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CHAIR'S SUMMARY

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I. OVERVIEW

1. In preparation for the twelfth session of the UN Commission on Sustainable Development (UNCSD12), UNECE members met in Geneva to assess the region's progress in implementing sustainable development commitments, with a particular focus on human settlements, water and sanitation. The Forum also considered inter-linkages between these three themes, cross-cutting issues relating to them, and the role of the UNECE region in the global context.
2. UNECE is a region which contains great disparity. Within it are four of the world's five strongest economies. This makes the region better placed than others to tackle implementing the Millennium Development Goals (MDGs) and the World Summit on Sustainable Development (WSSD) commitments. Yet the obstacles and challenges reported from other regions are also all to be found within this region.
3. 120 million UNECE citizens lack access to safe drinking water and adequate sanitation. 31% of the European population live in areas of high water stress, while overexploitation of resources is causing serious environmental problems. Infrastructure breakdown and lack of investment means much water is lost through leakage – in Central and Eastern Europe almost half of the water leaving purification plants is lost. In some countries fewer people have access to safe water than ten years ago. Cross-contamination with leaking sewage infrastructure fosters disease. And in many areas there is a lack of the capacity required to tackle these obstacles.

4. The Implementation Forum heard some blunt and honest assessments of obstacles and challenges, as well as accounts of some of the steps taken to address them.

5. But the purpose of the Forum, as of the CSD to which it will report, is not just honest monitoring and assessment – though this must be the first step. Its purpose is through sharing experience both of our successes and – especially - of our mistakes to help us to make the changes we need to reach the goals we set at WSSD.

6. The assessment of the UNECE region shows that we are not yet on track to reach those goals. But it shows too that we could *get* on track. At the global level access to clean water must grow at a rate of 300,000 people per day to meet the 2015 target. In the 80's this was achieved – but not sustainably, so that it dropped in the 90's. Implementation is challenging but it is achievable - and our region can help and is helping to meet those goals within UNECE *and* globally.

7. This Summary was produced in consultation with the Vice-Chairs and was informed by the wide range of inputs made by the diverse UNECE membership and stakeholders:

- Interventions from participants during the Forum itself.
- Written submissions from member States.
- Presentations on each theme from Forum panellists.
- Papers from the UNECE secretariat on each theme.

8. It condenses these inputs, setting out progress so far, obstacles and challenges, and examples of good practice that member countries have used to tackle them.

II. KEY POINTS

A. Human settlements

9. The Johannesburg Plan of Implementation (JPOI) reaffirmed the Millennium Development Goal (MDG) target to have achieved by 2020 a significant improvement in the lives of at least 100 million slum dwellers. In assessing progress inside the UNECE region, the main focus was on sustainable urban development, which includes creating the right conditions for the prosperous to live more sustainably, as well as tackling our own slums.

10. **Assessment of progress:**

- In the UNECE region 75% of the population is concentrated in urban areas. Countries and municipalities have, to different degrees, addressed sustainability goals in human settlements through planning and partnerships to achieve productive, socially inclusive and environmentally sound cities.
- The compact city paradigm has influenced integrated urban, transport and land-use planning in cities such as Copenhagen, Stuttgart and Seattle.
- Rapid urbanisation has put considerable pressure on existing transport infrastructure and municipal services, particularly in countries in transition, which have the least funds available to maintain or improve them.

- Many countries in transition have carried out large-scale land privatisation with varying degrees of success, partly as a result of inadequate institutional capacity. This has been accompanied by the occupation of agricultural land in the urban periphery and the growth of illegal settlements with limited access to public services including education and health.
- Decentralisation of services in such countries has in many cases led to municipalities receiving new responsibilities to provide essential public services, including water, sanitation, waste and transport, without the resources to carry them out.
- In the UNECE region 100 million people are classified as poor, with 39 million living below the poverty level in North America. The difference in per capita income between the poorest and most affluent country is 1 to 45. Last year 3 million people were recorded as homeless in both the European Union (EU) and the United States, and 56 million EU citizens live at risk of poverty.
- UNECE countries with traditional market economies have experienced strong growth and made major progress in their structural reform agenda in the past decade.
- Most countries have discontinued the provision of new social housing. The evidence suggests governments have failed to integrate social housing reforms into the wider process of welfare restructuring. Housing rehabilitation is also a pressing issue, with considerable neglect in maintenance of aging private and public housing, especially in countries in transition.
- Most countries are committed to waste minimisation and effective waste management, prioritising recycling, but the scale of waste generation is a major problem in most human settlements, particularly as landfill sites consume a disproportionate share of land, while incineration/combined heat and power (CHP) and waste-water treatment require major investment.
- Air pollution from transport has been reduced in Western Europe and North America, but is still a serious problem. Congestion has increased, particularly in large urban areas, leading to increased pollution during peak hours. In countries in transition, pollution from mobile sources has increased disproportionately.
- The world is not yet on track to meet the slum dwellers target, with UN-HABITAT's Global Report on Human Settlements 2003 making clear that the number of slum dwellers worldwide is actually projected to rise if no serious action is taken.

11. **Obstacles and challenges:**

- Social exclusion and economic deprivation can result from: social housing reforms which have been poorly integrated with wider welfare-state restructuring; an increasing gap between income and prices, particularly in high-growth areas where market-based housing is less affordable; and ill-targeted subsidies that fail to reach the poor.
- Growing poverty in East European, Caucasian and Central Asian (EECCA) countries has prevented price adjustments to achieve cost recovery and much needed revenue for public services.
- Providing infrastructure and services for aging populations is becoming an increasing challenge in developed countries.
- Poor local environmental quality -- such as fly-tipping, graffiti, poor access to green space, and air and noise pollution -- can be deciding factors in the decline of neighbourhoods.
- Poverty, growing numbers of refugees and flows of migration, environmental as well as economic, have created pressure on housing and basic service provision, with social exclusion and illegal settlements.
- Cities also face significant fiscal and technical constraints. Local authorities can be dependent on national governments for funding and in some countries a finance gap exists

because governments have withdrawn investment and subsidies. Private developers continue to face financial difficulties, high inflation and lack of adequate credit supply.

- Ineffective bureaucratic planning procedures, lack of transparency and inadequate institutional capacity have often led to ad hoc changes to older plans in response to development pressure. Maintenance and management of housing stock is limited by lack of institutional capacity for upgrading common structures in apartment buildings. Excessive regulation of the rental market contributes to a shortfall in affordable housing.
- Demand for new housing can lead to inappropriate development on natural flood plains.
- Inside the region and globally, access to land and credit for the poor continues to be a major constraint leading to multiple disadvantages, particularly for women. The urban poor are especially vulnerable to social exclusion; they lack access to services, safety nets and political representation.

12. **Good practice:**

- At all levels integrated urban planning is essential. Good practice incorporates: economic regeneration to create employment opportunities; recycling of brownfield sites; and improvement of the social infrastructure, including mixed housing, education, health, integrated public transport and sustainable energy, water, sanitation and waste services. This can help achieve more sustainable patterns of consumption and production. Urban planning needs to address linkages between urban, peri-urban and rural areas.
- Modern building design, construction and maintenance, including district heating systems and improved thermal quality/efficiency of housing stock, can address both fuel poverty and impacts on climate.
- Genuine, rather than token, public consultation pays dividends, and should include gender perspectives of the urban environment.
- The private sector is often better placed to build and develop infrastructure, while public sector capacity should be robust enough to set and manage institutional frameworks efficiently and accountably. Management of privatised multifamily housing can be improved by introducing and enforcing laws to regulate the operation of homeowners associations. Good land administration is central to the competitiveness of real estate and housing markets.
- Diversity of housing stock, provision of affordable housing for the vulnerable, equitable access to essential services and security of land tenure can help address economic and social exclusion.
- Finance can be mobilised by underwriting private sector risks; creating frameworks to mobilise domestic capital, including providing access to credit for home buyers; and providing an enabling institutional environment to attract domestic and foreign private sector investment. Finance for urban renewal requires sustained, long-term provision – regeneration works best if significant, and comprehensive, rather than piecemeal.
- Sustainable service provision has been facilitated by competitive and decentralised approaches, community-based initiatives and public-private partnerships

B. Water and sanitation

13. The focus for CSD12 and 13 must be on progress towards the MDG to halve by 2015 the proportion of people without access to safe drinking water and the JPOI target to halve the proportion of people without access to basic sanitation by the same date. The key intermediate target is to prepare integrated water resource management (IWRM) and water efficiency plans by 2005.

14. Assessment of progress:

- Significant progress has been made in management of water resources and quality across the region. But an estimated 120 million people (1 in 7) do not have access to safe drinking water and adequate sanitation. Around 10% of EU citizens are potentially exposed to microbiological and other contaminants, including pesticides and heavy metals, that exceed maximum allowable concentrations. But the position is significantly worse in EECCA and Central Europe.
- Most countries are well advanced in implementing comprehensive frameworks for IWRM (for example under the EU Water Framework Directive) though more needs to be done, with the EECCA countries needing particular attention.
- 31% of Europe's population lives in countries, mainly in the Mediterranean area, that experience high water stress. Overexploitation of resources for drinking water and irrigation, particularly in Central Asia, is having serious environmental consequences. In Central and Eastern Europe almost half the drinking water that leaves water purification plants is lost in the pipeline system.
- Floods are an increasing problem, particularly in Mediterranean countries, as well as in parts of Western and Central Europe and North America.
- For five countries, 75% of their water comes from upstream countries, so reasonable and equitable use of transboundary waters is a major challenge. UNECE Governments have managed to put in place a unique regional environmental framework to address the most important issues of transboundary co-operation -- including water, industrial accidents, environmental impact assessment, public information in decision-making and access to justice.
- Most countries have embedded the polluter-pays and user-pays principles in legislation, but reforms are not complete in EECCA and laws are not always effectively enforced due to limited regulatory capacity.
- In EECCA, many rivers, lakes, groundwaters and coastal waters are polluted, with this concentrated in localised hot spots downstream of cities, industrialised and agricultural areas and mining regions. Oil pollution is a major problem in the Black Sea, Caspian Sea and Mediterranean.
- Treatment of waste water from industrial and household sources has improved markedly during the past decades. But in some parts of Eastern, Central, South-Eastern Europe and EECCA, the proportion of waste water being treated is still low and decaying sewage pipes cause cross-contamination of drinking water.
- Water-related diseases are of concern, particularly in EECCA and generally among vulnerable groups such as the young and elderly.
- Nitrate levels are higher in established EU member States than EU accession countries due to more intensive agricultural production. Most countries in Western Europe have embarked on agri-environmental programmes to minimise pollution of natural waters from diffuse sources. But more efficient progress can be obtained through cutting agricultural production subsidies, subject to consideration of related social costs.
- The EU and Central Asian countries have paid increasing attention to management technologies to conserve water in agriculture. Amended legislation in some EECCA countries introduces programmes to encourage the setting-up and capacity-building of irrigation user groups.

- Compared with other regions, many UNECE countries seem well advanced in the introduction of water-related economic instruments. Industrial water use has also been improved through regulation (e.g. to promote BAT) and voluntary approaches (including environmental management schemes such as the ISO 14000 series).
- Much new legislation in the region, for example in the United States and Canada, has incorporated “good practice” models, with guidelines for municipalities, households and industries on water efficiency and savings.
- Data monitoring and provision of information to the public is comparatively good but needs to be improved, particularly in EECCA countries.
- UNECE has initiated studies of progress in the EECCA countries towards the 2005 IWRM and water efficiency target, and of the cost for these countries of achieving the drinking water and sanitation targets: these are due to be completed next month and will be presented to CSD12.

15. **Obstacles and challenges:**

- Providing, maintaining and upgrading the infrastructure needed to purify and supply safe drinking water, in line with applicable WHO, EU and UNECE provisions, will put high demands on institutional capacity and finance. Even more costly investment is needed to dispose of and treat waste water.
- Poor understanding of the social and economic links results in low political prioritisation centrally, compounded by poorly funded local authorities with limited fiscal powers. Unmitigated cost recovery can impact heavily on the ability of the most vulnerable to access services. High investment risk can lead to private sector disengagement.
- Inadequate institutional, regulatory and enforcement capacity hampers effective, equitable and resource-efficient service delivery and water resources management, leading to overexploitation and pollution. Weak local and stakeholder involvement means essential needs, knowledge and problems can be ignored.
- Poor management of competing sectoral needs – industry, agriculture, people – can result in imbalanced provision between the range of users, while poor transboundary arrangements prevent good management of transboundary impacts.
- Lack of meaningful data impairs informed decision-making. Information on groundwater is particularly scarce. Low individual awareness contributes to wasteful water use, poor hygiene and health problems.

16. **Good practice:**

- Developing and implementing IWRM plans, which might include national and local objectives and targets, is essential as a first step to meeting longer-term goals on water and sanitation.
- Such plans need to take account of: different sectoral needs; urban, peri-urban and rural inter-linkages; the importance of protecting and managing the water-related ecosystems which capture, filter, store and release water; and, increasingly, flood plain management, including modelling the effects of climate change. Integrated water management and sanitation schemes have proven effective.
- Water resources are best managed based on hydrographic, rather than administrative, boundaries. This “river-basin” approach necessitates effective joint bodies in the case of transboundary waters, complemented by ratification of the Convention on the Protection and

Use of Transboundary Watercourses and International lakes (Water Convention) and its Protocol on Water and Health.

- Frameworks for regional and sub-regional cooperation on water and sanitation for example the Arctic Council, Baltic 21, the EU's Water Framework Directive or the recent initiative "Environment Water and Security in Central Asia" are important for addressing common issues and harmonising standards and monitoring where appropriate.
- As well as getting the planning right and working in co-operation with neighbours, governments can: update and effectively enforce health standards and legal and regulatory frameworks, with meaningful disincentives and fines for violations and discharges; improve public participation in planning and decision-making, including the formation of user groups; undertake policy reforms which are pro-poor, and take account of gender; improve monitoring and data collection on water quality, mobilising new water sources and improving degraded ones through IWRMs.
- Decentralisation of some responsibilities and decision-making to the local level and creating the conditions to encourage private sector investment can improve service delivery and resource management, complemented by strengthened local and corporate governance.
- Training and information improves institutional capacity at all levels for planning, managing and monitoring resources and services, as well as managing relationships and defining roles between public and private sector. Developed UNECE countries can help other countries, both in the region and globally, through providing finance and demand-led capacity building and co-operation in knowledge, governance and technology, including through multi-stakeholder partnerships.
- The finance gap can be filled by: implementing user- and polluter- pays principles coupled with special attention for the most vulnerable people; eliminating perverse subsidies; offering credit guarantees and revolving credit funds to improve infrastructure; compensation schemes for water-linked environmental services; prioritising water and sanitation in development and poverty reduction strategies; involve private sector, international institutions and other international partners, including through partnerships with stakeholder involvement and accountability, based on clear rules and responsibilities. Such partnerships can be public-public and/or public-private, covering both service delivery and resource management.
- Raising awareness of hygienic behaviour and potential health risks encourages households to invest in improved sanitation and water supply.
- At WSSD, the EU together with the EECCA countries launched a partnership to implement the 2015 targets on water supply and sanitation and the 2005 target on IWRM and water efficiency plans. This partnership was adopted at Kiev, at the fifth Ministerial Conference "Environment for Europe".
- More sustainable consumption and production of water can be pursued through a variety of regulatory, economic and voluntary instruments.

C. Inter-linkages, cross-cutting issues and global context

17. The Forum highlighted 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:

- 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.
- There are clear links between water, sanitation, human settlements, gender equality, JPOI goals and the 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.
- 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.
- Increased ODA volume and effectiveness are essential, 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 co-operation on technology and knowledge.
- One target requiring attention at CSD12 is the adoption of sustainable development strategies by all countries by 2005. 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.
- For countries 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.
- 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.
- 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 fundamental to water security and human livelihoods. Environmental aspects will be addressed at the UNEP Global Ministerial Environment Forum, in Jeju, Republic of Korea, 29-31 March 2004.
- Sustainable consumption and production requires 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.

- 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, who 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. For review sessions of the CSD, it would be useful to have regional gap analyses of capacity building needs in the areas under discussion.
- 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.
- 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. In this respect, we welcome the organisation by Italy of the International Forum on Partnership for Sustainable Development (March 2004).
- Education can make a significant contribution to sustainable development, particularly towards poverty eradication and more sustainable consumption. This should be given significant attention at CSD12, with a view to highlighting models such as the UNECE region-wide strategy on this issue.
- 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.
- 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.

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