



**UNITED NATIONS
RESIDENT COORDINATOR IN LITHUANIA
2003 ANNUAL REPORT**

The strategic orientations of the UN Country Team in Lithuania in 2003 were directed, on the one hand, at repositioning the operational activities of the United Nations and realigning them with the changing status of Lithuania as a member of the European Union (EU) from 1 May 2004; and on the other, to provide assistance to meet the challenges that the country continues to face from a sustainable human development perspective. Through joint advocacy, policy advice and project support, emphasis was put on helping Lithuania to prepare itself as an emerging donor as well as on reducing poverty, promoting human rights, preventing HIV/AIDS, developing an information society and a quality education for all. The MDGs provided a bridge between these two orientations while drawing attention to ongoing needs at home in the MDG focus areas and seeking Lithuania's contribution for their achievement worldwide.

For Lithuania, 2003 was marked by significant events and decisions that fortified the country's recent achievements. Lithuania firmed up its record in meeting international commitments and gained remarkable success in the economic area. The first half of the year saw a number of activities related to the invitations to join EU and NATO. More than 90% of the Lithuanians who participated in the referendum in May voted for membership in the EU. This overwhelming result reinforced the legitimacy of Lithuania's presence in the EU and its institutions. The second part of the year was critical for positive evaluations of Lithuania as one of the best prepared countries for EU accession (ranked at top two) and as the country with Europe's fastest growing economy.

Lithuania rose to the 22nd place among the world's economies in the latest Index of Economic Freedom released by the Heritage Foundation and the Wall Street Journal and was rated the third freest economy among the EU acceding countries. The Economist called Lithuania "the Baltic Tiger" as Europe's top-performing economy. The average real growth in 2003 reached 8.9 %. The state budget showed a surplus for the first time in the last five years. Fastest expansion of value-added has been in manufacturing, utilities, construction, transport, storage and long-distance communications. Evidence of positive socio-economic development of the country was also seen by decreased average unemployment level around 10.5. IMF evaluated positively the efforts of the Lithuanian Government in implementing policies for impressive economic development, low inflation and fast integration in the euro zone. It is expected that in the coming years, the Lithuanian economy will get a stimulus from the an increase in the inflow of EU structural funds, further trade and financial integration with EU countries, and an anticipated economic recovery in major trading partners.

End of the year was shadowed by the crisis in the Presidency. Impeachment proceedings began against President, who had taken power only in February, after a parliamentary inquiry concluded that alleged links between his office and Russian organised crime constitute a threat to national security. After months without any resolution to the situation, Lithuania has started to feel signs of political isolation. If the President is impeached, Lithuania will have to organize presidential elections in 2004 in addition to those already scheduled: in June for the European Parliament and in August/September for the Lithuanian Parliament.

Lithuania continued to be active in the UN and expressed its readiness to contribute to the goal of building an international order based on effective multilateral institutions and on the fundamental goals of the United Nations Charter. During the year, high officials of the country participated in a number of UN events and ratified several UN protocols and conventions. In October, LTL 100,000 (about \$30 000) was allocated for humanitarian aid to Iraq through the Multilateral Donor Fund for Iraq's reconstruction, established by the United Nations and the World Bank. In March, Lithuania took part in the 59th session of the UN Commission on Human Rights, declaring active support to strengthening democracy, guaranteeing human rights protection and

consolidating abolition of capital punishment. In April, the Parliament ratified the Protocol for Prevention, Suppression and Sanctioning of Trafficking in Humans.

Lithuania also continued to exercise initiative and show leadership to create forums to discuss topics of international concern among regional and international partners. A large number of these activities were realized in cooperation with UN organizations and supported by the members of the UN Country Team (UNCT).

Sub-regional Biosafety Workshop on Risk Assessment and Public Participation for CEE/Central Asia countries took place in Vilnius on 27 – 30 May, 2003. The workshop was organised by the UNEP-GEF and Ministry of Environment and attended by representatives from 28 countries. The workshop aimed at the capacity building activities in order to assist countries to prepare for the entry into force of the Cartagena Protocol on Biosafety to the Convention on Biological Diversity (CBD).

During August, World Information Technology Forum (WITFOR) was organised in Vilnius. It focused on the ICT-equity agenda and aimed at assisting developing nations to implement sustainable strategies for the application of ICT by organizing state-of-the-art conferences on global trends in information and communication technology in developing countries and by initiating projects in different areas of the ICT spectrum. The UNDP-supported National Human Development Report, entitled Knowledge, Technology and Human Development and the World Bank-supported assessment of the Knowledge Economy in Lithuania were significant inputs to the discussions. The participants at WITFOR adopted a Declaration, which, on the eve of the World Summit on the Information Society (WSIS), dealt with the most acute issues with respect to the development of an information society. The Forum was attended by the Secretary-General of ITU, Mr. Yoshio Utsimi, and other high officials from UNESCO, UN ECE, and other international organisations.

Lithuania participated in the fifth WTO conference of Ministers in Cancun, Mexico, in September. Lithuania became a full-fledged member of the [Ottawa] Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction in November.

In September, Lithuania and other Baltic Sea region states pledged to reduce the amount of greenhouse gas emissions. Subsequently, Lithuania signed an agreement on the establishment of an area for the testing of application of tools of Kyoto Protocol in energy projects of the Baltic Sea region. The Lithuanian Strategy for Sustainable Development, “Efficient Economy, Healthy Environment, Prosperous Society,” was prepared through a participatory process outlining the national goals and priorities and their implementation, a process largely accelerated by the WSSD in 2002.

In October, a sub-regional conference organized by UNESCO, World Bank, UNDP and the Open Society in cooperation with the Ministry of Education and the Lithuanian National Education Forum, provided continuing follow-up to the Dakar Forum on Education for All. The conference concentrated on “Basic Competencies for Lifelong Learning from the European Dimension and the Baltic Vision”.

Currently, Lithuania chairs the Population and Development Commission Bureau at the UN. For the first time, a sitting of the bureau was held outside of New York, in Vilnius in November, with representatives of the UNDESA, UNFPA and the members of the Commission. Earlier in

November, Lithuania hosted an international conference on terrorism and human rights in cooperation with UNODC and the Commissioner of the Baltic Sea States.

The first MDG Report for Lithuania which was published at the end of 2002 as an update to the CCA, became a rallying tool to raise awareness of MDGs in a middle-income, EU-bound country like Lithuania, both from the point of view of highlighting what needs to be done at home and how Lithuania can contribute to their achievement worldwide. The joint CCA/MDGR was also considered to be a best practice. A regional workshop organized in January in collaboration between UNDP and UNDESA, in follow up to the joint work which was being done on the preparation and implementation of the national Strategy for Poverty Reduction, received support from the Millennium Trust Fund of UNDP and introduced the complementarity between MDGs and the European social inclusion agenda to the EU acceding and candidate countries. The workshop was also successful in drawing attention to Goal 8 – developing a global partnership for development - as the new members of the EU will automatically become donor countries upon joining. Members of UNCT participated in the workshop. The workshop was followed by a forum for NGOs to discuss specific indicators more relevant for a country such as Lithuania with high value of human development (a ranking of 47 in the 2003 Human Development Report).

Lithuania's commitment to multilateralism was confirmed with the adoption of the first National Long-Term Development Strategy and the approval of the "Development Assistance Policy 2003-2005", which identified the Millennium Declaration and the MDGs as its main framework. In December, a joint outdoor campaign to raise awareness of MDGs was organized together with the Ministry of Foreign Affairs and the Clear Channel in major cities, a first time public/private partnership on the MDGs. The posters which were to be posted for six weeks from IDEP on October 17th, are still rotated free of charge by the Clear Channel at different billboards in various cities. An impact assessment will also be provided by the company

"The National HIV/AIDS Prevention and Control Programme 2003-2008" was approved after significant contributions to its content by the expanded Theme Group on HIV/AIDS. The RC continued to lead a group of concerned ambassadors at the request of the US ambassador on behalf of the Baltic Sea Initiative (BSI) to meetings with the Minister of Health to ensure adequate support to the strategy. Although the Global Fund is not currently open to middle-income countries like Lithuania, the process of the preparation of the national strategy and its quality were greatly influenced by the interest in the Global Fund. Various advocacy activities were organized throughout the year highlighting the need for continued attention to prevention, treatment and care needs despite the still low prevalence of HIV. (Please refer to the Annex I for detailed information on the activities of the UN Theme Group on HIV/AIDS.)

In the same framework, a first inter-agency project was established with funding from UNDP, UNFPA and UNICEF and technical support from WHO on youth friendly services. Although the project was approved only in the last quarter of the year, the consultations at local (municipal) and national levels leading to its signature were very useful in establishing a network of partners and improving the understanding of the specific issues facing the young people of Lithuania, covering a broad range of issues from mental and reproductive health to the prevention of substance abuse and HIV/AIDS.

In May, on behalf of the UNCT, the RC participated in the inter-agency conference in New York on the establishment of guidelines for a rights-based approach to the preparation of CCA/UNDAF and made a presentation on the very successful Lithuanian human rights action plan (HRAP) – the first one in the region, prepared with support from UNDP and UNHCHR within the framework of

the global HURIST project. The RC was also asked to make a similar presentation to a meeting of the HURIST steering committee for prospective donors. The Lithuanian HRAP continued to become a good example to other countries, attracting study tours from countries as diverse as Mongolia, Nepal and Moldova, indicating that the Lithuanian experience and knowledge gained during the years of transition would be valuable to many other countries.

As Lithuania becomes an EU member country, it will have a significant say in shaping EU's development cooperation policy. It is also expected that, as Lithuania's aims for NATO and EU integration are achieved, the focus will shift to having a stronger international role and a stronger presence in the UN organizations. Lithuania is already a candidate for ECOSOC for 2005-7 and has aspirations for the non-permanent member seat in the Security Council during 2014-15. Therefore, emphasis was put on supporting Lithuania in this new light in all the RC and UNCT related advocacy and communications activities throughout last year and the political role of the RC office became more pronounced.

At the same time, the fact of Lithuania's joining the EU from 4 May 2004, raised questions related to the continuation of the programmes of UNDP, which has been the only UN organization with a multi-year country programme (Lithuania is part of UNICEF's multi-year, multi-country programme 2003-5, the World Bank has a Country Assistance Strategy for the same period, and UNFPA works on the basis of annual programming ceilings). Numerous consultations with donor governments, NGOs and the Lithuanian authorities clearly pointed out that UN's ongoing involvement was still required in the areas of human development, especially in poverty reduction/social inclusion due to high poverty rate (about 16% national average and doubled in some areas and for some vulnerable groups) and significant regional disparities despite remarkable economic growth. It was also observed that, despite the existence of vibrant NGO community, the capacities of the civil society were still weak, and their sustainability requires further support. Thus, the Government confirmed its interest in continued UN presence through the RC system. As a result, a new country programme for 2004-5 was developed and approved by the UNDP/UNFPA Executive Board.

Lastly, the year was successful in terms of further improving the visibility of the United Nations activities, goals and priorities. MDGs provided the main message of all our activities. More than a hundred items appeared in the media on the UN in general (not including organization-specific items on specific events or project activities), in written form, on TV/radio as well as various internet portals. Encouraged and facilitated by this office, the Editor of International News of Lithuanian National TV participated in the annual training programme for Broadcasters and Journalists from developing and transition countries, organized by the DPI in NY during the General Assembly. Since the opportunity to work with and network with journalists from developing countries is rare, the opportunity was appreciated.

Lastly, in 2003, eleven years after the opening of the UNDP Country Office and the assignment of UN Resident Coordinator in Lithuania, relocation to commercial premises from the space provided in the Ministry of Foreign Affairs (MFA) became necessary due to the requirements related to Lithuania's upcoming membership in NATO in 2004. The move was not without its costs. Unfortunately, it was not possible to create a UN House either since the numbers of UN organizations present in the country is limited in addition to the fact that, most probably, the RC/RR position in Lithuania will cease to exist at the end of UNDP's current Country Programme in 2005. However, the move to the new premises outside of the Ministry made it possible, for the first time, to fly the UN flag in front of our building. Now the UN is indeed more visible than ever and much more easily accessible to the people.