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Climate change and rising oil prices: Why energy efficiency in housing is crucial

Buildings are major contributors to greenhouse gas (GHG) emissions. Worldwide, 30% to 40% of all primary energy (i.e. energy contained in raw fuels) is used in buildings. In Europe, they account for 40% to 45% of energy consumption. They also account for a significant amount of carbon dioxide (CO₂) emissions: in the European Union, the residential sector represented 77% of all CO₂ emissions from buildings in 2002. In low-income countries, this share can rise to over 90%.

Enhancing energy efficiency in buildings in the UNECE region will not only decrease GHG emissions, but also reduce national dependencies on increasingly expensive energy imports. Programmes to improve existing housing stock in Western Europe have already led to an average reduction of energy consumption of 50% to 60%. Low-energy buildings have brought average energy consumption per m² per year to less than 50 kilowatts (kw), as compared to 150 to 200 m² in "normal" housing.



But even more is possible. "Passive" housing, in which no conventional heating system is needed, can reduce energy consumption by an average of 12 to 13 kw, or about 90% that of normal housing and about 60% that of innovative low energy buildings.

While some countries have carried out impressive energy saving programmes, others are still lagging behind,

often because of insufficient technical or organizational know-how. Ironically, this has led to a situation where dwellers in "rich" regions pay significantly less for energy than those in poorer regions.

In some countries in the UNECE region with economies in transition, existing buildings – in particular those constructed between the 1960s and the 1980s – are characterized by low thermal efficiencies and wasteful heat distribution systems.

The time is ripe to act for these countries. After more than a decade of stagnant housing production, new housing programmes are now being developed. While this could be a chance to improve the energy performance of the housing sector by undertaking a step-by-step restructuring of the existing stock, several obstacles hamper use of the newest construction techniques. These include insufficient budgets and a weak public sector, outdated building codes, limited knowledge of existing technical improvements also at low cost, low levels of research activity, an immature housing market and an inactive private sector.

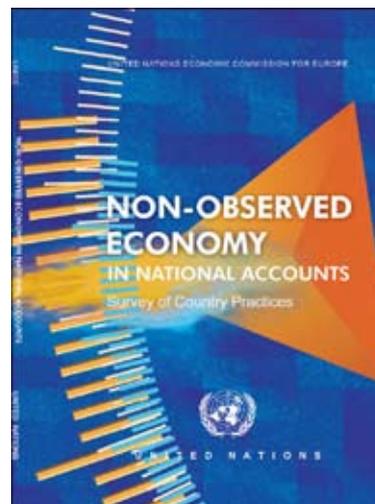
An in-depth discussion on the issue of energy efficiency in housing in the UNECE region, addressing the obstacles mentioned above, will take place during the next session of the UNECE Committee on Housing and Land Management (22-23 September). ✖

For more information visit <http://www.unece.org/hlm/welcome.htm> or contact Paola Deda (paola.deda@unece.org).

Non-observed economy in national accounts – survey of country practices

This recently released publication presents an overview of current practices of 43 countries in measuring the non-observed economy.

It focuses on the description of methods used and includes quantitative examples and estimates of the share of non-observed economy in the Gross Domestic Product (GDP) of different countries. The material was collected by the UNECE Statistical Division in 2005-2006.



The non-observed economy comprises those economic activities that should be accounted for in the GDP but are not captured in the basic statistical sources.

They could be activities that are illegal or hidden from authorities to avoid paying tax or social security contributions.

They may also be activities that are not concealed but are simply not covered by statistical sources, for example when goods are produced for own final use, or when production volume is so small that the producer

is not required to register. Incomplete statistical surveys or administrative records may be another reason why some economic activities are missed out from the GDP calculation.

This part of the economy is sometimes referred to as the "underground", "hidden", "informal", "shadow", "black" or "grey" economy. The 2002 OECD Handbook on the topic established "non-observed economy" as the commonly used term and clearly defined the types of economic activities that fall into that category.

Non-observed does not mean that these activities are not measured or that they are excluded from the GDP. Statistical offices put a lot of effort into accurately calculating the GDP and ensuring that it covers all economic activities within the production boundary of the System of National Accounts 1993 – the worldwide UN standard on GDP measurement.

Statisticians have developed a range of techniques to estimate the informal, illegal and underground activities, and those undertaken by households for their own final use. The publication gives an overview of how countries are using these techniques in practice. ✖

Available from the UN Publications, Sales and Marketing Section (unogbookshop@unog.ch) or see <http://www.unece.org/stats/publications/NOE2008.pdf>.

For more information contact Tiina Luige (support.stat@unece.org).

Not an official record - For information only

Secretariat evaluations

A recent UNECE secretariat workshop on self-evaluations brought together Division Directors, managers responsible for clusters of activities and staff designated to conduct self-evaluations within the 2006-2007 biennial cycle. The Programme Planning, Monitoring and Evaluation (PPME) Unit organized this workshop in order to promote and improve self-evaluations and to ensure the relevant follow-up to them as part of results-based management.

Mr. Marek Belka, UNECE Executive Secretary, in his opening remarks stressed the importance of evaluation as a tool for managing programmes or projects and especially the role of self-evaluations to enhance the relevance and further increase the effectiveness of what UNECE does.



Different methodologies and resources used as well as key findings, lessons learned and proposed follow-up actions to 9 self-evaluations were reported by seven subprogrammes as well as the Technical Cooperation Unit and the PPME Unit. The presentations were followed by lively discussions which demonstrated participants' interest in exchanging experience and to be better prepared for future evaluations.

The results of self-evaluations carried out in the 2006-2007 cycle were considered useful not only from the programmatic/managerial point of view but also because they contributed to enhancing UNECE's visibility by demonstrating tangible results achieved in the evaluated areas of work. ✖

Facts and Figures

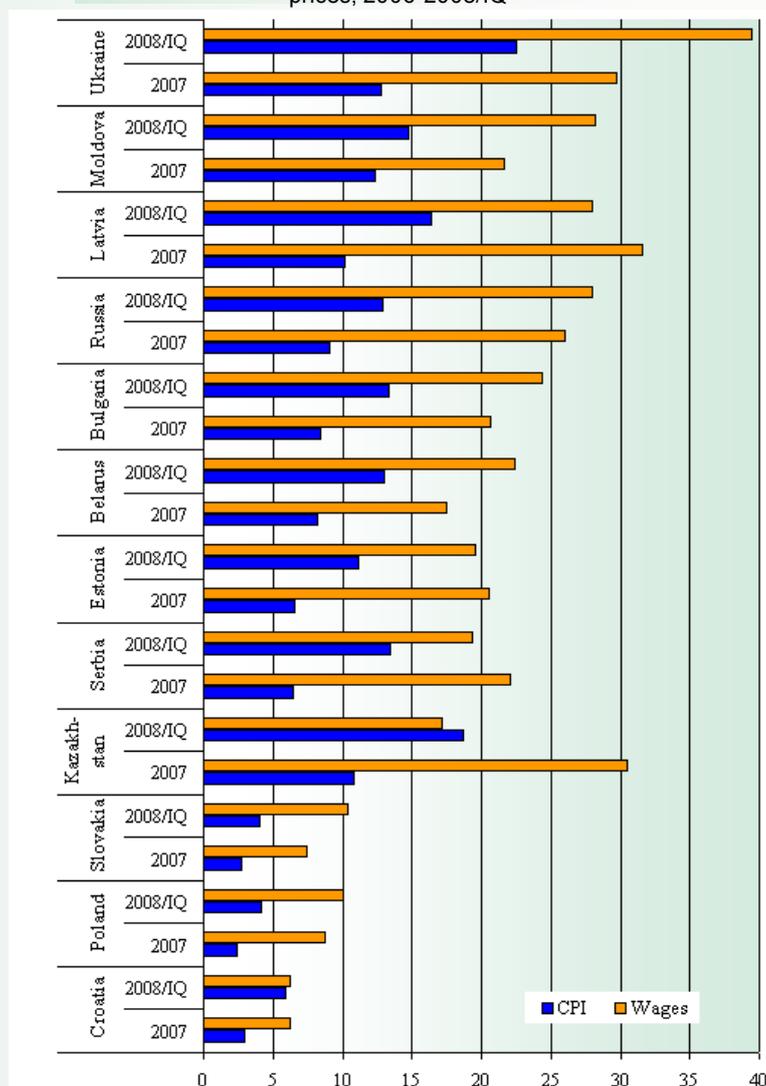
In emerging UNECE economies the rise in gross wages outstrips consumer inflation

Over the last several years emerging UNECE market economies experienced a rapid rise in wage levels, in both nominal and real terms. In 2002-2006, the average annual increase in gross wages across the ten CIS countries was about 26%; it grew by some 18% per annum in the eight South-East European countries and by nearly 11% per annum in the three Baltic States. The wage growth was somewhat slower in Central Europe, but inflation there was also lower, as was the pace of economic expansion.

In many of these countries, wage growth accelerated further in 2007 and continued to rise rapidly in the first quarter of 2008, despite the current signs of economic slowdown. In the meantime, consumer price inflation picked up noticeably and slowed the recent wage gains in real terms, or even eroded them entirely (Kazakhstan).

It is important to note, however, that emerging UNECE economies are a very heterogeneous group of low- and medium-income countries, where the average monthly wage levels expressed in current US dollars vary from below \$50 (Tajikistan) to nearly \$1200 (Croatia). Even if the gross wages have outstripped (and still do) the pace of the average cost of goods and services, the now soaring energy and food prices may in fact have squeezed the consumers in poorer countries much more than overall inflation would indicate. ✖

Annual percentage change of gross wages and consumer prices, 2006-2008/IQ



Source: UNECE Statistical Database (<http://www.unece.org/stats/data>) and national statistics.