

Improvement of informal settlements in countries: current situation and needs in policy advice and capacity-building

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Informal settlements in the UNECE region - A quick overview

- In 2007 it was estimated that more than 50 million people lived in informal settlements in 20 UNECE member States
- Challenges of informal settlements consist one of the focus areas of research of the WPLA
- Exploring in depth informal settlements through publications:
 - Self-Made Cities: In Search of Sustainable Solutions for Informal Settlements (2009)
 - Formalizing the Informal: Challenges and Opportunities of Informal Settlements in South-East Europe (2015) jointly prepared with FIG.
 - Guidelines for the Formalization of Informal Constructions (2019)

UNECE publications of WPLA work

- Showed for the first time, that the problem of informal housing is not typical only of poor and developing countries, but it affects many UNECE member States
- Solutions to informal development are a function of consistent land policies, good governance, and well-established institutions and systems.
- There is no simple solution that fits all the diversity of informal development as well as social and economic capital of each country
- Based experiences from countries, identify policy responses to address these challenges

Informal settlements in Albania

- To identify policies for addressing informal settlements needs understanding of:
 - Root problem: what caused the birth of informal settlements in Albania? Can we cure them?
 - Magnitude: How big is the problem and where is it concentrated? Can we address them all? Are there priority areas and groups?
 - Diversity: what kind of informality?
 - Impacts: how it impacts economy, social development and environment?
 - Policies: How to address informal settlements? What kind of approaches?

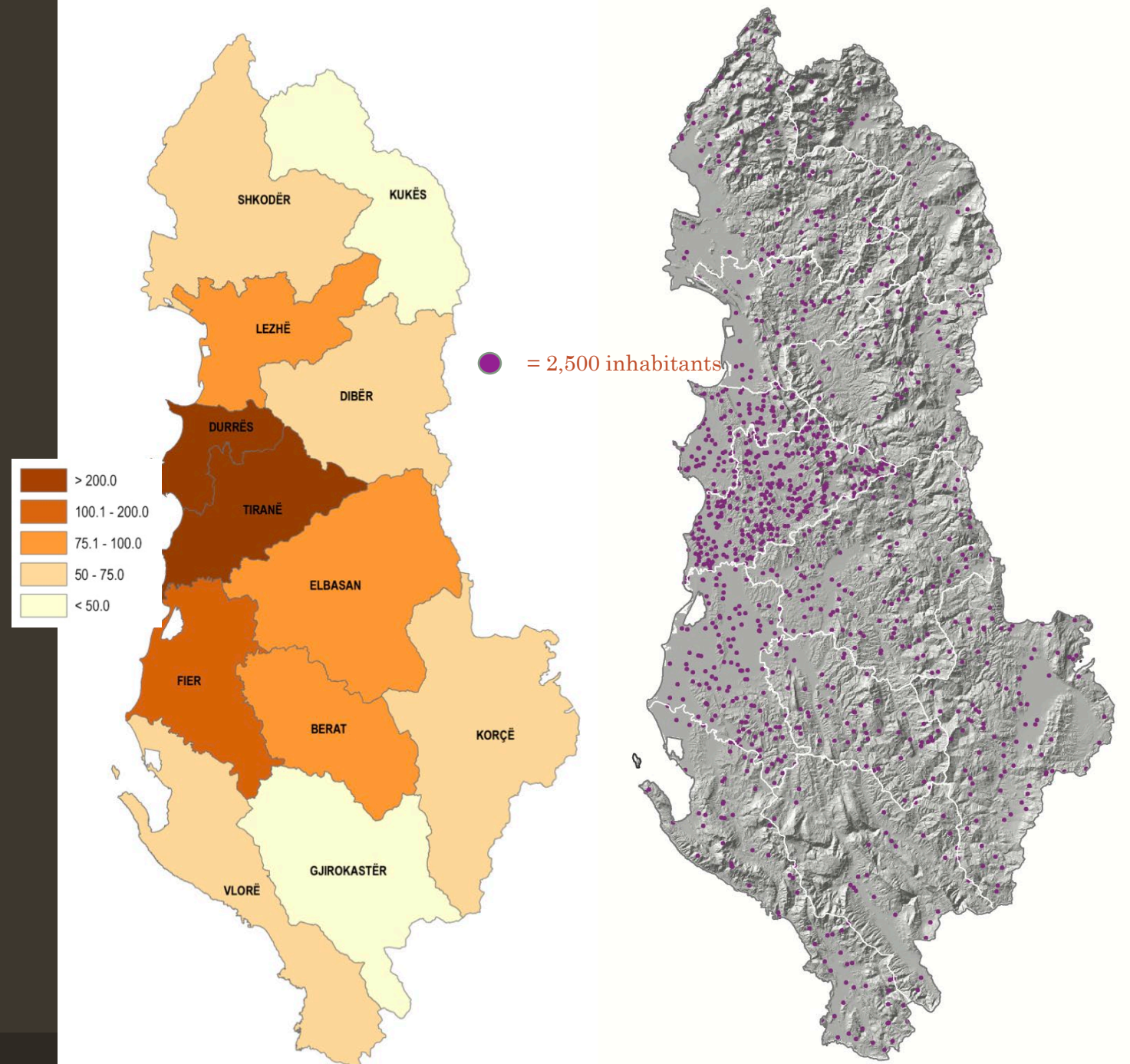
Roots of the problem

1. Removal of the legal barrier to move freely

2. Urbanization

Urban population in 1989 – 38%

Urban population in 2011 – 52%



Legislation to introduce market forces and the right to property

- Law no. 7491/1991 "On the main constitutional provisions", the **right of the individual to enjoy private property** was sanctioned.
- Law no. 7512/1991 "On the sanctioning and protection of private property, of free initiative, independent private activities and privatization", **sanctioned the private economy**, and paved the way for the birth of new civil legal relations on this property.
- In 1991:
 - The inherited cadastral system had data on the property "agricultural land" referring to its location and geographic positioning and owner's data.
 - The mortgage system had registration data for properties in urban areas (urban plots), based only on data on the owner and the origin of the title.
 - The office at that time **did not offer a cartographic layout of the property**.
- For the first time, the registration of immovable properties as well as the real rights over them was done on the basis of Law no. 7843, dated 13.07.1994 "On the registration of real estate"

2. Structural adjustment reforms:

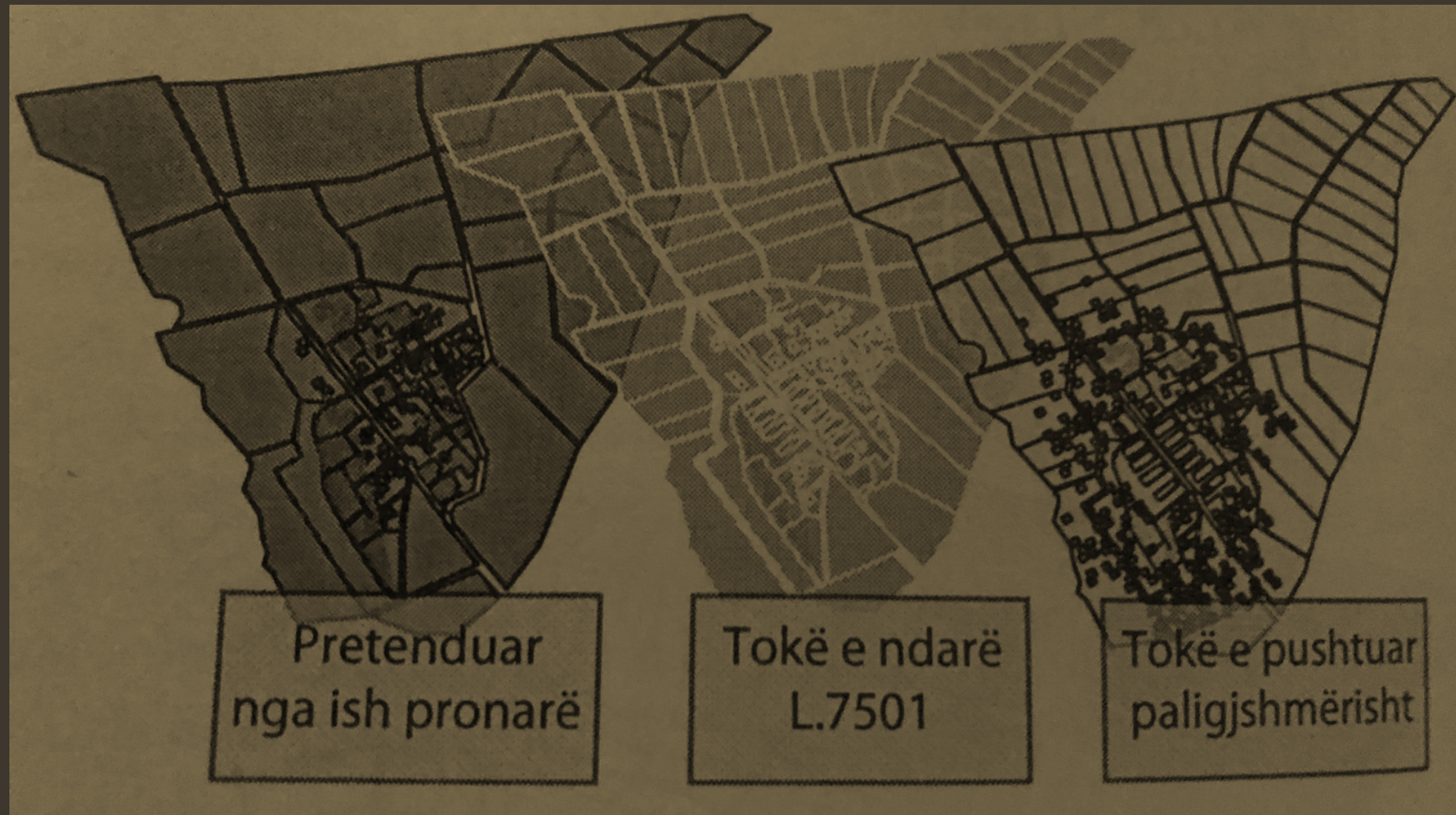
1. Privatization
2. Restitution of properties
3. Land reform

Different legal regime on the same plot of land:

1. Law 7501 date 19.7.1991, "On the land"

2. Law 7698, date 15.4.1993 "On restitution and compensation of properties [...]"

3. Law 9304, date 23.10.2004 «On the legalization and urbanization of informal housing»



Source: B. Aliaj, 2008

Land, pretended by original owners

Land, allocated in 1991 in use for agriculture (not in ownership)

Land, occupied illegally

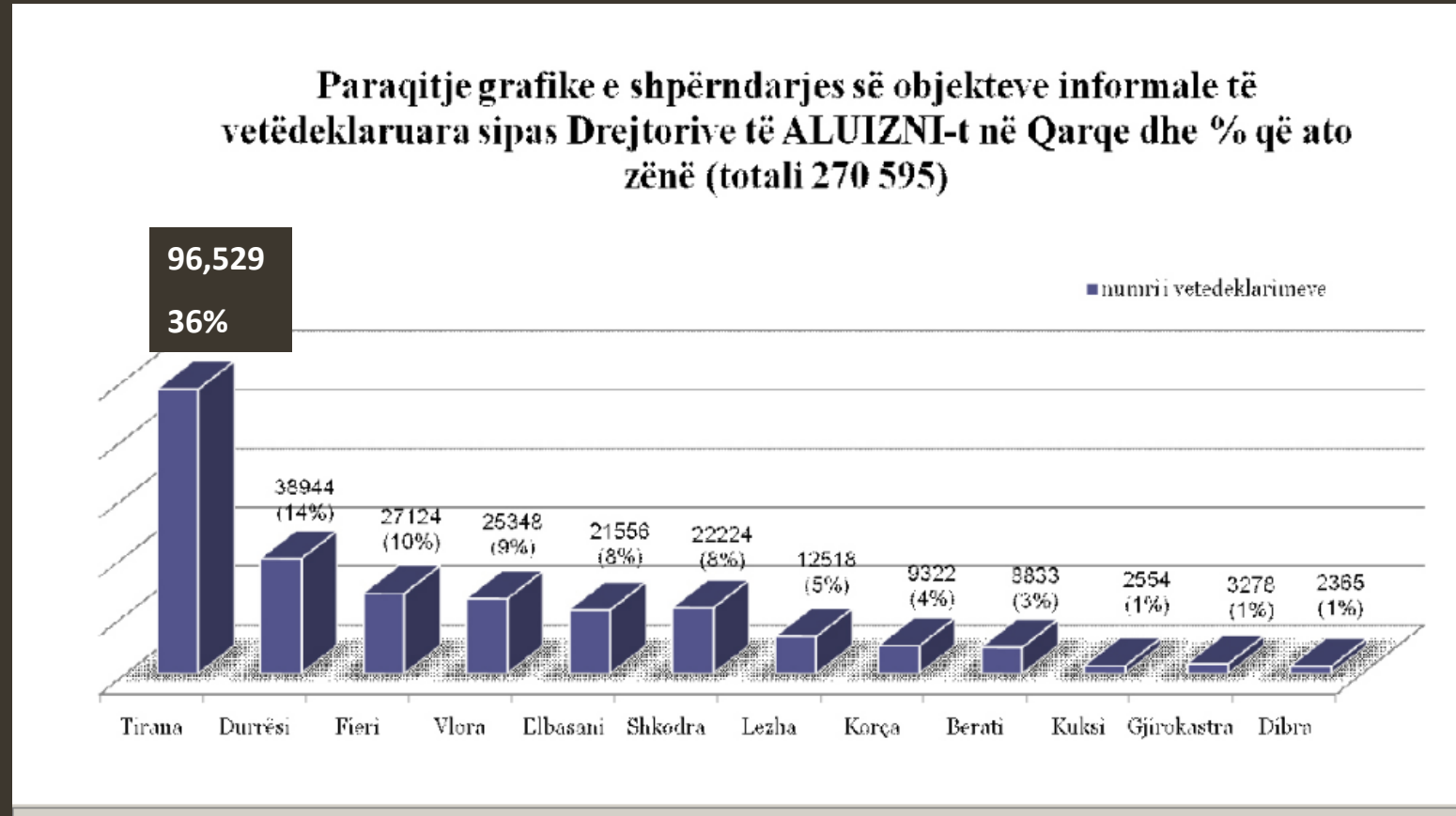
Summary of roots problem

- Migration from Eastern side towards western coastal areas, mostly in Tirana Durrës corridor
- Structural adjustment programs
- Overlapping legislation ruling same parcel of land
- Lack of affordable and/or social housing
- Weak institutions, including inability, lack of capacities and corruption



Magnitude of the problem

In 2005 approx. USD 6-8 billion was the estimated value of the “dead” capital

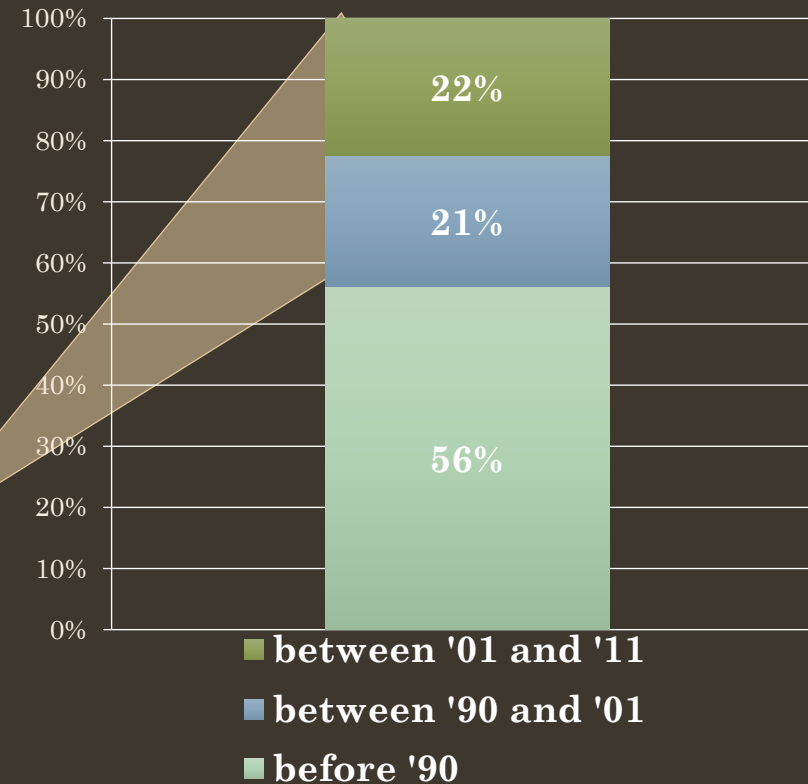


Magnitude of the problem

Housing Stock

dwellings/1000 inhabitants	1989	2011
	219	362
Housing deficit	108,000	
Informal housing	75%-90%	

Age of the housing stock



Typologies of informal development, subject of legalization

- Illegal occupation of land (private and state-owned) and building without permission
- Building without permission on their own land
- Occupation of state-owned buildings (ex-industrial, warehouses, student dormitory, etc..)
- Extention/eddition of existing buildings without permission
- Deviation from the building permit (mostly in inner cities)



Policies and strategies to address informal settlements

Formal process



Informal process-1



Informal process-2



- Demolition (1995);
- Ignoring (1995 – 1996);
- Intervention:
 - WB project:
 - Housing 1 (1993 - 1995)
 - Land development (1995 – 1998)
 - Upgrading of informal settlements (1998 – 2004)
 - Legalization (2004 – up to date);
 - Urbanization;

Rationale for legalization

- vitalizing the ‘dead capital’ – enabling transactions, mortgaging as a pledge
- social aspect – security of tenure,
- economic aspect – taxes and fees
- health and environmental aspects – water and sanitation



Impact of legalization policy



LAW No. 9482, dated 3.4.2006 On the legalization, urbanization and integration of buildings without permission – **legalization of all buildings erected before the entrance in force of the law**

Law no. 10 219, date 14.2.2010 is the fifth amendments to the law of 2006; Article 2.1 doesn't change the formulation as above, which can be interpreted as the deadline for legalization is extended



Law 50/2014 extends the **deadline to 2009**, while Law 65/2015 is the ninth amendment of the law, which extends the deadline for legalization for constructions without a permit until **27.6.2014**



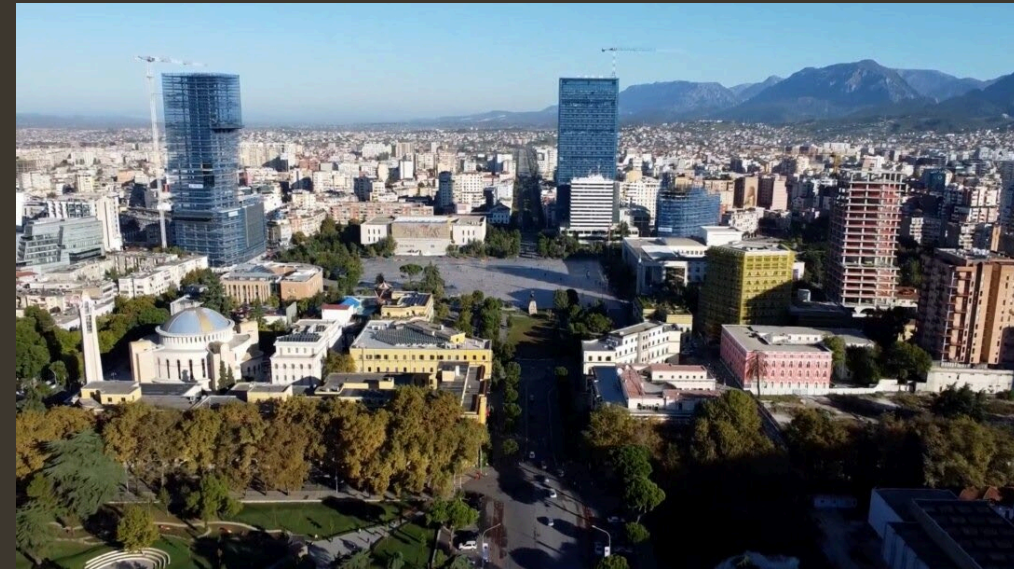
New legislation

- Law 111/2018 “On Cadastre” establishes rule for:
 - the organization of the state cadastral regime;
 - registration of private, state and public immovable properties, real rights
 - improving/updating the real estate register;
 - creation, organization and operation of the State Cadastre Agency



New legislation

- Law 20/2020 “On the termination of the properties’ transitional processes in the Republic of Albania”, aims, inter alia:
 - **"Legalization"** - administrative-legal process, for completing and registering ownership titles for constructions without permission.
 - **"Construction without permission"** is the construction permanently and continuously connected to the land or to other buildings, which was made after 10.8.1991 and is presented in one of the following types:
 - object, or addition to registered construction, regardless of its function, which was carried out in the absence of a construction permit;
 - object with violation of building permit.



More policy solutions

- Property registration and modernization of Cadastral office
- Legalization, urbanization and improvement of informal developed neighborhoods
- Urban plan for 61 municipalities
- Control on the territory
- Social purpose housing programs