

Contribution to the Secretary General's Report to CSD 13  
*UNECE – Human Settlements*

To address human settlements challenges in the new millennium, countries of the ECE region have developed and adopted in 2000 the ECE Strategy for a Sustainable Quality of Life in Human Settlements, which is based on the Habitat Agenda and the Agenda 21, and addresses the Millennium Development goals, in particular eradication of extreme poverty, promotion of gender equality and ensuring environmental sustainability. The strategy has identified five major challenges for human settlements in the ECE region for the years to come, which were confirmed at the regional implementation forum held in January 2004 and the 12<sup>th</sup> session of the Commission on Sustainable Development: Promoting a system of meaningful and democratic governance that responds to the needs of local communities; improving urban environmental performance; implementing market reform in the housing and urban sector; improving land and real estate markets and securing private land rights; facilitating social cohesion and security.

Meaningful and democratic governance, based on decentralization, partnership and inclusion, is the key to a sustainable housing sector. Decentralization has progressed strongly in the ECE region in recent years as local authorities have been made increasingly responsible for the planning and delivery of urban and housing services. The devolution of responsibilities, however, has not gone together with a commensurate decentralization of the resources needed; on the contrary it has in some countries been accompanied by a reduction in public spending. This has been in particular the case in countries with economies in transition (*context of the challenge*). As a consequence local governments see themselves confronted with significant responsibilities and very limited means to fulfill these. In this situation, they have increasingly turned to the private sector for assistance. However, this has often happened in the absence of a regulatory framework to monitor the effects of deregulated service delivery. Inefficiencies in service delivery and mismatches between services provided and the needs of inhabitants have been the consequence (*constraints/ obstacles to meet the challenge and rationale for the suggested policy option*). Governments need to address these deficiencies and assume responsibility for setting up functioning regulatory and institutional framework conditions. In this context they need to address the absence of comprehensive and inclusive policies for capacity building of local governments and community-based institutions, in particular in regard to public-private partnerships; and to empower civil society actors to ensure effective implementation of sustainable development policies. (*policy options and specific actions*)

Establishing better functioning relationships between private market forces and public policy actions is a prerequisite for the implementation of sound market-oriented reforms in the housing sector (*context of the challenge*). Housing markets in many of the ECE countries in transition have remained sluggish and new housing output has collapsed. Mortgage lending takes place only to a very limited extent and the large scale-privatization of the housing sector did not result in the wide-scale establishment of efficient private management and maintenance systems, in particular for multi-unit housing. (*constraints/ obstacles to meet the challenge and rationale for the suggested policy option*). The establishment of sound framework conditions will go a long way to address these deficiencies (*policy option*). Governments will need to provide conditions to facilitate investment in the rehabilitation of the existing stock, to facilitate private sector involvement in the managing of properties and to focus on the implementation of innovative financing to leverage private resources in the provision of housing and communal services (*specific actions*).

Reforms in the housing sector, however, need to be accompanied by measures facilitating social cohesion and security. Poverty and the social exclusion of vulnerable population groups has become a significant social and political challenge throughout the region. The gap between income and housing prices has continued to increase for a majority of the population making housing less affordable (*context for the challenge and constraints/ obstacles to meet the challenge*.) The availability of

affordable housing, however, is crucial for facilitating social cohesion and security and for enhancing economic productivity: it is a pre-requisite for labor mobility and an essential part of the creation of a conducive policy environment for enterprise formation and job creation (*rationale for the suggested policy option*). The provision of adequate and affordable housing therefore needs to be at the forefront of housing policies within the ECE region and the establishment of a concise social housing policy should be a key element not only of human settlement strategies but also an integral part of the overall social policies and the welfare system of a country. Social housing policies should in particular also take into account the specific challenges female-headed households face (*policy options and specific actions*).

Social vulnerability in the housing sector is frequently caused by the absence of sound land administration and spatial planning systems. Security of tenure is threatened due to malfunctioning land administration and property markets. Access to land and credit is a major constraint leading to disadvantages, particularly for women. Deficiencies in the land administration system hamper access to mortgage and impede solutions to the problem of illegal settlements. Inadequate planning for and investment in public infrastructure leads to unsustainable transport patterns, to scarcity of serviced urban land and, ultimately, leads towards unsustainable urban environmental performance (*challenge and constraints/obstacles to meeting the challenge*). Transparency and efficiency in the urban planning and land administration process need to be promoted to ensure security of tenure and fair competition for and sustainable use of land (*rationale for the suggested policy option*). Citizens need to be empowered to transform their assets into working capital by setting up formal systems for registry and titling of property and dwellings. Citizens also need to be enabled to benefit from their land and property in a way which is not damaging to their environment through the sustainable provision of essential infrastructure services, through fostering an integrated urban planning approach, which includes both land use planning and transportation system planning, and by striving for sustainable energy production and consumption, gender equality and equity in access to basic services. (*policy option and specific actions*)

The overriding challenge to human settlements policies for countries in the ECE region is to strive for a more integrated approach in the development and use of policies, combining the different instruments of human settlements policies, land administration, housing and urban planning, in an efficient way for the promotion of social cohesive societies.