprehensive social protection floor, as analysis of data from nearly 80 countries globally shows that—every year—more than 150 million individuals in 44 million households face financial catastrophe as a direct result of having to pay for health care.

⁶¹ Xu K et al. Designing health financing systems to reduce catastrophic health expenditure. Geneva, World Health Organization, 2005 (Technical Briefs for Policy-Makers No. 2).

MDG progress should not be underestimated. For example, in the EECCA region, these payments average almost 50 per cent of all spending related to HIV⁶². Globally, where there are user fees for maternal-health services, households pay a substantial proportion of the cost of facility-based services, and the expense of complicated deliveries is often catastrophic⁶³.

From past crises we have learned that drops in spending on social services (including health) are a significant reason for the sharp deterioration in human development indicators⁶⁴. Governments can be tempted to cut social spending during the current period of economic hardship⁶⁵. However, evidence points to the need for public social expenditures to be safeguarded and even increased in the current crisis, to protect human capital over the long term^{66,67}. Public social expenditures should be incorporated into stimulus packages⁶⁸. The composition of such investments is critical, and should focus on both improving/protecting health and reducing the long-term growth in expenditures, for example through cost-effective investments in prevention. Even with efforts to protect social spending, there will be a longer-term challenge of sustaining investments as Governments adjust their fiscal position. This gives added emphasis to the ongoing need for all countries to use their resources more efficiently within the health sector. By getting more benefits from existing resources, it will be possible to mitigate the severity of the inevitable tradeoffs that arise from the need to bring expenditures into balance with available revenues⁶⁹.

The global financial crisis is a real threat to increased health aid. Donor countries may question whether they can sustain official development-aid spending in the face of mounting debt. However, it is crucial that official development assistance not be cut at a time when it is most needed. Improving aid effectiveness is a priority, particularly in this time of crisis and related budget constraints. New health initiatives, including International Health Partnership Plus (IHP+) and Providing for Health, aim to strengthen national health systems (including social health protection) and bring greater coherence and alignment to the donor response at country level.

Investments in health information systems are important for scaling up action towards the MDGs. A comprehensive and accurate understanding of progress towards the health MDG targets in Europe and Central Asia will require addressing serious challenges in relation to monitoring and under-/incomplete reporting. Many countries need better data collection and more timely analysis of underlying trends if they are to strengthen their policy responses. The coordination of data also needs to be improved, as some health information systems have evolved in a haphazard way following administrative, economic, legal or donor pressures. They have been fragmented by the demands of disease-focused programmes and the diversity of donor requirements and international initiatives⁷⁰. Relevant to addressing these challenges are the work of the Health Metrics Network and the recommendations of the H8⁷¹ regarding increased and more efficient investment in health

⁶² *Progress on implementing the Dublin Declaration on partnership to fight HIV/AIDS in Europe and Central Asia*. Copenhagen, WHO Regional Office for Europe, 2008.

⁶³ *Women and health: today's evidence, tomorrow's agenda*. Geneva, World Health Organization, 2009.

⁶⁴ *Global Monitoring Report 2010: The MDGs after the Crisis*. Washington, DC, World Bank, 2010.

⁶⁵ *Health in times of global economic crisis: implications for the WHO European Region*. Copenhagen, WHO Regional Office for Europe, 2009.

⁶⁶ With regards to health coverage, young people may be disproportionately affected by the crisis, through the increased period between the end of their insurance status as a child, and the beginning of a career that will entitle them to health insurance benefits (Source: Baltag V et al. Accelerating action for adolescent health in the European Region. *Entre Nous. The European Magazine for Sexual and Reproductive Health*, 2009, 69:6).

⁶⁷ *Rethinking poverty: Report on the World Social Situation 2010*. New York, United Nations Department of Economic and Social Affairs, 2009.

⁶⁸ *Ibid.*

⁶⁹ Thomson S et al. *Addressing financial sustainability in health systems. Policy summary prepared for the Czech European Union Presidency Ministerial Conference on the Financial Sustainability of Health Systems in Europe*. Copenhagen, WHO Regional Office for Europe on behalf of the European Observatory on Health Systems and Policies, 2009.

⁷⁰ *WHO Executive Board resolution EB118/16 on health information systems in support of the Millennium Development Goals*. Geneva, World Health Organization, 2006.

⁷¹ H8 is an informal group of eight health-related organizations: WHO, UNICEF, UNFPA, UNAIDS, GFATM, GAVI, Bill and Melinda Gates Foundation, and the World Bank created in mid-2007 to stimulate a global sense of urgency for reaching the health-related MDGs.

information, developing a common data architecture, strengthening performance monitoring and evaluation, and increasing data access and use⁷². Disaggregated data are needed (including by sex, age, geographical area, education and income levels, and ethnic and minority status) to ensure that MDG efforts reach those most in need.

Health is largely influenced by living conditions (and their structural determinants) outside of the direct control of the health sector⁷³. Lessons in MDG progress from Europe and Central Asia strongly point to the need to strengthen the ability of health systems to work with other sectors for addressing the social determinants of health. This is in line with a human rights approach to health.

Embodied in article 12 of the United Nations International Covenant on Economic, Social and Cultural Rights is that the right to health extends not only to timely and appropriate health services but also to the underlying determinants of health. A rights-based approach to the health MDGs therefore includes coherence in policies, within and beyond the health sector.

This entails working across government for health (and health equity) in all policies. Within the health system, it means ensuring that equity measures have been integrated across health-system functions and in all vertical programmes. It requires a comprehensive approach to interlinkages between the health MDGs and the Goals that address poverty and hunger, gender equality, water and sanitation, and global partnership for development⁷⁴. It also means addressing the synergies amongst MDGs 4, 5, and 6 (through integrated care) and with health priorities such as non-communicable diseases. It is particularly important to understand that gender equity (MDG 3), in addition to being a fundamental human right, is key to improving maternal and child health.

In the light of the above and drawing from World Health Assembly resolution 63.15, the following are some cross-cutting considerations for scaling up action towards the three health MDGs:

- There is a need to reinforce all health system functions, with attention to service delivery, financing, workforce, health-information systems, procurement and distribution of medicines, vaccines and technologies, sexual and reproductive health care and political will in leadership and governance. Actions should be grounded in a primary health care approach, involving communities and civil society. Measures to include the MDGs in national health plans, scale up key targeted and equity-proofed interventions, and provide appropriate integrated services are opportune.
- It is important to *account for health equity in all national policies* that address social determinants of health and gender inequities, and to consider developing and strengthening universal comprehensive social-protection policies that include health promotion, infectious and non-communicable disease prevention and health care, and to promote the availability of and access to goods and services essential to health and well-being.
- Accelerating progress towards the health MDGs will require *increasing/maximizing the benefits of investment in financial and human resources*⁷⁵ and *strengthening national health information systems* to generate accurate, reliable, disaggregated and timely evidence on achievement of the health MDGs.
- All efforts should be made to *fulfil commitments regarding official development assistance* and improve donor and aid coordination so that it strengthens national health systems and brings greater coherence and alignment to the donor response at country level.

⁷² Chan et al. Meeting the Demand for Results and Accountability: A Call for Action on Health Data from Eight Global Health Agencies. *PLoS Medicine*, 7(1):e1000223.doi:10.1371/journal.pmed.1000223.

⁷³ *Closing the gap in a generation: Health equity through action on the social determinants of health*. Geneva, World Health Organization, 2008.

⁷⁴ *The EU Role in Global Health. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions*. Brussels, European Commission, 2010.

⁷⁵ This includes special attention to the migration of health personnel, in keeping with deliberations of the Sixty-third World Health Assembly on the draft code of practice on the international recruitment of health personnel. It also entails production/capacity-building of staff to ensure that they have updated know-how and correct skills mix to provide quality services.

GOAL 4: Reduce child mortality

MDG 4 aims to reduce the under-five mortality rate by two thirds between 1990 and 2015, with indicators for monitoring progress being the under-five mortality rate, the infant mortality rate and the proportion of 1-year-old children immunized against measles.

I. Trends

Weak information systems and differences between official data and estimates of international agencies make it difficult to monitor progress towards MDG 4. Several countries in the region have only recently adopted and implemented the WHO Live Birth Definition, but some have yet to implement it. Under- and misreporting, complications in using 1990 as a baseline year, and differences in data used by international agencies (data may be unadjusted, adjusted or predicted) further contribute to the challenges in monitoring progress⁷⁶. Therefore, data provided by the Inter-agency Group for Child Mortality Estimation is used for the purpose of global and regional analysis⁷⁷.

Available data reflect a steady decline in estimates for under-five mortality rates across Emerging Europe and Central Asia, with significant variations between countries and subregions (see table 1 below). For instance, the average under-five mortality rates range from 7 in NMS to 12 in SEE and to 30 in EECCA.

Table 1

Under-five mortality rate in Europe and Central Asia (Probability of dying by age 5 per 1,000 live births)

Country	1990	2000	2008	Reduction (%) 1990-2008	Reduction (%) 2000-2008
Eastern Europe, Caucasus and Central Asia					
Armenia	56	36	23	59	36
Azerbaijan	98	69	36	63	48
Belarus	24	17	13	46	24
Georgia	47	35	30	36	14
Kazakhstan	60	44	30	50	32
Kyrgyzstan	75	51	38	49	25
Republic of Moldova	37	24	17	54	29
Russian Federation	21	20	11	48	45
Tajikistan	117	94	64	45	32
Turkmenistan	99	71	48	52	32
Ukraine	21	19	15	29	21

⁷⁶ Millennium Development Goals in the WHO European Region, op. cit.

⁷⁷ Childinfo. Monitoring the Situation of Children and Women [web site]. New York, United Nations Children's Fund, 1998.

GOAL 4: Reduce child mortality

Table 1 (cont'd)

Under-five mortality rate in Europe and Central Asia (Probability of dying by age 5 per 1,000 live births)

	1990	2000	2008	Reduction (%) 1990-2008	Reduction (%) 2000-2008
South-Eastern Europe					
Albania	46	24	14	70	42
Bosnia and Herzegovina	23	17	15	35	12
Croatia	12	8	5	58	38
Montenegro	14	14	9	36	36
Serbia	26	13	8	69	38
The former Yugoslav Republic of Macedonia	36	19	11	69	42
Turkey	84	42	22	74	48
Uzbekistan	74	62	38	49	39
EU New Member States (NMS)					
Bulgaria	18	16	11	39	31
Czech Republic	12	5	4	67	20
Estonia	16	11	6	63	45
Hungary	17	11	7	59	36
Latvia	17	13	9	47	31
Lithuania	13	11	7	46	36
Poland	18	9	7	61	22
Romania	31	22	13	58	41
Slovakia	14	10	7	50	30
Slovenia	10	6	3	70	50

Source: World Health Statistics 2010⁷⁸.

Note: The data represent the best estimates of WHO based on evidence available in 2009 – rather than the official estimates of Member States. These estimates have been computed using standard categories and methods to enhance cross-national comparability. Therefore, they are not always the same as official national estimates, nor necessarily endorsed by specific Member States.

Progress in reducing under-five mortality is uneven, with some countries on track or close, and many others requiring a major scaling up of investments. There are also great in-country inequities between urban and rural areas, between children of women with higher and lower levels of education, and between children of families who are in the 20 per cent richest segment of the population and those who are in the 20 per cent poorest.

⁷⁸ Ibid.

Neonatal causes represent the highest proportion of child deaths in all countries. Pneumonia and diarrhoea are usually the second and third most important causes of child deaths, except in some countries where injuries come second. The reduction of neonatal mortality is the first priority in every country. As many causes of neonatal deaths (prematurity being the first in all countries followed by asphyxia, infection and congenital diseases) are associated with care in pregnancy and childbirth, maternal care is a related priority. The quality of newborn and maternal care is an issue for other important causes of child mortality, e.g. pneumonia and diarrhoea, and for in- and outpatient care for pregnant women, infants and children in general. Neonatal health outcomes are strongly associated with mortality and long-term morbidity and disability in infancy and childhood.

The estimated average coverage of measles immunization in Europe and Central Asia in 2008 was 94 per cent, compared with the 1990 estimate of 83 per cent. Improved coverage has led to a dramatic reduction in reported measles cases: from 200,000 in 1994 to 30,000 in 2003 and to 8,883 in 2008⁷⁹. High national immunization coverage, however, masks in-country inequities, as reflected by occasional outbreaks among marginalized populations including the urban poor, internally displaced persons and people living in remote rural areas. One finds differences in coverage rates among urban educated families, which – because of increased anti-immunization coverage in the media and concerns over the safety of vaccines versus perceived risk of the disease – may hesitate to bring children for vaccination.

Several crises due to deteriorating public trust in immunization have occurred in recent years, particularly disrupting mass vaccination campaigns. Recent outbreaks of polio and measles in some countries highlight the urgent need to avoid complacency and to maintain high immunization coverage.

MDG 4 is intrinsically linked to other Goals, including MDG 5, as well as others that influence important determinants of child health (such as MDGs 1 and 7). For instance, many countries in Europe and Central Asia are still affected by stunting, underweight and micronutrient deficiencies. There is a strong correlation between under-five mortality rates and higher rates of stunting and underweight. Armenia, Georgia and Turkey, and even more so Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan, are the countries that would benefit more from action to remove or mitigate the root cause of under-nutrition⁸⁰.

II. Selected promising practices

Turkey. The recent review conducted by the Ministry of Health in partnership with the United Nations Children's Fund (UNICEF) indicates that during 1990-2007, Turkey's under-five mortality rate decreased by more than two thirds, thanks to strengthened maternal and child health services. These included a sustained focus on strategy and on implementing widespread, effective public health campaigns focused on family planning, vaccination, child survival, and neonatal resuscitation. Such measures resulted in increased antenatal care attendance, a higher proportion of women delivering in health institutions and whose deliveries were attended by health providers, and the rapid further development of neonatal intensive care.

Although regional disparities persist, the Government is working to address these by focusing on populations with elevated risk for infant and under-five mortality, namely residents of the eastern region, or rural areas, with no/ incomplete primary education, and very poor. There is also a focus on infants born to women who already have several other children.

⁷⁹ *Millennium Development Goals in the WHO European Region*, op. cit.

⁸⁰ Cattaneo A et al. *Strategic directions in health and nutrition aiming at accelerating achievement of MDG 4 and related objectives in the countries of Central and Eastern Europe and Commonwealth of Independent States*. Geneva, UNICEF Regional Office for Central and Eastern Europe and Commonwealth of Independent States, 2008.



GOAL 4: Reduce child mortality

Kazakhstan. The project “Support for Maternal and Child Health in Kazakhstan” (2009 - 2011) aims at strengthening the health system to provide equitable access to quality services for pregnant women, mothers, newborn babies and children. It focuses on improving the quality of and access to care during pregnancy, childbirth, the postpartum period, and early childhood through introducing evidence-based obstetric, neonatal and pediatric protocols of major complications. High priority is given to vulnerable groups. The project is being piloted in three regions: Karaganda, south Kazakhstan and Aktobe. It also entails support for developing and implementing a national strategy/programme on maternal and child health in accordance with international standards.

III. Policy directions

Reviews of progress towards MDG 4 (and 5) point to a need to renew the commitment to prevent and reduce maternal, newborn and child mortality and morbidity through an effective continuum of care, and through strengthening health systems.

To address health inequities, all programmes should be gender-sensitive and contribute to reducing gaps between rural and urban areas, wealthy and poor families, and lower and higher educated parents, taking social determinants of health into consideration. Special attention should be given to socially excluded groups and persons, including minorities, refugees and internally displaced persons, and children deprived of parental care.

Health system strengthening

- Information systems need to provide accurate and disaggregated data (including by sex, age, education and income levels, and geographical areas) to adequately monitor progress and to adopt suitable strategies both at national and sub-national level.
- Particular attention has to be paid to cost-effective public health interventions, including those focusing on health promotion, education and disease prevention.
- Access of the most vulnerable groups to a basic package of services should be ensured as part of the social protection floor, particularly in view of the current financial crisis.
- Emergency preparedness and disaster risk reduction requires continuous attention.

Maternal and new-born care

Neonatal causes represent the highest proportion of under-five deaths in Europe and Central Asia. In most countries, coverage with antenatal care and skilled care at childbirth is high. However, this is not adequately reflected in satisfactory maternal and neonatal health outcomes. The discrepancy between coverage and outcomes is due to factors including:

- The health of mothers. Poor nutritional status, inadequate birth spacing and exposure to environmental risk factors (e.g., smoking, hazardous work) all negatively affect pregnancy outcomes. Adolescent pregnancy has a higher likelihood of poor outcomes for the infant, including the probability of death in the first week of life.
- Poor referral system for pregnancy and childbirth. The referral system for pregnancy and childbirth remains a problem. Risky and complicated pregnancies and deliveries have to be referred to specialist care, following evidence-based guidelines, otherwise all the benefits of access to care are lost. Sometimes, the problem of referral lies in a mother's not having any means of travelling from a remote area to the point of referral.
- The quality of pregnancy, delivery and neonatal care. Quality of care is what makes the difference, once access to care is ensured. Improving maternal and new-born care has to be seen in the context of strengthening health systems by providing an effective continuum of care and integrated comprehensive services.

Immunization

Countries continue to need systematic and comprehensive support to attain MDG 4 to maximize health gains from prevention of vaccine-preventable diseases through strengthening immunization systems. Key areas for action include:

- Improving equitable access to and utilization of immunization services through providing an optimized combination of immunization service delivery strategies.
- Strengthening evidence-based decision-making on immunization through use of tools to empower government.
- Ensuring that (a) immunization staff are well trained and have the right blend of skills, (b) access to services is well established geographically, and (c) vaccines and supplies are safe, accessible and appropriately used.
- Improving the ability of countries to mobilize and efficiently use domestic and supplementary external resources reliably to achieve immunization targets.
- Restoring and maintaining public trust in immunization as one of the safest and most effective means of public health intervention, and maintaining high coverage with the existing vaccines should remain high in all Governments agendas.

Interlinkages with other MDGs, early child development and health equity

Acknowledging that multiple MDGs affect child health, health systems have an important stewardship role in liaising with other sectors to address determinants of child health. They should, for instance, promote food security (which by definition addresses nutrition security) and access to clean water and adequate sanitation. The interlinkages between the MDGs for child health can be addressed through integrated strategies that comprise health, nutrition, water and sanitation and early child development.

Such interventions improve not only the health of children today but have a far-reaching intergenerational effects that help countries develop, reduce health care costs, increase intellectual capacity and improve adult productivity, thereby helping to break the transmission of multidimensional poverty.

Cross-sectoral early child development (ECD) programmes are grounded in the evidence that early childhood is the most important phase for overall development throughout the lifespan. The programmes should therefore include integrated services for breastfeeding and nutritional support; comprehensive support to and care of mothers before, during and after pregnancy; parenting and caregiver support; child care; early education (starting around age three); and services for children with special needs.

To address the determinants of child health, including those that lead to health inequities, Governments can have an important role in adopting “family friendly” social protection policies that guarantee adequate family income, maternity benefits, financial support, and allow for parents and caregivers to devote time and attention to young children. The Commission on Social Determinants of Health recommends that Governments should build universal coverage of a comprehensive package of quality early child development programmes and services for children, mothers, and other caregivers, regardless of ability to pay⁸¹.

To address other health inequities, all MDG 4 programmes should be gender-sensitive and contribute to reducing gaps between rural and urban areas, low and high income families, and lower and higher educated parents. Special attention should be given to populations experiencing social exclusion, including migrants, ethnic minorities, refugees and IDPs, and children deprived of parental care.

⁸¹ *Closing the gap in a generation*, op.cit.

GOAL 5: Improve maternal health

The targets for MDG 5 are: 5.A – to reduce by three quarters, between 1990 and 2015, the maternal mortality ratio; and 5.B – to achieve, by 2015, universal access to reproductive health.

I. Trends

Maternal mortality

As reported in *Maternal mortality in 2005*, the estimated average maternal mortality ratio for Europe and Central Asia fell from 39 deaths per 100, 000 live births in 1990 to 27 in 2005⁸². In 2005, the countries with the highest estimated ratios were in central Asia⁸³. The decline of maternal mortality ratio has been highest in the EU New Member States (NMS)⁸⁴, at nearly 75 percent⁸⁵. Discrepancies between estimated and reported maternal mortality ratios exist in countries throughout Europe and Central Asia, and further efforts to address underreporting are required.

Access to and quality of services

Progress in reducing maternal mortality rates in the region has been unsatisfactory, being neither universal nor consistent. Even in those countries that are on track to reach the MDG targets, there are still populations who have lower access to services. Today, most countries have almost universal antenatal coverage and nearly every birth is assisted by skilled health workers. However, a key concern remain the poor, rural residents, migrants, refugees and ethnic minorities and other socially excluded populations.

All pregnant women are still not receiving a minimum of four antenatal visits. A subset of countries with available data on four visits suggests that rural women, in particular, are not receiving this minimum care⁸⁶. Unfortunately, disaggregated statistics on MDG 5 targets and indicators are not available in most countries in the region, but the few data available point to continuing inequities in those benefiting from progress. For example, in Armenia (DHS 2005), 13 per cent of women belonging to the 20 per cent poorest segment of the population do not receive antenatal care, compared with 1 per cent of women belonging to the richest segment⁸⁷.

Adolescent birth rate

In the past decade, the adolescent birth rate has fallen in all countries of Emerging Europe and Central Asia. There are disparities, however, among and within countries: for example, Bulgaria has a rate of 40 births per 1,000 women of ages 15-19, whereas Albania has 15⁸⁸. And one generally finds higher rates of adolescent pregnancy among socially excluded groups.

⁸² Maternal mortality in 2005: Estimates developed by WHO, UNICEF, UNFPA and the World Bank. Geneva, World Health Organization, 2007.

⁸³ Ibid.

⁸⁴ The NMS sub-region includes Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovak Republic, and Slovenia.

⁸⁵ Millennium Development Goals in the WHO European Region, op. cit.

⁸⁶ Childinfo, op. cit.

⁸⁷ National Statistical Service (Armenia), Ministry of Health (Armenia), ORC Macro. Armenia Demographic and Health Survey 2005. Calverton, MD, National Statistics Service and ORC Macro, 2006.

⁸⁸ European Health for All database (HFA-DB) [online database]. Copenhagen, Regional Office for Europe, 2010.

In the 27 EU Member States, adolescent birth rates are low, ranging from 5 to 15 births per 1,000 women aged 15-19, with the exception of Bulgaria, Romania (36) and the United Kingdom (26)⁸⁹. Some countries consider traditions and practices such as early marriage important, which contributes to high adolescent birth rates (e.g. Azerbaijan, Ukraine, Georgia).

Contraceptive prevalence rate and unmet needs for family planning

Although the contraceptive prevalence rate has increased in the region, use of modern contraceptives varies greatly among countries. There are disparities in use of contraceptives among married women in Emerging Europe and Central Asia, with the former Yugoslav Republic of Macedonia having as low as 14 per cent for all and 10 per cent for modern methods of contraceptive prevalence, and Uzbekistan having as high as 59 per cent⁹⁰. At the same time, the use of modern contraceptives continues to correspond to the social gradient, with the wealthier having higher usage than the poor.

Many women in the Caucasus area— Armenia, Azerbaijan and Georgia – still rely on traditional methods, particularly withdrawal, to control their fertility. Partly as a result, these countries have high rates of abortion⁹¹.

Emerging Europe and Central Asia have one of the highest abortion rates in the world, despite a considerable reduction in the past ten years. In some countries, abortion contributes to maternal mortality. Ensuring access to modern contraceptives is critical in preventing unwanted pregnancies especially among young girls and socially disadvantaged women.

II. Selected promising practices

Countries in Emerging Europe and Central Asia have historically prioritized sexual and reproductive health, including maternal health. Most of these countries address sexual and reproductive health through their national policies and strategies. Nine of them have a formal population policy addressing family planning⁹². For example, in Turkey, the National Development Framework includes a statement on universal access to reproductive health; and mother and child health, and the Government has given priority to family planning services in recent decades. However, in many countries implementation of the policies and strategies could be improved.

Countries that have been successful in making progress are testimony to the need for strong political commitment to sexual and reproductive health and improved health-system stewardship for adequately resourced national programmes and plans, and for establishing multisectoral linkages and engaging communities.

Improved stewardship includes an effective legal and policy environment to remove barriers to sexual and reproductive health services especially among socially disadvantaged groups and youth, and well-functioning health information systems based on international standards. Good examples are Kyrgyzstan, Uzbekistan, Romania and the Republic of Moldova, who introduced maternal audit according to international standards, using the WHO tool “Beyond the Numbers”. This improved both the collection and analysis of data on maternal mortality, and the overall quality of services.

⁸⁹ Ibid.

⁹⁰ Ibid.

⁹¹ Progress for Children. A Report Card on Maternal Mortality. New York, United Nations Children’s Fund, 2008.

⁹² Review of Existing Reproductive Health Commodity Security Systems, Budgeting National Capacities, and Progress Achieved with FP Service Provision in EECA Region. New York, UNFPA, 2009.

GOAL 5: Improve maternal health

Access and quality of services is another key factor in improving maternal health and achieving universal access to SRH services. According to the United Nations Population Fund (UNFPA) review of progress in maternal health in Emerging Europe and Central Asia (2009), 13 countries have introduced clinical protocols and guidelines on maternal health according to international standards. However, there is a need for better implementation and monitoring of quality of care, emphasizing the importance of continuum of care and ensuring referrals to the right level of care.

Box 8:

Achieving universal access to SRH services: the case of Romania

Romania introduced a family-planning programme in the early 1990s. Between 1992 and 1994, the Government opened 230 urban family planning clinics and 11 reference centres. In 2002, it introduced the distribution of free-of-charge contraceptives through family physicians for persons in rural areas, the unemployed, students and for the women who have an abortion in a State health facility. Counselling services complemented the provision of contraceptives.

The success of this initiative has led to doubling the contraceptive prevalence rate with a drastic decrease in abortions, while maintaining a solid total fertility rate. Today, Romania's family-planning system offers training to family-planning service providers, distributes contraceptives, offers family-planning consultations and disseminates information.

Many more women are surviving pregnancy and childbirth, in contrast to the high rates of maternal deaths in the past. In 1990, according to available national data, there were 263 maternal deaths, while in 2007 this number had fallen to 33.

Most Governments recognize the importance of removing financial barriers to services but the role and impact of informal and out-of-pocket payments is not fully understood in many countries. Nevertheless, there are examples of improved access to maternal health services such as including key services (maternal and child health, family planning) in basic benefit packages and establishing rigorous monitoring of its effectiveness.

III. Policy directions

In November 2009, Governments from 20 countries participated in the regional MDG 5 conference organized by UNFPA in Istanbul, Turkey. The conference served to review progress towards the targets, define lessons learnt and produce recommendations for scaling up action. These recommendations are integrated into the considerations below.

Health-system strengthening

Sustained and equitable progress towards MDG 5 targets requires reinforced and simultaneous action across health-system functions.

- Improve health-system stewardship to build an enabling legal and policy framework to overcome access barriers, especially for youth and vulnerable populations. Promote universal access to health and social services through adopting social protection measures.
- Strengthen research and data collection on maternal health, family planning and reproductive behaviour and the needs of vulnerable populations. National statistics can be collected and analysed in ways that make it easier to understand the needs of pregnant adolescents, their numbers and their use of services.
- Strengthen monitoring and evaluation systems for national sexual and reproductive health programmes to improve accountability for results.

GOAL 5: Improve maternal health

- Improve integration of reproductive health in primary health care and strengthen a continuum of care. Ensure that health reforms are designed to expand delivery of quality reproductive health services to socially disadvantaged populations and guarantee that services are age- and gender-sensitive.
- Improve financing of the maternal and perinatal components of basic benefit packages.
- Increase attention to the production of professionals with the right skills mix and ability to respond to the special needs of adolescents. Appropriate well-maintained commodities and equipment are needed at all levels of maternal/perinatal and reproductive health care.

Leadership, partnership and empowerment

- Increase government political and financial commitment to strengthen family planning and integrate the services in primary health care with a focus on poor and socially excluded groups.
- Strengthen partnership and coordination between various stakeholders and donors working in sexual and reproductive areas, child health, gender equality and the empowerment of women.
- Establish multi-sectoral linkages with other sectors and strengthen partnerships with parliamentarians, donors, NGOs and the private sector to leverage the human and financial resources needed to achieve MDG 5.

Quality of sexual and reproductive health services

- Create a demand for quality services through support for appropriate communication for behavioural change, providing access to information ensuring involvement of men and traditional leaders, as well as measures including collaborating with civil society organizations to educate communities and vulnerable populations about sexual and reproductive health, including maternal care.
- Improve adolescents' sexual and reproductive health through guaranteeing universal access to comprehensive sexual and reproductive health information, education and services for youth and ensure that services are youth-friendly, confidential, non-judgmental, accessible, and based on recognition and respect for diversity.

Linkages of MDG 5 with other MDGs

MDG 5 is interlinked with the other MDGs. As maternal mortality strongly affects newborn mortality, progress towards MDG 5 will influence the efforts to reduce child mortality (MDG 4). Progress on MDG 5 is also linked to MDG 6, which aims to combat HIV/AIDS, malaria and TB, as these are relevant indirect causes of maternal death.

Linkages and referrals need to be established between sexual and reproductive health and HIV/AIDS prevention, treatment, care and support programmes. This should include access to harm-reduction programmes where appropriate, and family-planning information and services. Progress in achieving MDG 3, promoting gender equality and women's empowerment, will help achieve MDG 5. Increasing primary education (MDG 2) for girls and eradicating extreme poverty and hunger (MDG 1) are means to empower women and will positively influence the achievement of MDG 5. It is important to ensure gender equality and women's empowerment and to mainstream gender in sexual and reproductive health programmes and services.

GOAL 6: Combat HIV/AIDS, malaria and other diseases

By 2015, MDG 6 aims to halt and begin to reverse the spread of HIV/AIDS (target 6A); by 2010, to achieve universal access to treatment for HIV/AIDS for all those who need it (target 6B); and by 2015 to halt and begin to reverse the incidence of malaria and other major diseases (target 6C).

I. Trends

HIV/AIDS

In Europe and Central Asia, the sharp increase in HIV infection over the past decades has strongly correlated with social exclusion processes. Those populations experiencing greatest exclusion—across economic, social, cultural and political dimensions—have been disproportionately vulnerable to HIV infection and have been facing considerable barriers in accessing prevention, treatment, care and support services. Determinants of the HIV/AIDS epidemic in the region include poverty and rising social inequities, limited employment and education opportunities, discrimination and stigmatization towards those most at risk and vulnerable.

The annual number of newly diagnosed cases of HIV officially reported in 2008 is the highest to date for the Europe and Central Asia region⁹³. There were over 100,000 newly diagnosed cases of HIV infection officially reported in Europe in 2008. As documented in *HIV/AIDS Surveillance in Europe 2008*, the highest reported rates were from the following countries: Estonia, Latvia, Kazakhstan, Republic of Moldova, Portugal, Ukraine and United Kingdom⁹⁴. These data have limitations, due to missing input—that is, not officially reported to WHO—from a number of countries (including the Russian Federation). The Russian Federation and Ukraine account for half of all HIV cases in Europe. Those are also the countries with the highest numbers of people living with HIV and among those with the highest levels of HIV prevalence.

The rate of newly diagnosed HIV cases reported per million varied widely among the countries and subregions of Europe and Central Asia. The average infection rate reported in the EECCA subregion is about twice that of Western Europe and more than ten times that of Central and South-Eastern Europe⁹⁵. In the countries of Emerging Europe and Central Asia, an estimated 1.5 million people live with HIV⁹⁶.

The predominant mode of HIV transmission varies by country and geographical region, illustrating the diversity in the epidemiology of HIV. Injecting drugs is still the main mode of transmission in Emerging Europe and Central Asia. In Western Europe, the predominant mode is sex between men, followed by heterosexual contact, when cases originating from countries with generalized epidemics are excluded⁹⁷. Forty per cent of cases acquired through heterosexual contact were diagnosed among peoples originating from countries with generalized epidemics⁹⁸.

⁹³ ECDC/WHO Regional Office for Europe. *HIV/AIDS Surveillance in Europe 2008*. Stockholm, ECDC, 2009.

⁹⁴ Ibid.

⁹⁵ ECDC/WHO Regional Office for Europe. *HIV/AIDS Surveillance in Europe 2008*, op.cit.

⁹⁶ 2009 AIDS Epidemic Update. Geneva, Joint United Nations Programme on HIV/AIDS and World Health Organization, 2009.

⁹⁷ ECDC/WHO Regional Office for Europe. *HIV/AIDS Surveillance in Europe 2008*, op.cit.

⁹⁸ Ibid.

GOAL 6: Combat HIV/AIDS, malaria and other diseases

In the countries with transition economies HIV is largely occurring among males but the proportion of women has been increasing considerably in recent years, notably because of sexual contacts with injecting drug users⁹⁹. In the Russian Federation in 2008, for instance, 42 per cent of new infections were women; in 2000 the figure was 21 per cent. Heterosexual transmission is particularly high (47 per cent of infections in 2009) in Belarus and the Republic of Moldova.

In Europe, the infection rate is higher among prisoners than in the general populations; a high percentage of prisoners are injecting drug users. In Azerbaijan, one third of people living with HIV are prisoners.

Highly Active Antiretroviral Therapy (HAART) coverage for Europe and Central Asia rose from 282, 000 people in mid-2004 to 435, 000 by December 2007¹⁰⁰. For central and eastern Europe, where the need is greatest, coverage went from 16, 000 to 55, 000 in the same period. While this is a substantial increase, it is still far short of need. More recent data (covering December 2007 to December 2008) show a further increase to 85, 000 among low- and middle-income countries in the region¹⁰¹. Over 90 per cent of HIV positive pregnant women received prevention of mother-to-child transmission in 2008¹⁰².

It is important to note that in EECCA and SEE (excluding Turkey) access to antiretroviral treatment is still among the lowest in the world, estimated at only 23 per cent of the population in need¹⁰³. This is particularly worrisome given the relatively well-developed health system infrastructures and is a clear indication of inequities in access to care, treatment and support.

Malaria

Progress towards the MDG 6 target on malaria is positive. Since 1995, there has been an enormous reduction in the number of reported malaria cases as a result of intensive interventions for malaria prevention and control (90,712 cases in 1995; 285 in 2009). Locally acquired malaria cases are still being reported in five countries of the region: Azerbaijan, Georgia, Kyrgyzstan, Tajikistan and Turkey. In 2005, all malaria-affected countries in the region endorsed the Tashkent Declaration¹⁰⁴, which supported and facilitated their decisions to undertake a new elimination effort. Since 2008, these countries have moved into the elimination phase and their national strategies on malaria have been revised to reflect the new elimination challenges.

Turkmenistan and Armenia have already initiated the process of certification of malaria elimination. The transmission of autochthonous *P. falciparum* was interrupted in Tajikistan in 2009; thus eliminating this type of malaria from the region as a whole. In the context of malaria elimination, particular emphasis is placed on situations where there is a risk of spread of malaria between neighbouring countries and regions. In some countries in the west of the region, imported malaria is a growing challenge¹⁰⁵.

Tuberculosis

Based on available 2008 data¹⁰⁶, which show the most updated estimates, the incidence of tuberculosis has slowly declined during the past years, reaching 48 per 100, 000 persons in 2008. The prevalence decreased from 53 to 39 per 100,000 persons between 2000 and 2008, below the prevalence of 45 set out in the target for 2015.

⁹⁹ Burchell et al. *Characterization of an Emerging Heterosexual HIV Epidemic in Russia Sexually Transmitted Diseases*, 2008, 35(9):807–813.

¹⁰⁰ *Millennium Development Goals in the WHO European Region*, op. cit.

¹⁰¹ Ibid.

¹⁰² UNICEF/UNAIDS/WHO. *Towards Universal Access: Scaling up HIV services for women and children in the health sector – 2009*.

¹⁰³ Ibid.

¹⁰⁴ *The Tashkent Declaration: “The Move from Malaria Control to Elimination” in the WHO European Region*. Copenhagen, WHO Regional Office for Europe, 2006.

¹⁰⁵ *Millennium Development Goals in the WHO European Region*, op. cit.

¹⁰⁶ *Global Tuberculosis Control. A short update to the 2009 report*. Geneva, World Health Organization, 2009.



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Mortality from tuberculosis needs to further decline, from 7.0 per 100,000 persons in 2008 to 5.0 by 2015. In 2008, the proportion of new smear-positive TB cases detected in the region was 79 per cent (exceeding the global target of 70 per cent), but with only a 67 per cent treatment success rate in 2007 (well behind the global target of 85 per cent). Among the new cases in the region, 5.6 per cent are estimated to be HIV positive, which is posing additional challenges.

The major challenge for controlling tuberculosis in the region is increasing the treatment success, which is the lowest in the world. This is due to the high levels of multidrug-resistant and extensively drug-resistant tuberculosis as a result of inadequate adherence to accepted tuberculosis-control practices. Of the 27 countries that account for 85 per cent of all multidrug-resistant tuberculosis cases globally, 15 are in Europe and Central Asia.

Drug-resistant tuberculosis creates enormous additional demands on health systems. For example, even when a country benefits from concessionary prices offered by the Green Light Committee initiative, the cost of treating multidrug-resistant tuberculosis can be as much as 200 times that for treating “ordinary” tuberculosis¹⁰⁷.

The EECCA and SEE countries remain the regional priority for tuberculosis control, with national health systems in these countries facing serious challenges in properly addressing the problem. Further west, countries aiming at eliminating tuberculosis are increasingly recognizing the aggregation of cases among certain vulnerable populations.

II. Selected promising practices

HIV/AIDS

Challenges now facing health systems in their efforts to address HIV/AIDS include:

- Addressing the lack of integrated services for prevention, treatment and care of HIV, TB, other communicable diseases and drug dependence.
- Ensuring sustained political commitment and mobilization of resources through advocacy and partnership.
- Improving knowledge and appropriate evidenced-based approaches that integrate training and service delivery.
- Increasing and targeting funding for HIV prevention efforts for most at-risk populations (notably injecting drug users, but also men who have sex with men; sex workers; prisoners and migrants).
- Health systems, through their stewardship function, also have an important role in addressing the social determinants of HIV infection and barriers in access to prevention, treatment, care and support services. This includes working with other sectors and partners to enhance social protection systems (including for troubled families and young people), to improve equitable opportunities in areas such as education and employment, and to safeguard human rights and prevent discrimination and stigmatization.

All countries in the region have set up – and are scaling up – outreach programmes of “harm reduction” for injecting drug users, including counselling, needle and syringe exchange programmes and condom supply. Several countries have included opioid substitution therapy in their programmes, making oral methadone or buprenorphine available to drug users to reduce drug injection and sharing of injecting equipment. In Ukraine, more than 100 opioid substitution therapy centres serve over 5,000 drug users. However, many of these programmes are on a small scale or just at pilot level, serving very small numbers of people. Given that an estimated 2.5 million people in the region are injecting drugs, the efforts need to be substantially scaled up if the HIV epidemic is to be controlled.

¹⁰⁷ Millennium Development Goals in the WHO European Region, op. cit.

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Box 9:

Integrated Care (IC) in vertical health systems: the case of Ukraine

In Ukraine since 2004, integrated care projects have been promoted for injecting drug users, as effective integration leads to better service utilization, higher adherence and better outcomes, including lower rates of HIV and tuberculosis transmission. Serving 700 clients in different regions, these projects were reviewed in 2009 by WHO. While programmes are managing to implement integrated service packages to varying extents, there are important challenges and opportunities for the integration of HIV, sexually transmitted infections, and tuberculosis treatments.

The review showed the importance of overcoming narrow specialization in implementing facilities. It highlighted the potential for integrated care of multi-field hospitals, as well as AIDS centres hosted by multi-field or infectious diseases hospitals, which have a broad range of specialists, diagnostic and treatment methods. It also emphasized the importance of effective coordination of services, fostering of a multidisciplinary approach, mitigation of rigid regulations in relation to human resources and staff movement, and harmonization of case management modalities conducted by different health facilities.

Currently many of the programmes serving the highest risk populations are dependent on outside funding, mostly supported by the Global Fund to Fight AIDS, Tuberculosis and Malaria, which makes them particularly fragile. As has been seen recently in several countries, when such funding ends or is reduced, the programmes tend to close down and often discontinue their activities.

Countries have made notable progress in achieving significant reductions in mother-to-child transmission of HIV through Preventing Mother-to-Child Transmission (PMTCT) programmes. A critical component of success was the integration of PMTCT interventions into Maternal and Child Health services. The key challenge ahead is to ensure that the most vulnerable women (such as drug-using pregnant women and other at-risk women who are missed by services) are able to access them.

An example of an innovative intervention to strengthen collaboration between national tuberculosis and HIV programmes is the project “Scaling up treatment and care for HIV/AIDS and TB and accelerating prevention within the health system in the Baltic States (Estonia, Latvia, Lithuania)”. With support from WHO, “TB/HIV/Health Systems Strengthening” working groups were established in each of the three countries to conduct detailed cost analyses and flow of funds assessments. These highlighted potential major savings from collaborative tuberculosis and HIV/AIDS interventions.

Malaria

Despite the overall progress, there is no call for being overoptimistic about malaria in Europe and Central Asia. Its history in the region provides evidence of malaria’s link with adverse social, economic and environmental conditions; migration; and weakened health systems (including those with discontinued malaria prevention and control activities). With the aim of eliminating malaria from the region, the international and political attention that has been mobilized in recent years in malaria-affected countries is currently being translated into real commitments, resources and action. With grants from the Global Fund and in close cooperation with WHO, Azerbaijan, Georgia, Kyrgyzstan, Tajikistan and Uzbekistan are strengthening national capacities to eliminate malaria. Armenia and Turkmenistan have initiated the process of certification of malaria elimination, and the Government of Turkey and WHO are providing full-scale assistance to implement their malaria elimination programmes. At present, malaria elimination activities focus on disease management, vector control, training, disease surveillance and community mobilization.

¹⁰⁸ Dumchev K et al. Integrated care (IC) in vertical health systems: lessons from Ukraine. Abstract. In: XVIII International AIDS Conference, Vienna, 18-23 July 2010 [web site]. Cointrin, International AIDS Society, 2010.

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Tuberculosis

Countries in Europe and Central Asia are at the global frontline in pursuing the integration of targeted disease-specific programmes into existing health system structures and services. National tuberculosis programmes have been reviewed, paying special attention to their linkages with the health system and aiming to streamline national tuberculosis plans and financing with national health strategies. For instance, in Tajikistan a review of the national tuberculosis programme was conducted in 2009, the recommendations of which were considered in the formulation of the national health strategy. Health systems in countries have also been assessed through the tuberculosis control framework. International funding mechanisms, such as The Global Fund, have been applied to promote integrated laboratory technologies, national drug management, national surveillance, integrated tuberculosis and HIV interventions for co-infected patients, and delivery of tuberculosis services at primary level. In Belarus, for example, The Global Fund grant is being used to train family doctors in practicing syndromic-approach diagnosis of respiratory diseases, including tuberculosis, and ensuring directly observed treatment.

III. Policy directions

- For accelerating progress towards the MDG 6 targets on tuberculosis and HIV/AIDS, there needs to be increasingly strong political mobilization and leadership in the response; increased emphasis on concentrating on the most at-risk and vulnerable populations, including marginal and inadequately covered groups. Domestic funding needs to be mobilized and sufficient budgets assigned, concentrating on the most cost-effective interventions. More focus is required on multi-sectoral action (and partnerships between government and civil society groups) and on prevention, including through ensuring access to social protection services and protecting the human rights of the most at-risk populations. There is also a need to remove punitive laws, policies, practices, stigma and discrimination that block effective responses.
- There is an urgent need to considerably expand current efforts towards meeting the goal of universal access to HIV prevention, treatment, care and support by 2010 and the goal to halt and reverse the spread of HIV/AIDS by 2015¹⁰⁹. To do so will require maximizing the synergies between the HIV/AIDS response and strengthening health systems and social support¹¹⁰.
- Countries should sustain and strengthen the gains made in combating tuberculosis, and develop innovative strategies for tuberculosis prevention, diagnosis and treatment, including means of dealing with new threats such as co-infection with HIV, multidrug-resistant tuberculosis or extensively drug-resistant tuberculosis. The Berlin Declaration and the Beijing Call for Action are clear commitments from the Member States to achieve the tuberculosis targets fixed by the MDG Resolution, which need to be sustained and monitored with the assistance of all partners.
- Integrating tuberculosis care delivery with general health services and reinforcing activities aimed at strengthening health systems is an important part of scaling up action on the MDG 6 TB control targets. Tuberculosis programmes can contribute to strengthening health systems through actions including the following: harmonizing the tuberculosis-control planning and budgeting process, with sector-wide planning frameworks; harmonizing tuberculosis monitoring and evaluation with the national health information system; improving tuberculosis laboratory networks and the drug management and supply system within the health system; and optimizing the use of shared human resources, including front-line health staff. While striving for further harmonization and integration, programmes must, however, ensure that core tuberculosis control activities are not compromised.

¹⁰⁹ World Health Assembly resolution WHA63.15, op. cit.

¹¹⁰ Ibid.

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- Elimination of malaria will require that health systems maintain focused efforts through dedicated surveillance, prevention and control activities that are adequately staffed and financed. To achieve the stated objectives of malaria elimination programmes, it is essential to maintain a core technical group of adequately trained professionals with the necessary epidemiological expertise at national level to advise on strategies and approaches and adapt them to new situations. Health systems have an important stewardship role in monitoring and developing partnerships to address the increased risk of importing malaria into malaria-free areas by population movements. Linked to progress on MDG 7, health systems must also be vigilant of risks posed by the potential influence of climate change on the spatial distribution of malaria and other vector-borne diseases.



Chapter on MDG 7



GOAL 7: Ensure environmental sustainability

The background image is a composite of two scenes. The top half shows a wide, calm body of water under a hazy sky, with a dark line of trees on the far shore. The bottom half shows a close-up of a polluted beach. The sand is dark and covered with debris, including several plastic bottles, a soccer ball, and other unidentifiable trash. A large white semi-circle is positioned in the upper right quadrant of the page, overlapping the top image.

GOAL 7: Ensure environmental sustainability

The assessment of the region's progress towards environmental sustainability follows the framework provided by the targets fixed for MDG 7, namely:

(a) to integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources;

(b) to reduce biodiversity loss;

(c) to improve sustainable access to safe drinking water and basic sanitation;

(d) to improve the lives of slum dwellers.

Overall, tangible progress have been made in reaching these targets, particularly in integrating the environmental dimension into sectoral policy-making, reducing CO₂ emissions, increasing energy efficiency and strengthening sustainable management of forests. However, the region is still far from achieving environmental sustainability. The level of greenhouse gas emissions remains too high in Western Europe, considerable efforts need to be made for improving energy efficiency in the EECCA region, access to safe drinking water is still a major problem in rural areas of countries of south-east Europe and the number of households living in informal settlements is increasing in a number of countries of the EECCA and SEE regions.

Stepping up the pace to achieve the MDG-7 targets by 2015 calls for a paradigm shift towards lower carbon-intensive development paths, green growth, sound water management, resource efficient and cleaner production, more sustainable consumption patterns and improved urban planning.

Target 7.A. Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources

Mainstreaming environmental sustainability has first of all a country-specific dimension, depending on the challenges facing each country and the capacities of national actors and partners. Hence the importance of adopting National Sustainable Development Strategies (NSSD) which would promote a multi-level approach integrating awareness-building, planning and effective delivery at both national and local levels. This approach is a key factor for success in Europe where the network of sub-national entities is particularly developed.

The pan-European region is the one for which reliable information on the status of NSDS implementation is most complete: 77 per cent of European countries were implementing an NSDS in 2009 and all five Central Asian countries are implementing one.

Furthermore, the formulation of the United Nations National Development Frameworks (UNDAFs) in countries of the EECCA and SEE regions shows a progressive shift from addressing specific environmental concerns at the project level towards integrating the dimension of environmental sustainability into the expected results of the mainstream development activities. Examples of this approach are the UNDAFs in Azerbaijan, Belarus, Serbia and Ukraine which either have just been completed or are in the process of formulation.



Box 10:

Integrating the principles of sustainable development in national and local policies and programmes: the case of Montenegro

In 2007, Montenegro adopted a National Strategy for Sustainable Development (NSSD). The following year, the National Council for Sustainable Development was thoroughly reformed and strengthened, with the following objectives:

- (a) to bring the NSSD and the MDGs closer to decision-makers, the public, and the media;
- (b) to ensure the successful implementation of the NSSD at the national level;
- (c) to ensure the successful implementation of the NSSD at the local level (including the establishment of local sustainable development councils);
- (iv) to promote regional integration and joint action with neighbouring countries in the Western Balkans facing similar challenges.

The reform has successfully raised the profile and authority of the National Council for Sustainable Development and widened its multi-stakeholder composition. The Council, over the past three years, has developed a number of major strategic documents for adoption by the Government, ensured inter-sectoral integration, strengthened synergies of institutional efforts at the country level, and raised the visibility of the NSDS.

At the regional level, there exist important commitments to implementing NSDSs, for example in the European Union. These commitments provide a strong additional impetus for countries to advance their sustainable development goals through integrative and comprehensive strategies. Numerous regional instruments have been underwritten by Governments, continuing to provide frameworks for cooperation and multi-sectoral policy coordination, platforms for joint strategies for sustainable development, and for a dialogue between all stakeholders.

Regional environmental agreements include:

- Convention on Long-range Transboundary Air Pollution
- Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Water Convention)
- Convention on the Protection and Sustainable Development of the Carpathians
- Framework Convention for the Protection of the Marine Environment of the Caspian Sea.
- Convention for the Protection of the Mediterranean Sea Against Pollution (Barcelona Convention).

Regional high-level processes include:

- *The “Environment for Europe” Ministerial process*: Involving all major stakeholders in the region and serviced by the UNECE, its Ministerial Conferences takes place every four to five years and provide a high-level platform to discuss, decide and join efforts in addressing environmental priorities across all countries of the UNECE region. At the same time, the process focuses on assisting countries of Eastern Europe, Caucasus and Central Asia and of South-Eastern Europe to raise their environmental standards towards a common regional standard. The Seventh Ministerial Conference «Environment for Europe» will take place in Astana (Kazakhstan) in September 2011 and will focus on two main themes: greening the economy and the sustainable management of water and water-related ecosystems.

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- *The Environment and Health Ministerial Conferences:* Aimed at mitigating the environmental factors that affect human health, these Conferences are held every five to six years, organized by WHO/Europe in cooperation with other regional entities, in particular UNECE and the UNEP Regional Office for Europe. The Fifth Ministerial Conference (Parma, March 2010) focused on protecting children's health in a changing environment, and vowed to tackle the adverse health impact of climate change and to reduce social and gender inequalities in exposure to risk. It also endorsed a new institutional framework which strengthens political coordination between regular ministerial conferences in order to ensure that cross-sectoral issues are given the highest possible political profile.

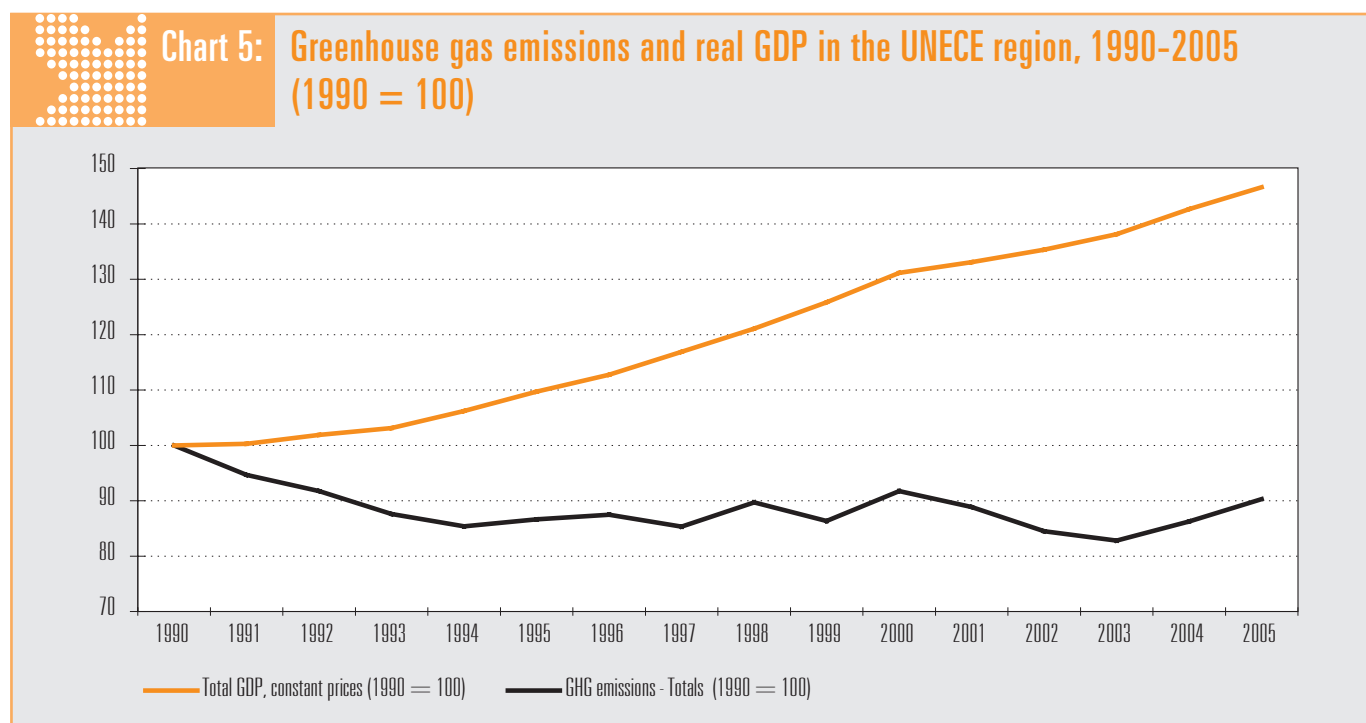
Climate change, CO₂ emissions and ozone depletion

I. Trends

According to the IPCC Fourth Assessment Report, over the past century the region has become warmer by 1° C to 3° C, experiencing record-breaking heat waves, more intense rains, floods, droughts, a rise in permafrost temperatures reaching up to 0.6° C per year over the last half a century, and higher sea levels. Global warming in the region will have wide-ranging impacts on the access to water resources, food and agriculture, transport networks, ecosystems, and human health and settlements.

The two major challenges for water management in Europe will be to cope with greater water stress and reduce the risk of flooding across most of the continent. Reduced rainfall and the loss of water from snow melt will lead to greater water scarcity in the arid areas. And this will affect the region's hydropower potential, summer tourism and crop productivity.

Since 1990, all the subregions of the pan-European area have been successful, to a greater or lesser extent, in reducing their CO₂ emissions (see table 8, annex 3). At the same time, real economic output in the UNECE region expanded by a cumulative 47 per cent between 1990 and 2005 (chart 5).



Source: UNECE, UNFCCC, Energy Information Administration.

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This shows that the pan-European region as a whole has started decoupling economic growth from CO₂ emissions. It has improved production efficiency, retrenched energy-intensive extraction industries and concurrently shifted to service-oriented economies to more environmentally friendly fuels. For instance, the United Kingdom and Uzbekistan reduced their GHG emissions significantly by substituting gas for coal in their major power plants. However, subregional differences in energy intensity remain large. The energy intensity of GDP in western Europe is approximately a third lower than in North America and less than half that of many Eastern European and Central Asian countries (see table 9, annex 3).

In a 2006 study, the International Energy Agency (IEA) found that fossil fuel subsidies were as high as \$170 billion. The subsidies encourage higher use of fossil fuels and hence greater dangerous emissions. Russia has the largest subsidies in dollar terms, amounting to about \$40 billion, most of which go to natural gas. Ukraine's subsidies are over \$10 billion per year. In percentage terms, underpricing is most prominent for natural gas. On average, consumers pay less than half the true economic value of the gas they use in the countries analysed by the IEA.

Emission cuts from the energy, industrial, agriculture and waste sectors were partly offset by increases in transport. Despite increased fuel economy, the number of vehicles has continued to increase (in the EU by 22 per cent between 1995 and 2006), as well as the number of miles driven per vehicle. Car ownership in Eastern and Central Europe tripled between 1990 and 2007. During the same period, road haulage and air freight increased much faster than the less emission-intensive modes of rail and inland waterways.

Air pollutants influence global warming either directly by affecting the cooling or absorptive characteristics of the atmosphere, or indirectly through ozone formation. In Europe, emissions of the main air pollutants have fallen substantially since 1990 across the region and under the Montreal Protocol the consumption of ozone-depleting substances has been drastically curbed.

II. Policies to date

The abatement of CO₂ emissions will continue to be a major concern for all of the UNECE economies into the next century and efforts should be pursued at the global, regional and national levels.

Global level

- The UNECE region has led the global effort to reduce greenhouse gas emissions. Fifty-four of the 56 UNECE member States are Parties to the United Nations Framework Convention on Climate; and 37 of these have committed to emissions-reduction targets under the Kyoto Protocol. The Protocol entered into force in 2005 and defined binding emissions-reduction targets for industrialized countries for the period 2008–2012¹¹¹.
- The United Nations Environment Programme (UNEP) has launched the Green Economy initiative. This aims to assist, *inter alia*, the Governments of the region in greening their economies by reshaping and refocusing policies, investments and spending towards a range of sectors such as clean technologies, renewable energies, water services, green transportation, waste management, green buildings and sustainable agriculture and forests.
- The United Nations Industrial Development Organization (UNIDO) has launched its Green Industry programme. This focuses on the positive contributions that industries can make to reducing resource intensity and environmental impacts, while maintaining and strengthening growth of manufacturing and associated sectors as the driver for economic development, employment and wealth creation. Green Industry includes the greening of existing and new industries through such initiatives as resource efficient and cleaner production, improved chemicals and waste management and energy efficiency, as well as the development of green industries that provide environmental goods and services as their core business.

¹¹¹ UNECE (2009), *Catalyzing change: UNECE responds to the climate countdown*.



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Pan-European level

- The UNECE Convention on Long-range Transboundary Air Pollution (LRTAP) and its eight legally binding protocols set out emission limit values for many air-polluting substances, including sulphur dioxide, nitrogen oxide, persistent organic pollutants, volatile organic compounds, lead and mercury. Scientific data show that since this Convention LRTAP was created, levels of sulphur dioxide and nitrogen oxide have decreased by 70 per cent and 35 per cent respectively in the pan-European region.
- The UNECE World Forum for the Harmonization of Vehicle Regulations, the global body for developing vehicle regulations, is working on a comprehensive emissions-abatement strategy for the automotive sector up to 2040. This would encompass improved energy efficiency and the use of sustainable biofuels by 2015, as well as the development of plug-in hybrid and electric vehicles within the next three decades.

EU level

- The European Climate Change Programme is a key instrument to curtail greenhouse gas emissions in the EU countries. The second phase of this European Programme (ECCP II) was launched in October 2005 and focuses on sectoral issues, as well as carbon capture and storage.
- The Emission Trading Scheme, a cap-and-trade system soon to enter its third phase (2013 – 2020), represents the largest existing carbon market in the world and currently covers 10,000 installations that produce about half of the EU's carbon-dioxide emissions.

National level

- All EU countries have to comply with the Directives for climate-change mitigation. The Directive on energy performance of buildings, for instance, imposes a minimum requirement for energy performance of new and existing buildings on member States. And the Eco-design Directive ensures that all member States have consistent EU-wide rules for improving the environmental performance of energy-related products through eco-design. Eco-design aims at reducing the environmental impact of products, including the energy consumption throughout their entire life-cycle.
- An increasing number of western European countries have introduced taxes based on the carbon or energy content of the energy products (e.g. Austria, Denmark, Finland, Germany, Italy, Netherlands, Norway and Sweden). Several other countries, including Switzerland and the United Kingdom are also considering introducing such taxes.
- A number of countries in the EECCA and SEE regions have made considerable progress in energy efficiency with the support of United Nations organizations. UNIDO, in cooperation with the Global Environmental Facility (GEF), has supported energy efficiency and renewable energy activities in the Republic of Moldova, Russia, Turkey and Ukraine. In cooperation with UNEP, it has also established National Cleaner Production Centres in 12 countries of the EECCA and SEE regions. The aim is to improve efficiency in the use of natural resources such as energy, water and raw materials in the production cycle and reduce pollution and waste. UNECE's Energy Efficiency 21 Programme contributes to the reduction of greenhouse gas emissions in countries with transition economies by promoting self-financing methods of cost-effective investments in energy efficiency.
- All countries in the region have made considerable progress in phasing out chlorofluorocarbons (CFCs), methyl bromide and other ozone-depleting substances. UNIDO has contributed to this progress through programmes in 13 countries of Emerging Europe and Central Asia.

III. Policy recommendations

Recommendations for EECCA and SEE countries

- Further integrate environmental sustainability into sectoral policies (in transport, energy, manufacturing, agriculture and other key sectors) through using various instruments and mechanisms such as strategic environmental assessments, environmental impact assessments, environmental management systems, market-based tools, etc.
- Urgently address the issue of weak environmental institutions. Reinforce their status and mandate, and with the support of regional organizations, strengthen their capacities to make them more competent and effective.
- Improve institutional coordination mechanisms, both horizontally and vertically (i.e. between sectoral authorities and between divisions of the same ministry, and between national and subnational levels).
- Streamline environmental priorities, rationalize environmental legislation, approximate their environmental practices to those of the European Union and fulfil international obligations under multilateral environmental agreements.
- Reinforce and implement effectively all policies and measures contributing to energy efficiency, in particular: (a) metering and consumption-based billing of energy; (b) phasing out subsidies for fossil fuels and encouraging the shift to renewables, while compensating poor households.

Recommendations for the pan-European region

- Shift towards a “green economy” with carbon pricing at its core, taking the opportunity of the financial and economic upheaval to opt for a greener development path that opens the way for job creation as well as changes in production and consumption patterns.
- With the aid of appropriately designed carbon-trading schemes, develop the market for industrial energy efficiency investments, using new, environmentally sound technologies.
- Expand cooperation with countries in transition in developing and transferring low-carbon energy efficient technologies and in drawing up policies that support their deployment.

Forests

I. Trends

Forests play a multitude of roles in sustainable development. They contribute to climate-change mitigation through carbon storage in forests and harvested wood products, through the potential of wood to substitute for non-renewable construction materials and through the use of wood as a renewable source of energy.

Forest management practices can also promote the conservation and enhancement of biological diversity, notably through the increased use of natural regeneration and more mixed species stands, as well as the preservation of deadwood in the forests. Forests also provide watershed services such as storage, purification and release of water to surface water bodies and subsurface aquifers. For all these reasons, the international community recognizes the importance of protecting forests and managing them in a sustainable way.



GOAL 7: Ensure environmental sustainability

Land area covered by forests expanding in the UNECE region

One quarter of the world's forests are situated in the pan-European region, of which approximately four fifths are in the Russian Federation. While globally, forest area has been shrinking, in the UNECE region it has been expanding from 1,622 million ha (in 1990) to 1,647 million ha (in 2010) or by 25 million ha (FAO Forest Resources Assessment 2010).

There are, however, big differences between countries and different subregions. In the countries of the EU, Norway, Switzerland and South-Eastern Europe, forest area has been greatly expanding, mainly due to the planting of new forests and natural expansion of forests onto former agricultural land. Most of the increase has occurred in the Nordic countries, followed by Spain, Turkey, and Italy.

According to the data available, forest area increased only moderately in the countries of the EECCA region, including Russia. In the Caucasus and Central Asia, forest area has been expanding mainly due to major afforestation and reforestation programmes in a number of countries; nevertheless, forest cover remains low in most of these countries and must compete with other land-uses.

Carbon stock increasing, reflecting sustainable forest management practices

Almost all UNECE region forests are well managed. In addition to the carbon stock in litter and soil, carbon can also be stored in harvested wood products. Within the UNECE region, forests continue to be a carbon sink. The total carbon stock in the UNECE region amounts to approximately 250 Gigatons, or 40 per cent of the global stock (FAO Forest resource Assessment 2005).

II. Policies to date

Sustainable Forest Management increasingly prominent in revised and new laws and regulations

Countries in the UNECE region are increasingly developing legal and regulatory frameworks for ensuring that forests are sustainably managed. Most have adopted national forest programmes that encourage participatory approaches, stakeholder involvement and cross-sectoral cooperation. Kyrgyzstan and Uzbekistan are examples of successful initiatives, resulting in action plans to achieve sustainable forest management with the engagement of local communities.

Legislation addresses forest law enforcement and governance

Illegal logging is still a major concern for countries of eastern Europe, the Caucasus and Central Asia. It is often the result of socio-economic problems, and increases in energy prices. National legislation on law enforcement and governance has been drawn up in these countries, encouraged by the Europe and North Asia Forest Law Enforcement and Governance (ENA-FLEG), a process initiated in May 2004.

Strategies on forests and climate change including afforestation

A number of countries, including Serbia and Macedonia, are developing strategies related to climate change as part of their forest policy framework. In Central Asia and the Caucasus, climate-change-related projects include afforestation, for example in Armenia, Azerbaijan, Kazakhstan and Uzbekistan; in the latter country to address the Aral Sea dried seabed and spreading of accumulated salts.

Wood energy increasing to meet demand for renewable energy policies

In developing renewable energy action plans, EU member States have forecast a large increase in biomass from forest resources, which at present accounts of just over 5 per cent of primary energy supply. Woody biomass accounts for approximately one half of all renewable energy sources and is foreseen to increase to meet the target of 20 per cent renewable energy in 2020.

Renewable energy policies outside the EU

Some countries outside the EU, in particular in Eastern and South-Eastern Europe, have also adopted renewable-energy policies and targets. Croatia has an objective of a 20 per cent renewable-energy share in final energy consumption by 2020, translated into a more than two-thirds increase in biomass energy, and supported by the Croatian “Energy Law and Law on the Electricity Market”. Investment is taking place in South-Eastern Europe, much of it with foreign capital, in setting up plants to produce processed wood fuels which are then being exported to countries including Austria, Germany and Italy.

III. Policy recommendations

- **Integrating forest-sector policies into national development and poverty reduction strategies**

As socio-economic problems and poverty are often the root causes of corruption and illegal logging, forest policies and implementation efforts cannot stand in isolation but need to be defined in combination with approaches to development and to poverty reduction. The integration of the forest sector into national development and poverty-reduction strategies can be crucial to ensuring that this dimension is taken into account by policymakers.

- **Coordinating sectoral approaches for sustainable land management strategies**

Bridging sectoral approaches to assure environmental sustainability is also crucial to reversing the loss of environmental resources and managing natural resources more sustainably e.g. through national forest programmes and integrated land-use strategies.

Countries in the Caucasus and in Central Asia in particular need to maintain and develop the environmental roles of forests to halt erosion, land degradation and protect watersheds. Afforestation efforts should be combined with other land-use programmes. An integrated approach is therefore crucial for striking the right balance between the different uses of land, balancing its productive exploitation with its preservation.

- **Devising policies to address climate-change impacts and adapt**

One of the main challenges for countries is to orient their policies to ensure that forests can adapt to short and long-term impacts of climate change. And at the same time, deliver their maximum potential to mitigate climate change - for instance, through carbon sequestration, the use of wood for energy, and the prolonged life cycle of wood products as renewable raw materials.

- **Promoting wood energy for local use and export markets**

As part of their policies for adapting to and mitigating climate change, countries with abundant forest resources, e.g. in South-Eastern Europe, should take measures for expanding wood energy, both locally and for export markets. This requires continued efforts to implement environmentally friendly technologies for the use of wood as a renewable energy source, e.g. through installing appropriate individual and municipal wood fuel heating systems.

Use of water resources

Sustainable water management safeguards both the quantity and quality of water resources against over-use and pollution and reduces the impacts of extreme weather events and climate change. Given the essentially transboundary nature of water resources in the region (more than 50 per cent of water in the pan-European region belongs to transboundary basins), for water to be successfully managed, cooperation across borders, among countries with shared rivers, lakes and groundwaters, is essential.



GOAL 7: Ensure environmental sustainability

I. Trends

Pressures on water resources stem from agriculture, industries and municipal wastewater treatment plants. As a result, a wide range of pollutants, including nutrients, metals, pesticides, microbes, industrial chemicals and pharmaceutical products enter the region's surface waters and groundwaters. Many of these have adverse effects on human health as well as on freshwater ecosystems, provoking degradation of habitats and loss of plant and animal species.

Overall, water is relatively abundant in the UNECE region. However, its availability and populations are unevenly distributed. Except in some sparsely populated countries that possess abundant resources, many areas of the region are confronted with a severe lack of and high demand for water, particularly in Southern Europe and Central Asia. In these areas, water demand from irrigational agriculture and major urban centres (both for drinking water supply and industrial needs) often exceeds availability, and water scarcity has severe consequences for economic sectors that depend on water. Over-use results in low river flows, lowered groundwater levels, and the drying-up of wetlands, with detrimental effects on freshwater ecosystems.

Many rivers and lakes in the region have been altered by human activities such as hard infrastructure works for flood defence, dams, and inland water navigation. These alterations have often changed the flow of rivers, interrupted river and habitat continuity, and disconnected rivers from adjacent wetlands/floodplains, with adverse ecological effects.

Reduced water availability due to climate change will worsen the situation. It will have cascading effects on human health and on many parts of the economy, as various sectors directly depend on water - such as agriculture, energy and hydropower, navigation, health, tourism, as well as the environment.

As water does not respect borders, it adds an international dimension to climate-change adaptation, which has serious security implications, namely a growing potential for conflict out of competition over dwindling water resources or the risk of countries taking unilateral measures with possible negative effects on neighbouring countries.

II. Policies to date

Legally binding agreements adopted at the pan-European and EU levels, such as UNECE Conventions and EU Directives, are well established and have positive medium-term and long-term effects on sustainable water management. They have triggered regional cooperation initiatives and driven national policies, complemented by other undertakings such as water reforms implemented by a number of countries of the region.

Pan-European level

The two main tools for water management in the pan-European region are:

- UNECE Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Water Convention), which aims to strengthen local, national and regional measures to protect and ensure the quantity, quality and sustainable use of transboundary water resources;
- the Convention's joint UNECE/WHO Protocol on Water and Health, which aims to protect human health and well-being, through managing water resources sustainably and reducing water-related disease.

EU level

A comprehensive range of EU legislation has been drawn up, including Directives for improving urban wastewater treatment, controlling and limiting nitrate pollution from agriculture, and regulating the quality of drinking water. The Water Framework Directive represents the single most important piece of EU legislation on the quality of freshwater (and coastal water) environments, requiring the attainment of good ecological and chemical status of water by 2015.

Apart from its effect on improving water management in EU countries, the application of the Directive's principles is of immense importance in countries in transition, particularly those that border the EU area and those that have concluded European Neighbourhood Policy agreements with the European Commission.

Subregional level

A number of subregional cooperation frameworks have been established for maintaining or restoring environmental sustainability of transboundary water resources. For example, the International Fund for Saving the Aral Sea (IFAS) is the main cooperation framework for alleviating the consequences of environmental degradation of the Aral Sea, developing a new model of environmental sustainability and jointly managing shared water resources.

National level

The ongoing water reforms in many countries with economies in transition, for example in Armenia, Croatia and Kazakhstan, provide an opportunity to move towards more modern, efficient and sustainable approaches that are based on the integrated management of water resources. An important role has been played and will continue to be played by the National Policy Dialogues on Integrated Water Resources Management, facilitated by UNECE in 10 countries of the EECCA region and taking place within the framework of the EU Water Initiative.

However, many countries of the region, especially those with economies in transition, have still not effectively implemented the integrated approach to water management advocated by the regional agreements. As a result, the needs of certain sectors (such as irrigation, hydropower, etc) are dominating the decision-making, leading in a number of cases to unsustainable management of the water resources.

Investments in wastewater treatment plants, in particular in the new-EU member States, have led to improvements in wastewater treatment across much of Europe. At the same time, investments in the maintenance and construction of wastewater plants are not adequate in the eastern part of the region.

III. Policy recommendations

The following are priority policy directions to improve the sound management of water resources in the pan-European region:

Transboundary level

- Based on UNECE Conventions, develop agreements and establish institutional frameworks (such as river commissions) between countries sharing transboundary waters with the aim to prevent, control and reduce adverse transboundary impacts on the environment, human health and socio-economic conditions. These agreements and institutional frameworks are urgently needed in countries of the Caucasus and Central Asia, as well as in Eastern Europe and between EU and non-EU countries.

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- Develop strategies and measures for climate-change adaptation. Cooperation among riparian countries on transboundary basins needs to be strengthened to enlarge the range of measures available for prevention, preparedness and recovery, share the costs and benefits of these adaptation measures, reduce uncertainty through information exchange, and prevent negative impacts of possible unilateral measures, such as increased water storage or flood defences.

National level

- Develop national legal and institutional frameworks that support the application of the principles of integrated water resources management, with due attention to preserving the ecosystems.
- Accelerate the shift in water management from increasing supply to reducing demand through measures improving water conservation and water-use efficiency;
- In EU countries, take further cost-effective agricultural measures to make progress in diffusing pollution from agriculture and ensure full compliance with the Nitrates Directive;
- In the eastern part of the region, increase investments in infrastructure for wastewater treatment to improve the quality of water resources.

Target 7.B. Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss

I. Trends

Countries in the pan-European region agreed “to halt the loss of biodiversity by 2010”. This was a stronger commitment than the global commitment under the Convention on Biological Diversity “to reduce the rate of loss of biodiversity by 2010”. The European Environment Agency has established 26 biodiversity indicators to assess progress towards the 2010 target in the pan-European region. These indicators have been agreed by the European Union Member States and the countries participating in the pan-European Biological and Landscape Diversity Strategy. Some countries are already applying these, or similar, indicators at the national level.

On the basis of the pan-European indicators, the recently completed assessment shows that overall, the 2010 biodiversity target will not be reached. Depending on the issues and the subregions, progress so far shows mixed results.

Natural habitats, for example, are increasingly protected in the European Union (as much as 17 per cent of the land area). On the other hand, 40 to 85 per cent of habitats and 40 to 70 per cent of species of European interest has an unfavorable conservation status. This means that the risk of extinction of wildlife has probably increased and livestock genetic diversity also remains at risk.

The agricultural sector continues to apply pressure on the environment in spite of agricultural mitigation measures and an increase in organic farming in the European Union and some non-EU countries. Nitrogen balances on farmlands are still high but are decreasing. As a result, acidification and eutrophication from excessive nitrogen accumulation are also declining. On the other hand, there is an increase in land abandonment; which, coupled with an increase in urban development, is putting pressure on natural and semi-natural areas. There is a progressive decline in grasslands and wetlands across Europe and rises in urban, woodland and open-water habitats.

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The quality of water in freshwater ecosystems has generally improved. And although the quality of water is stable in the seas, overexploitation of fisheries is threatening marine ecosystems. About 45 per cent of assessed European fish stocks are endangered as a result of unsustainable fishing.

Forest areas, protected for their role in biodiversity conservation, have been expanding in the pan-European region, but vary considerably between countries. The overall area of protected forests is now about 40 million hectares, 17.5 million of which are in Russia (FRA2010).

Finally, the public still lack awareness of the need to conserve and sustainably use biodiversity in the pan-European region. An EU opinion poll found that two thirds of EU citizens do not understand what “biodiversity” means let alone the main threats. Without public awareness, it is hard to exert any pressure to increase support and funding for biodiversity conservation.

II. Policies to date

Global level

- All countries of the pan-European region are Parties to the global Convention on Biological Diversity. Each of them must prepare a national biodiversity strategy and action plan to identify those measures of the Convention which are relevant to their country. So far, 39 out of the 53 countries of the pan-European region have submitted a national biodiversity strategy and action plan to the secretariat of the Convention. The European Union has also prepared a strategy and an action plan as a regional economic integration organization Party to the Convention.

Regional level

- The Bern Convention on the Conservation of European Wildlife and Natural Habitats aims to conserve wild flora and fauna and their natural habitats and to promote European cooperation in this effort. It emphasizes the need to protect endangered natural habitats and endangered vulnerable species, including migratory species. The European Community is also a Contracting Party to the Bern Convention.
- The EU in 2001 adopted a target to halt the loss of biodiversity in the EU. But even before this, it had issued the Wild Birds and Habitat Directives, and made the protection of biodiversity one of the key objectives of the Sixth Environment Action Programme. Biodiversity is also taken into account in agricultural policy, regional policy, environmental impact assessments, strategic environmental assessments and fishing policy. Progress has been made in reducing pressures through specific legislation in areas such as atmospheric emissions, freshwater quality, wastewater treatment and sectoral measures.
- The Central Asian region, through the ECONET Initiative, intends to develop a united ecological network in Central Asia and integrate it within regional and national plans on sustainable development.
- Improved cooperation between the forest and biodiversity sectors has taken place through the Pan-European Biological and Landscape Diversity Strategy and the Ministerial Conference for the Protection of Forests in Europe. This cooperation has led to efforts to better implement sustainable forest management principles in the pan-European region.
- Some regional conventions such as the Carpathian Convention and the Caspian Convention are instrumental for protecting biodiversity in geographical areas of high value.

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National level

- The above-mentioned global and regional Conventions, Strategies, and Programmes drive most of the policies and measures taken at the country level and Ministerial processes. Within these frameworks, pressures from the agricultural sector have been addressed with varying success, for example through reduction in nitrogen losses to the environment or through increase in organic farming. Specific measures to conserve biodiversity, for example agro-environment schemes, have also been developed but need more financial resources, as well as proper targeting and implementation.

Box 11: Protected area establishment: the case of Azerbaijan

In 2003, Azerbaijan had 37 protected areas (14 State nature reserves, 20 State nature sanctuaries and 3 national parks) covering 7 per cent of the country's territory or 565,225 ha. Since then, Azerbaijan has further developed the protected area system and increased the number of areas to 45 (24 nature reserves, 13 nature sanctuaries and 8 national parks) covering over 10 per cent of the country's territory or 876236.1 ha.

The purpose of the protected areas system is to conserve natural areas that have environmental, scientific and aesthetic value in order to fulfil the international goal to conserve vital ecosystems and basic species, and to create corridors and protection zones for rare and endangered species of flora and fauna.

III. Policy recommendations

- Post-2010 biodiversity targets are being developed under the Convention on Biological Diversity. Any new European targets that will be agreed upon, based on these forthcoming global targets, should aim to be specific, measurable, ambitious, time-bound and developed on the basis of robust scientific evidence.
- Additional measures should be implemented in the pan-European region to address increasing threats such as land-use changes, climate change and invasive alien species. The measures taken must involve not only the biodiversity sector but also the economic sectors that continue to exert pressure on biodiversity.
- Biodiversity concerns should be better integrated into all sectoral policies that affect the various types of eco-systems, in particular in the agricultural and fisheries sectors.
- New funding should be made available for investment in biodiversity and for financing regular monitoring and assessments of biodiversity in the region.
- It is crucial that knowledge on the biodiversity dimension of the use of natural resources be improved and disseminated to meet the targets that member States committed themselves to under the Convention on Biological Diversity and the pan-European Landscape and Biological Diversity Strategy. Data collection needs to be improved to provide a clearer idea of biodiversity loss and trends, particularly in the countries of the EECCA region.
- Awareness-raising activities should be organized more broadly in the pan-European region. If the public are well informed about the value of biological diversity and how their wellbeing depends on properly functioning ecosystem services, this will help change behaviour and will put pressure on policymakers to invest in biodiversity conservation through the shaping and effective implementation of appropriate measures.

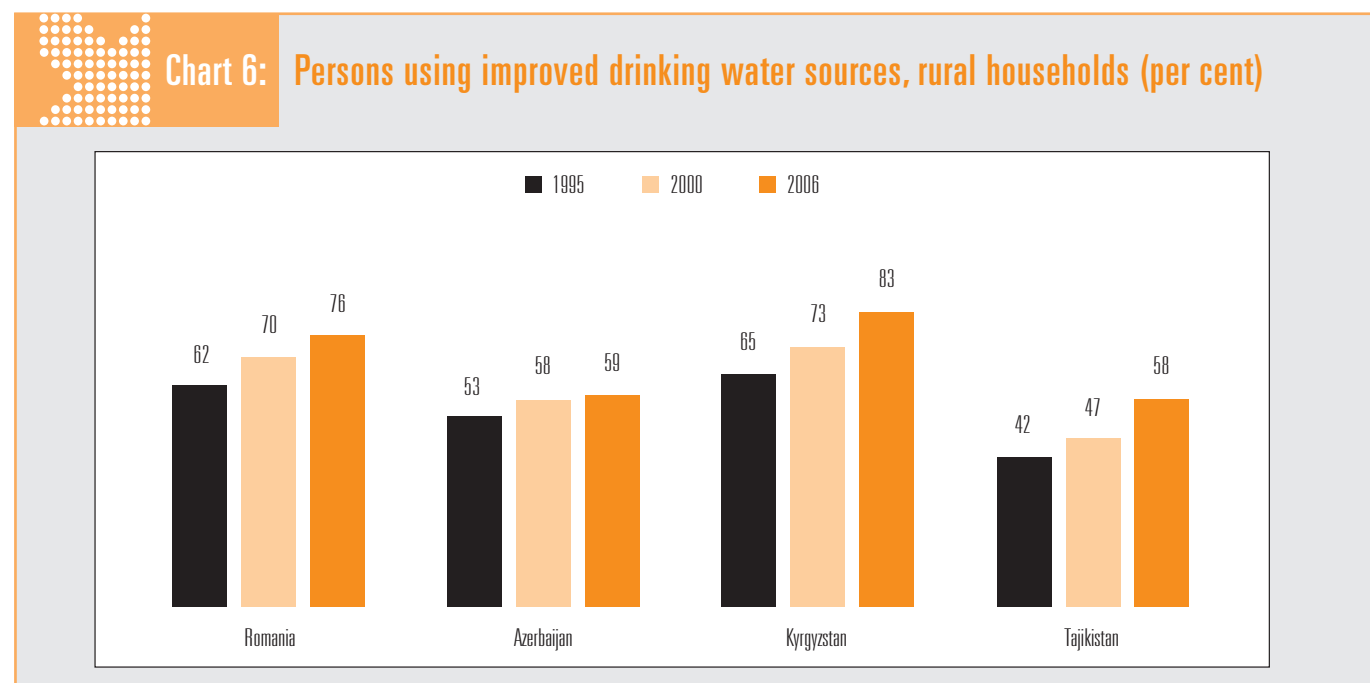
Target 7.C. Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation

Improving the water supply and sanitation is fundamental in breaking the vicious circle of poverty. Access to safe drinking water and sanitation is closely related to the problem of informal settlements (target 7.D) as neither municipal authorities nor private water companies are likely to construct infrastructure for illegal developments.

I. Trends

Nowadays, most Europeans take clean drinking water and basic sanitation for granted. Yet, in countries of Emerging Europe and Central Asia, an estimated 120 million people or one in seven do not have access to safe drinking water and adequate sanitation. This makes them vulnerable to water-related diseases such as cholera, bacillary dysentery, coli infections, viral hepatitis A and typhoid. Cleaner water and better sanitation could prevent over 30 million cases of such diseases in the region each year.

Access of urban households to a better drinking water increased significantly since the mid-1990s in a number of countries of the EECCA and SEE regions. While some countries have also made tangible progress in access of rural households to improved drinking water, more needs to be done, especially in rural areas of Romania, Azerbaijan, Kyrgyzstan and Tajikistan as shown in the graph below.



Source: UNECE Statistical Database.

In 2006, 85 million people in the region did not have improved sanitation facilities. Although across the whole EECCA subregion, the MDG data show that the proportion of the population using an improved sanitation facility was 89 per cent in 2006, and not far from its 2015 target of 91 per cent, there are still significant gaps among rural households in some parts of the region. In 2006, at least one quarter of rural households in Azerbaijan, Latvia, the Republic of Moldova, Turkey and the Russian Federation, and in Romania just under half of rural households, still did not have improved sanitation facilities. These

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trends have shown no significant improvements since 1995. In 2006, only 13 per cent of the households in Uzbekistan, 22 per cent in Bosnia and Herzegovina, 24 per cent in Kyrgyzstan, and 30 per cent in the Republic of Moldova and Turkmenistan had a bath or shower¹¹².

Although infant mortality and morbidity from water-related diseases are on the decline, significant subregional inequality remains. A lack of access to safe drinking water and proper sanitation remain serious problems in some countries in the region and is a leading cause of death for children aged 0-14.

Approximately 13,000 deaths in this region occur each year due to diarrhoeal disease from unsafe drinking water. This is primarily a problem in the low-income economies of the region; for example, one in three individuals in Tajikistan and one in ten in Kyrgyzstan do not have safe drinking water.

II. Policies to date

The 1999 UNECE/World Health Organization Protocol on Water and Health to the 1992 Convention on the Protection and Use of Transboundary Watercourses and International Lakes is the first international legally binding treaty to ensure the adequate supply of safe drinking water and adequate sanitation for all, by linking integrated water management and health issues. It aims to protect human health and well-being by better water management (including the protection of water ecosystems) and by preventing, controlling and reducing water-related diseases. Even though the Protocol is still in its early stages of implementation, it is playing a crucial role in reducing the heavy burden of water-related disease that people in the pan-European region have to face. It currently has 24 Parties and benefits over 60 per cent of the population of the region.

At the national level, progress has been generally good in the new EU Member States, which have continued to reform gradually their water and sewerage systems in line with relevant EU norms. However, the structural indicators of the European Bank for Reconstruction and Development (EBRD) show that the privatization of water supply and waste-water treatment has been relatively slow in the majority of EECCA and SEE countries. The artificially low prices of municipal water services have resulted in poor infrastructure maintenance, excessive consumption and uneven quality of drinking water as well as unsatisfactory wastewater treatment. Good practices include the installation of water meters. For instance, recent data from Uzbekistan indicate that installation of meters reduced the per capita consumption of water in households by 75 per cent.

III. Policy recommendations

- Countries that have not yet done so should ratify and implement the 1999 UNECE/WHO Protocol on Water and Health to the 1992 Convention on the Protection and Use of Transboundary Watercourses and International Lakes.
- Provide greater financial and expert support to the implementation process of the Protocol at the country level.
- Establish national and local targets for the quality of drinking water and the quality of discharges, as well as for the performance of water supply and waste-water treatment.
- Increase prices of water and waste-water services to cost-recovery levels while compensating poor households.
- Increase investment in the water sector with the aid of concessions and/or loans from international financial institutions.

¹¹² Improved sanitation facilities are facilities that ensure hygienic separation of human excreta from human contact. These include shared sanitation facilities which are facilities of an otherwise acceptable type shared between two or more households. Shared facilities include public toilets (UNICEF and WHO, Progress on Drinking Water and Sanitation, a 2008 MDG Assessment Report).

Target 7.D. By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers

Rising poverty and income inequality in rural and urban areas across the region have led to a mosaic of spatial inequality, giving rise to slums and other informal settlements with substandard housing, where residents typically have limited access to basic services and infrastructure.

Lower-income households have remained in or been pushed into privatized, deteriorating housing estates or low-cost housing in peripheral villages and informal settlements, where they are joined by poor immigrants and refugees, especially in the cities of parts of South-Eastern Europe and the Caucasus.

The poorer segments of society and countries in Eastern Europe, Caucasus and Central Asia are those most affected. Specific groups at risk are the long-term unemployed, large or one-parent families, people with low education, also disadvantaged ethnic minorities, with particularly deep pockets of poverty among Roma communities.

I. Trends

Over 50 million people, in over 15 countries, live in informal settlements across the pan-European region¹¹³. Among the transition countries, some estimates by UN-HABITAT and UNECE indicate that about ten per cent of the urban population lives in slum conditions without access to basic services or in overcrowded dwellings.

In 3 countries of Central Asia, more than half of the urban population lives in informal settlements (56 per cent in Tajikistan, 52 per cent in Kyrgyzstan and 51 per cent in Uzbekistan). These rates are 30 per cent for Kazakhstan and the Republic of Moldova, and 19 per cent in Bosnia and Herzegovina, Croatia, Romania and the former Yugoslav Republic of Macedonia.

II. Policies to date

To address the problem of slums, two strategies are currently used: large-scale upgrading of existing informal settlements and the adoption of urban and housing policies that prevent the emergence of new slums. These are supported by other enabling policies, especially to facilitate access to finance.

Global level

- UN-HABITAT has developed general guidelines on large-scale slum upgrading, and some international initiatives, e.g. the World Bank - UN-HABITAT Cities Alliance, have similar guidelines. Slum upgrading consists of improving security of tenure (often through regularizing the rights to land and housing) and installing new or improved existing infrastructure and services, up to a satisfactory standard, especially in the areas of water supply, sanitation and waste management but also storm-water drainage, electricity, access roads and footpaths.

Regional level

- The UNECE Ministerial Declaration on Social and Economic Changes in Distressed Urban Areas advocates a comprehensive approach that integrates urban planning, housing and land management policies to promote the adequate housing and prevent the emergence of new informal settlements in Emerging Europe and Central Asia.

¹¹³ An informal settlement is any human settlement where housing has been constructed without the requisite legal title over the land used. Residents of informal settlements lack legal rights to the land and the house and are vulnerable to eviction. These housing units often lack basic necessities, such as sanitation and running water.

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- The 2004 Vienna Declaration on National and Regional Policy Programmes on Informal Settlements in South-Eastern Europe aims to improve informal settlements through a comprehensive approach which covers sustainable urban management, good governance and capacity-building. Governments in the UNECE region have also developed action plans and programme to address informal settlements.
- The Council of Europe has emphasized the importance of the “enabling framework” for housing policies in EU Member States. In the revised European Social Charter of 1996 (Art. 31), countries across the region commit to promoting access to housing of an adequate standard, to preventing or reducing homelessness and to making the price of housing accessible to people without adequate resources.

National level

- At various degrees, Governments in Emerging Europe and Central Asia have adopted policies on housing, land management and urban planning policies that are in line with the strategic guidelines and recommendations developed at the global and regional levels, including those contained in the UNECE country profiles on the housing sector. However, insufficient financing and weak institutions frequently hamper the effective implementation of these policies.
- Municipalities throughout the region have taken initiatives to tackle the issue of informal settlements through social housing programmes, rehabilitation schemes and investment in related infrastructure (see Box 12 below).



Box 12: Access to infrastructure: the case of Azerbaijan

The Khirdalan Municipality (Absheron economic region) has large informal settlements that include squatter settlements, illegally occupied lands and self-built illegal housing. The city has 210,000 inhabitants and a total area of 1,800 ha. In general, the informal settlements feature mixed-quality housing and varied access to basic utilities. Illegal houses lack addresses and are not connected to basic utilities such as running water. A number of positive improvements occurred between 2005 and 2009, when more parks and schools, roads, and new houses were provided by government authorities.

In recent years, some of these illegal residences have gained access to new infrastructure through projects carried out by the State-run water company Azersu and the World Bank. As part of its Utility Project, the World Bank is now undertaking a legalization project for illegally occupied land. Since 2009, the World Bank has expanded its Utility Project for the Absheron region into a broader framework.

Source: ECE Country Profile on the Housing Sector: Azerbaijan (forthcoming)

III. Policy recommendations

- Formulate concrete and coherent national urban development strategies and policies for urban regeneration in countries with transition economies in the areas of housing renovation and infrastructure improvement.
- Take steps to improve the liveability of informal settlements, especially through investing in basic infrastructure and providing basic services and support. Experience has shown that incremental approaches developed together with residents and local decision-makers can be easily and effectively implemented.
- Ensure adequate supporting legal mechanisms, especially planning legislation and planning systems, land tenure and management, and more systematic building inspection. Progress across the region is often hindered by the absence of a strong legal basis for development regulation.
- Local authorities should balance the need for revenue-generating investments against broader, long-term environmental and social concerns when formulating economic development agendas.
- To contribute to social inclusion, integrate social housing with other policies, notably relating to employment, urban planning and transport; and take into account rapidly ageing populations in social housing policies.



Chapter on MDG 8



GOAL 8: Develop a global partnership for development with targets for aid, trade and debt relief

GOAL 8: Develop a global partnership for development with targets for aid, trade and debt relief

Goal 8 considers the degree to which the world's trading and financial system is conducive to economic development and what is needed to ensure that globalization becomes a positive force for all the world's people. Focused on development cooperation through global partnership, it is the international pillar for the realization of goals 1 to 7. An evaluation of this goal, therefore, needs to be made at the global level. But given the importance of Western European and North American countries as well as emerging economies in the evolving governance structure of world economic institutions, these countries play a particularly important role in fulfilling this goal.

Since the targets are collective and global, a country-level evaluation of each contribution to the global objective is generally not possible (the official development assistance (ODA) objective being an exception). Some of the targets are defined fairly broadly, which further makes an evaluation of progress difficult. The United Nations MDG Gap Task Force was created to monitor the progress for MDG 8 and each year they release a report. Generally, they have confirmed that progress is being made in several areas but that big gaps remain in fulfilling the global commitment¹¹⁴. The recent economic crisis, followed by a severe contraction in trade and economic growth in 2009 and a mild recovery in 2010, has also resulted in a major slippage on several fronts¹¹⁵.

Official Development Assistance

Policy analysis

Central to MDG 8 was the recognition that many developing countries lacked sufficient domestic resources to achieve their objectives and they therefore need aid, private-sector finance and international trade. The advanced economies that could provide this aid are mainly in the UNECE region, and donate almost 90 per cent of total official development assistance (ODA) supplied by Development Assistance Committee (DAC) countries (Japan and Australia being the only major donors outside the UNECE).

Since 1990 the real dollar amount of net ODA has increased but only as a percentage of the gross national income (GNI) of the donors, the level in 2010 is likely to be approximately equal to what it was in 1990 (0.33 per cent). This is about half of the level that was first proposed as a target by the 1969 Pearson Commission on International Development. The DAC donors had committed in 2005 at the Gleneagles G8 meeting and at the United Nations Millennium +5 Summit to raising their national aid target. As a result their overall ODA/GNI target was expected to increase from 0.26 per cent to 0.36 per cent by 2010.

Recent estimates by the Organization for Economic Co-operation and Development suggest that the actual figure will be 0.34 per cent of GNI in 2010. Apart from Japan, the non-EU members are likely to meet their national targets this year. The EU, however, which had committed to raising its ODA from 0.35 per cent to 0.59 per cent will miss that target by providing only 0.48 per cent. The failure to meet these ODA commitments may be the result of the financial crisis. Despite missing the 2010 target, the EU still provides a higher percentage contribution than the non-EU members (except for Norway's 1 per cent)¹¹⁶. An overall decline in ODA could also undermine commitments under the Aid for Trade Initiative and further inhibit

¹¹⁴ The United Nations MDG Task Force reports are available online on its web site.

¹¹⁵ See UNCTAD, "Successful trade and development strategies for mitigating the impact of the global economic and financial crisis" (TD/B/C.I/7).

¹¹⁶ OECD, ODA Volume Prospects in 2010, DCD/DAC(2010)10, February 8, 2010.

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efforts towards recovery from the global financial and economic crisis. Assistance from non-DAC members, some of which are themselves emerging economies, e.g. China, is now considerable and is expected to increase. Equally important to the level of aid is the efficiency with which it is given and used (e.g. untied, long-run commitments). To assess these issues is more complicated and there are no simple quantitative targets for this purpose. Nevertheless, the efficiency in the delivery and use of aid needs to be regularly monitored and assessed.

In terms of ODA received, the economies in SEE (except Turkey) have received large amounts, often over \$100 per capita. All SEE countries, including Turkey, receive assistance from the EU pre-accession programme. In the EECCA region, Armenia (\$109 per capita) and Georgia (\$87) in the Caucasus and Kyrgyzstan (\$52) and Tajikistan (\$31) in Central Asia also receive considerable aid.

Policy recommendations

- To ensure that developing countries have the financial resources they need for addressing the MDGs, donor countries of the UNECE region should fully comply with the aid commitments made at the Gleneagles G8 meeting.
- In Europe and Central Asia, donor countries should maintain the level of ODA provided to countries with economies in transition, mainly for financing social infrastructure (health and education, especially in the low-income countries of the region) and for promoting further productivity increases such as “Aid for Trade.”

Target 8.A: Develop further an open, rule-based, predictable, non-discriminatory multilateral trading and financial system

Current integration of economies in transition into the regional and global economy

Policy analysis

Since the transition, the New Member States (NMS) and to a lesser degree SEE have now become more integrated into the world economy¹¹⁷ by making progress in increasing their export structures towards more high-skill and technology-intensive exports. As a result, the growth of exports from the NMS nearly doubled after EU accession.

Although the total value of the EECCA region’s exports is approaching global norms, this is due, however, to the extensive exports of natural resource products. The manufacturing sectors of these economies remain largely outside of global markets and global supply chains. Their relative shares of manufactured exports are low. More broadly, their exports are overly concentrated not only in terms of commodity structure but also of geographical destinations¹¹⁸; in particular, the countries in that region over-rely on others in the same region as destinations for their manufactured exports.

¹¹⁷ Vitalija Gaucaite Wittich, Some Aspects of Recent Trade Developments in South-east Europe, UNECE Discussion Paper No. 2005.6, Geneva, 2005.

¹¹⁸ Robert C. Shelburne and Oksana Pidufala, Evolving Trade Patterns in the CIS: The Role of Manufacturing, UNECE Discussion Paper No. 2006.2, Geneva, 2006.

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Policy recommendations

- The European emerging economies and the NMS should implement trade and investment initiatives that will promote the diversification of their exports towards higher-value manufactured goods and business services.
- They should also diversify their trade relationships and widen development cooperation, including with the developing countries; in particular, new trading partners can be found with emerging economies of the South, such as China, India and Brazil, which would constitute the new growth poles for trade and investment in the post- crisis period.
- More broadly, they should review national trade and economic policies with a view to elaborating new policies and strategies to enhance supply capacities and build up competitiveness and economic resilience to external shocks.
- They should further review their trade and development policies with a view to adapting them to new realities of globalization and pro-poor approaches, as well as enhance the related domestic institutional and regulatory capacities.

WTO accession, regional trade agreements and market access

Policy analysis

A central objective in having target 8.A was the evolution of an open, rule-based, predictable, non-discriminatory multilateral trading and financial system which is essential for fostering sustainable trade growth. Another feature of that system, which tends to be ignored but is inscribed in the UN Millennium Declaration, is an “equitable” trading system. The rationale for such has been strengthened by the damaging impact of the global crisis on employment, access to essential services and poverty alleviation. It has made the case for a development-oriented multilateral trading system even more imperative and urgent.

Target 8.A should be revised to promote an open, equitable, rule-based, predictable, and non-discriminatory multilateral trading and financial system. The current round of trade negotiations, which began in Doha in 2001, has been referred to as the Doha Development Agenda, since a key objective was precisely to make the trading system fairer and development oriented. A final agreement has yet to be reached and the present impasse in the negotiations is likely to block new trading opportunities that are so badly needed to boost trade and sustain the recovery following the crisis.

Many of the countries with transition economies are not yet members of the World Trade Organization (WTO), and thus are not fully integrated into the multilateral trading system. Ten countries (Azerbaijan, Belarus, Bosnia and Herzegovina, Kazakhstan, Montenegro, Russia, Serbia, Tajikistan, Turkmenistan and Uzbekistan) have yet to gain accession to the WTO. They are therefore often subject to higher tariffs, and other trade barriers, than most other countries. This has been a major factor in limiting their integration into the world economy. Generally, current WTO members have requested significant structural reforms (especially towards more market-based principles) in these economies as a condition for membership. Studies on the implications of WTO membership on these countries find that although trade would increase slightly and this would slightly increase economic welfare, the major positive impact would come from increased foreign direct investment, especially in the service sectors.

Due to regional integration agreements, trade integration in the region has increased. Obviously, the expansion of the EU to include the NMS has been vastly important. The Central European Free Trade Agreement has proved to be an adaptable institutional structure that has essentially shifted from being a preferential trade area in central Europe to one in south-east Europe. All of the SEE, except Turkey but including the Republic of Moldova, are now parties to the agreement.

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The members expect to establish a free trade area by the end of 2010. There has been less progress in the EECCA, where the Eurasian Economic Community (EurAsEC) has been the main institutional arrangement promoting trade integration in the region. However, because several countries appear to have different visions regarding its objectives, Belarus, Russia and Kazakhstan have decided to move ahead independently in creating a customs union. There are a number of important free trade agreements in the region including most importantly that between the EU and Turkey as well as a likely one between the EU and Ukraine. There is thus a multiplicity of agreements, often with overlapping membership and scope. Overall, such agreements have a positive trade impact but some of the attempts to form custom unions in the EECCA region tend to complicate WTO accession, as the optimal sequence of either WTO or customs union membership is uncertain.

As a result of all these various processes of trade integration, access of countries with economies in transition to markets of developed economies has made significant progress. For example, while 68 per cent of the exports from countries of the EECCA region received duty-free treatment in these economies in 1996 (compared to 53 per cent for all developing market economies), this had increased to 94 per cent by 2007 (compared to 83 per cent for all developing economies). As a result the EECCA region has now better market access, as defined by this measure, than even the least-developed countries (for which 80 per cent enter duty free). This is surprising given that many of the EECCA are not members of the WTO and are not entitled to MFN-treatment in a number of economies. To some degree the high level of market access is due to their concentration of exports of petroleum products which are often given duty-free treatment. Only 22 per cent of EECCA textile products received duty-free treatment in 2007, compared with 36 per cent for all developing countries¹¹⁹. The average tariff rate faced by the EECCA in exporting to the developed market economies is roughly similar to that faced by the developing countries.

Policy recommendations

- Both existing WTO members and the EECCA and SEE acceding countries should be more accommodating in their negotiating positions in order to facilitate those countries' accession to the WTO so that they can benefit from the multilateral trading system.
- There is a need to make effective use of regional trade agreements, especially in the EECCA region where current agreements are more limited in scope; these could be improved by consolidating many of the existing agreements into fewer but more viable agreements.
- Regional trade initiatives should be designed to encourage open regionalism rather than closed trading blocs.
- The developed economies should further improve market access for the developing countries and countries with economies in transition so that these countries can better reap the benefits of international trade.

External financial flows for development

Policy analysis

Target 8.A is also concerned with improving the access of developing countries to international financial markets as a source of development finance. In terms of integrating financially into the world economy the region has been rather successful but these flows are characterized by a number of anomalies. Before the transition, private-sector inflows were quite small with most borrowing being undertaken by government authorities. But after the transition, the privatization schemes that sold

¹¹⁹ The data on duty-free access come from the ITC Millennium Development Goals database at www.mdg-trade.org.

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off state-owned production facilities began to attract significant foreign investment. By the 2000-2008 period, the NMS and SEE were receiving very large net capital inflows, which contributed to the strong growth during that period. The external inflows allowed these economies to achieve much higher investment rates than would have been possible otherwise. Net inflows of capital to the NMS and SEE, which had reached over 8 per cent of GDP prior to the crisis, were over twice the percentage level for other developing areas including fast-growing Asia. In 2006 and 2007 even the EECCA had net capital inflows greater than in any other world region except NMS+SEE. Nevertheless, this reliance on external capital proved to be the most important underlying factor that caused the region to experience the economic crisis of 2007-2009 to a greater degree than any other region of the world economy. Not only was the region more dependent than elsewhere on capital inflows but the drop in inflows during the crisis was larger than elsewhere.

Nine of the EECCA and SEE (Armenia, Belarus, Bosnia and Herzegovina, Georgia, Kyrgyzstan, Moldova, Serbia, Tajikistan, and Ukraine) and four of the NMS (Hungary, Latvia, Poland¹²⁰, and Romania) had to turn to the IMF for some type of assistance during the economic crisis. These experiences suggest that, given the current design of the world financial system, an over-reliance on external capital flows to finance development is not a prudent development strategy¹²¹.

Besides the level of capital inflows the structure of those inflows is also important. Generally, foreign direct investment (FDI), being generally associated with inflows of technology and managerial talent, contributes more towards economic development than inflows of portfolio equity or debt, which are more subject to volatility. As with capital flows generally, the UNECE emerging economies were relatively successful in attracting FDI inflows. In SEE, excluding Turkey, the stock of FDI as a percentage of GDP increased from 14 per cent to 40 per cent between 2000 and 2008. Over the same period in Turkey, it only increased from 7 per cent to 10 per cent. And in the EECCA, the stock remained about constant at 16 per cent of GDP, although it varied widely from being over 50 per cent in Georgia and Turkmenistan to only about 10 per cent in Belarus, Russia, and Uzbekistan¹²². Besides FDI being smaller and growing by less in the EECCA than in SEE, the inflows have been largely associated with natural resource extraction. The stock of FDI has been increasing and is quite high in the NMS, with most countries being in the range between 30 to 50 per cent of GDP.

The reforms required to increase FDI are primarily domestic as there are no meaningful proposals under consideration yet as to how the global financial system might be altered to promote additional FDI. Creating a more inviting investment and business climate has been one of the major challenges facing the EECCA since the beginning of the transition. For example in Russia the price/earnings ratio of its stock market is almost half that of other comparable emerging markets, reflecting nervousness on the part of global investors about exposure to that market. Nevertheless, slow but incremental progress is being made as judged by such indicators as the European Bank for Reconstruction and Development transition score, the World Bank's Doing Business rankings, or the World Economic Forum's competitiveness index. Further required domestic reforms include strengthening legal systems and the rule of law, strengthening intellectual property rights, and easing investment requirements. Bilateral investment treaties have also been shown to have a positive impact on increasing FDI and may be able to substitute for weak domestic institutions¹²³.

¹²⁰ Poland only requested a precautionary facility which was not used.

¹²¹ The EEE+NMS had been warned about the financial risks that were developing in the region several years before the current crisis but few policies to address these risks were implemented; for warnings see, UNECE, *Economic Survey of Europe*, 2005 No. 1, Geneva, 2005.

¹²² UNCTAD, *World Investment Report*, Geneva 2009.

¹²³ Matthias Busse, Jens Königer, and Peter Nunnenkamp, FDI Promotion through Bilateral Investment Treaties: More than a Bit?, *Review of World Economics*, Vol. 146(1), April 2010, pp.147-177.

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Policy recommendations

- In view of the inherent volatility of global capital markets, exposure to external capital markets should be limited and policies implemented that ensure that private capital flows promote long-run economic development.
- Inflows of speculative capital should be controlled, whereas FDI should be encouraged. However, FDI should be minimized in high-risk sectors such as real estate.
- Countries of the EECCA region should create an attractive business environment for increasing FDI in their manufacturing and services sectors. This would greatly contribute to building up more dynamic and diversified economies.

Improving the operation and design of the international financial system

Policy analysis

Several recent reforms in the design and operation of the international financial system have made it slightly more “development friendly”. Given the high volatility in private international capital flows and the large negative consequences during periods of reversals, the world needs a type of “lender of last resort” that can provide emergency funds to help replace private-sector withdrawals. The International Monetary Fund (IMF) has primarily provided this service but with limited effectiveness due to limited resources. However, at the London G-20 meeting in April 2009, its resources were quadrupled (including the Special Drawing Rights increases), which should allow it to play an enhanced role in stabilizing the international financial system. The IMF had been highly criticized for the policies it had required (i.e. conditionality) for providing support for decades up to and including the Asian financial crisis. During the current crisis this conditionality was relaxed considerably (largely for the countries with transition economies) to minimize the economic downturn in the borrowing nations¹²⁴. Most observers view this as significant improvement in IMF operations and one that makes the use of IMF resources more likely and thus the international monetary system more stable. Most recently, the IMF has suggested some support for the use of capital controls to reduce the boom/bust cycles caused by volatile private sector capital flows. While various options to further reform the international financial architecture have been proposed¹²⁵, the current changes in IMF governance, procedures and policy prescriptions go already in the right direction, which is to make the international financial system more supportive of development.

Since its foundation in 1991, the European Bank for Reconstruction and Development (EBRD) has assisted in financing specific development projects in transition economies. During the current crisis, the financial sectors in countries with transition economies benefited considerably from support of the EBRD, which increased its investments by 55 per cent in 2009 to \$10.7 billion. EBRD involvement in investment projects also contributed to achieving some MDG 7 goals as the Bank requires that approved projects meet environmental standards. The European Investment Bank has also provided large loans for specific projects especially in the NMS, south-east Europe and the European EECCA.

The Council of Europe Development Bank finances social projects primarily in the EU and south-east Europe. In 2008 it approved 39 projects worth almost €1.9 billion. These projects are particularly relevant to MDG objectives and include such things as housing for low-income households, education, vocational training and job creation, construction of healthcare facilities, and environmental projects. The Eurasian Development Bank and the Asian Development Bank have financed major infrastructure investment projects in the EECCA, especially in Russia and Kazakhstan. Loans by these organizations contribute to the ability of both the public and the private sectors to contribute towards achieving the MDGs.

¹²⁴ This change in conditionality was largely the result of the IMF's own appraisal of its previous operations; IMF Independent Evaluation Office, *Structural Conditionality in IMF-Supported Programs*, Washington, DC, 2007.

¹²⁵ See UNCTAD, Trade and Development Report 2009 (UNCTAD/TDR/2009).

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Given the potential risks of private-sector capital inflows, other public sources of finance would be desirable for Emerging Europe and Central Asia. These funds could come, from example, from a global carbon tax, a tax on financial or exchange market transactions, or on the exploitation of sea-bed resources. SDRs could be allocated based upon development needs instead of by IMF quotas. Currently, however, none of these proposals is under serious consideration and therefore none of these alternative sources of funding is likely by the MDG 2015 target date.

Policy recommendations

- Global efforts are needed to make capital markets less prone to boom-bust cycles and to improve the assistance provided to countries experiencing difficulties in times of crisis.
- The IMF should continue with its evaluation efforts on the necessary degree of conditionality it imposes for assisting countries in crises.
- Employment creation and the provision of social services should be emphasized in designing IMF programmes.
- The activities of regional development banks should be supported with increased funding.

Target 8.B: Address the special needs of the least developed countries

Target 8.C: Address the special needs of landlocked developing countries and small island developing States

None of the economies of Emerging Europe and Central Asia are part of the UN category of least developed countries but the poorest economies of the region are mostly landlocked. In this context targets 8.B and 8.C are considered together.

The UNECE region includes 20 landlocked economies and two additional ones (Slovenia and Bosnia and Herzegovina) that are considered to be almost landlocked due to their limited coastlines¹²⁶. Of the 20, 11 are transition economies and nine of these (Armenia, Azerbaijan, Kazakhstan, The former Yugoslav Republic of Macedonia, Kyrgyzstan, Republic of Moldova, Tajikistan, Turkmenistan and Uzbekistan) are considered to be landlocked developing countries. The two countries that are not considered United Nations landlocked developing countries are Belarus and Serbia. Three NMS are landlocked, i.e. the Czech Republic, Hungary and Slovakia.

Being landlocked usually limits a country's access to world markets and the benefits that derive from that¹²⁷. However, the experiences of the west European landlocked economies are of particular interest, as they include some of the richest economies in the world¹²⁸. Their experiences suggest that any disadvantage of being landlocked can essentially be eliminated with well-designed regional trade agreements, trade facilitation procedures, regional transport networks, and national policies. These important policy areas and forms of cooperation are actually covered by the Almaty Programme of Action, which sets out specific objectives for the landlocked economies, the transit countries, the donor community and the United Nations agencies.

¹²⁶ Those with a coastline on the Caspian or Aral Sea are considered landlocked since access to that body of water does not give them direct access to world markets; however those with access to the Black Sea are not considered landlocked despite some limitations that might exist in terms of wider ocean access.

¹²⁷ Landis MacKellar, Andreas Wörgötter, and Julia Wörz, *Economic Development Problems of Landlocked Countries*, Vienna Institute for Advanced Studies, Transition Economies Series No. 14, 2000.

¹²⁸ The remaining UNECE landlocked economies include: Andorra, Austria, Liechtenstein, Luxembourg, San Marino and Switzerland.

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Thus, initiatives that promote infrastructure development, reduce the cost of doing business, improve trade efficiency, and foster trade and economic cooperation are especially critical for landlocked and border countries but also for the trade integration and development of the region of Europe and Central Asia as a whole. They therefore need to be pursued as a matter of priority, at the national, bilateral and regional levels.

Improving the regional transport infrastructure

Policy analysis

Compared with other developing regions, EECCA and SEE have a more extensive transport infrastructure network, although there are considerable maintenance backlogs. The creation of new states after the disintegration of the Soviet Union and Yugoslavia meant that the existing transport network was no longer consistent with the new geographic conditions. This development cut off parts of the railway network while creating numerous enclaves without adequate infrastructure connections with their national capitals. Consequently, national investment programmes have favoured the construction of new transport links rather than regular maintenance of the existing transport infrastructure assets.

Although some progress has been made in such transport infrastructure development, it has been limited, since improving infrastructure involves large investment and takes time. For instance, improving the Euro-Asian rail and road links, while decisive for expanding trade of both the landlocked countries of Central Asia and of the neighbouring countries, involves investments of tens of billions of dollars. Financing such infrastructure thus constitutes a major challenge.

Policy recommendations

- Improving the pan-European and Euro-Asian transport infrastructure should be a priority in regional cooperation and therefore calls for the agreement and involvement of all member States.
- It also calls for resource mobilization, including through innovative forms of financing such as public-private partnerships, to ensure steady progress in the development of this regional public good.

Streamlining border control procedures

Policy analysis

Non-physical obstacles to the movement of goods, such as cumbersome export/import regulatory procedures, are not primarily linked with financial constraints but rather reflect a lack of capacity and commitment on the part of national Governments to adequately address these matters. The World Bank's Doing Business report ranks countries in terms of the ease of trading based upon the time and difficulty (e.g number of documents, etc) in obtaining customs clearances. In its most recent report, four of the 10 most difficult countries in obtaining customs clearance are landlocked countries in the EECCA: Azerbaijan, Kazakhstan, Tajikistan and Uzbekistan. The cost of exporting a container from Tajikistan or Uzbekistan is over \$3,000 whereas in Latvia it is only \$600¹²⁹. The failure to make more progress is often blamed on special interest groups, poor governance, corruption, or simply the failure of national Governments to focus attention on these problems

¹²⁹ World Bank, Doing Business 2010, Washington, DC, 2009.

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Addressing these issues, however, often require technical assistance and funding. The Aid for Trade initiative has been established for this purpose. Over the 2001-2007 period, countries with transition economies received over \$1.9 billion for Aid for Trade projects.

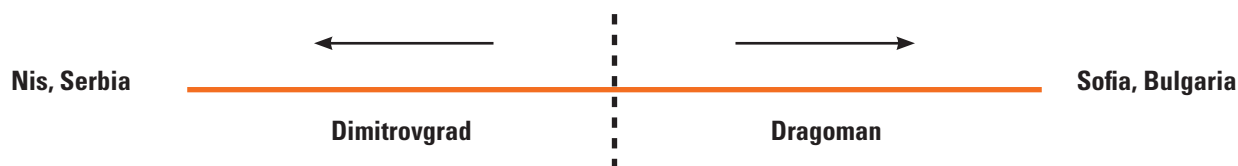
When countries do make a concerted effort, dramatic results are often possible in a short period of time. For example, in 2006, three years after Serbia, a landlocked country, decided to reform its customs procedures, the time it took to obtain documents and customs clearance for exporting declined from 32 to 11 days, and for importing from 44 to 12 days¹³⁰. Likewise, Georgia reduced the days needed to export by three quarters and the former Yugoslav Republic of Macedonia by one third between 2005 and 2008. However, despite this progress there is still considerable room for improvement since in some high-income countries it takes just 1.3 days to export.

Box 13: Example of a good practice

Serbia and Bulgaria concluded in 2006 an agreement on railway border controls which facilitated the coordination of the activities of their border authorities. Border control of passenger trains is carried out during their movement between the border stations of Dimitrovgrad, Serbia and Dragoman, Bulgaria. In addition it allowed for the opening of a joint border station in Dimitrovgrad which is used for freight trains.

Travel time from the moment of entering Dimitrovgrad, Serbia until the moment of exiting Dragoman, Bulgaria

Travel Time (minutes)			
Type of train	Before the Agreement	After the Agreement	Reduction in Travel Time
Freight	953	174	82%
Passenger	147	51	65%



Policy recommendations

- Governments should speed up processes for harmonizing and effectively implementing international agreements, standards, norms and recommendations related to border crossing and trade facilitation.
- Transparent border-crossing performance measures, best-practice benchmarks and improvements in transport data collection and statistics should be developed as a way to promote evidence-based policies and measures in this area.

Both the Aid for Trade Initiative and the Almaty Programme of Action should receive further support for their effective implementation in EECCA and SEE regions.

¹³⁰ Jacqueline Den Otter, *Cross-border Trading Reforms in Post-war Serbia*, World Bank Doing Business Website.

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Target 8.D: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term

Generally, the external debt levels of countries with transition economies have been relatively normal and have not posed a great problem. Most of these countries started the transition with limited external debt and slowly accumulated more over the 1990s. Since 2000 debt levels as a percentage of GDP in most of them have declined. Since 2000 the level of public debt of these countries has increased slowly or in many cases actually declined; most of the increase in external debt since 2000 has been assumed by the private sector. Debt service payments as a percentage of export revenues declined in SEE from 12 per cent to 4 per cent between 2000 and 2007, and declined from 8 per cent to 2 per cent in the EECCA. The external debt levels of Kyrgyzstan and the Republic of Moldova have been close to thresholds established for the Heavily Indebted Poor Countries Initiative of the IMF and World Bank but neither country is currently eligible under that programme, although Kyrgyzstan has been considered for entry.

Many of the NMS considerably increased their external debt ratios during the five years prior to the crisis due to the large current-account deficits they were incurring; a substantial proportion of which was private-sector debt. As with Kazakhstan, the NMS debt was not regarded as being problematic in the long run but the need to refinance parts of this debt created a major liquidity problem for some of these economies during the current crisis

Target 8.E: In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries

Policy analysis

For the private sector to invest in developing new drugs, it must be able to sell them at a price that allows the research and development costs to be recouped. At the same time, there are clearly moral issues involved when those in need of treatment are unable to obtain it because they lack the income to purchase it. As such, there is a natural “conflict” at least in the short run between global health and intellectual property law. This conflict took on a decidedly international dimension with the WTO Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement in 1994, which required that all WTO members standardize their intellectual property law by the beginning of 2005.

Concerns that implementation of this agreement might negatively impact global health led to the Doha Declaration that the least-developed countries were not obliged to implement it until 2016. In addition, the Declaration also introduced a provision that developing countries with a public health emergency could use compulsory licensing to produce generics domestically. This issue has been of particular importance for the entire UNECE region since almost all of worldwide drug development occurs in the advanced economies of the region and the economies in transition have had a particular need for some highly expensive drugs to fight AIDS and tuberculosis. Although Russia is not a WTO member, its patent legislation is generally consistent with the TRIPS agreement. Russia and Ukraine are members of the Technological Network on HIV/AIDS, which has as its objective self-sufficiency in the development, and production of antiretroviral drugs.

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Policy recommendations:

- The design of intellectual property rights should consider the need for firms to receive compensation to cover the costs of their research and development, but must also consider the humanitarian consequences of various pricing schemes and the need for ensuring adequate and affordable access to essential drugs.
- Further funding is needed for initiatives such as the Global Fund so that all persons needing life-saving drugs can obtain them.

Target 8.F: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications

Policy analysis

Analysis of the global information and communications technology (ICT) sector reveals that there is a significant digital divide that is largely explained by differences in per capita income¹³¹. This is also true for the UNECE economies¹³². Generally, the middle-income countries in the wider European region have digitalization scores somewhat higher than what one would expect in view of their per capita incomes. After controlling for per capita income, the factors that affect the level of digitalization appear to vary depending on the level of economic development.

For middle-income countries, improvements in the education system and the telecommunication infrastructure are important for increasing the diffusion of digital services. The digital divide has been gradually shrinking due to efforts undertaken by Governments and civil-society groups. Recent years have seen a significant increase in the number of Internet users in Emerging Europe and Central Asia. In the European EECCA, between 2002 and 2007 Internet use increased from 4 per cent to 22 per cent. Over the same period, SEE saw a similarly large increase from 7 per cent to 23 per cent.

Internet use in these two regions is about double the average for the developing world. It is below the developing country average in Central Asia but it quadrupled from 2 per cent to 8 per cent between 2002 and 2007. In addition to Internet availability there are other technologies such as personal computer use, voice and data mobile telephony and digital television where there is also a divide. The availability of ICT varies greatly within countries, with those living in rural areas or the poor often not having any access at all.

Policy recommendations:

- More digital services should be provided in schools, libraries and community centers, as this is a cost-effective approach that allows large numbers of people to obtain access.
- Public authorities should take the necessary measures to ensure equal access of women and men to the use of ICT.
- Public-private partnerships should be further promoted as a way to overcome limits on public financial resources for ensuring the development of ICT infrastructure.

¹³¹ Margarita Billon, Fernando Lera-Lopez and Rocio Marco, Differences in Digitalization Levels: A Multivariate Analysis Studying the Global Digital Divide, *Review of World Economics*, Vol. 146 (1), April 2010, pp. 39-73.

¹³² Larissa Kapitsa, *Towards a Knowledge-based Economy –Europe and Central Asia: Internet Development and Governance*, UNECE Discussion Paper No. 2008.1, Geneva, 2008.

Annex 1

Subregions and country codes

South-Eastern Europe (SEE)

Albania (ALB)

Serbia (SRB)

Bosnia and Herzegovina (BIH)

The former Yugoslav Republic of Macedonia (MKD)

Croatia (HRV)

Montenegro (MNE)

Turkey (TUR)

Eastern Europe, Caucasus and Central Asia (EECCA)

Armenia (ARM)

Republic of Moldova (MDA)

Azerbaijan (AZE)

Russian Federation (RUS)

Belarus (BLR)

Tajikistan (TJK)

Georgia (GEO)

Turkmenistan (TKM)

Kazakhstan (KAZ)

Ukraine (UKR)

Kyrgyzstan (KGZ)

Uzbekistan (UZB)

EU New Member States (NMS)

Bulgaria (BGR)

Lithuania (LTU)

Czech Republic (CZE)

Poland (POL)

Estonia (EST)

Romania (ROU)

Hungary (HUN)

Slovakia (SVK)

Latvia (LVA)

Slovenia (SVN)

Emerging Europe and Central Asia = EECCA + NMS + SEE

Europe and Central Asia/Pan-European region = EECCA + NMS + SEE + Western Europe

Annex 2

Millennium Development Goals in Emerging Europe and Central Asia: The progress achieved to date and policy challenges

MDGs	Progress	Policy Messages
Goal 1	<p>Target 1.A. Poverty has been reduced considerably prior to the 2008–10 economic crisis.</p> <p>Absolute poverty is mostly found among vulnerable groups and in disadvantaged areas and is widespread in parts of Eastern Europe, the Caucasus and Central Asia, especially in resource-poor countries.</p> <p>Lack of sustainable sources of income and inequality of life opportunities are the main drivers of poverty. Poverty is often concentrated in the informal sector where productivity is low and social protection non-existent.</p> <p>The crisis has set back the progress that had been made in all countries in transition and in some of the New Member States of the EU.</p> <p>Target 1.B The target on decent work is difficult to achieve in all countries due to widespread insecure and informal employment, and high youth unemployment.</p> <p>Target 1.C This target has been mostly achieved, with rates of malnourishment now moderate to low. However, in four countries in the Caucasus/Central Asian region, over 10 per cent of the population are malnourished and 8 countries of the EECCA region are subject to a structural food trade deficit.</p>	<p>The strategy for reducing poverty and inequality is two-pronged:</p> <p>(a) facilitating broad-based inclusive growth and greater employment through inclusive education and employment policies;</p> <p>(b) putting in place effective mechanisms for social protection through targeted social safety nets and/or improved schemes with universal coverage.</p> <p>Substantial external assistance is vital for some low-income countries of the region. Taxation systems also need to play a role in reducing income inequality. Widening the tax base by rolling back the informal economy is critical in this respect.</p> <p>Designing a set of pro-active employment policies together with building up a conducive macroeconomic environment are key to achieving Target 1.B.</p> <p>Ensuring food security on a sustainable basis requires investing in rural infrastructure; creating an enabling environment for new farms in countries with transition economies, in particular, improved technical support and information services; and better functioning markets.</p>
Goal 2	<p>Throughout the region, enrolment in primary education is good except for disadvantaged minorities and remote areas in some countries of the region. Poor quality education in many countries of Emerging Europe and Central Asia is jeopardizing the employment chances of millions of young people.</p>	<p>In a number of EECCA/SEE countries, there is a need to scale up efforts to reach the last 10 per cent of out-of-school children. The other priority is to ensure that education generates the skills base for productive employment, inclusive growth, and poverty reduction. Teaching methods and teacher training need to be a particular focus in the region.</p>
Goal 3	<p>Women's employment has largely improved throughout the region. However, the majority of women still occupy lower-paid jobs—a leading cause of inequality and large gender pay gap. And many women are working in the informal sector, with little or no job security and social protection.</p> <p>Women continue to be strongly underrepresented in both political and economic decision-making positions in all countries of the region.</p> <p>Women migrant workers are particularly vulnerable, especially those working in private households. Trafficking of women remains a major problem in the region.</p>	<p>To address gender inequality in some parts of the EECCA and SEE regions, it is necessary to: (a) ensure full completion of secondary school education by girls; (b) improve women's access to social protection through both targeted measures and structural policies including gender-based budgeting, and (c) provide legal protection of land rights for women in rural areas.</p> <p>Throughout the region, affirmative action is needed to increase the representation of women in decision-making positions in government and in business.</p> <p>Through enforcement of legislation and inter-country cooperation, action for protecting the human and social rights of migrant workers, particularly women, and for combating human trafficking and sexual exploitation should be actively pursued and its scope enlarged.</p>

Annex 2

MDGs	Progress	Policy Messages
Goal 4	<p>Progress in reducing under-five mortality is uneven, with some countries on track or close, and many others requiring a major scaling up of investments. There are also significant in-country inequities.</p> <p>Neonatal causes represent the highest proportion of child deaths in all countries. Pneumonia and diarrhoea are usually the second, except in some countries where injuries come second.</p> <p>The estimates average coverage of measles immunization in Europe and Central Asia in 2008 was 94%, compared with the 1990 estimate of 83%. Improved coverage has led to a dramatic reduction in reported measles cases.</p>	<p>To scale up progress towards MDG 4 and all health MDGs, there is a need to further strengthen health systems, applying the values and principals of primary health care. These include equity, solidarity, social justice, universal access to services, multisectoral action, transparency, accountability, decentralization, and community participation and empowerment.</p>
Goal 5	<p>Although the estimated maternal mortality ration has fallen since 1990, progress in the region has been unsatisfactory, being neither universal nor consistent. Even in those countries that are on track to reach the MDG targets, there are still populations who have lower access to services.</p> <p>Discrepancies between estimated and reported maternal mortality ratios exist in countries throughout Europe and Central Asia, with further efforts to address underreporting required.</p>	<p>Accelerating progress towards MDG 5 will require measures including improving legal and policy frameworks to overcome access barriers, strengthening research and data collection on maternal health and family planning, improving integration of reproductive health in primary health care and strengthening a continuum of care, expanding delivery of quality reproductive health services to disadvantaged populations, and improving financing of the maternal and perinatal components of basic benefit packages.</p>
Goal 6	<p>The annual number of newly diagnosed cases of HIV officially reported in 2008 is the highest to date for the Europe and Central Asia region. The sharp increase in HIV infection over the past decades has strongly correlated with social exclusion processes.</p> <p>Mortality from tuberculosis needs to further decline. The major challenge for controlling tuberculosis in the region is increasing treatment success, which is the lowest in the world. Of the 27 countries that account for 85% of all multi-drug resistant tuberculosis cases globally, 15 are in Europe and Central Asia.</p>	<p>There is a need to address the lack of integrated services for prevention, treatment and care of HIV, TB, other communicable diseases and drug dependence. Increased political mobilization and leadership, emphasis on the most at-risk populations, mobilization of domestic funding and allocation of sufficient budgets is required. There is also a need to remove punitive laws, policies, practices, stigma and discrimination that block effective responses.</p> <p>Scaling up in attention to threats such as TB and HIV co-infection, and multidrug resistant and extensively drug-resistant tuberculosis is urgently required.</p>
Goal 7	<p>Average CO₂ emissions have decreased in the region, mainly due to the collapse of industry during early transition. However, this will not be sufficient for meeting Kyoto Protocol targets. Energy pricing for end-users in many countries fails to send the right signals for energy conservation.</p> <p>Water management and land degradation are major development challenges in Central Asia.</p> <p>Access to drinking water and sanitation is severely limited in rural areas of Central Asia, but it is also far from adequate in the Western Balkans.</p> <p>Over 50 million people in over 15 countries of the region live in informal settlements. The situation is particularly grave in 3 countries of Central Asia where more than half of the population lives in such settlements.</p>	<p>Climate change mitigation measures need to be strengthened, in particular through further financing of energy efficiency investment, changes in energy pricing and subsidy policies, and better compliance with the global and regional environmental agreements.</p> <p>A priority is to further develop and effectively implement local, national and regional plans which apply the principles of integrated water management with due attention to preserving the ecosystems.</p> <p>Investment in water supply and sanitation, with the aid of concessions and loans from international financial institutions are required in many countries of Emerging Europe and Central Asia.</p> <p>The liveability of informal settlements must be improved through land tenure and management systems, investment in basic infrastructure and provision of basic services developed by public authorities in consultation with residents.</p>

MDGs	Progress	Policy Messages
<p>Goal 8</p>	<p>In 2010, the ODA as a percentage of GDP is likely to be approximately equal to the level in 1990 (0.33 per cent). As compared with the other OECD countries, the EU and Norway provide the highest contribution at 0.48 per cent and 1 per cent respectively. Furthermore, the donor space is changing, with the emergence of Turkey, Russia, Kazakhstan, and new EU countries as important players.</p> <p>Integration into the world economy of countries in the EECCA and SEE regions is hindered by lack of export diversification and by the fact that many countries are not yet WTO members.</p> <p>Many of the landlocked countries in the region are disadvantaged as a result of poor infrastructure, slow and cumbersome border-crossing procedures, and no harmonized trade policies.</p>	<p>Donor countries of the region should increase their ODA in order to fully comply with the aid commitments made at the Gleneagles G8 meeting.</p> <p>The engagement of the emerging donors should be actively pursued. The level of ODA provided to eligible countries in the region should be maintained mainly for financing social infrastructure and for promoting productivity increases such as the "Aid for Trade" programmes.</p> <p>Countries of the EECCA and SEE regions should implement trade and investment initiatives to promote the diversification of their exports. Both existing WTO members and the EECCA/SEE acceding countries should be more accommodating in their negotiating positions in order to facilitate those countries' accession to WTO.</p> <p>The development of the pan-European and Euro-Asian transport infrastructure, together with the streamlining of border-crossing procedures and the adoption of trade facilitation standards are key to removing the obstacles to trade encountered by the landlocked countries of the region.</p>

Annex 3 Statistical Tables

Table 1A

Population below national poverty line, percentage ^a

Country	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
South-Eastern Europe														
Albania	25.4	..	..	18.5	..	..	12.4
Bosnia and Herzegovina	19.5	..	..	18.3	..	..	18.2	..
Croatia	17.2	18.2	16.9	16.7	17.5	17.0	18.0	..
Serbia	10.6	10.5	..	6.5	..	..	..
The former Yugoslav Republic of Macedonia	19.0	20.7	21.0	22.3	22.7	30.2	30.2	29.6	30.0	29.8	29.4	28.7
Turkey	27.0	28.1	25.6	20.5	17.8	17.8	17.1
Eastern Europe, Caucasus and Central Asia														
Armenia	50.9	49.7	42.9	34.6	29.8	26.5	25.0	23.5
Azerbaijan	68.1	..	..	..	..	..	49.6	46.7	44.7	40.2	29.3	20.8	15.8	13.2
Belarus	38.4	38.6	32.1	33.0	46.7	41.9	28.9	30.5	27.1	17.8	12.7	11.1	7.7	6.1
Georgia	46.2	50.2	51.8	51.8	51.1	52.1	54.5	27 ^b	..	..	31.0	..
Kazakhstan	..	34.6	38.3	39.0	34.5	31.8	28.4	24.2	19.8	16.1	31.6 ^c	18.2	12.7	12.1
Kyrgyzstan	..	43.5	43.0	54.9	55.3	62.6	56.4	54.8	49.9	45.9	43.1	39.9	35.0	31.7
Republic of Moldova	52.0	73.0	67.8	54.6	40.4	29.0	26.5	29.0	..	..	..
Russian Federation	29.0	..	19.6	20.3	17.6	17.7	15.2	13.3	13.5 ^d
Tajikistan	87.0	..	..	..	64.0	57.0	..	..	..	..
Ukraine	26.4	27.2	27.2	26.6	27.3	27.1	28.1	..
Uzbekistan	27.5	26.5	27.2	26.1	25.8	..	..	..

Source: UNECE Statistical database.

Notes: The national poverty rate is the percentage of the total population living below the national poverty line.

National poverty lines are set by individual countries, reflecting their population's basic needs for subsistence. The following are definitions applied in the reported countries.

Albania: Absolute poverty headcount (below Lek 4891 - Living Standards Measurement Survey), Source: Albania : Trends in Poverty 2002-2005-2008.

Bosnia and Herzegovina: National relative poverty line, set at 60% of median per capita consumption, Source: MDG update report, 2009.

Croatia: At risk of poverty, 60% of median equivalised income, Source: National Statistical Office - Household Budget Surveys for years 2001-2005, Eurostat for years 2006-2007.

Serbia: Population with money income below subsistence minimum level, Source: MDG report 2006.

The former Yugoslav Republic of Macedonia: Relative poverty (70% of median equivalised expenditure), Source: MDG report 2009, State Statistical Office.

Turkey: Income below subsistence minimum, complete poverty line (food and non-food), Source: MDG report 2005 for years 2002-2003, Poverty study 2008 for years 2004-2008.

Armenia: Consumption below the adult equivalent poverty line, Source: Integrated Living Conditions Survey (ILCS) 2004, 2008.

Azerbaijan: Absolute poverty line, Source: UNSD MDG database for years 1995-2001, State Statistical Committee (MDG indicators) for years 2002-2008.

Belarus: Below minimum subsistence budget, Source: National MDG report 2005 for years 1995-2004, National Statistical Office (Households Sample Surveys) for years 2005-2008.

Georgia: Official subsistence minimum, Source: National MDG report 2004-2005 for years 1997-2003, Human Development Report 2008 for years 2004 and 2007.

Kazakhstan: Population with income below official minimum subsistence, Source: National MDG report 2002, 2005, 2007 for years 1996-2006; National Statistical Office for year 2008.

Kyrgyzstan: Source: UNSD MDG database.

Republic of Moldova: Population with less than \$2.15 per day PPP values, Source: National Human Development Report 2006.

Russian Federation: Population with money incomes below minimum subsistence level, Source: UNSD MDG database for year 2002, National Statistical Office - Russia in figures 2009 for years 2000, 2003-2008.

Tajikistan: Population living on less than US\$2.15 per day. Source: Poverty Reduction Strategy of the republic of Tajikistan for 2007-2009.

Ukraine: Population below relative poverty line (75% of median individual total expenditure), Source: MDG report 2000+7.

Uzbekistan: Based on the 2,100 calories poverty line. Source: Welfare Improvement Strategy for Uzbekistan, 2007.

^a Data on population at risk of poverty in the EU countries, Iceland and Norway are presented in Table 1B.

^b Break in series due to change in methodology.

^c Break in series due to change in composition of food and non-food items in the minimum subsistence basket.

^d Provisional data.

Table 1B

Population at risk of poverty in the EU countries, Iceland, Norway and Switzerland, percentage

	Total				Women				Men			
	1997	2000	2005	2008	1997	2000	2005	2008	1997	2000	2005	2008
EU 12 new members												
Bulgaria	..	14	14	21	..	15	15	23	..	13	13	20
Cyprus	..	..	16	16	..	..	18	18	..	..	15	14
Czech Republic	..	..	10	9	..	..	11	10	..	..	10	8
Estonia	..	18	18	19	..	19	19	22	..	17	17	16
Hungary	..	11	13	12	..	12	13	12	..	11	14	12
Latvia	..	16	19	26	..	16	20	28	..	17	18	23
Lithuania	..	17	21	20	..	17	21	22	..	17	20	18
Malta	..	15	14	15	..	15	15	16	..	15	14	14
Poland	..	16	21	17	..	16	20	17	..	16	21	17
Romania	..	17	18	23	..	18	18	24	..	17	18	22
Slovakia	..	..	13	11	..	..	13	12	..	..	13	10
Slovenia	..	11	12	12	..	12	14	14	..	11	11	11
EU 15												
Austria	13	12	12	12	14	14	13	13	11	9	11	11
Belgium	14	13	15	15	15	14	15	16	13	12	14	14
Denmark	10	..	12	12	..	..	12	12	..	..	12	12
Finland	8	11	12	14	9	13	13	14	8	9	11	13
France	15	16	13	13	16	16	14	14	14	15	12	13
Germany	12	10	12	15	13	11	13	16	11	10	11	14
Greece	21	20	20	20	22	20	21	21	21	19	18	20
Ireland	19	20	20	16	20	21	21	16	18	19	19	15
Italy	19	18	19	19	20	19	21	20	19	18	17	17
Luxembourg	11	12	14	13	12	12	14	14	11	12	13	13
Netherlands	10	11	11	11	11	11	11	11	10	10	11	11
Portugal	22	21	19	18	23	22	20	19	20	19	19	18
Spain	20	18	20	20	21	19	21	21	20	17	19	18
Sweden	8	..	9	12	..	..	10	13	..	..	9	11
United Kingdom	18	19	19	19	19	21	19	20	16	16	19	18
Other European high income countries												
Iceland	..	..	10	10	..	..	10	11	..	..	10	10
Norway	..	..	11	11	..	..	13	13	..	..	10	10
Switzerland ^a	..	9.1	8.5	8.8	..	..	..	..	..	..	..	..

Source: Eurostat (Statistical Office of the European Union)

Note: Share of persons aged 0+ with a disposable income below 60% of the national median income.

^a Proportion of persons aged 20-59 below national poverty line, Source: Swiss Federal Office of Statistics.

Data in 2008 refer to 2007

Table 2
The MDG2 indicators in Emerging Europe and Central Asia, 1999-2008

Country	Adjusted Net Enrolment Rate, Primary ^a (%)		Survival Rate to Last Grade ^b (%)		Youth Literacy Rate ^c (%)	
	1999	2008	1999	2007	1999	2005-2008
Eastern Europe, Caucasus and Central Asia (EECCA)						
Armenia	...	92.88 (2007)	...	97.71 (2006)	...	99.8
Azerbaijan	88.68	96.14	96.58	98.96	99.89	100
Belarus	...	94.84	99.20	99.53 (2006)	99.79	99.8
Georgia	...	99.01	99.36	95.10	...	99.8
Kazakhstan	...	99.06	...	99.57	99.85	99.8
Kyrgyzstan	94.29	91.04	94.52	98.35	99.70	99.6
Republic of Moldova	95.89	90.46	95.38	95.57	...	99.5
Russian Federation	...	...	94.76	95.20	...	99.7
Tajikistan	...	97.52	96.73	99.48	...	99.9
Turkmenistan	...	...	...	...	...	99.8
Ukraine	...	89.35	96.66	97.28	...	99.8
Uzbekistan	...	90.6	99.54	98.68	...	99.8
South-Eastern Europe (SEE)						
Albania	99.54	...	92.38	...	...	99.4
Bosnia and Herzegovina	...	...	...	...	...	99.2
Croatia	92.00	98.89 (2007)	99.68	99.81 (2006)	...	99.6
Montenegro	...	...	...	...	...	...
Serbia	...	95.77	...	98.36	...	99.3
The former Yugoslav Republic of Macedonia	98.96	91.91 (2007)	97.45	97.49 (2006)	...	98.7
Turkey	92.2 (2000)	94.69	...	94.23	...	96.4
EU New Member States (NMS)						
Bulgaria	98.86	97.39	92.94	93.69	...	97.3
Estonia	99.84	96.52	98.52	98.26	...	99.8
Hungary	97.11	95.43	96.77	98.95	...	98.6
Latvia	98.50	...	96.99	95.7	...	99.7
Lithuania	98.09	96.14	99.33	98.02	...	99.8
Poland	96.19	95.74 (2007)	98.33	97.30 (2006)	...	99.8
Romania	99.87	96.52	95.67	93.29	...	97.3
Slovakia	...	...	96.93	97.41	...	...
Slovenia	97.91	97.48	99.93	...	...	99.8

Source: UNESCO Institute of Statistics (June, 2010).

^a Total number of pupils of the official primary school age group who are enrolled at the primary education level, expressed as a percentage of the corresponding population.

^b Percentage of a cohort of pupils (or students) enrolled in the first grade of a given level or cycle of education in a given school year who are expected to reach the last grade.

^c The number of persons aged 15 to 24 years who can both read and write with understanding a short simple statement on their everyday life, divided by the population in that age group. Generally, 'literacy' also encompasses 'numeracy', the ability to make simple arithmetic calculations.

Table 3
Unemployment rate by sex, percentage

Country	Total					Women					Men				
	1995	2000	2005	2007	2008	1995	2000	2005	2007	2008	1995	2000	2005	2007	2008
Eastern Europe, Caucasus and Central Asia															
Armenia	36.4	..	31.2	28.7	28.6	34.4	..	37.6	35.4	35.0	38.0	..	26.1	22.2	22.2
Azerbaijan	..	..	7.6	..	6.1	..	..	7.5	..	6.5	..	..	7.7	..	5.6
Belarus ^a	2.9	2.1	1.5	1.0	0.8	3.5	2.4	2.0	..	..	2.2	1.7	1.0	..	..
Georgia	7.6	10.4	13.8	..	16.5	7.8	9.7	12.6	..	..	7.4	11.0	14.8	..	..
Kazakhstan	..	..	8.1	7.3	6.6	..	..	9.6	8.7	..	..	..	6.7	5.9	..
Kyrgyzstan	..	..	8.1	8.2	..	..	..	9.1	9.0	..	..	..	7.4	7.6	..
Republic of Moldova	..	8.5	7.3	..	..	..	7.2	6.0	..	..	..	9.7	8.7	..	..
Russian Federation	9.4	10.6	7.1	..	7.0	9.2	10.4	7.0	..	6.4	9.7	10.8	7.3	..	7.5
Tajikistan	..	9.3	..	..	..	..	9.6	..	..	..	..	9.0	..	..	..
Turkmenistan ^a	..	2.4	..	..	..	..	..	..	..	..	..	..	..	..	..
Ukraine	..	11.6	7.2	6.4	6.4	..	11.6	6.8	6.0	6.4	..	11.6	7.5	6.7	6.6
Uzbekistan ^a	0.3	0.4	0.3	..	..	..	..	..	..	..	..	..	..	..	..
South-Eastern Europe															
Albania ^a	12.9	16.8	14.1	13.5	13.0	14.8	19.3	17.2	..	..	11.6	14.9	12.1	..	..
Bosnia and Herzegovina	..	..	31.1 ^b	..	23.4	..	..	34.9 ^b	..	..	..	..	28.9 ^b	..	..
Croatia	..	16.1	13.0	9.8	8.6	..	17.3	14.3	11.4	10.4	..	15.0	11.9	8.5	7.1
Montenegro	..	..	30.3	..	..	..	..	26.2	..	..	..	..	35.5	..	..
Serbia	..	..	20.8	18.1	..	..	..	26.2	21.0	..	..	..	16.8	15.8	..
The former Yugoslav Republic of Macedonia	..	32.2	37.3	34.9	33.8	..	34.9	38.4	35.6	34.2	..	30.5	36.5	34.5	33.4
Turkey	7.6	6.5	10.3	9.1	9.9	7.3	6.3	10.3	9.4	10.2	7.8	6.6	10.3	8.9	9.8
EU 12 new members															
Bulgaria	..	16.4	10.2	6.9	5.7	..	15.9	9.9	7.3	5.8	..	16.8	10.4	6.6	5.6
Cyprus ^c	..	5.1	5.4	4.0	3.8	..	7.4	6.6	4.6	4.3	..	3.3	4.5	3.5	3.3
Czech Republic	..	8.8	8.0	5.4	4.4	..	10.6	9.9	6.8	5.7	..	7.4	6.5	4.3	3.5
Estonia	..	13.4	8.1	4.8	5.6	..	11.7	7.2	4.0	5.4	..	14.9	9.0	5.5	5.9
Hungary	..	6.6	7.2	7.4	7.9	..	5.8	7.4	7.7	8.1	..	7.2	7.0	7.2	7.7
Latvia	..	14.5	9.0	6.1	7.7	..	13.6	8.8	5.7	7.2	..	15.3	9.2	6.6	8.3
Lithuania	..	16.3	8.4	4.4	5.9	..	14.0	8.4	4.4	5.7	..	18.5	8.3	4.4	6.1

Country	Total					Women					Men				
	1995	2000	2005	2007	2008	1995	2000	2005	2007	2008	1995	2000	2005	2007	2008
EU 12 new members (cont.)															
Malta	..	6.4	7.4	6.5	6.1	..	6.5	8.9	7.6	6.8	..	6.3	6.6	6.0	5.7
Poland	..	16.6	18.0	9.7	7.2	..	18.6	19.4	10.4	8.0	..	14.8	16.8	9.1	6.5
Romania	..	7.7	7.5	6.8	6.1	..	7.1	6.8	5.7	5.0	..	8.2	8.1	7.6	7.0
Slovakia	..	19.1	16.3	11.2	9.5	..	18.6	17.2	12.7	11.0	..	19.5	15.5	9.9	8.4
Slovenia	..	7.1	6.7	5.0	4.5	..	7.2	7.2	6.0	4.9	..	6.9	6.2	4.1	4.1
EU 15															
Austria	3.9	4.7	5.2	4.5	3.9	5.0	4.6	5.5	5.1	4.2	3.1	4.8	4.9	4.0	3.6
Belgium	9.7	6.6	8.5	7.5	7.0	12.7	8.3	9.5	8.5	7.6	7.6	5.3	7.7	6.7	6.5
Denmark	6.7	4.5	4.9	3.8	3.4	8.1	5.0	5.3	4.2	3.7	5.6	4.0	4.5	3.5	3.1
Finland	15.4	11.2	8.5	6.9	6.4	15.1	12.0	8.7	7.3	6.7	15.7	10.4	8.3	6.6	6.2
France	11.0	10.3	8.9	8.0	7.4	13.0	12.2	9.8	8.6	7.9	9.3	8.6	8.0	7.5	6.9
Germany	8.0	8.0	11.2	8.7	7.6	9.0	8.3	10.8	8.8	7.6	7.2	7.7	11.6	8.7	7.5
Greece	..	11.5	10.0	8.4	7.8	..	17.3	15.4	12.9	11.5	..	7.6	6.2	5.3	5.1
Ireland	12.3	4.4	4.4	4.6	6.1	12.5	4.3	4.0	4.2	4.7	12.2	4.5	4.7	5.0	7.3
Italy	11.2	11.0	7.8	6.2	6.8	15.4	14.9	10.1	7.9	8.6	8.6	8.4	6.3	5.0	5.6
Luxembourg	2.9	2.4	4.5	4.1	5.1	4.3	3.2	5.8	4.7	6.1	2.0	1.8	3.5	3.6	4.3
Netherlands	6.6	2.7	4.8	3.2	2.7	8.1	3.5	5.1	3.7	3.0	5.5	2.2	4.5	2.8	2.5
Portugal	7.2	4.0	8.1	8.5	8.1	8.1	5.0	9.2	10.1	9.4	6.4	3.2	7.1	7.0	6.9
Spain	18.4	13.9	9.2	8.3	11.4	24.7	20.4	12.2	10.9	13.1	14.8	9.5	7.1	6.4	10.1
Sweden	8.8	5.5	7.9	6.2	6.3	7.8	5.1	7.8	6.5	6.6	9.7	6.0	8.0	6.0	6.0
United Kingdom	8.5	5.6	4.8	5.4	5.7	6.8	4.9	4.3	5.0	5.1	9.9	6.2	5.2	5.7	6.2
Other European high income countries															
Iceland	5.2	1.9	2.6	2.3	3.0	4.9	2.5	2.6	2.3	2.6	5.5	1.3	2.7	2.2	3.3
Norway	4.9	3.5	4.4	2.5	2.6	4.6	3.3	4.2	2.5	2.4	5.2	3.6	4.6	2.6	2.8
Switzerland	3.3	2.7	4.5	3.7	3.4	3.9	3.2	5.2	4.6	4.0	2.9	2.4	4.0	3.0	2.9

Source: UNECE Statistical database, compiled from national and international (Eurostat and ILO) official sources.

«Note: The unemployment rate is the share (in per cent) of the unemployed in the labour force.

The unemployed are all the persons above a specific age who, during the reference period, were: (a) without work, i.e. were not in paid employment or self-employment, (b) currently available for work, i.e. were available for paid employment or self-employment during the reference period, and (c) seeking work, i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment.»

^a Data refer to end of period registered unemployment.

^b Data refer to 2006.

^c Data cover only the Government controlled area.

Table 4
Gender pay gap in gross monthly earnings, percentage

Country	1995	2000	2005	2006	2007	2008
Eastern Europe, Caucasus and Central Asia						
Armenia ^a	..	48.1	42.5	40.8	40.0	..
Azerbaijan	..	..	54.6	53.5	49.2	46.8
Belarus	20.9	19.0	20.9	20.1	21.6	26.1
Georgia	..	45.7	51.1	50.9	49.5	..
Kazakhstan	..	38.5	38.9	37.7	34.2	36.2
Kyrgyzstan	..	32.4	37.5	34.2	32.7	32.7
Republic of Moldova ^a	..	..	..	24.0	22.8	23.1
Russian Federation	..	..	39.3	..	..	..
Tajikistan	..	56.8	48.0	44.6	43.3	40.3
Ukraine	33.0	29.1	29.1	27.2	27.1	24.8
South-Eastern Europe						
Albania	..	31.1 ^b	..	..	..	..
Croatia	..	..	10.6	11.0	10.8	..
Montenegro	..	..	..	..	..	..
Serbia	..	..	7.3	6.7	3.7	..
The former Yugoslav Republic of Macedonia	..	17.5	..	..	..	..
Turkey	..	..	..	2.0	..	..
EU 12 new members						
Bulgaria	..	24.2	17.7	16.8	16.6	..
Cyprus	..	..	..	25.7	22.7	..
Czech Republic	..	..	24.9	24.6	24.8	26.0
Estonia	..	..	31.6	33.3	..	..
Hungary	21.6	21.0	20.2	12.2	..	..
Latvia	21.7	21.4	18.1	17.6	16.1	15.2
Lithuania	29.7	18.3	17.6	17.9	20.7	19.3
Poland	..	..	..	17.8	..	..
Romania	..	..	14.1	13.1	10.6	..
Slovakia	..	25.0	28.4	26.9	25.8	..
Slovenia	15.0	12.2	6.9	6.9	..	..

Annex 3 : Statistical tables

Country	1995	2000	2005	2006	2007	2008
EU 15						
Austria	..	..	29.7	26.9	..	..
Belgium	..	26.5	24.7	23.6	..	..
Denmark ^c	..	..	..	17.6	17.7	..
Finland	21.4	21.2	19.1	19.8	19.8	..
France	19.4	18.6	18.5	..	..	..
Germany ^c	..	..	..	22.7	23.0	..
Greece ^c	..	..	..	20.7	21.5	22.0
Ireland	25.2	20.9	19.1	..	..	..
Italy ^c	..	..	..	4.4	5.1	4.9
Luxembourg	..	19.1	19.2	18.7	17.7	17.3
Netherlands	45.0	42.9	41.4	..	..	..
Portugal	..	29.8	24.9	32.8	..	..
Spain ^d	..	..	19.2	19.6	18.9	..
Sweden	15.0	17.6	16.3	15.9	16.1	..
United Kingdom ^e	..	26.9	23.3	23.7	23.6	..
Other European high income countries						
Iceland	..	35.4	30.6	30.7	30.8	28.1
Norway	..	16.5	15.3	15.4	15.7	15.0
Switzerland	..	21.3	..	18.9	..	..

Source: UNECE Statistical database, compiled from national and international (Eurostat, ILO) official sources.

Note: Gender pay gap is the difference between men's and women's average gross monthly earnings from employment, shown as a percentage of men's average gross monthly earnings.

^a Data refer to net earnings.

^b Data refer to October 1998.

^c Figures are calculated based on hourly full-time equivalent.

^d Data correspond to full-time equivalent workers.

^e Data do not include part-time workers.

Table 5

Women in managerial positions, as percentage of total number of persons in managerial positions

Country	1995	2000	2005	2008
Eastern Europe, Caucasus and Central Asia				
Azerbaijan	..	..	..	6.2
Belarus ^a	..	45.5 ^b	..	..
Georgia ^c	..	19.0	26.3	..
Kazakhstan	..	..	35.5	38.3
Kyrgyzstan	..	..	30.1	..
Republic of Moldova ^d	..	33.2	38.9	38.0
Russian Federation	37.5 ^e	35.6	39.0	37.1
Ukraine	..	36.7	38.2	38.6
South-Eastern Europe				
Croatia	22.6	24.7	24.1	26.5
Montenegro	..	..	19.7	..
Serbia ^f	..	..	24.8	..
The former Yugoslav Republic of Macedonia	..	..	28.5	..
Turkey	..	..	6.9	..
EU 12 new members				
Cyprus ^g	..	14.4	15.1	16.0
Czech Republic	26.8	24.9	29.6	28.1
Estonia	36.6	39.9	36.9	36.2
Hungary	33.8	33.5	34.8	36.4
Latvia	37.5 ^h	37.2	42.7	41.3
Lithuania	35.8 ^e	41.9	42.9	40.2
Malta	..	18.2	18.5	15.9
Poland	34.7	32.5	32.8	36.1
Romania	28.2	26.8	29.2	29.5
Slovakia	27.4	31.2	30.8	29.6
Slovenia	27.2	29.6	34.2	34.9

Country	1995	2000	2005	2008
EU 15				
Austria	23.9	28.4	27.2	28.3
Bulgaria	28.5 ^e	29.8	34.0	32.3
Denmark	19.2	24.2	24.2	23.6
Finland	..	26.7	29.8	29.5
France ⁱ	36.4	35.0	37.4	38.6
Germany	26.0	27.1	28.3	..
Greece	22.1	25.1	26.5	28.2
Ireland	27.6	26.3	30.3	32.5
Italy	15.7	14.3	32.4	33.2
Luxembourg	24.6	27.2	23.5	..
Netherlands	20.3	26.6	25.5	28.1
Portugal	30.4	31.1	33.9	31.2
Spain	31.3	31.5	32.0	32.3
Sweden	..	30.7	29.9	32.1
United Kingdom	33.6	34.5	34.3	34.8
Other European high income countries				
Iceland	27.7	29.3	27.4	32.7
Norway	..	25.0	30.4	31.5
Switzerland	23.9	23.3	28.3	30.2

Source: UNECE Statistical database, compiled from national and international (Eurostat and ILO) official sources.

Note: Percentage of women in managerial positions is the percentage of female employed in managerial positions (legislators, senior officials and managers) over the total number of male and female employed in the same occupational category.

^a Data refer to the national classification of occupations.

^b Data refer to 1999.

^c Data do not cover Abkhazia and South Ossetia (Tshinvali).

^d Data do not cover Transdnierstra.

^e Data refer to 1997.

^f Data do not cover Kosovo and Metohia.

^g Data cover only the Government controlled area.

^h Data refer to 1996.

ⁱ Data do not cover overseas departments (DOM).

Table 6
Women in national parliaments, percentage

Country	1997 ^a	2000	2005	2009
Eastern Europe, Caucasus and Central Asia				
Armenia	6.3	3.1	5.3	8.4
Azerbaijan	12.0	12.0	10.5	11.4
Belarus	..	4.5	29.4	31.8
Georgia b	6.8	7.2	9.4	5.1
Kazakhstan	13.4	10.4	10.4	15.9
Kyrgyzstan	1.4	10.0	3.2	25.6
Republic of Moldova c	4.8	8.9	20.8	23.8
Russian Federation	10.2	7.7	9.8	14.0
Tajikistan	2.8	15.0	17.5	17.5
Turkmenistan	18.0	26.0	16.0	16.8
Ukraine	3.8	7.8	5.3	8.2
Uzbekistan	6.0	7.2	17.5	17.5
South-Eastern Europe				
Albania	12.1	5.2	6.4	16.4
Bosnia and Herzegovina	..	28.6	16.7	11.9
Croatia	7.9	20.5	21.7	20.9
Montenegro	..	..	..	6.2
Serbia	..	..	..	21.6
The former Yugoslav Republic of Macedonia	3.3	6.7	19.2	28.3
Turkey	2.4	4.2	4.4	9.1
EU 12 new members				
Bulgaria	13.3	10.8	20.8	21.7
Cyprus d	5.4	7.1	16.1	14.3
Czech Republic	15.0	15.0	17.0	15.5
Estonia	12.9	17.8	18.8	20.8
Hungary	11.4	8.3	9.1	11.1
Latvia	9.0	17.0	21.0	20.0
Lithuania	17.5	17.5	22.0	17.7
Malta	5.8	9.2	9.2	8.7
Poland	13.0	13.0	20.2	20.2

Country	1997 ^a	2000	2005	2009
EU 12 new members (cont.)				
Romania	7.0	7.3	11.2	11.4
Slovakia	14.7	14.0	16.7	19.3
Slovenia	7.8	10.0	12.2	13.3
EU 15				
Austria	26.8	26.8	33.9	27.9
Belgium	12.0	23.3	34.7	35.3
Denmark	33.0	37.4	36.9	38.0
Finland	33.5	36.5	37.5	41.5
France	6.4	10.9	12.2	18.2
Germany	26.2	30.9	32.8	32.2
Greece	6.3	8.7	14.0	14.7
Ireland	13.9	12.0	13.3	13.3
Italy	11.1	11.1	11.5	21.3
Luxembourg	20.0	16.7	23.3	25.0
Netherlands	31.3	36.0	36.7	41.3
Portugal	13.0	17.4	21.3	28.3
Spain	24.6	28.3	36.0	36.3
Sweden	40.4	42.7	45.3	47.0
United Kingdom	9.5	18.4	19.7	19.5
Other European high income countries				
Iceland	25.4	34.9	30.2	42.9
Norway	39.4	36.4	38.2	36.1
Switzerland	21.0	23.0	25.0	28.5

Source: UNECE Statistical database, compiled from national and international official sources (Inter-Parliamentary Union).

Note: Percentage of women who are in the lower or single house of the parliaments (on 30th June of the reference year) from the total number of men and women who are in the lower or single house.

^a Data refer to 1 January 1997.

^b Data do not cover Abkhazia and South Ossetia (Tshinvali).

^c Data do not cover Transdniestria.

^d Data cover only the Government controlled area.

Table 7

Estimated epidemiological burden of TB (best estimates) all forms, 1990-2008

Tuberculosis incidence						
Country	1990		2000		2008	
	Number-thousands	Rate Per 100,000 population	Number-thousands	Rate Per 100,000 population	Number-thousands	Rate Per 100,000 population
Eastern Europe, Caucasus and Central Asia						
Armenia	1.2	33	2.2	71	2.2	73
Azerbaijan	7.9	110	8.9	110	9.6	110
Belarus	8.2	80	7.5	75	4.2	43
Georgia	5.8	110	5.1	110	4.6	110
Kazakhstan	23	140	29	200	27	180
Kyrgyzstan	6.3	140	7.5	150	8.6	160
Republic of Moldova	5	110	5.6	140	6.3	170
Russian Federation	160	110	180	120	150	110
Tajikistan	4.9	92	7.2	120	14	200
Turkmenistan	2.4	64	4.2	92	3.4	68
Ukraine	21	41	41	84	47	100
Uzbekistan	26	130	32	130	35	130
South-Eastern Europe						
Albania	0.8	24	0.69	23	0.49	16
Bosnia and Herzegovina	4	94	2.3	63	1.9	51
Croatia	3.2	71	1.9	42	1.1	25
Montenegro	...	...	...	...	0.14	23
Serbia	...	...	...	...	1.8	18
The former Yugoslav Republic of Macedonia	1.5	81	0.83	41	0.49	24
Turkey	32	58	31	46	22	30
EU New Member States (NMS)						
Bulgaria	4.1	46	3.7	46	3.2	43
Czech Republic	2.4	23	1.6	16	0.93	9
Estonia	1	66	0.94	69	0.46	34
Hungary	4.5	43	3.5	35	1.6	16
Latvia	2.5	92	2.2	94	1.1	50
Lithuania	3.4	92	3	85	2.4	71
Poland	20	52	14	35	9.3	25
Romania	33	140	37	170	29	130
Slovakia	1.8	34	1.2	22	0.64	12
Slovenia	0.9	47	0.42	21	0.24	12

Source: Global tuberculosis control: a short update to the 2009 report. World Health Organization, 2009.

Table 8
Carbon dioxide emissions, kg per \$1 GDP (PPP)

Country	1995	2000	2005	2007
Eastern Europe, Caucasus and Central Asia				
Armenia	0.64	0.49	0.35	0.31
Azerbaijan	2.36	1.52	0.93	0.50
Belarus	1.52	1.02	0.77	0.67
Georgia	0.28	0.41	0.30	0.31
Kazakhstan	2.34	1.59	1.35	1.43
Kyrgyzstan	0.83	0.63	0.63	0.61
Republic of Moldova	1.65	0.58	0.58	0.51
Russian Federation	1.34	1.15	0.89	0.78
Tajikistan	0.86	0.69	0.60	0.65
Turkmenistan	4.04	3.41	1.85	1.63
Ukraine	2.14	1.68	1.24	1.04
Uzbekistan	3.03	2.95	2.15	1.89
South-Eastern Europe				
Albania	0.20	0.22	0.25	0.21
Bosnia and Herzegovina	0.82	1.31	1.16	1.16
Croatia	0.42	0.40	0.37	0.35
The former Yugoslav Republic of Macedonia	0.92	0.88	0.77	0.70
Turkey	0.34	0.35	0.30	0.33
EU 12 new members				
Bulgaria	1.23	0.97	0.81	0.77
Cyprus	0.47	0.46	0.43	0.43
Czech Republic	0.82	0.73	0.61	0.55
Estonia	1.65	1.02	0.76	0.73
Hungary	0.54	0.42	0.36	0.32
Latvia	0.63	0.37	0.28	0.25
Lithuania	0.59	0.39	0.32	0.30
Malta	0.44	0.27	0.34	0.32
Poland	1.05	0.71	0.60	0.55
Romania	0.84	0.66	0.56	0.51
Slovakia	0.78	0.59	0.47	0.37
Slovenia	0.47	0.39	0.36	0.32
Country	1995	2000	2005	2007
EU 15				
Austria	0.29	0.26	0.29	0.25
Belgium	0.45	0.40	0.37	0.32
Denmark	0.42	0.32	0.29	0.29
Finland	0.52	0.40	0.35	0.38
France	0.26	0.24	0.22	0.21
Germany	0.41	0.35	0.33	0.31
Greece	0.46	0.46	0.40	0.38
Ireland	0.46	0.37	0.30	0.26
Italy	0.31	0.29	0.30	0.28
Luxembourg	0.47	0.33	0.39	0.33
Netherlands	0.39	0.32	0.31	0.28
Portugal	0.31	0.31	0.32	0.28
Spain	0.31	0.30	0.31	0.29
Sweden	0.27	0.21	0.18	0.17
United Kingdom	0.38	0.32	0.28	0.26
Other European high income countries				
Iceland	0.35	0.33	0.28	0.29
Norway	0.23	0.21	0.20	0.19
Switzerland	0.19	0.18	0.17	0.15

Source: MDG database of the UN Statistics Division

Note: Carbon emissions are measured as the total amount of carbon dioxide emitted by the country as a consequence of all relevant human (production and consumption) activities. Total CO₂ emissions is divided by the total value of the gross domestic product (GDP) expressed in purchasing power parity (PPPs).

Table 9

Energy use (kg oil equivalent) per \$1,000 GDP (Constant 2005 PPP \$)

Country	1990	1995	2000	2005	2007
Eastern Europe, Caucasus and Central Asia					
Armenia	740	297	284	199	176
Azerbaijan	759	895	571	354	188
Belarus	646	579	425	322	281
Georgia	411	447	259	200	173
Kazakhstan	628	730	501	426	418
Kyrgyzstan	684	436	331	314	293
Republic of Moldova	582	646	472	416	364
Russian Federation	465	536	484	384	340
Tajikistan	343	493	461	362	349
Turkmenistan	1427	1621	1388	731	643
Ukraine	602	816	736	543	451
Uzbekistan	1129	1278	1252	898	791
South-Eastern Europe					
Albania	220	125	128	129	108
Bosnia and Herzegovina	..	299	251	228	223
Croatia	151	163	153	140	133
Serbia	209	296	278	243	225
The former Yugoslav Republic of Macedonia	166	212	196	198	188
Turkey	120	120	122	108	114
EU 12 new members					
Bulgaria	463	428	360	296	266
Cyprus	138	142	144	128	129
Czech Republic	288	254	232	215	194
Estonia	601	436	296	232	215
Hungary	223	227	180	161	148
Latvia	308	318	195	157	134
Lithuania	367	343	228	189	173
Malta	149	117	89	109	102
Poland	331	286	197	176	163
Romania	364	301	251	201	179
Slovakia	324	314	259	216	171
Slovenia	173	190	164	155	138

Country	1990	1995	2000	2005	2007
EU 15					
Austria	125	122	112	122	113
Belgium	193	198	189	175	160
Denmark	133	132	110	105	104
Finland	243	258	226	211	208
France	159	158	147	145	135
Germany	172	148	134	131	121
Greece	120	119	120	109	107
Ireland	161	134	111	90	84
Italy	109	111	108	111	104
Luxembourg	210	159	125	135	119
Netherlands	167	160	136	138	131
Portugal	107	118	118	121	111
Spain	117	122	121	119	113
Sweden	224	231	185	177	162
United Kingdom	152	147	128	113	101
Other European high income countries					
Iceland	320	340	369	336	428
Norway	154	143	129	129	116
Switzerland	106	105	98	97	91

Source: UNSD MDG database

«Note: Energy use per GDP (Constant 2005 PPP \$) is the kilogram of oil equivalent of energy use per gross domestic product converted to 2005 constant international dollars using purchasing power parity rates. Energy use refers to use of primary energy before transformation to other end-use fuels, which is equal to indigenous production plus imports and stock changes, minus exports and fuels supplied to ships and aircraft engaged in international transport.

Gross Domestic Product (GDP) is the sum of gross value added by all resident producers in the economy plus any product taxes (less subsidies) not included in the valuation of output. Value added is the net output of an industry after adding up all outputs and subtracting intermediate inputs. The purchasing power parity (PPP) conversion factor is the number of units of a country's currency required to buy the same amounts of goods and services in the domestic market as the United States (U.S.) dollar would buy in the United States. An international dollar has the same purchasing power over GDP as a U.S. dollar has in the United States.»

Table 10

Proportion of land area covered by forest, percentage

Country	1990	2000	2005
Eastern Europe, Caucasus and Central Asia			
Armenia	12.3	10.8	10.0
Azerbaijan	11.3	11.3	11.3
Belarus	35.6	37.8	38.0
Georgia	39.7	39.7	39.7
Kazakhstan	1.3	1.2	1.2
Kyrgyzstan	4.4	4.5	4.5
Republic of Moldova	9.7	9.9	10.0
Russian Federation	47.9	47.9	47.9
Tajikistan	2.9	2.9	2.9
Turkmenistan	8.8	8.8	8.8
Ukraine	16.0	16.4	16.5
Uzbekistan	7.4	7.8	8.0
South-Eastern Europe			
Albania	28.8	28.1	29.0
Bosnia and Herzegovina	43.6	43.1	43.1
Croatia	37.8	38.1	38.2
The former Yugoslav Republic of Macedonia	35.8	35.8	35.8
Turkey	12.6	13.1	13.2
EU 12 new members			
Bulgaria	30.1	30.5	32.8
Cyprus	17.4	18.7	18.9
Czech Republic	34.0	34.1	34.3
Estonia	51.0	52.9	53.9
Hungary	19.6	20.7	21.5
Latvia	44.7	46.5	47.4
Lithuania	31.0	32.2	33.5
Malta	1.1	1.1	1.1
Poland	29.2	29.8	30.0
Romania	27.8	27.7	27.7
Slovakia	40.0	40.0	40.1
Slovenia	59.0	61.5	62.8

Country	1990	2000	2005
EU 15			
Austria	45.6	46.4	46.7
Belgium	22.4	22.0	22.0
Denmark	10.5	11.5	11.8
Finland ^a	72.9	73.8	73.9
France	26.4	27.9	28.3
Germany	30.8	31.7	31.7
Greece	25.6	27.9	29.1
Ireland	6.4	8.8	9.7
Italy	28.5	32.1	33.9
Luxembourg	33.2	33.5	33.5
Netherlands	10.2	10.6	10.8
Portugal	33.9	39.2	41.3
Spain	27.0	32.9	35.9
Sweden	66.5	66.7	66.9
United Kingdom	10.8	11.6	11.8
Other European high income countries			
Iceland	0.2	0.4	0.5
Norway	29.8	30.4	30.7

Source: MDG database of the UN Statistics Division

Note: Proportion of forest area to total land area expressed as a percentage.

^a The official land area by the National Land Survey of Finland on 1.1. 2004 is the one used. This is because the land area of Finland has been changing size due to the postglacial crustal uplift and to the construction of artificial lakes.

Table 11
Official development assistance and official aid (current US\$)

Country	1995		2000		2005		2008	
	US\$ per cap	US\$ Mln	US\$ per cap	US\$ Mln	US\$ per cap	US\$ Mln	US\$ per cap	US\$ Mln
Eastern Europe, Caucasus and Central Asia								
Armenia	66.9	217.6	67.0	215.9	52.9	170.4	93.7	302.6
Azerbaijan	15.4	118.6	17.2	139.1	25.5	216.5	26.6	235.1
Belarus	21.8	222.5	3.4	34.5	5.9	57.8	11.4	110.2
Georgia	44.2	209.1	38.3	169.1	67.0	292.1	202.5	887.7
Kazakhstan	4.1	64.6	12.7	188.7	15.1	228.0	21.2	332.6
Kyrgyzstan	62.4	284.7	43.9	214.7	52.4	267.9	68.6	359.9
Republic of Moldova	18.2	65.8	33.7	122.5	47.0	169.1	83.7	298.8
Russian Federation	10.9	1 610.9	10.6	1 553.3	..	..	..	..
Tajikistan	11.2	65.1	20.0	123.5	36.7	251.5	39.8	290.6
Turkmenistan	6.7	27.9	7.0	31.5	6.3	30.4	3.6	18.1
Ukraine	6.2	319.2	11.0	538.7	8.8	411.7	13.4	617.6
Uzbekistan	3.7	83.7	7.5	185.8	6.4	169.7	6.9	187.2
South-Eastern Europe								
Albania	57.5	180.2	103.5	317.4	102.3	318.2	122.7	385.7
Bosnia and Herzegovina	..	924.5	174.2	736.9	124.0	532.7	112.6	482.4
Croatia	11.4	53.3	14.7	65.5	27.8	123.5	91.0	397.5
Montenegro	..	..	..	..	..	..	169.0	106.3
Serbia	..	95.1	148.0	1 133.6	143.8	1 069.7	142.4	1 046.7
The former Yugoslav Republic of Macedonia	40.3	78.8	123.9	251.1	111.5	227.2	107.7	220.5
Turkey	5.2	312.7	5.1	326.7	5.8	395.9	28.5	2 023.7

Source: Compiled by UNECE from UNECE Statistical database and World Development Indicators (World Bank).

