



**Economic and Social  
Council**

Distr.  
GENERAL

HBP/2004/9  
12 July 2004

ORIGINAL : ENGLISH

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**ECONOMIC COMMISSION FOR EUROPE**

COMMITTEE ON HUMAN SETTLEMENTS

Sixty-fifth session

(Geneva, 20-22 September 2004)

Item 5 of the provisional agenda

**IMPLEMENTATION OF THE ECE STRATEGY FOR A SUSTAINABLE QUALITY  
OF LIFE IN HUMAN SETTLEMENTS IN VIEW OF THE POLICY PRIORITIES  
SET AT THE REGIONAL IMPLEMENTATION FORUM ON  
SUSTAINABLE DEVELOPMENT**

Background

1. At the ministerial meeting on human settlements in September 2000 in Geneva, the ECE Strategy for a Sustainable Quality of Life in Human Settlements in the 21<sup>st</sup> Century (ECE/HBP/120) was adopted as a guide for the Committee to structure its programme of work during the first years of the new millennium based on its member countries' common interests and concerns, and reflecting their experience, needs and policy approaches within human settlements. The Strategy was to be reviewed after the first years of implementation.
2. This paper aims at facilitating the Committee's discussion on the need to update the Strategy or parts of it, in particular in the light of the policy priorities set at the regional implementation forum in Geneva in January 2004 to follow up on the World Summit on Sustainable Development.
3. The ECE Strategy was developed to promote sustainable development in the region while fostering economic and social prosperity and supporting democratic governance. Five objectives provide strategic directions for the Committee's work in response to major regional challenges for sustainable development:

- Promoting a system of meaningful and democratic governance that responds to the needs of local communities;
- Improving urban environmental performance;
- Facilitating social cohesion and security;
- Promoting market reform in the housing and urban sector;
- Improving land and real estate markets and securing private rights in land.

#### Review of the Strategy's objectives

4. A short review of these five objectives will address the following questions:
- Do they still adequately reflect the priorities as they are perceived by policy makers at the beginning of the millennium and as they were articulated at the regional implementation forum?
  - Have the Committee's activities been sufficiently geared towards fulfilling the Strategy and are they still valid in the light of the priorities set at the regional implementation forum?

*Objective 1: Promoting a system of meaningful and democratic governance that responds to the needs of local communities*

The Strategy calls for:

- (a) Identification of a more coherent governance framework for human settlements in pursuing sustainable development;
- (b) Assistance to ECE countries to develop national programmes for good governance of the human settlements sector. These should be based on analyses of experiences and good practices across the region and at the national and local levels;
- (c) A policy focus on:
  - (i) Key political institutions of the State related to urban and regional development, including legal and judicial systems;
  - (ii) Distribution of financial and administrative decision-making among central, regional, and local levels;
  - (iii) Integration of major groups and individuals into the policy-making process;
  - (iv) Management of public and private sector institutions responsible for economic development and social issues;
  - (v) Reform of the civil service engaged in urban development issues and training of managers

5. Good governance is the key to adequately addressing the needs of local communities. Since the beginning of the millennium one particular trend in the governing framework for the housing sector in ECE countries has been emphasized: the process of decentralization, making local authorities increasingly responsible for the planning and delivery of urban and housing services. This devolution of responsibilities, particularly in the countries in transition, has however been accompanied by a reduction in public spending. Local governments are therefore confronted with significant responsibilities and very limited means to fulfil these.

6. Policy makers at the regional implementation forum called for a number of policy

priorities to help local governments in their tasks, including:

- (a) Establishing wide-ranging cooperation and a common effort between different government institutions to address local government issues;
- (b) Addressing the absence of comprehensive and inclusive policies for capacity-building of local governments and community-based institutions;
- (c) Supporting participatory local governance, public-private partnerships and empowering civil society actors to ensure effective implementation of sustainable development policies;
- (d) Strengthening governance at all levels to ensure proper and efficient use of scarce resources.

7. The problem of weakness of local governments and their budgets was recognized in the Strategy. However, given the accelerated transfer of responsibilities to the local level, the Committee may wish to consider in its strategic direction how to better support local governments to carry out their responsibilities. The Committee may, in particular, wish to discuss how it could strengthen assistance to local governments in the framework of its current activities, with regard to the country profile programme, the Guidelines on Condominium Ownership, and the development of social housing and spatial planning guidelines. One important aim in this context would be to improve the dialogue and understanding between the different levels of administration with responsibilities for housing.

*Objective 2: Improving urban environmental performance*

The Strategy calls for:

- (a) Developing policy recommendations, methodologies and guidelines on sustainable patterns in human settlements development, in particular for urban transport;
- (b) Preparing studies and organizing workshops on urban renewal and sustainable urban development;
- (c) Facilitating the dissemination of best practices in sustainable human settlement development, with emphasis on local experience.

8. Recent years have seen progress in urban environmental performance, in particular in utility and infrastructure provision, where the focus has been on competitive, decentralized modes of service delivery of waste management, recycling and public transport. Public/private partnerships and community-based initiatives have emerged to facilitate the implementation of sustainable alternatives of basic services in human settlements. Some cities have introduced integrated management systems and have made a commitment to establishing efficient and cost-effective solid waste management, recycling, water and sanitation infrastructure.

9. Encouraged by this progress, policy makers at the regional implementation forum called for further action in this direction and for firmly integrating environmental concerns in human settlements policies through:

- (a) Ensuring improved environmental quality of urban areas through sustainable consumption of natural resources required for the construction and operation of urban systems;

(b) Managing urban growth in a sustainable manner through, among other things, investing in the sustainable provision of essential infrastructure services;

(c) Fostering an integrated spatial planning approach, which includes both land-use planning and transport system planning, and striving for sustainable energy production and consumption, gender equality and equity in access to basic services.

10. The last point was particularly emphasized by policy makers. They stressed that sound spatial planning was a prerequisite for achieving the three underlying goals of sustainable development: economic efficiency, social equity and environmental sustainability. Spatial planning is the key to integrate these three objectives in such a way that conflicting and competing claims on land can be solved to everyone's benefit and sustainably. At the local level the necessity for spatial planning is widely seen as self-evident. However, spatial planning is also needed at the regional and national levels – and beyond. In areas such as the provision of transport infrastructure, and the management of the environment, coordination and cooperation not only between neighbouring countries, but also regionally, are essential. Organizing spatial planning at these different levels, in particular also with regard to juridical responsibilities, is becoming an increasing concern. Policy makers therefore expressed a strong need to address the development and organization of spatial planning systems in a more comprehensive and practical manner. The importance of the transparency of the process and the need for effective public participation were also stressed.

11. The Committee may therefore wish to consider: (i) how to integrate the need for sound spatial planning policies more closely in its overall activities and in particular how to link those policies better to the development and implementation of housing policies; (ii) how to help member countries in developing a comprehensive approach towards spatial planning; and (iii) how, in this context, better use can be made of the work under the Transport, Health and Environment Pan-European Programme.

*Objective 3: Facilitating social cohesion and security*

The Strategy calls for:

- (a) Promoting activities and exchanging of experience over the supply of low-rent housing and programmes to build and modernize the social housing stock;
- (b) Encouraging town planning policies that prevent the emergence of ghettos and promote security, particularly for children, women and ethnic minorities;
- (c) Supporting the preservation of ethnic minority cultures in the planning of human settlements development and reconstruction;
- (d) Policies and recommendations to address the legal protection of tenants and sub-tenants of ethnic and low-income population groups;
- (e) Establishing a system of recording landownership, land use and value and equal protection before the law for all ethnic groups.

12. Poverty and the social exclusion of vulnerable population groups have become a significant social and political challenge throughout the region. The gap between income and housing prices has continued to increase, particularly in high-growth urban areas, making

market-based housing less affordable. In the Western countries, social transformations, such as the ageing of the population and the weakening of traditional social security systems, have made adequate and affordable housing an increasing challenge for many. This is aggravated by the fact that many countries have discontinued the provision of new social housing. In the countries in transition, the move towards a market economy and democracy has failed to deliver uniform benefits to all social groups and the social consequences of market reforms have most often not been adequately addressed. At the same time social housing has been almost entirely privatized. Throughout the region, governments during the past decade have largely failed to integrate social housing reforms into the wider process of welfare State restructuring.

13. Policy makers increasingly recognize the need to reverse these developments and acknowledge that:

(a) Policy reforms need to be driven by a more sober reflection that market failures need to be addressed efficiently;

(b) Social protection of vulnerable groups needs to be a priority of public policy intervention in all sectors;

(c) Social housing reforms need to become an integral part of the wider process of welfare State restructuring;

(d) The significance of social housing reforms goes far beyond the provision of physical housing units – they are an important means for facilitating social cohesion and equity;

(e) The regenerating of deprived communities, particularly in the post-socialist housing estates, through wide-scale renovation is becoming increasingly urgent in order to safeguard housing of reasonable quality for low-income families.

14. The Committee has, in recent years, paid significant attention to the need of housing provision to the socially disadvantaged. The development of a guidelines on social housing guidelines is important in this regard. However, only an encompassing and cross-sectoral approach will ensure that the concerns of the vulnerable are effectively addressed. The Committee may therefore wish to consider: (i) how its work can contribute to better integrating human settlement concerns in general social welfare policies; and (ii) how authorities responsible for human settlements can ensure that they adequately incorporate policy objectives articulated within other sectors (e.g. health, employment, infrastructure) in their activities.

*Objective 4: Promoting market reform in the housing and urban sector*

The Strategy calls for:

- (a) Assistance to governments and relevant national agencies and institutions to evaluate, and redirect if needed, their housing policies so as to eliminate bottlenecks in the housing sector and establish long-term strategies;
- (b) Facilitation of the establishment of legal, economic and institutional conditions for public and private investments in the housing sector and setting of public/ private sector priorities for immediate action;
- (c) Building up of staff skills, particularly through management and planning capacities in municipalities;
- (d) Advisory assistance to national authorities of countries in transition on spatial planning;
- (e) Support in designing national housing policies and programmes (including self-help activities) that, in practice, aim at providing socially deprived population groups and refugees with adequate housing;
- (f) Assistance in reforming spatial and urban planning legislation;
- (g) Preparation of practical guidelines and recommendations on legislation, organization, financing and management of housing condominiums;
- (h) Exchange of experience and recommendations on developing the banking sector so that it provides lending for housing, construction loans to developers, advances to builders and mortgages to households.

15. Market reforms in the housing sector are still a major concern for the ECE countries. However, with market reforms having considerably advanced in many countries in transition, attention is beginning to be less centred on the promotion of these reforms and more on addressing their shortfalls and on ensuring that the consequences of reforms on the population, in particular the socially vulnerable, are adequately taken into account.

16. A particular challenge for the countries in transition continues to be the large-scale privatization which resulted in many new, "income-poor" owners who are often not in a position to maintain their apartments. Together with a shortage of housing finance, and the lack of adequate institutional capacity for upgrading common facilities and structures in apartment buildings, this has led and continues to lead to disinvestment and massive deterioration of the housing stock. Countries in transition are also still struggling to enable the housing markets to work more efficiently and equitably. Housing markets in most countries have remained sluggish and new housing output has collapsed. Mortgage lending is very limited.

17. The Strategy addresses many of these particular concerns and the activities of the Committee have been geared towards providing concrete and practical solutions to some of the major challenges, for instance, the drafting of the forthcoming guidelines on housing finance and the Guidelines on Condominium Ownership. However, policy makers increasingly realize that there are problems of a more structural nature which need to be addressed. At the regional implementation forum it was stressed that for market reforms in the housing sector to be effective, establishing better functioning relationships between private market forces and public policy action should be a priority. To achieve this, governments need to:

- Create an enabling institutional environment to attract domestic and foreign

- investment;
- Provide conditions to facilitate investment in the rehabilitation of the stock;
- Facilitate public-private partnerships in the building as in the well as in the managing of properties;
- Focus on innovative financing to leverage private resources in the provision of housing and communal services.

18. Policy makers also unanimously acknowledged that the promotion and consolidation of market reforms in the housing sector cannot be effected without paying close attention to their social consequences. The Committee may therefore wish to consider: (i) how actions identified within objective 3 (facilitating social cohesion and security) and 4 (promoting market reform in the housing and urban sector) of the Strategy could be integrated more closely within the individual work programmes; and (ii) options for strengthening its current activities to improve public-private joint efforts in human settlements.

*Objective 5: Improving land and real estate markets and securing private rights in land*

The Strategy calls for:

- (a) The preparation of guidelines and model provisions in basic land management legislation (legal rights in real property; registration of real property; mortgages; transfer of ownership, land-use restrictions, etc.);
- (b) The exchange of information on land administration issues;
- (c) Policy on strengthening the institutional, organizational and management framework;
- (d) Support to land administration activities of, and cooperation with, donor and lending organizations;
- (e) The provision of technical and expert assistance to countries in need.

19. In recent years sustainable land-use planning has played a major role in policy integration and has generated synergies defining incremental progress towards sustainability. Many municipalities have undertaken strategic planning processes with extensive public consultation to determine common goals and priorities.

20. There are, however, still a number of shortcomings. In many countries in transition informal transactions are still commonplace, and inadequate investment in public infrastructure leads to a scarcity of serviced urban land. Furthermore, regulation of urban land markets continues to be bureaucratic and not sufficiently responsive to market signals; financial discipline in the underwriting of property investments and property taxation are often inadequate.

21. Sound land administration is the basis for an efficient housing policy and policy makers agreed on the need to address current shortcomings in land administration as an integral part of housing policies. Policy makers in particular called for:

- (a) Further recognizing the importance of long-term integrated land-use planning and urban management for developing sustainable cities;
- (b) Promoting good land administration for social equity. Good land administration is essential for the competitiveness of real estate and housing markets;

- (c) Promoting transparency and efficiency to ensure fair competition and security of tenure;
- (d) Fostering an integrated urban planning approach, which includes both land-use planning and transport system planning, and strives for sustainable energy production and consumption, gender equality and equity in access to basic services;
- (e) Ensuring secure entitlement to land, and freedom from unlawful eviction;
- (f) Empowering citizens to transform their assets into working capital by setting up formal systems for registry and titling of property and dwellings, which would help to increase access to finance.

22. The Committee may wish to consider how its strategies and activities within land administration can be linked more closely and incorporated into its other programme elements, given the strong importance of sound land administration for sustainable human settlements policies.

### **Conclusion**

23. The policy priorities set at the regional implementation forum demonstrate that the ECE Strategy for a Sustainable Quality in Life in Human Settlements provides an adequate overall framework for addressing challenges in human settlements in the years to come. However, as the preceding analysis shows, the Strategy might benefit from a number of adjustments to adequately reflect the policy priorities during the first years of the millennium. In particular, it has become apparent that there is a need for a more integrated approach in the development and use of policies, which would help member countries to combine better the different instruments of human settlements policies for the promotion of cohesive societies.

24. With regard to any of the five objectives of the Strategy, the dialogue and exchange of experience between the different countries have been instrumental in bringing about policy reforms. However, policy makers also underlined that there was still room for improvement. In particular, they expressed the need for better cooperation beyond the mere exchange of experience, through, for example, knowledge transfer and mutual assistance in capacity-building measures. They also emphasized that a stronger involvement of the countries of South-Eastern and Eastern Europe, the Caucasus and Central Asia in the activities of the Committee would be highly desirable.

25. The Committee may wish to discuss:

- (a) The need to incorporate current policy priorities, based on the Committee's discussion, in the Strategy;
- (b) How to best amend the Strategy in order to:
  - (i) Adequately reflect current priorities in its strategic directions;
  - (ii) Provide solid guidance on the tasks which need to be tackled in view of these directions.



Annex**MAJOR ACTIVITIES OF THE COMMITTEE DURING 2000-2004 TO SUPPORT THE IMPLEMENTATION OF THE STRATEGY**

Objective 1: Promoting a system of meaningful and democratic governance that responds to the needs of local communities

## Activities

- Country profiles on the housing sector (Romania – 2000, Republic of Moldova - 2001, Albania 2002, Armenia 2002/2003, Russian Federation 2003/2004, Serbia and Montenegro 2004/2005)
- Guidelines and workshops on condominium ownership
- Guidelines and workshops on social housing
- Revised Guidelines on Land Administration
- Guidelines on spatial planning
- 9<sup>th</sup> Conference on Urban and Regional Research (Sustainable and Livable Cities), Leeds, United Kingdom, 9-12 June 2002
- Colloquium on the contribution of the cooperative sector to housing development, Ankara, 27-28 June 2002

Objective 2: Improving urban environmental performance

## Activities

- Country profiles on the housing sector
- Workshop on sustainable and healthy urban transport and planning, Nicosia, 16-18 November 2003
- Preparation of guidelines on spatial planning, 2004-2006
- Workshop on urban renewal and housing modernization, Prague, June 2000

Objective 3: Facilitating social cohesion and security

Activities

- Country profiles on the housing sector
- First workshop on social housing, Prague, 19-20 May 2003
- Second workshop on social housing, Vienna, 28-30 November 2004
- Establishment of task force on social housing and preparation of guidelines on social housing, 2003-2005
- Joint UNECE and UN-Habitat side event on affordable rental housing at the World Urban Forum, Barcelona, Spain, 15 September 2004

Objective 4: Promoting market reform in the housing and urban sector

Activities

- Country profiles on the housing sector
- Preparation of guidelines on housing finance
- Guidelines on Condominium Ownership
- Workshop on real property market and access to mortgages, Erevan, Armenia, 6-7 May 2004
- Workshop on advanced real property administration, Vilnius, 22-25 September 2004
- Workshop on management problems of the housing stock, Moscow, 23-26 November 2003
- Workshop on housing finance, Timisoara, Romania, January 2000
- Workshop on security mechanisms in the creation of real property markets, Madrid, September 2000
- Workshop on public-private partnerships, Manchester, United Kingdom, November 1999

Objective 5: Improving land and real estate markets and securing private rights in land

Activities

- Revised Guidelines on Land Administration
  - Land administration reviews (Georgia 2001, Russian Federation 2003, Lithuania 2004)
  - Workshop on mass land valuation, Moscow, 27 -28 June 2003
  - Workshop on customers - cooperation services, Vienna, 12 -13 September 2002
  - Workshop on EU accession from a land administration perspective, Gavle, Sweden, 14-15 June 2001
  - Workshop on title registration systems and real property markets, Erevan, 10-13 October 2001
- Workshop on public/private sector partnerships in the establishment of land registration systems, Tirana, March 2000, Tirana

