

Challenges of regularization of informal settlements in South East Europe

Overview of the relevant urban
planning and legalization laws
and practice

Executive Summary



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List of abbreviations

List of Local Government Associations

AAM	Association of Albanian Municipalities
SOGFBH	Association of Municipalities and Cities of the Federation of Bosnia and Herzegovina
ALVRS	Association of Towns and Municipalities of Republic of Srpska
NAMRB	National Association of Municipalities in the Republic of Bulgaria
UORH	Association of Municipalities of the Republic of Croatia
AKM	Association of Kosovo Municipalities
ZELS	Association of the Units of Local Self-government of Republic of Macedonia
CALM	Congress of Local Authorities from Moldova
UOM	Union of Municipalities of Montenegro
ACOR	Association of Communes of Romania
SCTM	Standing Conference of Towns and Municipalities, National Association of Local Authorities of Serbia
SOS	Association of Municipalities and Towns of Slovenia
UMM	Union of Municipalities of Marmara, Turkey

Other abbreviations

ALUIZNI	Agency for Legalization, Urbanization and Integration of Informal Areas/Constructions
AP	Action Plan
CBO	Community Based Organization
CEMAT	Council of Europe, European Conference of Ministers Responsible for Regional Planning
CPT	Community Participation Team
DRP	Detailed Regulation Plan
ECTP	European Council of Spatial Planners
EIA	Environmental Impact Assessment
EU	European Union
GIS	Geographic Information System
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit, German Development Cooperation
GRP	General Regulation Plan

GUP	General Urban Plan
ISPU	The Town-planning Design and Study Institute
KRRT	The Council for Territorial Adjustment
KRRTRSH	The Council for Territorial Adjustment in the Republic of Albania
LG	Local Government
LGA	Local Government Association
LLU	Local Legalization Unit
MSP	Municipal Spatial Plan
NALAS	Network of Associations of Local Authorities of SEE
NGO	Non Governmental Organization
NLA	National Legalization Agency
NUTS	The Nomenclature of territorial units for statistics
SEA	Strategic Environmental Assessment
SEE	South-East Europe
UN	United Nations
UNCED	United Nations Conference on Environment and Development
UNECE	United Nations Economic Commission for Europe
ZRPP	Immovable Property Registration Office

Notice to the reader

1. In this study the word entity is used to indicate the administrative unit corresponding to the respective local government association, participating in this study.
The entity sometimes means a country (such as Albania or Macedonia) and sometimes regional or federal units, such as Marmara (Turkey) or the Federation of Bosnia and Herzegovina and the Republic of Srpska (parts of Bosnia and Herzegovina)
2. Since in the major part of the text and in all the tables, the entities are referenced by acronyms of the local government associations, for easier reading, list of LGAs acronyms with their full names is given on the internal side of the front cover of this book, in the same order as the LGAs are listed in the tables.

Introduction

NALAS Urban planning Task Force, consisting of urban planning local experts from the SEE region, after analyzing current situation in the field of urban planning, has concluded that many of the local governments in South East Europe are challenged by an insufficient legal framework and insufficient implementation of plans.

In 2004, national and regional representatives of South Eastern Europe signed the Vienna Declaration, which emphasizes legislation and stipulates that *The urban, social and economical integration of informal settlements within the overall city structure will be a key factor in preparing for accession to the EU.*

During the period 2007 - 2010, NALAS Task Force on Urban Planning has implemented "Urban Integration of Informal Settlements" project, consisting of three components. The project was focused on the occurrence of informal settlements and their causes and effects. These issues were addressed through pilot projects in two municipalities, Sukth in Albania and Prijedor in Republika Srpska, Bosnia and Herzegovina. The third component was the preparation of a comparative analysis of the legal frameworks for urban planning from 6 NALAS members. This component was implemented by Association of Municipalities and Towns of Slovenia (SOS). The findings of this Analysis are available at the NALAS web page. <http://www.nalas.eu/up/legalanalysis/index.aspx>.

This particular project is building upon the results of the legal analysis component of the above mentioned project. Additional 7 NALAS members were added to initial comparative analysis. Although this project relayed on the research context established during the first analysis, the new methodology was developed, the questionnaires were significantly extended and the legal framework from the first group of entities was updated.

Open Regional Fund for Modernization of Municipal Services GIZ has supported the implementation of the Project Comparative Analysis of Legal Framework Relevant for Urban Planning In Different NALAS Members. The objective of the Project was to identify main groups of insufficiencies in urban planning legal frameworks and to give recommendations how to improve these frameworks, with an emphasis on urban integration of informal settlements.

The Project has been implemented by Standing Conference of Towns and Municipalities, the national association of local authorities in Serbia, from November 2010 to October 2011. The purpose of this publication is to offer local government associations and their members set of quality arguments for future negotiations with central level governments about improvement of legal framework for urban planning. It should serve to LGAs for lobbying purposes for improvement of laws and bylaws that regulate urban planning and construction processes, regularization of informal settlements and legalization of illegal constructions.

Executive Summary

1. Overview of relevant European and international policy documents on spatial planning

The study offers a brief review of the most important and current documents related to spatial planning and urban issues, as well as few of them specifically related to informal settlements.

The **Vienna Declaration on Informal Settlements in South Eastern Europe** (2004) is specially emphasized because this Study is considered as it's follow up. On the sub regional level, the Vienna Declaration on National and Regional Policy Programs on Informal Settlements in South-Eastern Europe identifies this issue as a priority and invites national and local policy makers to legalize and improve informal settlements in a sustainable way. This declaration, signed by the majority of line ministers in the SEE region, advocates that preventing the formation of future informal settlements is critical and that it should be done through sustainable urban management, principles of good governance and adequate capacity-building.

2. Overview of the planning systems

The extent to which urbanisation is managed depends upon the planning system in each entity. It is predominantly the domain of national, but also local and regional governments. In the case of South Eastern European entities, attention should be paid to the simultaneous existence of three institutional patterns: those rooted in the previous socialist system, those created by the informal sector and those designed by policies consistent with a market driven economy.

In this entry analysis the study highlights the main differences between the planning systems in 13 LGAs¹ and progress towards their accommodation of new conditions of social and economic development.

Besides presenting an overview of the existing types of plans, the following aspects of the spatial planning systems were explored: hierarchical links between the plans, their effectiveness in horizontal and vertical coordination, responsibilities for preparation, approval and adoption of plans and a brief glance at professional capacities – plan design organizations. Special attention was paid to the executable capacity of plans, i.e. their ability to serve as a basis for issuing planning or building permits.

3. Selected key issues of local urban planning

Some of the key issues relevant to urban planning at the local level are explored in this chapter. Data collected through questionnaires, as provided by local experts relates to the following issues:

- Influence, authority and responsibility of local governments in the planning process,
- Flexibility and efficiency of local plans and procedures,
- Citizen participation,
- Issues related to the content of the general urban plan, and

¹ Association of Albanian Municipalities (AAM), National Association of Municipalities in the Republic of Bulgaria (NAMRB), Association of Municipalities and Cities of the Federation of Bosnia and Herzegovina (SOGFBiH), Association of Towns and Municipalities of Republic of Srpska (ALVRS), Association of Municipalities of the Republic of Croatia (UoH), Association of Kosovo Municipalities (AKM), Congress of Local Authorities from Moldova (CALM), Association of the Units of Local Self-government of Republic of Macedonia (ZELS), Union of Municipalities of Montenegro (UOM), Association of Communes of Romania (ACOR), Standing Conference of Towns and Municipalities (SCTM), Association of Municipalities and Towns of Slovenia (SOS), Union of Municipalities of Marmara, Turkey (UMM).

- Land management issues.

The General Urban Plan / Master Plan (in further text GUP) is found in almost all entities and it is taken as model for observations.

This selection of key issues reflects the personal views of the research coordination team, and as such, it is certainly subject to criticism. However, it is expected that some local government associations will initiate more detailed study or changes regarding the issues of their interest, based on the results of this study.

3.1 Authorities of local government

The Leipzig Charter on Sustainable European Cities, which was adopted informally by the European line ministers in 2007, emphasizes the strengths and weaknesses of cities and neighborhoods, giving some guiding principles on how local authorities should position themselves. This document stresses the need for an integrated approach in defining consistent development objectives and a vision for the urban area, coordination of different sectoral plans, policies and investments, focused use of public and private funds and coordination of the involvement of citizens and other stakeholders. The main conclusions of this chapter are:

- **The planning process and further development strongly depends on the status of land ownership** and in some entities, the land is still state-owned.
- **The LGs are not always given the authority to issue and adopt plans with strategic significance for development of their territory.** , In some cases, it is decided at a higher level (national or provincial) and the local GUPs are not adopted by local parliaments.
- The plans do not always have real executive output in practice. Failure to align the interests and priorities among the various stakeholders may result in failure to implement some planning provisions within the specific area or set timeframe.
- Local politicians are rarely involved in the planning process in a proper way. It is the responsibility of planners to prepare well founded policy options with an assessment of the relevant social, economic and environmental implications so that politicians can then make informed decisions. A discontinuity of government often entails a discontinuity of planning objectives and implementation of the plan.
- Local urban plans, even those with strategic roles do not sufficiently reflect local policies.
- Capacities and knowledge of elected officials, but also of municipal staff are insufficient or the planning regulations are not efficient and the process is too slow.

3.2 Flexibility of planning to development opportunities

Flexibility of planning in the countries in transition is an imperative and the content of the plans and procedures of the planning process are being redefined in almost all observed entities. The Study explores to what extent the plans are able to quickly and adequately respond to rapid changes in development priorities and needs, while still being a reliable instrument for protecting the public interest and key spatial resources and provide investment security. The most important conclusions of this chapter are as follows.

- Greater flexibility means also more adjustability and readiness for new investment possibilities. The efficiency of the procedure under which a plan may be changed certainly contributes to economic development, but the end effect of flexibility in changing and interpreting existing plans may be less transparency, which favors private interest over public interest.
- **The complexity and long duration of planning procedures make it more difficult to substantially adjust the plans to developmental needs.** This is why more and more the strategic plans are needed to provide the longer term, social and economic context,

within which local action plans can be flexible and more responsive to market fluctuation.

- **Development within new market conditions, accompanied by a domination of capital and an unclear position of numerous involved stakeholders may seriously impede the sustainable development of cities.** The other important aspect which may be endangered in circumstances of an unstable planning practice is the security of investment. It was demonstrated that all analyzed national frameworks are probably closer to this scenario, which is obvious in entities with a significant level of informal settlements.
- **The regulatory frameworks offer enough space for** the involvement of investors, but usually they do not equally collaborate with authorities, either imposing their requests or accepting rigid and inflexible plans, ignorant to real needs and possibilities. Some improvements exist in seeking a correct format of cooperation with the aim of building trust between the stakeholders.
- **Effectiveness in implementation of GUP depends on its executive capacities.** The trend in recent years in legal reforms is to unify strategic and regulatory plans within the frame of one document, which satisfies both key dimensions. However, it is significant that control and strategic direction of spatial development and construction is often neglected.

3.3 Citizens' participation

Under contemporary conditions, participation has been recognized as the technical demand of urban governance, but also as the core element in ensuring that planning has social legitimacy, along with mediation and coordination of different components and activities.

The study analyzes the nominal existence of legal frameworks for citizens' participation, specific rules and guidelines for the involvement of the public, the substance of these documents and the real effects of the norms and guidelines executed in practice. The personal views of local experts offered a subjective, assessment of the real achievements of this democratic exercise and of the quality level of governance among participating NALAS members. The conclusions are as follows.

- **With the exception of Turkey, all the entities under review have quite developed legal instruments of citizen involvement.** But, it is not uncommon that public debates are used only to give legitimacy to decisions that have already been made, and are not intended to serve active cooperation and decision-making. The result is that citizens rarely participate in them.
- **The culture of citizens' participation in the activities of the general interest has not been developed.** It is necessary that local authorities work enough to improve this issue, and they themselves should also be educated and motivated to improve the quality level of this process. This practice might therefore be viewed as a litmus test of the democratization level of each particular entity.
- **Municipalities are not ready and often lack capacity to successfully take over the facilitation of the process.** In that respect, participation should be conducted by the skilled organizations and the planning professionals should be educated in participations skills
- **Insufficient information is a barrier to a more comprehensive participation of citizens in decision making related to the plan.** It is necessary to ensure proper information throughout the entire planning process.
- **Besides the formally stipulated procedures, participation and information dissemination can be successfully exercised through informal ways, which has to be supported.** Planning companies or civil NGOs sometimes support the planning process because additional information is needed or with the aim to defend common interests that can be endangered by the plan.

3.4 Content of General Urban Plans

This chapter assesses some of the formal requirements of the planning procedures, respecting the content of the GUP, or respective local spatial/urban plan. Several important substantive and technical issues were explored and comparatively analyzed, and some were additionally compared to some of the contemporary European regulations and practice. The following was concluded:

- **A GUP has an outstanding position within planning systems.** The complex requests open the issue of reexamining its adequate content and methodology, as well as the measure of its effectiveness in directing the spatial development of the city. Regardless of its strategic character, it is rarely fully realized in the structure of the strategic plan.
- Not all entities have the GUP, as there is also a new form of the basic local plan, which is the *Spatial Urban Plan*, which treats the entire territory of the local self-government together with its urban part, in a single act.
- **The content and methodology of a GUP are quite developed through planning regulations and practice in all LGAs.** On the other side, certain specific methodologies and tools (strategic planning elements, SWOT) despite being part of a positive planning practice in some cases, may be recommended through additional manuals.
- **The environmental issues are strongly addressed, in general following the EU SEA Directive of 2001.** However, there is a wide variety in regulations regarding the types of requested studies and level of elaboration. The real value of these studies, despite being a mandatory part of plans, may need to be questioned. It is important to harmonize planning and environmental laws, develop the form and methodology for the environmental impact assessment and train experts.
- **The regulatory power of a GUP has been the most important segment of its practical implementation.** The type, character and status of constructed zones, urban parameters for the development of the land, the type and typology of planned structures have not always been part of the construction norms envisaged by the plan, which can severely reduce its efficiency.

3.5 Land management issues relevant to town planning

In this chapter, the land management issue has been explored by analyzing the major elements of planning (zoning, regulations on planning and development, construction rules) and some administrative elements of land policy (nationalization and expropriation of land rights, protection of natural and cultural values, land development and parceling). It is concluded that:

- Land policy does not respond quickly enough to social and economic change in the region. Expectations from land management mechanisms are linked to new development opportunities and to the provision of balance between private rights and the public interest.
- Instruments of land acquisition are generally not efficient for local development and often depend on decisions by higher-level authorities. In the cities, with issues of unregulated land, property ownership (restitution / denationalization), development opportunities are reduced for both the public and private sectors. Some land valuation options are inappropriate and ineffective, while others lack transparency. In some countries it is important to legally improve the methodology for land valuation and develop appropriate guidelines
- It is worth considering introducing the legal possibility to acquire land before it is planned for development, as well as the legal right of pre-emption and compensation in land acquisition to the local authority, where it doesn't exist.
- The issue of land reallocation is regulated, but no significant results have been achieved

in practice. Reallocation and adjustment of cadastral boundaries is a complex issue which enables local governments to properly harmonize public and private interests, and ownership rights with development objectives. Improved regulations and guidelines are needed.

- Geographic Information System (GIS) is widely accepted as a planning tool for land use and efficient land management, but is still generally under-developed in terms of legal regulations and standards and lack of knowledge.

4. Informal construction, informal settlements and legalization

Informal development is a consequential process of the historical and social-economic conditions in the European regions under study, and not only a legal, planning or administrative error. The causes of the phenomenon in SEE region are

- **The belated but strong process of urbanization** in the second half of the 20th century,
- **Post-socialist transformation** in the former socialist countries, which has taken place since 1989 in these regions,
- **Emergence of civil wars (1991-1999) in the former Yugoslavia**, which led to the influx of a large number of refugees and migrants to major cities of the Western Balkans, primarily in Serbia and in Bosnia and Herzegovina.

The governments were not able to cope with the problem and it is evidenced that the problem was administratively neglected. In post-socialist countries, there was also a large legal vacuum after transition started. The new regulations were inadequate and non-implementable.

For the purpose of this study, informal settlements are broadly classified into two main types:

1. **Slums** – informal settlements built on public land and usually inhabited by a high percentage of under-privileged population groups, primarily Roma;
2. **Large peri-urban residential settlements** with family houses, sometimes mixed with home-based enterprises built on privately or publicly owned land (mainly agricultural land), which are the prevailing majority in the countries where the problem is significant.

This study focuses only on the second type of settlements and the legalization of informal houses in them. Specific case study of laws treating legalization was done by AAM, ZELS and SCTM. Findings of the research are as follows.

1. **Those with significant scope of informal settlements** are Bosnia and Herzegovina, Croatia, Serbia, Macedonia, Kosovo and Turkey.
2. **The significant and in some cases immense volume of informal construction and the formation of informal settlements has been strongly present in the last two decades due to large social and economic changes.** As reported by some NALAS members, informal housing construction counts as much as 60% of the total housing stock (UMM). At the other end of the spectrum, some LGAs don't perceive informal construction as a significant problem, keeping it's volume between 1% and 5% (Slovenia, Romania, Bulgaria, Moldova)
3. These settlements predominantly consist of **modest individual housing in suburban areas, built by low-income families**, (exceptionally, they can vary from slum housing to luxury villas); The living conditions are decent in general, and by building their own house, the families living in have solved their housing needs;
4. **Utilities are always present in informal settlements**, in a lesser or greater extent, which indicates that the state was supportive of informal urbanization and, to some extent, an accomplice in the violation.

5. **Problems of informal settlements and their inhabitants are multidimensional and they are reflected in:** their functional and legal integration of settlements; difficult social integration and often marginalization of their communities; limited access to public services; the unresolved land tenure of the informally developed land; low standards of safety, high energy consumption and negative environmental impact resulting from the problems of wastewater disposal, solid waste disposal, air pollution, open space/ventilation of settlement areas; improper living environment, as lack of leisure facilities and open space, weak linkages to regular urban zones, etc.
6. **The consequence of mass scale informal construction and informal urbanization** is permanent change of the environment that strongly hinders the present and future development strategies,
7. Despite being in the grey zone, **informal construction represent important economic activity**, both in construction and on land and housing markets, which are the facts that has to be considered and channeled for common benefit.
8. **The legislative approaches in the affected territories differ from ignoring the existence of informal construction and settlements to the development of a detailed legal and institutional framework** to legalize informal housing construction and integrate informal settlements in regular urban systems. Where they exist, except in Albania, the laws do not address the problem of informal settlements as a whole, but are focused on uni-sectoral issues (primarily on the legality of ownership).
9. **Planning always comes late, even after the settlement is formed**, and often doesn't present solutions to consolidate the settlements and measures to prevent further informal development;
10. **The practice of legalization hasn't accomplished significant results**, most often because of unfeasible legalization regulations (SCTM) or unprepared capacities and inadequately overdeveloped procedures (AAM). The main characteristics of the legalization practice in the region are:
 - a. Legalization is conceived as an amnesty, and the legalization process is much more affordable than the regular procedure for construction of the family house;
 - b. The administrative capacity in most countries is insufficient and inadequate for the effective implementation of the legalization process;
 - c. The penalties, even the removal of an informal house, exist in regulations, but they are not consistently enforced.
 - d. Frequent changes of adopted regulations weakens the state's authority and stimulates the further generation of informal construction (lowering criteria, extension of deadlines, the procedure is cheaper than regular construction etc).

The main the main outcomes from the in-depth review of three legalization laws as presented in the case studies of AAM, ZELS and SCTM, are summarized below.

1. All three laws consider the legalization as a one time, limited corrective action (project) and they do not foresee feasible solutions for the backlog of remaining cases. In practice, the mistakes are found in the short time limits for the submission of applications, in unprepared institutional capacity, respective by-laws, manuals, funds, data, and institutional arrangements between key state bodies. Unpredicted huge financial burden on the state budget related to compensation of the land ownership transfer appeared to be the major challenge and the main reason for weak results of legalization.
2. **One approach is to place a fine on an informal builder and collect considerable finances through legalization and the other approach is to offer large incentives and give amnesty from the violation** of illegally constructing. In practice the latter is applied in all three cases and it has strong deficiencies in 1) discriminating against citizens that respect the law and 2) it sends a clear message that illegal behavior will be rewarded which encourages potential illegal builders.

3. **The integrated project approach to the informally developed consolidated area exists only in Albania.** Other solution, case by case legalization, without taking account of the neighborhood, the division between public and private land, the integration of the settlement into the regular planning system and the provision of public services will keep the community excluded and further increase segregation.
4. **Participation of the community is not legally regulated or recommended.** Despite the fact that regularization of settlements will also result in certain physical interventions and the delimitation of public and private property, citizen participation is not foreseen in these laws.
5. **Integration of informal settlements into the regular planning system, before or after legalizing the buildings, by adoption of a regular urban plan is not foreseen as mandatory except in Serbia.**
6. **The need to define in detail the role of all involved institutions and to assign them concrete tasks in the process of legalization is common only in the Albanian law,** where there is a specialized state institution with its regional offices. In the case of Serbia, the existing institutional capacities of the public sector are far from adequate to the scale of the problem. In Macedonia, results from the first months of legalization shows that the existing institutions are able to carry out the process satisfactorily.

In general, judging by the results achieved so far, the existing legislation in the region has not proved to be efficient. There are many similarities stated by NALAS member LGAs, but also many differences, stemming from the genesis of the problem, varied socio-economic and political backgrounds and impact of the global economy on the rapid urbanization of cities.

The economic strength of migrating populations is still below the level at which they can buy a house at market price with their income and informal construction will exist as long as it is considered more favorable than the regular development procedure.

Recommendations for establishing the appropriate legal framework for legalization of informal construction and regularization of informal settlements

The NALAS member LGAs can recommend improvements in their respective legislation, following the proposed options below:

- **Lex specialis on central level and the following secondary legislation** should be adopted in cases where informal settlements and illegal construction become a widespread phenomenon and when the existing regulations are not efficient (AAM, SCTM, ZELS, AKM, UoM, UoRH, UMM, SOGFBiH and ALVRS);
- **For legalization, general planning and construction law** should be revised or new ones adopted and existing regulations amended in a synchronized way, in cases where there are areas with intensive informal construction, (NAMRB, ACoR);
- **Targeted improvements of existing regulations** are required when the areas with intensive informal construction are not of large scale (NAMRB, ACoR and possibly to a certain extent CALM).

In order to achieve the equally important goal to stop and prevent further informal construction it is necessary to make complementary improvements in the existing planning and construction regulations at the central and the local level, in terms of:

- **Increasing the supply of land** available for residential development (including expansion of urban boundaries and,
- **Revising the urban planning and building regulations, standards and administrative procedures** to ensure they are based on effective patterns of demand,
- **Mandatory inclusion of the legalized settlement in the planning system** of the city,
- **Adequate definition of informal construction in regular urban planning documents,** but also to enable its registration in cadastre,

- **Appropriate feasible measures for penalizing informal construction** or improper use of urban land,
- **Regular revision of planning documents** and more flexible application of their provisions.

Following are some key principles for successful integration of informal development and legalization of informal houses, coming out as conclusion of this research:

1. **Settlements should be regularized and buildings should be legalized**, wherever the public health and safety are not endangered;
 2. **All owners of real estate should be included in the tax system, no matter whether their property** is registered or not.
 3. **Informal development involves legal violation** and should be stopped, prevented and penalized; Legalization of such developments should be considered however as reward.
 4. **The legalization and regularization process is costly**. Informal building owners must fairly contribute to costs of general and local urban development;
 5. **Most of the revenue from fees and fines should be implemented locally**;
 6. **Direct participation of citizens in the process of regularization of settlements** and participation through elected committees and representatives is essential for successful legalization;
 7. **There is no unique solution to solve the problems of informal construction and informal settlements** and the choice depends on the physical, social, economic and cultural context;
 8. **Lowering the technical standards for the building is proving everywhere to be essential**, but the state should not share responsibility for the safe use of the building;
 9. **Lowering urbanization standards is necessary** in order to include the settlement into the regular system of the city.
5. Model procedure for regularization of informal settlements and legalization of informal construction

One possible model procedure coming out from the detailed analysis of legalization legislation and results in practice in the case studies of AAM, ZELS and SCTM, concluding principles and recommendations is offered by the Study.

The procedure is incremental and conceived as a national program, implemented through local projects. The projects can cover one or more informal settlements in one municipality and mean application of *lex specialis* over a specially designated territory.

Before starting implementing the legalization and regularization program, the entities should:

- **Adopt at the highest agreed level (national, regional, inter-municipal) a Strategy** and a program for regularization of informal settlements and legalization of illegal constructions,
- **Develop regulations and mandatory procedures for legalization of informal construction and regularization of informal settlements**,
- **Estimate budgets and ensure financing**,
- **Establish the necessary institutional framework**,
- **Develop capacities of institutions, professional services and local communities**,
- **Design and implement pilot projects** in selected informal settlements, jointly with LGs.

Ensuring skilled capacities and budgets to finance the process at local level is crucial before starting implementation of a project., which cannot be financially self- sustainable at the beginning, ensured at all respective administration levels. Long lasting, affordable and sustainable collection of legalization fees, as well as the most effective use of financial resources, is essential.

Political support to the process and moreover, a consensus reached at the level of the parliaments, must be seen as a condition *sine qua non*, because of the particularly sensitive nature and long duration of the process.

The key stakeholders of the process are:

- National/Regional or inter-municipal specialized agency for coordination of the program for regularization and legalization with the respective inter-ministerial Steering Committee,
- Specialized Local Legalization Unit in municipal administration with the respective local Steering board, in charge of implementation of legalization projects,

Local Community Participation Teams are key partners representing community in informal settlements.

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- Estimate budgets and ensure financing
- Establish the necessary institutional framework
- Develop capacities of institutions, professional services and local communities.
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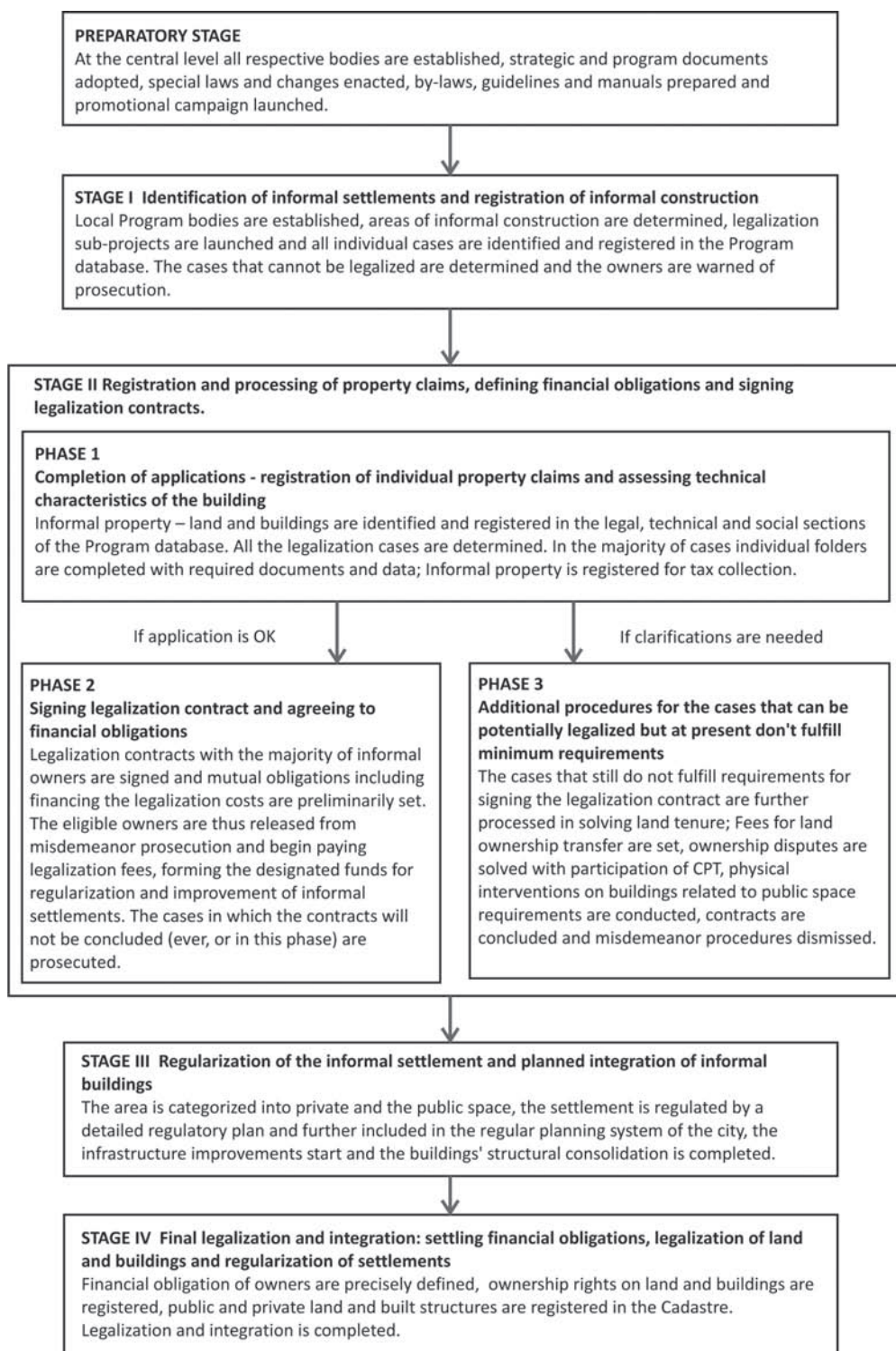
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Overview of selected key issues of local urban planning

KEY ISSUES	Role, authorities and involvement of local authorities and relations between planning and local policies						Flexibility and efficiency of planning procedure and effectiveness of plans						
	 	Municipalities own the land and have autonomy in its disposal	Municipalities have authority to issue and approve GUP	Local elected officials are substantively involved in the process	The plans are interlinked with local policies	Cooperation with local and national institutions	Efficiency of plan production and quality of plans	Business sector influences plans without jeopardizing public interest	Legal instruments to initiate changes exist	Changing and interpreting plans transparent	Duration of the GUP planning process	Duration of small changes of the plan	GUP has execution capacities
SOGFBHIH													
	b	c	d	e	f	g	a, b, c, d			d	e, c	e, c	f, g
ALVRS													
	b	c	d	e	f	g	a, b, c, d			d	e, c	e, c	
UORH													
	b	c		e	f	g	a, b, c, d			d	e, c	e, c	
SOS													
		c	d	e	f	g	a, c, d			d	e, c	e, c	
ZELS													
	b			e	f	g	a, b, c, d			d	e, c	e, c	f, g
UOM													
	a, b	c		e	f	g	a, b, c, d	a, d	d	e, c	e, c	f, g	
SCTM													
	a, b		d	e	f	g	a, b, c, d			d	e, c	e, c	f, g
AKM													
	a, b		d	e	f	g	a, c, d	a, d	d	e, c	e, c	f, g	
ACOR													
	b		d	e	f	g	a, b, c, d			d	c	c	
NAMRB													
	b			e	f	g	a, b, c, d			d	e, c	c	
CALM													
	b		d	e	f	g	a, b, c, d				e, c		c
UMM													
	b		d	e	f	g	a, b, c, d			d	c	c	f, g
AAM													
	a, b	c		e	f	g	a, b, c, d	a, d	d	e, c	c		f, g
RECOMMENDATIONS	a. Vest on local governments the right to own and dispose of land b. Establish internal control mechanisms for changing the use of land owned by local governments c. Give local governments full authority for the preparation, adoption and implementation of local plans d. Improve and regulate the practice of the joint work of professional planners and local stakeholders e. The strategic aspect of local plans should be improved by establishing stronger links with local policies f. Establish cooperation between the planning institutions and public institutions at the central and local levels						a. Improve legal framework to become sensitive to development opportunities b. Institutionalize collaboration between authorities, planners and interested investors c. Develop efficient mechanisms for protecting the public interest d. Increase the transparency of the planning process e. Raise efficiency in the production of plans f. Ensure higher flexibility of plans g. Define mandatory regulatory elements of the plan and mechanisms for their implementation						

Overview of citizens' participation in legislation and practice and recommended improvement actions					Elements of the methodology and content of the plan							Some instruments and tools of land management directly affecting planning and implementation of plans			
Participati-on legally stipulated	Detailed guidelines exist	Informing citizens	Citizens influencing changes	Capacities for participation exist	Content and methodology of GUP regulated in detail	Strategic planning is part of the planning process	Environmental issues included in the planning process by law	Regulations prescribe planning standards	Regulatory powers of the plan	Urban commandments are part of the plan		Safeguarding the land	Land acquisition	Land reallocation	GIS development in regulations and practice
●	■	●	■	■	■	■	●	■	▼	▼		■	●	■	●
	b		h	e, f	a, b	c	d, e	f	f	f		a	b, c	e	
●	▼	■	●	■	■	■	●	●	■	▼		■	●	■	●
	b	c, g		e, f	a, b	c	d, e		f	f		a	b, c	e	
●	▼	●	■	■	■	■	●	●	●	▼		■	■	■	▼
	b	c, g	h	e, f	a, b	c	d, e			f		a	b, c	e	f
●	●	●	●	■	■	■	●	●	●	●		●	●	●	●
				e, f	a, b	c									
●	●	■	●	■	●	■	●	●	■	●		■	●	■	■
		c, g		e, f	b	c	d, e		f			a	b, c, d	e	f
●	■	●	●	■	●	■	●	■	●	●		●	■	■	●
	b			e, f	a, b	c	d, e	f					b, d	e	
●	▼	■	■	■	●	■	●	■	■	▼		■	■	■	■
	b	c, g	h	e, f	a, b	c	d, e	f	f	f		a	b, c, d	e	f
●	●	■	■	▼	■	●	●	●	●	▼		■	■	■	▼
		c, g	h	d, e, f	a, b	c	d, e			f		a	b, c, d	e	f
●	●	●	■	●	●	●	●	●	■	▼		●	■	■	●
			h		b	c	d, e		f	f			b, d	e	
●	▼	●	●	■	●	■	●	●	●	●		●	●	■	■
●	●	●	■	■	■	■	●	●	■	▼		●	■	■	●
			h	e, f	a, b	c	d, e		f	f			b, d	e	
▼	▼	▼	▼	▼	■	■	●	●	●	●		■	●	●	■
a	b	c, g		d, e, f	a, b	c	d, e					a	b, d		f
▼	▼	●	■	▼	■	●	●	●	●	●		■	■	▼	●
a	b		h	d, e, f	a, b	c	d, e					a	b, c, d	e	
a. Introduce extended participation in the planning regulations and practice b. Regulate in detail citizens' participation by law and provide appropriate manuals c. Support informal ways of participation and information dissemination d. Participation should be done by the skilled organizations e. Educate planning professionals in participations skills f. Educate citizens about their legal authority in the planning process g. Inform citizens throughout the planning process h. Invite citizens to participate in all key stages of the planning process					a. Develop GUP content and methodology in detail b. Establish standardization in production of plans c. Include contemporary methods, tools and technical systems in the planning process d. Harmonize planning and environmental laws e. Develop form and methodology for the environmental impact assessment and train experts f. Improve regulatory function of GUP							a. Improve the effectiveness of land protection legislation b. Introduce the legal possibility to acquire land before it is planned for development c. Legally improve methodology for land valuation and develop appropriate guidelines d. Introduce the legal right of pre-emption and compensation in land acquisition to the local authority e. Improve the legal framework and develop guidelines for land reallocation f. Improve the methodology and practice of using GIS for preparation and implementation of local plans			

Legalisation procedure flow chart



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