PD-ABG-348

OCDE

ORGANISATION DE COOPÉRATION ET
DE DÉVELOPPEMENT ÉCONOMIQUES

OECD

ORGANISATION FOR ECONOMIC
CO-OPERATION AND DEVELOPMENT

Centre pour la Coopération avec les Économies Européennes en Transition
Centre for Co-operation with the European Economies in Transition

Le Secrétaire général suppléant
Directeur du Centre

The Assistant Secretary-General
Director of the Centre

SZ/93.225
014162/jf

28 June 1993

Dear Mr. Pascual,

USAID Grant no. CCS-0001-G-00-2084-00 to the 1992 OECD/CCEET, of an amount of $362,000, represented a part of the United States' assessed contribution to the CCEET NIS programme in 1992. The funds were used towards the implementation of the full range of activities in the NIS programme of work for 1992. As specified in the Schedule, Section E.1, of the letter grant, you will find attached a set of documents highlighting the activities carried out in programs relating to the NIS and the development of the Register (information clearinghouse), as well as a financial summary report outlining the use of the funds.

I would like to take this opportunity to express my thanks to the USAID for its continuing assistance to the CCEET. We also greatly appreciate the effort you are making in order to provide additional support of $22,500 towards the financing of connecting additional NIS republics to the CCEET Register.

Please let me know if I can be of any further assistance.

Yours sincerely,

Zecchini

S. Zecchini

Mr. Carlos Pascual
Acting Director
Office of Program Analysis and Co-ordination
Newly Independent States Task Force
USAID
320-21st Street, NW
Washington DC, 20523
USA

Report on USAID Grant No. CCS-0001-G-00-2084-00
to the
OECD Centre for Co-operation with the European Economies in Transition

OECD BUDGET CODE	NATURE OF EXPENDITURE	1992 APPROPRIATIONS (Fr.Francs)	COMMITTED APPROPRIATIONS 31/12/92 (FF)	U.S. SHARE APPROPRIATIONS FF	US$	OF WHICH US$ FINANCED BY DOS	AID
19.00	NIS PROGRAMME						
19.01	Staff costs	6,638,800	6,528,859	1,659,700	327,609	240,531	87,078
19.02	Official travel	3,598,800	3,384,292	899,700	177,592	130,388	47,204
19.03	Consultants & contracts	8,260,500	8,503,731	2,065,125	407,636	299,286	108,350
19.04	Conferences & meetings	5,574,000	5,424,262	1,393,500	275,064	201,952	73,112
19.05	Entertainment	209,400	102,721	52,350	10,333	7,587	2,747
19.06	Operating expenses	300,000	114,975	75,000	14,804	10,869	3,935
19.08	Documentation	0	20,134	0	0	0	0
19.09	Translation & reproduction	1,993,500	1,824,040	498,375	98,374	72,227	26,148
19.10	Misc. & unforeseen	186,000	100,732	46,500	9,179	6,739	2,440
19.11	Capital expenditure	0	235,479	0	0	0	0
19.12	Computer equipment	839,000	1,246,925	209,750	41,403	30,398	11,005
19.30	Carry over from 1991	0	0	0	0	0	0
	TOTAL NIS PROGRAMME	27,600,000	27,486,149	6,900,000	1,361,994	999,976	362,018

Report on USAID Grant No. CCS-0001-G-00-2084-00
to the
OECD Centre for Co-operation with the European Economies in Transition
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OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: 17.1 - A periodic Survey of Bilateral and Multilateral Initiatives in the Domains of Policy Advice and Assistance Covered by the OECD - ON-Line Data Base - THE REGISTER

3. Directorate/Official Responsible for Activity: Jean Gomm

4. Titles and Numbers of Resulting Publications: Users Manual in English and French and Russians.

5. CEE/NIS Countries that Participated in Activity: The Republics of the NIS; the CEEC countries as donors of aid to the NIS.

6. Collaboration with Multi-lateral Institutions:

   Information provided to the Register by all major multilateral organisations. Co-ordination efforts with the G24 Co-ordinating Unit and with the WHO and the WFP. Towards the end of 1992 with the World Bank, responsible for the management of the Country Consultative Groups on NIS.

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions): Information provided to the Register by all Member countries. Also information provided by non-member donor countries (including CEECs - see above)

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   CCEET Register named at the Clearing house for information on Emergencey assistance to the NIS at the international conference called by President Bush in Washington in January 1992.

   Register restructured to meet new requirements. This included creating two data bases (one for NIS and the other for CEECs) with different access rights to take account of the decision taken at Washington. Total new software system established and transfer and adaptation of data completed. System on line - July 1992

   Participation in the follow up meetings to the Washington Conference held in Lisbon in May and Tokyo in November. Analytical reports provided by exploiting the data contain in the Register

   Two meetings of National Co-ordinators held in March and September.

   New telecommunications support approved by the Council in October 1992.

   Missions to the Central Asian Republics in December to install the system in the offices of the Officials responsible for the co-ordination of international technical and humanitarian assistance for each republic.

   Demonstration of CCEET Register in several fora.

OECD asked to provide a clearing house function in support of the international effort to co-ordinate assistance to the NIS. Participate in the CCG meetings held in December, providing analytical reports of needs and provision of technical assistance, drawing on the CCEET Register data.

The year ending December 1992:

NIS Database - 2014 entries.
First quarter - 263 entries.
Second quarter - 1155 entries.
Third quarter - 368 entries.
Fourth quarter - 228 entries.

CEEC Database - 2067 entries.
First quarter - 774 entries.
Second quarter - 151 entries.
Third quarter - 901 entries.
Fourth quarter - 241 entries.

Users

The year ending December 1992: 316 accounts opened.
First quarter - 26 accounts.
Second quarter - 93 accounts.
Third quarter - 190 accounts.
Fourth quarter - 7 accounts.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

Activity continues in 1993

10. Problems Encountered/Lessons Drawn:

Demand for the Register and the exploitation of its services considerably outstripted resources. New resources allocted in 1993 budget but Register continues to be "demand driven" and has difficulties in keeping up with the demand.

Need to improve the quality of data, returning incomplete or unclear data to the National Co-ordinator for clarification.

Need to improve the exploitation possibilites.

REGISTER (Centre)

a) Objectives

Initially the motivation for the creation of the Register, in 1991, was the need expressed by OECD Member countries for a comprehensive overview of the assistance activities being carried out in Central and Eastern Europe and the Soviet Union. As the reforms in the region gathered pace, a multitude of assistance activities seemed to be offered by national governments and international organisations but there existed no means of obtaining systematic information on them. Thus there were fears of duplication, wasted use of resources and lack of co-ordination. The CCEET considered that an on-line data base, accessible anywhere in the world, using standard, easily available equipment and simple to use, was the best way of ensuring that officials working in this area could have access to complete and up to date information on activities being carried out by all the donors active in the field. From such a system, the user should be able to obtain information on the timing, location and contents of the projects and be able to identify the subset of activities which correspond to his/her area of interest and criteria.

The OECD had a comparative advantage in providing a data base on technical assistance as all the major donors are Members and the Organisation has a long history of providing objective information on assistance activities. Furthermore, the Register has the advantage of covering all countries in the region and all the subject areas concerned with the economic, social and technical needs of the transition process. The OECD's high level of technical competence in the computer field was also a factor. The Register has been developed with the technical support of the Directorate for Computers and Communication.

The objectives of the OECD in this activity have changed in line with the evolution in the international policy dialogue on providing assistance to the countries of Central and Eastern Europe and the New Independent States. In recent months, emphasis has been given to increasing the transparency of information between donors and recipients and to the exploiting the information the Register contains to enhance co-ordination in assistance efforts.

b) Activities

The following activities are on-going:

1) The promotion and evolution of the system

i) demonstrations and explanations of the system, its contents and operations. This includes presentations to those responsible for technical co-operation in this region in national donor country administrations, governments in recipient countries, and international organisations;

ii) identifying changes required to correspond to the changing policy and user needs and the evolving role of the Register in the international assistance process;

iii) organising meetings of national co-ordinators and users;

iv) attending meetings related to the Register and its uses;

v) drafting and publication of general explanatory material and reports including for internal bodies such as the Council Group on Non-Member Economies;

vi) collaborating with other providers of information to maximise the utilisation of the Register and ensure the co-ordination and coherence of information.

2) The technical development of the system

i) the continued identification of modifications required or new developments needed to meet changing user needs, to improve the efficiency of the system and to take advantage of new technical developments (hardware, software and communications facilities);

ii) the establishment of the parameters for the modifications needed.

The identification of software and hardware capable of responding to needs;

iii) the development of prototypes, their testing and modification and introduction, including all the amendments such modifications may imply for each of the records already contained in the Register;

iv) the preparation of all technical support material necessitated by the modifications.

3) Management of the System

i) the collection, verification and entering of data. This includes regular contact with those providing data to ensure its timely provision (especially with respect to the CCG and pre-CCG meetings), obtaining clarification on data provided; completing it where possible and ensuring regular updates;

ii) the management of the system to ensure the uniformity of the information and coherence of the system; that the data is structured and catalogued in a coherent way; the prompt entry and uploading of data; and documentation of sources of information;

iii) opening accounts, recording user details, and the support and training of users;

iv) correspondence with users, technical staff providing support to users, national co-ordinators and others interested in the Register;

v) publishing and updating users' manuals and other materials (in English, French and Russian);

vi) technical co-operation with other systems to ensure compatibility and transfer of data where possible, including support and assistance to the IEA on the private sector data base which is linked to the Register developments;

vii) providing advice and assistance on exploiting the system. Providing quantitative and qualitative information for the preparation of analytical reports; the work programme and other specific projects. Preparing tables from this data, assisting other users to prepare material from the information in the Register by providing disquettes of statistical data and advice and training on the exploitation of the system.

c) Start-up actions

The first action required for the start-up of this activity was the design and development of a suitable system, capable of providing the necessary structure and facilities, and of supporting on-line access.

The second action was to collect and enter sufficient data from the major national and international donors. This necessitated correspondence, meetings, demonstrations and eventually the setting up of a National

Co-ordinator network whereby each donor named an individual as responsible for the provision of information to the system.

The third action was to encourage national administrations and international organisations to use the system. This entailed providing documentation, demonstrations, training and support on the use of the system and in the case of the NIS republics, missions to install equipment and ensure reliable telecommunications links.

All of these actions continue.

These actions were all affected to a considerable extent by the absorptive capacities of the different countries concerned. On the donor side, the problems of obtaining an adequate response stemmed often from the fact that the changing political situation posed major challenges to the structures of the national administrations and international organisations. Pending policy re-assessments and structural reorganisations, donors often found it difficult to provide complete and reliable data on their activities and to nominate a lead agency or person.

On the recipient side, the very frequent changes in those responsible for technical assistance, coupled with a lack of familiarity with the workings of international assistance activities, has often made it difficult to ensure consistent communication and a steady flow of requests.

d) Resources

CCEET-funded permanent staff have grown as follows:

1991	No allocated permanent staff resources - used part of CCEET A4 plus assistance from DCC staff. Plus Auxiliary resources in CCEET and DCC.
1992	1 B5, plus part of A4 from CCEET, plus auxiliary help, plus assistance from permanent staff in DCC. Also auxiliary resources in CCEET and DCC and consultant resources in DCC.
1993	Part of A4 CCEET; A2/A3; B5; B4 and 2 B3s in CCEET plus A2/A3 in DCC. Also Auxiliary resources in CCEET and consultant resources in DCC.

e) Co-operation

Most Member countries, a number of non-Member countries, recipient countries and multilateral organisations all provide information to the Register, which entails constant communication and co-operation with a very wide range of organisations and countries.

An agreement was reached with the G24 Co-ordination Unit whereby data collected for their project data base would be regularly passed to the Register to be made available on-line to Member countries (the same countries as the G24). In practice this has not functioned satisfactorily. Attempts have also been made to harmonise date entry formats and improve the coherence between the

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different existing data bases (i e. Scoreboard and the project data base on the EC side and the DAC Reporting system and the CCEET Register on the OECD side).

In the framework of the Country Consultative Groups co-operation is on going with the World Bank in providing data in support of the CCG process.

Proposals have been made, as requested at the Tokyo conference, to ensure that the data being collected in other systems e.g. the WHO on medical assistance, could be put at the disposal of countries via the Register.

f) Coverage of the programme

Initially the Register was open to OECD Member countries and multilateral organisations only. In January 1992, access to information on the NIS was granted to the NIS recipient republics and non-member donors which included countries in Central and Eastern Europe. Earlier this year, access was further extended so that all countries in the region and other non-member donors could have access to the totality of the information in the Register.

Initially the information concerned only six countries: Poland Hungary, CSFR, Bulgaria, Romania and the USSR. In late 1991 this was expanded to include all 12 NIS republics, the Baltic States and Albania. In early 1993 it was agreed that information on assistance to the republics of former Yugoslavia and Mongolia should also be included.

g) Evolution of the programme

As mentioned above, the Register has evolved in concert with the changes in the policies of assistance to the region and with the organisation of fora to provide such assistance. In January 1992 it was decided, at the Washington Conference on Emergency Assistance to the NIS, that the OECD Register constituted a tool for providing more transparent information on donor assistance to the NIS and that this information should be available to recipients and donor countries. The Register was modified to reflect the needs expressed in Washington. This entailed the construction of a totally new system, which went on-line in July 1992. It includes details of project activities, offers of assistance and requests for assistance from recipient countries as well as a network of experts and a documentary data base. The subsequent meetings in Lisbon and Tokyo led to the Register becoming the clearinghouse for information on assistance to the NIS and for supporting the work of the Country Consultative Groups, managed by the World Bank, which is charged with ensuring the effective co-ordination of assistance to the Republics.

The Register has also been called upon to provide sectoral information on activities in the region to enhance co-operation in specific areas or sectors of technical assistance.

Initially the Register staff had difficulty in identifying the appropriate contacts for information in Member countries and international organisation and had to collect data from wherever it was available (eg., work programme documents). This information was often incomplete, partly because of the general nature of the source documents and partly because assistance policies in Member countries and in multilateral organisations were in an

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embryonic stage. As the Register grew and became more accepted, a network of National Co-ordinators was established, and countries and multilaterals organised their own internal information flows, it became possible to begin refining the data considerably and undertaking a major and consistent policy of quality control and updating of the information available.

Another evolution has been the importance given to identifying and providing telecommunications networks to allow reliable and low-cost access to the Register by users throughout the world. The provision by the Organisation of this facility has allowed the OECD subsequently to install the equipment for accessing the Register from the offices of the National Technical Assistance Co-ordinators (usually located in the Prime Minister's office or attached to the Council of Ministers) in the NIS republics. This has ensured, for the first time, that recipient countries have access to the full range of available information on the assistance donors are providing. This information is essential to the effective co-ordination of assistance by the government inside the republic as well as ensuring an informed dialogue with donor countries. The development of an electronic messaging facility, currently underway, to allow donors and recipients to communicate via the Register, should strengthen this dialogue considerably.

Positive reaction to the Register's facilities, which provide documents, combined with the needs expressed by donors and recipients for access to a wide range of information related to the transition process (eg., economic reports and reform measures; legal information; technical assessments; evaluations of projects), has led to the design of a more coherent documentary data base capable of providing documents and statistical information.

The final evolution, still underway, concerns the requirement to improve the techniques for exploitation of data, both by the CCEET staff, who provide descriptive and statistical material for the analytical reports for the CCGs, and for other outside users. It is only recently that the potential for exploiting the information available in the Register has come to the fore. Users, at varying levels of sophistication and with different needs, want to be able to manipulate the data to provide sectoral or aggregate overviews of assistance, either as descriptive summaries, or as statistical tables, or both.

h) Lessons/problems

Initially, the situation was a classic "chicken and egg" problem. In order to interest people in using the Register, a system had to be created and available and it had to contain data. However, in order to persuade Member countries and multilateral organisations to ensure a steady flow of data, the Register needed to be seen as important enough to warrant dedicating the resources necessary to do this. This entailed considerable promotion of the system and obtaining data from any possible source. It also meant accepting the data in any form available and ensuring the physical entry into the system of the data. With the small amount of resources available this frequently led to delays. It also led to a rather uneven quality of data. It is only now, with the present level of acceptance of the system, that donors can be asked to provide information systematically in a set format (on-line data entry is being developed), and that the data quality can be improved. Increased attention must also be given to the structuring of information in the system, as the quantity of data increases, in order to ensure that users can continue to identify like projects easily and uniformly in the system.

As the whole concept of on-line data bases is new to many people it is also necessary to provide high levels of user support, which is very resource intensive. Although the system has been designed to be as simple to use as possible, most users are not frequent or experienced computer users and require considerable assistance. In addition, the need to ensure reliable access by recipient countries, often with poor equipment and telecommunications infrastructures, poses a separate set of difficult technical problems.

The Register has been demand-driven. Increasingly its potential and its perceived uses are being recognised and this leads to requests for an increasing range of services and facilities. It also gives rise to conflicting demands as each user sees how he or she could exploit the data with minor, but different, modifications in the system. Many of the demands are mutually exclusive, stemming from very different data needs, particularly given the software which is currently available on the market in the emerging field of on-line systems software. The evolution of the international community's response to the provision to technical assistance in this region, and hence users' needs, plus rapid technical evolution in this field, suggest that a very high level of development will continue to be required on the Register and that it is unlikely to reach a "steady state" for some considerable time.

Report on UASID Grant no. CCS-0001-G-00-2084-00
to the
OECD Centre for Co-operation with the European Economies in Transition

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1992 PROGRAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal Common to Several Republics

I. Industrial Restructuring

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OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget year 1992

2. Activity Title/Number: 1.1.1. Defence Industry Conversion

3. Directorate DSTI (other directorates are involved -- ELSA and DAFFE).
Official responsible: Krasnoyarsk: T. Kelly/M. Salamon (Consultant)
Zhukovsky: /C. Sautter (Consultant)

4. Title and number of publication

No publication

5. CEE/NIS participating countries

Russia (plus Ukraine for Zhukovsky project, see below).

6. Collaboration with Multilateral Institutions

EBRD, (plus ITU, ESA for Krasnoyarsk), (plus World Bank, UNDP, EC, ESA for Zhukovsky project) (see below).

7. Collaboration with OECD Committees/Member countries

Krasnoyarsk Seminar was financed by the UK "Know-how" Fund

Participation of OECD countries' officials and business executives in Krasnoyarsk and Zhukovsky seminars (see below).

CSTP and Industry Committee.

8. Activity Description and Assessment.

This activity was launched by an informal workshop organised by the CCEET in December 1991 with the participation of selected Member countries' officials, representatives of the EBRD and NATO and experts. In 1992, DSTI work on this activity were threefold:

a) Preparation of an Action Plan covering the main policy issues related to defence conversion in the general framework of marked-oriented industrial restructuring e.g. unbundling of enterprises and privatisation, development of SMEs, regional development and infrastructure, foreign investment...

The implementation of this Action Plan called for regional case studies carried out under the supervision of a steering group composed of OECD and Russian officials. The Action Plan was discussed with Russian officials from various (and often competing) ministerial departments. Problems encountered in implementation are discussed below.

b) Krasnoyarsk

A two-day Seminar on Military/Industrial Conversion with a Focus on Telecommunications was held in the formerly closed Siberian city of

Krasnoyarsk on 24-25 March 1992. The meeting brought together about hundred government experts and senior businessmen from the telecommunications sector in OECD Member countries and the Russian Federation. Present were also a Deputy Minister for Communications and two eads of Sub-committees of the Supreme Soviet, responsible for conversion. the 38 western participants, in addition to the OECD Secretariat and consultants, came from 10 different Member countries.

The seminar had two main themes. First it discussed the overall questions relating to military/industrial conversion, using the telecommunications sector as a special case study. The new Law on Conversion which had been adopted by the Russian Parliament only the week before, was presented by its main author and discussed. Secondly, the seminar brought together potential business partners from OECD Member countries with their Russian counterparts for on-the-spot contacts and plants visits to facilitate the involvment of the Western business community in the conversion effort.

Visits were made to a number of facilities, where some of the most sophisticated military communications equipment, notably within the fields of satellites and radio-communication, in the Russian Federation is developed and manufactured. The participants in the seminar were the first foreign business delegation to visit the still-closed city of Krasnoyarsk-26.

c) Zhukovsky

In November 1992 a 3-day Seminar on Defense Conversion, specifically focused on the aerospace sector, was held in Zhukovsky. This city has been the centre of Russian aerospace research and development for the past 0 years and is the site the world's largest and most comprehensive aerospace testing facilities. Western attendance included industry and government representatives from 10 OECD countries along with members of EBRD, UNDP, ESA, and the EC. Russian participation included representation across the aviation sector from federal ministries and airframe manufacturers to local businessmen who are now operating in the private sector within the aerospace industry.

The three-day seminar included examples of lessons learned in East-West Co-operation presented by Western industrialists, programmes in defense conversion from the Western and Russian view point, site visits to test facilities for the formally secret city of Zhukovsky, and workshops for exchange of ideas concerning the obstacles hindering more productive East-West Co-operation. A report on the seminar outcomes and workshops' conclusions has been issued and sent to participants as well as to concerned OECD committees.

The seminar was followed-up ten days later by an expert meeting on local development organised under the auspices of the OECD ILE programme.

9. Follow-up

Discussions for the implementation of the Action Plan were resumed in February 1993. The leading Russian partner is the Committee on Defence Industry. Four regions have been selected for case studies: Tver, Kaluga, Krasnoyarsk and Zhukovsky.

-- Zhukovsky

As a result to the November Seminar the Canadian firm, CAE Electronics Ltd., made a proposal to consider locating a centralized civil aviation training center in the Zhukovsky region. After a London meeting in January 1993 with OECD, EBRD and CAE, the decision was made to initiate a feasibility study to investigate this proposal. EBRD and OECD would jointly sponsor a meeting in Zhukovsky in March to elicit the necessary support from the Russians to initiate a three month study. Attendees at the meeting will include the 4 civil aviation manufacturers in Russia, the airlines of the NIS (which currently number over 100 companies) and representatives of the Federal government involved in the civil aviation and defense conversion. The role of OECD is this project is that of a catalyst to bring the necessary players together to initiate the study. At the conclusion of the study, OECD will act only in the capacity of an observer providing advice on request since the lead for the project will shift to the bankers (EBRD) or an interested industrial firm.

-- Krasnoyarsk

A follow-up mission in July 1992 from Krasnoyarsk to OECD by the main local organiser of the Seminar generated several projects which will be followed through in 1993, including a pre-feasibility study of the "SIGNAL" project, which intends to use current military/industrial manufacturing facilities, as well as military satellites, to develop the public telecommunications network in the Krasnoyarsk region.

10. Problems encountered/Lessons Drawn:

a) The delays for the implementation of the Action Plan were due to the difficulties of identifying the Russian Government body which would take the lead in implementing the project. Many government bodies (Ministerial departments, State Committees... have or pretend to have responsibilities over conversion issues. These responsibilities are often overlapping and geared to conflicting objectives. Moreover, the Ministry of Industry which was supposed to take the lead was dismantled in the Fall of 1992.

b) Krasnoyarsk

The Seminar in Krasnoyarsk showed clearly the merits of the "bottom-up" approach, as it was possible in a short time to put together a meeting which included all parties involved in the conversion process. At the regional and local level the problems of conversion are felt directly, and assistance and advice from the outside are valued.

One of the main barriers to fruitful discussion with the Russian officials and business-people observed at the Seminar was their lack of understanding of basic western business methods and ways of thinking. High quality interpretation is also a must.

Valuable experience and insights were gained through the Seminar, and contacts for further work in the conversion field were made.

c) Zhukovsky

Due to the large number of organizations conducting missions, meetings and seminars in the NIS attendance by the federal ministries at any function is difficult if not impossible. This problem makes it difficult to receive firm support at the federal government level for our initiatives. It is perceived by both Russian and Westerners that lack of Government attendance

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is a sign of lack of support for the given programme. In regard to the follow-up programme in Zhukovsky, the lack of a firm government policy concerning control of the civil aviation sector has made it difficult to get strong government support for the project. The break-up of the once single civil aviation entity, Aeroflot, in the USSR to over 100 registered companies indicates the need in this area for strong government controls. In order to initiate a joint programme by Russian firms to enter into a venture with the West clear guidance must be articulated by the Federal government.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget year: 1992

2. Activity Title/Number: Corporate Organisation and Re-organisation/1.1.2

3. Directorate/Official Responsible for Activity: DAFFE/DIR/S. Nestor

4. Titles and Numbers of Resulting Publications: None

5. CEE/NIS Countries that participated: Russia

6. Collaboration with Multilateral Institutions: None

7. Collaboration with OECD Committees/Member countres: One expert/consultant from the US has been engaged in component (B), which is being financed by a voluntary contribution from the UK.

8. Activity Description and Assessment:

This Activity had two components:

A) Participation in the EEC Legal Task Force for the NIS. Two Secretariat representatives took part in the meetings in Moscow (February) and Kiev (October). Moreover, the Secretariat actively participated in the elaboration of the Task Force's programme in a meeting in Brussels, in May. The results as regards the effort as a whole are positive, from an analytical perspective, albeit the implementation of the recommendations of the Task Force might take some time. On the OECD side, Secretariat experts made a number of useful contacts with NIS representatives and had the opportunity to examine first-hand the specific problems in the area of legal reforms.

B) The OECD has organised a preparatory meeting for the elaboration of a training course for Russian Arbitrazh judges on corporate organisation and functions. Participants included the chairman of the Russian Supreme Arbitrazh court and the vice-president of the Russian Legal academy. The meeting resulted in the alaboratin of an extensive course outline and the settlement of a number of organisational details.

9. Follow-up:

A) The OECD will continue to contribute to the Task Force's work in 1993.

B) The training course for judges will be held in the end of May 1993 in the Russian Legal Academy, in Moscow. A final preparatory meeting which will discuss the extensive case materials available will take place in April 1993, in Moscow.

10. Problems/Lessons

A) This is an example of productive co-operation between OECD and EC in developing the legal infrastructure for economic reforms in the NIS. A number of problems may arise in the context of this activity, but they do not directly concern the OECD. One general lesson might be that being overly ambitious both as regards the subject matter of the

advice, and the diversity of its recipients, does not always pay -- especially in the NIS context.

B) Co-ordinating different institutions in Russia proved to be difficult. The activity is expected to provide a useful contribution to developing legal infrastructure and institution building

1992 PROGRAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal Common to Several Republics

II. Agriculture

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget year. 1992

2. Activity Title/Number: Corporate Organisation and Re-organisation/1.1.2

3. Directorate/Official Responsible for Activity: DAFFE/DIR/S. Nestor

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B) The OECD has organised a preparatory meeting for the elaboration of a training course for Russian Arbitrazh judges on corporate organisation and functions. Participants included the chairman of the Russian Supreme Arbitrazh court and the vice-president of the Russian Legal academy. The meeting resulted in the alaboratin of an extensive course outline and the settlement of a number of organisational details.

9. Follow-up:

A) The OECD will continue to contribute to the Task Force's work in 1993.

B) The training course for judges will be held in the end of May 1993 in the Russian Legal Academy, in Moscow. A final preparatory meeting which will discuss the extensive case materials available will take place in April 1993, in Moscow.

10. Problems/Lessons

A) This is an example of productive co-operation between OECD and EC in developing the legal infrastructure for economic reforms in the NIS. A number of problems may arise in the context of this activity, but they do not directly concern the OECD. One general lesson might be that being overly ambitious both as regards the subject matter of the

advice, and the diversity of its recipients, does not always pay -- especially in the NIS context.

B) Co-ordinating different institutions in Russia proved to be difficult. The activity is expected to provide a useful contribution to developing legal infrastructure and institution building.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992/1993

2. Activity Title/Number: Training in the Agro-Food Sector in Russia, Ukraine and possibly Kazakhstan/1.2.1

3. Directorate/Official Responsible for Activity: Agriculture/F. Kuba

4. Titles and Numbers of Resulting Publications: Final results of the activity will be published

5. CEE/NIS Countries that Participated in Activity: Russia

6. Collaboration with Multi-lateral Institutions: World Bank

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

   . Activity draws extensively on background and networking provided by the high level conferences on Agricultural Advisory Services; Higher Education in Agriculture; and Agricultural Research held under the aegis of the Committee for Agriculture

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   due to the complexity of the analysis involved, it was decided at an early stage to initially limit this review to Russia. It is intended to extend the review to other republics (notably the Ukraine and Kazakshstan) at a later stage.

   Objectives: To carry out a detailed review of the agricultural education and training (AET) system in Russia. To prepare a report based on the findings of the review which will include recommendations as to how the AET system can be made more efficient and more conducive to a market-oriented agro-food sector.

   Results to date: After preliminary contacts with the Russian authorities, a first fact-finding mission visited Russia in September 1992 to discuss the form and scope of this review and to gather information on the organisation and structure of the present system. This will be followed up by a final mission to Russia to take place in May/June 1993 which will bring together the remaining information for a comprehensive report.

9. Follow-up (i.e., whether activity was continued in following year, generation of other activities, etc.):

   . Activity is ongoing

   . It is intended to organise a roundtable discussion with OECD and Russian specialists and policy makers based on the findings of the final report to facilitate and promote implementations of any recommendations;

   . At a later stage, it is intended to extend the review to other NIS

10. Problems Encountered/Lessons Drawn:

In the early stages of the Review, problems were encountered with our co-operation with Russian officials. It was in particular difficult to determine, and establish contact with, the relevant officials in the relevant Russian Ministries. These problems were related to insufficient consultation with the Russian authorities concerned at the preparatory stage. However, these problems were resolved with the Russian authorities during the fact-finding mission in September 1992 and the situation has since grearly improved.

Conclusion. It is very important to establish contacts with the relevant officials at the outset of a project with the NIS in order to ensure that assistance projects are demand-led rather than supply-driven.

1992 PROGRAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposals Common to Several Republics

III. Nuclear Safety and Environmental Problems

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number:

   Programme of Technical Assistance to NIS
   1.3.1 Improvement of the safety of VVER-1000 reactors

3. Directorate/Official Responsible for Activity:
   NEA - K. Stadie

4. Titles and Numbers of Resulting Publications:
   -

5. CEE/NIS Countries that Participated in Activity:

   Russia, Ukraine

6. Collaboration with Multilateral Institutions:

   International Atomic Energy Agency (IAEA)

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

   NEA Committee on the Safety of Nuclear Installations, NEA Committee on Nuclear Regulatory Activities

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   . Activity not yet implemented. Will consist in supporting the IAEA programme by providing assistance in NEA's specific areas of expertise. Studies may include review of VVER-containment concept and investigation of severe accident phenomena for this type of reactor.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

10. Problems Encountered/Lessons Drawn:

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number:

   Programme of Technical Assistance to NIS
   1.3.2 Strengthening of safety authorities

3. Directorate/Official Responsible for Activity:
   NEA - K. Stadie

4. Titles and Numbers of Resulting Publications:
   -

5. CEE/NIS Countries that Participated in Activity:

   Russia, Ukraine

6. Collaboration with Multilateral Institutions:

   International Atomic Energy Agency (IAEA), Commission of the European Communities (CEC)

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

   NEA Committee on Nuclear Regulatory Activities

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   . Assistance is concentrated on providing advice on nuclear regulatory issues: e.g. regulatory aspects of human factors in operational safety, use of probabilistic safety assessments, materials studies, ageing of components, maintenance, licensing, regulatory inspection practices.

   . Initial contacts have been made between the Committee on Nuclear Regulatory Activities and the Council of Regulatory Bodies for VVER Reactors.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

   Expansion of this programme is under way.

10. Problems Encountered/Lessons Drawn:

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number:

   Programme of Technical Assistance to NIS
   1.3.3 Development of a Legal Framework

3. Directorate/Official Responsible for Activity:
   NEA - P. Reyners

4. Titles and Numbers of Resulting Publications:
   -

5. CEE/NIS Countries that Participated in Activity:

   Russia, Ukraine

6. Collaboration with Multilateral Institutions:
   -

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):
   -

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   . Specific assistance to relevant national nuclear regulatory authorities in the preparation of legislative texts.
   . Provision of legal documentation and training.
   . Information Seminar on Nuclear Law was held in Kiev.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

   Activity continues in 1993. Training Seminar for Lawyers of CEECs and NIS will be organised in late 1993.

10. Problems Encountered/Lessons Drawn:

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number:

   Programme of Technical Assistance to NIS
   1.3.5 Transfer of nuclear safety knowledge

3. Directorate/Official Responsible for Activity:
   NEA - K. Stadie

4. Titles and Numbers of Resulting Publications:
   -

5. CEE/NIS Countries that Participated in Activity:

   Russia, Ukraine

6. Collaboration with Multilateral Institutions:

   International Atomic Energy Agency (IAEA), Commission of the European Communities (CEC)

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

   Committee on the Safety of Nuclear Installations (CSNI), Committee on Nuclear Regulatory Activities (CNRA)

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   . Participation in NEA specialist meetings, seminars, workshops on nuclear safety, training and inspection, regulation. Major areas include severe accidents, human factors, thermal-hydraulic issues, etc.

   . Participation in NEA Joint Projects and Programmes:
   - NEA International Programme on Non-Destructive Testing of Steel Components (PISC) [Russia]
   - International Standard Problem Exercises on Nuclear Safety Issues.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

   Yes, activities were pursued and expanded further.

10. Problems Encountered/Lessons Drawn:

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: 1.3.6 Environmental Advisory Services

3. Directorate/Official Responsible for Activity: ENV

4. Titles and Numbers of Resulting Publications:

The following documents have been translated into Russian:

Improving the Enforcement of Environmental Policies (Env Monograph)
Conference on Energy and Environment: conclusions
Int. Conference on Privatisation and Liability, preliminary report and issues paper
Environmental Monitoring (Env Monograph)
Environmental Auditing Process, a Driving Force for Cleaner Production
Environmental Policy - How to Apply Economic Instruments

5. CEE/NIS Countries that Participated in Activity:

Russia, Belarus, Ukraine, Kazakhstan

6. Collaboration with Multi-lateral Institutions:

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

Missions to Belarus, Russia, Ukraine and Kazakhstan enabled contacts to be established with the respective Ministries of Environment, who supplied information on the environmental policies and problems encountered in the transition process. Contact was also established with other major organisations providing technical assistance (The World Bank, USEPA, USAID and EC).

As the result of discussions with the NIS it was agreed to translate a number of OECD documents (proceedings, monographs and books) to Russian. A number of these translations were distributed to specialists during a seminar in Minsk (see Activity 1.3.8)

The work achieved in 1992 provided a strong foundation for the OECD in environmental work involving the CIS countries.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

10. Problems Encountered/Lessons Drawn:

Specialists in the environmental field are well trained and do not require general information from the West. Technical assistance in this field must be focused on tackling and solving specific problems.

TB

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: 1.3.7 Workshop on Economic Reform and Environmental Issues

3. Directorate/Official Responsible for Activity: ENV

4. Titles and Numbers of Resulting Publications:

   Papers and conclusions in English and Russian.

5. CEE/NIS Countries that Participated in Activity:

   Armenia, Belarus, Kazakhstan, Kirgistan, Moldova, Russia, Tadzhikistan and Ukraine.

6. Collaboration with Multi-lateral Institutions:

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   A seminar on "Environmental Policy and the Transition to a Market Economy" was organised in collaboration with the State Committee for Ecology of Belarus on 2-3 December, 1992. Some 90 participants representing 8 countries of the CIS and the OECD Secretariat attended the seminar. The seminar was organised around four themes that are critical to environmental policies of economies in transition: economic restructuring and the environment; privatisation, foreign direct investment and environmental liability; resource pricing and economic instruments; and low-cost technological improvements to polluting industries.

   There was a positive and active participation by the CIS representatives during the conference. The provision of selected OECD documents in Russian was highly appreciated since there is a serious lack of material in Russian analyzing environmental problems from a policy and economic perspective. The seminar identified a number of issues for future cooperation between the CIS and the OECD in this sector.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

   Seminar conclusions will be sent to the parliaments and governments of the CIS countries. They will serve as a basis for developing our 1994 programme proposals.

10. Problems Encountered/Lessons Drawn:

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: 1.3.8 Environmental problems and policy assessment

3. Directorate/Official Responsible for Activity: ENV

4. Titles and Numbers of Resulting Publications:

5. CEE/NIS Countries that Participated in Activity: Ukraine, Belarus

6. Collaboration with Multi-lateral Institutions: World Bank

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   The introduction of environmental and safety audits to the industrial sector of the NIS was identified as a potentially very cost-effective measure. After discussions with Ukrainean authorities it was decided to organize a seminar on Safety and Economic Efficiency in the Chemical Industry of the Ukraine in collaboration with the Ministries of Environment and Industry. This will take place on 12-14 October, 1993. The seminar will be a very practical introduction on the approach to these problems used by the major Western chemical industries.

   This activity also includes discussions on the participation of OECD in the organisation of a conference where the World Bank Environmental Action Programme for Belarus will be presented.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

   Seminar "Safety and Economic Efficiency in the Chemical Industry of the Ukraine", Kiev, 12-14 October 1993
   Conference "Presentation of the World Bank Environmental Action Programme for Belarus", Minsk, May-June 1993

10. Problems Encountered/Lessons Drawn:
    Delayed due to recruitment lag.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: 1.3.9 Environmental Data and Information

3. Directorate/Official Responsible for Activity: ENV

4. Titles and Numbers of Resulting Publications:

   Translation to Russian of the OECD/Eurostat Environmental Data Questionnaire.

   Eventually a review of the Belarussian environmental information system will be prepared together with environmental indicators.

5. CEE/NIS Countries that Participated in Activity:

   Belarus

6. Collaboration with Multi-lateral Institutions:

   The European Environment Agency Task Force, World Bank

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

   Expert from the Netherlands will participate in the review.

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   The OECD/Eurostat Environmental Data Questionnaire was translated into Russian.

   After a request from Belarus, a review of the environmental information system of Belarus was initiated. Similar reviews have been performed in the PIT countries (see Activity 8.9 in 1992).

   In an initial mission the questionnaire was presented to responsible authorities in Belarus. The objective of using the questionnaire is threefold. First, the completed questionnaire provides an input to the review which will be performed in March 1993. Secondly, it will introduce the responsible authorities to the format of international environmental statistics. Finally, the information will be used in the compilation of the Pan-European State of the Environment report, presently being prepared by the European Environment Agency Task Force. The Belarussians delivered the completed questionnaire to the OECD at the end of 1992.

   The specialist mission will include experts from an OECD Member country, Slovakia and the World Bank.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

   Review mission to Belarus, March 1993. Presentation of the report at an

OECD-meeting in September 1993. Further collection of Belarussian data by means of the OECD questionnaire.

The Russian version of the OECD/Eurostat Environmental Data Questionnaire is a very important tool for future environmental work in other states of the ex-USSR. Extension of review to other NIS

10. Problems Encountered/Lessons Drawn:

1992 PROGAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal Common to Several Republics

IV. Privatisation

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget year: 1992

2. Activity Title/Number: Alternative Approaches to Privatisation / 3.1. Privatisation (NIS)/1.4.1 (Funds for this activity were mainly used for the purposes of the AGP(see below under B), in which a number of NIS participate.

3. Directorate/Official Responsible for Activity: DAFFE/DIR/S Nestor

4. Titles and Numbers of Resulting Publications: "Trends and Policies in Privatisation", Vol.I No.1, (06 93 01 3) ISBN 92-64-03714-4 (twice-yearly periodical publication).

5. CEE/NIS Countries that participated: Poland, Hungary, CSFR, Bulgaria, Romania, Lithuania Latvia, Estonia, Albania, Ukraine, Belarus, Russia.

6. Collaboration with Multilateral Institutions: World Bank,EC Com., UNIDO, EBRD.

7. Collaboration with OECD Committees/Member countries: Government and Private experts from France, Austria, Germany, the UK, US, Portugal, Canada, the Netherlands, Finland, Japan and Switzerland participated in the meetings.

8. Activity Description and Assessment:

This Activity had two major components:

A) In the area of country-specific policy advice, the OECD organised an small (7, including Secretariat) experts meeting (informal workshop) in Sofia, on May 14-15 1992. Experts included western academics and privatisation officials from PIT countries. Following a request by the Bulgarian government, the meeting focused on implementation alternatives of the new Bulgarian privatisation law. The meeting resulted in a set of recommendations which were drafted by the Secretariat and sent to the Bulgarians under the title "Summary of discussion and conclusions". Apart from the discussions, the meeting gave the opportunity to the OECD Secretariat to have a number of informal contacts and gather substantial information on the state of privatisation policy discussion in Bulgaria.

B) The major part of resources was committed to the establishment and development of the OECD Advisory Group on Privatisation (AGP). There were three AGP events in 1992:

i) On February 7 1992, high-level officials (Ministers) from the 3 PIT countries came to Paris for an informal meeting. The outcome of this meeting was the establishment of the OECD AGP and the adoption of its work programme. According to the latter, the AGP meets twice a year and provides a forum for the exchange of information and experience between CEE and NIS privatisation officials and OECD government and private experts.

ii) The first meeting of the AGP was held in Warsaw, on July 8-10 1992. Apart from discussing trends and developments in privatisation in different

countries of the region, the main subject of the meeting was the role of financial intermediaries in the privatisation process. A subject matter approach was adopted: three papers on the role of investment funds, capital markets and banks as well as an overview paper were presented by western experts. A fruitful discussion took place that, according to participants, was very helpful in understanding the different approaches to financial intermediation in the specific CEE context. All the papers were published in the first issue of the "Trends. " publication.

iii) The second meeting of the AGP was held in Paris on 23-24 November 1992. The main subject this time was the institutional aspects of the privatisation process. An overview and three country studies (Poland, CSFR, Hungary) were presented, exposing the problems and challenges of adopting an institutional framework for a process that affects so many areas of a country's economic life. All countries showed a special interest in the subject and most of them presented brief papers on their own institutional arrangements (including a number of OECD countries). The main papers from this meeting will be published in the shortly forthcoming second issue of the "Trends..." publication.

9. Follow-up:

A) No specific follow-up, due to the dissolution (in July 1992) of the old privatisation Agency of Bulgaria and its replacement by a new institution (under the same name). Nevertheless, Bulgaria -- apart from participating in the AGP -- has expressed considerable interest in participating in the planned privatisation training courses in 1993.

B) The AGP is an on-going activity. Its future work is demand-driven; it is discussed on the end of every meeting, following informal consultations with privatisation officials from the PITs. Its results -- including an important section on comparative developments in privatisation, based on twice-yearly country reports -- are published in the twice-yearly "Trends...." publication. The third meeting will be held in Budapest in the end of March 1993 and will focus on management/employee buy-outs. Its fourth meeting will be held in the end of September 1993 in Prague and will focus on enterprise restructuring.

C) At the request of CEEC participants in the AGP, the Secretariat has developed three modules for training and privatisation officials which will become operative in Spring 1993: negotiating technique, contract drafting and evaluation of business plans.

10. Problems/Lessons.

A) Western academic experts often devoted their time to promoting theories, sometimes to a point that confused rather than helped Bulgarian officials. On the contrary, the participating PIT privatisation officials at the meeting proved to be very effective, given their practical approach and experience with a similar economic environment.

B) Lessons:

-- The development of a network of direct, high-level contact points is essential for good results in this activity. "Talking to the right people" in CEE capitals and in private firms can make or brake the meetings in terms of quality of participation and presentations.

-- Consecutive long presentations by CEE/NIS representatives on privatisation developments often cause a considerable drop in the participant's interest in the discussion. Such presentations should be very brief and structured along a set of information requirements. The Secretariat has recently elaborated such a structure, both for the purposes of discussion and information reporting for the publication.

-- Paper authors tend to generalise and often miss the central point , i.e. the supply and closely focused analysis of information that would be the basis of a meaningful discussion. Starting from the second AGP meeting, the Secretariat provides paper authors with an extensive outline describing the paper's different elements.

Problems:

-- The difficulty in providing travel allowance for eastern European participants is also a serious practical problem. Sometimes experts are left behind due to lack of travel money.

-- There is a lack of co-ordination/exchange of information among multilateral institutions. It looks however very plausible that in the near future the AGP might fulfill its role as a "forum" in this area.

-- Resource requirements for the organisation of meetings twice a year and the management of a publication were seriously underestimated. If this activity is to continue having successful results -- especially as regards the processing and dissemination of privatisation information -- more resources need to be devoted to it.

Prospects:

The feed-back from participants in the AGP has been very positive. The opportunity of having a policy forum on privatisation is appreciated. There are likely to be increasing demands for participation by those countries (essentially NIS) which have not yet been fully represented. The AGP is also likely to extend its role in acting as a catalyst for co-operation with national institutions and international organisations.

1992 PROGAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal Common to Several Republics

V. Building the Legal and Institutional Infrastructure Needed in a Market Economy

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: Reform of the Accounting System: Activity 1.5.1 Conference on Accounting Reform in the Newly Independent States (14-15 July 1992, 16-17 November, Kiev)

3. Directorate/Official Responsible for Activity: DAF/R Geiger, E Quiñones

4. Titles and Numbers of Resulting Publications: Manual for Accounting Reform in the NIS (1993), forthcoming.

5. CEE/NIS Countries that Participated in Activity: Belarus, Kazakhstan, Kurgystan, Moldavia, Russia, Turkmenistan, Ukraine, Uzbekistan.

6. Collaboration with Multi-lateral Institutions: EC, FEE, IASC, UN, WB

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions): Working Group on Accounting Standards

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

Topics

An assessment of current accounting practices and recently implemented changes in accounting in NIS was followed by an introduction to the objectives of financial accounting and reporting in market economies and the basic elements of financial statements. The second part of the meeting was devoted to identifying specific accounting needs and focused on urgent issues including inflation accounting

Results

The meeting helped NIS accounting experts from the eight republics to identify the most pressing issues of accounting reform and ways of optimising western technical assistance through co-ordinated effort in legislative reform and accounting training. -- A co-ordinating Council on Accounting Methodology was created to propose changes for the modernisation of accounting practices on a harmonised basis among the eight republics. -- The Council will: exchange information and experience on accounting reforms; promote the harmonisation of accounting standards; exchange information on technical assistance in accounting promoted by national and international bodies; promote the development and organisation of the accounting profession and encourage accounting research and training; encourage publications on accounting and auditing trends and developments.

9. Follow-up: The Council's first meeting took place in November 1992. All members are in the process of drafting new accounting legislation and designing systems for setting supplementary accounting standards. Recognising the importance of a skilled accounting profession, members are embarking on substantial retraining programmes. OECD efforts in organising and supporting the Council's work and in bringing together eight major

republics to ensure co-ordinated accounting reform are highly appreciated. The next meeting of the Council is scheduled for May 1993.

10. Problems Encountered/Lessons Drawn: OECD played a major role in the organisation of the Co-ordinating Council for Accounting Methodology which will continue to serve as a forum for co-ordination and harmonisation of accounting reforms among NIS.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: Reform of the Accounting System. Activity 1.5.1 Accounting and Auditing in the Russian Republic

3. Directorate/Official Responsible for Activity: DAF/ R Geiger, E Quiñones

4. Titles and Numbers of Resulting Publications:

5. CEE/NIS Countries that Participated in Activity: Russia

6. Collaboration with Multi-lateral Institutions: EC, WB, UN, FEE

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions): Working Group on Accounting Standards

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training): The OECD co-operated with other international organisations in establishing an International Advisory Board on Accounting and Auditing for the Russian Republic. An organisational meeting in July 1992 set the programme of work and methodology for the task of drafting accounting legislation and standards. The Board's priorities include revising the chart of accounts, drafting an accounting law, reviewing draft auditing legislation, and creating a standard setting system. -- The board met again in Moscow in January 1993 to finalise its comments on the draft auditing law.

9. Follow-up: The next meeting will take place in June 1993 to discuss accounting legislation

10. Problems Encountered/Lessons Drawn: Ensuring that comments and advice on draft legislation are channelled to the proper authorities. While there is no guarantee that final legislation will take account of all comments, officials responsible for such legislation are beginning to understand internationally accepted accounting rules and practices.

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OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: Competition policy/3.5; 22.3.3 and 1.5.2

3. Directorate/Official Responsible for Activity: DAFFE/CCP/G Hewitt

4. Titles and Numbers of Resulting Publications: See earlier reports under 1991/3.5 & 1992/3.5 relating to the seminar notes.

5. CEE/NIS Countries that Participated in Activity: Bulgaria/Poland

6. Collaboration with Multilateral Institutions: The Polish seminar involved participation by resident advisors from the U.S. Federal Trade Commission and the Department of Justice.

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

Both of these seminars closely followed the format and seminar notes previously used in Bucharest, Moscow and Alma Ata (see seminars reported under 1991/3.5 and 1992/3.5).

The first seminar took place in Sofia, Bulgaria from October 12th through the 16th. It was attended by roughly thirty-five persons. They came primarily from the Commission for the Protection of Competition (CPC), but there were also representatives from: the Council of Ministers; the Ministries of Industry, Finance, Trade, and Agriculture; and the Agency for Privatisation. A member of the Institute of Economics, Bulgarian Academy of Sciences also attended and furnished some papers describing the state of competition in Bulgaria. Outside of the seminar, there was a meeting for several hours with all the members of the CPC. This provided the setting for a helpful exchange of views regarding Bulgaria's competition statute (especially price control provisions), and the need for enforcement guidelines.

The Polish seminar took place in Cracow from November 23rd to 26th. About thirty persons attended drawn principally from the Polish Antimonopoly Office (both Warsaw and Cracow branches). There were representatives as well from the Faculty of Law, Jagiellonian University. The last two days of the seminar contained about five hours discussion of actual cases, all but one of which had been drawn from those previously presented at the the OECD's Vienna seminar.

9. Follow-up (i.e., whether activity was continued in following year, generation of other activities, etc.):

The meeting with the Bulgarian CPC led to our being asked to provide written comments on the Bulgarian competition statute. This was done and the comments sent early in November. There is a high probability we will be asked to assist in drawing up enforcement guidelines for Bulgarian competition law.

An attempt was made to include American resident advisors in the upcoming Brno and Bratislava introductory seminars.

10. Problems Encountered/Lessons Drawn:

The Bulgarian seminar again showed how difficult it is to communicate the economic underpinnings of competition law to persons not well versed in western economic principles. It also demonstrated the need for more practical examples to be integrated into the lectures. To accommodate greater reference to actual practice, the lectures will either have to be lengthened, or some existing material abbreviated or omitted. A better alternative may be to copy the Polish experience, i.e. bring in outside help to prepare and lead case discussions in the afternoons.

A greater effort should be made in future seminars to obtain assistance from the U.S. and EC competition authorites, and perhaps other member countries' competition offices, in preparing and leading case discussions as a supplement to the morning lectures. This was facilitated in Cracow by the fact that many of the attendees were not based in that city and so were available for both the morning and afternoon. To encourage active discussion, the cases should probably be taken from other countries (to reduce natural inhibitions to criticize colleagues' work).

Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget year: 1992

2. Activity Title/Number: Financial Legislation/1.5.3

3. Directorate/Official Responsible for Activity: DAF/FIN/H Blommestein

4. Title and numbers of publications: Russian Federation: Reform of Central Banking Part II, IMF, June, 1992 ; this is a confidential IMF document.

5. NIS country that participated in the Activity: Russian Federation

6. Collaboration with multilateral organisation: IMF

7. Collaboration with OECD Committees/Member Countries: Central Banks from the U.K., Austria, Germany, USA, Italy, and France.

8. Activity Description and Assessment: This activity is part of IMF-coordinated Technical Assistance to the Central Bank of Russia (CBR); the OECD took part in a two-week IMF mission in May 1992. The OECD had the primary responsibility for reviewing preliminary drafts of the financial legislation aimed at the creation of a government securities market in the Russian Federation. To that end, a series of meetings was held with Russian officials of the CBR, Ministry of Finance, MICEX, representatives of the Russian Parliament and commercial banks. The discussions focused on the following main topics :
i) the financial relations between the CBR and the government (draft law on the Domestic Debt and draft ammendments of Central Bank Law);
ii) the issuance and trading of government securities (draft laws on Investment Securities and Securities plus CBR regulations on the conditions for the issuance of paperless securities plus draft agreement between the government and primary dealers); the role of the CBR as market maker and fiscal agent (draft laws on Securities and Investment Securities plus document on the conditions for the issuance of paperless securities). The mission gave preliminary reactions and suggested a number of changes in the draft laws and regulations on securities and domestic debt.

9. Follow-up: Partipation in IMF-coordinated missions to Russia in order to assess progress made and to provide technical assistance as appropriate.

10. Problems Encountered/Lessons Drawn: Co-operation with the IMF proved to be a very effective way to provide technical assistance to the Russian authorities. OECD's comparative advantage (in particular, a detailed knowledge of financial sector legislation in the OECD area), was fully exploited because the OECD had the primary responsibility for reviewing financial legislation.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget year : 1992

2. Activity Title/Number: Developments of payments, clearing and settlement systems/1.5.4

3. Directorate/Official Responsible for Activity: DAF/FIN/H Blommestein

4. Title and numbers of publications: Russian Federation : Reform of Central Banking Part I, IMF, April 1992 ; this is a confidential IMF document. Currently, Mr H Blommestein and Mr Summers (Senior Vice-President of the Fed Reserve Bank of Richmond) are editing a book on the design and management of payment systems based on the papers presented at the OECD/IMF/FED task-oriented training workshop for officials of NIS Central Banks.

5. NIS country that participated in the Activity: Russian Federation, Armenia, Azerbaijan, Belurus, Kazakhstan, Kyrghyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

6. Collaboration with multilateral organisation: IMF and BIS

7. Collaboration with OECD Committees/Member Countries: Central Banks from the U.K., Austria, Germany, USA, Japan, Australia, Switzerland and France. The central banks of Germany, Switzerland and the United States and the IMF and the BIS contributed to the financing of this activity.

8. Activity Description and Assessment: This activity is part of IMF-coordinated Technical Assistance to the NIS. The OECD participated in two payment system activities:

(I) A two-week IMF-coordinated mission in February 1992 to the Russian Federation. The OECD had, together with the Federal Reserve, been given responsibility for reviewing the effectiveness and efficiency of the current payment mechanism in Russia. This entailed a discussion of laws, regulations, clearing processes, paper flows and accounting flows associated with the major payments instruments in use in Russia. In addition, the proposed plan under development by the CBR for improving the payment system and the related processing infrastrucure was analysed. To that end, a series of meetings was held with Russian officials of the CBR, MICEX, representatives of the Russian Parliament and commercial banks. The discussions focused on the following main topics :

i) the problem of payment system float;
ii) transitional measures to facilitate interbank and interstate transfers of large value funds and to improve the efficiency of inter-state settlement arrangements;
iii) payments law and regulations;
iv) requirements of payment system technology and procurement issues;
v) payment system risk
vi) building general payment system knowledge.

The mission suggested a number of key transitional measures to improve the working of the payment system. The mission also urged the introduction of security measures to protect the payment system against fraud.

II) The second OECD activity in this area was a two-week task-oriented training workshop organised in September 1992 with the IMF and the US Federal Reserve Board, as an integral part of IMF-coordinated technical assistance on the payment system to the NIS. This activity was not a training seminar in the conventional sense because the emphasis was on hands-on exposure to actual payment system operations through visits to selected payment system sites: the SIC payment system in Switzerland, the EAF payment system of the Deutsche Bundesbank, and the FEDwire, CHIPS and ACH systems in the USA. The presentations by practitioners were of high quality, and the visits were an essential complement to the oral presentations. Moreover, the background documentation was available in Russian (and English) before the start of the workshop.

The key messages conveyed by the workshop and illustrated by the visits to payment centers can be summarised as follows:
1) there are important trade-offs between efficiency and safety in the design of payment systems;
2) collaboration and complementarity between the public and private sector in areas of fundamental importance in the design, testing, and operation of payment systems;
3) the time value of money was vividly perceived by participants as they followed on a screen hourly operations of payment systms, in particular of FEDWIRE;
4) the visit to the New-York FED to get acquainted with the design and implementation of automated payment systems underlined the pitfalls of systems design, in particular the risks of "grand schemes" and the risks in dealing with vendors;
5) linkages between payment reforms and the strengthening of monetary policy;
6) the importance of clearing houses in cross-border payments was clearly illustrated by the operations of CHIPS.

9. Follow-up: Partipation in IMF-coordinated missions to the NIS in order to assess progress made in payment system reform and to provide technical assistance as appropriate (this might include a second task-oriented payments workshop); participation in coordination meetings of multilateral institutions (BIS, IBRD, IMF, EBRD, and EC) to establish the broad framework for modernisation of the NIS payment systems and to set out the principles to be taken into account in providing technical assistance in the payment system area; organisation of an informal experts meeting at the OECD to address the interface between bank restructuring and payment system reform in the NIS; possible organisation of an informal OECD workshop on inter-enterprise arrears.

10. Problems Encountered/Lessons Drawn: The OECD is relatively best informed about the payment system in Russia. Consequently, the assessment of problems will be limited to Russia. The main problems in this area are: complexity (Russia's sheer geographical size and the existence of nine time-zones); as well as difficulties in implementing key transitional measures for improving the payment system, due to lack of trained staff. Lessons drawn: progress in this crucial area of financial sector reform will be slow and technical assistance will be a long-term and costly affair. Despite these difficulties, important progress has been made. Co-operation with the IMF and experts from OECD central banks is essential to provide effective technical assistance in this area, while overlap is avoided and OECD's comparative advantage (in particular OECD's ability to focus on horizontal issues, including the interface between the payment

system and the broader issues in bank restructuring) is fully exploited.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget year: 1992

2. Activity Title/Number: Technical aspects in the creation of government securities markets/1.5.5

3. Directorate/Official Responsible for Activity: DAF/FIN/H Blommestein

4. Title and numbers of publications: Russian Federation : Reform of Central Banking Part II, IMF, June, 1992; this is a confidential IMF document.

5. NIS country that participated in the Activity: Russian Federation

6. Collaboration with multilateral organisation: IMF

7. Collaboration with OECD Committees/Member Countries: Central Banks from the U.K., Austria, Germany, USA, Italy, and France.

8. Activity Description and Assessment: This activity is part of IMF-coordinated Technical Assistance to the Central Bank of Russia (CBR); the OECD took part in a two-week IMF mission in May 1992. The OECD and the Bank of England had the primary responsibility for reviewing the situation and policy with respect to the creation of a government securities market and public debt management in the Russian Federation. To that end, a series of meetings was held with Russian officials of the CBR, Ministry of Finance, MICEX, representatives of the Russian Parliament and commercial banks. The discussions focused on the following main topics :
i) the status and size of outstanding government bonds;
ii) the structure and organisation of the primary market for government securities, including selling techniques and the role of primary dealers;
iii) the structure and organisation of secondary market operations
iv) coordination between public debt management and monetary control;
v) institutional arrangements between the CBR and the Ministry of Finance.
The mission answered many practical questions of the Russian officials responsible for this policy area and provided a number of key recommendations in a confidential IMF Technical Assistance report that was sent to the Russian authorities. The mission provided recommendations and offered future TA with respect to the following issues:
   -- the organisation and modalities of the issuance of T-bills;
   -- the organisation and structure of the secondary market;
   -- the provision of general public debt management knowledge;
   -- strengthening of the coordination of public debt management and monetary control;
   -- improvement of cooperative arrangements between CBR and Ministry of Finance.

9. Follow-up: participation in IMF-coordinated missions to Russia in order to assess progress made and to provide technical assistance as appropriate, including the organisation of an OECD/IMF task-oriented training workshop.

10. Problems Encountered/Lessons Drawn: Co-operation with the IMF and experts from OECD Central banks resulted in a series of concrete recommendations to develop a government securities market in Russia as well as to improve public debt management. This had an important impact on the organisation and modalities of the issuance of T-bills as well as measures to improve

the co-ordination between the Russian Central Bank and the Ministry of Finance. Co-operation with the IMF made possible a focused approach within a broader framework of technical assistance.

1992 PROGAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal Common to Several Republics

VI. Foreign Direct Investment

OECD Centre for Co-operation with European Economies in Transition
Directorate Activity Assessment Form

1. Budget Year: 1991, 1992

2. Activity Title/Number: Review of Foreign Investment Legislation and Promotion Programmes: FDI country policy reviews
Numbers: 20.5.1; 21.5.1; 22.5.1; 1.6.1/2

3. Directorate/Official Responsible for Activity: DAFFE/CMIS/Rolf Alter

4. Titles and Numbers of Resulting Publications: None

5. CEE/NIS Countries that Participated in Activity:

One meeting each with Poland, Hungary, CSFR, Russia and Lithuania. Country representatives were key government officials responsible for FDI policies in the Ministry of Economics/Finance, the Central Bank, and the Foreign Investment Agencies.

6. Collaboration with Multilateral Institutions: EC

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

Committee on International Investment and Multinational Enterprises, Committee on Fiscal Affairs, Investment policy officials and/or regional specialists from Member countries.

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

The meetings gave the opportunity for an informal exchange of views of policy issues related to FDI between experts from the economies in transition members of the Committee for International Investment and Multinational Enterprises, members from the Committee on Fiscal Affairs, regional specialists from Member countries, as well as with the OECD Secretariat.

Three key topics have been explored:

-- The legislative and regulatory framework for foreign direct investment; legal forms of foreign participation; legal provisions and procedures for foreign participation at federal and republic levels; FDI in the framework of privatisation and restitution; Repatriation of income, profits, and dividends,; legal protection of investment, compensation guarantees, bilateral and multilateral investment protection agreements and double taxation treaties;

-- Incentives for FDI; fiscal incentives (tax rates, tax reliefs etc.); non-fiscal incentives; legal provisions and procedures at federal and republic levels; expected effects on FDI flows;

-- The OECD instruments on investment (Code of Liberalisation of Capital Movements, National Treatment Instrument, Guidelines for Multinational Enterprises).

The meetings provided the CEECs with the opportunity to present their FDI policies to OECD Member countries and to inform them about the progress in the transition process. CEECs were also very interested in learning about the experience with FDI policies in OECD countries, and made inquiries about the OECD investment instruments, particularly with regard to the general practice in applying them in areas sensitive from the individual transition country's point of view.

9. Follow-up (i.e., whether activity was continued in following year, generation of other activities, etc.):

In view of the fruitful dialogue experienced in the informal meetings, three major avenues of follow-up were pursued:

- Extending the informal meetings from the PIT countries to other CEECs (in 1993, meetings with Romania and Bulgaria are scheduled for March);

- Introducing annual reviews of FDI policies for the well-advanced transition economies (in 1993, Poland and the Czech Republic will be invited for their second review);

- Offering opportunities for a dialogue among FDI policy makers in the East and the West and the private sector on a regular basis: the Advisory Group on Investment was established for this purpose in September 1992.

10. Problems Encountered/Lessons Drawn:

One-time informal meetings are not enough. Reflecting the continuous change in FDI legislation throughout the transition process, CEECs would need technical assistance on a regular basis. They would definitely benefit from an "Annual Review" approach similar to the practice with OECD countries. For the time being, available resources do not allow to pursue this approach on a broader base, but only for the PIT countries.

11. Reference Material

Annotated agendas and Summary Records have been prepared for each meeting.

1992 PROGAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal Common to Several Republics

VII. Statistics

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: National Accounts/1.7.1

3. Directorate/Official Responsible for Activity:
STD/A. Harrison, L. Pathirane, D. Blades

4. Titles and Numbers of Resulting Publications: --

5. CEE/NIS Countries that Participated in Activity:
Russia, Ukraine, Belarus, Kazakhstan, Kyrghyzstan, Uzbekistan, Turkmenistan

6. Collaboration with Multi-lateral Institutions: --

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions): --

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training)

a) Technical assistance missions to assist in developing and implementing national accounts estimates in Russia, Ukraine and Belarus;
b) Initial fact-finding missions to Kazakhstan, Kyrghyzstan, Uzbekistan and Turkmenistan.

9. Follow-up (i.e. whether activity was continued in following year, generation of other activities, etc.):
Ongoing into 1993

10. Problems Encountered/Lessons Drawn: --

The level of knowledge and understanding of national accounts are lower in the NIS countries than the CEEs. The missions to Russia, Ukraine and Belarus have shown that the technical assistance to these countries will be more labour intensive and might require more frequent and/or longer visits than to the CEEs. Visits to individual countries could also be alternating with workshops for a small group of countries, for example the Central Asian republics, to discuss common problems and to find common solutions, as in the beginning at least the statistical information systems are very similar.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: Short-term indicators and business tendency surveys/1.7.2

3. Directorate/Official Responsible for Activity:
STD/A. Harrison, R. Nilsson

4. Titles and Numbers of Resulting Publications: --

5. CEE/NIS Countries that Participated in Activity:
Russia, Ukraine, Belarus and other CIS countries

6. Collaboration with Multi-lateral Institutions:
CIS Statistical Committee

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions): --

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training)

   a) All CIS countries submitted data to OECD through CIS Statistical Committee for publication in historical compendium in mid-1993 to be issued by OECD and CIS;
   b) Russia, Ukraine and Belarus participated in seminars on business tendency surveys held in cooperation with Eurostat and DG 2 for CCEEs.

9. Follow-up (i.e. whether activity was continued in following year, generation of other activities, etc.):
Both activities will continue in 1993.

10. Problems Encountered/Lessons Drawn: --

The business tendency seminars mentioned under b) are less relevant for these countries than for the CEE countries because the private sector is less developed. Nevertheless, a research institute is carrying out a survey in Russia and Belarus and Ukrania are considering launching surveys in the near future.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: Price Statistics/1.7.3

3. Directorate/Official Responsible for Activity: STD/D. Roberts

4. Titles and Numbers of Resulting Publications: --

5. CEE/NIS Countries that Participated in Activity:
Russia, Belarus, Ukraine

6. Collaboration with Multi-lateral Institutions:
UNECE and Eurostat

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):
Austria and Finland (Statistical Offices)

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training)

   1. Technical assistance missions to Goskomstat, Russia.
   2. Workshop in Vienna in connection with the Austrian/USSR bileteral PPP comparison for 1990.
   3. Workshop in Paris for experts in PPPs from Russia, Belarus and Ukraine (10 CEEC'c also participated).
   4. Uzbekistan, Turkmenistan, Kyrghyzstan were visited on fact-finding mission where objective of PPP programme were explained and their participation encouraged.

9. Follow-up (i.e. whether activity was continued in following year, generation of other activities, etc.):
Continuing project. It is hoped all NIS countries will participate.

10. Problems Encountered/Lessons Drawn:

The Paris workshop was considered very successful by the participants. All 3 NIS countries (and 9 CEEC's) have agreed to participate in the 1993 bilateral PPP comparisons with Austria and are devoting considerable resources to this work.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: Other Statistical Areas (Agriculture), 1.7.4

3. Directorate/Official Responsible for Activity: Agriculture/A. Lindner

4. Titles and Numbers of Resulting Publications:

   Agr. statistics document in preparation on Russian Federation, Belarus, Kazakhstan. Will be published by OECD in co-operation with Goskomstats of these three republics.

5. CEE/NIS Countries that Participated in Activity:

   Russian federation, Belarus, Kazakhstan

6. Collaboration with Multi-lateral Institutions:

   Focus and timing of activity planned within the Inter-Seretariat working group on Agr. Statistics (FAO, OECD, ECE, Eurostat)

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

   Committee for Agriculture

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   Fact finding missions to these three republics and establishment of bilateral contacts took place in 1992. Co-operation is ensured and all three Goskomstats contribute to the establishment of an OECD database on agriculture for these countries. The objective of the activity is to critically review the quality and coverage of data obtained and to assist these countries in raising the quality level to international norms and standard.

   Progress to date: The activity progresses well and OECD has obtained full co-operation.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

   Ongoing activity. By its nature, this activity has to continue for more than one year to yield valid results.

   Following a request from Belarus, it is envisaged to organise a methodological workshop on agricultural accounts measurement and database management techniques in April 1994 in Minsk.

10. Problems Encountered/Lessons Drawn:

   The importance of a longer-term perspective in carrying out such an activity becomes clear. A two-year budget cycle would appear to be

indispensable to guarantee a successful completion of efforts undertaken. This activity has been met in all three republics with greatest interest and willingness to co-operate. OECD is expected by these countries and by other international organisations to assume a leading role.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992 (1993 carry-over)

2. Activity Title/Number: CCEET/NIS 1.7.4
Other Statistical Areas
(Russia - Labour Market Monitoring)

3. Directorate/Official Responsible for Activity:

ELS, Georg Fischer; (from October 1992 a new in-house consultant assumed management of the project under ELS supervision- Douglas Lippoldt)

4. Titles and Numbers of Resulting Publications: n/a

5. CEE/NIS Countries that Participated in Activity: Russia

6. Collaboration with Multi-lateral Institutions:

An active exchange of information has been undertaken with the World Bank and ILO staff working in this area.

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

A dialogue with the Government of Canada has been initiated concerning the possibility of participation in the next phase of this project.

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

The precise project specifications were developed during a July 1992 ELS diagnostic mission to Moscow (during meetings with Federal Employment Service management). The activity consists of development and field testing of a methodology for improved collection and reporting of administrative statistics using the registration cards of the unemployed. Initial in-country work on this project began in November 1992. Sites for the field work were selected, the specifics of the methodology were defined, and arrangements for the field test of the methodology were made. In February 1993, field work was initiated and aggregate data on the national and regional unemployment situations were collected. Data collection was completed in March and the project focus is now primarily on analysis.

9. Follow-up (i.e., whether activity was continued in following year, generation of other activities, etc.):

A workshop on the development and use of administrative statistics is planned for May 1993 in Moscow. The conclusion of the field work and analysis is tentatively planned for June. If this schedule is met, then final results will be presented in late June or early July.

10. Problems Encountered/Lessons Drawn:

There have been relatively limited logistical difficulties in connection with the field work. These have been largely overcome as a result of our

February 1993 mission, which included visits to the two field test sites.

1992 PROGAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal Common to Several Republics

VIII. Taxation

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: International Taxation Issues/1.8.1

3. Directorate/Official Responsible for Activity: DAFFE/FA/R. Vann

4. Titles and Numbers of Resulting Publications: None

5. CEE/NIS Countries that participated in activity: Belarus, Kazakhstan, Russia,
and Ukraine.

6. Collaboration with multilateral institutions: None

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions): Committee on Fiscal Affairs

8. Activity description and assessment, including discrete components: main topics (for meetings/workshops) and results (for policy advice/training):

The objectives set for this activity were threefold:

(1) to assist Belarus, Kazakhstan, Russia and Ukraine in the development of a tax treaty network with OECD Member countries;

(2) to examine the tax treatment of foreign direct investment by OECD Member countries into these countries;

(3) to provide training to senior government officials on the basic principles of international taxation.

The activity has been carried out by a series of bilateral missions and a major workshop organised in Paris in June 1992. The workshop brought together 18 OECD countries and Belarus, Kazakhstan, Russia and Ukraine, as well as the Baltic countries. The outcome of that meeting and the bilateral missions that preceded it was to increase the understanding on the part of these countries of the "international rules of the game" developed by the OECD in the tax area. A number of bilateral tax negotiations were also an outcome of this meeting.

Bilateral advice has been provided to each of these countries on the tax treatment of FDI and, in particular, the design and effectiveness of tax incentives. To date, however, the project has not been very successful in discouraging tax competition for FDI between these countries and the other NIS republics.

As regards training, these four NIS republics were brought into the OECD's Copenhagen tax training centre in June and senior officials from each of these republics have participated in courses on the principles of international taxation and tax treaties.

9. Follow-up (i.e. whether activity was continued in following year, generation of other activities, etc.): This activity continues in 1993 and

has been extended to the other NIS republics.

10. Problems encountered/lessons drawn: As a result of difficulties encountered in establishing contacts with the tax authorities of these countries the project did not begin until the Summer of 1992. However, already a number of these states have concluded tax treaties with OECD countries and improvements have been suggested to the tax treatment of FDI in Ukraine and Kazakhstan. Since 1992 more than 180 officials have attended courses in Copenhagen.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1991 and 1992

2. Activity Title/Number: 1991: Training of Tax Officials/20.4.1 /21.4.1/22.4.1 1992: Training of Tax Officials: 4.6 and 1.8.2 1992: Training of Tax Officials: 20.4.1/21.4.1/22.4.1

3. Directorate/Official Responsible for Activity:DAFFE/FA/R.Vann

4. Titles and Numbers of Resulting Publications:

   Brochure on Training Activities, February 1992 and April 1993
   Glossary of Tax Terms (forthcoming 1993)

5. CEE/NIS Countries that participated in activity: Albania, Belarus, Bulgaria, Czech Republic, Estonia, Hungary, Kazakhstan, Latvia, Lithuania, Poland, Romania, Russia, Slovak Republic and Ukraine.

6. Collaboration with multilateral institutions: IMF, World Bank, CEC and th International Bureau of Fiscal Documentation.

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions): Steering Group of the Committee on Fiscal Affairs; OECD's Group on Accounting Standards. Instructors for the courses have been provided from 12 OECD countries (Australia, Canada, Denmark, Finland, Germany, Ireland, Italy, Japan, the Netherlands, Norway, the United Kingdom and the United States), the IMF, World Bank and CEC. The hosting countries (Austria, Denmark and Hungary) have generously provided the facilities to put on these courses and the following countries have provided voluntary contributions: Canada, Denmark, Finland, Iceland, Japan, the Netherlands, Norway, Sweden and the United States.

8. Activity description and assessment, including discrete components: main topics (for meetings/workshops) and results (for policy advice/training):

   The CCEET multilateral tax training programme has been in operation for the period covered by this evaluation. The network consisted of three Centres (in Budapest, Copenhagen and Vienna) serving senior tax officials from 12 countries in transition (the CEECs and European NIS) and is in the process of being extended to the Central Asian and Transcaucasian NIS. A full evaluation of the programme is provided by the Canadian Tax Administration in C/NM(93)14.

   The objectives set for this programme were to meet the following training needs of tax officials from the economies in transition:

   (i) Training middle to senior level policy-makers and Administrators. The Centres play a major role in the training of middle to senior tax officials who are responsible for direct and indirect taxes. The issues examined include: the formulation of tax policy; the drafting of tax legislation; alternative strategies for promoting tax reforms; the economic analyses of alternative programmes; the organisation and management of the tax administration; tax audit and control, the structure of a tax administration; the collection of tax; relations with the taxpayer. In each of these areas common problems arise which can be dealt with by a

multilateral training centre giving courses to more than one State at a time and which build upon the expertise of national tax administrations of OECD countries.

(ii) Training officials who will deal with international tax issues. This category of needs is the training of tax officials who deal with international taxation issues. Courses focus on three areas: an introduction to international taxation issues; the role of tax treaties; transfer pricing issues and auditing MNEs. These are areas where the Committee on Fiscal Affairs has considerable expertise.

(iii) Training tax inspectors and administrators. This category of needs will generally be met by the creation of national training schools. Whilst there may be some role for bilateral assistance programmes, the Centres do not target this area although they do provide a forum where the directors of national tax schools can exchange views and provide training for the national instructors. Courses dealing with training issues are to be organised.

An evaluation of the programme by the Canadian National Tax Training Service, was broadly positive about the training network and noted that the objectives set for the programme had been attained. In 1992, 20 courses were offered at the three Centres, with Budapest and Vienna serving the needs of the CEECs (Budapest is used for courses on domestic taxation issues and Vienna on international issues) and Copenhagen the needs of the Baltic States, Russia, Belarus and the Ukraine. In 1993 the number of weeks of courses will increase to 57. During 1992, 417 tax officials from 12 countries passed through the Centres, attending courses which ranged from 3 days to two weeks. It is anticipated that this number will increase in 1993 to 1000, in part reflecting the expansion of the network to the Central Asian and Transcaucasian NIS and Mongolia. All of these officials have played a key role in the reform of their national tax systems and many of the suggestions discussed at the courses are now influencing the design and implementation strategies of tax reforms in these countries. The Centres have also succeeded in building up a network of contacts between OECD countries and the economies in transition and between officials from the economies in transition.

9. Follow-up (i.e. whether activity was continued in following year, generation of other activities, etc.): This on-going activity will be extended in 1993 to the Central Asian and Transcaucasian NIS.

10. Problems encountered/lessons drawn: A full analysis of the problems encountered and lessons drawn is provided in C/NM(93)14.

1992 PROGAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal Common to Several Republics

IX. Labour Market and Social Issues

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: 1.9.1. Reallocation of workers and retraining programmes: the role of Red Army personnel

3. Directorate/Official Responsible for Activity: ELS/Whitman

4. Titles and Numbers of Resulting Publications:
OCDE/GD(93)9 Russian Officer Conversion

5. CEE/NIS Countries that Participated in Activity:

6. Collaboration with Multi-lateral Institutions: See item 9

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

An expert mission was undertaken in September to assess the retraining of demobilised Russian officers and their potential in the transition process. This resulted in a report published in 1993 and participation in the Moscow Training 1992 conference. The report recommended setting up a pilot project with Member country grants and assistance from other multinational organisations.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.): Negotiations underway to complement the pilot project with, the EBRD, the World Bank, the United States, Sweden, Finland, the United Kingdom et al.

10. Problems Encountered/Lessons Drawn:

1992 PROGAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal Common to Several Republics

X. Inter-republic Trade Relations

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number:
Maintaining inter-republican trade -- 1.10.1

3. Directorate/Official Responsible for Activity:
ECD, TD (Mr. Scheele, Mr. Martens, Ms. Kalinova)

4. Titles and Numbers of Resulting Publications: --

5. CEE/NIS Countries which will Participate in Activity:
All NIS and CEECs

6. Collaboration with Multi-lateral Institutions: --

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):
Trade Committee

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

Activity has been changed to "Trade issues related to the NIS" Activity 20.5.1 in the 1993 Programme of Work). Preparation of a Workshop on trade issues related to the NIS (Minsk, 24-25 March 1993) involved travel to several NIS Republics, elaboration of a draft annotated agenda and formulation of the following issues papers: The development of new trade regimes in the NIS, their role in transforming economies and their compatibility with GATT principles; trade barriers affecting the exports of the NIS on external markets and structural internal impediments limiting the development of their exports; economic co-operation between the NIS and other countries; trade and payments arrangements among the NIS.

Assessment: Although a post-Minsk assessment of lessons would likely be more accurate, it already appears clear that the NIS prefer to interface with OECD countries on a wide range of trade issues. With the expanded Minsk Workshop agenda, the Trade Directorate has received delegation lists, mainly at the Deputy Minister level, from all NIS except for Georgia and Tadjikistan (situation as of 10 March 1993).

9. Follow-up (i.e., whether activity was continued in following year, generation of other activities, etc.):
Workshop in Minsk (24-25 March 1993)

10. Problems Encountered/Lessons Drawn:
Several NIS Republics were reluctant to talk about inter-republican trade but finally agreed to do so as part of an agenda which would also include external trade issues.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: 1.10.1 -- Monitoring Inter-republican Trade

3. Directorate/Official Responsible for Activity: ECO/Koromzay (CEED)/T.D.

4. Titles and Numbers of Resulting Publications: None

5. CEE/NIS Countries that Participated in Activity: NIS republics

6. Collaboration with Multi-lateral Institutions:

   -- IMF/IBRD (staff consultations and exchange of relevant documents and studies);
   -- EC/EBRD: (Participation in relevant seminars hosted by these Institutions)

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions): Trade Committee

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   -- Considerable analytic work on interrepublican trade and payments issues was undertaken in 1992, but due to resistance from NIS republics, the planned seminar to discuss the issues did not take place in 1992. Such a seminar will take place in March 1993, since NIS attitudes have shifted.

   -- One project was completed under this activity -- in the form of technical assistance by the government of Kirghizistan in thinking through the options for their bilateral trade and payments regimes with the Russian republic.

9. Follow-up (i.e., whether activity was continued in following year, generation of other activities, etc.):

   -- It was decided to integrate this activity with a parallel activity of the Trade Directorate or the external trade regimes of the NIS. And a seminar to discuss both issues with NIS representatives has been scheduled for end-March in Minsk.

10. Problems Encountered/Lessons Drawn:

   -- Clearly there were problems in getting this activity off the ground, reflecting the lack of adequate counterparts on the NIS side.

   -- The technical assistance mission to Kirghizistan was relatively successful on its own terms. The discussions were good, and the OECD recommendations were widely circulated with the Kirghiz government. However, such "one-off" assistance is of limited value. What would be needed in order to be really useful would be an <u>ongoing</u> advisory relationship. However, resources are lacking for OECD to provide such a service.

1992 PROGAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal Common to Several Republics

XI. Transport and Telecommunications

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: 1.11.1

Development of telecommunications infrastructure

"Structural Adjustment, Military Conversion, and Telecommunications Utilisation Aspects" (conference in Moscow 15-17 dec. 1992)

3. Directorate/Official Responsible for Activity:

STI/ICCP/ Georges Ferné

4. Titles and Numbers of Resulting Publications:

INFORMATISATION OF THE RUSSIAN FEDERATION (publication being prepared in English and Russian)

5. CEE/NIS Countries that Participated in Activity:

Russia

6. Collaboration with Multilateral Institutions:

Invitations were extended to BERD, EC and World Bank.

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

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8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

The Conference dealt broadly with Government policy for structural adjustment, military conversion and telecommunications utilisation aspects. The specific themes covered were role of Government in the field of informatisation, informatisation of government structures, development of software industries, informatisation at regional level (with Siberia as a central example), and information technology users demands for telecommunications.

Results included:

- gathering of information hitherto unavailable, for example on military conversion in telecommunications, that has provided inputs for other ICCP activities.

- establishment of high-level contacts in Russia.

- identification of future work needs (i.e. review of informatisation in Russia, organisation of policy advice to regions, assistance in developing a strategy for the informatisation of the government administration and

provision of technical support for standardisation and procurement decisions, etc.).

- the public discussion of major policy options (with a stress on decentralisation issues by the OECD side) has had a large impact with participants and the media, and is expected to contribute to more open policy approaches.

- specific conclusions of the meeting also included general suggestions for re-orientation, if not privatisation, of software development activities in the public sector, in order to contribute to the development of a stronger and more market-oriented private sector in this area.

- priorities were suggested for the informatisation effort, to focus on the public administration and banking.

9. Follow-up (i.e., whether activity was continued in following year, generation of other activities, etc.):

Discussions are continuing on possible follow-up. As a first step, there is high political interest in Russia in undertaking a comprehensive review of informatisation policy. ICCP is also preparing proposals to contribute to the formulation of a policy for the informatisation of the public sector, taking account of international trends and standards.

10. Problems Encountered/Lessons Drawn:

Government agencies in Russia have a long-standing pattern of reluctance to share information with the public, but are relatively more open with organisations such as OECD. Once mutual trust has been established, we can play a key role in generating public discussions in new areas. This implies, however, that good contacts are also maintained with non-government experts and industry in order to identify rapidly areas where this could be useful in a rapidly evolving situation.

This can be as such an important contribution because public debates will ensure that a broader range of experts are consulted by authorities when drafting laws and regulations or when policy options are being considered.

Thus, and although specific policy and technical advice from the Organisation is badly needed, one should not underestimate the importance of workshops, conferences, etc.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: 1.11.1

Development of Telecommunications infrastucture

3. Directorate/Official Responsible for Activity: D. Ypsilanti
M. Salamon (consultant)

4. Titles and Numbers of Resulting Publications:

A. "Telecommunication Indicators of the Former Soviet Union", Joint Publication with the International Telecommunication Union (ITU)

B. "Complete Set of Workshop Documentation" from Workshop on Telecommunications Development and Regulation in Kazakhstan

5. CEE/NIS Countries that Participated in Activity:

All countries of the former Soviet Union (Indicators publication)

Kazakhstan, Turkmenistan

6. Collaboration with Multi-lateral Institutions:

ITU, EC Commission

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

ICCP Committee, Japan, Italy, Australia, France

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

At the request of the Ministry of Communications of Kazakhstan two events have been carried out in 1992:

a. Expert meeting to review Draft Communications Law of Kazakhstan

Experts from OECD Member countries and EC Commission met for two days at the OECD with the Deputy Minister of Communications of Kazakhstan and two specialists, and gave a detailed paragraph by paragraph review of the Draft Communications Law.

Result: Many of the recommendations made by the review meeting will be included in the Law that is expected to be passed by Parliament in April 1993. The policy dialogue at the meeting was frank and very informative for the Ministry.

b. Workshop on Telecommunications Development and Regulation in Kazakhstan

45 senior representatives of the telecommunications sector in Kazakhstan

attended at two-day workshop in Alma-Ata focused on two topics within Regulation, chosen by the Ministry: Licensing and Tariffication.

Result: Some of the proposals for changes in the tariff structure put forward at the workshop were later followed by the Ministry. The Minister and the participants, including a representative from Turkmenistan, found the introduction to market oriented tariffication and licensing policies challenging and useful in their effort to develop the telecommunications infrastructure

c. Publication: "Telecommunications Indicators of the Former Soviet Union"

In December 1992 a joint publication of the OECD and the The International Telecommunication Union (ITU) entitled "Telecommunications Indicators of the Former Soviet Union" presented the first comprehensive collection of reliable first hand data on the state of telecommunications in the former USSR, broken down by republics. It also contains an overview of the telecommunications situation in the NIS.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

The two events a. and b. led to a request from the Ministry of Communications of Kazakhstan for the OECD to assist in the drafting and reviewing of the country's development strategy for telecommunications. An initial review meeting was held at OECD on February 15-16 1993 with World Bank, EBRD, EC and ITU.

During the workshop in Alma-Ata, the establishment of a stable licensing regime was identified as a crucial factor in regulating and developing the telecommunications sector of the countries of the former Soviet Union. A workshop for all NIS countries on the topic of Licensing Principles and Procedures is therefore planned for September 1993 in co-operation with the Regional Commonwealth in the field of Communications (a CIS body).

In the Russian Federation, the Ministry of Communication has found the activities of OECD in Kazakhstan of such interest, that it has requested a meeting to discuss technical assistance for 1993.

In collaboration with the ITU and with support in kind from the World Bank, an extended version of the Indicators publication will be produced for 1993.

All the above activities are so far on hold, however, as funding for the module has not yet been received/unblocked.

10. Problems Encountered/Lessons Drawn:

1. Technical Assistance and Policy Dialogue has to be carried out at an <u>early stage</u> in the development process - decisions of a binding strategic nature may otherwise already have been taken (as they have in Kazakhstan).

2. There is a definite need for <u>multiple encounters</u> with the NIS counterparts in order to change their way of thinking.

3. It is extremely important to <u>build up good personal relations</u> based on trust and ability on both sides to be open and to "deliver the goods".

4. It is crucial to base the work on a thorough understanding of the culture and society concerned.

5. The long term effect of meetings and workshops is minimal if the written material is not translated into Russian.

1992 PROGAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal Common to Several Republics

XII. Assistance in Monitoring the Economy

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: 1.12.1 : Price liberalisation

3. Directorate/Official Responsible for Activity: ECO: Koromzay (CEED)

4. Titles and Numbers of Resulting Publications:

5. CEE/NIS Countries that Participated in Activity:

6. Collaboration with Multi-lateral Institutions:

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

10. Problems Encountered/Lessons Drawn:

-- This activity was not undertaken due to lack of people to carry out the work; inability to define it in operational terms; lack of NIS counterparts; and in the end, lack of relevance as a free-standing activity.

-- This assessment should not be seen negatively. The 1992 NIS programme was drawn up in great haste, and in the absence of a groundwork of discussion and planning it is not surprising that certain activities that were "pencilled in" should have gone by the board.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: 1.12.2: Monitoring of overall economic and policy developments

3. Directorate/Official Responsible for Activity: ECO: Koromzay (CEED)

4. Titles and Numbers of Resulting Publications: Relevant sections / Chapters in OECD Economic Outlooks Nos. 49, 50, 51 and 52.

5. CEE/NIS Countries that Participated in Activity: principally Russia and Ukraine

6. Collaboration with Multi-lateral Institutions:

   -- IMF (limited access to IMF studies and documents)

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions): High level Experts Group on NIS (see also Activity 15.3)

8. Activity Description and Assessment, including Discrete Components: Main Topics (for meetings/workshops) and Results (for policy advice/training):

   -- See activity 15.3. An additional focus for this monitoring work has been to prepare brief annotations and background papers as input to the annual meetings of the High Level Experts' Group on NIS developments (in practice discussion has focused primarily on Russia)

9. Follow-up (i.e., whether activity was continued in following year, generation of other activities, etc.):

   -- It seems necessary to develop and systematise this activity. But this would either require substantially more resources, or more effective ability to rely on work done by the IMF and other institutions who have allocated far greater resources to this activity than is possible for OECD.

10. Problems Encountered/Lessons Drawn:

   -- The atrocious state of NIS statistical information, and high levels of disorganisation both within the economies of these republics and within their governments makes systematic monitoring extremely difficult.

1992 PROGAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal for Individual Republics

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992/1993

2. Activity Title/Number: Workshop on Agricultural Policies in Belarus/Activity 2.2.1

3. Directorate/Official Responsible for Activity: Agriculture/F. Kuba/A. Malarz

4. Titles and Numbers of Resulting Publications: The Seminar proceedings will be published.

5. CEE/NIS Countries that Participated in Activity:

   . Approximately 80 high-level officials from Belarus will take part in Workshop, as well as participants from Russia, Ukraine and Lithuania
   . One high-level expert from Hungary and Poland, respectively, will take part in Workshop

6. Collaboration with Multi-lateral Institutions: World Bank, World Council of Credit Unions

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

   . About 15 experts from 10 Member countries will take part in Workshop, including representatives of the Committee for Agriculture
   . 6 members of the Secretariat will take part

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   Due to the long lead time required to start up our 1992 NIS related activities, together with the extremely crowded schedule of CCEET activities for the Agriculture Directorate in 1992 (including extra activities for the Baltics and Albania), it was not possible to finalise preparations for the Seminar in 1992. The activity was therefore carried forward into 1993.

   The Seminar will now take place from 28-30 April 1993. The main topics will be:

   . Structural adjustment and privatisation;
   . Market orientation and price policies;
   . Finance, credit and investment in agriculture;

   Co-operation with the Belarus authorities to date have been excellent. Background reports have been prepared on time and a preliminary particants list submitted to the Secretariat.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

   It is expected that the Seminar will help to identify priority areas for

future co-operation.

10. Problems Encountered/Lessons Drawn:

This is the first Seminar we are organising in the NIS. Although there are more difficulties on the logistical side (finding a location with adequate interpretation facilities, etc.), our co-operation with the Belarus authorities has been excellent, as mentioned under point 8 above. Their interest and enthusiasm in the Seminar are very high and we can expect fruitful results from the policy dialogue which will take place.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992 (1993 carry-over)

2. Activity Title/Number: CCEET/NIS Belarus 2.9.1
Labour Market Measures to Support Industrial Restructuring with Emphasis on Training and Retraining Issues

CCEET/NIS Belarus 2.9.2
Estimation of Future Unemployment

3. Directorate/Official Responsible for Activity:

ELS, Georg Fischer; (from October 1992 a new in-house consultant assumed management of the project under ELS supervision- Douglas Lippoldt)

4. Titles and Numbers of Resulting Publications: n/a

5. CEE/NIS Countries that Participated in Activity: Belarus

6. Collaboration with Multi-lateral Institutions:

An active exchange of information was developed with World Bank staff working in this area.

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

The Swedish National Labour Market Board contributed the travel costs of an expert to participate in the main mission and workshop that took place in February 1993.

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

During July 1992 a brief OECD/ELS assessment mission to Minsk resulted in a substantial reshaping of this project (at the request of the Belarussian State Committee on Labour and Social Protection) to focus on labour market analysis. Specifically, the project was redesigned to assist with staff training for an improved labour market analysis unit as well as to include a review of the statistical systems of the State Employment Service (SES). In November 1992 during a second brief OECD/ELS mission, detailed statistical information was collected and plans for a workshop and advisory group were developed (to be implemented during 1993).

The work is largely complete for this activity. The advisory group mission and workshop took place in February 1993. Participants in the workshop outlined below were very active and engaged. Initial recommendations presented were well received. Written recommendations from the advisory group were submitted to the SES on March 30. Initial indications are that the State Committee may modify its presentation of statistics to take the OECD recommendations into account.

9. Follow-up (i.e., whether activity was continued in following year, generation of other activities, etc.):

In February 1993, a workshop was carried out in Minsk focusing on administrative statistics of the Employment Service for use for labour market analysis and management information. During this same mission, the delegation worked as an advisory group in assessing the statistical systems of the employment service. Verbal recommendations were presented to the Chairman of the Committee on Labour and Social Protection A written set of recommendations was developed following the February mission. Additional follow-up may include Belarussian participation in future OECD-organized training courses and workshops on related topics.

10. Problems Encountered/Lessons Drawn:

This project encountered very few difficulties. The principle lesson learned is the importance of flexibility in implementation, due to the changing priorities and conditions in the Republic.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: Dairy Sector Development: Assistance to the Dairy Sector/Activity 4.2.1

3. Directorate/Official Responsible for Activity: AGRICULTURE/F.R. BAKER

4. Titles and Numbers of Resulting Publications: None in 1992

5. CEE/NIS Countries that Participated in Activity:

   Russia

6. Collaboration with Multi-lateral Institutions:

   IBRD; EBRB; EC-TACIS; FAO; IFAP (Int'l Federation of Aggricultural Producers); IDF (Int'l Dairy Federation)

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

   Meat/Dairy Group; Committee for Agriculture;

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   To identify the main orienvations of a new dairy policy for Russia, inlcuding the institutional framework, market information and outlook, and the role of reformed co-operatives. In particular, to examine the policy, economic and technical situation and problems of the dairy food chain from producer to consumer in the Mosow Oblast and to provide recommendations for restructuring it according to market economic principles.

   Progress to date: A first substantive fact-finding mission visited Russia in September 1992 to discuss the contents and scope of this project. An expert team will visit Russia again in the first half of 1993 to finalise a report setting out the main orientations for a new dairy policy. This report will subsequently be discussed with the Russian authorities at a workshop to be held in Moscow from 7-9 July 1993.

   Workshop topics:

   - Market Orientation in the Russian Dairy Chain: its Policy Formulation and Implementation
   - Privatisation and Market Orientation of the Dairy Chain in Eastern European Countries: Implications for the Russian Federation
   - Dairy Processing in a Market-Oriented Dairy Sector
   - Medium Term Perspectives for the Dairy Chain in the Moscow Oblast

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

   Ongoing activity.

In addition to providing an international forum to discuss and analyse the problems of the dairy chain, the activity is expected to provide assistance in policy formulation for:

- the establishment and implementation of price policies for producers and for wholesale/retail pricing,
- privatisation of dairy farms, government assistance to private farmers;
- re-structuring/modernisation in the processing and distribution sub-sectors;
- general medium term planning for the dairy chain in the Moscow Oblast.

10. Problems Encountered/Lessons Drawn:

In the early stages of the activity, difficulties were encountered due to an apparent lack of interest in the project from some parts of the Ministry of Agriculture in Russia due to insufficient consultation in the initial planning phase of the project. This led to the need for additional time and effort on the Secretariat side to implement the project. However, the project is now on schedule, thanks to improved contacts with various government departments including the Ministry of Agriculture.

The lesson to be learned is to maximize contacts in recipient countries at the planning stage of projects and to cultivate co-operation with the "reformers" within the various administrations, bearing in mind that there may be resistance from medium-level management who may perceive that reform policies are not necessarily in their best interests.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget year: 1992

2. Activity Title/Number: 3.9 - 20.3.4 - 21.3.4 and 22.3.4 Consumer Policy - 4.5.1

   PRODUCT SAFETY WORKSHOP, 6-8 December 1992
   BUDAPEST, HUNGARY

3. Directorate/Official Responsible for Activity: DAFFE/CCP/Erich Linke

4. Titles and Numbers of Resulting Publications:

   No publications have resulted so far. The Summary Report has been circulated and may serve as a basis for further work.

5. CEE/NIS Countries that Participated in the Activity:

   Bulgaria (3); Czech Republic (2); Estonia (2); Hungary (21); Lithuania (3); Poland (3); Russia (5); Romania (3); Slovak Republic (2); PLUS Mexico (1). [() indicates the number of participants]

6. Collaboration with Multilateral Institutions:

   EFTA was a sponsor of the workshop.

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

   OECD member countries provided senior officials from safety agencies to describe enforcement practices on workshop panels. OECD member countries involved: Austria, Canada, Finland, France, Germany, Netherlands, Norway, Sweden, United Kingdom and United States. Member countries paid all expenses of the their representatives. The EFTA made a substantial monetary contribution to the event.

8. Activity Description and Assessment, including Discrete Components; Main topics (for meetings/workshops) and Results (for policy advice/training):

   The purpose of the workshop was to give invited participants from Eastern and Central Europe an opportunity to familiarise themselves with consumer safety concepts and practices in OECD countries. The workshop was structured around four panels composed of speakers from OECD countries representing government, private industry, academics, independent safety and standards-setting organisations.

   The panels were composed of four to five speakers who made presentations on the following topics:

   1) The first panel was devoted to basic national legal structures, institutions, product safety standards and risk assessment approaches;

   2) The second panel had presentations regarding product warnings, bans and recalls including legal and administrative practices. Also discussed were case studies and safety campaigns;

3) The issues discussed by the third panel concerned enforcement of safety laws and regulations; and.

4) The fourth panel was devoted to the international dimensions of product safety including co-operative efforts, notification and information networks. The panel also considered possible future co-operation.

Following the panel presentations, the participants from the Eastern and Central European counties reported on the status of their consumer protection laws and institutions. While some had enacted product safety laws and begun enforcement, other countries had not yet established the basic framework for product safety systems. Progress in establishing such systems was slow due to the lack of resources and operational difficulties associated with the transition period.

9. Follow-up (ie., whether activity was continued in the following year, generation of other activities, etc.):

As CEEC and NIS countries enter more fully into the global market-place, the need for their producers to meet international standards of safety will increase. In addition, governments in Central and Eastern Europe and the former Soviet Union are concerned that their countries not become dumping grounds for unsafe products. Consequently, consideration should be given to the following activities:

- o Seminars and workshops such as those which would assist Eastern and Central European governments in responding to the dumping of dangerous products on their markets;

- o OECD and non-OECD countries can continue to work together in an informal way to assist each other by sharing materials and information and by continued consultations;

- o Non-OECD countries can notify the OECD of particular safety hazards that arise in their markets and consideration will be given to expanding the OECD notification system to include Eastern and Central European countries.

Follow-up to the workshop would be urgently needed to help advise these countires in the development of their own product safety systems. OECD, through its working Party on Consumer Satety is well placed to provide the experience from market economies. However no funding has been provided for on continuation of this activity under the Core Programme.

10. Problems Encountered/Lessons Drawn:

No major problems were encountered. The primary lesson learned was that it is important to create an informal atmosphere conducive to a substantial exchange of ideas and information. Formal presentations should be limited and a lively question and answer period should be encouraged.

Clearly, the most pressing need in these countries, that the OECD can respond to, is for concrete and very practical advise in addressing high profile safety problems such as those associated with the dumping of dangerous products on their markets. The conceptual aspects of a safety system must be linked to concrete solutions to very fundamental product safety problems.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number:

   Programme of Technical Assistance to NIS
   5.3.1 Nuclear Safety: Long-term safety stabilization of Chernobyl-4

3. Directorate/Official Responsible for Activity:
   NEA - K. Stadie

4. Titles and Numbers of Resulting Publications:
   -

5. CEE/NIS Countries that Participated in Activity:

   Russia, Ukraine

6. Collaboration with Multilateral Institutions:

   International Atomic Energy Agency (IAEA)

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

   Committee on the Safety of Nuclear Installations (CSNI), Committee on Radiation Protection and Public Health (CRPPH), Radioactive Waste Managemnt Committee (RWMC)

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   . The objective is to explore ways to isolate for the short and long-term the radioactive substances of the destroyed Chernobyl-4 reactor.
   . An OECD-NEA fact-finding mission visited Ukraine in September. A report was made of the explanations obtained from Ukrainian Authorities on the radiological condition of the site.
   . A symposium was prepared, to be held in 1993 in Kiev, which will evaluate existing knowledge on the safety and environmental situation, and develop a series of recommendations to isolate radioactive or contaminated material from the biosphere.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

   Follow-up Kiev Symposium in 1993.

10. Problems Encountered/Lessons Drawn:

    Four Ukrainian Ministries share competence on this subject, hence, some conflicts of authority and delays in response to OECD initiatives.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number:

   Programme of Technical Assistance to NIS
   5.3.2 Nuclear Safety: Decommissioning of Chernobyl reactors 1, 2, 3

3. Directorate/Official Responsible for Activity:

   NEA - K. Stadie

4. Titles and Numbers of Resulting Publications:
   -

5. CEE/NIS Countries that Participated in Activity:
   Ukraine

6. Collaboration with Multilateral Institutions:
   -

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):
   -

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   This activity is dependent upon the decision of the Ukrainian Authorities to shut down and decommission one or two of the three reactors still operating at Chernobyl. In the event of a decision to shut down units 1 and 2, the Ukrainian Authorities will be invited to join the NEA Co-operative Programme for the Exchange of Scientific and Technical Information concerning Nuclear Installation Decommissioning Projects. Similar invitations could be extended to other nuclear power plants being decommissioned in the NIS.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

10. Problems Encountered/Lessons Drawn:

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number:

   Programme of Technical Assistance to NIS
   5.3.3 Joint Research Projects

3. Directorate/Official Responsible for Activity:
   NEA - K. Stadie

4. Titles and Numbers of Resulting Publications:
   -

5. CEE/NIS Countries that Participated in Activity:

   Russia, Ukraine

6. Collaboration with Multilateral Institutions:
   -

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

   NEA Committee on the Safety of Nuclear Installations (CSNI)

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   . The objective is to assist the Russian and Ukrainian State Committees in designing and executing experimental research programmes and associated analysis work on the basis of existing R-D facilities in these countries.
   . A fact-finding mission in May 1992 visited several facilities in Ukraine and Russia to evaluate their potential for building-up a viable safety research programme for VVER-reactors around these facilities.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

   The project was widened in 1993 with a view to assisting the Authorities in building-up capabilities in safety technology and analysis pertaining to VVER reactors. In coordination with Member countries, co-operative programmes will be encouraged to complete and improve existing research facilities and train their staff.

10. Problems Encountered/Lessons Drawn:

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992 (1993 carry-over)

2. Activity Title/Number: CCEET/NIS 5.9.1

Revised title: Employment Service Advisory Group

3. Directorate/Official Responsible for Activity:

ELS, Georg Fischer: (from October 1992 a new in-house consultant assumed management of the project under ELS supervision- Douglas Lippoldt)

4. Titles and Numbers of Resulting Publications:

n/a

5. CEE/NIS Countries that Participated in Activity: Kazakhstan

6. Collaboration with Multi-lateral Institutions:

An active exchange of information is underway with appropriate staff of the World Bank and the ILO. The ILO agreed to contribute a staff expert to the OECD mission to Alma-Ata (March 1993).

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

The Japanese Ministry of Labour provided an expert to participate in the March 1993 OECD mission.

The Swedish Ministry of Labour provided an expert to participate in the March 1993 OECD mission.

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

Following ELS consultations with CCEET and an initial OECD/ELS assessment mission to Alma-Ata, it was decided to redefine the activity underwritten with these funds. As a result, we were able to organize an employment services advisory group as specifically requested by the Kazakhstan Ministry of Labour. Due to communications and logistical difficulties it was necessary to postpone implementation of the redefined activity until 1993.

During 15 - 25 March 1993, the OECD/ELS organized an employment service advisory group mission to Kazakhstan. This mission provided the Kazakhstanis with information on the range of employment service practices in the OECD member countries. Special case studies were presented on Japanese and Swedish approaches. Other topics covered included international "standards", employment laws, ILO conventions, and administrative statistics. The mission activities included fact-finding on the Kazakhstan State Employment Service operations and provision of general recommendations on labour market policy and employment service issues.

9. Follow-up (i.e., whether activity was continued in following year,

generation of other activities, etc.):

The specific follow-up for the project will include the submission of written recommendations for the Ministry of Labour. Also, we have invited the Ministry of Labour to participation in the OECD/ELS organized course on Labour Market Policy scheduled for the Joint Vienna Institute in July.

10. Problems Encountered/Lessons Drawn:

Communications were a key problem, reflecting both linguistic and technological difficulties. Our conclusion is that it is absolutely critical to have a contact in the Ministry who is responsible and readily accessible. We now have two such contacts.

In addition, the appropriate and necessary reshaping of this project has highlighted the importance of flexibility in project implementation under the present conditions in the NIS.

1992 PROGAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal for All Republics

Statistics

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number:
Co-operation with Statistical Committee of CIS/6.7.1

3. Directorate/Official Responsible for Activity:
STD/A. Harrison

4. Titles and Numbers of Resulting Publications:
National Accounts for the Former Soviet Union: Sources, Methods and Estimates

5. CEE/NIS Countries that Participated in Activity:
All CIS countries plus Baltic countries and Georgia

6. Collaboration with Multi-lateral Institutions:
Statistical Committee of the CIS

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions): --

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training)

a) A report was published (initially as a document) on the methods of estimating national accounts for the USSR for 1988 to 1990. This serves as a basic methodological manual for estimation SNA data for all countries of the former-Soviet Union;
b) A major worshop was jointly organised with the CIS in December in Moscow to explain the basic principals of the SNA and the methodology described in the report referred to a). All 15 countries of the former-USSR attended the meeting;
Collaboration with the CIS Statistical Committee has proved an efficient method of delivering technical assistance to the NIS countries.
c) An OECD staff member made presentations to the Council of the CIS Statistical Committee at their meetings in July and December on assistance that could be provided by OECD and on technical issues.

9. Follow-up (i.e. whether activity was continued in following year, generation of other activities, etc.):

These activities provide the starting point for technical assistance in national accounts for all former Soviet Union countries starting in 1993.

10. Problems Encountered/Lessons Drawn:

The Workshop mentioned at b) was very successful, in part because the lecture notes and slides have been translated into Russian. The report referred to a) was also available in Russian. Collaboration with the CIS statistical Committee has proved an efficient method of delivering technical assistance to the NIS countries.

Report on USAID Grant No. CCS-0001-G-00-2084-00
to the
OECD Centre for Co-operation with the European Economies in Transition

OECD BUDGET CODE	NATURE OF EXPENDITURE	1992 APPROPRIATIONS (Fr.Francs)	COMMITTED APPROPRIATIONS 31/12/92 (FF)	U.S. SHARE APPROPRIATIONS FF	U.S. SHARE APPROPRIATIONS US$	OF WHICH US$ FINANCED BY DOS	OF WHICH US$ FINANCED BY AID
19.00	NIS PROGRAMME						
19.01	Staff costs	6,638,800	6,528,859	1,659,700	327,609	240,531	87,078
19.02	Official travel	3,598,800	3,384,292	899,700	177,592	130,388	47,204
19.03	Consultants & contracts	8,260,500	8,503,731	2,065,125	407,636	299,286	108,350
19.04	Conferences & meetings	5,574,000	5,424,262	1,393,500	275,064	201,952	73,112
19.05	Entertainment	209,400	102,721	52,350	10,333	7,587	2,747
19.06	Operating expenses	300,000	114,975	75,000	14,804	10,869	3,935
19.08	Documentation	0	20,134	0	0	0	0
19.09	Translation & reproduction	1,993,500	1,824,040	498,375	98,374	72,227	26,148
19.10	Misc. & unforeseen	186,000	100,732	46,500	9,179	6,739	2,440
19.11	Capital expenditure	0	235,479	0	0	0	0
19.12	Computer equipment	839,000	1,246,925	209,750	41,403	30,398	11,005
19.30	Carry over from 1991	0	0	0	0	0	0
	TOTAL NIS PROGRAMME	27,600,000	27,486,149	6,900,000	1,361,994	999,976	362,018

Report on USAID Grant No. CCS-0001-G-00-2084-00
to the
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OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: 17.1 - A periodic Survey of Bilateral and Multilateral Initiatives in the Domains of Policy Advice and Assistance Covered by the OECD - ON-Line Data Base - THE REGISTER

3. Directorate/Official Responsible for Activity: Jean Gomm

4. Titles and Numbers of Resulting Publications: Users Manual in English and French and Russians.

5. CEE/NIS Countries that Participated in Activity: The Republics of the NIS: the CEEC countries as donors of aid to the NIS.

6. Collaboration with Multi-lateral Institutions:

   Information provided to the Register by all major multilateral organisations. Co-ordination efforts with the G24 Co-ordinating Unit and with the WHO and the WFP. Towards the end of 1992 with the World Bank, responsible for the management of the Country Consultative Groups on NIS.

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions): Information provided to the Register by all Member countries. Also information provided by non-member donor countries (including CEECs - see above)

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   CCEET Register named at the Clearing house for information on Emergencey assistance to the NIS at the international conference called by President Bush in Washington in January 1992.

   Register restructured to meet new requirements. This included creating two data bases (one for NIS and the other for CEECs) with different access rights to take account of the decision taken at Washington. Total new software system established and transfer and adaptation of data completed. System on line - July 1992

   Participation in the follow up meetings to the Washington Conference held in Lisbon in May and Tokyo in November. Analytical reports provided by exploiting the data contain in the Register

   Two meetings of National Co-ordinators held in March and September.

   New telecommunications support approved by the Council in October 1992.

   Missions to the Central Asian Republics in December to install the system in the offices of the Officials responsible for the co-ordination of international technical and humanitarian assistance for each republic.

   Demonstration of CCEET Register in several fora.

G4

OECD asked to provide a clearing house function in support of the international effort to co-ordinate assistance to the NIS. Participate in the CCG meetings held in December, providing analytical reports of needs and provision of technical assistance, drawing on the CCEET Register data.

The year ending December 1992:

NIS Database - 2014 entries.
First quarter - 263 entries.
Second quarter - 1155 entries.
Third quarter - 368 entries.
Fourth quarter - 228 entries.

CEEC Database - 2067 entries.
First quarter - 774 entries.
Second quarter - 151 entries.
Third quarter - 901 entries.
Fourth quarter - 241 entries.

Users

The year ending December 1992: 316 accounts opened.
First quarter - 26 accounts.
Second quarter - 93 accounts.
Third quarter - 190 accounts.
Fourth quarter - 7 accounts.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

Activity continues in 1993

10. Problems Encountered/Lessons Drawn:

Demand for the Register and the exploitation of its services considerably outstripted resources. New resources allocted in 1993 budget but Register continues to be "demand driven" and has difficulties in keeping up with the demand.

Need to improve the quality of data, returning incomplete or unclear data to the National Co-ordinator for clarification.

Need to improve the exploitation possibilites.

Report on UASID Grant no. CCS-0001-G-00-2084-00
to the
OECD Centre for Co-operation with the European Economies in Transition

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1992 PROGRAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal Common to Several Republics

I. Industrial Restructuring

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget year 1992

2. Activity Title/Number: 1.1.1. Defence Industry Conversion

3. Directorate DSTI (other directorates are involved -- ELSA and DAFFE).
Official responsible: Krasnoyarsk: T. Kelly/M. Salamon (Consultant)
Zhukovsky: /C. Sautter (Consultant)

4. Title and number of publication

No publication

5. CEE/NIS participating countries

Russia (plus Ukraine for Zhukovsky project, see below).

6. Collaboration with Multilateral Institutions

EBRD, (plus ITU, ESA for Krasnoyarsk), (plus World Bank, UNDP, EC, ESA for Zhukovsky project) (see below).

7. Collaboration with OECD Committees/Member countries

Krasnoyarsk Seminar was financed by the UK "Know-how" Fund

Participation of OECD countries' officials and business executives in Krasnoyarsk and Zhukovsky seminars (see below).

CSTP and Industry Committee.

8. Activity Description and Assessment.

This activity was launched by an informal workshop organised by the CCEET in December 1991 with the participation of selected Member countries' officials, representatives of the EBRD and NATO and experts. In 1992, DSTI work on this activity were threefold:

a) Preparation of an Action Plan covering the main policy issues related to defence conversion in the general framework of marked-oriented industrial restructuring e.g. unbundling of enterprises and privatisation, development of SMEs, regional development and infrastructure, foreign investment...

The implementation of this Action Plan called for regional case studies carried out under the supervision of a steering group composed of OECD and Russian officials. The Action Plan was discussed with Russian officials from various (and often competing) ministerial departments. Problems encountered in implementation are discussed below.

b) Krasnoyarsk

A two-day Seminar on Military/Industrial Conversion with a Focus on Telecommunications was held in the formerly closed Siberian city of

REGISTER (Centre)

a) Objectives

Initially the motivation for the creation of the Register, in 1991, was the need expressed by OECD Member countries for a comprehensive overview of the assistance activities being carried out in Central and Eastern Europe and the Soviet Union. As the reforms in the region gathered pace, a multitude of assistance activities seemed to be offered by national governments and international organisations but there existed no means of obtaining systematic information on them. Thus there were fears of duplication, wasted use of resources and lack of co-ordination. The CCEET considered that an on-line data base, accessible anywhere in the world, using standard, easily available equipment and simple to use, was the best way of ensuring that officials working in this area could have access to complete and up to date information on activities being carried out by all the donors active in the field. From such a system, the user should be able to obtain information on the timing, location and contents of the projects and be able to identify the subset of activities which correspond to his/her area of interest and criteria.

The OECD had a comparative advantage in providing a data base on technical assistance as all the major donors are Members and the Organisation has a long history of providing objective information on assistance activities. Furthermore, the Register has the advantage of covering all countries in the region and all the subject areas concerned with the economic, social and technical needs of the transition process. The OECD's high level of technical competence in the computer field was also a factor. The Register has been developed with the technical support of the Directorate for Computers and Communication.

The objectives of the OECD in this activity have changed in line with the evolution in the international policy dialogue on providing assistance to the countries of Central and Eastern Europe and the New Independent States. In recent months, emphasis has been given to increasing the transparency of information between donors and recipients and to the exploiting the information the Register contains to enhance co-ordination in assistance efforts.

b) Activities

The following activities are on-going:

1) The promotion and evolution of the system

i) demonstrations and explanations of the system, its contents and operations. This includes presentations to those responsible for technical co-operation in this region in national donor country administrations, governments in recipient countries, and international organisations;

ii) identifying changes required to correspond to the changing policy and user needs and the evolving role of the Register in the international assistance process;

iii) organising meetings of national co-ordinators and users;

iv) attending meetings related to the Register and its uses;

v) drafting and publication of general explanatory material and reports including for internal bodies such as the Council Group on Non-Member Economies;

vi) collaborating with other providers of information to maximise the utilisation of the Register and ensure the co-ordination and coherence of information.

2) The technical development of the system

i) the continued identification of modifications required or new developments needed to meet changing user needs, to improve the efficiency of the system and to take advantage of new technical developments (hardware, software and communications facilities);

ii) the establishment of the parameters for the modifications needed.

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The identification of software and hardware capable of responding to needs;

iii) the development of prototypes, their testing and modification and introduction, including all the amendments such modifications may imply for each of the records already contained in the Register;

iv) the preparation of all technical support material necessitated by the modifications.

3) Management of the System

i) the collection, verification and entering of data. This includes regular contact with those providing data to ensure its timely provision (especially with respect to the CCG and pre-CCG meetings), obtaining clarification on data provided; completing it where possible and ensuring regular updates;

ii) the management of the system to ensure the uniformity of the information and coherence of the system; that the data is structured and catalogued in a coherent way; the prompt entry and uploading of data; and documentation of sources of information;

iii) opening accounts, recording user details, and the support and training of users;

iv) correspondence with users, technical staff providing support to users, national co-ordinators and others interested in the Register;

v) publishing and updating users' manuals and other materials (in English, French and Russian);

vi) technical co-operation with other systems to ensure compatibility and transfer of data where possible, including support and assistance to the IEA on the private sector data base which is linked to the Register developments;

vii) providing advice and assistance on exploiting the system. Providing quantitative and qualitative information for the preparation of analytical reports; the work programme and other specific projects. Preparing tables from this data, assisting other users to prepare material from the information in the Register by providing disquettes of statistical data and advice and training on the exploitation of the system.

c) Start-up actions

The first action required for the start-up of this activity was the design and development of a suitable system, capable of providing the necessary structure and facilities, and of supporting on-line access.

The second action was to collect and enter sufficient data from the major national and international donors. This necessitated correspondence, meetings, demonstrations and eventually the setting up of a National

Co-ordinator network whereby each donor named an individual as responsible for the provision of information to the system.

The third action was to encourage national administrations and international organisations to use the system. This entailed providing documentation, demonstrations, training and support on the use of the system, and in the case of the NIS republics, missions to install equipment and ensure reliable telecommunications links.

All of these actions continue.

These actions were all affected to a considerable extent by the absorptive capacities of the different countries concerned. On the donor side, the problems of obtaining an adequate response stemmed often from the fact that the changing political situation posed major challenges to the structures of the national administrations and international organisations. Pending policy re-assessments and structural reorganisations, donors often found it difficult to provide complete and reliable data on their activities and to nominate a lead agency or person.

On the recipient side, the very frequent changes in those responsible for technical assistance, coupled with a lack of familiarity with the workings of international assistance activities, has often made it difficult to ensure consistent communication and a steady flow of requests.

d) Resources

CCEET-funded permanent staff have grown as follows:

1991	No allocated permanent staff resources - used part of CCEET A4 plus assistance from DCC staff. Plus Auxiliary resources in CCEET and DCC.
1992	1 B5, plus part of A4 from CCEET, plus auxiliary help, plus assistance from permanent staff in DCC. Also auxiliary resources in CCEET and DCC and consultant resources in DCC.
1993	Part of A4 CCEET; A2/A3; B5; B4 and 2 B3s in CCEET plus A2/A3 in DCC. Also Auxiliary resources in CCEET and consultant resources in DCC.

e) Co-operation

Most Member countries, a number of non-Member countries, recipient countries and multilateral organisations all provide information to the Register, which entails constant communication and co-operation with a very wide range of organisations and countries.

An agreement was reached with the G24 Co-ordination Unit whereby data collected for their project data base would be regularly passed to the Register to be made available on-line to Member countries (the same countries as the G24). In practice this has not functioned satisfactorily. Attempts have also been made to harmonise date entry formats and improve the coherence between the

different existing data bases (i e. Scoreboard and the project data base on the EC side and the DAC Reporting system and the CCEET Register on the OECD side).

In the framework of the Country Consultative Groups co-operation is on going with the World Bank in providing data in support of the CCG process.

Proposals have been made, as requested at the Tokyo conference, to ensure that the data being collected in other systems e.g. the WHO on medical assistance, could be put at the disposal of countries via the Register.

f) Coverage of the programme

Initially the Register was open to OECD Member countries and multilateral organisations only. In January 1992, access to information on the NIS was granted to the NIS recipient republics and non-member donors which included countries in Central and Eastern Europe. Earlier this year, access was further extended so that all countries in the region and other non-member donors could have access to the totality of the information in the Register.

Initially the information concerned only six countries: Poland Hungary, CSFR, Bulgaria, Romania and the USSR. In late 1991 this was expanded to include all 12 NIS republics, the Baltic States and Albania. In early 1993 it was agreed that information on assistance to the republics of former Yugoslavia and Mongolia should also be included.

g) Evolution of the programme

As mentioned above, the Register has evolved in concert with the changes in the policies of assistance to the region and with the organisation of fora to provide such assistance. In January 1992 it was decided, at the Washington Conference on Emergency Assistance to the NIS, that the OECD Register constituted a tool for providing more transparent information on donor assistance to the NIS and that this information should be available to recipients and donor countries. The Register was modified to reflect the needs expressed in Washington. This entailed the construction of a totally new system, which went on-line in July 1992. It includes details of project activities, offers of assistance and requests for assistance from recipient countries as well as a network of experts and a documentary data base. The subsequent meetings in Lisbon and Tokyo led to the Register becoming the clearinghouse for information on assistance to the NIS and for supporting the work of the Country Consultative Groups, managed by the World Bank, which is charged with ensuring the effective co-ordination of assistance to the Republics.

The Register has also been called upon to provide sectoral information on activities in the region to enhance co-operation in specific areas or sectors of technical assistance.

Initially the Register staff had difficulty in identifying the appropriate contacts for information in Member countries and international organisation and had to collect data from wherever it was available (eg., work programme documents). This information was often incomplete, partly because of the general nature of the source documents and partly because assistance policies in Member countries and in multilateral organisations were in an

embryonic stage. As the Register grew and became more accepted, a network of National Co-ordinators was established, and countries and multilaterals organised their own internal information flows, it became possible to begin refining the data considerably and undertaking a major and consistent policy of quality control and updating of the information available.

Another evolution has been the importance given to identifying and providing telecommunications networks to allow reliable and low-cost access to the Register by users throughout the world. The provision by the Organisation of this facility has allowed the OECD subsequently to install the equipment for accessing the Register from the offices of the National Technical Assistance Co-ordinators (usually located in the Prime Minister's office or attached to the Council of Ministers) in the NIS republics. This has ensured, for the first time, that recipient countries have access to the full range of available information on the assistance donors are providing. This information is essential to the effective co-ordination of assistance by the government inside the republic as well as ensuring an informed dialogue with donor countries. The development of an electronic messaging facility, currently underway, to allow donors and recipients to communicate via the Register, should strengthen this dialogue considerably.

Positive reaction to the Register's facilities, which provide documents, combined with the needs expressed by donors and recipients for access to a wide range of information related to the transition process (eg., economic reports and reform measures; legal information; technical assessments; evaluations of projects), has led to the design of a more coherent documentary data base capable of providing documents and statistical information.

The final evolution, still underway, concerns the requirement to improve the techniques for exploitation of data, both by the CCEET staff, who provide descriptive and statistical material for the analytical reports for the CCGs, and for other outside users. It is only recently that the potential for exploiting the information available in the Register has come to the fore. Users, at varying levels of sophistication and with different needs, want to be able to manipulate the data to provide sectoral or aggregate overviews of assistance, either as descriptive summaries, or as statistical tables, or both.

h) Lessons/problems

Initially, the situation was a classic "chicken and egg" problem. In order to interest people in using the Register, a system had to be created and available and it had to contain data. However, in order to persuade Member countries and multilateral organisations to ensure a steady flow of data, the Register needed to be seen as important enough to warrant dedicating the resources necessary to do this. This entailed considerable promotion of the system and obtaining data from any possible source. It also meant accepting the data in any form available and ensuring the physical entry into the system of the data. With the small amount of resources available this frequently led to delays. It also led to a rather uneven quality of data. It is only now, with the present level of acceptance of the system, that donors can be asked to provide information systematically in a set format (on-line data entry is being developed), and that the data quality can be improved. Increased attention must also be given to the structuring of information in the system, as the quantity of data increases, in order to ensure that users can continue to identify like projects easily and uniformly in the system.

As the whole concept of on-line data bases is new to many people it is also necessary to provide high levels of user support, which is very resource intensive. Although the system has been designed to be as simple to use as possible, most users are not frequent or experienced computer users and require considerable assistance. In addition, the need to ensure reliable access by recipient countries, often with poor equipment and telecommunications infrastructures, poses a separate set of difficult technical problems.

The Register has been demand-driven. Increasingly its potential and its perceived uses are being recognised and this leads to requests for an increasing range of services and facilities. It also gives rise to conflicting demands as each user sees how he or she could exploit the data with minor, but different, modifications in the system. Many of the demands are mutually exclusive, stemming from very different data needs, particularly given the software which is currently available on the market in the emerging field of on-line systems software. The evolution of the international community's response to the provision to technical assistance in this region, and hence users' needs, plus rapid technical evolution in this field, suggest that a very high level of development will continue to be required on the Register and that it is unlikely to reach a "steady state" for some considerable time.

Krasnoyarsk on 24-25 March 1992. The meeting brought together about hundred government experts and senior businessmen from the telecommunications sector in OECD Member countries and the Russian Federation. Present were also a Deputy Minister for Communications and two eads of Sub-committees of the Supreme Soviet, responsible for conversion. the 38 western participants, in addition to the OECD Secretariat and consultants, came from 10 different Member countries.

The seminar had two main themes. First it discussed the overall questions relating to military/industrial conversion, using the telecommunications sector as a special case study. The new Law on Conversion which had been adopted by the Russian Parliament only the week before, was presented by its main author and discussed. Secondly, the seminar brought together potential business partners from OECD Member countries with their Russian counterparts for on-the-spot contacts and plants visits to facilitate the involvment of the Western business community in the conversion effort.

Visits were made to a number of facilities, where some of the most sophisticated military communications equipment, notably within the fields of satellites and radio-communication, in the Russian Federation is developed and manufactured. The participants in the seminar were the first foreign business delegation to visit the still-closed city of Krasnoyarsk-26.

c) Zhukovsky

In November 1992 a 3-day Seminar on Defense Conversion, specifically focused on the aerospace sector, was held in Zhukovsky. This city has been the centre of Russian aerospace research and development for the past 0 years and is the site the world's largest and most comprehensive aerospace testing facilities. Western attendance included industry and government representatives from 10 OECD countries along with members of EBRD, UNDP, ESA, and the EC. Russian participation included representation across the aviation sector from federal ministries and airframe manufacturers to local businessmen who are now operating in the private sector within the aerospace industry.

The three-day seminar included examples of lessons learned in East-West Co-operation presented by Western industrialists, programmes in defense conversion from the Western and Russian view point, site visits to test facilities for the formally secret city of Zhukovsky, and workshops for exchange of ideas concerning the obstacles hindering more productive East-West Co-operation. A report on the seminar outcomes and workshops' conclusions has been issued and sent to participants as well as to concerned OECD committees.

The seminar was followed-up ten days later by an expert meeting on local development organised under the auspices of the OECD ILE programme.

9. Follow-up

Discussions for the implementation of the Action Plan were resumed in February 1993. The leading Russian partner is the Committee on Defence Industry. Four regions have been selected for case studies: Tver, Kaluga, Krasnoyarsk and Zhukovsky.

-- Zhukovsky

As a result to the November Seminar the Canadian firm, CAE Electronics Ltd., made a proposal to consider locating a centralized civil aviation training center in the Zhukovsky region. After a London meeting in January 1993 with OECD, EBRD and CAE, the decision was made to initiate a feasibility study to investigate this proposal EBRD and OECD would jointly sponsor a meeting in Zhukovsky in March to elicit the necessary support from the Russians to initiate a three month study. Attendees at the meeting will include the 4 civil aviation manufacturers in Russia, the airlines of the NIS (which currently number over 100 companies) and representatives of the Federal government involved in the civil aviation and defense conversion. The role of OECD is this project is that of a catalyst to bring the necessary players together to initiate the study. At the conclusion of the study, OECD will act only in the capacity of an observer providing advice on request since the lead for the project will shift to the bankers (EBRD) or an interested industrial firm.

-- Krasnoyarsk

A follow-up mission in July 1992 from Krasnoyarsk to OECD by the main local organiser of the Seminar generated several projects which will be followed through in 1993, including a pre-feasibility study of the "SIGNAL" project, which intends to use current military/industrial manufacturing facilities, as well as military satellites, to develop the public telecommunications network in the Krasnoyarsk region.

10. Problems encountered/Lessons Drawn:

a) The delays for the implementation of the Action Plan were due to the difficulties of identifying the Russian Government body which would take the lead in implementing the project. Many government bodies (Ministerial departments, State Committees... have or pretend to have responsibilities over conversion issues. These responsibilities are often overlapping and geared to conflicting objectives. Moreover, the Ministry of Industry which was supposed to take the lead was dismantled in the Fall of 1992.

b) Krasnoyarsk

The Seminar in Krasnoyarsk showed clearly the merits of the "bottom-up" approach, as it was possible in a short time to put together a meeting which included all parties involved in the conversion process. At the regional and local level the problems of conversion are felt directly, and assistance and advice from the outside are valued.

One of the main barriers to fruitful discussion with the Russian officials and business-people observed at the Seminar was their lack of understanding of basic western business methods and ways of thinking. High quality interpretation is also a must.

Valuable experience and insights were gained through the Seminar, and contacts for further work in the conversion field were made.

c) Zhukovsky

Due to the large number of organizations conducting missions, meetings and seminars in the NIS attendance by the federal ministries at any function is difficult if not impossible. This problem makes it difficult to receive firm support at the federal government level for our initiatives. It is perceived by both Russian and Westerners that lack of Government attendance

is a sign of lack of support for the given programme. In regard to the follow-up programme in Zhukovsky, the lack of a firm government policy concerning control of the civil aviation sector has made it difficult to get strong government support for the project. The break-up of the once single civil aviation entity, Aeroflot, in the USSR to over 100 registered companies indicates the need in this area for strong government controls. In order to initiate a joint programme by Russian firms to enter into a venture with the West clear guidance must be articulated by the Federal government.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget year: 1992

2. Activity Title/Number: Corporate Organisation and Re-organisation/1.1.2

3. Directorate/Official Responsible for Activity: DAFFE/DIR/S. Nestor

4. Titles and Numbers of Resulting Publications: None

5. CEE/NIS Countries that participated: Russia

6. Collaboration with Multilateral Institutions: None

7. Collaboration with OECD Committees/Member countres: One expert/consultant from the US has been engaged in component (B), which is being financed by a voluntary contribution from the UK.

8. Activity Description and Assessment:

This Activity had two components:

A) Participation in the EEC Legal Task Force for the NIS. Two Secretariat representatives took part in the meetings in Moscow (February) and Kiev (October). Moreover, the Secretariat actively participated in the elaboration of the Task Force's programme in a meeting in Brussels, in May. The results as regards the effort as a whole are positive, from an analytical perspective, albeit the implementation of the recommendations of the Task Force might take some time. On the OECD side, Secretariat experts made a number of useful contacts with NIS representatives and had the opportunity to examine first-hand the specific problems in the area of legal reforms.

B) The OECD has organised a preparatory meeting for the elaboration of a training course for Russian Arbitrazh judges on corporate organisation and functions. Participants included the chairman of the Russian Supreme Arbitrazh court and the vice-president of the Russian Legal academy. The meeting resulted in the alaboratin of an extensive course outline and the settlement of a number of organisational details.

9. Follow-up:

A) The OECD will continue to contribute to the Task Force's work in 1993.

B) The training course for judges will be held in the end of May 1993 in the Russian Legal Academy, in Moscow. A final preparatory meeting which will discuss the extensive case materials available will take place in April 1993, in Moscow.

10. Problems/Lessons

A) This is an example of productive co-operation between OECD and EC in developing the legal infrastructure for economic reforms in the NIS. A number of problems may arise in the context of this activity, but they do not directly concern the OECD. One general lesson might be that being overly ambitious both as regards the subject matter of the

advice, and the diversity of its recipients, does not always pay -- especially in the NIS context.

B) Co-ordinating different institutions in Russia proved to be difficult. The activity is expected to provide a useful contribution to developing legal infrastructure and institution building

1992 PROGRAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal Common to Several Republics

II. Agriculture

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget year: 1992

2. Activity Title/Number: Corporate Organisation and Re-organisation/1.1.2

3. Directorate/Official Responsible for Activity: DAFFE/DIR/S. Nestor

4. Titles and Numbers of Resulting Publications: None

5. CEE/NIS Countries that participated: Russia

6. Collaboration with Multilateral Institutions: None

7. Collaboration with OECD Committees/Member countres: One expert/consultant from the US has been engaged in component (B), which is being financed by a voluntary contribution from the UK.

8. Activity Description and Assessment:

This Activity had two components:

A) Participation in the EEC Legal Task Force for the NIS. Two Secretariat representatives took part in the meetings in Moscow (February) and Kiev (October). Moreover, the Secretariat actively participated in the elaboration of the Task Force's programme in a meeting in Brussels, in May. The results as regards the effort as a whole are positive, from an analytical perspective, albeit the implementation of the recommendations of the Task Force might take some time. On the OECD side, Secretariat experts made a number of useful contacts with NIS representatives and had the opportunity to examine first-hand the specific problems in the area of legal reforms.

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9. Follow-up:

A) The OECD will continue to contribute to the Task Force's work in 1993.

B) The training course for judges will be held in the end of May 1993 in the Russian Legal Academy, in Moscow. A final preparatory meeting which will discuss the extensive case materials available will take place in April 1993, in Moscow.

10. Problems/Lessons

A) This is an example of productive co-operation between OECD and EC in developing the legal infrastructure for economic reforms in the NIS. A number of problems may arise in the context of this activity, but they do not directly concern the OECD. One general lesson might be that being overly ambitious both as regards the subject matter of the

advice, and the diversity of its recipients, does not always pay -- especially in the NIS context.

B) Co-ordinating different institutions in Russia proved to be difficult. The activity is expected to provide a useful contribution to developing legal infrastructure and institution building.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992/1993

2. Activity Title/Number: Training in the Agro-Food Sector in Russia, Ukraine and possibly Kazakhstan/1.2.1

3. Directorate/Official Responsible for Activity: Agriculture/F. Kuba

4. Titles and Numbers of Resulting Publications: Final results of the activity will be published

5. CEE/NIS Countries that Participated in Activity: Russia

6. Collaboration with Multi-lateral Institutions: World Bank

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

   . Activity draws extensively on background and networking provided by the high level conferences on Agricultural Advisory Services; Higher Education in Agriculture; and Agricultural Research held under the aegis of the Committee for Agriculture

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   due to the complexity of the analysis involved, it was decided at an early stage to initially limit this review to Russia. It is intended to extend the review to other republics (notably the Ukraine and Kazakshstan) at a later stage.

   Objectives: To carry out a detailed review of the agricultural education and training (AET) system in Russia. To prepare a report based on the findings of the review which will include recommendations as to how the AET system can be made more efficient and more conducive to a market-oriented agro-food sector.

   Results to date: After preliminary contacts with the Russian authorities, a first fact-finding mission visited Russia in September 1992 to discuss the form and scope of this review and to gather information on the organisation and structure of the present system. This will be followed up by a final mission to Russia to take place in May/June 1993 which will bring together the remaining information for a comprehensive report.

9. Follow-up (i.e., whether activity was continued in following year, generation of other activities, etc.):

   . Activity is ongoing

   . It is intended to organise a roundtable discussion with OECD and Russian specialists and policy makers based on the findings of the final report to facilitate and promote implementations of any recommendations;

   . At a later stage, it is intended to extend the review to other NIS

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10. Problems Encountered/Lessons Drawn:

In the early stages of the Review, problems were encountered with our co-operation with Russian officials. It was in particular difficult to determine, and establish contact with, the relevant officials in the relevant Russian Ministries. These problems were related to insufficient consultation with the Russian authorities concerned at the preparatory stage. However, these problems were resolved with the Russian authorities during the fact-finding mission in September 1992 and the situation has since greatly improved.

Conclusion. It is very important to establish contacts with the relevant officials at the outset of a project with the NIS in order to ensure that assistance projects are demand-led rather than supply-driven.

1992 PROGRAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposals Common to Several Republics

III. Nuclear Safety and Environmental Problems

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number:

   Programme of Technical Assistance to NIS
   1.3.1 Improvement of the safety of VVER-1000 reactors

3. Directorate/Official Responsible for Activity:
   NEA - K. Stadie

4. Titles and Numbers of Resulting Publications:
   -

5. CEE/NIS Countries that Participated in Activity:

   Russia, Ukraine

6. Collaboration with Multilateral Institutions:

   International Atomic Energy Agency (IAEA)

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

   NEA Committee on the Safety of Nuclear Installations, NEA Committee on Nuclear Regulatory Activities

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   . Activity not yet implemented. Will consist in supporting the IAEA programme by providing assistance in NEA's specific areas of expertise. Studies may include review of VVER-containment concept and investigation of severe accident phenomena for this type of reactor.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

10. Problems Encountered/Lessons Drawn:

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number:

   Programme of Technical Assistance to NIS
   1.3.2 Strengthening of safety authorities

3. Directorate/Official Responsible for Activity:
   NEA - K. Stadie

4. Titles and Numbers of Resulting Publications:
   -

5. CEE/NIS Countries that Participated in Activity:

   Russia, Ukraine

6. Collaboration with Multilateral Institutions:

   International Atomic Energy Agency (IAEA), Commission of the European Communities (CEC)

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

   NEA Committee on Nuclear Regulatory Activities

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   . Assistance is concentrated on providing advice on nuclear regulatory issues: e.g. regulatory aspects of human factors in operational safety, use of probabilistic safety assessments, materials studies, ageing of components, maintenance, licensing, regulatory inspection practices.

   . Initial contacts have been made between the Committee on Nuclear Regulatory Activities and the Council of Regulatory Bodies for VVER Reactors.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

   Expansion of this programme is under way.

10. Problems Encountered/Lessons Drawn:

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number:

   Programme of Technical Assistance to NIS
   1.3.3 Development of a Legal Framework

3. Directorate/Official Responsible for Activity:
   NEA - P. Reyners

4. Titles and Numbers of Resulting Publications:
   -

5. CEE/NIS Countries that Participated in Activity:

   Russia, Ukraine

6. Collaboration with Multilateral Institutions:
   -

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):
   -

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   . Specific assistance to relevant national nuclear regulatory authorities in the preparation of legislative texts.
   . Provision of legal documentation and training.
   . Information Seminar on Nuclear Law was held in Kiev.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

   Activity continues in 1993. Training Seminar for Lawyers of CEECs and NIS will be organised in late 1993.

10. Problems Encountered/Lessons Drawn:

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number:

   Programme of Technical Assistance to NIS
   1.3.5 Transfer of nuclear safety knowledge

3. Directorate/Official Responsible for Activity:
   NEA - K. Stadie

4. Titles and Numbers of Resulting Publications:
   -

5. CEE/NIS Countries that Participated in Activity:

   Russia, Ukraine

6. Collaboration with Multilateral Institutions:

   International Atomic Energy Agency (IAEA), Commission of the European Communities (CEC)

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

   Committee on the Safety of Nuclear Installations (CSNI), Committee on Nuclear Regulatory Activities (CNRA)

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   . Participation in NEA specialist meetings, seminars, workshops on nuclear safety, training and inspection, regulation. Major areas include severe accidents, human factors, thermal-hydraulic issues, etc.

   . Participation in NEA Joint Projects and Programmes:
   - NEA International Programme on Non-Destructive Testing of Steel Components (PISC) [Russia]
   - International Standard Problem Exercises on Nuclear Safety Issues.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

   Yes, activities were pursued and expanded further.

10. Problems Encountered/Lessons Drawn:

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: 1.3.6 Environmental Advisory Services

3. Directorate/Official Responsible for Activity: ENV

4. Titles and Numbers of Resulting Publications:

The following documents have been translated into Russian:

Improving the Enforcement of Environmental Policies (Env Monograph)
Conference on Energy and Environment: conclusions
Int. Conference on Privatisation and Liability, preliminary report and issues paper
Environmental Monitoring (Env Monograph)
Environmental Auditing Process, a Driving Force for Cleaner Production
Environmental Policy - How to Apply Economic Instruments

5. CEE/NIS Countries that Participated in Activity:

Russia, Belarus, Ukraine, Kazakhstan

6. Collaboration with Multi-lateral Institutions:

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

Missions to Belarus, Russia, Ukraine and Kazakhstan enabled contacts to be established with the respective Ministries of Environment, who supplied information on the environmental policies and problems encountered in the transition process. Contact was also established with other major organisations providing technical assistance (The World Bank, USEPA, USAID and EC).

As the result of discussions with the NIS it was agreed to translate a number of OECD documents (proceedings, monographs and books) to Russian. A number of these translations were distributed to specialists during a seminar in Minsk (see Activity 1.3.8)

The work achieved in 1992 provided a strong foundation for the OECD in environmental work involving the CIS countries.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

10. Problems Encountered/Lessons Drawn:

Specialists in the environmental field are well trained and do not require general information from the West. Technical assistance in this field must be focused on tackling and solving specific problems.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: 1.3.7 Workshop on Economic Reform and Environmental Issues

3. Directorate/Official Responsible for Activity: ENV

4. Titles and Numbers of Resulting Publications:

   Papers and conclusions in English and Russian.

5. CEE/NIS Countries that Participated in Activity:

   Armenia, Belarus, Kazakhstan, Kirgistan, Moldova, Russia, Tadzhikistan and Ukraine.

6. Collaboration with Multi-lateral Institutions:

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   A seminar on "Environmental Policy and the Transition to a Market Economy" was organised in collaboration with the State Committee for Ecology of Belarus on 2-3 December, 1992. Some 90 participants representing 8 countries of the CIS and the OECD Secretariat attended the seminar. The seminar was organised around four themes that are critical to environmental policies of economies in transition: economic restructuring and the environment; privatisation, foreign direct investment and environmental liability; resource pricing and economic instruments; and low-cost technological improvements to polluting industries.

   There was a positive and active participation by the CIS representatives during the conference. The provision of selected OECD documents in Russian was highly appreciated since there is a serious lack of material in Russian analyzing environmental problems from a policy and economic perspective. The seminar identified a number of issues for future cooperation between the CIS and the OECD in this sector.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

   Seminar conclusions will be sent to the parliaments and governments of the CIS countries. They will serve as a basis for developing our 1994 programme proposals.

10. Problems Encountered/Lessons Drawn:

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: 1.3.8 Environmental problems and policy assessment

3. Directorate/Official Responsible for Activity: ENV

4. Titles and Numbers of Resulting Publications:

5. CEE/NIS Countries that Participated in Activity: Ukraine, Belarus

6. Collaboration with Multi-lateral Institutions: World Bank

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   The introduction of environmental and safety audits to the industrial sector of the NIS was identified as a potentially very cost-effective measure. After discussions with Ukrainean authorities it was decided to organize a seminar on Safety and Economic Efficiency in the Chemical Industry of the Ukraine in collaboration with the Ministries of Environment and Industry. This will take place on 12-14 October, 1993. The seminar will be a very practical introduction on the approach to these problems used by the major Western chemical industries.

   This activity also includes discussions on the participation of OECD in the organisation of a conference where the World Bank Environmental Action Programme for Belarus will be presented.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

   Seminar "Safety and Economic Efficiency in the Chemical Industry of the Ukraine", Kiev, 12-14 October 1993
   Conference "Presentation of the World Bank Environmental Action Programme for Belarus", Minsk, May-June 1993

10. Problems Encountered/Lessons Drawn:
    Delayed due to recruitment lag.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: 1.3.9 Environmental Data and Information

3. Directorate/Official Responsible for Activity: ENV

4. Titles and Numbers of Resulting Publications:

   Translation to Russian of the OECD/Eurostat Environmental Data Questionnaire.

   Eventually a review of the Belarussian environmental information system will be prepared together with environmental indicators.

5. CEE/NIS Countries that Participated in Activity:

   Belarus

6. Collaboration with Multi-lateral Institutions:

   The European Environment Agency Task Force, World Bank

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

   Expert from the Netherlands will participate in the review.

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   The OECD/Eurostat Environmental Data Questionnaire was translated into Russian.

   After a request from Belarus, a review of the environmental information system of Belarus was initiated. Similar reviews have been performed in the PIT countries (see Activity 8.9 in 1992).

   In an initial mission the questionnaire was presented to responsible authorities in Belarus. The objective of using the questionnaire is threefold. First, the completed questionnaire provides an input to the review which will be performed in March 1993. Secondly, it will introduce the responsible authorities to the format of international environmental statistics. Finally, the information will be used in the compilation of the Pan-European State of the Environment report, presently being prepared by the European Environment Agency Task Force. The Belarussians delivered the completed questionnaire to the OECD at the end of 1992.

   The specialist mission will include experts from an OECD Member country, Slovakia and the World Bank.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

   Review mission to Belarus, March 1993. Presentation of the report at an

OECD-meeting in September 1993. Further collection of Belarussian data by means of the OECD questionnaire.

The Russian version of the OECD/Eurostat Environmental Data Questionnaire is a very important tool for future environmental work in other states of the ex-USSR. Extension of review to other NIS

10. Problems Encountered/Lessons Drawn:

1992 PROGAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal Common to Several Republics

IV. Privatisation

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget year: 1992

2. Activity Title/Number: Alternative Approaches to Privatisation / 3.1. Privatisation (NIS)/1.4.1 (Funds for this activity were mainly used for the purposes of the AGP(see below under B), in which a number of NIS participate.

3. Directorate/Official Responsible for Activity: DAFFE/DIR/S Nestor

4. Titles and Numbers of Resulting Publications: "Trends and Policies in Privatisation", Vol.I No.1, (06 93 01 3) ISBN 92-64-03714-4 (twice-yearly periodical publication).

5. CEE/NIS Countries that participated: Poland, Hungary, CSFR, Bulgaria, Romania, Lithuania Latvia, Estonia, Albania, Ukraine, Belarus, Russia.

6. Collaboration with Multilateral Institutions: World Bank,EC Com., UNIDO, EBRD.

7. Collaboration with OECD Committees/Member countries: Government and Private experts from France, Austria, Germany, the UK, US, Portugal, Canada, the Netherlands, Finland, Japan and Switzerland participated in the meetings.

8. Activity Description and Assessment:

This Activity had two major components:

A) In the area of country-specific policy advice, the OECD organised an small (7, including Secretariat) experts meeting (informal workshop) in Sofia, on May 14-15 1992. Experts included western academics and privatisation officials from PIT countries. Following a request by the Bulgarian government, the meeting focused on implementation alternatives of the new Bulgarian privatisation law. The meeting resulted in a set of recommendations which were drafted by the Secretariat and sent to the Bulgarians under the title "Summary of discussion and conclusions". Apart from the discussions, the meeting gave the opportunity to the OECD Secretariat to have a number of informal contacts and gather substantial information on the state of privatisation policy discussion in Bulgaria.

B) The major part of resources was committed to the establishment and development of the OECD Advisory Group on Privatisation (AGP). There were three AGP events in 1992:

i) On February 7 1992, high-level officials (Ministers) from the 3 PIT countries came to Paris for an informal meeting. The outcome of this meeting was the establishment of the OECD AGP and the adoption of its work programme. According to the latter, the AGP meets twice a year and provides a forum for the exchange of information and experience between CEE and NIS privatisation officials and OECD government and private experts.

ii) The first meeting of the AGP was held in Warsaw, on July 8-10 1992. Apart from discussing trends and developments in privatisation in different

countries of the region, the main subject of the meeting was the role of financial intermediaries in the privatisation process. A subject matter approach was adopted: three papers on the role of investment funds, capital markets and banks as well as an overview paper were presented by western experts. A fruitful discussion took place that, according to participants, was very helpful in understanding the different approaches to financial intermediation in the specific CEE context. All the papers were published in the first issue of the "Trends..." publication.

iii) The second meeting of the AGP was held in Paris on 23-24 November 1992. The main subject this time was the institutional aspects of the privatisation process. An overview and three country studies (Poland, CSFR, Hungary) were presented, exposing the problems and challenges of adopting an institutional framework for a process that affects so many areas of a country's economic life. All countries showed a special interest in the subject and most of them presented brief papers on their own institutional arrangements (including a number of OECD countries). The main papers from this meeting will be published in the shortly forthcoming second issue of the "Trends..." publication.

9. Follow-up:

A) No specific follow-up, due to the dissolution (in July 1992) of the old privatisation Agency of Bulgaria and its replacement by a new institution (under the same name). Nevertheless, Bulgaria -- apart from participating in the AGP -- has expressed considerable interest in participating in the planned privatisation training courses in 1993.

B) The AGP is an on-going activity. Its future work is demand-driven; it is discussed on the end of every meeting, following informal consultations with privatisation officials from the PITs. Its results -- including an important section on comparative developments in privatisation, based on twice-yearly country reports -- are published in the twice-yearly "Trends...." publication. The third meeting will be held in Budapest in the end of March 1993 and will focus on management/employee buy-outs. Its fourth meeting will be held in the end of September 1993 in Prague and will focus on enterprise restructuring.

C) At the request of CEEC participants in the AGP, the Secretariat has developed three modules for training and privatisation officials which will become operative in Spring 1993: negotiating technique, contract drafting and evaluation of business plans.

10. Problems/Lessons.

A) Western academic experts often devoted their time to promoting theories, sometimes to a point that confused rather than helped Bulgarian officials. On the contrary, the participating PIT privatisation officials at the meeting proved to be very effective, given their practical approach and experience with a similar economic environment.

B) Lessons:

-- The development of a network of direct, high-level contact points is essential for good results in this activity. "Talking to the right people" in CEE capitals and in private firms can make or brake the meetings in terms of quality of participation and presentations.

-- Consecutive long presentations by CEE/NIS representatives on privatisation developments often cause a considerable drop in the participant's interest in the discussion. Such presentations should be very brief and structured along a set of information requirements. The Secretariat has recently elaborated such a structure, both for the purposes of discussion and information reporting for the publication.

-- Paper authors tend to generalise and often miss the central point , i.e. the supply and closely focused analysis of information that would be the basis of a meaningful discussion. Starting from the second AGP meeting, the Secretariat provides paper authors with an extensive outline describing the paper's different elements.

Problems:

-- The difficulty in providing travel allowance for eastern European participants is also a serious practical problem. Sometimes experts are left behind due to lack of travel money.

-- There is a lack of co-ordination/exchange of information among multilateral institutions. It looks however very plausible that in the near future the AGP might fulfill its role as a "forum" in this area.

-- Resource requirements for the organisation of meetings twice a year and the management of a publication were seriously underestimated. If this activity is to continue having successful results -- especially as regards the processing and dissemination of privatisation information -- more resources need to be devoted to it.

Prospects:

The feed-back from participants in the AGP has been very positive. The opportunity of having a policy forum on privatisation is appreciated. There are likely to be increasing demands for participation by those countries (essentially NIS) which have not yet been fully represented. The AGP is also likely to extend its role in acting as a catalyst for co-operation with national institutions and international organisations.

1992 PROGAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal Common to Several Republics

V. Building the Legal and Institutional Infrastructure Needed in a Market Economy

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: Reform of the Accounting System: Activity 1.5.1 Conference on Accounting Reform in the Newly Independent States (14-15 July 1992, 16-17 November, Kiev)

3. Directorate/Official Responsible for Activity: DAF/R Geiger, E Quiñones

4. Titles and Numbers of Resulting Publications: Manual for Accounting Reform in the NIS (1993), forthcoming.

5. CEE/NIS Countries that Participated in Activity: Belarus, Kazakhstan, Kurgystan, Moldavia, Russia, Turkmenistan, Ukraine, Uzbekistan.

6. Collaboration with Multi-lateral Institutions: EC, FEE, IASC, UN, WB

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions): Working Group on Accounting Standards

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

Topics

An assessment of current accounting practices and recently implemented changes in accounting in NIS was followed by an introduction to the objectives of financial accounting and reporting in market economies and the basic elements of financial statements. The second part of the meeting was devoted to identifying specific accounting needs and focused on urgent issues including inflation accounting

Results

The meeting helped NIS accounting experts from the eight republics to identify the most pressing issues of accounting reform and ways of optimising western technical assistance through co-ordinated effort in legislative reform and accounting training. -- A co-ordinating Council on Accounting Methodology was created to propose changes for the modernisation of accounting practices on a harmonised basis among the eight republics. -- The Council will: exchange information and experience on accounting reforms; promote the harmonisation of accounting standards; exchange information on technical assistance in accounting promoted by national and international bodies; promote the development and organisation of the accounting profession and encourage accounting research and training; encourage publications on accounting and auditing trends and developments.

9. Follow-up: The Council's first meeting took place in November 1992. All members are in the process of drafting new accounting legislation and designing systems for setting supplementary accounting standards. Recognising the importance of a skilled accounting profession, members are embarking on substantial retraining programmes. OECD efforts in organising and supporting the Council's work and in bringing together eight major

republics to ensure co-ordinated accounting reform are highly appreciated. The next meeting of the Council is scheduled for May 1993.

10. Problems Encountered/Lessons Drawn: OECD played a major role in the organisation of the Co-ordinating Council for Accounting Methodology which will continue to serve as a forum for co-ordination and harmonisation of accounting reforms among NIS.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: Reform of the Accounting System. Activity 1.5.1 Accounting and Auditing in the Russian Republic

3. Directorate/Official Responsible for Activity: DAF/ R Geiger, E Quiñones

4. Titles and Numbers of Resulting Publications:

5. CEE/NIS Countries that Participated in Activity: Russia

6. Collaboration with Multi-lateral Institutions: EC, WB, UN, FEE

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions): Working Group on Accounting Standards

8. Activity Description and Assessment, including Discrete Components: Main Topics (for meetings/workshops) and Results (for policy advice/training): The OECD co-operated with other international organisations in establishing an International Advisory Board on Accounting and Auditing for the Russian Republic. An organisational meeting in July 1992 set the programme of work and methodology for the task of drafting accounting legislation and standards. The Board's priorities include revising the chart of accounts, drafting an accounting law, reviewing draft auditing legislation, and creating a standard setting system. -- The board met again in Moscow in January 1993 to finalise its comments on the draft auditing law.

9. Follow-up: The next meeting will take place in June 1993 to discuss accounting legislation

10. Problems Encountered/Lessons Drawn: Ensuring that comments and advice on draft legislation are channelled to the proper authorities. While there is no guarantee that final legislation will take account of all comments, officials responsible for such legislation are beginning to understand internationally accepted accounting rules and practices.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: Competition policy/3.5; 22.3.3 and 1.5.2

3. Directorate/Official Responsible for Activity: DAFFE/CCP/G Hewitt

4. Titles and Numbers of Resulting Publications: See earlier reports under 1991/3.5 & 1992/3.5 relating to the seminar notes.

5. CEE/NIS Countries that Participated in Activity: Bulgaria/Poland

6. Collaboration with Multilateral Institutions: The Polish seminar involved participation by resident advisors from the U.S. Federal Trade Commission and the Department of Justice.

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   Both of these seminars closely followed the format and seminar notes previously used in Bucharest, Moscow and Alma Ata (see seminars reported under 1991/3.5 and 1992/3.5).

   The first seminar took place in Sofia, Bulgaria from October 12th through the 16th. It was attended by roughly thirty-five persons. They came primarily from the Commission for the Protection of Competition (CPC), but there were also representatives from: the Council of Ministers; the Ministries of Industry, Finance, Trade, and Agriculture; and the Agency for Privatisation. A member of the Institute of Economics, Bulgarian Academy of Sciences also attended and furnished some papers describing the state of competition in Bulgaria. Outside of the seminar, there was a meeting for several hours with all the members of the CPC. This provided the setting for a helpful exchange of views regarding Bulgaria's competition statute (especially price control provisions), and the need for enforcement guidelines.

   The Polish seminar took place in Cracow from November 23rd to 26th. About thirty persons attended drawn principally from the Polish Antimonopoly Office (both Warsaw and Cracow branches). There were representatives as well from the Faculty of Law, Jagiellonian University. The last two days of the seminar contained about five hours discussion of actual cases, all but one of which had been drawn from those previously presented at the the OECD's Vienna seminar.

9. Follow-up (i.e., whether activity was continued in following year, generation of other activities, etc.):

   The meeting with the Bulgarian CPC led to our being asked to provide written comments on the Bulgarian competition statute. This was done and the comments sent early in November. There is a high probability we will be asked to assist in drawing up enforcement guidelines for Bulgarian competition law.

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An attempt was made to include American resident advisors in the upcoming Brno and Bratislava introductory seminars.

10. Problems Encountered/Lessons Drawn:

The Bulgarian seminar again showed how difficult it is to communicate the economic underpinnings of competition law to persons not well versed in western economic principles. It also demonstrated the need for more practical examples to be integrated into the lectures. To accommodate greater reference to actual practice, the lectures will either have to be lengthened, or some existing material abbreviated or omitted. A better alternative may be to copy the Polish experience, i.e. bring in outside help to prepare and lead case discussions in the afternoons.

A greater effort should be made in future seminars to obtain assistance from the U.S. and EC competition authorites, and perhaps other member countries' competition offices, in preparing and leading case discussions as a supplement to the morning lectures. This was facilitated in Cracow by the fact that many of the attendees were not based in that city and so were available for both the morning and afternoon. To encourage active discussion, the cases should probably be taken from other countries (to reduce natural inhibitions to criticize colleagues' work).

Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget year: 1992

2. Activity Title/Number: Financial Legislation/1.5.3

3. Directorate/Official Responsible for Activity: DAF/FIN/H Blommestein

4. Title and numbers of publications: Russian Federation: Reform of Central Banking Part II, IMF, June, 1992 ; this is a confidential IMF document.

5. NIS country that participated in the Activity: Russian Federation

6. Collaboration with multilateral organisation: IMF

7. Collaboration with OECD Committees/Member Countries: Central Banks from the U.K., Austria, Germany, USA, Italy, and France.

8. Activity Description and Assessment: This activity is part of IMF-coordinated Technical Assistance to the Central Bank of Russia (CBR); the OECD took part in a two-week IMF mission in May 1992. The OECD had the primary responsibility for reviewing preliminary drafts of the financial legislation aimed at the creation of a government securities market in the Russian Federation. To that end, a series of meetings was held with Russian officials of the CBR, Ministry of Finance, MICEX, representatives of the Russian Parliament and commercial banks. The discussions focused on the following main topics :
i) the financial relations between the CBR and the government (draft law on the Domestic Debt and draft ammendments of Central Bank Law);
ii) the issuance and trading of government securities (draft laws on Investment Securities and Securities plus CBR regulations on the conditions for the issuance of paperless securities plus draft agreement between the government and primary dealers); the role of the CBR as market maker and fiscal agent (draft laws on Securities and Investment Securities plus document on the conditions for the issuance of paperless securities). The mission gave preliminary reactions and suggested a number of changes in the draft laws and regulations on securities and domestic debt.

9. Follow-up: Partipation in IMF-coordinated missions to Russia in order to assess progress made and to provide technical assistance as appropriate.

10. Problems Encountered/Lessons Drawn: Co-operation with the IMF proved to be a very effective way to provide technical assistance to the Russian authorities. OECD's comparative advantage (in particular, a detailed knowledge of financial sector legislation in the OECD area), was fully exploited because the OECD had the primary responsibility for reviewing financial legislation.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget year : 1992

2. Activity Title/Number: Developments of payments, clearing and settlement systems/1.5.4

3. Directorate/Official Responsible for Activity: DAF/FIN/H Blommestein

4. Title and numbers of publications: Russian Federation : Reform of Central Banking Part I, IMF, April 1992 ; this is a confidential IMF document. Currently, Mr H Blommestein and Mr Summers (Senior Vice-President of the Fed Reserve Bank of Richmond) are editing a book on the design and management of payment systems based on the papers presented at the OECD/IMF/FED task-oriented training workshop for officials of NIS Central Banks.

5. NIS country that participated in the Activity: Russian Federation, Armenia, Azerbaijan, Belurus, Kazakhstan, Kyrghyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

6. Collaboration with multilateral organisation: IMF and BIS

7. Collaboration with OECD Committees/Member Countries: Central Banks from the U.K., Austria, Germany, USA, Japan, Australia, Switzerland and France. The central banks of Germany, Switzerland and the United States and the IMF and the BIS contributed to the financing of this activity.

8. Activity Description and Assessment: This activity is part of IMF-coordinated Technical Assistance to the NIS. The OECD participated in two payment system activities:

(I) A two-week IMF-coordinated mission in February 1992 to the Russian Federation. The OECD had, together with the Federal Reserve, been given responsibility for reviewing the effectiveness and efficiency of the current payment mechanism in Russia. This entailed a discussion of laws, regulations, clearing processes, paper flows and accounting flows associated with the major payments instruments in use in Russia. In addition, the proposed plan under development by the CBR for improving the payment system and the related processing infrastrucure was analysed. To that end, a series of meetings was held with Russian officials of the CBR, MICEX, representatives of the Russian Parliament and commercial banks. The discussions focused on the following main topics :

i) the problem of payment system float;
ii) transitional measures to facilitate interbank and interstate transfers of large value funds and to improve the efficiency of inter-state settlement arrangements;
iii) payments law and regulations;
iv) requirements of payment system technology and procurement issues;
v) payment system risk
vi) building general payment system knowledge.

The mission suggested a number of key transitional measures to improve the working of the payment system. The mission also urged the introduction of security measures to protect the payment system against fraud.

II) The second OECD activity in this area was a two-week task-oriented training workshop organised in September 1992 with the IMF and the US Federal Reserve Board, as an integral part of IMF-coordinated technical assistance on the payment system to the NIS. This activity was not a training seminar in the conventional sense because the emphasis was on hands-on exposure to actual payment system operations through visits to selected payment system sites: the SIC payment system in Switzerland, the EAF payment system of the Deutsche Bundesbank, and the FEDwire, CHIPS and ACH systems in the USA. The presentations by practitioners were of high quality, and the visits were an essential complement to the oral presentations. Moreover, the background documentation was available in Russian (and English) before the start of the workshop.

The key messages conveyed by the workshop and illustrated by the visits to payment centers can be summarised as follows:
1) there are important trade-offs between efficiency and safety in the design of payment systems;
2) collaboration and complementarity between the public and private sector in areas of fundamental importance in the design, testing, and operation of payment systems;
3) the time value of money was vividly perceived by participants as they followed on a screen hourly operations of payment systms, in particular of FEDWIRE;
4) the visit to the New-York FED to get acquainted with the design and implementation of automated payment systems underlined the pitfalls of systems design, in particular the risks of "grand schemes" and the risks in dealing with vendors;
5) linkages between payment reforms and the strengthening of monetary policy;
6) the importance of clearing houses in cross-border payments was clearly illustrated by the operations of CHIPS.

9. Follow-up: Partipation in IMF-coordinated missions to the NIS in order to assess progress made in payment system reform and to provide technical assistance as appropriate (this might include a second task-oriented payments workshop); participation in coordination meetings of multilateral institutions (BIS, IBRD, IMF, EBRD, and EC) to establish the broad framework for modernisation of the NIS payment systems and to set out the principles to be taken into account in providing technical assistance in the payment system area; organisation of an informal experts meeting at the OECD to address the interface between bank restructuring and payment system reform in the NIS; possible organisation of an informal OECD workshop on inter-enterprise arrears.

10. Problems Encountered/Lessons Drawn: The OECD is relatively best informed about the payment system in Russia. Consequently, the assessment of problems will be limited to Russia. The main problems in this area are: complexity (Russia's sheer geographical size and the existence of nine time-zones); as well as difficulties in implementing key transitional measures for improving the payment system, due to lack of trained staff. Lessons drawn: progress in this crucial area of financial sector reform will be slow and technical assistance will be a long-term and costly affair. Despite these difficulties, important progress has been made. Co-operation with the IMF and experts from OECD central banks is essential to provide effective technical assistance in this area, while overlap is avoided and OECD's comparative advantage (in particular OECD's ability to focus on horizontal issues, incl ıding the interface between the payment

system and the broader issues in bank restructuring) is fully exploited.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget year: 1992

2. Activity Title/Number: Technical aspects in the creation of government securities markets/1.5.5

3. Directorate/Official Responsible for Activity: DAF/FIN/H Blommestein

4. Title and numbers of publications: Russian Federation : Reform of Central Banking Part II, IMF, June, 1992; this is a confidential IMF document.

5. NIS country that participated in the Activity: Russian Federation

6. Collaboration with multilateral organisation: IMF

7. Collaboration with OECD Committees/Member Countries: Central Banks from the U.K., Austria, Germany, USA, Italy, and France.

8. Activity Description and Assessment: This activity is part of IMF-coordinated Technical Assistance to the Central Bank of Russia (CBR); the OECD took part in a two-week IMF mission in May 1992. The OECD and the Bank of England had the primary responsibility for reviewing the situation and policy with respect to the creation of a government securities market and public debt management in the Russian Federation. To that end, a series of meetings was held with Russian officials of the CBR, Ministry of Finance, MICEX, representatives of the Russian Parliament and commercial banks. The discussions focused on the following main topics :
i) the status and size of outstanding government bonds;
ii) the structure and organisation of the primary market for government securities, including selling techniques and the role of primary dealers;
iii) the structure and organisation of secondary market operations
iv) coordination between public debt management and monetary control;
v) institutional arrangements between the CBR and the Ministry of Finance.
The mission answered many practical questions of the Russian officials responsible for this policy area and provided a number of key recommendations in a confidential IMF Technical Assistance report that was sent to the Russian authorities. The mission provided recommendations and offered future TA with respect to the following issues:
   -- the organisation and modalities of the issuance of T-bills;
   -- the organisation and structure of the secondary market;
   -- the provision of general public debt management knowledge;
   -- strengthening of the coordination of public debt management and monetary control;
   -- improvement of cooperative arrangements between CBR and Ministry of Finance.

9. Follow-up: participation in IMF-coordinated missions to Russia in order to assess progress made and to provide technical assistance as appropriate, including the organisation of an OECD/IMF task-oriented training workshop.

10. Problems Encountered/Lessons Drawn: Co-operation with the IMF and experts from OECD Central banks resulted in a series of concrete recommendations to develop a government securities market in Russia as well as to improve public debt management. This had an important impact on the organisation and modalities of the issuance of T-bills as well as measures to improve

the co-ordination between the Russian Central Bank and the Ministry of Finance. Co-operation with the IMF made possible a focused approach within a broader framework of technical assistance.

1992 PROGAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal Common to Several Republics

VI. Foreign Direct Investment

OECD Centre for Co-operation with European Economies in Transition
Directorate Activity Assessment Form

1. Budget Year: 1991, 1992

2. Activity Title/Number: Review of Foreign Investment Legislation and Promotion Programmes: FDI country policy reviews
Numbers: 20.5.1; 21.5.1; 22.5.1; 1.6.1/2

3. Directorate/Official Responsible for Activity: DAFFE/CMIS/Rolf Alter

4. Titles and Numbers of Resulting Publications: None

5. CEE/NIS Countries that Participated in Activity:

One meeting each with Poland, Hungary, CSFR, Russia and Lithuania. Country representatives were key government officials responsible for FDI policies in the Ministry of Economics/Finance, the Central Bank, and the Foreign Investment Agencies.

6. Collaboration with Multilateral Institutions: EC

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

Committee on International Investment and Multinational Enterprises, Committee on Fiscal Affairs, Investment policy officials and/or regional specialists from Member countries.

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

The meetings gave the opportunity for an informal exchange of views of policy issues related to FDI between experts from the economies in transition members of the Committee for International Investment and Multinational Enterprises, members from the Committee on Fiscal Affairs, regional specialists from Member countries, as well as with the OECD Secretariat.

Three key topics have been explored:

-- The legislative and regulatory framework for foreign direct investment; legal forms of foreign participation; legal provisions and procedures for foreign participation at federal and republic levels; FDI in the framework of privatisation and restitution; Repatriation of income, profits, and dividends,; legal protection of investment, compensation guarantees, bilateral and multilateral investment protection agreements and double taxation treaties;

-- Incentives for FDI; fiscal incentives (tax rates, tax reliefs etc.); non-fiscal incentives; legal provisions and procedures at federal and republic levels; expected effects on FDI flows;

-- The OECD instruments on investment (Code of Liberalisation of Capital Movements, National Treatment Instrument, Guidelines for Multinational Enterprises).

The meetings provided the CEECs with the opportunity to present their FDI policies to OECD Member countries and to inform them about the progress in the transition process. CEECs were also very interested in learning about the experience with FDI policies in OECD countries, and made inquiries about the OECD investment instruments, particularly with regard to the general practice in applying them in areas sensitive from the individual transition country's point of view.

9. Follow-up (i.e., whether activity was continued in following year, generation of other activities, etc.):

In view of the fruitful dialogue experienced in the informal meetings, three major avenues of follow-up were pursued:

- Extending the informal meetings from the PIT countries to other CEECs (in 1993, meetings with Romania and Bulgaria are scheduled for March);

- Introducing annual reviews of FDI policies for the well-advanced transition economies (in 1993, Poland and the Czech Republic will be invited for their second review);

- Offering opportunities for a dialogue among FDI policy makers in the East and the West and the private sector on a regular basis: the Advisory Group on Investment was established for this purpose in September 1992.

10. Problems Encountered/Lessons Drawn:

One-time informal meetings are not enough. Reflecting the continuous change in FDI legislation throughout the transition process, CEECs would need technical assistance on a regular basis. They would definitely benefit from an "Annual Review" approach similar to the practice with OECD countries. For the time being, available resources do not allow to pursue this approach on a broader base, but only for the PIT countries.

11. Reference Material

Annotated agendas and Summary Records have been prepared for each meeting.

1992 PROGAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal Common to Several Republics

VII. Statistics

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OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: National Accounts/1.7.1

3. Directorate/Official Responsible for Activity:
STD/A. Harrison, L. Pathirane, D. Blades

4. Titles and Numbers of Resulting Publications: --

5. CEE/NIS Countries that Participated in Activity:
Russia, Ukraine, Belarus, Kazakhstan, Kyrghyzstan, Uzbekistan, Turkmenistan

6. Collaboration with Multi-lateral Institutions: --

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions): --

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training)

a) Technical assistance missions to assist in developing and implementing national accounts estimates in Russia, Ukraine and Belarus;
b) Initial fact-finding missions to Kazakhstan, Kyrghyzstan, Uzbekistan and Turkmenistan.

9. Follow-up (i.e. whether activity was continued in following year, generation of other activities, etc.):
Ongoing into 1993

10. Problems Encountered/Lessons Drawn: --

The level of knowledge and understanding of national accounts are lower in the NIS countries than the CEEs. The missions to Russia, Ukraine and Belarus have shown that the technical assistance to these countries will be more labour intensive and might require more frequent and/or longer visits than to the CEEs. Visits to individual countries could also be alternating with workshops for a small group of countries, for example the Central Asian republics, to discuss common problems and to find common solutions, as in the beginning at least the statistical information systems are very similar.

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OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: Short-term indicators and business tendency surveys/1.7.2

3. Directorate/Official Responsible for Activity:
STD/A. Harrison, R. Nilsson

4. Titles and Numbers of Resulting Publications: --

5. CEE/NIS Countries that Participated in Activity:
Russia, Ukraine, Belarus and other CIS countries

6. Collaboration with Multi-lateral Institutions:
CIS Statistical Committee

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions): --

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training)

   a) All CIS countries submitted data to OECD through CIS Statistical Committee for publication in historical compendium in mid-1993 to be issued by OECD and CIS;
   b) Russia, Ukraine and Belarus participated in seminars on business tendency surveys held in cooperation with Eurostat and DG 2 for CCEEs.

9. Follow-up (i.e. whether activity was continued in following year, generation of other activities, etc.):
Both activities will continue in 1993.

10. Problems Encountered/Lessons Drawn: --

The business tendency seminars mentioned under b) are less relevant for these countries than for the CEE countries because the private sector is less developed. Nevertheless, a research institute is carrying out a survey in Russia and Belarus and Ukrania are considering launching surveys in the near future.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: Price Statistics/1.7.3

3. Directorate/Official Responsible for Activity: STD/D. Roberts

4. Titles and Numbers of Resulting Publications: --

5. CEE/NIS Countries that Participated in Activity:
Russia, Belarus, Ukraine

6. Collaboration with Multi-lateral Institutions:
UNECE and Eurostat

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):
Austria and Finland (Statistical Offices)

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training)

   1. Technical assistance missions to Goskomstat, Russia.
   2. Workshop in Vienna in connection with the Austrian/USSR bileteral PPP comparison for 1990.
   3. Workshop in Paris for experts in PPPs from Russia, Belarus and Ukraine (10 CEEC'c also participated).
   4. Uzbekistan, Turkmenistan, Kyrghyzstan were visited on fact-finding mission where objective of PPP programme were explained and their participation encouraged.

9. Follow-up (i.e. whether activity was continued in following year, generation of other activities, etc.):
Continuing project. It is hoped all NIS countries will participate.

10. Problems Encountered/Lessons Drawn:

The Paris workshop was considered very successful by the participants. All 3 NIS countries (and 9 CEEC's) have agreed to participate in the 1993 bilateral PPP comparisons with Austria and are devoting considerable resources to this work.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: Other Statistical Areas (Agriculture), 1.7.4

3. Directorate/Official Responsible for Activity: Agriculture/A. Lindner

4. Titles and Numbers of Resulting Publications:

   Agr. statistics document in preparation on Russian Federation, Belarus, Kazakhstan. Will be published by OECD in co-operation with Goskomstats of these three republics.

5. CEE/NIS Countries that Participated in Activity:

   Russian federation, Belarus, Kazakhstan

6 Collaboration with Multi-lateral Institutions:

   Focus and timing of activity planned within the Inter-Seretariat working group on Agr. Statistics (FAO, OECD, ECE, Eurostat)

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

   Committee for Agriculture

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   Fact finding missions to these three republics and establishment of bilateral contacts took place in 1992. Co-operation is ensured and all three Goskomstats contribute to the establishment of an OECD database on agriculture for these countries. The objective of the activity is to critically review the quality and coverage of data obtained and to assist these countries in raising the quality level to international norms and standard.

   Progress to date: The activity progresses well and OECD has obtained full co-operation.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

   Ongoing activity. By its nature, this activity has to continue for more than one year to yield valid results.

   Following a request from Belarus, it is envisaged to organise a methodological workshop on agricultural accounts measurement and database management techniques in April 1994 in Minsk.

10. Problems Encountered/Lessons Drawn:

   The importance of a longer-term perspective in carrying out such an activity becomes clear. A two-year budget cycle would appear to be

indispensable to guarantee a successful completion of efforts undertaken. This activity has been met in all three republics with greatest interest and willingness to co-operate. OECD is expected by these countries and by other international organisations to assume a leading role.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992 (1993 carry-over)

2. Activity Title/Number: CCEET/NIS 1.7.4
Other Statistical Areas
(Russia - Labour Market Monitoring)

3. Directorate/Official Responsible for Activity:

ELS, Georg Fischer; (from October 1992 a new in-house consultant assumed management of the project under ELS supervision- Douglas Lippoldt)

4. Titles and Numbers of Resulting Publications: n/a

5. CEE/NIS Countries that Participated in Activity: Russia

6. Collaboration with Multi-lateral Institutions:

An active exchange of information has been undertaken with the World Bank and ILO staff working in this area.

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

A dialogue with the Government of Canada has been initiated concerning the possibility of participation in the next phase of this project.

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

The precise project specifications were developed during a July 1992 ELS diagnostic mission to Moscow (during meetings with Federal Employment Service management). The activity consists of development and field testing of a methodology for improved collection and reporting of administrative statistics using the registration cards of the unemployed. Initial in-country work on this project began in November 1992. Sites for the field work were selected, the specifics of the methodology were defined, and arrangements for the field test of the methodology were made. In February 1993, field work was initiated and aggregate data on the national and regional unemployment situations were collected. Data collection was completed in March and the project focus is now primarily on analysis.

9. Follow-up (i.e., whether activity was continued in following year, generation of other activities, etc.):

A workshop on the development and use of administrative statistics is planned for May 1993 in Moscow. The conclusion of the field work and analysis is tentatively planned for June. If this schedule is met, then final results will be presented in late June or early July.

10. Problems Encountered/Lessons Drawn:

There have been relatively limited logistical difficulties in connection with the field work. These have been largely overcome as a result of our

February 1993 mission, which included visits to the two field test sites.

1992 PROGAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal Common to Several Republics

VIII. Taxation

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: International Taxation Issues/1.8.1

3. Directorate/Official Responsible for Activity: DAFFE/FA/R. Vann

4. Titles and Numbers of Resulting Publications: None

5. CEE/NIS Countries that participated in activity: Belarus, Kazakhstan, Russia,
and Ukraine.

6. Collaboration with multilateral institutions: None

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions): Committee on Fiscal Affairs

8. Activity description and assessment, including discrete components: main topics (for meetings/workshops) and results (for policy advice/training):

The objectives set for this activity were threefold:

(1) to assist Belarus, Kazakhstan, Russia and Ukraine in the development of a tax treaty network with OECD Member countries;

(2) to examine the tax treatment of foreign direct investment by OECD Member countries into these countries;

(3) to provide training to senior government officials on the basic principles of international taxation.

The activity has been carried out by a series of bilateral missions and a major workshop organised in Paris in June 1992. The workshop brought together 18 OECD countries and Belarus, Kazakhstan, Russia and Ukraine, as well as the Baltic countries. The outcome of that meeting and the bilateral missions that preceded it was to increase the understanding on the part of these countries of the "international rules of the game" developed by the OECD in the tax area. A number of bilateral tax negotiations were also an outcome of this meeting.

Bilateral advice has been provided to each of these countries on the tax treatment of FDI and, in particular, the design and effectiveness of tax incentives. To date, however, the project has not been very successful in discouraging tax competition for FDI between these countries and the other NIS republics.

As regards training, these four NIS republics were brought into the OECD's Copenhagen tax training centre in June and senior officials from each of these republics have participated in courses on the principles of international taxation and tax treaties.

9. Follow-up (i.e. whether activity was continued in following year, generation of other activities, etc.): This activity continues in 1993 and

has been extended to the other NIS republics.

10. Problems encountered/lessons drawn: As a result of difficulties encountered in establishing contacts with the tax authorities of these countries the project did not begin until the Summer of 1992. However, already a number of these states have concluded tax treaties with OECD countries and improvements have been suggested to the tax treatment of FDI in Ukraine and Kazakhstan. Since 1992 more than 180 officials have attended courses in Copenhagen.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1991 and 1992

2. Activity Title/Number: 1991: Training of Tax Officials/20.4.1 /21.4.1/22.4.1 1992: Training of Tax Officials: 4.6 and 1.8.2 1992: Training of Tax Officials: 20.4.1/21.4.1/22.4.1

3. Directorate/Official Responsible for Activity:DAFFE/FA/R.Vann

4. Titles and Numbers of Resulting Publications:

   Brochure on Training Activities, February 1992 and April 1993
   Glossary of Tax Terms (forthcoming 1993)

5. CEE/NIS Countries that participated in activity: Albania, Belarus, Bulgaria, Czech Republic, Estonia, Hungary, Kazakhstan, Latvia, Lithuania, Poland, Romania, Russia, Slovak Republic and Ukraine.

6. Collaboration with multilateral institutions: IMF, World Bank, CEC and the International Bureau of Fiscal Documentation.

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions): Steering Group of the Committee on Fiscal Affairs; OECD's Group on Accounting Standards. Instructors for the courses have been provided from 12 OECD countries (Australia, Canada, Denmark, Finland, Germany, Ireland, Italy, Japan, the Netherlands, Norway, the United Kingdom and the United States), the IMF, World Bank and CEC. The hosting countries (Austria, Denmark and Hungary) have generously provided the facilities to put on these courses and the following countries have provided voluntary contributions: Canada, Denmark, Finland, Iceland, Japan, the Netherlands, Norway, Sweden and the United States.

8. Activity description and assessment, including discrete components: main topics (for meetings/workshops) and results (for policy advice/training):

   The CCEET multilateral tax training programme has been in operation for the period covered by this evaluation. The network consisted of three Centres (in Budapest, Copenhagen and Vienna) serving senior tax officials from 12 countries in transition (the CEECs and European NIS) and is in the process of being extended to the Central Asian and Transcaucasian NIS. A full evaluation of the programme is provided by the Canadian Tax Administration in C/NM(93)14.

   The objectives set for this programme were to meet the following training needs of tax officials from the economies in transition:

   (i) Training middle to senior level policy-makers and Administrators. The Centres play a major role in the training of middle to senior tax officials who are responsible for direct and indirect taxes. The issues examined include: the formulation of tax policy; the drafting of tax legislation; alternative strategies for promoting tax reforms; the economic analyses of alternative programmes; the organisation and management of the tax administration; tax audit and control, the structure of a tax administration; the collection of tax; relations with the taxpayer. In each of these areas common problems arise which can be dealt with by a

multilateral training centre giving courses to more than one State at a time and which build upon the expertise of national tax administrations of OECD countries.

(ii) Training officials who will deal with international tax issues. This category of needs is the training of tax officials who deal with international taxation issues. Courses focus on three areas: an introduction to international taxation issues; the role of tax treaties; transfer pricing issues and auditing MNEs. These are areas where the Committee on Fiscal Affairs has considerable expertise.

(iii) Training tax inspectors and administrators. This category of needs will generally be met by the creation of national training schools. Whilst there may be some role for bilateral assistance programmes, the Centres do not target this area although they do provide a forum where the directors of national tax schools can exchange views and provide training for the national instructors. Courses dealing with training issues are to be organised.

An evaluation of the programme by the Canadian National Tax Training Service, was broadly positive about the training network and noted that the objectives set for the programme had been attained. In 1992, 20 courses were offered at the three Centres, with Budapest and Vienna serving the needs of the CEECs (Budapest is used for courses on domestic taxation issues and Vienna on international issues) and Copenhagen the needs of the Baltic States, Russia, Belarus and the Ukraine. In 1993 the number of weeks of courses will increase to 57. During 1992, 417 tax officials from 12 countries passed through the Centres, attending courses which ranged from 3 days to two weeks. It is anticipated that this number will increase in 1993 to 1000, in part reflecting the expansion of the network to the Central Asian and Transcaucasian NIS and Mongolia. All of these officials have played a key role in the reform of their national tax systems and many of the suggestions discussed at the courses are now influencing the design and implementation strategies of tax reforms in these countries. The Centres have also succeeded in building up a network of contacts between OECD countries and the economies in transition and between officials from the economies in transition.

9. Follow-up (i.e. whether activity was continued in following year, generation of other activities, etc.): This on-going activity will be extended in 1993 to the Central Asian and Transcaucasian NIS.

10. Problems encountered/lessons drawn: A full analysis of the problems encountered and lessons drawn is provided in C/NM(93)14.

1992 PROGAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal Common to Several Republics

IX. Labour Market and Social Issues

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: 1.9.1. Reallocation of workers and retraining programmes: the role of Red Army personnel

3. Directorate/Official Responsible for Activity: ELS/Whitman

4. Titles and Numbers of Resulting Publications:
OCDE/GD(93)9 Russian Officer Conversion

5. CEE/NIS Countries that Participated in Activity:

6. Collaboration with Multi-lateral Institutions: See item 9

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

An expert mission was undertaken in September to assess the retraining of demobilised Russian officers and their potential in the transition process. This resulted in a report published in 1993 and participation in the Moscow Training 1992 conference. The report recommended setting up a pilot project with Member country grants and assistance from other multinational organisations.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.): Negotiations underway to complement the pilot project with, the EBRD, the World Bank, the United States, Sweden, Finland, the United Kingdom et al.

10. Problems Encountered/Lessons Drawn:

1992 PROGAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal Common to Several Republics

X. Inter-republic Trade Relations

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OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number:
Maintaining inter-republican trade -- 1.10.1

3. Directorate/Official Responsible for Activity:
ECD, TD (Mr. Scheele, Mr. Martens, Ms. Kalinova)

4. Titles and Numbers of Resulting Publications: --

5. CEE/NIS Countries which will Participate in Activity:
All NIS and CEECs

6. Collaboration with Multi-lateral Institutions: --

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):
Trade Committee

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

Activity has been changed to "Trade issues related to the NIS" Activity 20.5.1 in the 1993 Programme of Work). Preparation of a Workshop on trade issues related to the NIS (Minsk, 24-25 March 1993) involved travel to several NIS Republics, elaboration of a draft annotated agenda and formulation of the following issues papers: The development of new trade regimes in the NIS, their role in transforming economies and their compatibility with GATT principles; trade barriers affecting the exports of the NIS on external markets and structural internal impediments limiting the development of their exports; economic co-operation between the NIS and other countries; trade and payments arrangements among the NIS.

Assessment: Although a post-Minsk assessment of lessons would likely be more accurate, it already appears clear that the NIS prefer to interface with OECD countries on a wide range of trade issues. With the expanded Minsk Workshop agenda, the Trade Directorate has received delegation lists, mainly at the Deputy Minister level, from all NIS except for Georgia and Tadjikistan (situation as of 10 March 1993).

9. Follow-up (i.e., whether activity was continued in following year, generation of other activities, etc.):
Workshop in Minsk (24-25 March 1993)

10. Problems Encountered/Lessons Drawn:
Several NIS Republics were reluctant to talk about inter-republican trade but finally agreed to do so as part of an agenda which would also include external trade issues.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: 1.10.1 -- Monitoring Inter-republican Trade

3. Directorate/Official Responsible for Activity: ECO/Koromzay (CEED)/T.D.

4. Titles and Numbers of Resulting Publications: None

5. CEE/NIS Countries that Participated in Activity: NIS republics

6. Collaboration with Multi-lateral Institutions:

   -- IMF/IBRD (staff consultations and exchange of relevant documents and studies);
   -- EC/EBRD: (Participation in relevant seminars hosted by these Institutions)

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions): Trade Committee

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   -- Considerable analytic work on interrepublican trade and payments issues was undertaken in 1992, but due to resistance from NIS republics, the planned seminar to discuss the issues did not take place in 1992. Such a seminar will take place in March 1993, since NIS attitudes have shifted.

   -- One project was completed under this activity -- in the form of technical assistance by the government of Kirghizistan in thinking through the options for their bilateral trade and payments regimes with the Russian republic.

9. Follow-up (i.e., whether activity was continued in following year, generation of other activities, etc.):

   -- It was decided to integrate this activity with a parallel activity of the Trade Directorate or the external trade regimes of the NIS. And a seminar to discuss both issues with NIS representatives has been scheduled for end-March in Minsk.

10. Problems Encountered/Lessons Drawn:

   -- Clearly there were problems in getting this activity off the ground, reflecting the lack of adequate counterparts on the NIS side.

   -- The technical assistance mission to Kirghizistan was relatively successful on its own terms. The discussions were good, and the OECD recommendations were widely circulated with the Kirghiz government. However, such "one-off" assistance is of limited value. What would be needed in order to be really useful would be an <u>ongoing</u> advisory relationship. However, resources are lacking for OECD to provide such a service.

1992 PROGAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal Common to Several Republics

XI. Transport and Telecommunications

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: 1.11.1

Development of telecommunications infrastructure

"Structural Adjustment, Military Conversion, and Telecommunications Utilisation Aspects" (conference in Moscow 15-17 dec. 1992)

3. Directorate/Official Responsible for Activity:

STI/ICCP/ Georges Ferné

4. Titles and Numbers of Resulting Publications:

INFORMATISATION OF THE RUSSIAN FEDERATION (publication being prepared in English and Russian)

5. CEE/NIS Countries that Participated in Activity:

Russia

6. Collaboration with Multilateral Institutions:

Invitations were extended to BERD, EC and World Bank.

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

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8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

The Conference dealt broadly with Government policy for structural adjustment, military conversion and telecommunications utilisation aspects. The specific themes covered were role of Government in the field of informatisation, informatisation of government structures, development of software industries, informatisation at regional level (with Siberia as a central example), and information technology users demands for telecommunications.

Results included:

- gathering of information hitherto unavailable, for example on military conversion in telecommunications, that has provided inputs for other ICCP activities.

- establishment of high-level contacts in Russia.

- identification of future work needs (i.e. review of informatisation in Russia, organisation of policy advice to regions, assistance in developing a strategy for the informatisation of the government administration and

provision of technical support for standardisation and procurement decisions, etc.).

- the public discussion of major policy options (with a stress on decentralisation issues by the OECD side) has had a large impact with participants and the media, and is expected to contribute to more open policy approaches.

- specific conclusions of the meeting also included general suggestions for re-orientation, if not privatisation, of software development activities in the public sector, in order to contribute to the development of a stronger and more market-oriented private sector in this area.

- priorities were suggested for the informatisation effort, to focus on the public administration and banking.

9. Follow-up (i.e., whether activity was continued in following year, generation of other activities, etc.):

Discussions are continuing on possible follow-up. As a first step, there is high political interest in Russia in undertaking a comprehensive review of informatisation policy. ICCP is also preparing proposals to contribute to the formulation of a policy for the informatisation of the public sector, taking account of international trends and standards.

10. Problems Encountered/Lessons Drawn:

Government agencies in Russia have a long-standing pattern of reluctance to share information with the public, but are relatively more open with organisations such as OECD. Once mutual trust has been established, we can play a key role in generating public discussions in new areas. This implies, however, that good contacts are also maintained with non-government experts and industry in order to identify rapidly areas where this could be useful in a rapidly evolving situation.

This can be as such an important contribution because public debates will ensure that a broader range of experts are consulted by authorities when drafting laws and regulations or when policy options are being considered.

Thus, and although specific policy and technical advice from the Organisation is badly needed, one should not underestimate the importance of workshops, conferences, etc.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: 1.11.1

Development of Telecommunications infrastucture

3. Directorate/Official Responsible for Activity: D. Ypsilanti
M. Salamon (consultant)

4. Titles and Numbers of Resulting Publications:

A. "Telecommunication Indicators of the Former Soviet Union", Joint Publication with the International Telecommunication Union (ITU)

B. "Complete Set of Workshop Documentation" from Workshop on Telecommunications Development and Regulation in Kazakhstan

5. CEE/NIS Countries that Participated in Activity:

All countries of the former Soviet Union (Indicators publication)

Kazakhstan, Turkmenistan

6. Collaboration with Multi-lateral Institutions:

ITU, EC Commission

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

ICCP Committee, Japan, Italy, Australia, France

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

At the request of the Ministry of Communications of Kazakhstan two events have been carried out in 1992:

a. Expert meeting to review Draft Communications Law of Kazakhstan

Experts from OECD Member countries and EC Commission met for two days at the OECD with the Deputy Minister of Communications of Kazakhstan and two specialists, and gave a detailed paragraph by paragraph review of the Draft Communications Law.

Result: Many of the recommendations made by the review meeting will be included in the Law that is expected to be passed by Parliament in April 1993. The policy dialogue at the meeting was frank and very informative for the Ministry.

b. Workshop on Telecommunications Development and Regulation in Kazakhstan

45 senior representatives of the telecommunications sector in Kazakhstan

attended at two-day workshop in Alma-Ata focused on two topics within Regulation, chosen by the Ministry: Licensing and Tariffication.

Result: Some of the proposals for changes in the tariff structure put forward at the workshop were later followed by the Ministry. The Minister and the participants, including a representative from Turkmenistan, found the introduction to market oriented tariffication and licensing policies challenging and useful in their effort to develop the telecommunications infrastructure.

c. Publication: "Telecommunications Indicators of the Former Soviet Union"

In December 1992 a joint publication of the OECD and the The International Telecommunication Union (ITU) entitled "Telecommunications Indicators of the Former Soviet Union" presented the first comprehensive collection of reliable first hand data on the state of telecommunications in the former USSR, broken down by republics. It also contains an overview of the telecommunications situation in the NIS.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

The two events a. and b. led to a request from the Ministry of Communications of Kazakhstan for the OECD to assist in the drafting and reviewing of the country's development strategy for telecommunications. An initial review meeting was held at OECD on February 15-16 1993 with World Bank, EBRD, EC and ITU.

During the workshop in Alma-Ata, the establishment of a stable licensing regime was identified as a crucial factor in regulating and developing the telecommunications sector of the countries of the former Soviet Union. A workshop for all NIS countries on the topic of Licensing Principles and Procedures is therefore planned for September 1993 in co-operation with the Regional Commonwealth in the field of Communications (a CIS body).

In the Russian Federation, the Ministry of Communication has found the activities of OECD in Kazakhstan of such interest, that it has requested a meeting to discuss technical assistance for 1993.

In collaboration with the ITU and with support in kind from the World Bank, an extended version of the Indicators publication will be produced for 1993.

All the above activities are so far on hold, however, as funding for the module has not yet been received/unblocked.

10. Problems Encountered/Lessons Drawn:

1. Technical Assistance and Policy Dialogue has to be carried out at an <u>early stage</u> in the development process - decisions of a binding strategic nature may otherwise already have been taken (as they have in Kazakhstan).

2. There is a definite need for <u>multiple encounters</u> with the NIS counterparts in order to change their way of thinking.

3. It is extremely important to <u>build up good personal relations</u> based on trust and ability on both sides to be open and to "deliver the goods".

4. It is crucial to base the work on a thorough understanding of the culture and society concerned.

5. The long term effect of meetings and workshops is minimal if the written material is not translated into Russian.

1992 PROGAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal Common to Several Republics

XII. Assistance in Monitoring the Economy

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: 1.12.1 : Price liberalisation

3. Directorate/Official Responsible for Activity: ECO: Koromzay (CEED)

4. Titles and Numbers of Resulting Publications:

5. CEE/NIS Countries that Participated in Activity:

6. Collaboration with Multi-lateral Institutions:

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

10. Problems Encountered/Lessons Drawn:

-- This activity was not undertaken due to lack of people to carry out the work; inability to define it in operational terms; lack of NIS counterparts; and in the end, lack of relevance as a free-standing activity.

-- This assessment should not be seen negatively. The 1992 NIS programme was drawn up in great haste, and in the absence of a groundwork of discussion and planning it is not surprising that certain activities that were "pencilled in" should have gone by the board.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: 1.12.2: Monitoring of overall economic and policy developments

3. Directorate/Official Responsible for Activity: ECO: Koromzay (CEED)

4. Titles and Numbers of Resulting Publications: Relevant sections / Chapters in OECD Economic Outlooks Nos. 49, 50, 51 and 52.

5. CEE/NIS Countries that Participated in Activity: principally Russia and Ukraine

6. Collaboration with Multi-lateral Institutions:

   -- IMF (limited access to IMF studies and documents)

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions): High level Experts Group on NIS (see also Activity 15.3)

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   -- See activity 15.3. An additional focus for this monitoring work has been to prepare brief annotations and background papers as input to the annual meetings of the High Level Experts' Group on NIS developments (in practice discussion has focused primarily on Russia)

9. Follow-up (i.e., whether activity was continued in following year, generation of other activities, etc.):

   -- It seems necessary to develop and systematise this activity. But this would either require substantially more resources, or more effective ability to rely on work done by the IMF and other institutions who have allocated far greater resources to this activity than is possible for OECD.

10. Problems Encountered/Lessons Drawn:

   -- The atrocious state of NIS statistical information, and high levels of disorganisation both within the economies of these republics and within their governments makes systematic monitoring extremely difficult.

1992 PROGAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal for Individual Republics

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992/1993

2. Activity Title/Number: Workshop on Agricultural Policies in Belarus/Activity 2.2.1

3. Directorate/Official Responsible for Activity: Agriculture/F. Kuba/A. Malarz

4. Titles and Numbers of Resulting Publications: The Seminar proceedings will be published.

5. CEE/NIS Countries that Participated in Activity:

   . Approximately 80 high-level officials from Belarus will take part in Workshop, as well as participants from Russia, Ukraine and Lithuania
   . One high-level expert from Hungary and Poland, respectively, will take part in Workshop

6. Collaboration with Multi-lateral Institutions: World Bank, World Council of Credit Unions

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

   . About 15 experts from 10 Member countries will take part in Workshop, including representatives of the Committee for Agriculture
   . 6 members of the Secretariat will take part

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   Due to the long lead time required to start up our 1992 NIS related activities, together with the extremely crowded schedule of CCEET activities for the Agriculture Directorate in 1992 (including extra activities for the Baltics and Albania), it was not possible to finalise preparations for the Seminar in 1992. The activity was therefore carried forward into 1993.

   The Seminar will now take place from 28-30 April 1993. The main topics will be:

   . Structural adjustment and privatisation;
   . Market orientation and price policies;
   . Finance, credit and investment in agriculture;

   Co-operation with the Belarus authorities to date have been excellent. Background reports have been prepared on time and a preliminary particants list submitted to the Secretariat.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

   It is expected that the Seminar will help to identify priority areas for

future co-operation.

10. Problems Encountered/Lessons Drawn:

This is the first Seminar we are organising in the NIS. Although there are more difficulties on the logistical side (finding a location with adequate interpretation facilities, etc.), our co-operation with the Belarus authorities has been excellent, as mentioned under point 8 above. Their interest and enthusiasm in the Seminar are very high and we can expect fruitful results from the policy dialogue which will take place.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992 (1993 carry-over)

2. Activity Title/Number: CCEET/NIS Belarus 2.9.1
Labour Market Measures to Support Industrial Restructuring with Emphasis on Training and Retraining Issues

CCEET/NIS Belarus 2.9.2
Estimation of Future Unemployment

3. Directorate/Official Responsible for Activity:

ELS, Georg Fischer; (from October 1992 a new in-house consultant assumed management of the project under ELS supervision- Douglas Lippoldt)

4. Titles and Numbers of Resulting Publications: n/a

5. CEE/NIS Countries that Participated in Activity: Belarus

6. Collaboration with Multi-lateral Institutions:

An active exchange of information was developed with World Bank staff working in this area.

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

The Swedish National Labour Market Board contributed the travel costs of an expert to participate in the main mission and workshop that took place in February 1993.

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

During July 1992 a brief OECD/ELS assessment mission to Minsk resulted in a substantial reshaping of this project (at the request of the Belarussian State Committee on Labour and Social Protection) to focus on labour market analysis. Specifically, the project was redesigned to assist with staff training for an improved labour market analysis unit as well as to include a review of the statistical systems of the State Employment Service (SES). In November 1992 during a second brief OECD/ELS mission, detailed statistical information was collected and plans for a workshop and advisory group were developed (to be implemented during 1993).

The work is largely complete for this activity. The advisory group mission and workshop took place in February 1993. Participants in the workshop outlined below were very active and engaged. Initial recommendations presented were well received. Written recommendations from the advisory group were submitted to the SES on March 30. Initial indications are that the State Committee may modify its presentation of statistics to take the OECD recommendations into account.

9. Follow-up (i.e., whether activity was continued in following year, generation of other activities, etc.):

In February 1993, a workshop was carried out in Minsk focusing on administrative statistics of the Employment Service for use for labour market analysis and management information. During this same mission, the delegation worked as an advisory group in assessing the statistical systems of the employment service. Verbal recommendations were presented to the Chairman of the Committee on Labour and Social Protection. A written set of recommendations was developed following the February mission. Additional follow-up may include Belarussian participation in future OECD-organized training courses and workshops on related topics.

10. Problems Encountered/Lessons Drawn:

This project encountered very few difficulties. The principle lesson learned is the importance of flexibility in implementation, due to the changing priorities and conditions in the Republic.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number: Dairy Sector Development: Assistance to the Dairy Sector/Activity 4.2.1

3. Directorate/Official Responsible for Activity: AGRICULTURE/F.R. BAKER

4. Titles and Numbers of Resulting Publications: None in 1992

5. CEE/NIS Countries that Participated in Activity:

   Russia

6. Collaboration with Multi-lateral Institutions:

   IBRD; EBRB; EC-TACIS; FAO; IFAP (Int'l Federation of Aggricultural Producers); IDF (Int'l Dairy Federation)

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

   Meat/Dairy Group; Committee for Agriculture;

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   To identify the main orientations of a new dairy policy for Russia, inlcuding the institutional framework, market information and outlook, and the role of reformed co-operatives. In particular, to examine the policy, economic and technical situation and problems of the dairy food chain from producer to consumer in the Mosow Oblast and to provide recommendations for restructuring it according to market economic principles.

   Progress to date: A first substantive fact-finding mission visited Russia in September 1992 to discuss the contents and scope of this project. An expert team will visit Russia again in the first half of 1993 to finalise a report setting out the main orientations for a new dairy policy. This report will subsequently be discussed with the Russian authorities at a workshop to be held in Moscow from 7-9 July 1993.

   Workshop topics:

   - Market Orientation in the Russian Dairy Chain: its Policy Formulation and Implementation
   - Privatisation and Market Orientation of the Dairy Chain in Eastern European Countries: Implications for the Russian Federation
   - Dairy Processing in a Market-Oriented Dairy Sector
   - Medium Term Perspectives for the Dairy Chain in the Moscow Oblast

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

   Ongoing activity.

In addition to providing an international forum to discuss and analyse the problems of the dairy chain, the activity is expected to provide assistance in policy formulation for:

- the establishment and implementation of price policies for producers and for wholesale/retail pricing;
- privatisation of dairy farms, government assistance to private farmers;
- re-structuring/modernisation in the processing and distribution sub-sectors;
- general medium term planning for the dairy chain in the Moscow Oblast.

10. Problems Encountered/Lessons Drawn:

In the early stages of the activity, difficulties were encountered due to an apparent lack of interest in the project from some parts of the Ministry of Agriculture in Russia due to insufficient consultation in the initial planning phase of the project. This led to the need for additional time and effort on the Secretariat side to implement the project. However, the project is now on schedule, thanks to improved contacts with various government departments including the Ministry of Agriculture.

The lesson to be learned is to maximize contacts in recipient countries at the planning stage of projects and to cultivate co-operation with the "reformers" within the various administrations, bearing in mind that there may be resistance from medium-level management who may perceive that reform policies are not necessarily in their best interests.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget year: 1992

2. Activity Title/Number: 3.9 - 20.3.4 - 21.3.4 and 22.3.4 Consumer Policy - 4.5.1

   PRODUCT SAFETY WORKSHOP, 6-8 December 1992
   BUDAPEST, HUNGARY

3. Directorate/Official Responsible for Activity: DAFFE/CCP/Erich Linke

4. Titles and Numbers of Resulting Publications:

   No publications have resulted so far. The Summary Report has been circulated and may serve as a basis for further work.

5. CEE/NIS Countries that Participated in the Activity:

   Bulgaria (3); Czech Republic (2); Estonia (2); Hungary (21); Lithuania (3); Poland (3); Russia (5); Romania (3); Slovak Republic (2); PLUS Mexico (1). [() indicates the number of participants]

6. Collaboration with Multilateral Institutions:

   EFTA was a sponsor of the workshop.

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

   OECD member countries provided senior officials from safety agencies to describe enforcement practices on workshop panels. OECD member countries involved: Austria, Canada, Finland, France, Germany, Netherlands, Norway, Sweden, United Kingdom and United States. Member countries paid all expenses of the their representatives. The EFTA made a substantial monetary contribution to the event.

8. Activity Description and Assessment, including Discrete Components; Main topics (for meetings/workshops) and Results (for policy advice/training):

   The purpose of the workshop was to give invited participants from Eastern and Central Europe an opportunity to familiarise themselves with consumer safety concepts and practices in OECD countries. The workshop was structured around four panels composed of speakers from OECD countries representing government, private industry, academics, independent safety and standards-setting organisations.

   The panels were composed of four to five speakers who made presentations on the following topics:

   1) The first panel was devoted to basic national legal structures, institutions, product safety standards and risk assessment approaches;

   2) The second panel had presentations regarding product warnings, bans and recalls including legal and administrative practices. Also discussed were case studies and safety campaigns;

3) The issues discussed by the third panel concerned enforcement of safety laws and regulations: and,

4) The fourth panel was devoted to the international dimensions of product safety including co-operative efforts, notification and information networks. The panel also considered possible future co-operation.

Following the panel presentations, the participants from the Eastern and Central European counties reported on the status of their consumer protection laws and institutions. While some had enacted product safety laws and begun enforcement, other countries had not yet established the basic framework for product safety systems. Progress in establishing such systems was slow due to the lack of resources and operational difficulties associated with the transition period.

9. Follow-up (ie., whether activity was continued in the following year, generation of other activities, etc.):

As CEEC and NIS countries enter more fully into the global market-place, the need for their producers to meet international standards of safety will increase. In addition, governments in Central and Eastern Europe and the former Soviet Union are concerned that their countries not become dumping grounds for unsafe products. Consequently, consideration should be given to the following activities:

- o Seminars and workshops such as those which would assist Eastern and Central European governments in responding to the dumping of dangerous products on their markets;

- o OECD and non-OECD countries can continue to work together in an informal way to assist each other by sharing materials and information and by continued consultations;

- o Non-OECD countries can notify the OECD of particular safety hazards that arise in their markets and consideration will be given to expanding the OECD notification system to include Eastern and Central European countries.

Follow-up to the workshop would be urgently needed to help advise these countires in the development of their own product safety systems. OECD, through its working Party on Consumer Satety is well placed to provide the experience from market economies. However no funding has been provided for on continuation of this activity under the Core Programme.

10. Problems Encountered/Lessons Drawn:

No major problems were encountered. The primary lesson learned was that it is important to create an informal atmosphere conducive to a substantial exchange of ideas and information. Formal presentations should be limited and a lively question and answer period should be encouraged.

Clearly, the most pressing need in these countries, that the OECD can respond to, is for concrete and very practical advise in addressing high profile safety problems such as those associated with the dumping of dangerous products on their markets. The conceptual aspects of a safety system must be linked to concrete solutions to very fundamental product safety problems.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number:

   Programme of Technical Assistance to NIS
   5.3.1 Nuclear Safety: Long-term safety stabilization of Chernobyl-4

3. Directorate/Official Responsible for Activity:
   NEA - K. Stadie

4. Titles and Numbers of Resulting Publications:
   -

5. CEE/NIS Countries that Participated in Activity:

   Russia, Ukraine

6. Collaboration with Multilateral Institutions:

   International Atomic Energy Agency (IAEA)

7. Collaboration with OECD Committees/Member Countries (including either monetary or [illegible] and contributions):

   Committee on the Safety of Nuclear Installations (CSNI), Committee on Radiation Protection and Public Health (CRPPH), Radioactive Waste Managemnt Committee (RWMC)

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   . The objective is to explore ways to isolate for the short and long-term the radioactive substances of the destroyed Chernobyl-4 reactor.
   . An OECD-NEA fact-finding mission visited Ukraine in September. A report was made of the explanations obtained from Ukrainian Authorities on the radiological condition of the site.
   . A symposium was prepared, to be held in 1993 in Kiev, which will evaluate existing knowledge on the safety and environmental situation, and develop a series of recommendations to isolate radioactive or contaminated material from the biosphere.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

   Follow-up Kiev Symposium in 1993.

10. Problems Encountered/Lessons Drawn:

   Four Ukrainian Ministries share competence on this subject, hence, some conflicts of authority and delays in response to OECD initiatives.

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number:

   Programme of Technical Assistance to NIS
   5.3.2 Nuclear Safety: Decommissioning of Chernobyl reactors 1, 2, 3

3. Directorate/Official Responsible for Activity:

   NEA - K. Stadie

4. Titles and Numbers of Resulting Publications:
   -

5. CEE/NIS Countries that Participated in Activity:
   Ukraine

6. Collaboration with Multilateral Institutions:
   -

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):
   -

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   This activity is dependent upon the decision of the Ukrainian Authorities to shut down and decommission one or two of the three reactors still operating at Chernobyl. In the event of a decision to shut down units 1 and 2, the Ukrainian Authorities will be invited to join the NEA Co-operative Programme for the Exchange of Scientific and Technical Information concerning Nuclear Installation Decommissioning Projects. Similar invitations could be extended to other nuclear power plants being decommissioned in the NIS.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

10. Problems Encountered/Lessons Drawn:

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number:

   Programme of Technical Assistance to NIS
   5.3.3 Joint Research Projects

3. Directorate/Official Responsible for Activity:
   NEA - K. Stadie

4. Titles and Numbers of Resulting Publications:
   -

5. CEE/NIS Countries that Participated in Activity:

   Russia, Ukraine

6. Collaboration with Multilateral Institutions:
   -

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

   NEA Committee on the Safety of Nuclear Installations (CSNI)

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

   . The objective is to assist the Russian and Ukrainian State Committees in designing and executing experimental research programmes and associated analysis work on the basis of existing R-D facilities in these countries.
   . A fact-finding mission in May 1992 visited several facilities in Ukraine and Russia to evaluate their potential for building-up a viable safety research programme for VVER-reactors around these facilities.

9. Follow-up (ie., whether activity was continued in following year, generation of other activities, etc.):

   The project was widened in 1993 with a view to assisting the Authorities in building-up capabilities in safety technology and analysis pertaining to VVER reactors. In coordination with Member countries, co-operative programmes will be encouraged to complete and improve existing research facilities and train their staff.

10. Problems Encountered/Lessons Drawn:

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992 (1993 carry-over)

2. Activity Title/Number: CCEET/NIS 5.9.1

Revised title: Employment Service Advisory Group

3. Directorate/Official Responsible for Activity:

ELS, Georg Fischer: (from October 1992 a new in-house consultant assumed management of the project under ELS supervision- Douglas Lippoldt)

4. Titles and Numbers of Resulting Publications:

n/a

5. CEE/NIS Countries that Participated in Activity: Kazakhstan

6. Collaboration with Multi-lateral Institutions:

An active exchange of information is underway with appropriate staff of the World Bank and the ILO. The ILO agreed to contribute a staff expert to the OECD mission to Alma-Ata (March 1993).

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions):

The Japanese Ministry of Labour provided an expert to participate in the March 1993 OECD mission.

The Swedish Ministry of Labour provided an expert to participate in the March 1993 OECD mission.

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training):

Following ELS consultations with CCEET and an initial OECD/ELS assessment mission to Alma-Ata, it was decided to redefine the activity underwritten with these funds. As a result, we were able to organize an employment services advisory group as specifically requested by the Kazakhstan Ministry of Labour. Due to communications and logistical difficulties it was necessary to postpone implementation of the redefined activity until 1993.

During 15 - 25 March 1993, the OECD/ELS organized an employment service advisory group mission to Kazakhstan. This mission provided the Kazakhstanis with information on the range of employment service practices in the OECD member countries. Special case studies were presented on Japanese and Swedish approaches. Other topics covered included international "standards", employment laws, ILO conventions, and administrative statistics. The mission activities included fact-finding on the Kazakhstan State Employment Service operations and provision of general recommendations on labour market policy and employment service issues.

9. Follow-up (i.e., whether activity was continued in following year,

generation of other activities, etc.):

The specific follow-up for the project will include the submission of written recommendations for the Ministry of Labour. Also, we have invited the Ministry of Labour to participation in the OECD/ELS organized course on Labour Market Policy scheduled for the Joint Vienna Institute in July.

10. Problems Encountered/Lessons Drawn:

Communications were a key problem, reflecting both linguistic and technological difficulties. Our conclusion is that it is absolutely critical to have a contact in the Ministry who is responsible and readily accessible. We now have two such contacts.

In addition, the appropriate and necessary reshaping of this project has highlighted the importance of flexibility in project implementation under the present conditions in the NIS.

1992 PROGAMME OF ACTIVITIES

C. Programme of Technical Assistance to the Republics of the ex-USSR

Proposal for All Republics

Statistics

OECD Centre for Co-operation with European Economies in Transition
DIRECTORATE ACTIVITY ASSESSMENT FORM

1. Budget Year: 1992

2. Activity Title/Number:
Co-operation with Statistical Committee of CIS/6.7.1

3. Directorate/Official Responsible for Activity:
STD/A. Harrison

4. Titles and Numbers of Resulting Publications:
National Accounts for the Former Soviet Union: Sources, Methods and Estimates

5. CEE/NIS Countries that Participated in Activity:
All CIS countries plus Baltic countries and Georgia

6. Collaboration with Multi-lateral Institutions:
Statistical Committee of the CIS

7. Collaboration with OECD Committees/Member Countries (including either monetary or in-kind contributions): --

8. Activity Description and Assessment, including Discrete Components; Main Topics (for meetings/workshops) and Results (for policy advice/training)

a) A report was published (initially as a document) on the methods of estimating national accounts for the USSR for 1988 to 1990. This serves as a basic methodological manual for estimation SNA data for all countries of the former-Soviet Union;
b) A major worshop was jointly organised with the CIS in December in Moscow to explain the basic principals of the SNA and the methodology described in the report referred to a). All 15 countries of the former-USSR attended the meeting;
Collaboration with the CIS Statistical Committee has proved an efficient method of delivering technical assistance to the NIS countries.
c) An OECD staff member made presentations to the Council of the CIS Statistical Committee at their meetings in July and December on assistance that could be provided by OECD and on technical issues.

9. Follow-up (i.e. whether activity was continued in following year, generation of other activities, etc.):

These activities provide the starting point for technical assistance in national accounts for all former Soviet Union countries starting in 1993.

10. Problems Encountered/Lessons Drawn:

The Workshop mentioned at b) was very successful, in part because the lecture notes and slides have been translated into Russian. The report referred to a) was also available in Russian. Collaboration with the CIS statistical Committee has proved an efficient method of delivering technical assistance to the NIS countries.