How to Integrate and Implement the UNECE COVID-19 Recovery Action Plan for Informal Settlements (RAP) and the UNECE Guidelines for Formalization of Informal Constructions

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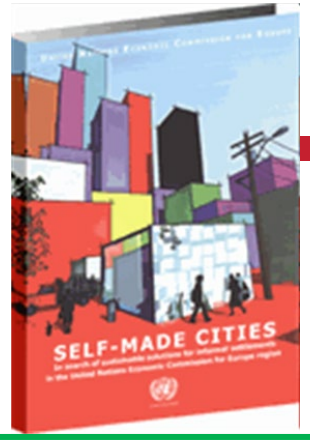
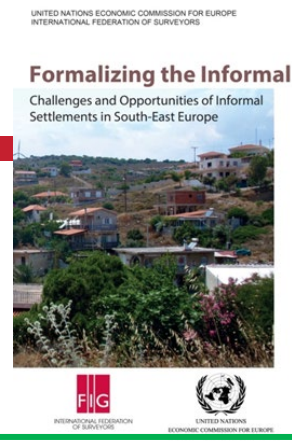
UNECE Committee on
Urban Development
Housing and Land Management

Outline

- Background information: UNECE publications, terminology; main points to remember; impacts and the need for inclusivity in property registration
- The Overall Process for Formalization
- Where does the RAP fit within the Overall Process for formalization
- How to merge the projects and how to implement formalization and RAP in parallel
- Anticipated common challenges when implementing the formalization and RAP

Terminology-UNECE Publications & lectures





❑ Lecture 1: Why to formalize (chapter 2 of the Guidelines)

- ✓ Informal real estate is defined as unauthorized property units (constructions) which may be lacking planning and building permits and in many cases lacking property titles as well, or real estate built in excess of such permits. Mostly it is residential real estate, but not exclusively.
- ✓ A variety of types
- ✓ self-made or even developed by professional constructors
- ✓ Informal constructions are related to a general informal sector, where **both constructions and residents** may lack legal documentation and remain unregistered, living and working informally, depending on a daily income, but actually keeping the economy running for the rest of the urban citizenry

WHAT TO REMEMBER

- ✓ Housing is important
- ✓ There is something in the system that makes land administration and management a really complex and inefficient task
- ✓ No country has enough public funds; countries need the involvement of the private sector
- ✓ When neither the state nor the private sector provide the appropriate supply, people build informally
- ✓ Residents in informal settlements must be empowered according to UN SDA2030

Impacts & the need for inclusivity in property registration

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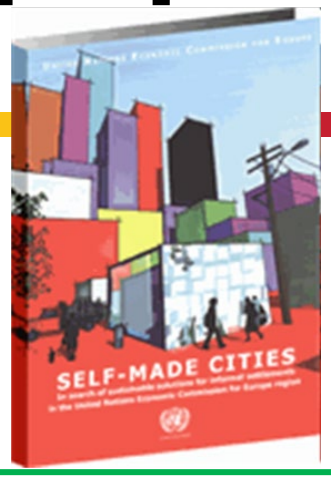
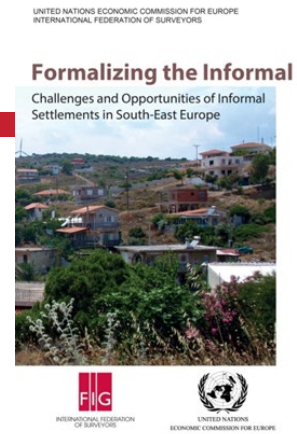
- Multiple Social & economic impact
- Lectures 1, 2 & 3
- Lecture 5: **The value of property registration**
- Environmental impact





- ✓ Improvements of both constructions and neighborhoods, against natural and manmade disasters such as flooding, fires, earthquakes, security and pandemics, as well as basic services, are needed
- ✓ decent resettlement in case of demolition
- ✓ Informal development also affects public revenue, fair competition, productivity & job opportunities

WHAT TO REMEMBER: (SDG1: No poverty)

A. Clear, fair, affordable and transparent title issuing and registration:

1. Improve security against land grabbing and evictions
2. Improve living conditions
3. Create marketable property units
4. Minimize lending risks & Enable funding further improvements
5. Provide a **spatial data infrastructure for evidence-based good governance & provision of humanitarian support**

B. Existing informal rights should be recognized & legalized prior to any land reforms for upgrading and planning. Residents will be fairly treated & are more likely to support the reforms

Additional parallel actions & preparation of local PRR plans are needed

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- ❑ Covid-19: A new global challenge but with a greater impact on Informal Settlements
- ❑ UNECE RAP 2021
- ❑ Where are we now in our region:

a. We need to agree on how to **implement formalization and the RAP in parallel** for resilience & BBB, and now in particular we need to discuss the need to **break it down into small local plans and prioritize according to the needs & risks**

b. How to **systematically** prepare **local Pandemic Risk Reduction Plans** in order to **prioritize our needs** & build pandemic resilience in future, but also

c. How we will **systematically** prepare other **local Disaster Risk Reduction Plans**

WHAT TO REMEMBER

1. Formalize **all existing informal settlements** that can be formalized & **always resettle** if formalization is not possible
2. **Why**? In order to meet SDGs, the New Urban Agenda, VGGT in time. 1 billion IS Residents must be protected from **poverty, climate change, covid 19 and other disasters**
3. **Why now**?? **Why formalization & RAP in parallel**:

✓So far not much progress is reported in the 5 years of implementation of the UN Agenda 2030

✓Covid 19 causes additional impacts- **150 Million new poor**

✓Covid 19 has a higher "localized" concentration within informal settlements

✓People are most exposed and most vulnerable-less prepared

✓Basic infrastructure is poor

✓There is a lack of geospatial information for evidenced-based actions

✓**The pandemic does not recognize legal or physical boundaries- Restoring global health is an uppermost priority**

The Overall Process for Formalization

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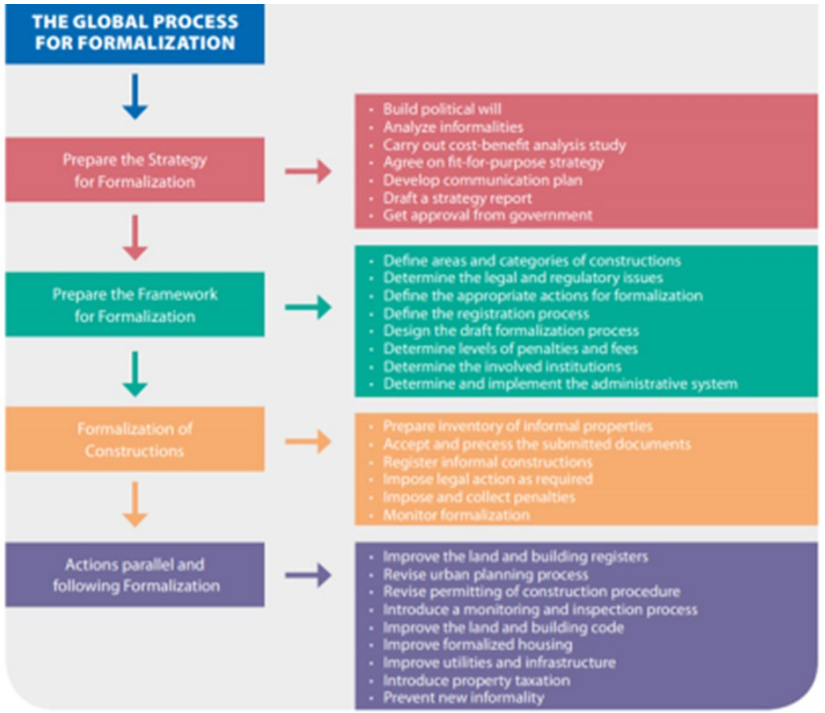
WHAT TO REMEMBER

- ❑ Lecture 1: Why to formalize and the overall process of formalization
- ❑ Lectures 2 & 3: How to develop a strategy
- ❑ Lecture 4: How to prepare the Framework for formalization and how to implement it
- ❑ Lecture 5: The value of inclusive FFP property registration
- ❑ Lecture 6: Actions to be taken in parallel with the formalization
- ❑ Lecture 7: Actions to be taken following Formalization



WHAT TO REMEMBER

Long-term BBB also includes improvements in developing:

- ✓ well-functioning **property registration**
- ✓ pro-growth **planning** and flexible permitting of developments & plans
- ✓ general **infrastructure** upgrading works
- ✓ planning for **affordable housing**
- ✓ property **valuation and taxation**
- ✓ a **functioning and transparent real estate market** (other issues)
- ✓ **funding mechanisms**
- ✓ professional **education**
- ✓ **professional** standards and **ethics**
- ✓ an inclusive role for the **private sector**

Prepare the formalization strategy

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WHAT TO REMEMBER

1. **Analyze the problem** & prepare a **background paper** (causes, size, type, location, extent of informal constructions at national level)
2. Organize **political support**, **involve relevant ministries**, state authorities, professionals, private sector, banking sector, NGOs, academia & **raise awareness among society**
3. Prepare an **inventory basemap** (orthophoto map/GIS), **classify land use types & ownership status & construction types** (construction age, size, quality) in a simple way
4. Collect **data about the population/residents** (number of people, size of families, income, ethnicity, etc);
5. **Cost-benefit analysis**, determine the cost of no-action, simplify the problem & point out the **expected benefits & possible quick wins** & a feasibility study for all other needs
6. **Agree on a fit-for-purpose formalization process** (fast, affordable, reliable, inclusive, fair, transparent) & for **prioritization of actions**
7. Develop **a communication plan**
8. Draft the **strategy report**
9. Get **approval from government**

Prepare the formalization framework

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WHAT TO REMEMBER

1. Define **the areas (zones) & categories** (types) eligible for formalization & define any necessary actions to legally enable it. **Preserve protected areas (within/out of these zones)**
2. Classify **types of legal informality** (lack of ownership title/permits or permit excess, informal subdivisions & agreements). **Political decision is needed for: (a) title issuing, fees & charges, (b) planning amnesty.**
3. Classify **types of technical/construction informality** (lack of operational permit);
4. **Estimate & classify the risks and define appropriate actions, inform residents; list of procedures; Define inspections** according to the risk type-involve the private sector. When operational residential permits are issued without inspection (for small/mid-size constructions) **ensure that occupants accept the risks & are aware of actions to be taken for safety.**
5. Design the **formalization process; standardization of documents & procedures** is important. Determine the **involved institutions & their role**
6. Define the **registration process**. Property titles should not be legally bound with any planning requirements; Transactions should be independent of an operational permit. Such pending issues can be accomplishes by current or future owners;
7. Determine **the administration system:** responsible agency and processes, specifications, infrastructure/technical facilities, resources, monitoring procedure, guidelines for all, etc.
8. Determine **levels of penalties/fees** needed for title issuing
9. Prepare the **legal framework**

Formalization of constructions
WHAT TO REMEMBER

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1. **Receive & process applications & documents**; record historical evidence & fee records and provide needed certificates electronically & free of charge
2. **Collect penalties & fees**-affordability is important
3. **Register constructions** in a simple and fast manner (avoid special evidence lists etc., technical pending inspections & building permits are not usually mentioned on titles).
4. **Provide titles and allow transactions/mortgages.** Transactions should be allowed even if construction is of poor quality.
5. **Monitor the process**, provide open access to data, **maintain all records**, oversee all involved institutions, uncover problems, extend deadlines, provide incentives, protect vulnerable groups, **make adjustments**
6. **Address any legal issues that may appear** (during or after the process)
7. **Report** openly

1. **Actions to be taken in parallel with the formalization for improvements of constructions & neighborhoods, local DRR plans are important to identify the needs & risks**
2. **Actions to be taken following Formalization, improvements of all Land administration & management tools**

Covid 19 Recovery Action Plan

Prepare a Pandemic Risk Reduction Plan

(short-, mid-& long-term resilience against pandemic)

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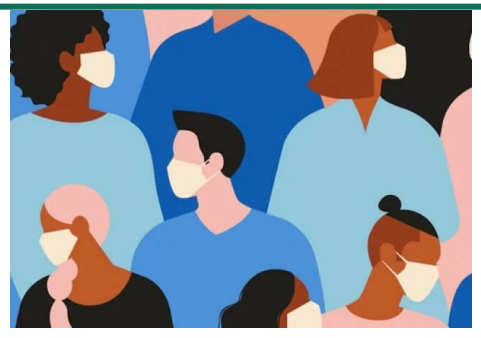
Based on the **exposure to the pandemic** & the **society's vulnerability** (economic, physical, environmental, social, institutional, cultural):

1. **Read and follow the directions** of the national, regional/state, or district **pandemic response plan**
2. **Collect historical geospatial & demographic data from the current covid-19 2-year experience** to estimate the risk in the various informal zones always in relation to the progress of formalization;
3. **Assess & identify municipal resources** for all sectors (including human, technical, medical resources)
4. **Identify the needs & classify according to the vulnerability and the progress** of formalization & upgrade low-, mid- & high-risk zones;
5. **Ensure / identify possible donors**
6. **Identify the current available geospatial data sources**; Use the inventory of informal constructions and data about occupants & buildings in the geospatial database & improve it with additional data & key land marks as mentioned in the PAs; e.g., hospitals, clinics, ICUs, medical staff, road network, other service networks, etc.



Prepare a Pandemic Risk Reduction Plan

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7. **Mark what recreational and other public gatherings pose the greatest risk** ; map **green spaces** that can be enjoyed safely; Identify **which buildings are frequently used**, etc.
8. **Understand what is already done** (of the 9PAs) to manage the pandemic so far; **how to go from now until the end** of the pandemic ; **what is the reality** (number of affected people & economic damage)?
9. **Recognize how much residual extensive risk is in front of you**, the on-going projects, **what more is needed** (mitigation/preparedness measures) to **minimize the residual risk** and how to **manage** it
10. **Prioritize in terms of a feasibility study/ existing resources**, etc.
11. **Arrange the budget allocation**/ internal-external funds
12. **Identify responsible organization/s and /or external funds needed**
13. **Confirm the PRR plan with relevant authorities**

The overall process for formalization & for building pandemic resilience - RAP

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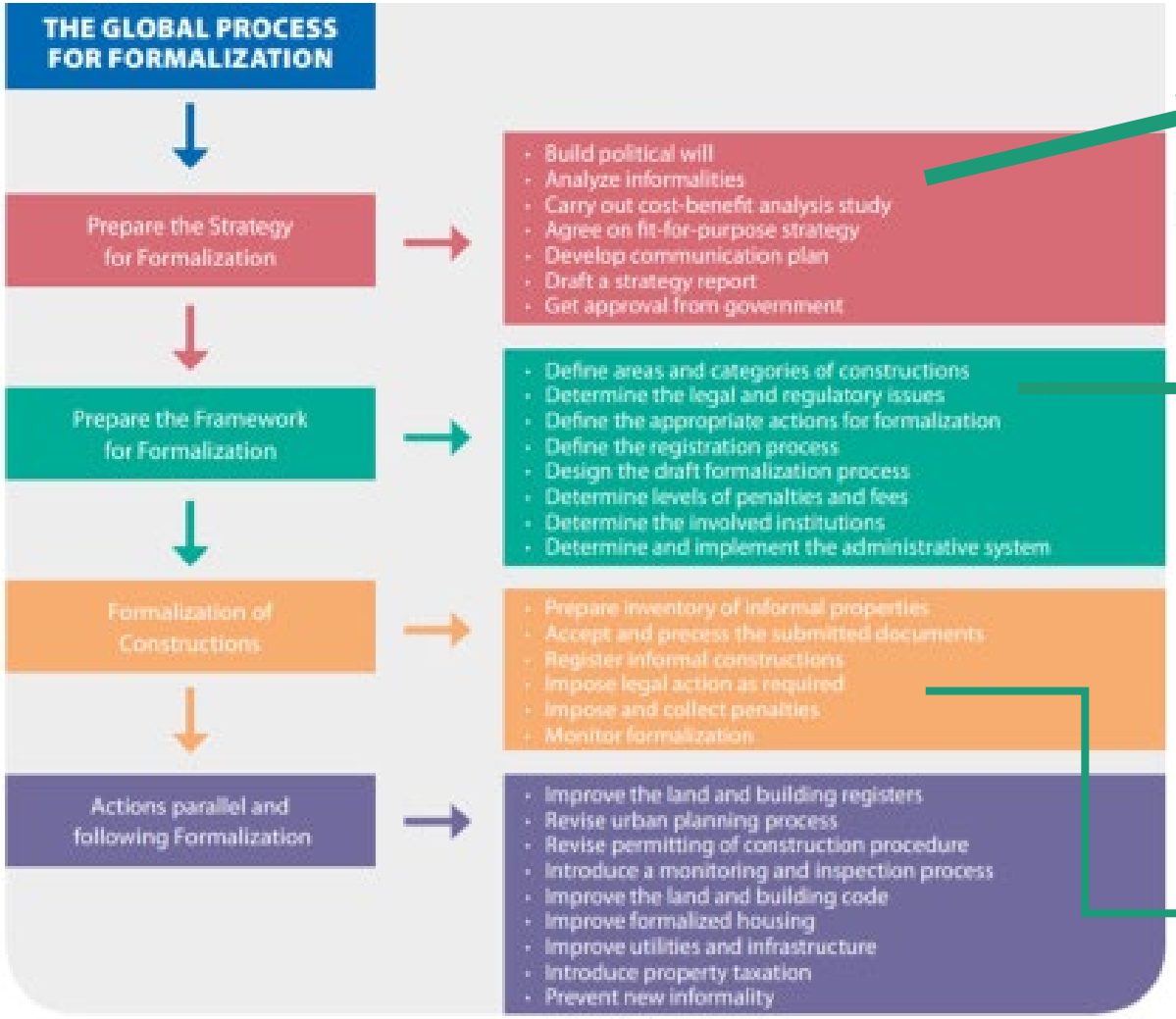

✓Prepare **local Pandemic Risk Reduction (PRR) plan & prioritize actions/works; specific** cost-benefit analysis; agree on a FFP; communication plans, strategy report; approval

- ✓ Define the **pandemic risk in the various zones** and **list all necessary measures/actions**
- ✓ Define the **legal and regulatory issues** to allow urgent-short-mid- & long-term measures/interventions
- ✓ Define the **appropriate implementation actions** & **administrative procedures, roles/responsibilities/ establish an emergency operation center in the municipality**
- ✓ Define the levels of **penalties** & the **involved institutions**

Implementation of measures/actions/small public works; prepare geospatial plans; identify routes, buildings, spaces, small improvement works, **implement, monitor, continually assess the needs; modify daily; training**

Common challenges of formalization and building resilience against pandemic & BBB

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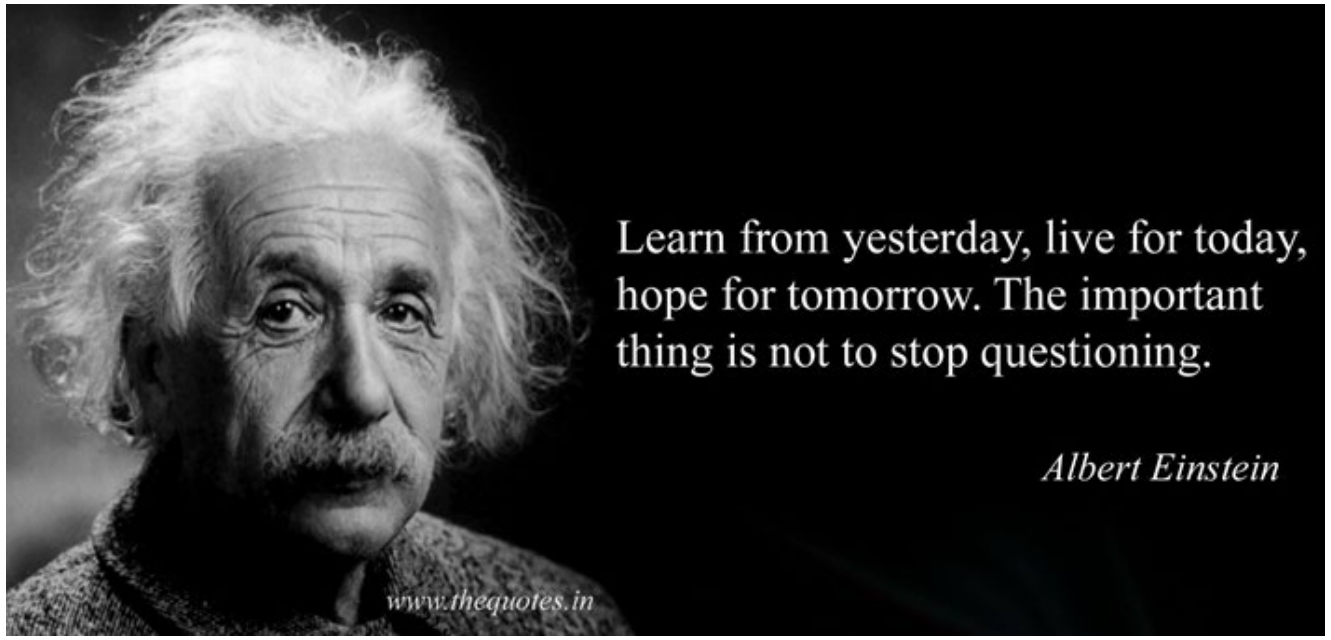
- **Complex problems** & **corruption**: the easiest thing is to do nothing
- **Multiplicity of authorities** , overlapping responsibilities
- Develop a strategy/timetable/prioritize is crucial. **Do not try to solve everything at once**
- **Legislation revisions needed**
- **Weak capacity** (identify and involve the local experts); lack of funding- difficulty in aligning funding Ensure sustainable financing & coordination
- **Need to simplify the problem to the politicians –show the benefits** for economy & citizens very fast;
- Guidelines: long-tem planning but fast budget returns; RAP: fast return to a “new normal” situation
- **Best use of technology-fit-for-purpose**; data collection & monitoring & sharing info/services/goods
- **Address underlying constrains** (political, ethical, cultural/religious, legal, administrative/institutional)
- **Private sector participation, PPP for certain functions** e.g., digitalization of services, automation
- **Engage the society**/citizens/local leaders-influencers; ensure inclusivity
- **Develop Disaster Risk Reduction Plans** for systematic BBB and better results

Do not try to solve everything at once, do not make it complicated and REMEMBER:



Thank you!

Chryssy A Potsiou
Prof NTUA, Greece
Honorary FIG President, past Vice chair WPLA

E-mail: chryssy.potsiou@gmail.com
Mobile: +306944710817

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