

Land readjustment: towards a working definition

Land readjustment is a technique whereby a group of contiguous land parcels in an urban-fringe or in an inner city neighborhood are voluntarily brought together or shared for unified planning, servicing and **REALLOCATED** with project costs and benefits equitably shared between and among landowners.



UN HABITAT
FOR A BETTER URBAN FUTURE

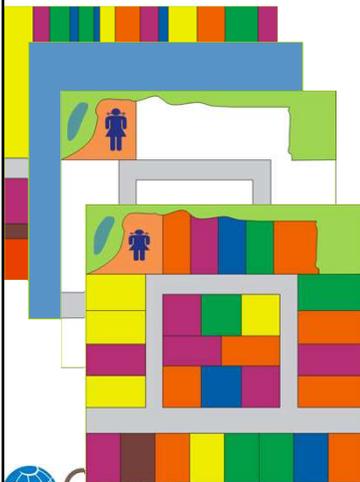
Some typical process of LR

- Project area identification, negotiation with land owners
- Assemble land (whose size, shape, location to be adjusted...create readjustment mass...all changes in shape and size are not land readjustment)
- Calculate requirements for and deduct land for public space /infrastructure and redesign
- Reallocate the rest (redistribution mass) and redesign all parcels
- Correspondence between input and output parcels
- Basis of for calculating contributions: size / value (mass valuation/individual valuation)
- Governance (collective action/social mobilization)
- Planning (anchored in local spatial/physical plans plus design at large scale)



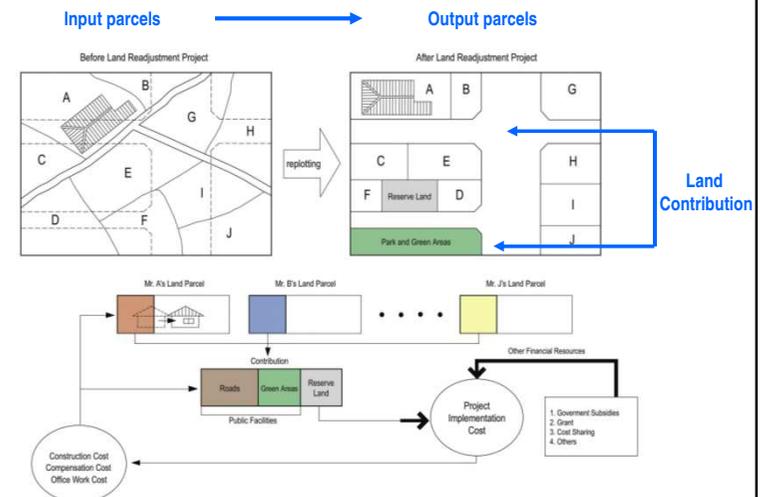
UN HABITAT
FOR A BETTER URBAN FUTURE

Mechanics of LR: Simple Schematic

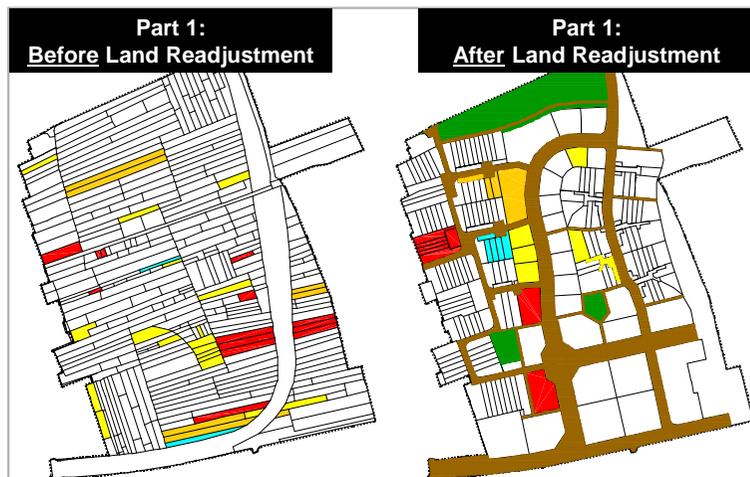


1. Existing parcel structure prior to taking any action
2. Assemble all plots (create readjustment mass)
3. Deduct land for public space
4. Redistribute reallocation mass (reparcelation)

Land readjustment: before and after scenarios



Land Readjustment: unified development and project wide action



What does PILaR aims to achieve?

- improving urban governance through
 - optimal use of land: readjusting and redeveloping plots to improve serviced urban land supply through negotiated and consensual processes;
 - transparent and inclusive community processes which can be transferred to other areas of urban management and governance.
- supporting livelihoods and job creation efforts by improving the living, working and leisure spaces and enabling the urban poor to actively engage in governance processes.

Why LR/PILaR?

- Failure of other land delivery mechanisms: expropriation; land markets
- Example:
 - *expropriation is complicated and expensive; entails lengthy legal battles; prone to malpractices as public interest is loosely defined; compensation is neither adequate nor prompt; doesn't include relocation costs; valuations are always controversial;*
- LR provides opportunities to improve the supply of land through negotiated processes. And PILaR even more so.
- LR/PILaR enables combining land acquisition with infrastructure, public space provision; SERVICED LAND SUPPLY
- LR/PILaR allows to redevelop or densify city neighborhoods including those areas where land is underutilized

Differences b/n PILaR and conventional Land Readjustment

- Technical vis-à-vis governance focus (conventional LR is about planning, design, surveying, etc)
- Community centered vis-à-vis city government led
- Voluntary land contribution or land sharing based on high level of consensus (preferably above 75%) as opposed to simple majority (51%)
- PILaR has a potential to address serviced urban land supply issues in contexts where underlying land systems (valuation, land administration, land markets, etc) are lacking
- Where possible and applicable, equitable sharing of costs and benefits (to self-finance infrastructure development through land value capture, selling of development rights); where this not the case, public subsidy (including cross subsidy) to be promoted

PILaR: contexts and defining features

CONTEXTS

- Widespread informality
- Post disaster and post conflict situations
- The circumstances of vulnerable groups (e.g., women)
- Weak institutions including inadequate legal systems, extensive apathy to the rule of law, etc
- Under-resourced local governments
- limited human capacity
- Non-existent and inadequate land records
- Weak land administration and valuation systems

DEFINING FEATURES

- An entry to reform urban governance
- Inclusion and participation of all stakeholders; broadly consensual
- Pro-poor, gender responsive, etc
- Equitable distribution of costs and benefits (where applicable)
- Focus on slum upgrading, orderly and proactive expansion of cities (as a means to prevent slums) and creation of public space
- Affordable and flexible (to avoid lock-in and path dependency)
- In tandem with other pro-poor tools (STDM, participatory enumeration, valuation of unregistered land, etc)

PILaR in Medellin: An Overview of the first Global Pilot

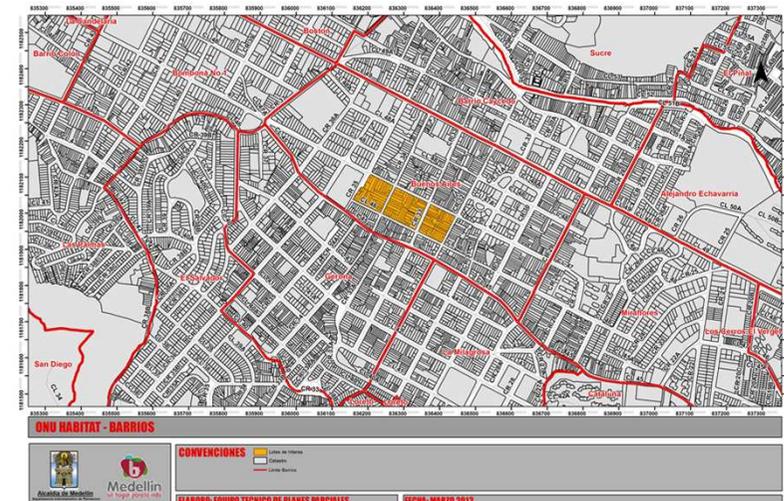
- Country selection: two-staged case research; consultations with UN-Habitat Regional and Country Office
- City selection: field assessment and consultations with relevant stakeholders facilitated through the country office
- Site selection: rigorous process involving UN-Habitat and city staff and based on agreed upon criteria
- Governance and inclusion key elements of project design and implementation
- Partner city contributing 50% of the resources
- Redevelopment of a strata 3 neighborhood
- Project managed through a multi-disciplinary team drawn from 3 units of ULLG

PILaR in Medellin: An Overview of the first Global Pilot

- A planning framework: land use management plans (Planes de Ordenamiento Territorial, POT)
- Existing LR practice within the framework plan parciais and macroproyectos as entry point to governance centered LR which is PILaR
- Existing LV practice (valorización and plusvalias) as an entry point to look into more robust methods of land value capture
- Agreement on a joint learning project to define and refine a new methodology that can be scaled up and replicated in developing countries
- An enabling legal framework: Law 388/97 in the main and other legislations
- In-country capacity: JICA supported human resources development in general and strong institutional capacity
- Robust innovative credentials of the project city coupled with the desire to replicate learning in other cities in the country and across the region



The site and the larger neighbourhood



The site: the three blocks



Current housing stock at the site



Looking ahead

- Project launch
- PILaR Governance methodology development based on the concept of multiple communities and interests
- Land value sharing
 - Assessment of existing practice;
 - policy and practice recommendations;
 - EGM for consensus building and validation of findings
 - Appropriate provisions in the new land use management plans (Planes de Ordenamiento Territorial, POT)
- Knowledge management for learning including in-house learning
- Policy paper on PILaR

