



FIT-FOR-PURPOSE FORMALIZATION OF INFORMAL SETTLEMENTS

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Background: Collaboration FIG/UNECE/UNHABITAT



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➤ The issue of Informal Settlements is not new to Europe;
important and urgent the last 25 years;
since 2007 UNECE and FIG are involved
joint workshop 2007

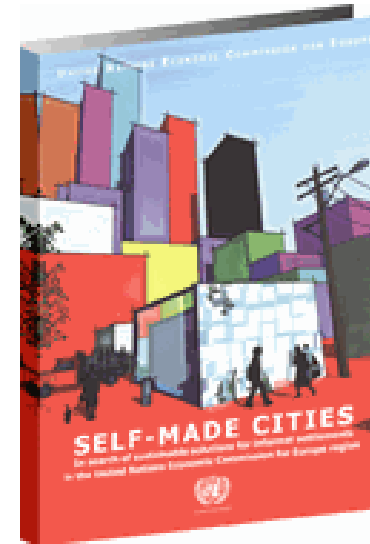
➤ UNECE CHLM: *Self-Made Cities (2009)*

➤ FIG/UNHABITAT/GLTN: *INFORMAL URBAN DEVELOPMENT IN EUROPE*
In-depth study for 2 countries (2010)

June 2011 decision, joint FIG/UNECE workshop
2012

➤ Joint FIG/ UNECE publication: *Formalizing the Informal (2015)*

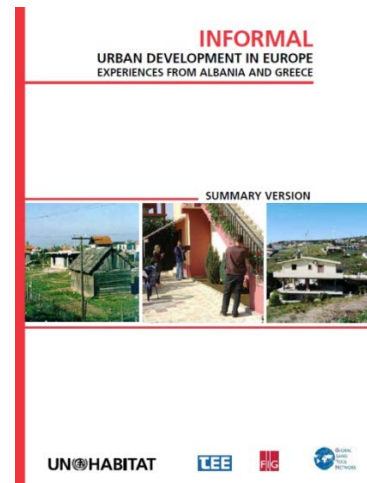
In-depth study for 5 countries (Albania, Cyprus, Greece, the Former Yugoslavia Republic of Macedonia; Montenegro)



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Formalizing the Informal

Challenges and Opportunities of Informal Settlements in South-East Europe



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United Nations

Background: History



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Thanks to the:

- FIG & UNECE WPLA for their interest to address this topic
- Countries and experts who participated to the research & for their support to provide information & all contributors
- All sponsors for the research & for printing

History of the research - basic principles

- Definition of the term ***informal***
- Investigation of the **state-of-the-art** & the **tools** that countries used in the past to deal with informal settlements
- Everyone has a right to **decent housing** and **better living conditions**
- There is no single solution, countries ***are free to choose various solutions*** to address this issue according to their priorities, local situation and challenges and local special issues.

Background: Policies & tools



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Measures to address informal settlements include:

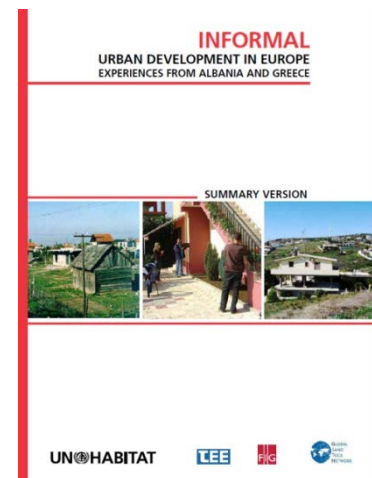
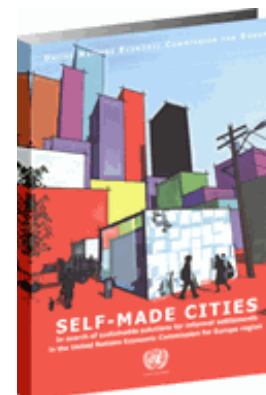
1. Measures to ***deal with the existing situation***

- ignorance
- demolition and resettlement
- formalization & improvement, or improvement & formalization

all options may have pros and cons according to local special challenges

2. Measures to ***eliminate the phenomenon in future***

- build public trust, increase transparency
- monitoring of sensitive areas (automatic procedures)
- adoption of pro-growth planning, flexible, inclusive, affordable
- development of affordable housing policies



Objectives of the 2015 study on FORMALIZING THE INFORMAL



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- Assessment of the adopted policies:
 - How **efficient** and **sustainable** these solutions are
 - Their impact on property market and economy
 - Identification of **new or remaining weaknesses**
 - Evaluation of the **affordability & inclusiveness of** the solutions (minorities, refugees, women, young, unemployed)
- Investigation of tools used to eliminate the phenomenon in the future:
 - Protection of **environmentally sensitive areas**
 - **Improvements provision** in affected areas
 - **Affordable housing provision** and social inclusion
- **Recommendations** to unblock the property market and the economy
(*principle 4 of the POLICY FRAMEWORK FOR SUSTAINABLE REAL ESTATE MARKETS UNECEWPLA/REM 2010 publication*)



Evaluation of the Formalization Progress in the 5 countries



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Definition of the terms ***dead capital, unused, or underused capital***

Basic Principle of the “Formalization and Improvement” choice is to create sustainable real estate markets :

- Hernando De Soto’s Theory on “***Informal Economy***” and the *inability of some regions to produce capital, in spite of being wealthy regions*, because of the ***lack of representational processes*** that would make ***assets visible*** and ***productive***.

Findings:

- Progress? Yes...but
- Purpose of *Formalization & Improvement* approach is not always clear, not always Fit-For-Purpose (FFP)
- Priorities & procedures vary and are not always sustainable, fast, low cost, reliable, inclusive
- **There is a need for further support**



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Future Joint FIG/ UNECE Research: **UNECE**

Why the procedure matters

Objectives:

- Identify the ***purpose*** and set the ***priorities***
Purpose: to make these assets visible and productive
- Propose a ***Fit-For-Purpose*** formalization & improvement

A. Need to define best practices for the Formalization Procedure:

FIG & WPLA :

What are the minimum requirements in order to get those assets into the economy/market (into the property registration system) and make them productive

What *type of information* should be collected

What *tools/methods* are available and preferable

Low-cost, fast, reliable, inclusive

A FFP procedure to convert the “dead or underused” capital into a productive capital

Future Joint FIG/ UNECE Research: Why the procedure matters



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B. Need to define best practices for the Improvement procedure

UNECE CHLM & UNHABITAT & FIG:

What type of improvements may be achieved according to best practices

What low-cost standards and planning procedures may be used

What type of information is needed

How improvements of IS are achieved - examples, case studies

Demolition practices, costs, treatment of the debris and resettlement policies for those not formalized, future tools:

e.g., social/affordable housing policies

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FIG & WPLA & REM:

What technical tools/methods are available and how these may be used to collect the necessary information

How improvements will be financed. What are the best practices in order to achieve and ensure sustainability of this attempt

Tools and methods to speed up improvements, citizen participation, crowdsourcing methods; monitoring tools

Valuation aspects & tools/ methods to generate revenue to accomplish energy saving and stability improvements