



UN-HABITAT
UNITED NATIONS
HUMAN SETTLEMENTS PROGRAMME



STABILITY PACT
FOR SOUTH EASTERN EUROPE

Regional Capacity Strengthening Programme (RCSP) – FORMULATION PHASE (2006)

DEMO-PROJECT PROPOSAL 1 (for implementation in second half of 2006)

Title: “*Improvement of legalisation processes in urban areas*”

A) RATIONALE

Among the critical issues facing national Governments and city administrations in the SEE region the process of legalisation of ‘informal’, ‘irregular’, ‘illegal’ development ranks extremely high. Failure to legalise/regularise large percentages of the existing housing stock has serious negative implications for present and future urban development, revenue raising, social stability. Countries have enacted ‘laws of legalisation’ which provide the broad legal framework under which regulations and procedures have been adopted. The main task in carrying out the legalisation process rests with Municipal authorities; in all countries the process is proceeding very slowly raising serious questions as to the viability of the current arrangements. Municipalities in many cities seem unable to cope with the size and length of the cumbersome and expensive process. Strengthening operational Municipal capacities certainly would help, but

- to what extent are the procedures and regulations, in their current form, responsible for the heavy implementation burden and the lengthy process ?
- to what extent could the process be improved and simplified, and the procedures reviewed and amended without violating the requirements of the Law ?

This initiative will try to help the main actors in the legalisation process answer these questions.

B) OBJECTIVE

To promote regional partnership, among relevant central government departments and selected Municipalities in each country, to jointly review the current systems applied for legalisation of irregular/informal development, compare the different methodologies and procedures, highlight main constraints, assess options and formulate proposals for improvement.

C) PROPOSED METHODOLOGY

- Central Governments and National Municipal Associations prepare documentation on legal requirements for the legalisation process
- One or more Municipality per country is selected to participate in the exercise (should be preferably Municipalities with serious levels of illegal development).
- One country offers to host, in the selected Municipality, a regional workshop to carry out a practical and area-based review of the legalisation process on the ground with cross-comparison with systems applied in other countries.
- Participants, through a co-ordinator appointed for the purpose, document the constraints and formulate proposals for improvement resulting in an overall more efficient and practical system with broad range of application and adjustment in each country.
- A final report is submitted to high-level review, at regional level (RCSP Regional Urban Forum) and national level, dissemination by National Associations of Municipalities. Feed back by individual countries.

D) INPUTS

Technical and co-ordination support will be extended by UN-Habitat and Stability Pact which will cover the cost of the regional workshop and, depending on the funds available, other expenses which may become necessary.



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Regional Capacity Strengthening Programme (RCSP) – FORMULATION PHASE (2006)

DEMO-PROJECT PROPOSAL 2 (for implementation in second half of 2006)

Title: “*Municipal Land Management Plans for Housing delivery*”

A) RATIONALE

In cities of the SEE region, formal housing solutions accessible to the poor are scarce. Informal/illegal development constitutes the common social response by the people in need of the place to live. A vibrant informal construction market operates side by side with formal investors and contractors predominantly engaged in commercial and up-market residential development. One of the main constraints in helping the emergence of a rental housing market for low-income groups (and low-middle classes too) is the price of land which, in urban areas, has grown sharply in recent years discouraging investors and contractors from engaging in housing schemes for the poor which would have a very low rate of return. While legalisation and upgrading of informal settlements appears in national policies as a main strategy, supply of new housing is required too in order to absorb additional demand and to stop the spreading of illegal construction.

Municipalities are now primarily in charge of finding housing solutions for their communities, but face serious constraints at the planning stage.

- To what extent could Municipality owned land and/or properties be planned and developed for housing solutions accessible to the poor?
- What type of housing solutions would need to be developed to ensure that poor residents may be able to sustain themselves financially through adequate rental charges and that the schemes may be sustainable?

B) OBJECTIVE

To assist selected Municipalities from countries of the SEE region, in a collaborative way, in a strategic planning exercise to prepare Municipal land plans which identify land available for development of housing schemes and to prepare proposals accordingly.

C) PROPOSED METHODOLOGY

- Municipalities interested in participating in the exercise make their desire known through the respective National Municipal Association to UN-Habitat/Stability Pact.
- A collaborative network of Municipalities is set up and a regional workshop organised in a Municipality willing to host the initiative, where the individual cases are collectively examined and an initial planning exercise is carried out.
- Each Municipality then develops the exercise through specific planning proposals for the areas identified as suitable for housing development.
- Each Municipality will also assess the scope for public-private development schemes where a cross-subsidy element may be achieved for example by mixed residential-commercial development.
- Socio-economic analysis to establish levels of affordability and criteria for selection of beneficiaries will be carried out before developing specific proposals for pilot housing schemes.
- Mechanisms for continued collaboration among participating Municipalities will be set up.

D) INPUTS

UN-Habitat/Stability Pact will support the initiative through technical assistance and co-ordination support and will finance the regional workshop.