Dear reader,

This newsletter informs on the ongoing and planned meetings and activities of the UNECE Committee on Housing and Land Management. For more information on the areas of work of the Committee, please visit the website: http://www.unece.org/hlm/welcome.html or write to housing.landmanagement@unece.org.

MINISTERS ADOPT THE “STRATEGY FOR SUSTAINABLE HOUSING 2014-2020 FOR THE UNECE REGION”

The Ministerial Meeting on Housing and Land Management took place on 8 October 2013 and the 74th session of the Committee on Housing and Land Management on 7 and 9 October 2013 in Geneva.

At the 2013 Ministerial Meeting ministers and heads of agencies on housing, urban development and land administration from 55 countries adopted a regional Strategy for Sustainable Housing and Land Management for 2014 to 2020.

Through its 15 objectives and 36 targets, the Strategy addresses the environmental, social and economic dimensions of sustainability in housing and land management. It will serve as a guide for governments and the work of the Committee for the next seven years. The Strategy recognizes the key role that housing plays in the well-being of the region’s citizens, as well as its important role in climate change mitigation.

The UNECE region is responsible for 40% of global energy consumption, out of which 40% is consumed by the building sector. Reducing energy use by the residential sector is a major challenge and so a high priority for UNECE member States, as highlighted by a recent survey conducted by the CHLM secretariat (please see an article on the survey outcomes in this newsletter).

Through the Strategy, member States commit themselves to develop policies and legislation to reduce energy use in the housing sector, to introduce more effective management of multi-family housing estates and to improve the condition of the housing stock. This will contribute to climate change mitigation and in moving towards a low-carbon society. Increasing investments in innovation and new technologies for energy efficiency in housing will also stimulate more jobs and offer new prospects, especially for the young generation.

The UNECE region also contains many areas that are at high risk for natural disasters. For example, it is estimated that in Tajikistan alone, natural disasters caused the deaths of more than 180 people, damaged more than 48,000 houses and caused economic losses of more than $250 million1 between 2000 and 2006. In the Strategy, member States commit themselves to improving the resilience of cities and buildings to natural and human-generated disasters.

The 56-country UNECE region is highly diverse in its economic and social development. As a result, some countries face major challenges in housing markets, housing affordability and living conditions. Denmark, for example, is among the European countries with the highest housing costs. Even so, to buy a new dwelling that is 70 m² in size, a Danish household would need to spend only 2.2 times the average yearly income. A household in the Russian

---

1 UNECE (2011), Tajikistan Country Profile on the Housing Sector
UNECE, on the other hand, would need to spend around 10 times the average yearly income².

Through the Strategy, member States commit themselves to “improve the overall access of all to adequate, affordable, good-quality, healthy and secure housing and utility services, with particular attention to young people and vulnerable groups” (Objective D).

Other regions, such as South-East Europe, are affected by internal migration and rapid and uncontrolled urbanization, which has given rise to many informal settlements. In the whole UNECE region, around 50 million people are thought to be living in informal settlements, facing problems of security of tenure, and lacking utilities.

Reforms need to be supported by a good governance system; housing, urban development and land administration engage many stakeholders. Ensuring better coordination of their actions, involving the interested parties in decision-making, and improving the capacities of the public sector in housing and land management at all levels, are priorities for member States, as reflected in the objectives and targets of the Strategy.

The Ministers and high-level participants see the Strategy as a blueprint for guiding participating countries towards greener and safer homes, and more socially inclusive human settlements.


UNECE DISPLAYS DISASTER RELIEF HOMES IN THE PARK OF THE PALAIS DES NATIONS

According to the United Nations Special Rapporteur on adequate housing, worldwide, natural disasters have become more prevalent, with more devastating effects, than ever before. This trend is expected to continue as a result of climate change, rapid urbanization and population growth. Compared to post-conflict preparation, there are few guidelines available to address issue of adequate housing in the wake of disasters.

In order to highlight the critical importance to recovery of post-disaster housing UNECE is hosting an exhibition of temporary disaster relief housing from 10 September 2013 to 10 October 2013. The exhibited houses have been provided by Canada and Estonia and showcase some of the most recent developments in low-cost, quick-build, short-term housing for those displaced by disasters.

The exhibit was opened on 10 September by Ms. Elissa Golberg of Canada, Mr. Jüri Seilienthal of Estonia, permanent representatives to the United Nations in Geneva, as well as Mr. Kassym-Jomart Tokayev, Director General of the United Nations Office at Geneva, Mr. Sven Alkalaj, Executive Secretary of the UNECE, and Mr. Sviatl Harcska, Senior Humanitarian Coordinator for UN-Habitat in Geneva.

During the opening, Mr. Tokayev noted that “The human and economic toll of disasters calls for urgent action. The loss of a home compounds the trauma of individuals affected and prolongs the process of recovery for the entire community. As we see here, the United Nations family is working closely with all partners to confront technical, financial, legal and environmental aspects of recovery, including housing and land. This is both a strategic choice and a moral obligation to save lives and alleviate human suffering.”

For more information, please visit http://www.unece.org/index.php?id=33525
UNECE SURVEY SHOWS THAT ENERGY EFFICIENCY, HOUSING AFFORDABILITY AND DISASTER PREPAREDNESS ARE KEY CHALLENGES IN HOUSING AND LAND MANAGEMENT IN THE UNECE REGION

The survey “Challenges and priorities in Housing and Land Management in the UNECE Region” was conducted by the secretariat during October and November 2012 upon the request of the Committee on Housing and Land Management. The main objectives of the survey were, first, to obtain the views of Member States and other stakeholders on the challenges which they face in housing, urban planning and land management, and, second, to assess the progress made by Member States in developing policies, legislation and programmes in those areas. The outcome of the survey has been used by the Committee to formulate the objectives and targets of its “Draft strategy and targets for sustainable housing and land management in the UNECE region for the period 2014 – 2020” and prioritize directions for the work of the Committee.

According to a survey, the most important challenges faced by countries in Europe and Central Asia in housing and urban planning are:

- Inefficient use of energy in the housing sector, and deteriorated housing stock
- Persisting problems of housing affordability, especially for young people due to the financial and economic crisis. According to Eurostat, in 2010, an estimated 10 % of the EU-27 population lived in households that spent 40 % or more of their disposable income on housing.
- Increased damage to housing and human settlements, from climate change and other natural and human-made disasters. In just the United States, during 2012, natural disasters killed 180 people and affected another 90,000, causing economic damage of approx. USD 75 billion. Over 237,000 people were displaced in Europe during the last five years, with 74,000 in 2012 alone.

This survey report also shows that member States have been working to develop policies and implement UNECE guidelines in housing and land management. Thirty countries provided examples that show how they have addressed housing challenges.

In addition, member States are committed to undertaking further action to provide more socially equitable, economically sound and environmentally sustainable housing and urban environments in their countries.

The report provides information on:

- the main actors engaged in housing, urban planning, land administration and management
- the main policy instruments to address housing issues, including housing affordability
- the progress made by member States

Examples of countries have implemented ECE policy recommendations, guidelines and other tools.

The report, discussed at the 74th session of the Committee on Housing and Land Management on 7 October 2013, is available at http://www.unece.org/fileadmin/DAM/hlm/documents/2013/ece.hbp.2013.02.e.pdf

For more information on the survey, please visit: www.unece.org/index.php?id=32577

For additional information, please contact us: housing.landmanagement @unece.org

“ARCHITECTURE OF MOUNTAINOUS TAJIKISTAN: PECULIAR FEATURES PERTAINING TO FORMATION AND TENDENCIES IN DEVELOPMENT OF RURAL SETTLEMENTS”, a new monograph by Dr. Akram Akbarov

Akram Akbarov holds a PhD in Architecture. He is the head of the Architecture and Design Department Of the Tajikistan Technical University. He is also a member of the Engineering Academy of the Republic of Tajikistan.

In the light of the Bishkek Charter for Sustainable Development of Mountain Regions (adopted at the Global Mountain Summit in 2002), Dr. Akbarov recently published a monograph in Minsk, Republic of Belarus, about improving methods for planning and building rural settlements with modern living conditions in the mountain regions of Asia. It describes important social, economic and urban planning problems in developing rural settlement networks in Central Asia.

With the role of local government significantly increasing, and active development of market economies, regional economic independence has become increasingly important. More effective land use therefore becomes vital when building in Asian mountain regions. This will need efficient use of natural resources as well as good organization of settlements, taking into account the natural and climatic conditions of mountain regions.

Long-term investigations have led to practical principles for improving the architecture and planning process of rural settlements, and the creation of a model for development in the mountain regions of Tajikistan. These proposed principles for settlement engineering on a complex landscape are vital for sustainable economic development, and for raising the living standards of rural populations in mountain countries.

The monograph reviews historical stages of rural settlements and conditions for their further development in Central Asia, specifically for Tajikistan. It also discusses how their specific architecture and planning structures depend on geographical features in Tajikistan.

Major factors (natural/climatic, socio-economic, territorial, industrial, recreational, and ecological) that influence the creation of rural settlements in mountain regions are also considered, in order
to improve the rural planning structure in the Tajikistan mountains. State-of-the-art achievements in design, and national traditions and architecture are also taken into account. A model for planning a settlement to be a supportive centre for further mountain settlement planning systems has also been developed.

The monograph also provides an extensive history of folk architecture and current practice, showing how local construction materials on steep mountain slopes (e.g., Iran, Tajikistan, Turkey and Mexico) have successfully solved ecological and land-efficiency problems. Examples of historical housing methods demonstrate that traditional people were successful in large-scale construction of buildings on challenging mountain landscapes, preserving valuable agricultural lowlands for future generations.

Finally a new method for planning settlements as supportive centres for agriculture is proposed, using planned vertical organization of housing development on mountain slopes. The proposed method has made it possible to save more than 100,000 ha of valuable agricultural land in 20 years and solve the problem of developing housing on steep slopes (with an inclination of more than 18°) in Tajikistan. The method can be applied to designing rural settlements and mountain/recreational complexes in the Republics of Kyrgyzstan and Uzbekistan and also some of the other mountain countries of Asia: for example, Afghanistan, Pakistan, India and Turkey.

**HOUSING POLICY AND THE CORE PRINCIPLES FOR EFFECTIVE BANKING SUPERVISION**, by Dr. Michael P. Malloy

Dr. Malloy is distinguished professor and scholar at McGeorge School of Law, University of the Pacific, in Sacramento, California, and former Special Counsel at the U.S. Securities and Exchange Commission.

In a discussion of Good practices in energy efficiency in the residential sector during the 74th session of the Committee, the role of financing was touched upon as a factor in energy efficiency. An integrated framework for achieving energy-efficient housing requires, among other things, access to financing resources beyond the financial capacity of individual homeowners’ association. Too often, however, the focus in this regard is on the availability of conventional sources of financing from commercial banks, to the exclusion of other equally important sources and financing arrangements. The cost and financing of housing is a critical factor in the effectiveness of any national housing policy. The cost of financing new construction or retrofitting current housing stock towards greater energy efficiency, and the availability in particular of long-term loans, necessarily impacts the feasibility of affordable housing as a goal of social policy.

The cost of new housing is an important consideration in the formulation of country profiles and national housing strategies. The financing aspects are usually considered as a component of the cost of a new or pilot program in housing. As currently formulated, it may appear that the alternatives with regard to financing are either private sector development (i.e., through bank loans) or social housing (i.e., government financing). In fact, of course, the spectrum of financing alternatives is more extensively articulated in practice. (See Figure 1.)

![Figure 1. Typical Sources of Housing Finance](http://www.unece.org/fileadmin/)

**Figure 1. Typical Sources of Housing Finance**

These alternatives range from purely market-driven approaches, through a variety of hybrids involving increasingly significant government participation, to direct government intervention in the underwriting of housing costs. Greater government intervention means greater direct public cost in the provision of housing. (See Figure 2.) In many systems, several alternatives may coexist and are applicable under varying circumstances dependent upon the perceived need for government intervention and support to supplement conventional sources of financing. Not all alternatives will be compatible with or appropriate for the particular orientation of government structures, policies, or resources. Still, in formulating basic housing policy, particularly in transitional economies, it is important that policy makers be aware of the possibilities.

In addition to the fundamental issue of compatibility in relation to governmental policies and objectives, another issue has recently been emphasized in the literature. Choice of particular alternatives with respect to financing of housing will often skew the outcome of housing policy in relation to social and environmental policies. For example, emphasis on individual home ownership as a goal of housing finance policy will often encourage suburban and exurban sprawl, to the detriment of the condition of cities – as in the United States, where significant government support for single-family housing has had the perverse consequence of draining small to mid-size cities of human and financial resources. It may also be argued that such support, taken to the extreme, indirectly contributed to the “meltdown” of the housing market in the United States, with the

---

7 For an outline of the study, see http://www.unece.org/fileadmin/DAM/hlm/sessions/docs2012/informal_notice_7.pdf. The document was endorsed by the Committee. See paragraph 61 of the report of the seventy-third session of the Committee (ECE/HBP/170) at: http://www.unece.org/fileadmin/DAM/hlm/documents/2012/ece_hbp_170_e.pdf.

resultant financial crisis that has had such a virulent impact of international financial markets.9

Figure 2. Cost Distribution

I would urge that comparative analysis of housing finance regulatory policies be undertaken, as an aid to formulation of positive and effective housing policies in transitional economies. In addition, consideration of the available alternatives to housing finance should be an integral feature of country profile reviews. Reliance on conventional market mechanisms, and insistence that the “market” would be the best judge of the viability of housing finance eventually led to a meltdown of the housing and capital markets in the United States, beginning in September 2008.10

A new regulatory feature has emerged in response to the post-meltdown crisis in housing finance, however, that must also be taken into account. The Core Principles for Effective Banking Supervision originated in the late 1990s, when the Basel Committee on Banking Supervision of the Bank for International Settlements, in conjunction with the International Monetary Fund and the International Bank for Reconstruction and Development, developed a set of basic principles for bank supervision.11 The Core Principles consisted of twenty-five basic principles, ranging from preconditions for effective supervision (Principle 1) to principles for crossborder banking (Principles 23-25), together with commentary by the Committee. The principles were, of course, not binding, but they did provide a basic reference point for supervisors.

In April 2006, the Committee issued a proposed revision of the Core Principles,12 which was issued in final form in October 2006. The basic focus remained the same as in the original version, but a new “umbrella principle” advised banks to establish integrated risk management systems across the range of different risks that banks face (Principle 7). Criteria for evaluating liquidity (Principle 14), operational (Principle 15), and interest rate risks (Principle 16) were also enhanced, and criteria with respect to money laundering, terrorist financing, and fraud prevention (Principle 18) were strengthened. Bank supervisors from central banks and supervisory agencies in 120 countries endorsed the updated version of the Basel Core Principles.

In September 2012, the Basel Committee published the final version of a newly revised Core Principles.13 The new version is intended to ensure, after the 2008 financial crisis, effective supervision of banks under individual national jurisdictions. As of mid-September 2013, the revised Core Principles were endorsed by global banking supervisors and central bankers from more than 100 countries.14 The revised Core Principles strengthen the requirements for supervisors, the approaches to supervision, and supervisors’ expectations for banks. Enhancement of supervision is to be reached through a greater focus on risk-based supervision, early intervention, and timely supervisory actions. The revised set of twenty-nine Core Principles was reorganized to reflect a more logical structure, highlighting the difference between what supervisors do and what they expect banks to do. Principles 1 through 1315 address supervisory powers, responsibilities and functions, emphasizing effective risk-based supervision, and the need for early intervention and timely supervisory actions. Principles 14 to 2516 address supervisory expectations of banks, focusing on the importance of effective corporate governance and risk management, as well as compliance with supervisory standards. The four new principles in the revised Core Principles cover (i) cooperation and coordination between home and host supervisors with respect to crisis management and resolution for cross-border banks;17 (ii) effective corporate governance as an essential element in safe and sound banking;18 (iii) maintenance and assessment of contingency funding and recovery arrangements to deal with future crisis;19 and, (iv) supervision of disclosure and transparency.20 However, on the assumption that national supervisors would naturally establish higher expectations for systemically important

---


16 Ibid., at 11-13.


banks (SIBs) subject to their jurisdiction, the Committee decided not to include a separate new principle applicable to SIBs.  

While the Core Principles do not explicitly address the issue of housing policy in relation to bank supervision, a number of principles may impact the housing policies of particular states. For example, according to Principle 1, Essential Criterion 2, “If the banking supervisor is assigned broader responsibilities, these are subordinate to the primary objective [of safety and soundness of banks and the banking system] and do not conflict with it.” Hence, if support of national housing policy might create significant risks for a bank, the supervisor would be required to prioritize in favor of safety and soundness over stimulation of the housing sector. This is consistent with Principle 8, which “requires the supervisor to develop and maintain a forward-looking assessment of the risk profile of individual banks and banking groups, proportionate to their systemic importance.”

In the past, one common technique to manage risk was to place potentially risk-oriented activities into a separate corporate unit of the banking enterprise, or to create a “special purpose vehicle” to deal with the activity, as in the case of the “securitization” of a mortgage lending portfolios in the years preceding the 2008 subprime mortgage crisis in the United States. Under Principle 12, Essential Criterion 1, consolidated supervision requires that the banking supervisor “take[ ] action when risks arising from the banking group and other entities in the wider group, in particular contagion and reputation risks, may jeopardise the safety and soundness of the bank and the banking system.” In this sense, banking supervision need not respect the formal separation of enterprises into juridically distinct operating units. It is unlikely, therefore, that spinning off all or part of housing finance activities into a separate unit would insulate those activities from the strictures of prudential bank supervision.

Two primary lessons may be drawn from recent developments in banking supervision and housing policy. First, financing of housing expansion, retro-fitting, and development is not limited to the two simple choices of market sources and public sources, and housing policymakers must look to a multifarious range of resources to energize the housing sector. Second, the new emphasis on risk supervision and management in bank supervision requires careful consideration of the potential impact of bank regulatory principles on the development and successful implementation of housing policy.

ANNOUNCEMENTS:

Creating the Conditions for New Settlements in England

New settlements have much to offer as part of a range of options for addressing housing shortages. They are a means of creating new places, which not only provide housing but create communities.

Creating the Conditions for New Settlements in England, a new report published by Building and Social Housing Foundation (BSHF), highlights the potential for new settlements as a means of delivering housing and infrastructure.

Significant barriers exist however, and the report calls for a full audit of previous new settlements in the UK, the development of a national spatial strategy for England and stronger mechanisms to support local authorities’ Duty to Cooperate, thereby incentivizing closer working between public bodies.

Creating the Conditions for New Settlements in England, available for free download from www.bshf.org/publications, presents ideas and recommendations identified at a BSHF consultation event held at Windsor Castle in England. The event brought together experts including developers, academics and representatives of landowners and communities as well as central and local government to discuss the issues and develop new ideas around the topic of new settlements.

If you are interested in finding out more about our work on new settlements or discussing this work with us, please email windsor@bshf.org.

AT THE SECRETARIAT:

Our Interns

Lucrecia Bertelli is a Masters student of environmental management in Argentina. She has been doing an internship at UNECE since August this year. Prior to working at UNECE, she worked at the Ministry of Agriculture in Argentina and in several NGOs.

Lucrecia is specialized in informal settlements, involuntary resettlement, and social impact assessment in development projects. She has done post-graduate courses related to social and environmental impact assessment and attended the World Bank Latin American course on involuntary resettlement at the Universidad de los Andes, Colombia. Her professional interests embrace climate neutrality in cities, social housing and disaster risk reduction.

At the Housing and Land Management Unit, she is currently working on a project on Climate Neutral Social Housing. She also assists in the review of some publications of the Unit and expert opinions, and other emerging tasks.

UPCOMING EVENTS OF THE UNECE COMMITTEE ON HOUSING AND LAND MANAGEMENT IN 2014

• Workshop “The future of social Housing: environmental and social challenges and the way forward”, Geneva, 4-5 February

• Workshop “Land information systems for smart cities” (organized by UNECE and Geospatial Media and Communications as part of the Geospatial World Forum 2014), Geneva, 8-9 May

• HABITAT III Preparatory Regional Workshop for Europe organized in cooperation with UN-Habitat, the Swedish Ax:son
Foundation, and the Royal Institute of Technology, Geneva, 7 October

• 75th session of the Committee of Housing and land Management, Geneva, 8-9 October

For more details, please visit our website - http://www.unece.org/hlm/welcome.html

Article contributions to this newsletter are welcome. Please send them by 15 February 2014 to be included in its next regular issue. For more information on the standard requirements for the articles, you may write the Vital Space coordinator Ms. Cecilia Batac, email: cecilia.batac@unece.org.

A NOTE ON THE COORDINATOR:

Inputs to this newsletter are coordinated and edited by Ms. Cecilia Batac. You may contact her at Cecilia.Batac@unece.org.

Disclaimer: This is not a UN official publication. This newsletter is distributed only electronically to CHLM and WPLA members and interested individuals and organizations wishing to receive information on the work on housing and land management. The views expressed in this newsletter are those of the authors of the articles and do not necessarily reflect the official position of the United Nations.