

SOCIO-ECONOMIC CONDITIONS AND HOUSING INSTITUTIONAL FRAMEWORK

**Recommendation 1:**

*A more prominent role should be ensured for the housing sector in the Tajik economy. Delegation of power should be given to regional/local governments.*

Due to their scale, the present problems within the sector need to be addressed in an integrated way by taking into account socio-economic considerations as well as legal, institutional and financial framework conditions. Although the local authorities are formally in charge of some housing matters, their specific roles are not clearly defined. Local authorities should be given a more prominent role in deciding about housing matters, and, at the same, time should be allocated funds for implementing national framework policies for the development of the housing sector.

**Recommendation 2:**

*The State Statistical Committee should develop reliable and comprehensive data to support decision-making in the housing sector.*

Programmes and practices are currently not supported by reliable and comprehensive statistical data to allow the Government to identify and understand housing-related problems. Data should include e.g. housing conditions, characteristics of housing and of the population, housing tenure and housing needs.

**Recommendation 3:**

*Information and results achieved by pilot projects in housing should be collected by the Agency for Construction and Architecture, to learn more about experiences in carrying them out, including costs and lessons learned.*

The Government is heavily dependent on foreign aid, and, so far, projects and programmes carried out in the housing sector have proved to be valuable and achieved positive results. These could have a multiplier effect if widely known by those carrying out subsequent projects, including helping donors to select areas for foreign-aid intervention.

## HOUSING CONDITIONS, HOUSING CONSTRUCTION AND PUBLIC UTILITIES

### **Recommendation 4:**

*There is a need for a comprehensive policy framework to structure and develop the national housing system and to overcome the fragmented nature of housing initiatives contained in the Poverty Reduction Strategy Paper and the National Development Strategy.*

The policy framework should have clear goals. It should ensure that everyone has proper access to affordable quality housing in a safe and ecologically sound environment. It should include a scheduled action plan with budget, implementation mechanisms and performance indicators.

The following key elements should be included:

- Establishment of a consolidated housing law.
- Introduction of investment targets, covering new construction and maintenance of the existing stock, including housing redevelopment and renewal.
- Development of a concrete action plan/programme for social housing.
- Development of a non-for-profit and self-built housing sector.
- Development of feasible municipal housing programmes, identification of sources of municipal funding for long-term stable support for municipal housing development, and the provision of financial resources to support municipalities in the implementation of such programmes.
- Assistance for special vulnerable groups.
- Involvement of the private sector in housing development.

### **Recommendation 5:**

*A comprehensive programme addressing the improvement of housing management and utility services should be foreseen.*

The Government should develop a clear programme addressing the maintenance and repair-needs of the housing stock, regardless of tenure form. This should particularly entail regulations to make sure that the common structures and spaces of multi-apartment buildings are adequately taken care of. The municipalities should be provided with clear responsibilities for assessing the repair and renovation needs of the housing stock and for preparing local programmes with clear priorities for addressing these needs. This should be coordinated with the housing disaster risk management policies, taking into account the high risk of natural disasters, especially earthquakes. Furthermore, major housing repairs should be promoted while ensuring that long-term management is energy efficient. These programmes should take into account the possibilities for mobilizing resources from the public as well as the private sector, including from homeowners.

The Government should also urgently address the pressing need for repairs of the deteriorating utility infrastructure. A draft Concept on Housing and Utility Services Reform is being considered by the Government. However, it does not contain any plan and its main purpose is to introduce market relations into the sector. It should generate funds, from all possible sources, for repair and reconstruction. Policies need to be complemented by a system of social security assistance to those households that are not able to pay tariffs at cost-recovery levels.

**Recommendation 6:**

***Housing policy should promote the supply of different housing tenures to meet the needs of different income groups. At the same time measures should be drawn up to decrease construction costs.***

The organization of the housing sector in Tajikistan today is mostly oriented to meeting the housing needs of upper-income residents through housing ownership, while shortages persist for the rest of the population. Access to affordable housing should be better targeted and options should be increased such as rental not-for-profit and social housing for special population groups such as young families, single parents and the elderly as alternatives to homeownership (as recommended in the UNECE Guidelines on Social Housing, Principles and Examples (2006)).

Measures to reduce construction costs in the housing sector could entail: (a) lower material costs through an ongoing initiative to develop the domestic building material industry; (b) increased capacities in the construction industry, e.g. by tendering extra public works among domestic companies, (c) creating incentives for skilled expatriates to return.

**Recommendation 7:**

***Funding should be increased for water supply and sewage system rehabilitation and development projects.***

The possibilities for attracting international donors to this area have been tested and successful projects have been carried out. Possibilities of applying public-private partnership schemes should be further investigated. The management systems of the State water utility companies should be improved. Installation of water meters in residential blocks would reduce waste and losses in the systems. The fee collection rates should also be improved. More investments should be attracted into the wastewater network and treatment plants, which have been neglected for many years. The municipal solid waste collection, storage and incineration practices should be reformed and modernized. Special attention should be given to the proper disposal of industrial, construction and medical waste.

#### **Recommendation 8:**

***Rehabilitation of the district heating system, as well as energy efficiency and renewable energy technologies, should be promoted.***

Investments should be made in the rehabilitation of existing and construction of new district heating and hot water distribution networks and power plants. A preference should be given to “clean coal” technologies. A national programme on the development of alternative energy resources should be adopted. The use of alternative energy sources such as wind, solar and biogas could improve the conditions of the population living in the mountainous regions.

There have been many activities recently to explore which energy-saving technologies could be effectively used in housing, but there has been no coordination or comprehensive plan to improve energy efficiency in the housing sector as a whole. The following key areas should be addressed:

- Environmental and resource efficiency standards for new and existing homes.
- Development of financial and other incentives for increased resource efficiency in housing.
- Integration of housing and sustainable urban planning.
- Promotion of sustainable architecture, design, and green technologies.
- Environmental standards for building materials and techniques, energy and resource efficiency requirements in construction practices and building control.
- Retrofitting existing housing stock.
- Efficient resource use in housing management and maintenance practices.
- Efficient utility systems providing services to housing.
- Sustainable waste recycling practices.
- Stimulation of private and public investments in the sector.
- Development of a green housing market.
- Affordability of green housing.

#### **Recommendation 9:**

***An effective compulsory purchase policy and fair compensation package for those who are evicted should be developed.***

There is no policy or clear-cut procedure to guide compulsory purchase for public purposes and therefore such processes are implemented through administrative procedures that permit forced eviction and unfair compensation. This leads to construction in the interest of large business and wealthy residents. Therefore, the compulsory purchase policy should identify by whom and under what circumstances compulsory purchase powers can be exercised and clearly define the need to follow a number of necessary stages when exercising compulsory purchase power.

**Recommendation 10:**

***Local authorities should stimulate self-build housing to reduce costs both for renovations and for new construction.***

Tajikistan has good potential for the development of self-build housing in construction and renewal as a means of achieving social and economic reintegration and structural improvements. Stronger cooperation between the Government, especially at local level, NGOs and donor organizations should be established to learn from each other's experiences. A clear policy should be developed to address the following elements of the self-build process:

- Acquisition and development of land with the inclusion of active community participation.
- Provision of construction materials (on-site assembling, small local producers).
- Construction process (forms of community cooperation; the use of local building expertise, techniques and local materials and design models).
- Ensuring the regular and transparent flow of funds into the self-build sector (State funds and subsidies based on clearly-defined and widely-known criteria, community control over allocation and contribution, community-based social funds).

Training activities should be organized in co-operation with the construction sector, and self-help groups should be established to encourage exchange of experience. Building regulations mostly designed for new construction rather than for renewal should also be adapted to the needs of urban renewal. Special emphasis should be given to encouraging tenants and owners to introduce energy-saving measures.

**HOUSING FINANCIAL AND LEGAL FRAMEWORK**

**Recommendation 11:**

***An efficient and modern system of housing legislation should be created.***

The current legislation does not correspond to the realities which emerged after independence. The development and adoption of the Urban Development Code should be accelerated. The Code would serve as a link between the Law on Architecture, Urban Development and Construction Activities and the normative acts under the Law. New legislation currently under consideration could solve major problems. These legislative initiatives need to be broadly discussed with all actors involved, including the market players. The Government should adopt a law on the protection of the rights of real estate purchasers and future dwelling owners. It should also develop and adopt standards for the rebuilding of destroyed housing.

**Recommendation 12:**

***The mortgage legislation should be improved and the prerequisites for viable capital markets created.***

The participation of the State is required to create the necessary institutional and legislative conditions which could set in motion the development of various forms of residential lending. In particular, the regulatory environment needs to be clear and the strategy for developing the mortgage market must be comprehensive. Furthermore, the major objectives, tasks, means and mechanisms should be defined to develop a robust residential mortgage market. These should include measures to increase the banks' confidence in the housing market, to strengthen the capacity of the key participants in the mortgage market and to increase the effective demand for housing finance. The UNECE housing finance guidelines (*Housing Finance Systems for Countries in Transition, Principles and Examples*, 2005) and the recommendation of IFC ("Central Asia Housing Finance Gap Analysis" publication) should be used in the process of development of a mortgage system.

### **Recommendation 13:**

***Housing construction should be stimulated and a housing construction financing system created.***

The Government should create a legislative framework that stimulates housing construction. This includes drawing up and implementing land legislation, tax regulations and legal norms pertaining to land allocation for residential construction. Efforts to identify the administrative barriers in the construction sector should be continued. The legislative framework should encourage construction, the development of better technologies, the shortening of the time frame and the cutting of costs in the design and construction process. Furthermore, specific measures should be implemented to stimulate the development of housing construction finance. The Government should stimulate the construction sector to become more transparent.

### **Recommendation 14:**

***Technical control over the construction process should be increased.***

The procedures and documentation for obtaining construction permits and construction licences should be further simplified. The “one-stop-shop” approach to handle these applications needs to be established and maintained. The procedures should be made shorter and more transparent and authorities should provide clear explanations in case of refusals.

All existing building norms and regulations should be revised and public access to this information should be provided. The Government should increase the awareness of the population about new construction materials, technologies and regulations, especially in the domain of seismic protection. It could allow people in rural areas to build or reconstruct housing at less expense, using local materials, without violating the national building norms. The education and training of construction professionals and workers should be improved. Taking into consideration the high rate of individual construction, special attention should be given to the education of inexperienced workers. The Government should also enforce monitoring of compliance with the laws, and increase the staff of the respective agencies.

### **Recommendation 15:**

***The development of a microfinance sector should be supported.***

Microfinance institutions are quite successful in targeting low and moderate income households. However, the classic mortgage loans are too large for them to issue. The creation of an encouraging legal framework, including special financial requirements, could help to address problems in financing home repairs. It could enable people from the most poor and depressed areas to access essential financial resources.

## URBAN PLANNING AND DEVELOPMENT

### **Recommendation 16:**

***Master plans should be updated and meet current needs.***

Better coordination is needed between the various stakeholders to ensure better links between key areas such as infrastructure, housing, green spaces and transport. A hierarchical system of plans should be foreseen. It should include the national level providing a strategic approach, the regional level translating the national spatial development into guidance for the regions, and the local plans (master plans) which are more detailed.

Natural disaster prevention and preparedness should be integrated into spatial planning activities. The drawing up of detailed natural disaster risk and hazard maps should be promoted on the sub-district and district levels and they should be included in local community development plans and zoning activities. Construction activities in areas prone to natural disasters should be restricted.

### **Recommendation 17:**

***The process of updating and adopting master plans should be made open to the public.***

Public hearings on the newly planned master plans should be held by involving the concerned population, and amendments to such plans should be incorporated according to their needs and comments. Complete information on the existing and projected zoning regulations in cities should be openly provided to the general public to prevent illegal construction.

### **Recommendation 18:**

***The practice of resettlement of persons from areas prone to natural disasters within the State programmes of relocation should be improved.***

This can be achieved by providing, (a) sufficient financial support to the relocated population through State loans and subsidies and, (b) adequate social and physical infrastructure in the newly created settlement prior to the beginning of relocation activities. The oversight and control over construction activities carried out by the population in rural areas should be enhanced. This can be achieved by providing additional human and financial resources to local *Hukumats* and branches of the Agency for Construction and Architecture, by adopting seismic-stable construction designs and procedures based on locally available materials and training the population in these techniques.

### **Recommendation 19:**

***Public urban transport should be prioritized over individual car use.***

The investment in public transport should be focused on rehabilitation of transport infrastructure including roads, electrical substations and networks for trolleybuses, and on modernization of the public transportation fleet. The use of private transportation by low-capacity vehicles (taxis and minibuses) should be limited because of air and noise pollution and traffic congestion. The further promotion of electrically driven means of public transport would have a positive impact on the environment and would save a considerable amount of imported hydrocarbon fuels. The application of modern traffic management systems should be widely promoted.

**Recommendation 20:**

*The green spaces in cities should be preserved and further developed.*

This could be achieved by restricting the cutting of trees due to road-widening operations, construction and other industrial activities. All kinds of construction activities within the limits of city parks should be strictly monitored and restricted, and new recreational areas within city borders and adjacent to cities should be created to meet the growing demand from the population and to preserve urban microclimates. The preservation and development of green spaces within existing residential areas should be promoted and the enforcement of the green spaces development requirements in the new residential areas should be strictly followed.

**LAND ADMINISTRATION**

**Recommendation 21:**

*Good land governance principles should be promoted, focusing on better coordination of the activities performed by the various institutions responsible for land administration.*

Improved coordination among the authorities dealing with different land administration issues should be encouraged, as recommended in one of the most recent publications of the UNECE Working Party on Land Administration,<sup>127</sup> in particular a clear allocation of responsibilities among agencies and the provision of sufficient financial resources.

**Recommendation 22:**

*The development of the one-stop-shop principle should be encouraged, as well as the transition from paper-based registration towards a unified digital property register and cadastre system.*

At present, a clear vision of land policy reform is implicit in approved legislation in Tajikistan. The country also counts on sufficient staff to implement the needed reforms and a network of offices exists that can contribute to capacity-building initiatives by international organizations. However, adequate training of staff is needed to move ahead. The institutional infrastructure described in the Project on Capacity Building for Implementation of the Law of Registration of Land and Immovable Property and Rights should be used as a basis to move forward with needed institutional reforms. Priority should be given to the integration of activities (e.g., cadastre, registration, surveying) and to a clearer definition of responsibilities after integration occurs (e.g., subordination of agencies).

**Recommendation 23:**

*Land and real estate information should be available and affordable.*

This could be accomplished through the intensified use of spatial data infrastructure (SDI) and GIS information, as well as through promoting the integration of activities among cadastre and registration offices. The creation of a unified property register system should be implemented according to existing international standards. In Tajikistan, mortgage registration processes are complex, and there should be a closer link between banks and the registration of rights to real property.

<sup>127</sup> UNECE, *Policy Framework for Sustainable Real Estate Markets: Principles and guidance for the development of a country's real estate sector* (Geneva, 2010).

**Recommendation 24:**

*A faster transition towards efficient market mechanisms in land and other real property should be encouraged, and the respective legal changes should be adopted.*

The conditions for market transactions based on already existing land use rights should be improved. For instance, awareness about the legal definition and uses of land use rights should be increased through education and use of media among *dehkan* farmers in order to increase their capacity to engage in market transactions. Land dispute resolution mechanisms should also be established to address potential conflicts. In addition, objective mechanisms of real estate appraisal should be established that will reflect the market value of properties.

**Recommendation 25:**

*The legal framework should be streamlined by simplifying the procedures for real property registration.*

A unified cadastre and registration system should be developed in a form that fulfils customers' needs and wishes, and avoids duplication of work and unnecessary delays. Data conversion from paper to digital form should be encouraged in the medium term. Finally, long-term cost recovery for cadastre and registers should be encouraged in the long run.

**Recommendation 26:**

*Best practices of other countries where land reforms have been successfully implemented could be used by the authorities of Tajikistan, especially for increasing the efficiency of the land sector.*

The potential role of international cooperation should also be emphasized, especially concerning the training of Government officials and some technical aspects (e.g. land consolidation of inefficient farms).