



**Economic and Social
Council**

Distr.
GENERAL

E/ECE/1421
6 December 2004

Original: ENGLISH

ECONOMIC COMMISSION FOR EUROPE

Sixtieth session

22-25 February 2005

(Provisional agenda item 4)

SUSTAINABLE DEVELOPMENT IN THE UNECE REGION

Report by the Executive Secretary

The report below, based on contributions of the Committee on Human Settlements and the Bureau of the Meeting of the Parties of the Convention on the Protection and Use of Transboundary Watercourses and International Lakes, provides the basis for a substantive discussion on policy options for the UNECE region in the three clusters of water, sanitation, and human settlements. The paper also contains proposals relating to the Commission's input to the Preparatory Meeting for CSD 13 and its involvement in CSD 14.

Background

1. The heterogeneity of the UNECE region is striking. It includes countries with environments almost completely altered by humans and those with still large proportions of their territory under natural and semi-natural conditions; those in advance in implementing policy reforms towards a more sustainable development and those clearly lagging behind. These differences are a big challenge for the region.
2. The importance of integrating sustainable development into UNECE's work has been repeatedly emphasized by member States. The 1997 Plan of Action stressed the importance of introducing the outlook for sustainable development in all relevant UNECE activities, noting that it was "particularly relevant for UNECE work" and should "permeate all its activities".

3. Given the above, the “mainstreaming” of sustainable development in all UNECE activities has been actively pursued. A significant number of ongoing activities related to sustainable development include:

- The development of standards and recommendations in transport that aim at reducing the negative impact of transport on the environment e.g. in the areas of vehicle construction, transport of dangerous goods, combined transport
- The development and implementation of the five UNECE environmental conventions and related protocols
- The environmental performance reviews
- Activities relating to the "Environment for Europe" Process
- Working with cities and local authorities to improve urban environmental performance and promote the integration of land use, local transport policies, and housing policies
- Promotion of the use of energy efficient technology and energy efficiency investment projects
- Promotion of clean coal technology and the role of coal in sustainable development
- The development of guidelines on energy pricing and subsidies
- Promotion of sustainable forest management

4. In addition to the above continuing recurrent activities, a number of new sustainable development issues are being taken up. These include statistical indicators for assessing progress in sustainable development; analytical studies covering progress made in achieving sustainable development in the region; promotion of renewable energy; and trade and environment.

5. In addition to its recurrent activities, the UNECE has been involved in global and regional processes related to sustainable development.

6. In September 2001, the UNECE held a Ministerial Preparatory Meeting for the World Summit on Sustainable Development (WSSD). The meeting concentrated on two issues, governance and sustainable development, and poverty and sustainable development, and it adopted a Ministerial Statement for the Summit. The UNECE secretariat subsequently organized a side event at the WSSD in September 2002.

7. In 2002, the WSSD Plan of Implementation stated that the “implementation of Agenda 21 and the outcomes of the Summit should be effectively pursued at the regional and subregional levels, through the regional commissions and other regional and subregional institutions and bodies”. The Summit also called on the regional commissions to promote the integration of the three dimensions of sustainable development into their work in a balanced way and to facilitate and promote such integration into the work of regional, subregional and other bodies “for example by facilitating and strengthening the exchange of experiences, including national experience, best practices, case studies and partnership experience related to the implementation of Agenda 21”.

8. In this connection, the Commission on Sustainable Development at its eleventh session in May 2003 invited the regional commissions to consider organizing regional implementation meetings in collaboration with other regional and subregional organizations.

9. The fifth Ministerial Conference “Environment for Europe”, held in Kiev in May 2003, requested the UNECE, in cooperation with other relevant organizations and institutions, to assist in “assessing progress in the implementation of environmental commitments of this region emanating from the Johannesburg Declaration on Sustainable Development and the Plan of Implementation as well as the UNECE Regional Preparatory Meeting for WSSD.” The

Declaration went on to state that the results of this work “should feed into regional implementation meetings organized in preparation for the UNCSD meetings as recommended by UNCSD at its eleventh session”.

10. Following the decisions of the eleventh session of the Commission on Sustainable Development (CSD-11), the UNECE at an Ad Hoc Informal Meeting on 2 September 2003 decided to hold the First Regional Implementation Forum, which took place on 15-16 January 2004 in Geneva. This meeting evaluated progress made in implementing sustainable development goals and identified obstacles and constraints in the areas of water, human settlements and sanitation. The outcomes of the meeting provided substantial inputs to the Review Year of the "Implementation Cycles" and contributed to CSD-12.

11. The above-mentioned fifth Ministerial Conference “Environment for Europe” inter alia recognized that education is a fundamental tool for environmental protection and sustainable development. In a statement endorsed by acclamation, the Ministers invited all countries to integrate sustainable development into their education systems at all levels from pre-school to higher education and in non-formal as well as in informal education, in order to promote education as a key agent for change. They welcomed the proclamation by the General Assembly, at its fifty-seventh session (December 2002), of the United Nations Decade of Education for Sustainable Development starting in 2005, and agreed to take the lead in promoting it regionally.

12. The Ministers also invited UNECE to develop a strategy for education for sustainable development in close cooperation with the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Council of Europe and other relevant actors.

13. Pursuant to this decision, the UNECE Committee on Environmental Policy, at its tenth session in October 2003 discussed the proposal on the framework for work on education for sustainable development and set up a Task Force on Education for Sustainable Development to develop the Strategy. Sweden and the Russian Federation volunteered to lead the process. At its eleventh session in October 2004, the Committee welcomed the work carried out by the task force and following the discussions on and slight amendments to the draft strategy, the Committee decided to convene a High-Level Meeting of environment and education Ministries on 18 March 2005 for final consideration of the strategy. The Committee also broadly supported the continuation of the process in line with the proposed framework for implementation of the strategy and decided to review the progress achieved at its next session. This initiative will provide a substantial regional contribution to the United Nations Decade of Education for Sustainable Development.

14. In the aftermath of the Johannesburg World Summit, the agenda of the CSD now follows a two-year cycle: the first year is focussed on assessment and the second year on policy options. CSD-13 is the second year of this cycle and will therefore be used to agree on policy options for water, sanitation and human settlements and related cross-sectoral issues.

15. Preparations for CSD at the global level include the elaboration of a report by the Secretary-General to which the UNECE secretariat has already contributed and a preparatory meeting that will take place from 28 February to 4 March 2005.

16. The Preparatory Meeting will discuss policy options, using the Secretary-General's Report as a reference. The regional commissions will be invited to make 10-minute presentations each on the first day of the meeting on policy options and possible actions to address region-specific

obstacles and constraints. The representatives of the regional commissions will also be invited to participate in the ensuing interactive discussion with delegates. The outcome of this meeting will include a chair's report.

17. It is therefore proposed that the Commission discuss policy options for the above-mentioned clusters (water, sanitation and human settlements), using the substantive submissions by the Committee on Human Settlements and the Bureau of the Meeting of the Parties of the Convention on the Protection and Use of Transboundary Watercourses and International Lakes (see below). It is further proposed that the Chairman of the Commission sum up the discussion, and present his summary as UNECE's contribution to the Intergovernmental Preparatory Meeting to be held in New York from 28 February to 4 March 2005.

Responding to key challenges: strategies, policies and actions for water and sanitation in the UNECE region¹

18. This section identifies major policy options for water and sanitation in the UNECE region taking into account the outcome of the regional implementation meeting in January 2004, the conclusions of the twelfth session of the Commission on Sustainable Development in April 2004 and the challenges identified at the third meeting of the Parties to the UNECE Convention on the Protection and Use of Transboundary Watercourses and International Lakes (UNECE Water Convention) in November 2003.

19. Despite the progress achieved, there is a need for action-oriented local and national measures as well as regional cooperation to speed up efforts to meet the Millennium Development Goals (MDGs) and Johannesburg Plan of Implementation (JPOI) commitments, particularly in countries in Eastern Europe, the Caucasus and Central Asia (EECCA) and some South-East European (SEE) countries.

Integrated Water Resources Management (IWRM)

20. Sustainable management and use of transboundary waters in the region with more than 150 major transboundary rivers, over 100 transboundary groundwater aquifers and around 30 international lakes has been promoted through enhanced cooperation between countries that share the same basin, including the establishment of joint bodies, such as river commissions. Reasonable and equitable use of transboundary waters remains a major challenge, and interstate distribution of water is a particular problem in EECCA and SEE countries with arid or semi-arid climate, which are in particular need of international assistance. Strategies, policies and action should focus on:

- The ratification of, and compliance with, the UNECE Water Convention and its Protocols as well as the bilateral and multilateral agreements;
- Drafting of agreements and setting up of joint bodies where they do not yet exist; (such as the one presently being established for the rivers Chu and Talas between Kazakhstan and Kyrgyzstan in order to jointly administer key aspects of the use and protection of these rivers).

¹ Based on the input by the Bureau of the Meeting of the Parties to the UNECE Convention on the Protection and Use of Transboundary Watercourses and International Lakes

- Further development of principles, approaches and model provisions regarding the interstate distribution of water resources;
 - Wider and effective use of voluntary measures, such as action plans, as legally binding agreements alone will not suffice to guarantee sustainable water management;
 - Capacity building on legal and regulatory instruments, joint institutions, monitoring and assessment, public participation in transboundary water management and planning of measures.
21. The prevention, control and reduction of groundwater pollution from pollution and overuse remain a challenge in the entire region. Policies and actions are needed to assure, where applicable:
- A comprehensive groundwater protection, which is not limited to water-protection areas and which preserves the quality of unpolluted aquifers;
 - Inclusion of all necessary preventive measures at pollution sources and containment measures in case of new activities, which could pollute groundwater;
 - Attribution of clean-up priority to sites that threaten legally protected aquifers and related ecosystems;
 - Restoration of aquifers, rather than abandonment of aquifers in areas with limited alternative water resources.
22. Greater emphasis should be given to the protection and sustainable use of water-related ecosystems, such as forests, wetlands and soils. Strategies, policies and actions should address the following:
- Awareness raising on the role of these ecosystems as water suppliers and the advantages related to their sustainable use, protection and restoration to ensure sustainable water management;
 - Review and dissemination of experience of solidarity between upstream and downstream communities;
 - Review and dissemination of good practice of protecting and sustainably using water-related ecosystems by means of innovative economic tools, such as payments for environmental services through successful public-private partnerships and public-public partnerships. In this connection, the UNECE is developing PPP guidelines .
 - A region-wide framework for flood prevention, protection and mitigation is also needed, as floods are an increasing problem in the entire region. The framework should at least include the following three components:
 - A capacity building component to provide training for local and national authorities as well as joint bodies responsible for transboundary water cooperation;
 - A soft-law component to present recommendations to policy makers, governmental authorities as well as municipal and local authorities;

- A legal component to give model provisions on floods for States riparian to the same transboundary waters, so as to establish or update relevant provisions of bilateral or multilateral agreements.

23. Most UNECE countries are well advanced in drawing up and implementing comprehensive plans for integrated water resources management, for example under the UNECE Water Convention and the EU Water Framework Directive. In some countries, further action is needed to develop IWRM plans:

- On the basis of the whole of a catchment area, whether transboundary or not, including its associated coastal waters, and across the whole of a groundwater aquifer;
- With the aim of linking social and economic development to the protection of ecosystems;
- With the purpose of relating water-resource management to regulatory measures of other sectoral policies and concerning other environmental media;
- With the aim of enhancing capacities for integrated monitoring and assessment of the ecological status of waters.

Water supply and sanitation

24. Significant progress has been made to provide access to safe drinking water and adequate sanitation across the region. But an estimated 120 million people (1 person in 7), particularly those in EECCA and SEE countries, and generally such vulnerable groups as the young and elderly, still do not have access to safe drinking water and adequate sanitation. Around 10% of EU citizens and an even higher portion of citizens in EECCA and SEE countries are potentially exposed to microbiological and other contaminants, which exceed maximum allowable concentrations. Governments need to address these deficiencies and assume responsibility for setting up functioning regulatory and institutional frameworks, surveillance and response systems and other measures as stipulated in the Protocol on Water and Health. Governments should also:

- Ratify the UNECE/WHO Protocol on Water and Health and the UNECE Protocol on Civil Liability;
- Update and effectively enforce health standards and legal and regulatory frameworks, with meaningful disincentives and fines for violations and discharges;
- Increase, in EECCA and SEE countries, the proportion of wastewater being treated and repair decaying sewage pipes, which can cause cross-contamination of drinking water.
- Improve public participation in planning and decision-making, including the formation of user groups;
- Improve monitoring and data collection on the quality of source water as well as drinking water quality;
- Raise awareness of hygienic behaviour and potential health risks to encourage households to invest in improved sanitation and water supply.

25. Up-scaling delivery of water-supply services in urban and rural areas, in line with applicable WHO, EU and UNECE provisions, is a major challenge in EECCA and SEE, which

will put high demands on institutional capacity and finance. Strategies, policies and actions include:

- Completion of the reforms of the water sector in EECCA and SEE countries;
- Effective enforcement of laws by means of increasing regulatory capacity;
- Decentralisation of responsibilities and decision-making to the local level;
- Creation of more favourable conditions to encourage private sector investment to improve service delivery and resource management, complemented by strengthened local and corporate governance;
- More focused attention to cross-contamination with leaking sewage infrastructure, which fosters disease, and water-supply infrastructure breakdown associated with high leakage

26. Enhancing water productivity is an additional challenge, particularly for EECCA and SEE countries, as 31% of the European population live in areas of high water stress, and overexploitation of resources for drinking water and irrigation is causing serious environmental problems. The challenge is in implementing additional specific measures of demand management and rational use of water, whereby:

- Increasing attention should be given to management technologies to conserve water in agriculture;
- Legislation should be amended to encourage the setting-up and capacity-building of irrigation user groups;
- Agro-environmental programmes to minimise water pollution should be more widely introduced;
- Agricultural production subsidies, subject to consideration of related social costs, should be cut.

27. In the preparation of water efficiency plans, more attention should be given to the inclusion of objectives and targets for action on water and sanitation at local, national and transboundary levels. New and/or revised water efficiency plans should take better account of:

- Different sectoral needs (water allocation both in the national and transboundary contexts);
- Urban, peri-urban and rural inter-linkages;
- Experience and good practice, developed in some countries, to provide guidelines for municipalities, households and industries on water efficiency and savings;
- Protection and management of the water-related ecosystems which capture, filter, store and release water.

28. The financial challenge could be met, where applicable, by:

- Implementing user- and polluter-pays principles coupled with special measures for the most vulnerable population groups and eliminating perverse subsidies;

- Offering credit guarantees and revolving credit funds to improve infrastructure;
- Compensation schemes, such as payments for water-linked environmental services;
- Prioritising water and sanitation in development and poverty reduction strategies;
- Seeking involvement from the private sector and international partners, based on clear rules and responsibilities. Such partnerships can be public-public and/or public-private, covering both service delivery and resource management.

29. Governments have managed to put in place a unique regional environmental framework to address the most important issues of water management, both nationally and in a transboundary context. In addition to legally binding instruments (see para. 3 above), guidelines and recommendations that address all major issues of chapter 18 of Agenda 21 have been key results of cooperation under the UNECE water programme. Examples include guidelines on the ecosystem approach in water management, water-quality criteria and objectives, monitoring and assessment, groundwater management, water and agriculture, sustainable flood management, public participation in water management, compliance with water agreements and industrial safety.

30. The weakness of this framework is the lack of full implementation in some subregions. The international community and national Governments, therefore, have to increase their efforts and innovate new tools for effective implementation of broadly endorsed principles.

Challenges and policy options for human settlements in the UNECE region

31. The following aims at identifying major policy options for human settlements in the UNECE region, in taking into account the implementation of the Habitat Agenda and in particular the campaigns on secure tenure and urban governance as well as the outcome of the regional implementation meeting held in January 2004 to follow-up the WSSD, the conclusions of the twelfth session of the Commission on Sustainable Development, the challenges identified in the UNECE Strategy for a Sustainable Quality of Life in Human Settlements adopted in 2000, and the preliminary re-assessment of these challenges at the Committee on Human Settlement's sixty-fifth annual session.

32. Human Settlements policies are essential to addressing the millennium development goals, in particular the eradication of extreme poverty, the promotion of gender equality and environmental sustainability. For achieving sustainable human settlements, addressing the following challenges has repeatedly been identified as particularly important by countries of the UNECE region: promoting a system of meaningful and democratic governance that responds to the needs of local communities; facilitating social cohesion and security; further implementing market-oriented reforms in the housing and urban sector; improving urban environmental performance; improving land and real estate markets and securing private land rights.

33. Meaningful and democratic governance, based on decentralization, partnership and inclusion, is the key to a sustainable housing sector. Decentralization has progressed strongly in the UNECE 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 in particular been the case in countries with economies in transition. As a consequence local

governments see themselves confronted with significant responsibilities and very limited means to fulfil 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. Governments need to address these deficiencies, and in particular need to:

- Assume responsibility for setting up functioning regulatory and institutional framework conditions in support of participatory local governance and public-private partnerships, in particular through capacity building within local governments and community-based institutions;
- Strengthen governance at all levels to ensure proper and efficient use of scarce resources;
- Establish a wide-range cooperation and a common effort between different government institutions to address local government issues;
- Improve the dialogue and understanding between the different levels of administration which are charged with responsibilities for housing;
- Empower civil society actors to ensure effective implementation of sustainable development policies.

34. The UNECE Committee on Human Settlements, through its activities, in particular the country profiles on the housing sector and the land administration reviews, aims at assisting countries in transition, and in particular the countries of South-East Europe (SEE) and the Eastern Europe, Caucasus and Central Asian (EECCA) region, to establish a broad-based dialogue among all major stakeholders in the housing sector, including the different levels of government, the private sector and non-governmental organizations, to jointly address the imminent challenges to human settlements.

35. Establishing an efficient dialogue among major stakeholders is a prerequisite for better functioning relationships between private market forces and public policy actions and for the implementation of sound market-oriented reforms in the housing sector. Housing markets in many of the UNECE 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. The establishment of sound framework conditions will go a long way to addressing these deficiencies. Governments should in particular:

- Provide conditions to facilitate investment in the rehabilitation of the existing stock;
- Facilitate private sector involvement in the managing of properties;
- Focus on the implementation of innovative financing to leverage private resources in the provision of housing and communal services;
- Create an enabling institutional environment to attract domestic and foreign investment.

36. Since the beginning of the transition process in countries of the UNECE region, the Committee on Human Settlements has continuously engaged in measures aimed at providing member countries with practical guidance on how to address the challenges which arise from the introduction of market-oriented reforms in the housing sector. The guidelines on condominium ownership of housing for countries in transition, for example, provide advice on actions needed by central and local authorities in the areas of legislation, the institutional set-up and public awareness raising in order to help authorities, and inhabitants, to address management challenges of the newly privatized multi-unit housing stock.

37. Reforms in the housing sector need to be accompanied by measures facilitating social cohesion and security. 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, making housing less affordable. 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 labour mobility and an essential part of the creation of a conducive policy environment for enterprise formation and job creation. Housing policies can make a significant contribution to lessening the economic and social disparities which exist within the UNECE region. The provision of adequate and affordable housing therefore needs to be at the forefront of human settlements policies within the UNECE region and the establishment of a concise social housing policy should be a key element not only of human settlements strategies but also an integral part of the overall social policies and the welfare system of a country. Governments in particular need to:

- Recognize that the regeneration of housing estates, through wide-scale renovation, is becoming increasingly urgent in order to safeguard housing of reasonable quality for its inhabitants, especially the low-income families and deprived communities;
- Acknowledge that policy reforms need to be driven by a more sober reflection that market failures need to be addressed in an efficient way;
- Realize that social protection of vulnerable groups needs to be a priority aspect of public policy intervention in all sectors;
- Endeavour that social housing reforms become an integral part of the wider process of welfare state restructuring;
- Acknowledge that the significance of social housing reforms goes far beyond the provision of physical housing units and realize their importance for facilitating social cohesion and equity.

38. The needs of the socially disadvantaged have been at the core of the Committee on Human Settlements' work during the past decade. The development of social housing guidelines is one important activity in the Committee's efforts to help countries to address the housing needs of vulnerable population groups. However, only an encompassing and cross-sectoral approach will ensure that the concerns of the vulnerable are effectively addressed. The Committee has therefore embarked on a discussion on how its work can further contribute to the stronger integrating of human settlements concerns in general social welfare policies, and how it can better assist authorities responsible for human settlements to ensure that they adequately incorporate policy objectives articulated within other sectors (e.g health, employment, infrastructure) in their activities.

39. 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. The introduction of transparency and efficiency in the urban planning and land administration process therefore needs to be a priority concern for governments. Governments in particular should:

- Promote good land administration for social equity. Good land administration is essential for the competitiveness of real estate and housing markets;
- Ensure secure entitlement to land, and freedom from unlawful eviction;
- Empower 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;
- Recognize the importance of long-term integrated land-use planning and urban management for developing sustainable cities.

40. Malfunctioning land administration systems, and the subsequent inadequate planning for and investment in public infrastructure, are also a major cause for unsustainable transport patterns, for scarcity of serviced urban land and, ultimately, for unsustainable urban environmental performance. Environmental performance is an increasing concern within human settlements, also in regard to practices and standards in new housing construction. Due to its significant environmental impacts, the construction sector is being quoted as the "40% industry": According to the United Nations Environment Programme, 40% of all energy and material resources are used to build and operate buildings, 40% of carbon dioxide releases come from building construction and operation, and 40% of total wastes result from building and demolition activities. The Committee therefore urged Governments to:

- Recognize the importance of incorporating environmental concerns in new construction, urban planning and land development policies;
- Ensure improved environmental quality of urban areas through sustainable consumption of natural resources required for the construction and operation of urban systems;
- Foster an integrated urban planning approach, which includes both land use planning and transportation system planning, and strives for sustainable energy production and consumption, and equity in access to basic services.

41. Given the strong importance of sound environmental performance and land administration for sustainable human settlements policies, the Committee continuously strives to promote a more integrated approach to human settlements, in combining policies of land administration, housing and urban planning as well as environmental management for the promotion of social cohesive societies. The development and implementation of policy guidelines on land administration, urban renewal and spatial planning, are among the Committee's major tools for promoting such an integrated approach.

42. Any comprehensive approach towards sustainable human settlements greatly benefits from the dialogue and exchange of experience between the different countries. The Committee throughout more than 50 years has provided a forum for such an exchange of experience, which is greatly valued by its members. However, the Committee's members also underlined that there is still room for improvement. They in particular expressed the need for enhanced 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 SEE and EECCA countries in the activities of the Committee would be highly desirable.

43. In order to upgrade existing housing stock, a significant involvement of the private sector will be required in view of the lack of resources from local municipal budgets. In Europe, PPPs are being used successfully in improving housing and urban regeneration as part of an integrated approach involving housing, land development and improvements to the local infrastructure. In addition there is a need for Governments to develop the legal and policy framework in which a viable housing market can develop.

Inter-linkages, cross-cutting issues and global context

44. There exist important linkages between the three thematic sectors, including common obstacles, and good practices that can assist progress towards the MDGs and JPoI targets. The region has problems of its own, for example in achieving the water and sanitation targets in the EECCA countries, but also needs to work closely with developing country partners to tackle the more extreme difficulties which many face.

45. Provision of drinking water and sanitation requires multi-sectoral, inter-disciplinary approaches that recognise the interdependence of these and other sectors. Lack of access to water and sanitation, inadequate shelter and communicable and water-borne diseases need to be tackled in an integrated way, backed by awareness-raising and wider support at regional, national and international levels. Environmental causes of human health problems like these require greater attention.

46. There are clear links between water, sanitation, human settlements, gender equality, JPoI goals and MDGs. Water is central to realising goals such as food security and, together with sanitation, some of the health goals, as well as protecting natural resources. Water and sanitation, and infrastructure such as housing, transport and energy, support the delivery of health and education services. Better management of water resources, access to housing, safe water and basic sanitation with hygiene promotion are key contributions to poverty reduction.

47. The most prominent obstacles to achieving agreed targets are inadequate financing and inadequate governance. Countries in this and other regions need to honour their commitments from the Millennium Declaration, Monterrey, Johannesburg and Doha if real progress is to be made. These commitments should be better reflected in their priorities and policies, particularly in their budgetary policies.

48. Increased Official Development Assistance (ODA) volume and effectiveness are essential for low-income countries, not least because such funding can build capacity for effective governance and natural resource management. But providing access to water, sanitation, energy and shelter requires private investments too. The attraction of new and additional financial resources is crucial. This means mobilising domestic capital from within countries as well as attracting private sector investments from world markets through innovative mechanisms such as

revolving funds, a proposed international finance facility and public-private partnerships. Financing needs to be complemented by other means of implementation including capacity building through cooperation on technology and knowledge. PPPs can provide additional resources. but further efforts will be needed to improve the skills of governments in PPPs, especially in the areas of project finance and risk management, skills that are found more in the private rather than the public sectors.

49. The adoption of sustainable development strategies by all countries by 2005 is crucial. These strategies provide an overarching approach to inter-linkages among many themes and cross-cutting issues, and improve coherence between decisions made and actions taken in these areas. It is essential that all stakeholders have an opportunity to participate in their preparation.

50. For low-income countries with economies in transition and developing countries, such strategies can be formulated as poverty reduction strategies (PRSs) that integrate the economic, social and environmental aspects of sustainable development. It is important that the dialogue around country-owned PRSs address the targets for water, sanitation and human settlements, as well as issues such as gender equality, employment and workers' rights, to help achieve the targets concerned while ensuring that the development supported will be of lasting benefit.

51. Most countries in the UNECE region have already adopted comprehensive strategies for sustainable development or are in the process of doing so. Review and reporting mechanisms at a high political level and the use of national targets and indicators are needed to ensure the success of such strategies. Sub-regional strategies have also been adopted, for example by the EU and the Nordic countries.

52. Protecting the natural resource base is a fundamental cross-cutting issue. In developing national sustainable development strategies and other environment-related strategies, it is essential to use an ecosystem approach to the management of water, sanitation and human settlements. Protecting ecosystems is key to water security and human livelihoods.

53. Sustainable consumption and production require a range of voluntary, market-based and regulatory instruments, not only at a local level but also at national, regional and international levels. It is important to apply a life cycle perspective to changing production processes and at the same time to enable consumers to make informed and ethical choices. UNECE member States should take a leading role in maintaining the momentum of the Marrakech process on this topic.

54. Issues such as efficient use of all resources and increased cost recovery should be addressed in tandem with ensuring that the poor have access to basic services. Local authorities, which are responsible for management of services at local and community levels, must be resourced and access to credit be made available at the local level. Local capacity building in the areas of governance, public-private partnerships and credit access should be prioritised. It would be helpful to have regional gap analyses of capacity building needs in the areas under discussion.

55. There is no one model of good governance, but its key elements are transparency, accountability, clear institutional responsibilities, private sector and civil society participation, environmental and social assessment, and providing access to the poor. Appropriate corporate social and environmental responsibility and accountability are also essential for sustainable development.

56. Multi-stakeholder partnerships, bringing together the business community and civil society, can also play a fundamental role in promoting sustainable development and represent a key complement to the activities undertaken by the wider international community.

57. Education can make a significant contribution to sustainable development, particularly towards poverty eradication and more sustainable consumption. It is useful to highlight models such as the UNECE region-wide strategy on this issue.

58. There is an important gender equality dimension to the issues of water, sanitation and human settlements, which needs to be given due attention in CSD. Gender equality analysis is required to establish how women and men are affected differently, so that this can be addressed in implementation processes.

59. Reliable data and information are crucial to allowing policy makers to make informed decisions. Data from water quality and quantity monitoring networks should be translated into policy-relevant information for water management. Cadastres and land registration systems are important elements on which to build a functioning real property market. In addition, the combined use of cadastres and geographic information systems (GIS) is increasingly useful in disaster-prone areas. To ensure the policy-relevance of information, it is important that further work be done on developing and applying a comprehensive set of indicators for sustainable development.

Next steps

60. On 11 and 12 April 2005 at the CSD 13 there will be parallel sessions on the regional perspective of water, sanitation and human settlements. As the sessions will run through the afternoon on the first day and the morning of the second day there will be ample opportunity to highlight regional aspects of the three clusters. The CSD Chair will compile a summary of the regionally identified needs and constraints, including proven options, measures and initiatives that have the potential to be scaled-up and/or replicated. The summary, which will be as inclusive as possible, is not intended to be negotiated by delegations.

61. At the high-level segment on 20 April in the afternoon the regional commissions will be invited to participate in the ministerial discussion together with UN Agencies, specialized agencies and Bretton Woods institutions.

62. CSD 14, to be held in April 2006, will begin a second cycle and will therefore once again focus on assessment, not policy. The sectoral issues to be assessed include:

- Energy for sustainable development (including transport as it relates to energy)
- Industrial development
- Air pollution
- Climate change

63. The secretariat of the Commission on Sustainable Development (DESA) envisages similar regional inputs to CSD's fourteenth session as were provided to the twelfth that could include:

- The organization of Regional Implementation Meetings by each of the five UN regional commissions (which presumes preparation of significant assessment papers for each of the sectoral issues);

- Written contributions to the Secretary-General's Reports;
- The organization of regional panels during the session.

64. In order to provide sufficient time, it is proposed that the Commission decide, at its sixtieth session, to organize a Regional Implementation Meeting in preparation of CSD 14. In this connection, it is noted that at its Ad Hoc Informal Meeting on 22 September 2003, the Commission "took a decision to hold the first Regional Implementation Meeting on 15-16 January 2004 in order to contribute to the work of the CSD.

65. It is also proposed that the Commission undertake to raise the necessary funds for the regional preparations for CSD 14 as DESA will be unable to provide funds for consultants, as it did for the CSD 12 preparations. While some funds will be available to support the travel of one representative from each of the CSD Member States, the current membership includes 53 States and, currently, among these 53 there are only 4 States whose representatives would normally be supported. Consequently, this will not be a significant source of funding to ensure participation of EECCA and SEE States.

66. To prepare for and convene the Regional Implementation Meeting for CSD 14, it is estimated that approximately US\$ 55,000 would be needed, as follows:

- For three consultant papers (one each for energy, industry and air): US\$ 30,000
- For travel and DSA for one representative from each of the eligible member States: US\$ 30,000

67. The decision to involve the regional commissions in a more central role in sustainable development activities, including in the work of the CSD, is rooted in the Johannesburg World Summit. UNECE, along with the other regional commissions, can therefore expect that the CSD will continue to call upon it to organize Regional Implementation Forums and to act as a regional coordinator and focal point for other activities related to sustainable development.

68. For this purpose, it is important that the UNECE have predictable, long-term funding and staff resources at its disposal.

Proposed actions

69. In paragraph 17 above, it is proposed that the Chairman of the Commission sum up the discussion, and present his summary as UNECE's contribution to the Intergovernmental Preparatory Meeting to be held in New York from 28 February to 4 March 2005.

70. In paragraphs 65-66 it is proposed that the Commission decide to organize a Regional Implementation Meeting in preparation of CSD 14. It is also proposed that the Commission undertake to raise the necessary funds for the regional preparations for CSD 14.
