

PARTICIPATORY AND INCLUSIVE LAND READJUSTMENT



An overview of Nairobi, Kenya 2011. Photo © UN-Habitat/ Julius Mwelu

UN-Habitat is developing a new approach for improving urban development. 'Participatory and Inclusive Land Readjustment' (PILaR), adapts the traditional tool of land readjustment to developing country contexts by placing an emphasis on it being *participatory in process* and *inclusive in its outcome*. PILaR will improve development outcomes in urban areas via:

- Improved land management and planning processes that promote the optimal use of land,
- Improved infrastructure and public space provision leading to better environmental management mechanisms,
- Adopting a participatory urban development process that recognises multiple communities and preserves and values local

dynamics, engendering community 'buy-in',

- Improved institutional capacity for community engagement,
- Increasing the land value sharing options to help finance infrastructure and services,
- Providing options for the sharing of the burdens and benefits of development and thus improve public capacity to deliver infrastructure,
- Optimizing vertical and horizontal developments to increase the supply of affordable serviced land, and
- Use of financing options and vertical development to promote connectivity and mixed use with an emphasis on pro-poor strategies, such as social housing, to create inclusive and sustainable towns and cities for the future.



An informal settlement on the Picacho hill in Medellin, Colombia. 2012. Photo © UN-Habitat/ Albert Padrós

WHY NEW APPROACHES TO MANAGE URBAN GROWTH?

Many towns and cities in developing countries are struggling to respond to current urbanization rates and are thus challenged to provide adequate shelter and housing, services, infrastructure and safe public spaces.

These challenges have resulted in the further marginalisation of many urban dwellers, leading to high incidences of poverty, unhygienic living conditions and informal economies with limited opportunities for upward mobility. Women, children, youth and newly arrived migrants often bear the brunt of this spontaneous and disorganised urban expansion.

A key element of these challenges is the lack of serviced land; i.e. land connected with the city and supported by other appropriate infrastructure and services. A related dimension is that in many urban contexts, limited planning, particularly 'planning in advance', is undertaken. Furthermore, knowledge of tools to facilitate sustainable urban development, particularly tools relating to negotiated land acquisition, is lacking or is difficult to manage and coordinate. Combined with limited resources and capacity, many local authorities thus struggle to undertake urban development processes that embrace all stakeholders and result in broad ranging benefits, as well as to finance the infrastructure required for properly serviced land.

These capacity gaps also often prevent governments from undertaking the necessary governance, legislation and land administration related reforms that might adapt existing institutional structures and regulatory frameworks to emerging urbanization trends and, thus, to increase the supply of serviced

land. To address this situation, and contribute to the development of sustainable towns and cities, there is an urgent need for new and innovative tools.

THE POTENTIAL OF LAND READJUSTMENT

Land readjustment is a tool that can support sustainable urban development by allowing for planned and managed urban extension and densification.

This technique brings a group of neighbouring landowners in a partnership for voluntary land contribution or sharing, joint planning and the servicing of their adjoining plots. It includes an equitable sharing of the costs and benefits of projects among public bodies, landowners and developers. The surrender of land for infrastructure and other public space needs, and sometimes also for sale to offset infrastructure costs, is a key characteristic of land readjustment.

UN-Habitat believes that there are many potential benefits of land readjustment in terms of managing urban growth via expansion and densification. Landowners also benefit, as land readjustment improves the overall individual and neighbourhood property values. For local and municipal governments, land readjustment can facilitate the efficient urbanisation of land at reduced cost because the project site and infrastructure rights of way do not have to be purchased or compulsorily acquired and development costs can, in some cases, be substantially provided from within the project.

There are, however, some significant limitations to conventional land readjustment approaches. While the technique has been widely used in developed countries such as Germany,

Japan, Korea or Spain, it has been, largely, treated as a technical tool relying on strong legal and land systems (e.g., cadaster, valuation, land markets) and resulting in 'top-down' design and implementation processes. The absence of comparable legal and land systems, and the need to focus on achieving affordable, pro poor and inclusive outcomes as foundations of sustainable urban development, has meant that land readjustment has had limited success in developing countries.

UN-HABITAT'S PARTICIPATORY AND INCLUSIVE LAND READJUSTMENT (PILAR) APPROACH

UN-Habitat has proposed a new approach for land readjustment called PILaR – Participatory and Inclusive Land Readjustment. The approach addresses many of the challenges of conventional land readjustment. For example, the new approach aims to have all stakeholders at the core of its development processes and to



Housing block in Medellín. Photo © UN-Habitat/ Solomon Haile

deliver a sustainable and inclusive outcome. Participation and engagement thus lie at the heart of PILaR with a specific emphasis on engaging the poor and marginalised and of recognising particular vulnerabilities such as gender, age and youth.

The approach also emphasises early and consistent, but realistic, stakeholder participation to encourage community input and the ultimate ownership of the urban redevelopment. Local dynamics, such as community networks, heritage, culture and local business are also identified as a means to maintaining the core positive 'local dimensions' of a place within the change process.

Stakeholder participation is also developed at other levels, including effective engagement with land owners, civil society, academia and public and private sector property developers, as well as financial institutions. These participatory and inclusive priorities are considered within the context of developing appropriate governance, legislative and regulatory mechanisms to better facilitate planning, participation and land value sharing¹ – with the ultimate aim of delivering a sustainable, dynamic and inclusive redevelopment.

The PILaR approach is currently being tested via a pilot process in Colombia, to facilitate local, national and international learning on this new, participatory and pro-poor land readjustment method. In support of the national and municipal governments of Colombia, an international team are working across the key thematic areas of governance, land, legislation, public private partnerships and community to understand how PILaR can be applied as a tool for urban densification in Medellín; a tool that is more participatory and more inclusive and that, as a result, will equitably deliver serviced land.

The Medellín neighbourhood that is the focus of the PILaR pilot process, is intended to be an example of how sustainable urban development can be achieved at scale, through improved planning (mixed use neighbourhoods with adequate public space and infrastructure and appropriate density).

The robust engagement and planning methods of PILaR combined with the gains made from shared land value increases, will help empower municipalities to facilitate and guide development at a reasonable cost and with the full participation of affected communities. The project will also assist in developing mechanisms to ensure that any added land value is better shared amongst the private and public sectors so that the necessary infrastructure is completed and thus the benefits reach a broad range of stakeholders, including those considered 'vulnerable'.

PILaR will ultimately serve as a guide for other UN-Habitat partnerships on city densification and extension as well as providing an approach that can be added to the options available to national and local decision-makers.

¹ Land value sharing is also referred to as land value capture.



City officials in Medellín, Colombia. 2012 © UN-Habitat/ Albert Padrós

PILAR'S POTENTIAL IMPACT

UN-Habitat's PILaR model for densification and extension can:

- Provide affordable serviced land to reduce the negative impact of informal settlements,
- Through land value sharing, offer new public and private sector approaches to help finance infrastructure and share the burdens and benefits of development,
- Create a process that values local dynamics and supports local social and business networks, local culture and heritage and thus helps generate greater community support for urban development,
- Enhances inclusivity and overall urban liveability and sustainability through its process and the infrastructure built.

This approach requires the involvement of a varied range of specialists with expertise in the areas of local governance, urban law, urban planning, land administration, politics, community engagement as well as an in-depth knowledge on the local context and community participation.

UN-Habitat aims at introducing PILaR as a new service for national governments and local authorities to better tackle urbanization challenges, such as urban sprawl and the slums, through a rights-based approach where participation and inclusiveness and of managing private and public sector roles and responsibilities will be central.

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