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Item 4 of the provisional agenda

New directions and initiatives in the ECE programme of work

New directions and initiatives in the fields of forests and housing

Note by the secretariat*

I. Mandate

1. At its thirty-ninth meeting on 16 December 2010, the Executive Committee of the Economic Commission for Europe (ECE) endorsed the provisional agenda of the sixty-fourth session of ECE. The rules of procedure of the Commission require basic documents to be prepared in relation to the agenda items as appropriate. This document is being submitted to support the discussions under item 4 at the sixty-fourth session of ECE.

II. Introduction

2. This paper brings to the attention of the Commission session a number of important new developments and initiatives in the fields of forests and housing.¹

3. These developments and initiatives include:

Forests:

(a) Events and initiatives related to the International Year of Forests, to be celebrated throughout 2011, in particular those that will involve ECE.

* This document has been submitted after the official documentation deadline due to processing delays.

¹ It should be noted, however, that the work on forests undertaken within ECE by the ECE/FAO Forestry and Timber Section and the work on housing undertaken by the Housing and Land Management Unit are under separate subprogrammes.

(b) An initiative on the negotiation of a legally binding agreement in Europe that may find its culmination in June 2011, during the Ministerial Conference on the Protection of Forests in Europe. Although this initiative is external to the United Nations, its implications and relations to the ECE/FAO joint programme of work on timber and forestry should be carefully considered and assessed.

Housing:

(c) The establishment under the Committee on Housing and Land Management of an open-ended Working Group to explore the possibility of establishing a legally binding instrument on affordable, healthy and ecological housing in the ECE region.

(d) The growing scope and relevance of the work on real estate markets.

III. Sustainable forest management and activities in the framework of the International Year of Forests

A. International Year of Forests: activities of the ECE /FAO Forestry and Timber section

4. The United Nations General Assembly declared the year 2011 as the International Year of Forests in order to raise awareness on sustainable development, management and conservation of all types of forests. The United Nations invited world governments, non-governmental organizations, and the private sector to make a concerted effort to raise awareness on the need to strengthen the conservation and sustainable development of all forests. The launch of the International Year of Forests will take place on 2 February 2011 at the United Nations headquarters during the ninth session of the United Nations Forum on Forests.

5. Various activities are being organized to celebrate the International Year of Forests and to foster the promotion of sustainable forest practices.

6. Activities promoted and organized by ECE include:

(a) An exhibition at the Palais des Nations to take place from 7 February to 4 March 2011, organized jointly by ECE, FAO and the United States mission in Geneva.

(b) The Regional Forest Information Week, organized jointly by ECE and FAO, as part of their joint programme of work, to take place from 21 to 25 March 2011. The week will feature a series of events, including a workshop on the state of forests in the ECE region, the annual session of the joint ECE/FAO Working Party on Forest Economics and Statistics and, as part of the latter event, a round table on forest information challenges.

(c) A workshop on payments for ecosystem services, with a focus on forests, from 4 to 6 July 2011 in Geneva. The workshop will also provide input to the joint session of the Timber Committee and the European Forestry Commission on payments for forest-related ecosystem services in a green economy.

(d) A conference on forest fires to be organized with the support of the ECE/FAO Team of Specialist on Forest Fire in Italy in autumn 2011.

(e) The International Year of Forests will culminate with the joint session of the ECE Timber Committee and the FAO European Forestry Commission to take place on 10-14 October in Antalya, Turkey. The joint session will address, in particular, the issue of forestry in a green economy, for which an action plan is currently under preparation and will be presented at the session. A preparatory meeting to gather all inputs and discuss the

Action Plan with all interested stakeholders is scheduled to take place in Geneva from 18 to 19 April 2011.

(f) A conference on the impact of climate change on forest work will be organized in late 2011.

(g) The ECE/FAO Forestry and Timber Section is also developing a video on the main challenges in forests in the ECE region and the role of the joint ECE/FAO programme.

7. Moreover, a project for a Thesis Award, to be delivered to the best PhD thesis on forestry or forest products in the region, is under consideration. At the time of writing, the project proposal has been approved and welcomed by the Timber Committee and the European Forestry Commission bureaux at their last joint session in October 2010 and the president of the panel and the jury have already been identified. It was decided that the prize should be sponsored by the private sector, as a way to better involve the private sector in the Section's activities. The secretariat is currently looking for a project sponsor.

B. Discussions on the development of a legally binding agreement on forests in Europe

8. The 2011 International Year of Forests may also witness significant progress in the international forest agenda, in particular in the pan-European region.

9. This holds true in particular vis-à-vis current discussions under Forest Europe, formerly the Ministerial Conference on the Protection of Forests in Europe. Forest Europe is a voluntary process created in 1990, originally to address the problem of acid rain in pan-European forests. Since then, the process has evolved to promote policies for sustainable forest management in the region. The process, which includes 46 member countries and the European Union, is led by the General Coordinating Committee (GCC), a group of countries that volunteer to pay to support the process and activities of Forest Europe. On a rotational basis, they host and financially support the "Liaison Unit", an office located in the next host country for the Ministerial meeting and primarily composed of nationals from the host country. The Liaison Unit supports the process by providing its secretariat.

10. Forest Europe country delegations are currently discussing the possible negotiation of a Legally Binding Agreement (LBA) on forests, to address sustainable forest management in the pan-European region. The final decision on whether to start negotiations on a legally binding agreement on forests in Europe will be adopted by Ministers at a conference in Oslo in June 2011.

11. As part of the decision, member States will have to agree on the negotiating process and related rules of procedures, including the identification of the organization best suited to support the negotiating process. A range of options is being considered for this role, including joint support to the process by more than one organization. In the context of these discussions, ECE has been asked to submit information on the services that the ECE/FAO Forestry and Timber Section could offer in support of such a process.

12. Should the decision to start a negotiation process be taken, it is important for countries in the pan-European region to keep in mind existing synergies among the many processes on forests and the need to avoid duplication of efforts.

13. In the United Nations system, the ECE Timber Committee and the FAO European Forestry Commission constitute the highest technical and policy bodies addressing sustainable forest management in the European region. They have developed a joint

programme of work, their bureaux always meet jointly and their work is supported by the joint ECE/FAO Forestry and Timber Section.

14. The joint ECE/FAO Forestry and Timber Section already undertakes activities in cooperation with and in support of the Forest Europe process, when these outputs support their programme of work. This includes, in particular, coordinating and producing the main report of the process, namely the State of Europe's Forests, issued on the occasion of the Ministerial Conference every four years. Over the years, the Section has also contributed to the organization of a number of meetings whose output has supported the Forest Europe process.

15. At the time of consideration of this paper, a rather advanced version of the draft decision to be taken by Ministers will have been developed and considered by Forest Europe delegates. Since this is an ongoing process, it is not possible at the time of preparation of this document to say what might be the final text of the draft decision for the June 2011 Forest Europe Ministerial conference.

16. Since all Forest Europe member States are also ECE member States, ECE delegations may wish to ensure coordination in their capitals, on the decisions to be made by Forest Europe, both on the negotiation of a possible convention and on whether or not the United Nations should support the negotiation process, and consider the option(s) that would provide the greatest benefits to member States.

C. Proposals

17. The sixty-fourth Commission session is invited to:

(a) Reiterate the commitment and support of ECE member States to the work on forests and timber undertaken by ECE and welcome the proposed activities for the International Year of Forests;

(b) Reiterate the need to avoid duplication of efforts and activities and to develop and strengthen synergies at the pan-European level on work on forests;

(c) In this regard, continue to offer the expertise and services of the ECE/FAO Joint Section in support of the Forest Europe process and related activities as well as other relevant processes at the global level (e.g. the United Nations Forum on Forests);

(d) Call upon its member States that are also members of the Forest Europe process, to consult and coordinate in their capitals to ensure coherent national positions with regard to the proposed legally binding agreement on forests in Europe and the work to be undertaken under the Convention and under the joint programme of work of the ECE Timber Committee and the FAO European Forestry Commission.

IV. Housing challenges in the region: affordability, safety, energy and environmental efficiency and the real estate market

A. Affordable, healthy and ecological housing in the ECE region

18. Since 2000, the Committee on Housing and Land Management has supported countries in tackling major housing challenges in the region. Some of the key challenges identified by member States and addressed through the Committee's programme of work

are the following: (i) lack of affordable housing, (ii) limited housing safety and unhealthy homes, and (iii) poor energy efficiency and environmental soundness in the housing sector.

19. Support provided by ECE to address these challenges includes the exchange of experience and best practices on how to tackle the problems of affordable, healthy and ecological housing, and strengthening national capacities for housing-related policy formulation and implementation through the organization of capacity-building activities and the development of policy guidelines and recommendations to promote and guide voluntary action in specific areas.

20. Those activities and studies have clearly indicated that even major housing challenges do not appear high on the political agenda both at national and international levels despite the significance of housing for socio-economic development and environmental sustainability in the region. The housing sector is not regulated through unified international standards, while the practical impact of the above-mentioned ECE strategy and policy guidelines has been limited by their voluntary nature.

21. At the same time, ECE work in the area of affordable, healthy and ecological housing has demonstrated the consistent interest of governments and other stakeholders in the region in building a coherent framework to integrate the existing fragmented and non-legally binding international documents under a single comprehensive policy framework to address the housing sector as a whole.

22. Based on its work on affordable, healthy and ecological housing, and with a view to exploring the desirability of establishing a more formalized ECE-wide policy framework, the Committee on Housing and Land Management has developed a background paper on "Principles and Goals for Affordable, Healthy and Ecological Housing".² This document outlines core principles and goals for achieving affordable, healthy and ecological housing in the region and provides the rationale for the development of a comprehensive policy framework in these areas.

23. Following the discussion of this document at its seventy-first session in September 2010, the Committee decided to set up an open-ended Working Group to explore the possibility of establishing a legally binding instrument on affordable, healthy and ecological housing in the ECE region.

24. The overall goal of the Working Group is to analyse the potential added value as well as any advantages and drawbacks of a possible ECE-wide legally binding instrument on affordable, healthy and ecological housing in the ECE region, and, as appropriate, to define the scope, objectives and possible options for such an instrument.

25. In accordance with its terms of reference, the Working Group is expected to produce a report on its findings, which shall be presented for consideration at the seventy-second session of the Committee on Housing and Land Management.

26. No matter what the outcome of this consultation is, it is important for the ECE region to enhance the role and visibility of housing issues in the member States' political agendas. In this perspective, the Committee on Housing and Land Management at its seventy-second session in October 2011 will consider the outcome of the work of the Working Group and related recommendations for action and discuss future directions of the Committee's work. The Committee may also explore the possibility of organizing a Ministerial meeting in conjunction with its seventy-third session in September 2012 to assess progress in the implementation of ECE housing instruments and to define future policy directions of the Committee's work. The last Ministerial meeting took place in 2006.

² ECE/HBP/2010/6.

Depending on the recommendations made by the Working Group, the high-level meeting may also agree on a course of action on work on affordable, healthy and ecological housing.

B. Strengthening the work on the real estate market in the ECE region

27. The recent financial and economic crisis has highlighted the challenges created by inadequate regulation of real estate and financial markets as well as a lack of transparency in the assessment of the value and the risk of investments in real estate assets. Since 2008, the ECE through its Real Estate Market (REM) Advisory Group has been actively involved in addressing these challenges. High-level roundtable discussions on “The Real Estate and Financial Crisis: Causes, Effects and Impact on Development” (New-York, December 2008) and an international forum “Rethinking Real Estate Markets” (Rome, June 2009) organized by the REM Advisory Group highlighted the urgent need for ECE to develop a framework for promoting sound real estate markets in the region. As a follow-up, the ECE REM Advisory Group developed the Policy Framework for Sustainable Real Estate Markets, which offers principles and recommendations for policy action aimed at building a sustainable real estate sector in ECE member States.

28. Since the publication of the above study in April 2010, two round tables have been held in Ukraine and Portugal to promote regulatory reforms of these countries’ real estate sectors based on the guidance contained in the Policy Framework. The publication has been translated into Russian, Spanish, Italian, Portuguese and Chinese, and presented to governments and/or real estate sector stakeholders in countries outside the ECE region such as Brazil, China, Indonesia and Malaysia.

29. ECE work in this area has highlighted the significant potential of a fully functioning real estate sector to serve as a driving force for development and to produce economic, social and environmental benefits for ECE member States. It has also demonstrated the significant interest of public and private stakeholders in the region in building healthy real estate markets and promoting transparent valuation standards to assess and monitor the risks of investments in real estate assets.

30. The prompt response of the REM Advisory Group after the financial crisis in 2008 has led to the development of a tool that could address some of the underlying causes of the housing bubble and make real estate markets more sound. Work on this issue has become an important component of the programme of work on housing and land management. Advice and tools developed in this area can help countries with economies in transition, currently in the process of developing or strengthening housing markets, as well as other countries even beyond the ECE region, to rebuild and agree on principles that would guarantee fair rules in the real estate market and could help avoiding similar housing-related financial crises in the future.

31. The strengthening of work in this area should not have any financial implication for the programme of work, and could be undertaken by: (i) further emphasizing the work on real estate markets within the housing programme of work; (ii) considering, in this context, making the Real Estate Advisory Group a Team of Specialists directly under the Housing Committee; and (iii) working to enlarge the REM Advisory Group to include representatives from all ECE member States.

C. Proposals

32. The Commission may wish to:

- (a) Invite the Committee on Housing and Land Management, after having considered at its annual session in October 2011 the outcome of the work of the open-ended Working Group referred to in paragraph 23 above, to report to the Executive Committee on this matter, including on the possibility of a Ministerial meeting in 2012, to assess progress in the implementation of ECE housing instruments and to define future policy directions of the Committee's work; and
 - (b) Express interest in having the work on real estate markets strengthened as a key component of the work of the Committee on Housing and Land Management.
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