

# STRENGTHENING OF LOCAL LAND MANAGEMENT IN SERBIA

RESULTS OF 6 YEARS OF GERMAN-SERBIAN COOPERATION  
MODULE 1: URBAN LAND MANAGEMENT

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## Abbreviations

APPS	Serbian Association of Spatial Planners
DRP	Detailed Regulation Plan
DVW	German Association of Geodesy, Geoinformatics and Land Management
EU	European Union
FAO	Food and Agricultural Organization of the United Nations
GIS	Geographic Information System
GIZ	German Corporation for International Cooperation
GRP	General Regulation Plan
IAAO	International Association of Assessing Officers
INSPIRE	Infrastructure for Spatial Information in Europe
IUDS	Integrated Urban Development Strategy
LSEA	Law on Strategic Environmental Assessment
MCTI	Ministry of Construction, Transport and Infrastructure
MoU	Memorandum of Understanding
NMIC	National Mortgage Insurance Corporation
PPP	Private-Public Partnership
RGA	Republic Geodetic Authority
RS	Republic of Serbia
SCTM	Standing Conference of Towns and Municipalities
SEA	Strategic Environmental Assessment
SGS	Union of Surveyors of Serbia
TU Berlin	Technical University Berlin
UNECE	United Nations Economic Commission for Europe
USAID	United States Agency for International Development



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# 01 Introduction

# 1 Introduction

With the political changes in 2000 and the decision of Serbia to embark on the road towards European Integration, a process of decentralisation and profound structural reforms started, placing huge challenges in different political and social sectors. One of the challenges pertains to the sphere of land management and urban development. The previously socialistic system of urban planning and land management needed to be transformed into a market oriented and democratic system.

Ten years later, important steps already had been taken. However, there still was a need for further adaptation towards a more contemporary and market-oriented land management and urban planning system in line with European standards and policies. The governments of Serbia and Germany decided to cooperate on that issue and launched the bilateral Serbian-German cooperation project “Strengthening of Municipal Land Management in Serbia”. The project started in 2010 and was implemented by the consortium AMBERO Consulting/ICON Institute on behalf of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). The consortium is in charge of carrying out all activities related to urban land management.

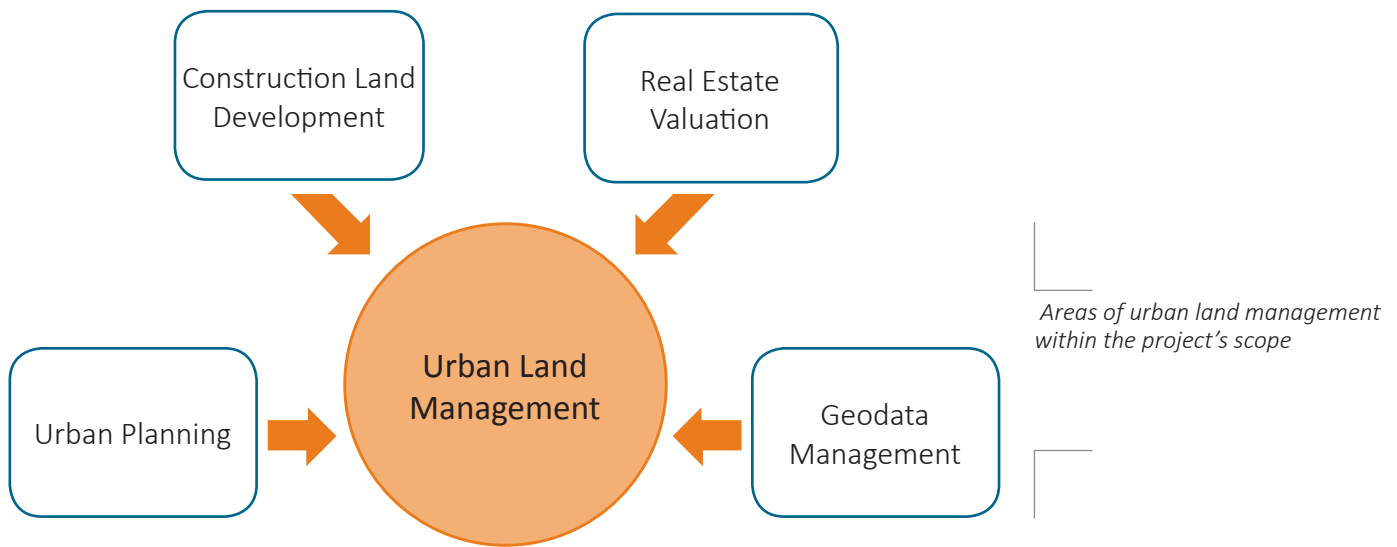
## *Definition: What is Urban Land Management?*

The term “land management” appeared in the mid-1990s in the context of international development cooperation. Since then different definitions are being used. Generally, it can be said that the approach to urban land management adopted within a given jurisdiction reflects the existing political, legal, social, economic and physical environment conditions and also depends on supra-national policies and strategies as those of the European Union.

One of the most comprehensive definitions originates from Larsson 1997. Based on this definition, land management comprises 2 main groups of activities: 1) Developing the land by making substantial investment in the land or changing existing land usage, and 2) Monitoring, Administration and Controlling. These 2 pillars describe the creative and dynamic character of land management. It contains all instruments and activities in rural and urban development related to planning, valuation, land readjustment, land construction and cadastre. Following this definition, module 1 of the GIZ land management project selected several subtopics as the main areas of activity and in this context specifies urban land management as the frame under which the following areas are comprised:

1. Urban planning
2. Construction land development
3. Real estate management and valuation
4. Geodata management





The project's main goal was to contribute and to support the Ministry of Construction, Transport and Infrastructure (MCTI) in the further modernization of Serbia's urban land management system allowing a better balancing of economic, socio-cultural and environmental goals in line with European standards and policies. In other words, the project offered support to ensure that urban land will be used sustainably and that urban land management is done in an integrated and sustainable manner. This implies environmental aspects such as minimizing the conversion of green land into construction land and minimizing the negative impact of urban development on the environment. It also implies social aspects such as increased and meaningful public gender-equitable participation and transparency. And it implies economic aspects too in terms of a more market orientated development of land.

In order to reach these goals, the project set up a multilevel and bottom-up approach. In the first phase (2010-2013), new land management and planning instruments in 13 local municipalities<sup>1</sup> were tested in close cooperation with the Ministry of Construction, Transport and Infrastructure (MCTI) as the main political partner. Other partners involved were the Standing Conference of Towns and Municipalities (SCTM), professional associations, and universities. Urban land management instruments in the following thematic areas have been modified, extended or newly introduced to ensure sustainable urban development<sup>2</sup>:

- Integrated urban planning for sustainable development:
  - Improvement of existing urban planning instruments and procedures focussing on their environmental, economic and social sustainability (including instruments such as Strategic Environmental Assessments for urban plans, feasibility studies and early public participation), and
  - Introduction of additional, new integrated urban planning instruments and procedures, in particular Integrated Urban Development Strategies;
- Construction land development with focus on land readjustment;
- Basic methods and procedures to establish real estate valuation;
- Geographical Information Systems (GIS) for municipal land management.

<sup>1</sup> In the second phase one more pilot municipality (Obrenovac) was included, leading to a total number of 14 pilot municipalities with which project cooperated.

<sup>2</sup> For details on all land management instruments tested, see table on page 22.

With the last set of instruments, the project built on outcomes of a previous project that had aimed to set-up municipal GIS.

In the second phase (2013-2015), the experiences made and results achieved at local level have been transferred to the national level. A discussion about the inclusion of the tested instruments into national legislation and training programs was initiated in numerous working groups, workshops, trainings and conferences. Some of the attained goals are:

- Adjustment to the legal framework: In 2014 a new construction and planning law was adopted, which takes into account suggestions on urban planning and land readjustment introduced by the project. Besides that, a proposal for by-laws on land readjustment and for the harmonization of urban and spatial plans (land-use classification and planning symbols) was elaborated.
- Awareness raising and capacity development: Numerous workshops and trainings on different topics related to the project's main components were carried out, accompanied by the elaboration of guiding material.
- Partnerships and cooperation: Since the early beginning, the project cooperated with all relevant professional bodies, such as associations and universities. During phase 2, the cooperation with universities has been intensified aiming at the incorporation of new topics into the curriculum.
- Institutional development: In the first phase the execution of the pilot projects already initiated institutional development in the local self-governments. In the second phase, the project focused more on national institutions, for example the cooperation with the National Geodetic Authority (RGA) or the Faculty of Architecture was intensified and strengthened.

The present publication wants to give a detailed overview of the applied instruments and the experiences made in cooperation with the partners at local and national levels. Besides highlighting the good results, the publication does not keep secret the difficulties and limitations the project had to deal with. In this way it is possible to draw the right conclusions out of the achieved results and lessons learned. The process of building up a modern and contemporary land management and planning system is a long term process and requires patience, persistence and drivers on technical and political, national and local levels and it has to be monitored, reflected and sometimes corrected.

After six years, it can be said that through the support of the project progress in urban land management could be achieved in Serbia. Nevertheless, many areas still need further attention and long-term comprehensive assistance<sup>3</sup>. This documentation aims to present the main outcomes of the project and to provide impulses for future activities and adjustments on the experiences gained.

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<sup>3</sup> For more details on recommendations for the future, please see chapter 4.

## *Outline of the study*

The study is structured in the following way: In chapter 2, a thematic overview is provided, portraying the historical and actual features and tendencies in the fields of urban land management in Serbia, also looking at the development in these areas regarding EU accession. Afterwards, the outline and scope of the project are described, including the projects' indicators, pilot cases and cooperation structure. This chapter ends with describing the broad methodological approach applied by the project and explains the different methodological elements in detail.

In chapter 3, the three key areas of activity are introduced and within each key area, the different instruments tested are presented as well as main lessons learned and results of their application. This is done by showcasing examples from the municipalities.

In chapter 4, the main achievements of the project, which can be summarized from all three key areas of activity, are described. Next to this, the main challenges encountered during implementation of the project are analysed. This chapter on achievements and challenges is the basis for chapter 5, which highlights some conclusive aspects and gives a short outlook into the future.

One key objective of this study is to present the point of view of our partners from the national and local levels on issues of urban land management in Serbia and also to give them the possibility to express their perspectives on the activities and impacts of the project, for example on early public participation, integrated urban development strategies or real estate valuation. In order to illustrate the various and diverse voices, interviews with partners and statement of partners and experts are presented throughout the whole study.

# 02 Context



## 2 Context, project outline and methodology of the project

### 2.1 The context: Serbia in transition

#### 2.1.1 Heritage from the past that influence today's urban land management<sup>4</sup>

Urban land management in Serbia is conditioned by the framework and the influence of three different historical contexts, in which different political and socio-economic systems dominated. Contemplatively, the first period was formed from the mid-19th century to World War II, and included the economic order based on *capitalism* and the *development of civil society*, in an undeveloped agricultural country. The second period includes the period after World War II up to 2000, which is characterized by an *authentic development of a socialist system*, in three phases: a) *Phase of the administrative-centralist system and post-war restoration* (1946-1950), b) *Phase of the authentic socialist system of self-management* (1950-1990), with a stage of associated labor and consensus economics (1974-1990), c) *Phase of the breakup of Yugoslavia and the collapse of the socialist system* (1990-2000). The third period (after the democratic changes in 2000) includes *the post-socialist transition of the society and economy into a neoliberal market oriented system*.

Particularly the second period is important for the understanding of the challenges in Serbia's land management system today. Hence, the following describes the basic characteristics of the development since 1990 without claiming to be complete.

The period of 1990-2000 was marked by the initial political and economic transition of Serbian society in the chaotic conditions of civil wars caused by the breakup of the Yugoslav state and foreign military intervention. The most important initial change to the land management system was the change in the housing laws enabling and implementing the privatization of nearly the entire fund of social apartments, thereby opening the required change in the systems of construction, financing, planning, as well as forms of ownership over city land and its parts, and many others. This change was implemented without preparation and in an improvised manner, and produced accelerated changes in the entire land management system. Despite this, the period could have been more significant for the development of urbanism in Serbia than it was, because the most engaged urbanists of the day expected positive changes to the system, and specifically prepared, through their associations, to correct the known deficiencies of the system in cooperation with the state in transition.

The first such platform was the working concept of the future law on urban planning, prepared on their own initiative by the Association of Urban Planners of Serbia between 1991 and 1993. When in 1994 the Ministry of Construction initiated the preparation of a new, transitional law on urban and spatial planning and when the concept was formed there, the Ministry concluded that the concept offered by the Association of Urban Planners offered better solutions for development, and formed a joint team for drafting the law that, in the end, did prepare the law. This was a precedent (it did not happen before, and did not happen again) that promised urbanists and their organizations improvements in the professional field through active cooperation with the administration. However, since all this occurred during the period of the so-called "Milošević rule" and the civil wars in Yugoslavia 1991-1999, these changes had no opportunity to be developed and checked through normal practice, and thereafter, with the necessary political rejection of the large deformations of the period, with the new revolution of 2000, smaller new parts of the urbanistic system were also rejected, and once again a discontinuity occurred in the development of planning in Serbia.

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<sup>4</sup> Main parts of the chapters 2.1.1 and 2.1.2 are extracted from papers written by the Serbian scholars Miodrag Ferencak and Slavka Zeković.

## 2.1.2 Main challenges in the period of post-socialist transition since 2000

Post-socialist countries, including Serbia, had to create a new framework for regulating a myriad of different interests in urban land development. There is a discrepancy between legal and real property elements of urban development, especially noticeable in the post-socialist system. Furthermore, constant conflicts can be noticed between private and public properties and interests, and between economic interests and social requirements, followed by conflicts in the political and government arena.

In the context of Serbia's rapprochement to the EU, the development after the democratic change in 2000 up to this day is crucial for defining the project's activities. At this point, numerous changes have been made in the organization of the administration as well as to laws and concepts with the aim to solve the problems deemed most important but still unsolved. The Law on Planning and Construction was adopted in 2003 and conceptually changed the previous one, unifying in one law the subject matter of spatial planning, urban planning, construction land, design, construction and legalization of facilities thereafter to be amended and adopted as new, at least eight times until 2014 (in 2003, 2006, 2009, 2011, 2012, 2013, 2014). The result of these frequent changes is a planning system which is not coherent, too complex and with unclear relations between the different types of urban and spatial plans.

Three major challenges led to discussions on amending the laws:

1. Shortening the time for issuing building permits: The challenge was to achieve the administration process to issue a building permit to a desirable investor in a few days (or at least weeks) and remedy the obstacles urban planning could set without compromising its function and objectives. According to the World Bank's Doing Business Report 2014, in Serbia, it took on average 264 days to obtain a construction permit, which placed the country on the 186th place among the total of 189 examined countries. Hence, the duration of the procedure for issuing construction permits had to be shortened.

Current legislative situation: The latest amendments to the Planning and Construction Law in December 2014 addressed this problem and introduced a new system for issuing building permissions. However, the amendments to the law did not just affect the building permission procedure itself, but also led to impacts on the system of urban and spatial planning which are questionable under the aspect of quality improvement.

2. Conversion of land usage rights into ownership rights: The challenge was to find a way to resolve contradictory interests and understanding between buyers of privatized enterprises and buildings, and the State as the seller (the former believe they have bought and paid for the land of economic units through privatization, while the State believes that, regarding real estate, they only bought the buildings and received the right of use for the land, that is yet to be regulated in relation to the State, as well as payment for subsequent privatization of land).

Current legislative situation: The long-expected law on conversion of usage right into ownership against compensation entered into force on 28 July 2015. The Conversion Act prescribes the conditions under which usage right over construction land can be transferred into ownership. Generally, all construction land in public ownership, either developed or undeveloped, can be subject to the conversion procedure, unless designated for public use or subject to restitution claim.

3. Legalization of illegal constructions: The challenge was to find a way to implement the legalization of the large number of cases (officially over 1.3 million cases are noted) inherited from decades of illegal (semi-legal) structures.

Current legislative situation: The laws of 2013 and 2014 relegate this issue once again to a separate law (Law on the Legalization of Buildings, Off. Gaz. RS, no. 95/2013, 117/14.). A new law has been adopted in November 2015.

Against this background, further adjustments of the legal framework are needed. Special attention should be paid to the system of local spatial and urban plans, the improvement of their quality and a more public and professional dialog on current challenges in urban development. In that context, attention should also be paid to EU policies, bearing in mind the further rapprochement of Serbia to the European Union. Hence, the following chapter gives an overview on therefore relevant policies and requirements for the establishment of a modern planning system.

### 2.1.3 Urban development in the context of EU accession

The EU framework on urban land management is inter alia – set by its political agenda on urban development. In recent years, the EU has demonstrated its clear commitment to sustainable development – as reflected in the EU Sustainable Development Strategy and in *Europe 2020: A European Strategy for Smart, Sustainable, and Inclusive Growth* – and has successfully mainstreamed this sustainability dimension into many policy fields, urban development being one of them. This is reflected by a number of charters and declarations adopted at informal ministerial meetings and councils of ministers of EU Member States responsible for urban development and urban affairs, in particular by:

- the *Lille Action Programme* adopted at the Informal Council of Ministers responsible for urban affairs held in Lille on 3 November 2000;
- the *Rotterdam Acquis on Urban Development* adopted at the Informal Council of Ministers responsible for territorial cohesion, held in Rotterdam on 29 November 2004;
- the *Bristol Accord* adopted at the Informal Council of Ministers on sustainable communities held in Bristol on 6-7 December 2005;
- the *Leipzig Charter on Sustainable European Cities* adopted at the Informal Council of Ministers responsible for urban development held in Leipzig on 24-25 May 2007;
- the *Marseille Declaration* adopted at the Informal Ministerial Meeting of Ministers responsible for urban development on 25 November 2008;
- the *Toledo Declaration on Urban Development* adopted at the Informal Meeting of Urban Development Ministers on 22 June 2010.

Based on the awareness that increasingly holistic strategies and coordinated actions by all persons and institutions involved in urban development processes are needed, the responsible ministers of the EU Member States committed themselves to conduct integrated urban development in their countries and to establish the necessary framework at national level by signing the Leipzig Charter on Sustainable European Cities (2007). The Leipzig Charter contains two key messages:

- Integrated urban development policy should be strengthened all across Europe
- Deprived areas in the cities need more attention

This commitment has been confirmed in the *Toledo Declaration on Urban Development* (2010) which further builds on the concept, promoting integrated, smart, sustainable, cohesive, inclusive urban development. At the heart of the concept are inclusiveness of all relevant stakeholders and integration of all spatial, sectoral and temporal aspects of key areas of urban policy that need to be coordinated. Another core principle is resource-efficiency. Economic progress needs to be steadily decoupled from the consumption of resources (green growth). This is where urban land management comes in: fighting urban sprawl by reducing land consumption has been explicitly spelled out as an objective. More specific, the Toledo Declaration states as key issues of integrated, sustainable, socially inclusive urban development from an environmental perspective:





Urban laboratory on Integrated Urban Development, ZIRA, Belgrade, 2014

- “Recycling land (by means of urban regeneration, the redevelopment or reuse of abandoned, derelict or unused areas, etc.) as a key strategy for contributing towards the reduction of land consumption and therefore fighting urban sprawl;
- Protecting natural landscape, forestry, water resources, agricultural areas, etc. around cities”.

The protection of the environment and a more integrated planning approach are also key elements of the EU cohesion policy 2014-2020, which aims to foster integrated urban policies and links it with financial incentives and funding options, i.e. the European Regional Development Fund (ERDF), the Cohesion Fund (CF), the European Social Fund (ESF) or special funds like JESSICA. Some of the funds require the prior approval of an integrated urban development strategy.

For the negotiations of Serbia with the EU the *acquis communautaire*, consisting of the accumulated legislation, legal acts, and court decisions of European Union law was split up into 35 chapters. Relevant for urban land management is mainly the chapter 22 *Regional policy and coordination of structural instruments*. The *acquis* under this defines rules for drawing up, approving and implementing Structural Funds and Cohesion Fund programs reflecting each country’s territorial organization. In the report of the European Commission for the year 2012, the key messages for chapter 22 were<sup>5</sup>:

- Avoiding the establishment of parallel systems
- Improvement of the administrative capacity
- Addressing the lack of strategical investment plans
- Preparation of a project pipeline

Particularly the first 3 points are important when talking about the establishment of a modern, contemporary urban development policy. Within this framework, the project’s mission was to contribute to the adaptation of Serbia’s urban land management system (especially urban development) to EU urban policies and prepare them for accessing EU structural funds in the future. Strengthening of the administrative capacities in sustainable urban land management is an overall goal of the project. More specifically, the project promotes integrated urban development planning through the introduction of the instrument Integrated Urban Development Strategy (IUDS). IUDS provides a mid-term

<sup>5</sup> Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) (2013): The Process of EU Accession in Regional Policy and Coordination of Structural Instruments in Serbia, Belgrade.

strategic investment plan and thus contributes to the goal of more strategic investment planning. Furthermore, the support of municipalities in the establishment of a market oriented project development of brownfield areas including an investment plan is a contribution in that regard. Further key topics of the project have been the improvement of participation and transparency in urban development as well as promotion of inner-city development.

## 2.2 Project outline

When a country is changing from a centrally planned economy to a market economy, this generally affects the ownership of land. Previously nationalized or socially owned land will be restituted or (re)privatized in a different way. At the end of such a transition, ownership of land has shifted to a significant extent from state or socially owned to privately owned. This implies new challenges for land-use planning and land development in urban as well as in rural areas. How can the use of land be defined so that the land does belong to the State? Or how land that consists of several parcels with different owners be developed?? How can land be developed that consists of several parcels with different owners? On which base should owners be compensated if necessary? What's the value of such newly privatized land? These and other questions arise.

Once private property was reintroduced in Serbia and a land market started to develop, it soon became obvious that new planning practices and additional land management instruments had to be introduced. The project was designed to respond to this need.

As transition had not yet been finalized when designing and negotiating the project, the overall objective and the subsequent goals have been defined rather broadly to allow for different land management instruments to be developed and rolled out. The *project objective* had been defined as:

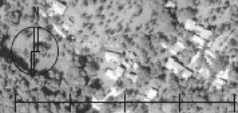
*The competencies of towns and municipalities to guide land-use in an ecological sustainable, socially balancing and efficient way have been strengthened.*

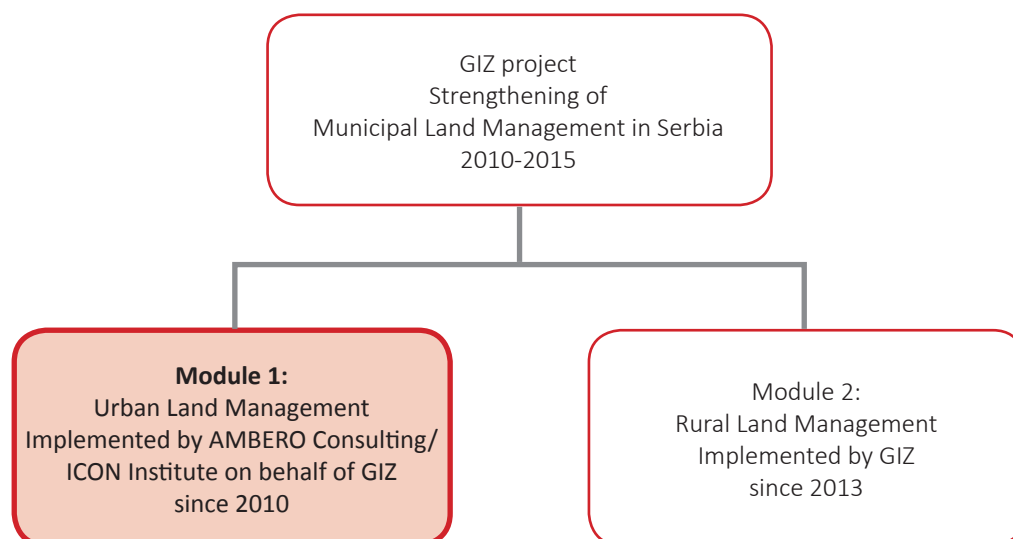
Subsequent goals have been to identify missing land management instruments, to develop respective instruments based on EU good practices and EU policies, to test them and to incorporate them in the national legal framework. The instruments were supposed to contribute to one or several of the following goals: guiding the urban development in a land-saving/land-efficient manner, increasing transparency, increasing public participation and stimulating the financial situation of the municipality. This set the frame to focus, among others things, on inner-city densification, land recycling, improvement of participation in planning procedures, introduction of integrated planning approaches, land readjustment and real estate valuation. Hence, the project defined three main areas of activity, which became also the working structure for conducting activities and implementing the instruments: Urban Planning, Construction Land Development and Real Estate Valuation.

The project also envisaged right from the beginning to cooperate with universities and institutions offering advanced training to ensure that their programs will impart knowledge and skills needed to apply the newly introduced instruments. The project could build on a previous project focussing on the development of municipal GIS.

The project was designed in two phases of 3 years each. In the first phase the project focused on urban land management and was implemented by the consortium of AMBERO Consulting and ICON Institute on behalf of GIZ<sup>6</sup>[1]. In the second phase, under the umbrella of a joint project with the title "*Strengthening of Municipal Land Management in Serbia*", a second module focussing on rural land management was added which is implemented by GIZ directly.

<sup>6</sup> The project implemented by AMBERO Consulting/ICON Institute runs under the name *Strengthening of Local Land Management in Serbia*. After a second module on rural land management was added in 2013 the overall project title was changed to *Strengthening of Municipal Land Management in Serbia*.





Phase one took place from beginning of 2010 until end of 2012 and focused on the testing and adjustment of urban land management instruments on the local level as described above. Phase two began in 2013 and ends at the end of 2015 and aimed at scaling up the experiences made on local level and integrating them into national regulations, laws and strategies. Both phases were accompanied by extensive capacity development and knowledge exchange formats, such as workshops, round tables and study trips.

The indicators of the **first phase** (1/2010 to 12/2012) were:

1. In close cooperation with the Ministry of Spatial Planning and Environment, at least five land management instruments have been tested, discussed and finalized at inter-municipal and national level in at least 5 pilot municipalities.
2. At least 5 municipalities use Geographical Information Systems for different land management tasks and feed in their experiences into the national discussion via the standing conference of towns and municipalities (SCTM) and the GIS network hosted by it.
3. Based on the experiences in the pilot committees, at least 3 recommendations concerning the legal framework have been developed in cooperation with the Urban Planning Committee at SCTM.
4. The level of awareness on these instruments has been increased through a national or regional conference, in which national institutions participated.

The indicators of the **second phase** (1/2013 to 12/2015) were:

1. At least three land management instruments have been incorporated into the Law on Urban Planning and Construction.
2. Seven decision papers on the use of new land management instruments – that include an economic feasibility and an assessment of the impacts on the municipal budget – entered into parliamentary processes at municipal level.
3. Five municipalities independently applied a new procedure for public participation, involving men and women equally.
4. In five municipalities, of which three are not identical with those in indicator 3, resolutions on inner-city development and concepts for their implementation exist.
5. Five land management instruments are part of the curricula of three recognized trainings or study programs.

These specifications proved to be very efficient. They provided for sufficient flexibility to adjust to the political/historical situation and still provided enough guidance to ensure tangible outcomes.

	2010	2011	2012	2013	2014	2015
POLITICAL CONTEXT			National elections		National elections	
ACTIVITIES WITH MAIN POLITICAL PARTNERS ON NATIONAL LEVEL	Memorandum of Understanding (MoU) with Ministry of Construction, Transport and Infrastructure (former Ministry of Spatial Planning and Environment)	Proposal for draft by-law on land readjustment		Advising Ministry and proposal on Amendments to the Law on Planning and Construction (not adopted)	Advising Ministry and proposal on Amendments to the Law on Planning and Construction (adopted)	Advising Ministry on by-laws/directives on: - Land Readjustment - Land Use Classification and Planning Symbols
ACTIVITIES WITH PARTNERS ON LOCAL LEVEL	MoU with municipalities	Pilot testing of instruments in municipalities regarding sustainable integrated urban planning, construction land development and real estate valuation (see graph "Timeline Activities in Municipalities")				
CAPACITY DEVELOPMENT		<ul style="list-style-type: none"> <li>- Urban Laboratories</li> <li>- Round Tables on Real Estate Valuation</li> <li>- Workshops/Trainings</li> <li>- Summer Schools</li> <li>- Study Trips</li> <li>- Visit of Conferences and Trade Fairs in Germany</li> </ul>				
COOPERATION AND PARTNERSHIPS		Cooperation with Standing Conference of Towns and Municipalities (SCTM), Republic Geodetic Authority (RGA), Professional Associations (SGS, APPS, UUS, SCOE), Faculty of Architecture (Univ. of Belgrade), Faculty of Civil Engineering (Univ. of Belgrade), Faculty of Geography (Univ. of Belgrade), Faculty of Civil Engineering Subotica, Technical Faculty (Univ. of Novi Sad)				
		MoU with Tax Authority of Republic of Serbia	MoU with Republic Geodetic Authority (RGA)	MoU with Faculty of Architecture Univ. of Belgrade		MoU with Serbian Association of Spatial Planners
DISSEMINATION (Publications, Presentations)		Presentations at symposiums of professional associations Presentations at national events				
			Publication of Integrated Urban Development Strategy (IUDS) for the inner-city area of Kragujevac	Publication of Guide for Participation in Urban Planning Publication of Integrated Urban Development Strategy (IUDS) for the inner-city area of Uzice	Publication of Integrated Urban Development Strategy (IUDS) for the inner-city area of Kraljevo. Publication of study on real estate valuation in Serbia. Presentations at international events and conferences (World Urban Forum, Medellín; Connective Cities in Leipzig)	Publication of Guide on Strategic Environmental Impact In the pipeline: Publication of manual on land readjustment Presentations at international events and conferences (International Forum of Local Economic Development in Tbilisi, Georgia)
AWARDS		Urban Planning Salon of the Serbian Town Planners Association: - Prize for Environmental Protection Planning in Despotovac (ECOLOGICA Urbo/GIZ)	Urban Planning Salon of the Serbian Town Planners Association: - Prize for Integrated Urban Development Strategy, for the inner city of Uzice - Prize for New Instruments in the SEA Procedure in Despotovac (ECOLOGICA Urbo/GIZ) - Prize for GIS-supported real estate valuation in Subotica, Valjevo und Zrenjanin (Manufaktura/GIZ)	Urban Planning Salon of the Serbian Town Planners Association: - Prize for Integrated Urban Development Strategy, elaborated for the inner city of Kragujevac - Award for cooperation and promotion of the Urban Planning profession in Serbia	Summer school of Serbian Town Planners Association: - Award for successful cooperation and exchange of experiences Urban Planning Salon of the Serbian Town Planners Association: - Prizes for catalogue of master's students' works on Integrated Urbanism (Faculty of Architecture/GIZ) Award from the City of Kraljevo for consultancy services and trustful cooperation	Annual congress of the Serbian Union of Surveyors: - Award for professional engagement Urban Planning Salon of the Serbian Town Planners Association: - Award for catalogue of master's students' works on integrated planning for flooding risk disaster management in Obrenovac (University of Belgrade/GIZ) - Award for publication on innovative methodological teaching approaches (University of Belgrade/GIZ)

The Ministry of Spatial Planning and Environment and later the Ministry of Construction, Transport and Infrastructure acted as lead executing agency. Partners of the project were the Republic Geodetic Authority (RGA), Standing Conference of Towns and Municipalities (SCTM), professional associations of spatial planners, town planners, engineers and surveyors, the Faculties of Architecture, Geography and Civil Engineering of the University of Belgrade, the Technical Faculty of the University of Novi Sad and altogether 14 pilot municipalities all across Serbia.

### Instruments tested and piloted

The instruments tested and piloted on the local level in Serbia can be assigned to the main areas of activity of the project:

Area of activity		Instrument tested	Tested where	
URBAN PLANNING	Existing urban planning instruments	Reducing land consumption through brownfield development and promotion of inner-city development	Kragujevac, Kraljevo, Niš, Smederevo	
		Instruments to improve environmental sustainability	Improvement of Strategic Environmental Assessments in urban planning	Despotovac, Majdanpek
			Climate change mitigation and adaptation in urban planning	Obrenovac
			Instruments to improve market orientation	Feasibility Studies/Cost benefit analysis
		Building Registry and Atlas of Sites		Kraljevo, Niš
		Instruments to improve social accountability	Public Participation, Stakeholder Involvement and Transparency	Despotovac, Kladovo, Kragujevac, Kraljevo, Majdanpek, Smederevo, Užice
	Supplementary measures to improve quality and harmonization of existing formal urban planning procedures	Urban Design Concept	Despotovac, Kladovo, Kragujevac, Majdanpek and Smederevo, Užice	
		Land Use Classification <sup>7</sup>	Proposal on directives on national level	
	New instrument	Introduction of integrated urban development planning	Integrated Urban Development Strategy for inner-city areas	Kragujevac, Kraljevo and Užice
	CONSTRUCTION LAND DEVELOPMENT		Land readjustment	Despotovac, Novi Sad and Užice
REAL ESTATE VALUATION		Purchase price collections (GIS-based)	Subotica, Valjevo and Zrenjanin	
		Municipal real estate valuation map	Subotica, Valjevo and Zrenjanin	
		Valuation of property	Kragujevac, Niš, Valjevo	
USE OF GIS AS A TOOL FOR URBAN LAND MANAGEMENT * Please see the box at the end of this subchapter for further description of this area of activity.		Web-GIS supported land information system	Čačak	
		First-time introduction of GIS and trainings	Despotovac, Kladovo and Majdanpek	

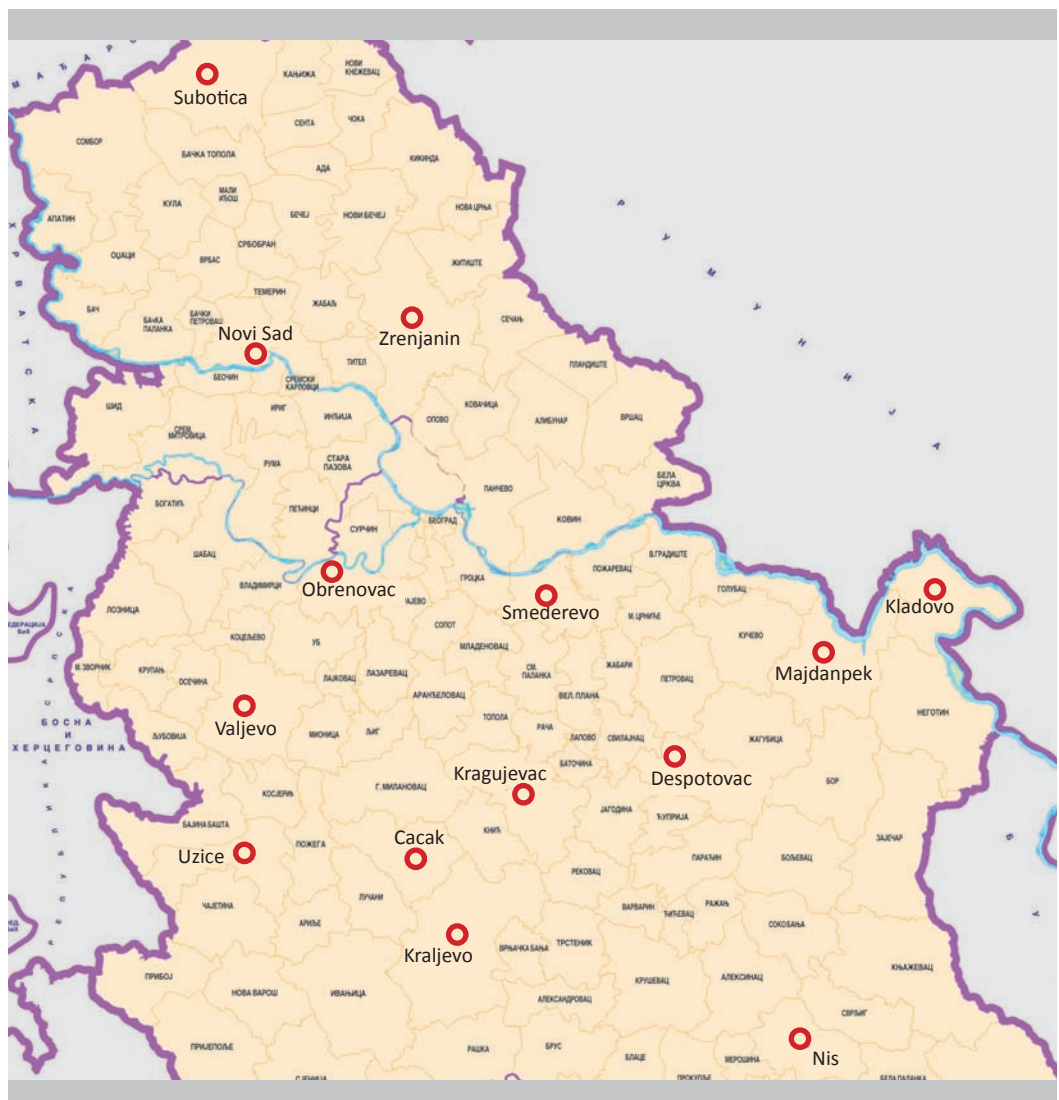
<sup>7</sup> The instrument on land-use classification is the only one within the project that was discussed and improved on national level without being tested in a pilot project on local level.

The above mentioned instruments which are in place in many European countries were tested in 14 Serbian municipalities from 2010 until end of 2015. The decision making process for introducing or improving an instrument in a municipality was made in close cooperation with the local authorities. At the beginning of the project, a wide range of instruments on urban land management were presented to the municipalities and in close discussion it was decided together which instrument should be tested in which municipality. On the basis of these decisions, Memorandums of Understanding (MoU) were drafted and signed with the partner municipalities involved.

The partner municipalities differ in their size and in their geographical, historical and political context. The project took special care at the beginning to select a wide variety of municipalities in order to ensure that different contexts were taken into account when piloting and testing the instruments. This led to a high quality of results, which then could be upscaled to the national level and be incorporated into the legal framework. On the basis of such a wide range of gained experiences, lessons learned could be extracted, which could then be used to influence the further development and adjustment of the instruments for spreading their use throughout Serbia.

The project established close cooperations with representatives of the partner municipalities throughout the duration of the project. Due to their different size and economic resources, the municipalities showed different levels of capacities, experience and know-how in conducting the introduced instruments. For the more complex instruments such as integrated urban development strategy (IUDS), requiring more time and human resources, technical knowledge and political support, bigger cities in Serbia were chosen.

Overview of pilot municipalities



## Timeline of activities on local level

Municipality	2010	2011	2012	2013	2014	2015	Results
Čačak	MoU						Development of an automated procedure for displaying CAD-based urban plans into a GIS environment compliant with EU INSPIRE.
Despotovac	MoU						2012: Adoption of Detailed Regulation Plan for new residential area. Elaborated by using following instruments: Strategic Environmental Assessment, Feasibility Study, Urban Design Concept, (Early) Public Participation and Land Readjustment.
Kladovo	MoU						2012: Elaboration of Detailed Regulation Plan for a new urban residential and commercial quarter using following instruments: Urban Design Concept and Early Stakeholder Involvement. Awaiting adoption of Detailed Regulation Plan.
Kragujevac A	MoU						2012: Adoption of Integrated Urban Development Strategy (IUDS) for the inner-city area
Kragujevac B	MoU						Ongoing: Development of the brownfield area "Military-Technical Institute (Arsenal)" using following instruments: Urban Design Concept, Real Estate Valuation, Investment Cost Analysis.
Kraljevo A	MoU						2013: Adoption of General Regulation Plan for the area "Industrial Zone – Sports Airfield". Elaborated by using following instruments: Building Registry & Atlas of Sites, Feasibility Studies, Public Participation.
Kraljevo B	MoU						2014: Adoption of Integrated Urban Development Strategy (IUDS) for the inner-city area.
Majdanpek	MoU						2013: Adoption of Detailed Regulation Plan "Rajko's cave and Ski resort". Elaborated by using following instruments: Public Participation, Strategic Environmental Assessment, Feasibility Study and Urban Design Concept.
Niš	MoU						2014: Adoption of Detailed Regulation Plan for redevelopment of brownfield area. Elaboration supported by Pre-Feasibility Study, Atlas of Sites with proposal for future land use, Building Registry. Proposal for introduction and digitalisation of GIS based management of communal utilities within the industrial park.
Novi Sad	MoU						Technical assistance for land readjustment and land valuation for the new residential zone "Mišeluk III". Still awaiting national legal regulation for implementation of land readjustment plan.
Obrenovac							2015: Publication of report on Urban Disaster Risk Management including five key intervention areas.
Smederevo	MoU						2014: Adoption of draft plan on urban renewal and development of a brownfield area into a tourist area ("Marina Smederevo"). Elaborated by using following instruments: Feasibility Study, Urban Design, Early Stakeholder Participation.
Subotica	MoU						Ongoing: Development of a GIS based database system on real estate market values, testing local valuation committee role.
Užice A	MoU						2013: Development of a new business zone using following instruments: Urban Development Concept (Urban Design), and based on this, a proposal for Land Readjustment. The implementation of the land readjustment plan is still awaiting national legal regulation.
Užice B	MoU						2013: Adoption of Integrated Urban Development Strategy (IUDS) for the inner-city area.
Valjevo	MoU						Technical assistance for establishment of a purchase price collection, a standard land value map and a property market report as a basis for property valuation. No further continuation.
Zrenjanin	MoU						Technical assistance for establishment of a purchase price collection, a standard land value map and a property market report as a basis for property valuation. No further continuation.



## GIS as a tool for urban land management

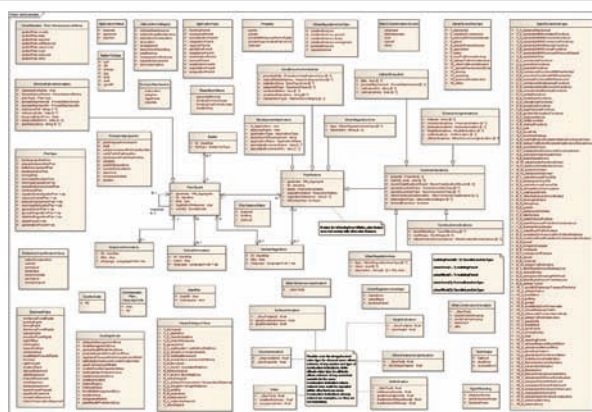
Additional to the instruments in the three key areas of activity on Urban Planning, Construction Land Development and Real Estate Valuation the project supported several municipalities in the application of Geographic Information Systems (GIS) for planning and land management tasks. The application forms varied depending on the municipality's need: In Čačak the implementation of a WEB-GIS was tested, in Kraljevo a GIS-based building registry for industrial zones was elaborated and in Subotica a GIS-based purchase price collections for real estate valuation purposes was developed. In the three smaller municipalities of Despotovac, Kladovo, Majdanpek the project introduced for the first time GIS software and provided trainings for the urban planning departments. In this context, GIS is understood as a tool to enhance the results achieved in the three key areas of activity of the project. Hence, GIS is not treated as a separate main key area in the further elaboration of this study.

### Case study: Web- GIS supported municipal land information system in Čačak

Through the implementation of a web-based land information system (Web-GIS) the project aimed at improving the availability and information about spatial and urban plans for professionals of the city administration as well as for citizens and stakeholders.

The goal of the project was to display all urban and spatial plans in vectorized form in the city's web-GIS and with that enabling a **flexible data analysis** according to the individual needs of the users.

In a first step a **UML datamodel** was developed which should be the base for the transformation of spatial and urban plans, so far generally elaborated in Auto CAD format, **into a Geographic Information System**. The discussions on an adequate data model showed that a number of open questions still needed to be answered. In that context, international experts recommended clarifying some crucial questions on national level before continuing and finalising the data model. It was suggested to first elaborate national standards for land use classes and planning symbols instead of developing individual models for single municipalities. The project and the responsible Ministry of Construction, Traffic, Infrastructure (MCTI) followed this recommendation and as a result of this discussion a proposal for national standards for land use classification and planning symbols have been elaborated (see Chapter 3.1.1.4)



## 2.3 Methodological approach

The methodological approach has been designed to best meet the requirements of the project. It consists of a multi-level approach – from piloting to improving the legal framework, capacity development through training/education and peer-to-peer learning, cooperation and partnerships with national institutions such as universities and professional associations, scaling up and gender responsiveness.

### 2.3.1 Multi-level approach

The multi-level approach with complementary measures at municipal and national levels allowed to first test and adjust land management instruments at local level that are already applied in other European countries before incorporating them in the national legal framework. Thereby it could be ensured that the modified land management instruments fit well into the Serbian context and that they become part of the institutional framework.

Activities at the local level included testing and piloting of land management instruments in all together 14 municipalities. Through this approach, a constantly growing community of practitioners has been established, becoming a source of experts within the national discussion. Bodies such as the urban laboratory initiated by the project provided for the necessary space for this growing number of national experts to exchange experiences and to feed good practices and lessons learned into the national technical and political discussion.

Whereas the first phase mainly focussed on the testing, adjusting and piloting of land management instruments at the local level and on the development of guides based on the experiences made, the second phase had a much stronger focus on supporting processes at the national level, in particular support to law-making.

### 2.3.2 Capacity development through training/education and peer-to-peer learning

Capacity development was at the heart of the project. It is all about getting familiar with new land management approaches, understanding what they can offer and how they function, and acquiring the knowledge and skills to apply them independently. Therefore, capacity development has been conducted in a number of ways, whereby two general types can be distinguished: capacity development by experts and peer-to-peer learning – although some forms of capacity development actually are a combination of both.

Capacity development by experts has been done in the form of conventional training and presentations by international and national experts at conferences and workshops.

Peer-to-peer learning has been initiated at national as well as international levels. Round tables and networks have been initiated and supported at national level, such as the urban laboratory or the round table on real estate valuation (see chapter 4). These fora at national level allowed at the same time to exchange experiences and to benefit from each other's experiences as well as to discuss necessary changes within the national institutional or legal setting. Whereas this type of peer-to-peer learning is very important to establish a national group of experts and a dialogue at national level, cross-border peer-to-peer learning brings in additional knowledge, skills and experiences. Therefore, study trips to other EU countries, primarily Germany, have been organized by the project.

The following **study trips** have been conducted:

2011	Study trip on real estate valuation and land readjustment	Berlin
2011	Study trip on urban development	Mainz, Wiesbaden, Frankfurt
2012	Study trip on real estate valuation and land readjustment	Berlin, Dresden
2012	Study trip on urban development	Berlin
2013	Study trip on urban development	Berlin, Hamburg
2013	Study trip on real estate valuation and land readjustment	North Rhine-Westphalia

## Study trip on urban development to Germany in 2013

In October/November 2013, a study trip on urban development led 13 Serbian experts to Berlin and Hamburg. The invited Serbian experts represented different institutions from the national as well as from the local levels, involved in policy making, administration, research and education in the field of urban planning (Ministry of Construction and Planning, Standing Conference of Towns and Municipalities, Municipalities of Kraljevo, Kragujevac and Užice, Faculty of Architecture of the University of Belgrade).

In a five-day program, the experts were informed about national and local programs and initiatives in Germany, with a focus on Integrated Urban Development approaches, intended to support development of inner-cities, brownfield areas or socially disadvantaged areas. Additional topics of the program were the current trends on adaptation of cities to climate change and mitigation measures in the field of urban construction, as those topics are gaining increasing importance in political and public discussions.

In Berlin, the group was welcomed by representatives of the German Ministry for Traffic, Construction and Urban development (BMVBS), where they heard about national politics and national funding for integrated urban development programs. The implementation of such programs was shown in visits to projects in the districts of Berlin-Prenzlauer Berg and Berlin-Wedding. At the Technical University of Berlin, the integration of urban planning topics into the programs of Urban Management and Architecture as well as the organizational structure of those programs were presented to the Serbian visitors.

## Study trip on real estate valuation to Germany in 2013

During a study trip to Düsseldorf in November 2013, 16 Serbian experts from the fields of real estate valuation and land readjustment got first-hand information on technical and administrative processes of official real estate valuation in Germany and received inputs for new provisions on real estate valuation in the new Serbian urban planning and construction law. The interdisciplinary group composed of representatives of the Ministry of Construction and Urban Planning, the Ministry of Finance, the Republic Geodetic Authority (RGA), the Faculty of Civil Engineering of the University of Belgrade, the National Bank of Serbia, the cities of Subotica, Užice and Despotovac, and the Serbian Union of Surveyors spent one week in Düsseldorf and in neighbouring cities, visiting different central and local institutions.

*Training by peers on real estate valuation in Germany*





Study trip to Düsseldorf, 2013

Whereas study trips enable the participants – generally taking part in bigger group of technical experts and decision makers – to gain general understanding on one or several topics, trainings and exchange of experience among peers are conducted for smaller groups of technical experts providing them with the opportunity to learn about and discuss technical and procedural issues in much more detail. The following **trainings by peers and visits to exchange experiences** have been initiated by the project:

- 2014 Exchange of experience on spatial planning (see box below) Bonn, Düsseldorf
- 2015 Training by peers on real estate market data for real estate valuation, in particular on the setup and management of the database of real estate contracts, data qualification and statistical methods for data analysis. The training described particularly how a high market transparency can be achieved through availability of the essential real estate market data in the internet, which in turn ensures a high real estate market stability. The training was completed with a presentation by the Cadastre Office on the management of real estate cadastre. Lüdenscheid



Study trip to Mainz, 2011

## Exchange of experience – Serbian spatial planners in Germany in 2014

Standards and practices of spatial and urban planning within Germany and the European Union are important topics for Spatial Planners in Serbia. In December 2014, a delegation of four spatial planners from Serbia, members of the Serbian Association of Spatial Planners (APPS) and the Faculty of Geography of the University of Belgrade, participated in an exchange of experiences with German planners on a trip to Bonn and Düsseldorf. The trip was organized in cooperation with the German Association for Urban, Regional and Spatial Planning (SRL).

During a meeting with researchers in the field of spatial planning at the Federal Institute for Research on Building, Urban Affairs, and Spatial Development (BBSR) in Bonn, Spatial Planning Policies in Germany and Serbia were presented and discussed. Further topics of the meeting were European funding programs for spatial development, like the transnational cooperation program for the Danube region, as well as conducted research by the Institute on the adaptation to climate change in spatial development planning in Germany.

The adaptation to flood risks in urban planning was another topic during the visit of the delegation to the Department of Urban Planning in Düsseldorf. Flood protection measures at planning level in Düsseldorf were presented and discussed and compared with the experiences from Serbia. The flood protection measures taken into account for the elaboration of spatial and urban regulation plans in Düsseldorf are based on the EU Directive 2007/60/EC on the assessment and management of flood risks that has been integrated into German law. According to the provisions of the law, flood risk areas, as well as flood retention areas have to be defined in spatial and urban plans and are subject to special restrictions.

Another topic of the meeting in Düsseldorf was the integration of environmental protection goals in spatial and urban planning processes. The planners discussed the differences and similarities in the legal framework and practice of implementation of Environmental Impact Assessments (and Strategic Environmental Impact Assessments) for Detailed, General and Regional Regulation Plans in Germany and in Serbia.

Another way to gain additional expertise from peers and to exchange and discuss experiences is to participate in international conferences. The project supported the **participation of Serbian experts in the following conferences:**

2014	Visit of INTERGEO conference and fair	Berlin
2015	Visit of INTERGEO conference and fair	Stuttgart
2015	Visit of National Congress on Urban Development Policy	Leipzig

*Visits to  
conferences and partner  
institutions*



## Visit to INTERGEO as a means to learn from peers and to exchange experience

Over the past few years, INTERGEO has established itself as the world's leading conference and trade fair in the area of geodesy, geoinformation and land management, following the trend of increasing internationalization. In 2014, 17,000 visitors attended the conference in Germany, 35% coming from foreign countries.

The project organized the participation of the representatives of the Republic Geodetic Authority, the Civil Engineering Faculty of the University of Belgrade and the Serbian Union of Surveyors at the INTERGEO fair in Berlin in October 2014. The conference participation was part of a wider study trip focused particularly on land readjustment, official real estate valuation and the cooperation between professional surveyor associations in Germany and Serbia: the German DVW and Serbian SGS. The Serbian participants evaluated the visit to the INTERGEO fair as informative and valuable and gave positive feedback.

**Miljana Kuzmanović Kostić**, M.Sc. in Law, Republic Geodetic Authority, Assistant Director:

"The visit to INTERGEO was a great and beneficial experience for me, and gave me the opportunity to get the information about the instruments of land readjustment and real estate valuation, which are going to be introduced in Serbia in the near future."

**Dr. Miroslav Kuburić**, Union of Surveyors of Serbia (SGS):

"INTERGEO, as a specialized fair, offers the best and the easiest opportunity to present the dynamics and the trend of geodesy development in the whole world. At the same time, it also offers the best opportunity for scientific and professional exchange between colleagues from all over the world."

**Professor Branko Božić**, University of Belgrade, Faculty of Civil Engineering, Dean:

"For the representatives of higher education in the field of geodesy, INTERGEO 2014 was an outstanding opportunity to get to see all the latest and globally important developments in the field of surveying technology in one place. In addition to the visit to the fair, the meetings held with representatives of German universities and professional associations had great importance in view of improving both education as well as professional education in Serbia."

### 2.3.3 Partnerships and cooperation structures

Partnerships and cooperation are important to ensure that a project provides the support that is needed and to ensure long-term sustainability of the project's outcomes. Through partnerships, a project team can gain much better understanding of the current situation, learn about the strengths and weaknesses, hear about needs and interests and identify training needs. Partnerships ensure that a project works in line with national objectives and strategies as well as those of other key stakeholders. Through partnerships synergies can be gained. Together with other actors, the project team can work on different levels in different ways to achieve the project's objectives. Cooperation is also important to ensure that the work, which has been initiated by the project, will continue after the project's end and the expertise that has been accumulated will continue to be communicated to others, in particular to future experts in the field.



In addition to partnerships between the project and other stakeholders, the project can initiate and support the establishment of cooperation structures between project partners and peer institutions. Such cooperation is generally part of capacity development measures based on peer-to-peer learning. In this regard, the project fostered contact and exchange possibilities between more than a dozen institutions from Serbia and abroad, including technical agencies and committees, professionals' associations and faculties (for details see 4.5).

### Joint workshop of students of the master's program

Integrated Urbanism from the Faculty of Architecture of the University of Belgrade and the master's program Urban Management from the Technical University of Berlin.

In April 2015, the project supported a ten-day workshop on Resilient Cities: Disaster Risk Management that was conducted by students of the master's program Integrated Urbanism from the Faculty of Architecture in Belgrade together with students of the master's program Urban Management from the Technical University of Berlin. The students developed a concept action plan based on a case study of the Municipality of Obrenovac, which was heavily devastated by the catastrophic floods of the previous year. The students worked together closely with representatives of the local administration, public enterprises and civil sector. The workshop took place alternately at the Faculty of Architecture and in the field in Obrenovac. During the workshop, the students from both Belgrade and Berlin developed conceptual proposals for strengthening the city resilience. At the end, the results of the workshop were presented to representatives of local administration on April 28th in Obrenovac.



*Workshop with students of University of Belgrade, Faculty of Architecture and TU Berlin, 2015*



Partnerships on university level have been initiated and fostered with different faculties. The project initiated a cooperation of the Faculty of Architecture in Belgrade with the TU Berlin on the issue of Urban Risk Disaster Management. With the Faculty of Civil Engineering in Belgrade and the Faculty of Technical Science Novi Sad, cooperation could be established in the further development of the curriculum on land management issues. In this context, meetings took place between the Technical University Georg Agricola in Bochum and the Universities of Belgrade and Novi Sad, as well as between the Jade University of Applied Sciences in Oldenburg and the University of Belgrade. The next steps in this cooperation will consist of further consulting in the adaptation of the curricula, the realization of joint lecture series, student and professor exchanges, and joint mentoring of diploma and PhD theses. Another goal is the establishment of an international study program on Land Management for German and Serbian students.

### 2.3.4 Scaling-up

Once new instruments have been tested and adapted to the national context, their countrywide application needs to be ensured. For a project focusing on urban land management, this means on the one hand to reach out to all towns and municipalities, and on the other hand to get involved in law-making at national level to ensure that new instruments become obligatory and/or that the legal base for using them exists. Experts at local level and decision-makers at national level have to be informed and get involved equally. At local level, the project needs to disseminate information on the new instruments, targeting questions on the benefits and application possibilities. To increase the chances that instruments will be applied countrywide by all towns and municipalities, projects need to ensure that they are backed by national laws, strategies and/or programs.

Scaling-up results from piloting have been achieved through the following activities:

- Workshops and conferences at national level;
- The preparation and dissemination of guides that have been developed based on the experiences made in Serbian municipalities;
- The incorporation of relevant provisions in the legal framework;
- The incorporation of lectures on knowledge and skills needed to apply the newly introduced instruments in the curricula of the respective faculties in Belgrade and Novi Sad.

### 2.3.5 Gender responsiveness

Throughout its entire duration, the project team aimed at, planned for, encouraged and supported the equal involvement of men and women in all activities conducted or initiated by the project and monitored them closely. For that purpose, the project team had defined clear objectives/indicators right at the beginning of the project. Examples are:

- Equal participation of men and women in all workshops etc. conducted or initiated by the project.
- Equal participation of men and women in all study trips organized by the project.
- Equal number of male and female speakers at workshops.
- Equal number of male and female experts – national as well as international – conducting studies or implementing pilot projects.
- At least one woman being a permanent member of each municipal working group.
- Equal participation of men and women in the process of formulation of integrated urban development plans.
- Equal participation of men and women in the process of formulation of plans of detailed/general urban regulation.

At the end of each year, statistics have been compiled and analysed to identify areas of intervention. Most targets have been achieved. What turned out to be challenging was to achieve an equal number of male and female international experts. Here, many more men have been involved. This was slightly balanced by generally more female than male national experts being involved in conferences and workshops.

#### Members of the Working Groups (2012)

City/ Municipality	Men no. (%)	Women no. (%)	Total
Čačak	4 (100%)	-	4
Despotovac	8 (80%)	2 (20%)	10
Kladovo	0 (0)	2 (100%)	2
Kraljevo	3 (60%)	2 (40%)	5
Kragujevac	13 (62%)	8 (38%)	21
Majdanpek	0 (0)	3 (100%)	3
Niš	6 (60%)	4 (40%)	10
Novi Sad-Miseluk	2 (29%)	5 (71%)	7
Smederevo	2 (50%)	2 (50%)	4
Subotica	2 (33%)	4 (66%)	6
Užice Center	1 (10%)	9 (90%)	10
Užice Sevojno	4 (57%)	3 (43%)	7
Valjevo	3 (30%)	7 (70%)	10
Zrenjanin	3 (43%)	4 (57%)	7
<b>Avg.</b>	<b>44 %</b>	<b>56 %</b>	<b>100 %</b>

#### Participation in the process of formulation of Plans of Detailed/General Urban Regulation in cities/municipalities (incorporated into the formal procedure)

Municipality/new participation method	Men no. (%)	Women no. (%)	Total
Despotovac "Choice catalogue"	23 (43%)	31 (57%)	54
Kladovo Discussion groups	2 (25%)	6 (75%)	8
Kraljevo Workshop	15 (71%)	6 (29%)	21
Majdanpek "Speak out"	54 (67%)	27 (33%)	81
Smederevo Conference	26 (54%)	22 (46%)	48
<b>Total (No. of participants)</b>	<b>120 (57%)</b>	<b>92 (43%)</b>	<b>212</b>

*Working group  
for Uzice IUDS,  
2011*



# 03 Instruments

### 3 Urban land management instruments introduced and improved

The project mainly focused on the following three key areas of activity:

- Integrated Urban Planning for Sustainable Urban Development
- Construction Land Development
- Real Estate Valuation

This chapter presents the instruments tested in pilot projects and the experiences made on local level, and describes the activities related to dissemination and up scaling of the experiences made to the national level. Starting with a brief review of the historical background the chapter places the instruments into the context of the European Union or into international context in order to better understand why a given instrument has been selected. Subsequently, the experiences in testing the instruments in the municipalities are described and followed by a brief evaluation. If applicable, the current status of the scaling-up process to national level is briefly referred to. For illustration purposes specific case studies as well as interviews with and statements of experts are included.

#### 3.1 Integrated urban planning for sustainable urban development

Sustainable development, sustainable growth and sustainability are concepts which are used daily by politicians, policymakers and researchers. But what exactly is sustainability? The term sustainability goes back to the report *Our Common Future* of the United Nations World Commission on Environment and Development released in 1987, commonly called the Brundtland Report. The report included what is now one of the most widely recognised definitions of sustainable development:

*“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”*

Based on this definition, sustainable development can be described in terms of the following three dimensions, domains or pillars: the economic pillar, the environmental pillar and the social and cultural pillar. This concept is still today the base for development policies and strategies worldwide.

In the area of urban development, sustainability has to be more specified. **“Sustainable urban development** is much more interrelated with other policy fields, such as housing, infrastructure, business developments, etc. In other words, whilst sustainable development at the EU level can be defined in quite an abstract way, definitions of the sustainable urban development concept are often formulated along more practical lines. The following definitions are considered to be especially significant when it comes to identifying the concept of sustainable urban development: ‘Improving the quality of life in a city, including ecological, cultural, political, institutional, social and economic components’...”<sup>8</sup>

In the EU, the concept of sustainable urban development has undergone a stronger specification in the last years. It was recognized that sustainability can only be achieved on the basis of an integrated approach. Hence, the *Leipzig Charter on Sustainable European Cities* introduced this approach and stated the importance of creating corresponding governance structures to support its implementation.

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<sup>8</sup> European Metropolitan Network Institute 2012: Activities of the European Union on sustainable urban development.

The actual EU-Cohesion Policy 2014-2020 for integrated sustainable urban development describes the tasks as follows:

*“The various dimensions of urban life – environmental, economic, social and cultural – are interwoven and success in urban development can only be achieved through an integrated approach. Measures concerning physical urban renewal must be combined with measures promoting education, economic development, social inclusion and environmental protection. In addition, the development of strong partnerships between local citizens, civil society, the local economy and the various levels of government is a pre-requisite. Such an approach is especially important at this time, given the seriousness of the challenges European cities currently face. These challenges range from specific demographic changes to the consequences of economic stagnation in terms of job creation and social progress, and to the impact of climate change. The response to these challenges will be critical for achieving the smart, sustainable, inclusive society envisaged in the Europe 2020 Strategy.”*

Given this background, the project followed the above mentioned policies and guidelines, and identified the following main activity fields:

1. Strengthening of existing urban planning instruments by:
  - Improving **environmental sustainability**
  - Improving **market orientation**
  - Improving **social accountability**
  - Supplementary measures to improve **quality and harmonization of** existing formal urban planning.
2. Introduction of **new** integrated urban planning instruments according to EU policies: Integrated Urban Development Strategy (IUDS)

### 3.1.1 Strengthening of existing urban planning instruments

The project analysed the existing urban planning instruments and procedures to identify opportunities to improve them to increase their contribution to environmental, economic and social sustainability. As a result, a number of instruments, methods and approaches were identified that should be modified or added to the existing planning instruments and procedures.

Area of activity		Instrument tested	Tested where
URBAN PLANNING	Existing urban planning instruments	Instruments to improve environmental sustainability	Reducing land consumption through brownfield development and promotion of inner-city development
			Improvement of Strategic Environmental Assessments in urban planning
			Climate change mitigation and adaptation in urban planning
	Instruments to improve market orientation	Feasibility Studies/Cost benefit analysis	Kragujevac, Kraljevo, Majdanpek, Niš, Smederevo
		Building Registry and Atlas of Sites	Kraljevo, Niš
	Instruments to improve social accountability	Public Participation, Stakeholder Involvement and Transparency	Despotovac, Kladovo, Kragujevac, Kraljevo, Majdanpek, Smederevo, Užice
	Supplementary measures to improve quality and harmonization of existing formal urban planning procedures	Urban Design Concept	Despotovac, Kladovo, Kragujevac, Majdanpek, Niš and Smederovo, Užice
		Land Use Classification	<i>Proposal on directives on national level</i>

Brownfield site in Niš



### 3.1.1.1 Improving environmental sustainability

The protection of the environment and natural resources is a central objective in the concept of sustainable urban development. The protection of ecologically valuable landscapes and the rational and efficient use of natural resources are nowadays integral tasks of urban planning. Several policies highlight the importance of environmental protection, among which, the Toledo Declaration adopted in 2010 by Urban Development Ministers of the EU. As already highlighted in chapter 2.1.3 *Urban development in the context of EU accession* of this study, two key issues of this declaration focus on recycling land in order to reduce land consumption and on protecting green and ecological fragile areas around cities.

Moreover, it pointed out the strategic role of integrated planning approaches in urban regeneration, framed in the broader concept of Integrated Urban Development, as one important perspective in order to achieve the afore-mentioned objectives.

Based on these strategic goals of the European urban development policy and having in mind that the project focuses on land-use and land management related aspects, the project has dealt with environmental aspects:

- Reducing land consumption through recycling of land and promotion of inner-city development
- Better protection of the environment through quality enhancement of Strategic Environmental Assessments for urban plans
- Climate change mitigation and adaptation in urban planning

**Demographics:** 373,404 inhabitants

**Size:** 597 km<sup>2</sup>, comprising the City of Niš, Niška Banja and 68 suburban communities.

**Geography:** Niš is the third largest city in Serbia and the regional centre of Southeast Serbia, especially in the fields of industry, tourism, healthcare, education and culture. Niš profits of being well connected via European road and railway routes as well as by Constantine the Great Airport, the second-largest passenger and cargo airport in Serbia.

**Instruments tested:** Brownfield Development, Pre-Feasibility Study, Atlas of Sites, Building Registry, GIS-based utility cadastre

Redevelopment of a brownfield site “Industrial Zone East Niš”

The project supported the municipality of Niš in the revitalization of a **brownfield area, constituted by an under-utilized and industrial zone** in the eastern part of the city called “Industrial Zone East Niš” with the elaboration of a Feasibility Study, an Atlas of Sites and a Building Registry.

The industrial zone comprises an area of approximately 52 ha, as part of former premises of the public company Elektronska Industrija – EI Niš (now called EI Holding). Due to various reasons the privatization process for the area is not yet finalized. Challenging factors for its revitalization include poor condition of the available buildings, unclear ownership structures and a lack of information on available infrastructure.

Within the **pre-feasibility study**, urban development opportunities were analysed and a new land use concept within the industrial zone was proposed. Furthermore the study discussed the question of a new parcelling of the zone.

For a market oriented marketing of the site, two tools were introduced: The **Building Registry** is a systematic inventory of all existing buildings still remaining to EI-Holding within the planning area. It contains all important information about use, ownership, condition, volume, area or available infrastructure and can also serve as an information base for the future use of the buildings and investment decisions. The second tool, **Atlas of Sites** contains all relevant information necessary for secure and successful investment decisions, such as cadastral maps, orthophoto images, technical plans or an inventory of available infrastructure. Moreover, the project provided a proposal for a GIS-based utility cadastre for the area.

The Detailed Regulation Plan was adopted in the year 2014.





## **Reducing land consumption through brownfield development and promotion of inner-city development**

Brownfield is a term used in urban planning to describe land previously used for industrial purposes or other commercial use. Such land may have been contaminated with hazardous waste or pollution or is feared to be so. Once cleaned up, a different land-use can be assigned to such an area, for example for commercial, residential, cultural or leisure purposes.

In line with EU policies and guidelines, i.e. the Leipzig Charter, the project supported 4 Serbian cities and municipalities in the revitalization of underused brownfield areas: Kragujevac, Kraljevo, Niš and Smederevo. All areas were formerly industrial zones; in Kragujevac it was a military-industrial complex, in Kraljevo and Niš the areas were used for commercial and industrial purposes. The area in Smederevo was part of the Serbian Railway. Formerly state-owned enterprises located in these areas are undergoing a privatization procedure, which in some cases leads to a delay in the revitalization process. These four pilot projects are representative for a large number of brownfields existing in Serbia. For most of them there is only a low probability that revitalisation will take place in the near future. In addition to difficult or even unclear ownership structures, investment capacities are rather low.

The revitalisation of brownfield areas should be embedded in a broader urban planning approach. In Kragujevac, the revitalisation of the industrial zone “Kragujevac VTZ” was an outcome of the Integrated Urban Development Strategy and defined as a priority measure for the future development of the city centre. In the other three case studies, the cities started the revitalisation of brownfield areas with the development of General or Detailed Regulation Plans. Additional planning instruments that accompanied the revitalisation process were participatory methods to include a majority of stakeholders as well as the public, the elaboration of feasibility studies and investment cost analysis, and the introduction of GIS based instruments such as Atlas of Sites and Building Registry.

The experiences made in all cases showed that brownfield revitalisation is a long term task and requires patience due to the complexity of problems to be solved. It is not just a task of urban planning but a crosscutting task related to many political fields. Therefore, brownfield developments need a special approach. Activities on local level must be complemented by measures on national level. Planners and economic development agencies must work together and pull on the same line. Particularly major projects require a special steering structure. An interdisciplinary unit reporting directly to the mayor might be useful and necessary. Last, but not least, the successful revitalisation of major brownfield projects needs new project management and implementation structures. Experiences in Europe show that the development of such areas can be done by private developers, by public development companies or in private-public partnerships. In either case, the redevelopment of brownfield areas is a difficult task and needs support from all political levels. Bearing in mind that the revitalisation of brownfields is an important element of European urban development policies, this specific task deserves more attention in Serbia.

Which are the environmental challenges that municipalities have nowadays to address and to work on?

**E.R.:** In Serbia, the biggest challenges are in the area of scarce financial resources and in the low awareness for environmental topics. There are efforts in Serbia to adjust the legal framework in the environmental sector to the EU, but not enough attention is paid to the question of how EU guidelines should be implemented in Serbia. A big problem is that environmental regulations are not seen as a necessity and only as a formal requirement that delays planning procedures. Nowadays, the planners in Serbia are under immense pressure to deliver fast results and implement planning processes without prior analysis, resulting in planning processes of low quality. The approach of the GIZ/AMBERO-ICON project regarding the environmental aspects was systematic and of a high technical-professional quality. At the same time, the Amendment to the Law on Strategic Environmental Assessment (SEA) from 2010 stands in contrast to this approach.

Can you describe a concrete environmental-oriented instrument carried out on local level?

**E.R.:** In the pilot project of Despotovac, a detailed situation analysis on environmental parameters was carried out at the beginning. The public had the opportunity to participate and based on these results, we decided for one out of two areas to carry out a construction project. The time taken for carefully including these aspects into the preparation phase later allowed the implementation to take place without public protest or delays. In the context of planning out a new residential zone in Despotovac, the SEA finally led to an arrangement with one of the stakeholders involved, a firm of a quarry. This firm represented a big problem

for Despotovac in terms of air, noise and water pollution. In a moderated stakeholder dialogue, environmental compensation areas were identified and one of them is now used as a buffer zone between the quarry and the new residential zone. Part of this buffer zone is owned by the quarry firm.

While trying to include environmental issues, such as SEA, into planning procedures, which challenges and potentials did you encounter?

**E.R.:** It was relatively easy to integrate SEA guidelines into the planning document. Still problematic are the limited capacities of the local authorities. In most municipalities in Serbia, environmental departments exist, but what are missing are human resources, that is lack of staff and technical expertise. In many cases there is only one staff member responsible for environmental aspects and procedures, one of those being SEA. I got the feedback from small municipalities: after carrying out the SEA with the support of my team, they now understand the relevance and content of the SEA law, for example on how to carry out the scoping phase [defining the boundaries of investigation, assessment and assumptions required] or how to inform and consult the public on the environmental impacts in an appropriate way. Unfortunately, the support of the national level is very low. They adopted the law but did not inform the municipalities on the implementation modalities. Especially small municipalities rely on external support for carrying out such new instruments.

Which stakeholders have to be involved to conduct a successful environmental-oriented development?

**E.R.:** We can make an example of such a project to show how the public should be involved. In our case, we did it through a public forum using a choice catalogue where the citizens could choose between

different options. What was also unique for this project was the way the local authorities and representatives of different departments were included through round tables. Now as early citizen participation is part of the Law on Planning and Construction, the representatives of the environmental department have to inform and consult all stakeholders, including the citizens, regarding the SEA procedures in an area.

#### Where do you see the benefits for municipalities in conducting a SEA?

**E.R.:** Serbia already has quite a long tradition in conducting an environmental impact assessment for smaller projects on the level of a development plan. But the main benefit of introducing SEA in planning procedures in Serbia is its preventive function. At the beginning of a concrete planning process, the cumulative impacts on the environment can be assessed and on this basis minimized or compensated. It also allows citizens to state their concerns and have their voice heard, for example in Lapovo near Kragujevac regarding the highway construction or in Tutin where complaints are directed against the new owners of a quarry.

#### In your opinion, what were the main impacts of the GIZ/AMBERO-ICON project regarding an environmental-oriented urban development?

**E.R.:** There is an existing incompatibility between the Law on Planning and Construction and the SEA law. During the pilot project we needed to move within the Law on Planning and Construction, but we could show that there are possibilities to improve the quality of this law regarding the inclusion of environmental aspects. The SEA approach can significantly influence the planning process in a positive way. For this reason, we could influence the Amendment to the Law on Planning and Construction and at the same time try to point out different aspects of the Serbian SEA law which still can be improved

regarding its effectiveness and quality. As a concrete product, we elaborated a guide on conducting SEA, which can serve as a helpful tool for municipalities. Also, the national associations of town planners did understand the importance of stressing environmental issues in planning procedures and awarded the project with several prizes. Based on these experiences, I felt the importance to include the tested environmental instruments within planning procedures which I advise and support in municipalities throughout Serbia beside the GIZ/AMBERO-ICON pilot projects. In this context, we focus especially on the steps of screening and scoping, which are not clearly defined in the Serbian regulations, but were tested in the pilot projects.

# DESPOTOVAC

**Demographics:** 22,995 inhabitants

**Size:** 623 km<sup>2</sup>, including 31 communities

**Geography:** Situated in the east of Serbia, alongside the river Velika Morava. The vicinity of Corridor 10 ensures good links with the eight adjacent municipalities. The eastern part of the municipality features highlands and mountainous terrain as opposed to the lowlands in the west, which are suitable for agriculture.

**Instruments tested:** Strategic Environmental Assessment, Feasibility Study, Urban Design Concept, (Early) Public Participation, Land Readjustment

## Strategic Environmental Assessment

as part of the development of a Detailed Regulation Plan for a new residential area

In a first step, a **comparative feasibility study** was elaborated in order to compare two possible sites concerning their suitability for the development of a new residential area taking into account expected environmental impacts and urban quality factors.

A **Strategic Environmental Assessment** helped to analyse in a detailed way possible compensation measures in order to compensate and reduce negative environmental impacts.

In parallel to the SEA, an **urban design concept** was elaborated for the selected site, evaluating the actual spatial potentials and limitations of the site concerning the varieties of the urban setting, types of housing, transportation, public and green spaces and land parcellation.

All steps of the preparation of the draft for the new Detailed Regulation Plan were accompanied by the **early participation and integration of citizens and relevant public institutions**. A number of discussion groups, workshops and presentations involved various stakeholders (representatives of the local government, members of the Planning Commission, representatives of public enterprises and local institutions and citizens): through a street stand or at a workshop called "Choice catalogue" the citizens were informed about the plans for the new residential area, and different urban design issues (e.g. public spaces, housing types, landscaping) were presented and discussed. About 60 interested citizens voted for their preferred designs. The results of the workshop were included into the final draft for the Detailed Regulation Plan.

The new Detailed Regulation Plan was adopted in December 2012. In the following step a proposal for restructuring the existing land parcels according to the objectives of the Detailed Regulation Plan was developed, using the instrument of land readjustment. To implement this, the adoption of a corresponding by-law from the Ministry of Construction, Transport and Infrastructure is needed.



### **Strategic Environmental Assessment (SEA)**

A key instrument to protect the environment and avoid and minimize negative impacts to the environment through urban plans is the instrument of Strategic Environmental Assessment (SEA). The SEA is an integral and obligatory part of public procedures for the elaboration of plans and programs within the Member States of the European Union, and its implementation is expected to have considerable impact on the environment. The basis for the integration of the SEA into spatial and urban development plans is the adoption of the Directive 2001/42/EG of the European Parliament and of the Council on 27 June 2001. According to this Directive, the aspects to be considered in a SEA are the expected considerable impacts on “biodiversity, population, human health, fauna, flora, soil, water, air, climatic factors, material assets, cultural heritage including architectural and archaeological heritage, landscape and the interrelationship between those factors.” (2001/42/EC, Annex 1 (f)).

With the adoption of the Law on Strategic Environmental Assessment (LSEA) in 2004, Serbia has implemented the EU Directive 2001/42/EC in its national legislation. According to Article 5 (1), the SEA is an obligatory step within the process of the elaboration of spatial and urban plans. Just a few exceptional cases are subject to individual decisions on the need for a SEA. After 10 years of experience in the application of SEA in the daily planners’ practice, the SEA has become an integral instrument in spatial and urban planning in Serbia. However, there is still room for improvement in its application. The implementation practice is characterized by quality deficits of the environmental reports and a lack of national standards on content and methodology for the process. Examples of this are the lack of adaption to the specific local context of the examined area, the inadequate analysis of alternative plan solutions, the lack of appropriate data or insufficient public participation.

Additionally, the legislation is still not perfectly harmonized. While the LSEA stipulates SEA for all spatial and urban plans, according to the Law on Planning and Construction, SEA is mandatory only for the “Spatial Plan for Special Purposes”. Hence, the legal framework is not perfectly aligned and contradictions of the two laws leave space for the interpretation of the responsible local authority.

This situation was reason for the project to support efforts on quality improvement in SEA. The project therefore decided in a first step to support two municipalities in the elaboration of SEAs for different urban plans on different scale.

*Presentation of the Guide for Strategic Environment Assessment in Palić, 2015*



The experiences made in the pilot projects and in other SEAs for urban and spatial plans showed that even after 10 years' experience in Serbia, there is still a need for improvement of quality and capacity. The most important aspects in that regard are:

- Limitations regarding clear decision structures about the necessity of a SEA;
- Discordance between existing laws has led to confusion about the development, adoption process and understanding of the purpose of SEA, which is often understood as an imposed obligation, and not as useful for the finding of the most environmentally friendly planning solution;
- Lack of environmental data;
- Inadequate preparation of alternative planning solutions;
- Lack of methods and criteria for the assessment of the environmental impact;
- Non-understanding of the process of the Strategic Environmental Assessment. Most of the actors involved in planning procedures are often not completely acquainted with the purpose of the SEA. The role and objective of the SEA is often misunderstood; it is just seen as a technical instrument, which is characteristic for project oriented environmental assessments, but not as an instrument for improving the quality of plans;
- Insufficient public participation or lack of participation of interested authorities or organizations;
- Not clearly defined procedure for the adoption of the Report on Strategic Environmental Assessment (= Environmental Report in international context). In practice, it often happens that the Report on Strategic Environmental Assessment, as a constituent part of the planning document, is referred to a local planning commission or to a commission of the Ministry or of the autonomic province, according to the hierarchical level of the plan, together with the draft of the plan without technical/professional review;
- Unclear quality control mechanism: the Law on Strategic Environmental Assessment does not define the procedure on refuse of consent of the SEA Report. This leads in practice to the fact that the competent authority for preparation of the plan refers the plan to further procedure without obtained consent on the SEA Report;
- Insufficiently clear connection between the plan and the SEA. The Law on Planning and Construction does not clearly point out that the Report on Strategic Environmental Assessment is a constituent of the urban plan, but only a “documentation basis of spatial plans” (in the last amendment of the Law on Planning and Construction from 2014);
- The need for harmonization between the Serbian Law on Planning and Construction and the Law on Strategic Environmental Assessment.

Due to the experiences made and the above mentioned shortcomings, the project decided to issue a Guide for SEA on urban development planning. The purpose of the guide is to contribute to a better understanding of the SEA. Providing technical information on the procedure itself as well as the content and methods to be used, its final aim is to improve the quality of SEA and, with that, the quality of urban plans. The guide focuses on the integration of SEA in urban plans. It mainly targets planners and local self-governments and intends to support them in the formulation of urban plans in the most environmentally sensitive manner. The guide is a result of intense cooperation between planners and environmental experts from the Ministry of Traffic, Construction and Infrastructure, the Ministry of Agriculture and Environmental Protection, the University of Belgrade, local self-governments and experts from abroad, and it is based on experiences made in various urban planning projects in Serbia and in Germany.

### Amendments to the Law on Planning and Construction: improved involvement of environmental departments into the planning process

Based on its own experience and the experience of practitioners, the project highlighted the need for harmonization of the Serbian Law on Planning and Construction with the Law on Strategic Environmental Assessment and submitted adequate suggestions to the Ministry of Construction, Traffic and Infrastructure. Not all suggestions have been taken into account. However, one achievement was that the new law improves the involvement of the environmental departments of the municipalities in the decision process about the need of conducting a Strategic Environmental Assessment (SEA) within urban planning processes.

*Guide for Strategic  
Environment Assessment  
in Urban Planning*



**Interview with Sabina Ivanović**, Ministry of Agriculture and Environmental Protection, on Sustainable Environmental Assessment (SEA) and the development of the Guide

From the perspective of the Ministry of Agriculture and Environmental Protection, what is the importance of having a guide on Sustainable Environmental Assessment (SEA) in Serbia?

**S.I.:** In the context of accomplishing the prerequisites for accessing the EU, this guide on Sustainable Environmental Assessment (SEA) is of great importance. We just completed the post-screening report for the EU in which we had to describe the progress in implementation. In 2004 we adopted the SEA law on the basis of EU regulation, but we have not been very successful in raising the awareness for this kind of environmental assessment. In this context, the SEA guide presents international but also national best practices. It also shows the status quo in linking planning procedures to SEA. The municipalities are responsible for the implementation of SEA, at the same time this means that there are divergences throughout Serbia in how this assessment is conducted, also regarding its quality. But also the law itself has its weak points, for example a clearer distinction between the screening and scoping phases is missing and there is a lack of specific regulations. So with this guide, we wanted to draw attention to these points and suggest ways to improve it. We hope that this influences the amendment to the SEA law which will take place in 2017.

In your opinion, what should be adjusted in the law on SEA in the future?

**S.I.:** The Environmental Impact Assessment (EIA) foresees the possibilities for citizens to submit comments or even a complaint in front of the administrative court. But this possibility is not included in the SEA. It still has to be discussed if this should be introduced into the amendment to the law. In my opinion, it could be one reason why the SEA is sometimes neglected in comparison to the Environmental Impact Assessment. The public may feel that they cannot influence the SEA process in a substantial

way. In this regard, a regulation within the SEA law should define more precisely the scope of public participation.

From the ministry's perspective, what are the challenges of carrying out SEA on a local level?

**S.I.:** We encounter the situation that the local staff working in the environmental departments in the municipalities are composed mostly of one or two people, responsible to carry out SEA as well as environmental impact assessment in the whole municipality. Thus, we face the problem that resources, capacities and awareness for this topic are very limited. Many people working at the local level still do not understand the importance of the SEA instrument and how it should be implemented properly. In this context, the representatives of municipalities are the main target group of this guide. In the guide, they will find information and instructions on the methodological approach and on how to use the SEA instrument in practice.

How do you ensure that the information stated in the guide is disseminated throughout Serbia?

**S.I.:** We work together with the Standing Conference of Towns and Municipalities (SCTM) to inform the smaller and bigger municipalities in Serbia on what we are doing in the ministry, but also when we need assistance and input from the municipalities. The first presentation of this guide took place in Palić at the conference of the Spatial Planners Association. We are planning to organise some more events together with SCTM to explain directly to the representatives of smaller municipalities the content of this guide and how to improve the procedure of SEA. I think that this would be a good way to consolidate the results of the guide and to disseminate it to a broader audience. Also on the website of the GIZ/ AMBERO-ICON project, the guide can be downloaded.



While working on this guide and on SEA procedures in general, what were for you the most important outcomes?

**S.I.:** Regarding the guide, the most important aspect is to link SEA to the planning procedure, because this is the main objective, to integrate environmental protection measures into the urban plans. In my opinion: it is also very important to learn from the experience of others. So we put much emphasis on the selection of best practices from other countries and tried to analyse which ones could be transferred to the Serbian context.

*Urban Laboratory on Strategic Environmental Assessment, 2015*



### ***Climate change mitigation and adaptation in urban planning***

Climate change mitigation primarily intends to decrease or prevent greenhouse gas emissions in a medium and long-term perspective through the use of energy efficient technologies and renewable energies, or by changing management practices and consumer behaviour. In comparison, climate change adaptation describes a process of adjustment to already occurring or expected climate conditions with the intention of moderating harm, exploiting beneficial opportunities, reducing vulnerability and increasing resilience<sup>9</sup>.

The project has worked in both areas, trying to increase knowledge and expertise in the municipalities for climate change related issues. In Despotovac the project initiated planning measures to strengthen climate change mitigation through optimized passive use of solar energy. In order to create an example to show the potentials of urban planning for achieving an energy efficient urban structure, the urban design concept for a new housing area in Despotovac was analysed and optimized in such a way that all future houses can passively use the maximum of solar energy. Therefore, a shadow plan was produced and it could be shown that none of the buildings will throw shadow on the other, so that each building can benefit from a maximum of natural solar energy.

Serbia, like many of its neighboring countries, is located in a disaster-prone area. Faced with extreme flooding events in May 2014, Serbia was severely challenged to provide appropriate responses on the local level due to at least two factors: 1) an emergency situation calling for urgent help in the most severely flooded areas around the rivers Sava and Danube, and 2) a strongly centralized political and administrative system with a weak local level due to limited availability of resources, decision-making authority and technical capacities. The latter is a reflection of the dynamics at stake in a post-socialist context. Within this setting, there is a pressing need to consider how to improve disaster risk management in the context of climate change adaptation on multiple levels in order to create more resilient municipalities in Serbia as, for example, defined by the United Nations International Strategy for Disaster Reduction (2012). The municipality of Obrenovac was most seriously affected by the floods in 2014 and faced the multiple challenges a local government is confronted with when dealing with emergency, recovery and preparedness.



*Students assessing Flood Risk Disaster Management in the municipality of Obrenovac, 2015*

9 IPCC, 2012: Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation. A Special Report of Working Groups I and II of the Intergovernmental Panel on Climate. Cambridge University Press, Cambridge, UK, and New York, NY, USA.

## Case study Obrenovac: Climate change adaptation through urban risk disaster management

As flood risk reduction is, among others, strongly related to land management and planning issues, the project initiated a **joint student project on Urban Risk Disaster Management together with the municipality of Obrenovac**, the University of Belgrade, and the Technische Universität Berlin. The main goal was to improve the capacities of students in urban planning and urban management in the field of Urban Risk Disaster Management. Hence, twenty-six students from the Urban Management Program of TU Berlin, together with eleven students from the Integrated Urbanism Master's Program at the University of Belgrade, had the opportunity to work together on a common project, which culminated in a **ten-day workshop on "Resilient Cities: Urban Disaster Risk Management in Serbia" in April 2015**. The experiences made and the results with recommendations for a more resilient urban planning and management have been summarized in a joint report as the final product of this collaboration. It is structured into three major parts.

The first part introduces the topic of disaster risk management in the Serbian context and provides a background on the flooding events of 2014 in Obrenovac as well as the responses organized by students of the University of Belgrade. The second part presents the analytical findings based on ten essentials for more resilient cities defined by the United Nations Office for Disaster Risk Reduction (UNISDR), leading to an integrated SWOT analysis. In the third part, the conceptual ideas for improved disaster risk management in Obrenovac are presented for each of the five key intervention areas defined during the workshop. After finalizing the action plan, the Serbian students continued working on flood risk management as part of their master's projects. The projects are part of their master's thesis which they defended in July 2015. All projects are presented and published in a catalogue. The **report and catalogue with students' final master's projects** can be downloaded on the project's web page<sup>10</sup>.

<sup>10</sup> Web page <http://www.urbanlandmanagement.rs/>

*Students visiting the  
municipality of Obrenovac,  
2015*



## SMEDEREVO

**Demographics:** 108,209 inhabitants

**Size:** 484 km<sup>2</sup>

**Geography:** Smederevo is situated in the North-Eastern part of Serbia, on the Danube, only 46 km away from the capital city of Belgrade. It is located between two European corridors, the land corridor 10 – a motorway, and the water corridor 7 – the Danube. It features the northernmost port which can receive ships from the Black Sea.

**Instruments tested:** Feasibility Study, Urban Design Concept, Early Stakeholder Participation, Brownfield Development

### Feasibility Study for the urban renewal of the “Marina Smederevo”

The project supported the municipality of Smederevo in the urban renewal of an inner-city area situated at the confluence of the Danube and (previous) Jezava rivers, aiming to convert it into a modern marina. This support was carried out through the elaboration of a feasibility study combined with an urban design concept, accompanied by early stakeholder involvement throughout the process.

In a first step, through the **proposal for the urban and architectural design**, future land uses and important infrastructure investments were defined. Based on this, a **feasibility study** analysed different important aspects for the development of a marina in the area of the river basin, such as the protection of cultural monuments, water management, urban planning and land ownership. Having analysed the technical aspects of the feasibility of the project, the study evaluated also its economic feasibility based on a first cost calculation for the project implementation, the maintenance of the site and the expected revenues over the next ten years after its completion.

The **early integration of local key stakeholders** into the planning process provided important technical information, enabling the elaboration of a comprehensive concept, while considering different aspects important for the development of the area. As a new participatory method for the early involvement of important local stakeholders, the feasibility study as well as the urban design concept were presented at a conference, attended by about 130 participants. The planned project was also presented at the international real estate trade fair Expo Real in Munich in October 2012, in order to attract the interest of possible investors in the project implementation. The draft plan on urban renewal and development of a brownfield area into a touristic area was adopted in 2014.



### **3.1.1.2 Improving market orientation**

Since the political transformation in 2000, Serbia has faced substantial changes from a former socialist to a democratic and market oriented system. Numerous legislative and institutional changes have been accomplished since then, affecting also the system of urban development and land management. Several amendments to the Law on Planning and Construction aimed to facilitate investments and to shorten planning and permissions procedures.

However, measures to speed up planning and permission procedures must be supplemented by quality and capacity enhancing measures to avoid an exclusive focus on the interests of investors, neglecting the interdisciplinary task of urban planning. Local self-governments need to prepare themselves more to the needs of the market. This includes, for example, the early settlement of property rights and stakeholder involvement, or the early clarification of the project feasibility including demands and needs analyses. Against this background, the project supported several cities and municipalities in a more market oriented preparation of urban plans.

#### ***Feasibility Studies***

The conduction of feasibility studies prior to the formulation of the urban plan is a frequently used step especially in the development of big and complex urban projects. Feasibility studies provide an analysis and an evaluation of a proposed project to determine if it (1) is technically feasible, (2) is financially feasible, including an analysis of the estimated cost and profitability. With that, they provide important information about the chances of an urban development project to be implemented. Usually, such studies are done before starting or at least before the adoption of urban plans. During the project phase, different feasibility studies were conducted in the partner municipalities of Kraljevo, Niš, Majdanpek, Kragujevac and Smederevo.

In Niš and Kraljevo, the project supported the redevelopment of industrial brownfield areas and corresponding pre-feasibility studies helped to analyse the market situation and to elaborate recommendations for the urban plan (Detailed Regulation Plan in Niš and General Regulation Plan in Kraljevo). In Kraljevo, the pre-feasibility study analysed different possibilities for the development of a new land-use and marketing concept in order to enhance a market-oriented development of a former industrial and commercial zone. The results of the analyses were incorporated into the urban development concept for the site. In order to enhance the success of the envisaged future rehabilitation of the “Rajkovo Cave and Ski Resort” in Majdanpek, the project supported the conduction of a feasibility study including a cost estimation for the rehabilitation of the existent but dilapidated touristic infrastructure.

The more recent case study of the revitalisation of the military-industrial complex “Kragujevac VTZ” includes an investment cost analysis regarding the provision of technical infrastructure. This was complemented by a study on real estate valuation for a part of the area before and after the building of new infrastructure. These studies are key elements for the assessment of the economic feasibility of the urban design concept. As a last step, the project will support the city in the exemplary set-up of an investment and project management plan.

What is the significance of Integrated Urban Development Strategies (IUDS) for the economic as well as sustainable development of municipalities?

**D.J.:** The elaboration of Integrated Urban Development Strategies (IUDS) are a way to link planning to finance and funding sources, especially for project-based planning. An integrated planning approach minimizes the risks of an ad-hoc planning and is directed towards the real needs and interests of the citizens. The participation of the public within planning processes is very important, on one hand it raises awareness and interest of the public for planning issues, and on the other hand the citizens feel their needs more recognized and acknowledged. At the same time, such an integrated and participatory approach, for example in the form of a survey or exhibition event, makes it more clear to the different actors involved that planning cannot correspond only to stated wishes but has to be realistic and take the resources of the municipality into account.

How can such a participatory approach lead to the development of an integrated strategy?

**D.J.:** At these participatory events the different stakeholder groups had the opportunity to compare their interests and wishes with those of other stakeholder groups, so in this way, they came to realize that other ideas might have priority, concerning aspects of the municipality's development, but also regarding available financing sources. In the elaboration process of the Integrated Urban Development Strategy (IUDS), these different proposals are presented through the electronic media to all citizens and are open to discussions, which would not have happened in a traditional planning process. In the elaboration process of IUDS, for the first time, we

could identify core areas in the city with a high need for intervention and which are of great importance for the development of the city..

Could you describe one core area and its relevance for the further development of Kragujevac?

**D.J.:** The Military Technical Institute, as an industrial brownfield situated in the central city zone, was identified in the strategy as one of the areas in the city with the highest intervention need. Its revitalisation has been given the absolute priority, regarding its significance as an industrial heritage of national importance, and regarding its development potential for the whole city as well. The elaboration and adoption of the IUDS and of other documentation such as investment cost analysis will be a considerable advantage for Kragujevac in comparison to other cities in Serbia when applying for national or international funding sources.

Is the timing too early for such a complex and big project, because of there no existing concrete funding opportunities at the moment?

**D.J.:** At the moment, the project is at the preparatory stage for implementation, which includes, besides urbanistic plans, also the elaboration of necessary financial analyses in order to justify it. An additional endeavour at this stage is also to get the full political support for this long-term project. In the city of Kragujevac, there is an awareness of the importance of such a project, which is a prerequisite for its implementation. Now it is important to also convince the competent ministries, also due to the fact that the Republic of Serbia is the majority owner of the complex. A risk is that only small-scale projects will be realized, forgetting the consistent overall concept for this area and resulting only in minimal impacts for the city.

So in your opinion, how can it be ensured that this brownfield area in Kragujevac is developed as one comprehensive project?

**D.J.:** Only through the partnership of the city and the RS Government is it possible to avoid the disintegration of the complex, which would happen if smaller parts of the area are sold to different investors to try to fill the city and national budget gaps quickly. Also, through a strong inclusion of the public and the medial dissemination of this project and its importance it is possible to limit the risk of a fragmented development. The necessary financial means for the development of the area can be acquired from different sources: for environmental protection, for social housing, for cultural heritage preservation. The challenge is to increase the needed capacities and know-how on the local level for applying to these funds.

What concrete solutions are needed on national level in order to support the implementation of projects on a local level?

**D.J.:** What is needed is the creation of a national fund for financing the implementation of such strategies in municipalities, and the issuing of corresponding laws to secure the implementation. Additionally, on the local level, capacity development and training measures have to be carried out to support the local actors in the drafting and implementation of integrated development strategies. We should use the possibility to cooperate and communicate between the three pilot cities of Kragujevac, Kraljevo and Užice in order to find out a way to make other cities and municipalities in Serbia acquainted with achieved results, and to increase the pressure on the government to adapt the legal framework to the realistic situation and needs of the local self-managements.

Site of "Military Technical Institute" in Kragujevac



### **Building Registry and Atlas of Sites**

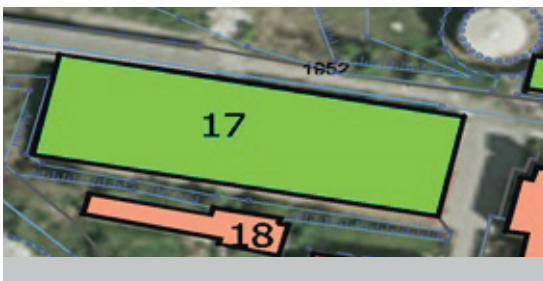
The project supported the development of an Atlas of Sites and Building Registry for brownfield areas in the cities of Kraljevo and Niš. These instruments provide a systematic inventory of all existing buildings within the planning area with all information on available land and buildings relevant for future investors. Such information, which partly established the use of GIS-technology, can improve the capacity of the municipalities and enable them to react in time on requests of potential investors and thus enhance the competitiveness of the municipality in an ever more global economy.

The Atlas of Sites set up in the mentioned municipalities contains all relevant information necessary for secure and successful investment decisions such as cadastral maps, orthophoto images, technical plans or an inventory of available infrastructure.

The Building Registry is a systematic inventory of all existing buildings within the planning area. It contains all important information about land-use, ownership, condition, volume, area or available infrastructure, and can also serve as an information base for future use of the buildings and investment decisions.



Industrial Zone East, Niš





## KRALJEVO 1

**Demographics:** 125,488 inhabitants

**Size:** 1530 km<sup>2</sup>, including 92 communities

**Geography:** Located in the central part of Serbia, in the lower course of the river Ibar and the middle course of the river Zapadna Morava. Provided with the natural and economic prerequisites for the production of crops, vegetables and livestock. Of particular significance are the ore deposits, hydro-energy potentials and touristic sights.

**Instruments tested:** Building Registry & Atlas of Sites, Feasibility Studies, Public Participation, Brownfield Development

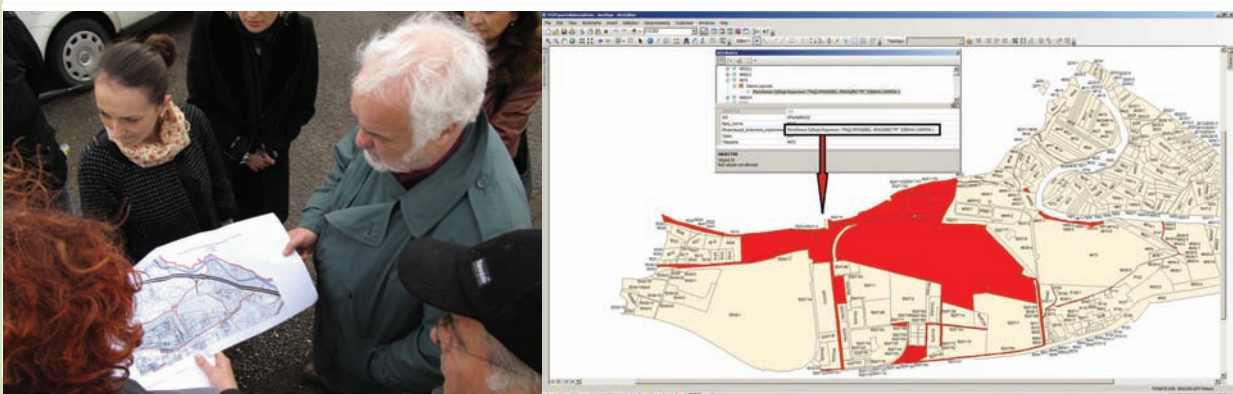
### Introducing Building Registry as a tool for the redevelopment of a brownfield site

The brownfield area, named “Industrial Zone – Sports Airfield”, had a long history as an industrial zone since the end of the First World War for the production of train waggons, small airplanes and magnesite products. Parts of the public enterprise are undergoing the nation-wide privatization process.

The municipality was supported in drafting a new **General Regulation Plan** for the site and the adjacent agricultural land through the elaboration of a pre-feasibility study. The study analysed different possibilities for a new land use and marketing concept.

Moreover, the pilot project supported the development of a **GIS-based information system**. This **Building Registry or Atlas of Sites** contains a systematic inventory of all existing buildings within the planning area with all information on available land and buildings relevant for future investors (including actual land use, ownership situation, condition, volume, area, traffic infrastructure, technical infrastructure, etc.). The elaborated information system is part of a modern marketing concept aiming to enhance the promotion of the area to new investors and to enhance a market-oriented development of the industrial zone.

Additionally, new **participatory methods** were introduced into the process of drafting the new Regulation Plan. At a number of **round tables**, stakeholders, who are important for the implementation of a new plan, discussed the future of the area in order to gather ideas and state concerns as well as to facilitate the exchange of relevant technical information. The citizens were involved in the process through the realization of a **public inquiry** on the draft plan. After the conclusion of the public inquiry, the submitted objections and adopted decisions were discussed in a public session of the planning commission. The new General Regulation Plan for the area “Industrial Zone – Sports Airfield” was adopted in July 2013.



## MAJDANPEK

**Demographics:** 18,179 inhabitants

**Size:** 932 km<sup>2</sup>

**Geography:** Located in Eastern Serbia, covering fringes of the Southern Carpathians and parts of the basins of the Danube and Pek rivers. Majdanpek possesses rich deposits of noble metals and copper ore. The once significant production of the Majdanpek copper mine has experienced an economic downturn, turning the once gigantic industrial municipality into one of Serbia's impoverished areas.

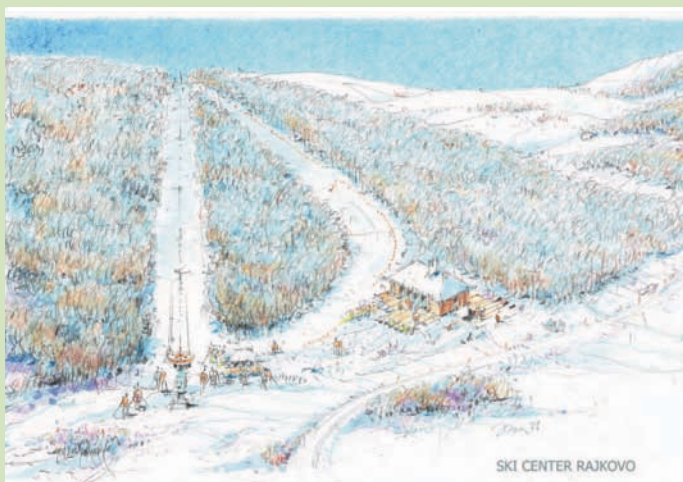
**Instruments tested:** Public Participation, Strategic Environmental Assessment, Feasibility Study, Urban Design Concept

### New Public Participation methods for the elaboration of the Detailed Regulation Plan "Rajko's Cave and Ski Resort"

The objective of the Detailed Regulation Plan was to regulate the **touristic re-development in the area of "Rajko's Cave and Ski Resort"**. Though the natural attractions have a lot of potential to raise interest for their touristic use, the touristic infrastructure was neglected and no longer suitable for the successful marketing of the area. In order to enhance the success of the envisaged future rehabilitation of the site, the pilot project supported the elaboration of an economic Feasibility Study and a Strategic Environmental Assessment (SEA), prior to the elaboration of the draft for the Detailed Regulation Plan for the site. The afterwards conducted urban design concept could then carefully analyse capacities and restrictions of the location, while proposing a feasible and locally supported solution for future land use in the area.

Since the whole process of elaboration of a draft for the new Detailed Regulation Plan was accompanied by **continuously informing the public and involving local stakeholders and citizens**, the pilot project in Majdanpek served as an outstanding example for including participatory methods into communal planning procedures, as well as for increasing transparency. During the early stages of the Detailed Regulation Plan and the Strategic Environmental Assessment, for the first time in Serbia, a "speak out" event was organized, which involved school children, interested citizens and representatives of the local government institutions. The experiences made in the municipality of Majdanpek were included as an example in the *Guide for Participation in Urban Development Planning*, published as a jointly elaborated product by the GIZ/AMBERO-ICON project and its partners.

The Detailed Regulation Plan for the area was adopted by the city council in April 2013.



### 3.1.1.3 Improving participation and transparency

Participation of citizens and stakeholders in planning and decision-making is an essential element of a dynamic and democratic civil society. In recent years, the importance of participation in urban governance in European countries has continuously increased. Several EU policy papers describe the requirements for a better participation of citizens and stakeholders in urban governance (see box below). Moreover, Serbia has signed the Aarhus Convention and herewith committed itself to apply basic principles of participatory planning.

In that context and in view of Serbia's rapprochement to the EU, there is a need to adapt the urban and spatial planning system to principles and European practice of participation in urban governance. Consequently, the project has put a focus on this issue.

#### Urban development and participation in the European Union

In the European Union numerous policy papers and initiatives have been issued aiming at the improvement of participation in decision making. In the area of urban development, the Aarhus Convention and the Leipzig Charter are of particular importance.

##### **The Aarhus convention**

Serbia signed the so called Aarhus Convention from 1998 and commits itself to take the legislative and regulatory measures to implement basic principles of participation and access to information. Important provisions of the convention are, inter alia:

##### Article 1: Objective

In order to contribute to the protection of the right of every person of present and future generations to live in an environment adequate to his or her health and well-being, each Party shall guarantee the rights of access to information, public participation in decision-making, and access to justice in environmental matters in accordance with the provisions of this Convention.

##### Article 3: General Provisions

1. Each Party shall take the necessary legislative, regulatory and other measures, including measures to achieve compatibility between the provisions implementing the information, public participation and access-to-justice provisions in this Convention, as well as proper enforcement measures, to establish and maintain a clear, transparent and consistent framework to implement the provisions of this Convention.
2. Each Party shall endeavour to ensure that officials and authorities assist and provide guidance to the public in seeking access to information, in facilitating participation in decision-making and in seeking access to justice in environmental matters.
3. Each Party shall promote environmental education and environmental awareness among the public, especially on how to obtain access to information, to participate in decision-making and to obtain access to justice in environmental matters."

##### **The Leipzig Charter**

The Leipzig Charter (2007) addresses public participation as a means to achieve a more efficient integrated and sustainable approach in the management of urban development with special focus on urban regeneration of those areas that suffer from complex economic, social and environmental problems.

"Cities are places where a lot of knowledge is created and also imparted. The full exploitation of a city's knowledge potential depends on the quality of its pre-school and school education, and on the transfer opportunities provided within the education and training systems, as well as by social and cultural networks. The opportunities for lifelong learning, the excellence of the universities and non-university research institutes and the transfer network between industry, businesses and the scientific community. Integrated urban development strategies, cooperative urban development management and good governance can contribute towards a purposeful use of the potential of European cities particularly with regard to competitiveness and growth, as well as to reducing disparities within and among neighbourhoods. They provide citizens with an opportunity for social and democratic participation."

Participation has a long tradition in planning practice in Serbia – it has been an integral part of urban planning since the 1970s, although formally already included within the legislation from 1949 (Resolution on General Urban Plan). In urban planning, participation is usually carried out through special methods and techniques such as advertising, public inquiry, experts' discussions, presentations, submitting objections to draft plans, etc. The role of participation is primarily related to the formal legal process, conditioned by the legal nature of the plan in which participation mainly serves as a means for legal protection of the participants in the planning process.

However, despite its long tradition, the participation in the planning procedure for urban and spatial plans has some weaknesses. One is the fact that – according to the previous Law on Planning and Construction – participation starts in a rather late phase, when the plans already have a high “planning maturity” and corrections and changes are more difficult than at an earlier phase. Furthermore, although participation is considered as one of the key elements of decision making in the field of public policies and urban governance, Serbian urban planning practice is lacking the insight for its application.

This practice underestimates the fact that public participation contributes to the formation of an active citizen body, influences the development of personal skills and social awareness, and enhances the establishment of new relationships and distribution of power and resources in governing local and urban development. A broader involvement of stakeholders enables the recognition of differing interests and influences, creates an opportunity for a timely resolution of conflicts, and contributes to a more realistic and effective planning.

Against this background, the task of the project was to point out possibilities for improving participation and with that enhancing urban planning quality, based on the elaboration of more realistic and feasible plans, more transparent decision-making in the planning process and, last but not least, accomplishing greater social legitimacy of planning. Furthermore, the expected result was to incorporate early public participation into the legal framework. The method applied consisted of testing participatory instruments, evaluating them and afterward, based on the achieved results, proposing their introduction into the legal framework.

In a first step, different methods of participation and transparency in urban planning were tested and applied during the years 2011-2014 in nine pilot projects in the local communities of Despotovac, Kladovo, Kragujevac, Kraljevo, Majdanpek, Smederevo, Trstenik and Užice.

During the project, different scenarios of participation within urban development planning were tested in the pilot projects:

- Earlier involvement of stakeholders and citizen engagement in the formal urban development planning process of a new residential area, a residential commercial zone, a brownfield site, a new touristic area and urban renewal, as well as in the preparation of the strategic environmental assessment report (SEA);
- Implementation of various active participation consultation and information methods throughout the whole process of elaboration of Integrated Urban Development Strategies, which is a new planning instrument in Serbia.

A variety of methods were included and adjusted to local conditions and needs, from informing and consultation to active participation. Among new information methods the following were applied: newsletters, internet advertising, web page, panels, info point, and conference. The new consultation methods were the following: discussion groups, survey (with feedback), online consultations, and choice catalogue. Finally, the most challenging were the active participation methods, which included: workshop, design workshop, World Café, visioning, ideas competition, public forum, round table and “speak out”.

Besides citizens, other stakeholders were also involved in the planning process, such as local authority representatives, public enterprises and institutions, investors, nongovernmental and civic based organizations.

**Table: Pilot projects for testing stakeholder involvement and citizen participation**

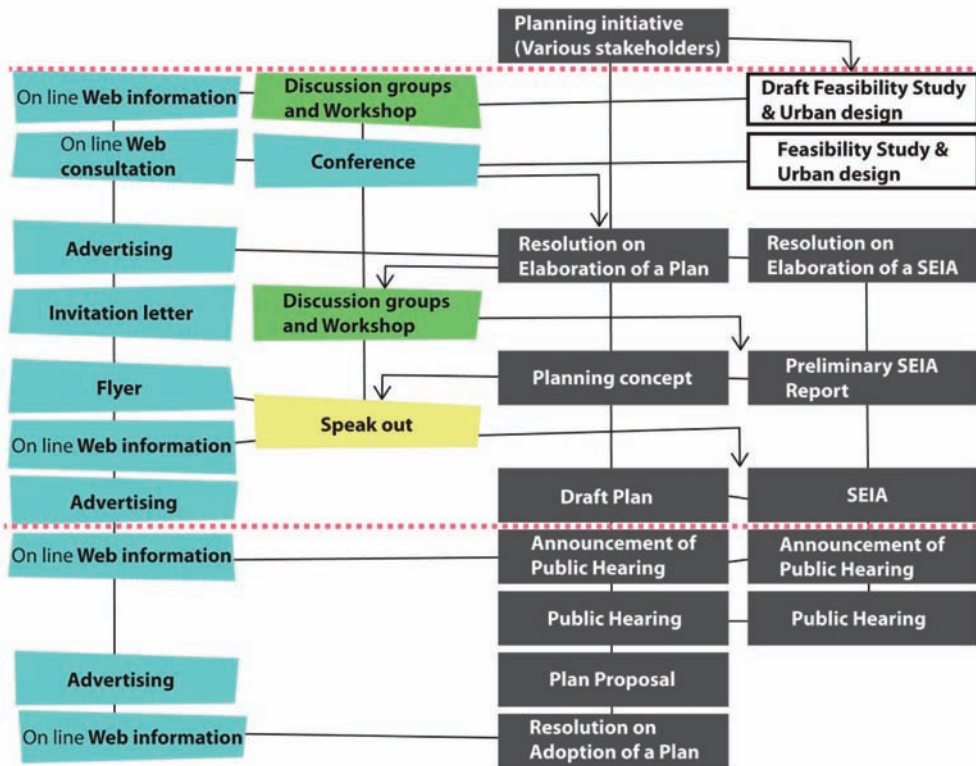
PILOT PROJECTS	INFORMAL PARTICIPATION	TRANSPARENCY
DRP for the new residential area "Resava", Despotovac	discussion groups, workshop, conference, info point, newsletters, choice catalogue	advertising, invitation letter, info point, flyer
DRP for the development of the commercial residential zone "Jugovo", Kladovo	discussion groups, workshop, conference, exhibition panels	advertising
GRP "Industrial Zone – Sports Airfield", Kraljevo	discussion groups, workshop, conference, internet advertising	advertising, online information, conference
DRP for a new marina, Smederevo	discussion groups, workshop, conference	advertising, conference
DRP for development of the touristic area "Rajkovo", Majdanpek	discussion groups, workshop, conference, internet advertising, newsletters, "speak out"	internet advertising, online consultations, newsletters
SEA for a new residential area, Despotovac; SEIA for a touristic area, Majdanpek	discussion groups, workshop, round table, info point, choice catalogue	advertising, invitation letter, info point, flyer
Integrated Urban Development Strategy for the inner-city area, Kragujevac, Užice, Kraljevo	discussion groups, workshop, design workshop, survey, ideas competition, visioning, World Café, public forum, conference, online consultations, exhibition panels	advertising, online information, online consultations
Sustainable Development Strategy for Trstenik	visioning, public forum, ideas competition	advertising

*Public forum  
in Kraljevo on IUDS,  
2013*



The introduction of the project's examples of methods for citizen participation at an early stage of the urban planning process, and for participation throughout the whole process of strategic urban development planning represents a novelty in Serbian practice (for more details, see chapter on IUDS).

After concluding the planning procedures in the pilot projects, interviews were conducted with urban, spatial and environmental planners. In addition to answering questions related



*“Participation in formal procedure of elaboration of Detailed Regulation Plan” in Majdanpek*

to the manner in which the participation had been approached and implemented in practice, they expressed their personal opinion regarding the results of the newly tested participatory methods in the pilot projects. The practical experience gained in the testing phase proved to contribute to a better understanding of participation and transparency, and to be an impetus and an encouragement for their further use. Local planners recognized potentials as the following:

- Improved identification of problems;
- Improved generation of ideas and evaluation of planning proposals;
- Strengthened interaction and cooperation with citizens and other local authority departments;
- Activated partnerships with the commercial and non-profit sector;
- Increase of legitimacy;
- A new perception of “alternative” ways of planning.



*“Speak out” public participation format in Majdanpek, 2012*

**Interview with Dragana Biga**, Director of Arhiplan (private planning firm), on participatory approaches within the development of urban design concepts

You took part in supporting the municipality of Kladovo in developing an urban design for the new commercial zone “Jugovo”. What were in your opinion the innovative aspects of this approach?

**D.B.:** Even though I have been working in the field of urban development for around 25 years, I could encounter new approaches within the GIZ/AMBERO-ICON pilot project, which differ from the standardized planning procedures in Serbia. In Serbia, the public enquiry of plans took place towards the end of the formal planning procedure, aiming at involving citizens, the business sector, social institutions. In the pilot project we implemented the concept of early citizens participation in accordance with EU laws and standards. Because it was the first time for municipalities to conduct such an instrument, it was at the beginning a bit difficult to awaken their interests for this issue. A lot of patience and time is needed to achieve good results. In the end, when we presented the results of the urban design concept, all the stakeholders involved were content with them.

In your opinion, what were the major success factors?

**D.B.:** Having patience, patience, patience. As well as having a careful, gradual preparation. As I said, this approach was new to the city administration, so we had to be very careful in preparing the process and in proceeding step by step. Also, the involvement of a broad range of stakeholders was an important prerequisite for deciding on different types of land-use planning in a participatory manner and for raising the acceptance of the results. I have to add that we did not come to Kladovo with a pre-developed concept. When we started, we first did an analysis of the status quo, and on this basis we developed in a participatory way the goals and visions for urban development.

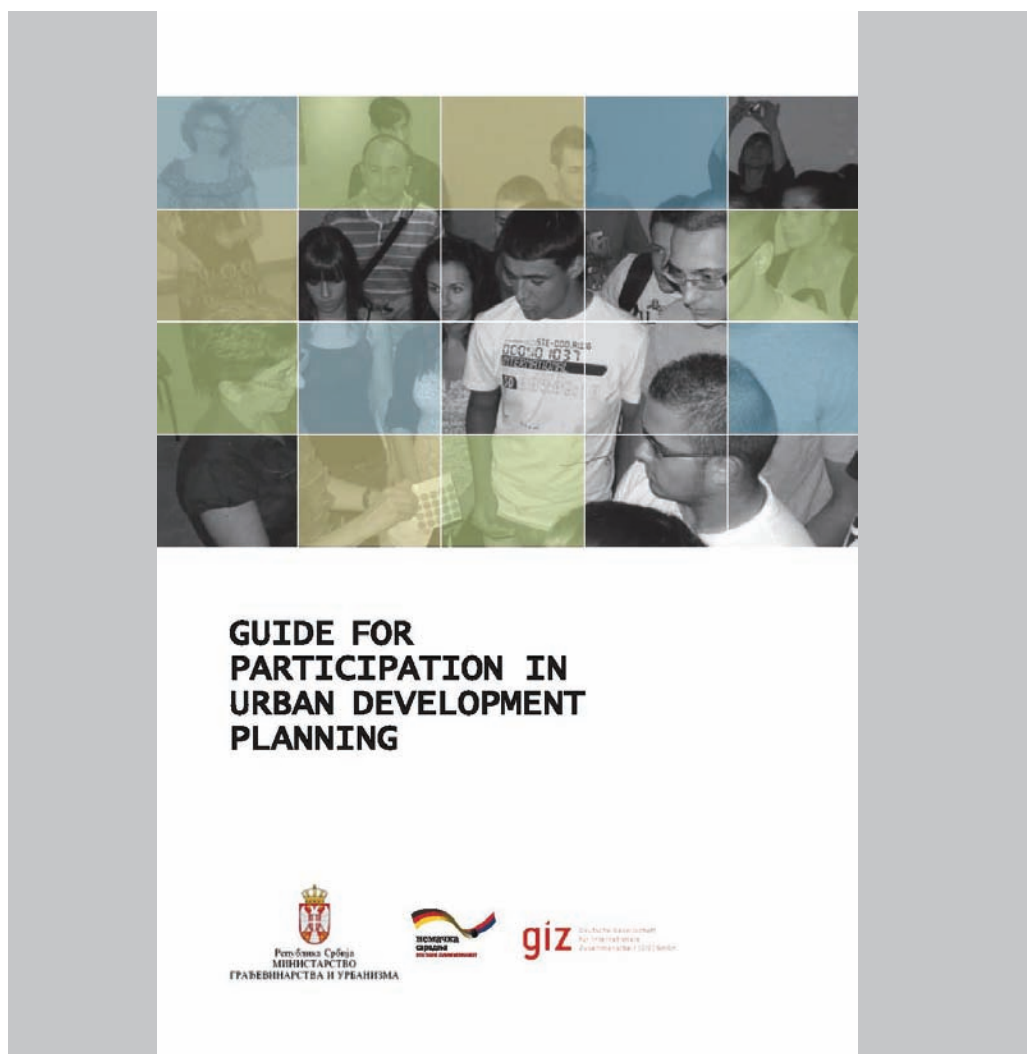
How did you perceive the cooperation with the city administration?

**D.B.:** We were fortunate to cooperate with city officials that showed interest in the project, for example representatives at the local economic development department and at city planning department. These colleagues understood the importance of the project and were able to activate and involve further stakeholders. For such projects it is better to work directly with the technical-administrative staff in the municipality, because local politicians in the city council change regularly and are driven by their own political interests. It was also a great chance for the technical-administrative staff to broaden their knowledge, to test new techniques and gain capacities.

### **Guide on participation in urban development planning**

Concrete examples of applied participatory methods were illustrated in the *Guide on Participation in Urban Development Planning* published by the project. The Guide comprises the essential information on what participation is, why to use it, its fields of application, pros and cons, participants to be involved and stakeholder analysis, and differences between formal and informal participation. It explains how to include participation within planning processes while highlighting the importance of taking into account the different planning scenarios and clarifying the different participatory methods.

The Guide was presented at several domestic and international workshops and conferences, e.g. during the SCTM Network meeting of heads of planning departments in Belgrade, at the Forum Urbanum in Ivanjica, at UN-HABITAT World Urban Forum VII in Medellín (Colombia), at the Connective Cities Launch Event in Leipzig (Germany) and at the Economic Forum in Tbilisi.



Cover of the guide



Presenting participatory planning approaches within the project on UN-HABITAT WUF VII, Medellin, 2014



Presentation of the Guide on Connective Cities Launch Event in Leipzig, 2014



Quotations by representatives of local municipalities and urban planning experts on the relevance of public participation

“A significant result is, above all, a change in perception for the experts who participated in this ‘alternative’ planning process. They had the opportunity to learn about the process of early stakeholder participation, which always gave different results compared to purely technically oriented problem solving. The experience regarding the consideration of the whole extent of the planning process is also very important, not only in terms of architecture and civil engineering, but also in terms of a multidisciplinary approach to environmental care, social needs, potential impacts on climate changes and so forth.”

“The mobilization of the city’s spatial resources, the initiation of different activities by a number of commercial, industrial and non-profit organizations and their interest in the project implementation represent an evident result of this initiative. Over the last period of time, socioeconomic factors have influenced the need and the way to involve actors who have clear interest positions. A full range of actors should be involved in order not to allow impoverished citizens to become even more impoverished, to ensure the minimum conditions for the economic survival of the public institutions, to fulfil the investor square footage and protect interests, and to offer to nongovernmental organizations a chance to speak out. The adoption of the plan depends on the conciliation of these interests.”

“I think that a public inquiry does not provide the opportunity for the appropriate level of citizen participation because many actors are often uninformed about this participatory event. I believe that, prior to the drafting of planning documents, and after a decision is made, all owners of properties covered by the planning document should receive backup information in writing. It is necessary to make a visual simulation showing the location development and desired outcomes, and to organize meetings with citizens to discuss the basic ideas and development directions.”



**Mirko Miladinovic**  
*Directorate for Planning and Construction, Kraljevo*



**Nenad Krcum**  
*Directorate for Construction, Urban Planning and Land Development, Smederevo*



**Darko Petrovic**  
*Directorate for Construction, Despotovac*



“Today we had a great gathering related to the analysis of developmental capacities and aspirations of Užice up to the year 2030. This was a great opportunity for all interested citizens of Užice, the ones who show a desire and need to participate in the city planning process, to get to know the modalities and modern European ways in which these kinds of projects can be done. I can honestly tell you, for us, this was something completely innovative, completely different. So far, urban planning has been, in a way, introverted and focused only on its own practice. For the first time we, professionals, are learning how to engage others in a fully active way, and how to jointly plan city development by accepting suggestions and comments.”

**Svetlana Jevdjovic Matic**  
Deputy Mayor, Užice

*Participation format  
Choice Catalogue  
in Despotovac, 2012*



### **Early participation enshrined in the new law**

The Serbian planning legislation traditionally handles participation through public inquiry, which primarily contributes to the legal certainty of the planning procedure and the involved parties. The innovation is that the participatory approach is now also oriented towards identification and involvement of all interested and influential parties, problem overview and conflict minimization as well as verification and definition of planning proposals.

Pilot projects were used to test the use of early participation in several planning process steps:

- before Resolution on formulation of the urban plan;
- after Resolution, and before the Pre-draft (Concept plan);
- after Pre-draft (Concept plan), and before the Draft plan.

International legal experiences have shown that early participation (public involvement) appears in the phase between concept (pre-draft) and draft plan, but it can be included even before, according to the needs.

The examples tested in practice pointed out the steps forward and the possibilities for improvement of the current formal procedure. During the development of the Draft Law on Planning and Construction in the year 2013/14, it was suggested that early participation should be introduced into the law. The legislator accepted the proposal and the regulations regarding early participation were introduced to the Planning and Construction Law in 2014 - Article 45a. In addition to the public inquiry of the draft plan, which takes place at the very end of the planning process, participation in planning has become more multileveled.

#### **Early Public Inquiry, Article 45a of the Law on Planning and Construction**

Following the adoption of the decision on preparation of a spatial or an urban plan, the body responsible for the planning process shall organize a public presentation (for legal entities and natural persons) of general objectives and purposes of the plan, possible development concepts for the spatial entity, possible concept for urban renewal, as well as the effects of planning.

The bodies, organizations and public enterprises authorized to establish the conditions for protection and development of space and construction of facilities shall be informed and invited to provide their opinion regarding the conditions and the necessary scope and degree of impact assessment on the environment.

The early public inquiry shall be advertised seven days prior to the commencement of the inquiry, in the media and in electronic form on the website of the local government unit as well as on the website of the plan issuer and shall last for 15 days from the date of publication.

All comments and suggestions submitted by legal entities and natural persons shall be recorded by the subject responsible for the preparation of the planning document, and the recorded comments and suggestions may influence the planning concept.

The public must be able to provide an opinion, and the recorded comments may affect the planning concept.

Early public inquiry and public inquiry shall be performed by the planning committee of a local government unit within the competence of a local government unit, or by the committee for public inquiry in spatial plans under the competence of the Republic of Serbia formed by the ministry competent for spatial planning and urban development issues, and for spatial plans within the competence of the autonomous province by the public inquiry committee formed by the competent spatial planning and urban development authority of the autonomous province.

The funding for the performance of early public inquiry and public inquiry shall be provided in the budget.

Statement by **Zoran Radosavljević**, president of the Association of Spatial Planners: on new instruments in spatial and urban planning in Serbia: early public participation

With the aim to achieve a better and more efficient legal framework for urban planning and spatial settlements design, at the end of 2014 the Serbian parliament adopted the Law on Amendments to the Law on Planning and Construction as proposed by the Ministry of Construction, Transport and Infrastructure, (RS Official Gazette, no. 132/14). These amendments to the Law on Planning and Construction brought a series of innovations to the field of spatial and urban planning development, including early public participation as a special manner of public participation (of both business and civil entities) and participation of certain stakeholders of public authorities. The usefulness of these amendments, according to the propounded, lies in “the avoidance of potential conflicts in later stages of drafting the planning document”.

Previous legislation stipulated that citizens influenced by the planning document were to be included in the process in the revision phase of the draft plan. It was possible to object to planned solutions and suggest corrections, but, nevertheless, the possibility of significant impact on the concept was low. Thus, the responsibility for the quality of the planned solution was transferred to the expert handler of the plan and competent authorities to verify the solution in the draft form, while at the same time increasing the risk that the planned solution did not include interests of different users of the space.

In accordance with the new approach, a two-phased process of public participation is now introduced. The public is to be included in the early drafting phase of the plan, as soon as the decision on drafting has been passed, and they will be given an opportunity to state their opinions, i.e. make objections and give suggestions. Introducing the public (both business and private entities) to general goals and purposes of the plan, possible solutions for urban renewal or development, as well as to the effects of planning (Article 45a LCP ) in the early phase of the planning process provides an opportunity for interested public entities to influence planned solutions.

Public participation in decision-making is not a question of choice anymore, but a characteristic of advanced democracies. The topicality of the legal solution concerning public opinion keeps pace with the initiated democratisation of the decision-making process in the Republic of Serbia. If the early public participation proves to be constructive, not only pro forma, it could contribute significantly to the avoidance of potential conflicts in later stages of drafting the plan. However, if the goal of its implementation is not clear, i.e. if it is being used only to satisfy statutory requirements, a failure of the participation is all but guaranteed.

Many planning practitioners currently experience strong pressure to elaborate and adopt plans in a short period of time, not allowing enough time for and space for carrying out multilevel public participation. In this context it is worth mentioning that the introduction of early participation does not intend to additionally bureaucratize the planning process and does not stand in contradiction to technical norms and procedures, but aims to ensure its verification and social legitimacy.

#### **3.1.1.4 Supplementary measures to improve quality and harmonization in existing formal urban planning procedures**

In addition to the above mentioned activities, the project promoted further quality improving activities integrated in the process of formulation of an urban plan, including urban design and a countrywide harmonization of land use classes and planning symbols for municipal spatial and urban plans.

##### **Urban design**

Understanding planning as a step by step procedure, and sometimes with iterative character, in which all relevant participants should have the chance to contribute to find the best urban solution, the project supported the early visualization of different development options. In several cases, urban designs showing alternative solutions were the base for intense discussion in coordination meetings, workshops and other events.

Urban designs as a base for the elaboration of the legally binding Detailed Regulation Plan have been elaborated in Despotovac, Kladovo, Kragujevac, Majdanpek and Smederevo. Two main objectives were pursued with the urban designs. First, they were the base for the discussion with relevant public institutions, citizens and other stakeholders. Second, they were necessary to assess the economic and ecologic feasibility. The experience in the pilot projects showed that the elaboration and discussion of alternative solutions prior to the urban plan combined with an intensive public and stakeholder participation can help to overcome obstacles that seemed unsolvable. Moreover, such an approach can contribute to find the best solution and to increase the acceptance of the citizens.

##### **Land-use classification**

With regard to Serbia's planned EU accession, the project supports the Ministry of Construction, Traffic and Infrastructure in the adjustment of Serbia's spatial and urban planning system to standards and urban development policies of the EU. In that context the project suggested the countrywide harmonization of land use classes and planning symbols for municipal spatial and urban plans.

When drafting an urban or spatial plan, most of the planning companies in Serbia use their own schemes, based on local experiences and practical knowledge. This leads to the situation that land-use classes and planning symbols can vary from plan to plan. In this context, the project suggested the development of national standards for the definition of land-use classes and planning symbols for municipal urban and spatial plans. For the purpose of developing a joint solution, the project realized a series of workshops with the participation of experienced practitioners and planners from public and private planning enterprises from all over Serbia, and representatives of professional associations and faculties.

The project also commissioned two studies, one analysing the current practice in defining land-use classes and plan symbols in Serbia, and the other comparing the practice in Switzerland, Austria and Germany. On this basis, a working group of the Ministry, supported by the project, worked out a proposal for a standardized system of land-use classes and planning symbols for urban and spatial plans. Such a regulation is expected to improve the readability and transparency of spatial and urban plans, to contribute to the establishment

## KLADOVO

**Demographics:** 20,635 inhabitants

**Size:** 629 km<sup>2</sup>

**Geography:** Located in the east of Serbia. In the east and northeast, the Danube forms the border of the municipality, and at the same time the border to Romania. The industrial zone (alongside the Danube) focuses on the shipbuilding industry and is of fundamental importance for the municipality's development.

**Instruments tested:** Urban Design Concept, Early Stakeholder Involvement

### Quality improvement through urban design of a new urban residential and commercial quarter "Jugovo"

The development of a new urban residential and commercial quarter "Jugovo" (53 ha), situated close to the city centre, was intended to contribute to the inner-city development of Kladovo. Beforehand, the municipal authorities had encountered a variety of difficulties, such as the complex situation of land ownership, an irregular land parcellation, already existing structures, a transformer station and many overhead power lines being an obstacle for new construction activities.

The first step was the elaboration of an **urban design concept**. Factors such as the status quo of the urban environment and the development goals of the municipality were taken into account. Additionally, the capacities and restrictions of the area were examined, while discussing different planning solutions.

The challenge of the process was to **introduce new participatory approaches**, which aimed at including all relevant local stakeholders into discussions on the future land use and urban design of the site. The discussions contributed in finding solutions for pending development conflicts and the results were incorporated into the concept. As one result of this stakeholder participation, the local institution for power distribution agreed on the readjustment of the transformer station and overhead power lines within the area that had long been an obstacle for the further development of the site.

The result of the process is an urban design concept that proposes a **mixed use area for commercial and housing purposes**. The concept further defines the urban structure and design of the planning area, e.g. zones for technical infrastructure, traffic, as well as public and green areas. Though the formal planning procedure for the development of a Detailed Regulation Plan for the site of Jugovo has not been concluded yet, the elaboration of the urban development and design concept provides the municipality of Kladovo with a solid base for further decisions.



of a uniform jurisprudence, and finally to increase the legal certainty of plans. Furthermore, the establishment of national standards is important for the implementation of the EU INSPIRE Directive, which requires the implementation of the PLU data model (Planned Land-use) until 2020 in countries of the European Union.

In November 2015 a joint proposal of the working group chaired by the Ministry of Construction, Transport and Infrastructure for a new regulation has been presented.

### 3.1.2 Integrated Urban Development Strategy – a new urban planning instrument in Serbia

In planning urban development in Serbia, the application of integrated strategic planning instruments is a novelty. The first steps in the application of this new planning instrument were made by the project between 2011-2014 in three pilot cities in Serbia – Kragujevac, Užice and Kraljevo.

Area of activity		Instrument tested	Tested where	
Urban Planning	New instrument	Introduction of integrated urban development planning	Integrated Urban Development Strategy for inner-city areas	Kragujevac, Kraljevo and Užice

#### Initial situation and reasons to tackle this

Over the last ten years, integrated urban development has become increasingly important in many EU Member States. This evolution was notably influenced by the adoption of the *Leipzig Charter on Sustainable European Cities* as pointed out in the previous chapters. Proclaiming a more integrated planning approach in urban development, numerous cities throughout Europe developed Integrated Urban Development Strategies (IUDS). IUDS is a cross-cutting planning instrument and supplements the existing standard urban planning instruments. Key elements of Integrated Urban Development Strategies are:

- analysis of the strengths and weaknesses of the city and neighbourhoods
- definition of goals for various areas important for the future urban development
- presentation of possibilities of using combined public and private financial resources
- integration of sectoral plans
- intense participation of citizens and stakeholders



*Working group on Integrated Urban Development Strategy in Kragujevac, 2011*



In practice, Integrated Urban Development Strategies (IUDS) are implemented through an approach based on a spatial dimension, allowing the identification of problematic and potential areas, and on a resource dimension demanding intensive communication and cooperation between the included stakeholders. Also important is the fact that it can provide for interest-oriented, and thereby limited, sectoral policies.

The increasing elaboration of IUDS in European cities is a response to contemporary requirements – it connects the economic, social, managerial and political components of planning with the spatial-physical ones, includes participation in all planning phases, introduces collaboration, and connects the plan to the financial and temporal frameworks and stakeholders/institutions as bearers of activities that will implement it. Moreover, it is a precondition for accessing specific EU infrastructure funds (for more details, please see chapter 2.1.3)

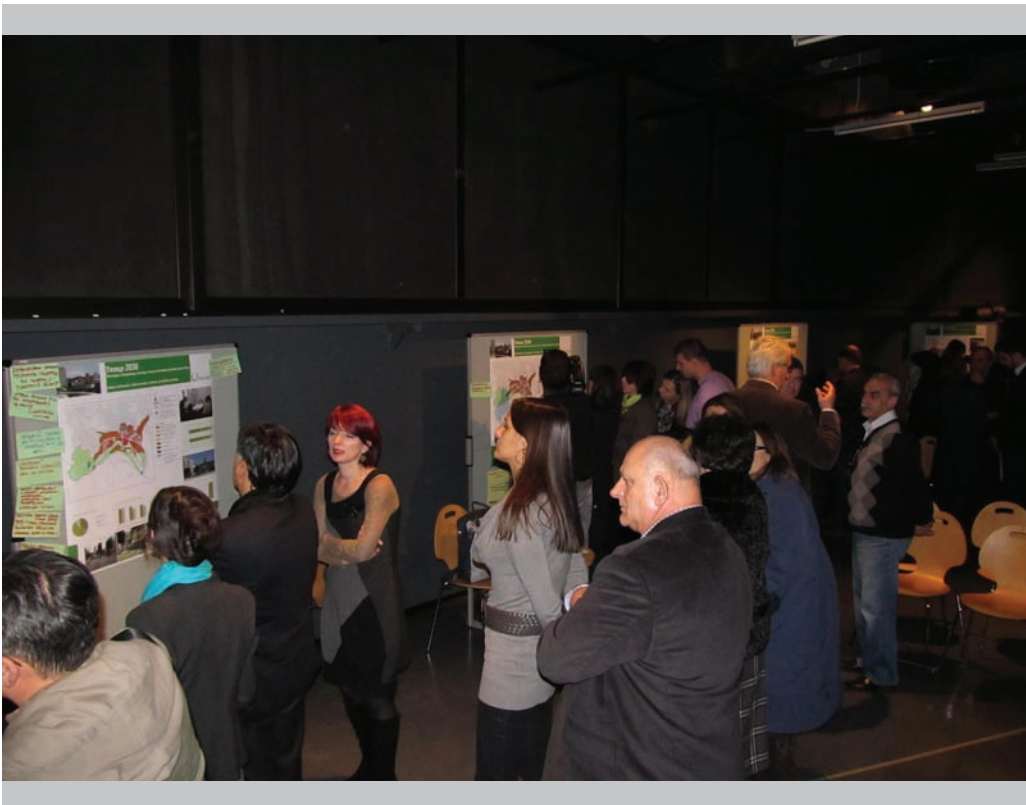
In Serbia such an integrated approach in urban development planning is new.

Why did the GIZ/AMBERO-ICON project together with the partner municipalities opt to work on Integrated Urban Development Strategies? One reason is the European integration process and the will to give the possibility for Serbian cities to apply for European funds, but it is not the only reason. Another one was the fact that Integrated Urban Development Strategies for inner-city areas can contribute to minimizing land consumption and to preventing the transformation of green areas, natural and agricultural landscapes into construction land – an important goal of the project.

The elaboration of an Integrated Urban Development Strategy is carried out in a multi-step process, its final expression being a document containing: new knowledge on the space, ideas on how to improve the area, a vision on what the area could become, strategic goals and activities of development, intervention/activity zones, activity bearers, policies/measures for implementation, timeframe of activities and potential funding sources.



*Working group on  
Integrated Urban  
Development Strategies,  
Kraljevo, 2013*



*World café for the Integrated  
Urban Development Strategy  
in Uzice, 2011*

Statement by **Jochen Gauly**, Urban Planning Expert,  
Bürogemeinschaft Gauly & Heck, Germany, on  
Integrated Urban Development in Serbia

In light of limited financial leeway on national, regional and local levels, the importance of integrated urban development concepts has grown in the Serbian municipalities. These municipalities have recognized that a sustainable development can only be successful if the citizens and local stakeholders are included in decision making processes at an early stage. They have also recognized that the comprehensive development tasks cannot be accomplished only by the public authorities. The participation and support of many different forces is necessary. The first elaborated strategies on integrated urban development in Serbia address precisely this issue.

Great challenges in the elaboration of Integrated Urban Development Strategies lie in the following areas: the necessary inter-departmental and inter-institutional cooperation within the local administration has first to be learned and adopted; the participation of citizens in the decision making processes of the city represent in many cases uncharted territory. Also, integrated urban development is sometimes conceptualized in a too short-sighted way. Much energy is put in the elaboration of the Integrated Urban Development Strategies. The implementation of those strategies happens sometimes rather randomly, i.e. without an inter-departmental steering structure.

In Serbia, as in other Balkan and East-European countries, the municipalities are the forerunners in the integrated urban development. In order to strengthen this approach, the municipalities have to be supported by the national level. It would be desirable, if the responsible resort ministry recognizes as soon as possible the advantages of a national urban development policy and initiates funding programs for municipalities and professional exchange in the field of urban integrated development.

## KRALJEVO 2

**Demographics:** 125,488 inhabitants

**Size:** 1530 km<sup>2</sup>, including 92 communities

**Geography:** Located in the central part of Serbia, in the lower course of the river Ibar and the middle course of the river Zapadna Morava. Provided with the natural and economic prerequisites for the production of crops, vegetables and livestock. Of particular significance are the ore deposits, hydro-energy potentials and touristic sights.

**Instruments tested:** Integrated Urban Development Strategy

### Elaboration of an Integrated Urban Development Strategy for the inner-city

The main goal of the strategy is to define the urban identity of the inner-city area, to identify measures for improving the quality of life, and to create preconditions for sustainable economic development and investment promotion. The already elaborated Integrated Urban Development Strategies in the cities of Užice and Kragujevac served as best practice examples. New participatory methods tested during the process in Kraljevo were the conduction of a **citizen survey in the beginning of the process, a number of technical workshops and round tables with important local stakeholders, as well as a public forum.**

The main objective of the public forum was the presentation and discussion of the results of a previous SWOT analysis (strengths, weaknesses, opportunities and threats), which also included the results of the public survey addressing issues of citizen satisfaction and needed improvement measures within the inner-city area. The public forum proposed solutions in the form of goals, measures and project ideas located within the project area. It also served as a platform to collect comments and proposals. The event was mainly attended by representatives of the city administration and public institutions, members of the **working group for elaboration of the Integrated Urban Development Strategy**, but also by interested citizens and school children from Kraljevo as well as students of the master's program of Integrated Urbanism at the Faculty of Architecture of the University of Belgrade.

Aside from the public survey, the citizens of Kraljevo were involved in the elaboration of the Integrated Urban Development Strategy for the inner-city of Kraljevo in various ways: they were informed by the local media, which covered all steps in the process, as well as by the Directorate for Planning and Construction, which shared information on their homepage. The strategy was adopted by the city assembly in 2014.



## Process steps and pilot cases of Integrated Urban Development Strategies

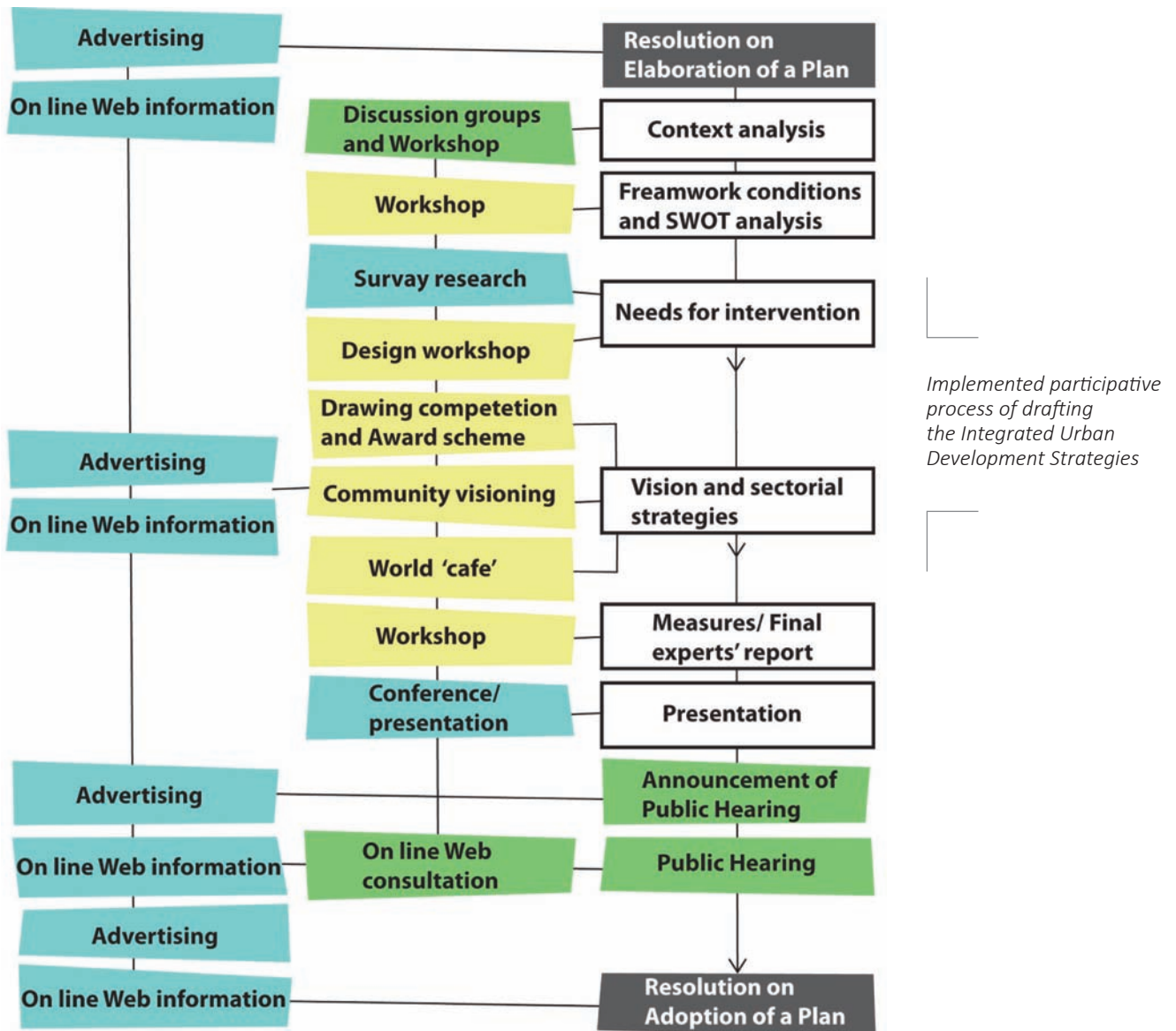
The processes of drafting the Integrated Urban Development Strategies for the centre city zones of Kragujevac and Užice were started in mid-2011, while in Kraljevo, they started in 2013. The decisions on initiating the drafting of the strategies were adopted by the local assemblies, and working teams were formed thereafter, composed of representatives of local administration and public enterprises (urban planning, local economic development, investment management, housing, technical infrastructure, construction land, culture, education, social and healthcare protection, environmental protection, cultural monument protection, sport and recreation, etc.)

Covers of the three  
Integrated Urban  
Development Strategies



In the first step, analysis of the existing conditions in various areas of activities was carried out, and after an assessment of advantages and disadvantages, intervention needs were defined. Hereinafter, a common vision and the sectoral strategic directions for the future development have been formulated. In the final step, being the main goal of the Integrated Urban Development Strategies, a catalogue of measures (a set of activities with defined bearers, methods of financing and a timeframe) has been elaborated jointly with all representatives of the different sectors.

The process of drafting strategies involved the advisory work by experts, broad communication and participation, and checking the solutions with various stakeholders. This created a significant base to actively direct the complex processes of the development of inner-city areas, as well as the preconditions for the application of European integrated urban development policies.



### The vision of Kragujevac 2030

*In 2030, Kragujevac will be a city of progress and sustainability, with a unique and recognizable central city zone, accessible to all citizens and providing a high quality of life.*

### The vision of Užice 2030

*The city of a freedom-loving spirit, enlivened by culture, the centre of the region, accessible to all, comfortable, tailored for people, achieving a high quality of life.*

### The vision of Kraljevo 2030

*A city worthy of people, promoting a healthy lifestyle; a city where our children return and contribute to its prosperity*

Urban visions  
painted by children



**Interview with Marica Mijajlović**, Director of Planning and Construction Directorate, City of Kraljevo & Ruza Penezić, Head of Planning Department, Construction Directorate, City of Užice, on developing integrated strategies in the municipalities

Why do you think an integrated planning approach for urban development is nowadays indispensable?

**R.P.:** For me one of the most innovative aspects while conducting the Integrated Urban Development Strategy (IUDS) was the close collaboration with other public institutions and citizens. Until now there was kind of a distance between us, urban planners in Užice, and the other departments. The Urban Planning Department was normally the one steering the process but without integrating the perspective of other stakeholders. But I also think that the other public institutions and the citizens did not understand the importance of influencing the planning processes in the municipality. So bringing together these different perspectives is one of the most important outcomes of the Integrated Urban Development Strategy in my opinion. Another important outcome is the introduction of a cost-benefit analysis in form of feasibility studies as part of the IUDS. It is the language that politicians understand, the price. In this way we can show the realistic potential of our proposals.

**M.M.:** In Kraljevo we succeeded in creating a shared understanding and in finding common solutions. The Integrated Urban Development Strategy contained 187 projects, which were then narrowed down to 17 prioritized projects that will be the basis for the development of the inner-city of Kraljevo in the near future. But now we do not know how to implement these 17 prioritized projects in a proper way. For this, we need external support in the form of technical expertise, for accessing funding sources, for writing proposals. All stakeholders have expressed their commitment and show ownership for this strategy, but if we do not implement this strategy soon, it will only remain on paper.

How did the local context, history and identity influence the elaboration of the integrated strategy?

**M.M.:** Many prioritized projects are connected to the specific city grid we have in Kraljevo, which is called “Little-Chicago”. We connected this with complementary measures such as the development on the other side of the river Ibar and the reconstruction of bridges, forming a new communication axis. The objective is an increased socio-economic integration of the two unequal developed areas on both sides of the river. The direct contact with the citizens, through public enquiries, allowed the inhabitants to express their ideas, thoughts and wishes. This included the improved connection between different areas of the city and the re-naturalization of the river banks. These ideas of the citizens influenced decisively the prioritization of projects.

**R.P.:** There are similarities in the overall concept of the strategies in the cities of Kraljevo, Kragujevac and Užice, but all three cities have their own distinctiveness and particular character, which is especially reflected in the proposals of the concrete projects. In Užice we encounter the challenge of having restricted space available for development due to its unique location surrounded by a river and mountains.

How far do you assess the significance of sharing experiences, of networking and transferring know-how between the representatives of the three different cities? Does one city learn from the other and vice versa?

**M.M.:** The close professional relationship between us two [Penezić and herself] was established through working at the Integrated Urban Development Strategies (IUDS). This relationship has grown, so that



we not only discuss questions regarding integrated development, but also other planning topics which are of importance for our cities. Every city in Serbia needs an IUDS. We hope that we can be a good example for other cities and share our main experiences and lessons learned. The elaboration process of the strategy itself and the participation in such a process is a unique experience in the way it teaches collaboration, respect and mutual “listening”.

**R.P.:** Also the study trips to Germany were great opportunities to expand our knowledge, to exchange experiences and to see how others have conducted complex integrated planning interventions while including all stakeholders. We also learned on how proposals have to be written and which different funding sources German municipalities can access.

In your opinion, what were the main impacts of the GIZ/AMBERO project regarding an integrated urban development?

**M.M.:** One of the main outcomes, aside from the concrete result of having now an integrated strategy, is that the stakeholders responsible for planning issues have now gotten used to working together. The cooperation is now easier and less complicated because the stakeholders got to know each other and made good experiences from working together in the task group on the elaboration of the IUDS. At the beginning, we had to persuade the representatives of the different local bodies to come to the working group, but after a while we created common understanding and trust, and the wish to work together became ever stronger. In the end, they called to ask when the next meeting would take place so that they could adjust their other obligations accordingly.

**R.P.:** Soon after the elaboration of the strategy we had elections in Užice and the whole team working on the strategy was replaced. Nevertheless, we were successful in convincing the new political leaders of adopting the strategy. But it is difficult to keep the same pace and consistency when we have to face repeated political changes. Unfortunately, nowadays the communication and agreement procedures between the different departments are limited again.

*The representatives of the local administration of the three pilot cities of Kraljevo, Užice and Kragujevac were very active in finding ways of publicly presenting and discussing the importance of an integrated strategy for the development of their cities. They talked with citizens, politicians and donors, and they understood the importance of disseminating their experiences and results. They presented their approach in front of the public and professional associations, in front of the Ministry of Construction, Transport and Infrastructure, at international conferences and they also engaged the local media. The city of Užice won the first prize at the Urban Planning Salon of the Serbian Town Planners Association in 2012 for its Strategy of Integrated Urban Development for its inner-city. The city of Kragujevac won the same prize for its strategy in 2013.*

## Results, lessons learned and next steps

The Integrated Urban Development Strategies in all three pilot cities have been adopted by the city assembly. After the adoption, the project supported the cities in their implementation. The implementation phase defines the way the strategy will be realized and what it requires. In addition to the required communication of the strategy, implementation covers the questions of: realization mechanisms, partners, potential sources of funding, working in phases and within timeframes, risk assessment, coordination and monitoring. The operational part of the implementation defines precisely the way the strategy is realized – resolving property-legal relations, data analysis of free parcels/locations, equipping and regulating land, improving abandoned land, demolition or reconstruction of buildings, new construction, urban regeneration (communal and social infrastructure), environmental improvements, as well as ways to attract investors, etc. These were new and different tasks for the local administration, requiring the institutionalization of work so as to form expert teams (representatives of various services) and a management structure that could monitor the realization and communication of the strategy.

The first steps forward in implementing the Integrated Urban Development Strategies were made in Kragujevac and Užice during 2014 and 2015, and the initiatives deal with the development of brownfield locations. Kragujevac opted for developing the location “Military Technical Institute”, while Užice opted for the location of the “Cveta Dabić” factory.



*Students of Faculty of Architecture presenting final master's projects on the topic Kragujevac IUDS, 2014*

## KRAGUJEVAC 1

**Demographics:** 221,588 inhabitants

**Size:** 835 km<sup>2</sup>, including 57 communities and 78 wards

**Geography:** Kragujevac is the fourth-largest city in Serbia and is located in central Serbia. It is the economic, cultural, educational, healthcare and political centre of the Šumadija and Pomoravlje regions. The investments into the Zastava automobili company triggered the revival of the automotive industry, created new jobs and stimulated the development of a number of other sectors in the city.

**Instruments tested:** Integrated Urban Development Strategy, Public Participation

### Integrated Urban Development Strategy (IUDS) for the inner-city area

The main goal of conducting an Integrated Urban Development Strategy (IUDS) for the city's centre is **to identify and strengthen local potentials for urban rehabilitation** by focusing on the supply of building land, the upgrade of existing communal and social infrastructure and the transformation and renewal of underutilised or neglected areas.

In a first step, a careful **analysis of the current situation (SWOT)** was conducted as well as of future development trends in the fields of demographic development, urban structures, traffic and environment, economy and tourism, education, health and social care as well as culture and leisure.

The whole process of the elaboration of the IUDS was accompanied by informing and actively **involving local stakeholders and citizens**. In a first workshop the preliminary results of the SWOT analysis were presented and working groups on different topics (urban structures, tourism, traffic, environment, etc.) were formed. In order to complement the existing data and knowledge of the city administration on those topics, a **citizens survey** was carried out.

In a next step, the results of the former workshops and survey were presented and discussed at the **World Café and Visioning-Workshop**. It was attended by representatives of the local administration, public enterprises, different institutions as well as citizens including school children. As a part of the workshop, the participants formulated a joint vision and slogan for the future development of the city of Kragujevac up to 2030. The results of the workshop were incorporated into the **elaboration of the strategy**.

The **strategy was adopted** by the city assembly in September 2012. It includes strategic goals, priority areas for intervention and an agreed catalogue of measures. Furthermore, the elaborated document analyses different organisational and financial options for their realization.



## UŽICE 2

**Demographics:** 78,040 inhabitants

**Size:** 667 km<sup>2</sup>, including 41 communities

**Geography:** Užice is situated in the south-western mountainous part of Serbia and borders the Republika Srpska in the West. It is one of the largest cities in Western Serbia and an administrative, economic, educational and cultural centre of Serbia's largest district in terms of surface area – the Zlatiborski District.

**Instruments tested:** Integrated Urban Development Strategy, Public Participation

### Integrated Urban Development Strategy for the inner-city area of Užice

During recent years, the city of Užice has been mainly growing in its periphery. In order to reverse this trend and improve the attractiveness of the inner-city area, the municipality of Užice has decided to pay special attention to its future development. The project supported the municipality of Užice in the elaboration of an **Integrated Urban Development Strategy (IUDS)**, as a new instrument for sustainable planning in Užice. In this context, the pilot project introduced a series of new methods for citizen participation and stakeholder involvement, including a citizen survey in the beginning, a design workshop, World Café, visioning and a final presentation of the elaborated strategy.

The citizen survey, realized in the beginning of the process, served as a baseline study regarding citizen satisfaction on different aspects of urban life quality, and showed the need for action in the respective areas. The design workshop was organized in order to give local stakeholders an opportunity to introduce their suggestions and ideas for the improvement of the urban space and the quality of public services into the process. It was attended by more than 20 representatives of the local administration, public enterprises (in the areas of tourism, urban planning, culture, traffic, etc.), NGOs and citizens associations.

The next step for a **broader public participation** encompassed the World Café-Workshop, gathering more than 100 representatives of the local administration, public enterprises, different institutions as well as citizens including school children. The participants had the chance to discuss and comment on the proposed projects and also add new ideas. As a part of the workshop, the participants formulated a joint vision and slogan for Užice's future development up to 2030. For this, children's drawings, showing their vision of the city's future, served as an inspiration. The results of the workshop were incorporated into the elaboration of the strategy. At the final conference, the outline of the process, its different steps and results were presented to the public. The presentation was covered by the local media – TV and radio.

**Five overall measures** have been defined including the reconstruction of buildings and revitalization of vacant sites, the strengthening of social and educational infrastructure, and the improvement of public spaces and technical infrastructure. Furthermore, the elaborated document defines a spatial model, sector-specific strategies and measures (for construction area, built structures and morphology, public spaces, economy and tourism, social infrastructure, transportation and technical infrastructure, and housing), and analyses different organizational and financial options for their realization. The strategy has been adopted by the city assembly in March 2013.



The Serbian government also recognized the importance of integrated planning approaches and the promotion of urban renewal/regeneration of cities in Serbia. At the proposal of the project, some provisions were included in the Law on Planning and Construction in 2014:

- Introduction of an integrated planning as a principle for sustainable urban development (Article 3).
- Authorization of the responsible ministry to establish national programs for sustainable and integrated urban development policy, urban renewal, etc. as a contribution to Serbia's European integration (Article 39).

Throughout the process of developing the Integrated Urban Development Strategies, different capacity development measures have been carried out and professional exchanges supported: technical assistance by German experts with the support of national experts and facilitators; participative processes for drafting strategies as a proving ground for understanding and acquiring new knowledge and skills; training in "Applying for Projects Financed through EU Programs" events in Kragujevac and Užice in 2012; as well as study trips to Germany to meet with the representatives of the German ministry, and visit to German institutions working on implementing Integrated Urban Development Strategies and integrated planning projects in Berlin, Potsdam, Hamburg, Wiesbaden, Leipzig, and also in Lavov, Ukraine (2013), where a GIZ project was implementing a similar process.

*Trainings on application  
for EU funding in Kragujevac,  
2012*



The dissemination of results was undertaken through the Urban Laboratory<sup>11</sup>, at meetings of Serbian professional associations (Summer Planning School, Tara, 2012; Serbian Chamber of Engineers, Belgrade, 2014; Forum Urbanum in Bor, 2015). At the Salon of Urbanism, the IUDS of Užice won the first prize in 2012 in the category of studies and research, and the IUDS of Kragujevac was awarded with the first prize in 2014 in the category of publications.

Presentations of the implemented processes and strategies were also held in international events in Medellín, Colombia (2014), in Leipzig, Germany (2014) and in Tbilisi, Georgia (2015). Lectures on the planning of integrated urban development and processes implemented in Serbia were held for students of the master's program and doctoral studies of the Faculty of Architecture in Belgrade in 2014.

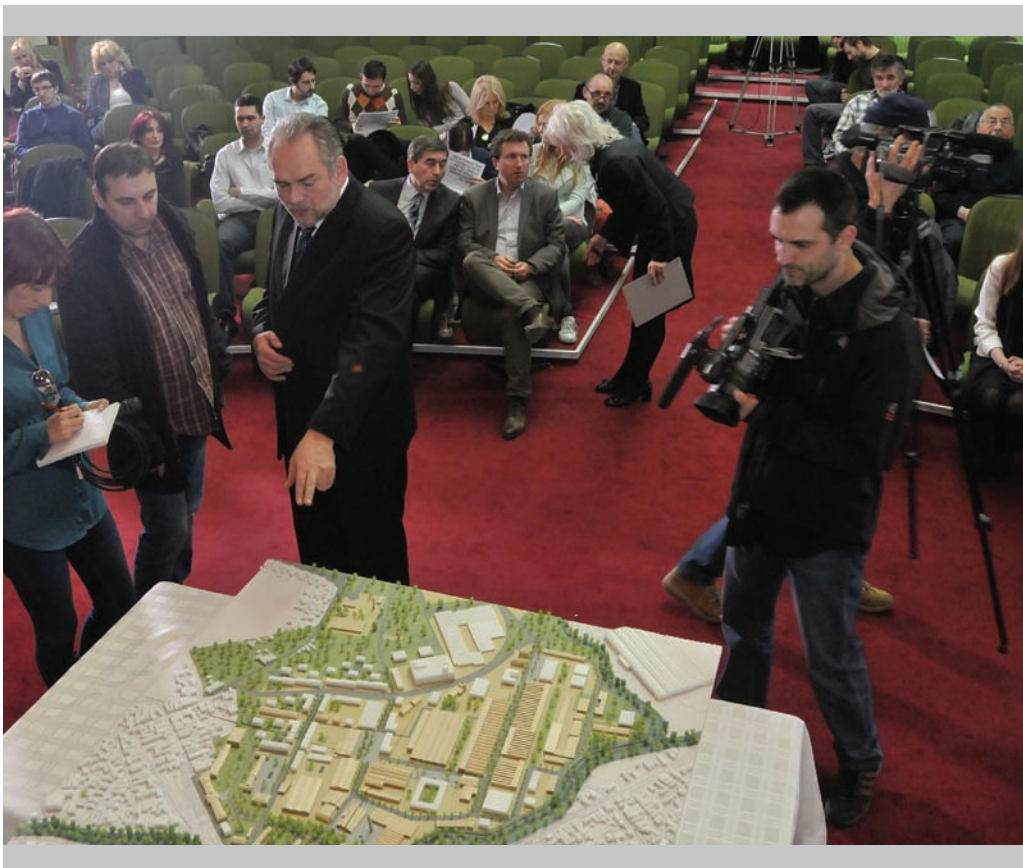
<sup>11</sup> [http://www.urbanlandmanagement.rs/wp-content/uploads/2014/12/Integralni-urbani-razvoj\\_iskustva-iz-Lajpciga.pdf](http://www.urbanlandmanagement.rs/wp-content/uploads/2014/12/Integralni-urbani-razvoj_iskustva-iz-Lajpciga.pdf)

At the academic level, the Integrated Urban Development Strategy of Kragujevac served as the testing ground for the work of students of the master's program in Integrated Urbanism at the Faculty of Architecture in Belgrade in 2014 (Maruna & Čolić, 2014), and in 2015, it was introduced as an elective subject (Integrated Urban Development Strategy: A New Planning Instrument in the EU Integration Process).

What are the next steps? How to support the implementation of Integrated Urban Development Strategies and the spread of their use? To ensure effective implementation of the strategies it is necessary to support further capacity development and strengthening of the relations. This means the existence of mechanisms for the exchange and dissemination of information, the establishment of partnerships, the harmonization of activities, the mutual coordination of institutions and the work on joint projects.

In the pilot cities some implementation activities have started, but in some cases they have stopped due to elections and changes in the administrative body. Also, the implementation modalities in Serbia are rather limited due to a shortage of national funding sources and for not being able to access most EU funds at the moment. In order to facilitate the implementation of the strategies, it is necessary to provide institutional support at the local level, introduce better communication and establish cooperation between institutions, as well as provide further support to improving the capacities. In order to keep the motivation to work further on integrated strategies alive, the implementation units in the municipalities need additional input in form of technical support on accessing different sources of funding and coordinating the application and implementation process, while taking into account the specific modalities and mechanisms of each city.

In that regard, on the national level supplementary activities are necessary. In particular a national urban development policy and funding programs are preconditions to establishing this instrument in the whole country. The GIZ project is ready to continue the support in the third phase, starting in 2016. One focus will be the establishment of a National Urban Development Policy.



*Presenting the model of the Military area in Kragujevac, 2014*

## KRAGUJEVAC 2

**Demographics:** 221,588 inhabitants

**Size:** 835 km<sup>2</sup>, including 57 communities and 78 wards

**Geography:** Kragujevac is the fourth-largest city in Serbia and is located in central Serbia. It is the economic, cultural, educational, healthcare and political centre of the Šumadija and Pomoravlje regions. The investments into the Zastava automobili company triggered the revival of the automotive industry, created new jobs and stimulated the development of a number of other sectors in the city.

**Instruments tested:** Brownfield Development, Urban Design Concept, Feasibility Study

### Implementation of the IUDS:

#### Development of the area “Military-Technical Institute (Arsenal)”

After the adoption of the IUDS, the city of Kragujevac and GIZ/AMBERO-ICON decided to continue their successful cooperation by starting with the implementation of the formulated strategy for one of the defined priority areas of intervention. The city assembly followed the proposal of the IUDS to **develop this brownfield area** as a priority project for the future development of the inner-city of Kragujevac.

This area is a former factory complex of the military industry, called “Military-Technical Institute (Arsenal)”. The former industrial site dominates the southern part of the central city area with large production halls and industrial facilities. Due to its architecture, today the site is protected as cultural and historical heritage. In a first step, an **urban design concept** in close cooperation with all relevant city departments has been elaborated. In February 2014 the proposal was presented to members of the project working group, representatives of the city council, city administration and responsible institutions.

The urban design proposal was then the base for all further steps. Based on the planned urban structure, an **investment cost analysis** for building up the new technical infrastructure has been done. This was complemented by a **study on real estate valuation** for a part of the area before and after the building of new infrastructure. These studies are preconditions for the assessment of the **economic feasibility** of the urban design concept. As a last step, the project supports the city in the exemplary set-up of an investment and project management plan.



“What still needs improvement is the dissemination of results. The local self-government is at the moment still not used to the medial dissemination of adopted plans and strategies, because in the last decades it was not obliged to do so. This is the reason why the capacities and experiences in the area of public relations and digital media are evidently insufficient.”

“The cities face a special challenge in implementing large projects both in regards to organization personal skills and capacities. Starting from drafting the strategy, through accessing funds from various sources to the final implementation. The best way to increase the capacities is through smaller pilot projects in order to gain practical experience on using this know-how for other more complex projects. In Kragujevac we could see that trainings mostly achieved long-term results only if they were linked to the institutional creation of local bodies, such as the Centre for the Development of the Geographic Information System (GIS), or the town secretariat for local economic development. These bodies can ensure the further implementation of already started activities and strategies, and are the basis for the long-term sustainability of projects. The formation of such bodies is especially important to ensure institutional learning in some way, even if there are changes in the staff.”

Statement by **Dragan Jevtović**, Urban Planning Directorate, Municipality of Kragujevac on prerequisites for implementing Integrated Urban Development Strategies: dissemination of results and training capacities



## 3.2 Construction Land Development: the need for new approaches and instruments

Following the political changes in 2000, the post-socialist transition created a new institutional framework based on a market oriented system, which also affected construction land and its development as land became and still becomes increasingly privately owned. This required the application of new urban land management instruments as land development becomes more complicated when different private owners are involved instead of only the State as the single owner of all land.

Since 2003, legislation regarding construction land has been joined with spatial-urban planning legislation and is being developed in this post-socialist context. Under the motto of codification, the mechanical unification of legal matters of urban and spatial planning, construction land and building structures into one law (with 25 by-laws) was carried out. A radical alteration of the system of land disposal by municipalities and towns was implemented – private property of other lands for construction was allowed – by-passing the then valid Constitution of 1990. The Constitution of 2006 facilitated the passing of construction land into private hands, as well as the transfer of construction land. The law allowed the sale and transfer of rights of use of unbuilt land. The right of long-term lease of state-owned land for 99 years was introduced instead of the permanent right to land-use.

### ***Influence of the Law on Planning and Construction on construction land development***

In 2009 a new Law on Planning and Construction was adopted, followed by amendments and addendums (2010-2014). Through the adoption of amendments and addendums to the law, the government aspires to create a legislation that will allow subsidies to investors in the field of construction land, a fast and efficient approach to cheap and attractive locations, as well as a fast issuance of building permits. Regulation of construction land has undergone very big changes, and practice has shown that the greatest difficulties were/are given in this segment.

The Law regulates the conversion of use/access rights to nationalized construction land into property rights, with or without a fee. The first time after 1958, the law facilitated the transfer of urban construction land into private ownership. Natural and legal persons founded by the State, region or municipality are allowed to convert access rights to urban construction land into public property rights, without a fee. It is possible to convert access rights into the right of private property for the category of previous proprietors, their legal heirs and persons having gained rights from them under prescribed conditions. Persons who have the right of lease on other state-owned construction land are allowed to remain lessees. It is also predicted that companies on state-owned construction land that hold use/access rights, and that hold this status due to privatization of enterprises or bankruptcy, can convert their access right into right of property by paying the market value of the land minus the costs of acquisition, where the Serbian government prescribes the fee based on the conversion.

Problems in law implementation indicated that for the codification of these three legal matters, the right conditions have not yet been met. For example, the law provisions on the conversion of construction land with a fee has been contested by a decision of the Constitutional Court and repealed (2013). Also, with the introduction of the Real Estate Cadastre (laws in 1992 and 2009), land registry books and other systems of recording property have become invalid. The amendments and addendums to the Law on Planning and Construction of 2014 excluded the controversial provisions on the conversion of use/access rights to construction land into right of property with a fee, and on the Real Estate Cadastre. This is regulated in the Law on Conversion of Right of Use into the Ownership Right on Construction Land with a Fee adopted in July 2015.

## **Key developments and challenges in construction land development**

Although some important adjustments in the planning and construction law have been performed, some regulatory mechanisms and institutions are missing, and appropriate models of financing land development are lacking as well.

Concerning the provision of construction land, several legal changes have been made during the transition period. In socialist times, construction land was not tradable as commodity in the system of social property. The Law on Construction Land of 1995 provided state ownership over public construction land, but still did not define it as tradable good. In 2003 the Law on Planning and Construction introduced the category of other construction land, which could be in all forms of property rights and, for the first time, is considered as a commodity. In order to acquire other construction land, private entities had the following 3 options: leasing the land, acquiring a right to use the land or through conversion of agricultural land into construction land.

Finally, the new Law of 2009 opened construction land for all types of ownership. With the Amendments to the Law on Planning and Construction of 2014 and the Law on Conversion, the right of use will lose importance and construction land will be more and more treated as a tradable and mobile commodity.

In order to realize public and private investments, there are at the moment 2 main approaches to acquire construction land: expropriation and supply oriented purchase of available land.

### **1. Eminent domain/expropriation for constructions of public interest**

Expropriation is still quite common for the implementation of public investments and investments of public interest. However, due to increasing value of ownership and its less democratic character this instrument has lost importance in the recent decades.

#### **Expropriation – what the World Bank says**

Expropriation, eminent domain, or compulsory purchase as it is called in some countries, is the primary method municipalities use to acquire land to accommodate urban expansion. This legal institution allowing governments to take land to achieve some objective of public interest has increasingly been criticized, as questions about corruption and private negotiations surrounding takings. The main issue becomes one of balancing the need for urban expansion with the costs associated with welfare of displaced individuals. In this context the definition of public interest may appear as a central element to land acquisition. However, as the definition of “public use” or “public purpose” constantly evolves, courts play a critical role in providing guidance on the legal scope of eminent domain while still allowing for a flexible definition of public use/purpose that adjusts as cities and countries grow.

In recent work, Azuela and Herrera-Martin (2009) provide a historic perspective of eminent domain. In their view, in the last two decades discontent with the use of this instrument has increased. While 30 years ago it was considered a crucial component of any development strategy, today, the social costs of eminent domain are widely recognized. According to Michael Cernea (2000) between 90 and 100 million people were displaced in the last decade of the 20th century. Finding the balance between efficiency for urban expansion and equity is not an easy task. There are high social costs associated with expropriation when it implies the displacement of individuals with little or no compensation.

Source: Lozano-Gracia, N., Young, C., Lall, S. and Vishwanath, T. (2013): *Leveraging Land to Enable Urban Transformation: Lessons from Global Experience*. Policy Research Working Papers. Sustainable Development Network, Urban and Disaster Risk Management Department, World Bank.

In the international community it is widely accepted that expropriation should be used only in exceptional cases and only when certain conditions are given. The Voluntary Guidelines on the Responsible Governance of Tenure, issued by the FAO in 2012<sup>12</sup>, specify the conditions that should be met. Among others, expropriation should be done only after exploring alternative solutions, only for public purpose, in a transparent and participatory manner and with fair compensation.

Given the fact that for most of the cases alternative instruments and solutions are available, expropriation should generally not be used for the development of construction land.

## 2. Supply oriented model

Investments that are not of public interest rely on available construction land offered in the market. The most common way is to purchase those parcels or parts of parcels needed for the implementation of the planned investment. However, the purchase of land is often faced with difficulties. Unclear ownership situation or lack of instruments to adapt the parcel structure to the needs of the urban project are severe obstacles to an efficient and well organized urban development.

In this regard there is still a need for new contemporary land policy/construction land development instruments. Hence, the project advised the Serbian partners in these matters. The following instruments have been addressed:

### A. Supply oriented model combined with publicly ordered land readjustment

Land readjustment is a worldwide established and successfully applied procedure to adapt the parcel structure to the structure of the planned urban project. It enables the municipalities to realize new housing, commercial and other areas in a well-organized way and it guarantees the purchase of land for public infrastructure **without expropriation**.

The project has tested land readjustment in pilot projects in Užice and Despotovac. In both cases land readjustment plans have been elaborated. However, due to the lack of legal regulations, it was not yet possible to implement the pilot projects. Consequently, the project supported the ministry in the adaptation of the Law on Planning and Construction and with the amendments of 2014, the base for the implementation of land readjustment projects could be laid. In 2015 the project supported the ministry in the elaboration of a by-law, so that after its adoption land readjustment can be applied successfully in Serbia. The adoption of the by-law is to be expected very soon and municipalities are already asking for this in order to get started with land readjustment projects at local level.

### B. Cooperation models: PPP – urban development contract

In market-oriented environments, cooperation models gain more and more attention and importance. Public-private partnerships (PPP) for the purpose of construction land development are nowadays an important approach to develop and implement urban projects. Serbia has already done a step forward in this direction with the adoption of the Law on Public-Private Partnership and Concession of 2011. The purpose of this law is to create a favorable framework for promoting and facilitating the implementation of privately financed concession/PPP projects. However, the law only regulates PPPs for the implementation of public infrastructure projects.

There is still a need to enable public-private partnerships for the implementation of private driven urban projects. For that reason the project proposed the introduction of the instrument Urban Development Contract in combination with a so called “Project and Infrastructure Plan”.

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<sup>12</sup> FAO (2012): Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security, Rome.

Urban development contracts regulate the rights and obligations of the investor on the one hand, and the municipality on the other hand. Such contracts are an important steering instrument of high interest for the municipalities. They enable them to set up the conditions for the investors under which an urban project can be approved and implemented. The basis for the conclusion of urban development contracts is a special Project and Infrastructure Plan provided by the investor. This plan together with the contract is the precondition for the elaboration of a Detailed Regulation Plan, adopted by the municipality.

The instrument Urban Development Contract is of great interest for both investors and municipalities and has been a success story in Germany. The project suggested to adapt this instrument to Serbian conditions and to introduce it into the Law on Planning and Construction. Due to legal details this is still under discussion.

## PPP-models in urban development

### The case of Germany: Urban Development Contract and the Project and Infrastructure Plan

The German planning-law provides two successful instruments for private-public partnerships in urban development: the Urban Development Contract and the Project and Infrastructure Plan.

#### 1. The Urban Development Contract

Elements of the Urban Development Contract include the preparation and implementation of urban development measures by and at the expense of the contract partner. This shall include reordering plot boundaries, soil remediation and other preparatory measures, and the drawing up of urban development plans. It includes also promoting and safeguarding the aims pursued by urban land-use planning, in particular regarding the use of plots and the implementation of counterbalancing measures.

#### 2. The Project and Infrastructure Plan

The Project and Infrastructure Plan is of high interest for investors. This plan is project-related and designed to facilitate and speed up planning through cooperation between municipalities and private investors. The project-related development plan is used for specific building projects, including large-scale projects, and mainly comprises the following elements:

- The Project and Infrastructure Plan of the investor
- The project-related legally binding land-use plan (Detailed Regulation Plan)
- The Urban Development Contract, which links the project and infrastructure plan to the legally binding land-use plan by establishing mutual rights and obligations

First of all, the investor prepares a Project and Infrastructure Plan on his own responsibility and at his own expense. For this purpose, he commissions a planning or architect's office that drafts a plan in close consultation with the municipality. This Project and Infrastructure Plan then becomes the subject of the project-related legally binding land-use plan (Detailed Regulation Plan) on the basis of the resolution of the municipality.

### C. Cooperation models: voluntary land readjustment

The voluntary readjustment of land initiated by land owners is another form of cooperation between public and private partners. Contrary to land readjustment ordered by the public, voluntary land readjustment is a process initiated by the private owners of land. Suggested by the project, this option has been incorporated into the Law on Planning and Construction with the amendments adopted in 2014. As for the publicly ordered land readjustment, a by-law is needed before this instrument can be applied.

#### D. Interim acquisition model: a) public b) fiduciary c) private/developer

Another quite often used model to develop construction land is the so called Interim Acquisition Model. In this case usually the municipality purchases the land for the whole project area in advance, before adoption of the urban plan. This model requires the willingness of all landowners and the financial ability of the municipality. The voluntary interim purchase of the land can also be done by private companies or private investors on a voluntary level. The project presented this model in workshops and discussions. However due to the limited financial resources, Serbian municipalities are hardly able to apply this instrument at the moment.

### 3.2.1 Introducing land readjustment – a win-win strategy for sustainable urban development

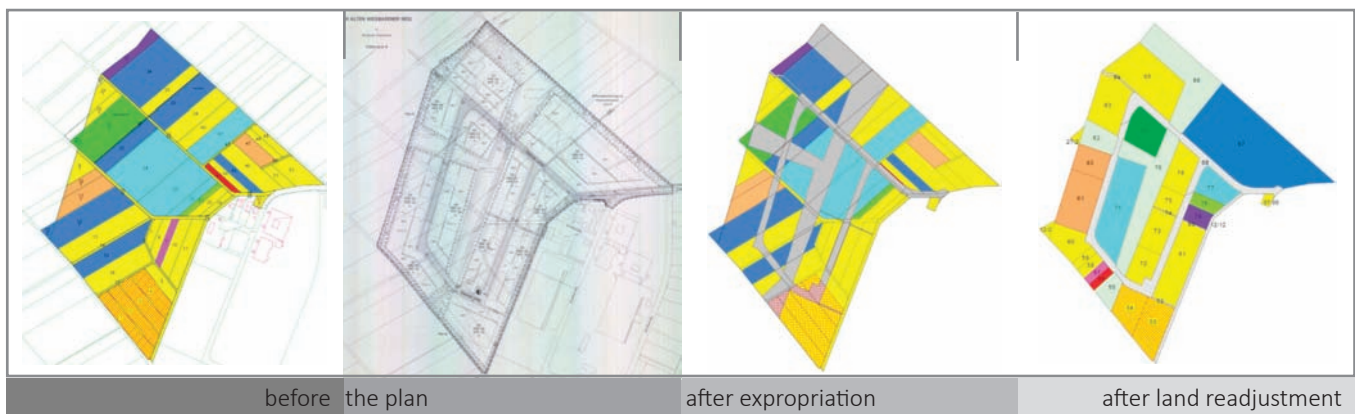
Land readjustment is an important and worldwide recognized technique for urban land development used for both the development of new areas and the reorganisation of already build-up areas. Land readjustment has a long tradition in central Europe, starting from Germany more than 100 years ago and then spreading over all continents. In the English speaking world it was long time quite unknown, but recently there are efforts to implement it into the planning system also in the USA.

In 2013 the World Bank has pointed out in a policy paper the advantages and importance of land readjustment. This paper recommends land readjustment as a powerful tool for efficient and well organised urban development.

#### What is Land Readjustment?

“Land readjustment is an alternative land assembly tool for urban expansion. Land readjustment is most commonly used to expand urban boundaries on the periphery of cities. However, it may also be used in urban areas for redevelopment purposes. Land readjustment is gaining acceptance as an alternative to land acquisition as it has many advantages for land assembly. Being in essence a participatory tool, land readjustment avoids to a great extent the public discontent and protests that land acquisition may generate. Land readjustment is thus more politically feasible than eminent domain in some situations, and is arguably more efficient and equitable than the use of eminent domain given the role of landowners in the process (Hong 2007). However, land readjustment involves efforts from public authorities such as the redrawing of boundaries and the associated adjustment of property rights. In some cases, land readjustment also requires local officials to initiate the project and negotiate with affected landowners for a set of general agreements for the undertaking.”(Lozano-Gracia et al. 2013)

Source: Frank Wagener, presentation at workshop on land readjustment, Arandjelovac, 2013



In most cases, an increase in the value of the land is achieved due to the procedure of land readjustment and the increase in value is the most important motive of the plot owners to participate in the process. Experiences from countries that apply land readjustment for many years show that the average increase in value of the land goes up by 4 to 8 times (from initial agricultural land, converted into the building, fully equipped and connected to the infrastructure land). In areas where there is great demand for construction land, the increase in value can be dozens of times

How does the instrument of land reallocation work?

**F.D.:** Land readjustment is a process of land exchange, led by public authorities in order to readjust the ownership situation, so that new land plots are formed in a way that their position, form and dimensions are designed accordingly to the new planned land-use and intended development.

The principle of the process of land readjustment is the unification of all land plots in the area intended for land readjustment into a so-called readjustment mass. First of all, from this readjustment mass, the areas, which accordingly to the Detailed Regulation Plan are determined for infrastructural provision, local traffic and green areas, are assigned to the municipality. The remaining readjustment area (distribution mass) is assigned to the involved proprietors in form of functional construction plots. The proprietor receives if possible, in accordance with the purpose of the land readjustment process, plots in the same position or in a position of the same value as the original land plots. In the process of land readjustment, the right of ownership of the land and ground is guaranteed. To readjust land means to restructure the land plots. The property rights remain and are only adjusted according to the new determined land-use.

What are the advantages of land readjustment?

**F.D.:** While expropriation unilaterally serves the interests of others and the ownership of the land is taken away from the proprietor, the property right remains in case of land readjustment. Land readjustment is the only instrument, which on the one hand facilitates a fast and legal target-oriented urban development of a municipality, and on the other hand enables the preservation of the property rights of the owners as well as their active participation in the added value process of the construction land. Hence, not only are

private and public interests being aligned, but also the interests of the private proprietors are balanced out by enabling the equal distribution of advantages and disadvantages of the Detailed Regulation Plan. Due to the readjustment process being coordinated by the local authorities, a high chance for an efficient realization of the planning process and a profit realization for the proprietor exists.

Why is the implementation of this instrument especially recommendable for Serbia as a transition country?

**F.D.:** An economic order based on the social market economy, can only be functional and successful if the ownership rights of market actors (including private persons and business companies) are guaranteed and protected and if planned development can be implemented in an efficient and timely way. Urban land-use planning allows the municipalities to conduct an ordered urban development guaranteeing legal certainty to third parties. It constitutes the indispensable basis for economic activities and, finally, for economic growth. However, without its realization, any regulation plan remains only a piece of paper without the possibilities of achieving the desired impacts. Thus, a legal instrumentation such as land readjustment is compellingly required, in order to ensure a legally reliable and timely realization of the land-use plans. What would be an engine without fuel? Lastly, the process of land readjustment fosters the trust of land owners regarding the guarantee of property rights and, when it is communicated in a right way, the process is accepted and jointly carried out.

It should be noted that an essential difference lies here in respect to expropriation: during expropriation former owners receive mostly money as compensation for expropriated land. Also, after the expropriation process the remaining land remains intersected, often without access to traffic, creating land parcels of even smaller size, whose use value is often diminished and therefore the monetary value becomes even smaller in comparison to the situation before proceeding. In contrast, the process of land readjustment guarantees to obtain new land with at least the same monetary value (and often more) and with a new functional value.

The process of land readjustment is supposed to be overseen and performed by the Committee for Land Readjustment that, for this purpose, is formed by local authorities. Prior to its implementation, the plan of land readjustment is created with participation and consultancy of land owners. After that, the plan is placed under public inspection and after the adoption it serves as the basis for the issuance of the Decree on Land Readjustment. Decrees on Land Readjustment, which are prepared and issued by the Committee for each of the participants, contain all the elements of the process in detail and serve as legal proof of ownership of the land for the duration of the procedure, until the moment of entry of a new state into the real estate registry.

The newly formed plots achieve the status of construction land and their owners are issued building permits in accordance with the plan. In addition, the conditions are fulfilled and land is now ready for the implementation of the complete infrastructure and is thus fully prepared for future development according to the plan.

### **Implementation of land readjustment measures in Serbia**

Due to the successful implementation of land readjustment in many countries worldwide and the well-developed planning system in Serbia the project suggested to reinforce the efforts and implement this instrument in Serbia.

Area of activity	Instrument tested	Tested where
Construction land development	Land Readjustment	Despotovac, Novi Sad and Užice

The implementation has been done in 2 phases:

#### *Phase 1: Pilot projects*

In the first phase (2010-2012.) the project launched three pilot projects: new residential zones “Resava” in Despotovac and “Mišeluk III” in Novi Sad, and the design of the new industrial zone in Sevojno, “Sevojno D”.

The essence of the “Resava” project in Despotovac is to create a new zone of residence in an attractive location in Despotovac, along the southern banks of river Resava. The location consists of a bigger complex of land parcels used for agricultural purposes and is very near to the centre of Despotovac. For the mentioned location different tasks were carried out, such as a comparative study evaluating locations for the planning and implementation of new residential areas, an urban concept, active participation of the public in the proposal for the development of the zone, Detailed Regulation Plan and a complete project for land consolidation.

The “Sevojno D” is the concept of the city of Užice to offer a developed and attractive location for small and medium businesses, in order to stop their settlement along the main road Pozega-Užice. The site is now used for agricultural production. For this area, an urban concept (by the planning company ASTOC, Germany) was developed, which envisages the creation of five blocks and then a detailed plan of land readjustment.



Land readjustment for a new residential zone in Despotovac, 2012



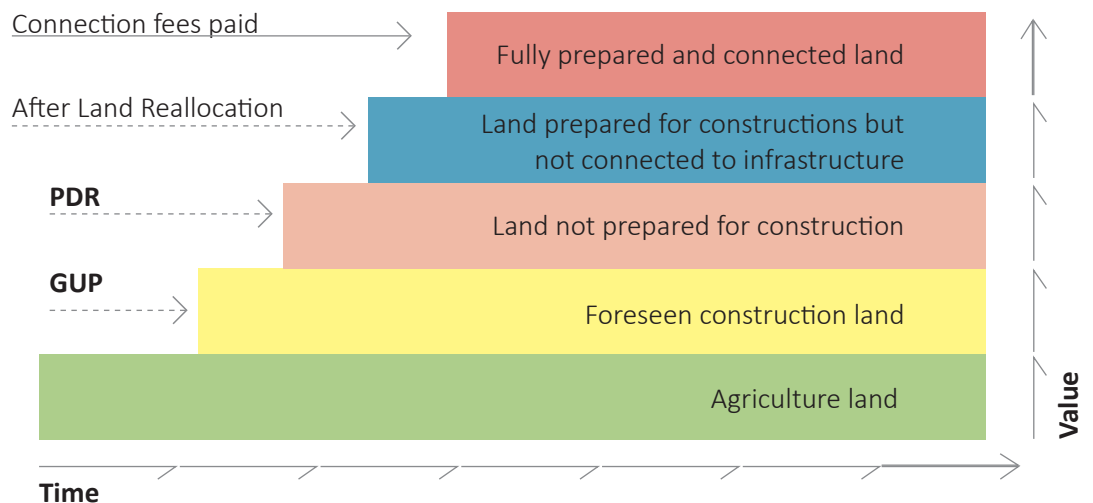
For the project “Mišeluk III” in Novi Sad, the Detailed Regulation Plan has been already created and adopted and only needed to carry out its implementation on the ground. This means the plan of land readjustment should have been worked out as a basis for redistribution of land parcels and realization of infrastructure. A partial problem is the fact that at the perimeter of the zone “Mišeluk III”, some buildings have been erected without construction permits (illegal construction), which would certainly hamper implementation of the Detailed Regulation Plan.

The implementation of all three projects is temporarily stopped because in Serbia there is no legal basis to regulate this matter in detail. To carry out the implementation of these pilot projects, in the absence of detailed legislation, the unanimous approval of all parcel owners would be required. Local partners expressed their uncertainties in this respect and the most logical decision was to wait for the adoption of laws and by-laws that would accurately define this new, so far unknown procedure in Serbia.

Source: Frank Wagener, presentation at workshop on land readjustment, Arandjelovac, 2013

### Increase of value of land through the process of land readjustment

Development of construction land in phases



## UŽICE 1

**Demographics:** 78,040 inhabitants

**Size:** 667 km<sup>2</sup>, including 41 communities

**Geography:** Užice is situated in the south-western mountainous part of Serbia and borders the Republika Srpska in the West. It is one of the largest cities in Western Serbia and an administrative, economic, educational and cultural centre of Serbia's largest district in terms of surface area – the Zlatiborski District.

**Instruments tested:** Urban Design Concept, Land Readjustment

### Development of a new business zone "Sevojno D" and introduction of Land Readjustment

In order to enhance the attractiveness of Užice for business investments, the city envisaged the development of a new business zone, called "Sevojno D", in the eastern part of the city. The area covering about 32 ha is currently mainly characterized by agricultural use. The strategic advantage of the location for the development of a new business zone is its proximity to already existing industrial sites. The project supported the municipality of Užice through the elaboration of an urban design concept as a base for the elaboration of a Detailed Regulation Plan and a proposal for rearranging land parcels at the site by using the instrument of Land Readjustment.

After analysing the current situation as well as defining the development goals, an **urban design concept** has been developed, providing proposals for the future land use, structure of land parcels, future land uses, areas for infrastructure, public and green areas and gave examples for the architectural design of buildings in the area. Based on the proposal for the future structure of land parcels from the urban design concept, a proposal for a land readjustment plan was elaborated.

The instrument of **Land Readjustment** is used in order to restructure existing land parcels according to a planned development in the area, harmonizing the interests of different land owners. During the process of land readjustment, new ownership structures are established on modified land parcels respecting the principle of equity of size and/or value. Besides the adoption of a Detailed Regulation Plan, another important precondition to begin a land readjustment process at the site of "Sevojno D" is the existence of a clear legal framework regulating land readjustment processes on national level. Currently, the drafting and adoption of a by-law on land readjustment is underway.



## *Phase 2: Adaptation of the legal framework*

Certainly the most sensitive part of the land readjustment is the reallocation of the land parcels. This requires very precise legislation so that landowners will not feel cheated and will not obstruct the process, because they are uncertain of the future of their real estate.

The GIZ/AMBERO-ICON project, in cooperation with the Ministry of Construction, Transport and Infrastructure, has participated in the development of articles of the Law on Planning and Construction, in the part about on land readjustment. With the adoption of the Amendments to the Law in 2014 new provisions for land readjustment have been adopted. However, in order to apply the instrument, a by-law regulating further details is necessary. In February 2015, the project provided a proposal for this by-law, and it is expected that the by-law will be adopted very soon.

The process of legal adaptation was accompanied by several workshops, organized by the project, in which German experts provided consulting services in this field, relying on years of positive German practical experience in the field and on a globally recognized model for conversion of land.

One of the potential challenges for the successful implementation of the processes of land readjustment could be that Serbia has no fully developed, fully transparent, standardized system of real estate appraisal, based in the state institutions. In the case of agricultural land, one should not expect special problems because agricultural land has been in private hands for many years and is subject to the laws of supply and demand in the market. The records of property transactions should be a good basis for a reliable estimate of its value. However, when it comes to building land, which has been state owned for over 50 years and until recently was not subject to free trade on the real estate market, one can expect large fluctuations in the assessment of its value. This might jeopardize the trust of the owners of land who should participate in the procedures of land readjustment. A standardized, transparent and state organized real estate valuation system would certainly increase the trust of citizens in determined values of land (especially construction land), boost land market and make processes of land readjustment more attractive.

*National Workshop on  
Land Readjustment, 2015*



### How has the topic of land readjustment been introduced and developed in Serbia?

The topic is quite new in Serbia, it was introduced into the Law on Planning and Construction in 2011, but until now, aside from some pilot projects, it has not been implemented in practice. There are legal inconsistencies, so there is quite a great need for readjustment. In Croatia there have been some negative experiences concerning land readjustment. For this reason, experts are afraid that it also will fail in Serbia if it is not done properly. On a practical level, it is almost impossible at the moment to buy a property in Belgrade on which everything is in order: property rights, access to urban infrastructure, and consistency with the urban zoning plan. This leads to an increased number of informal settlements. Thus, I am convinced that land readjustment could be an important instrument, not the only one, but as part of a comprehensive approach to improve urban development.

### What are the benefits of land readjustment?

First, the municipalities benefit of land readjustment by having a more organised real estate market and infrastructure. The value of the property can increase, which is also of advantage for the property owners. But due to unsolved issues regarding real estate valuation in Serbia, in many cases, we cannot assess the exact increase in value. In this regard, the second reason is even more important: in quite a lot of cases and municipalities in Serbia, a property will be listed as building land, but due to its shape it is almost impossible to build on it. Because of this, there is a kind of construction blockage. Land readjustment can be one method to improve this situation. Also, land readjustment can allow for a better infrastructure provision to take place, in the form of roads, power poles, drainages, etc.

### What were main lessons learnt from the pilot projects and neighbouring countries until now?

From Croatia we can learn that it is important to be careful when drafting laws and regulations on national level. It is not possible by Croatian law to integrate the changes that follow land readjustment processes into the existing urban land-use plans and adjust these accordingly. It is important to ensure the awareness and support of the municipalities for this topic by providing transparent information to the property owners and involving them actively. This is especially of importance because a land readjustment process will most probably be blocked if not the majority property owners agree to it.

### In your opinion, how can public awareness for this topic be raised?

To raise public awareness it is important to inform the citizens on the need and benefits of land readjustment, for example by giving speeches and presentations in municipalities and by disseminating information in form of brochures, leaflets or articles in the local newspapers. We made the experience that if citizens understand the importance of these processes and their positive impacts, they change their attitude towards this topic and are more open to accept changes.

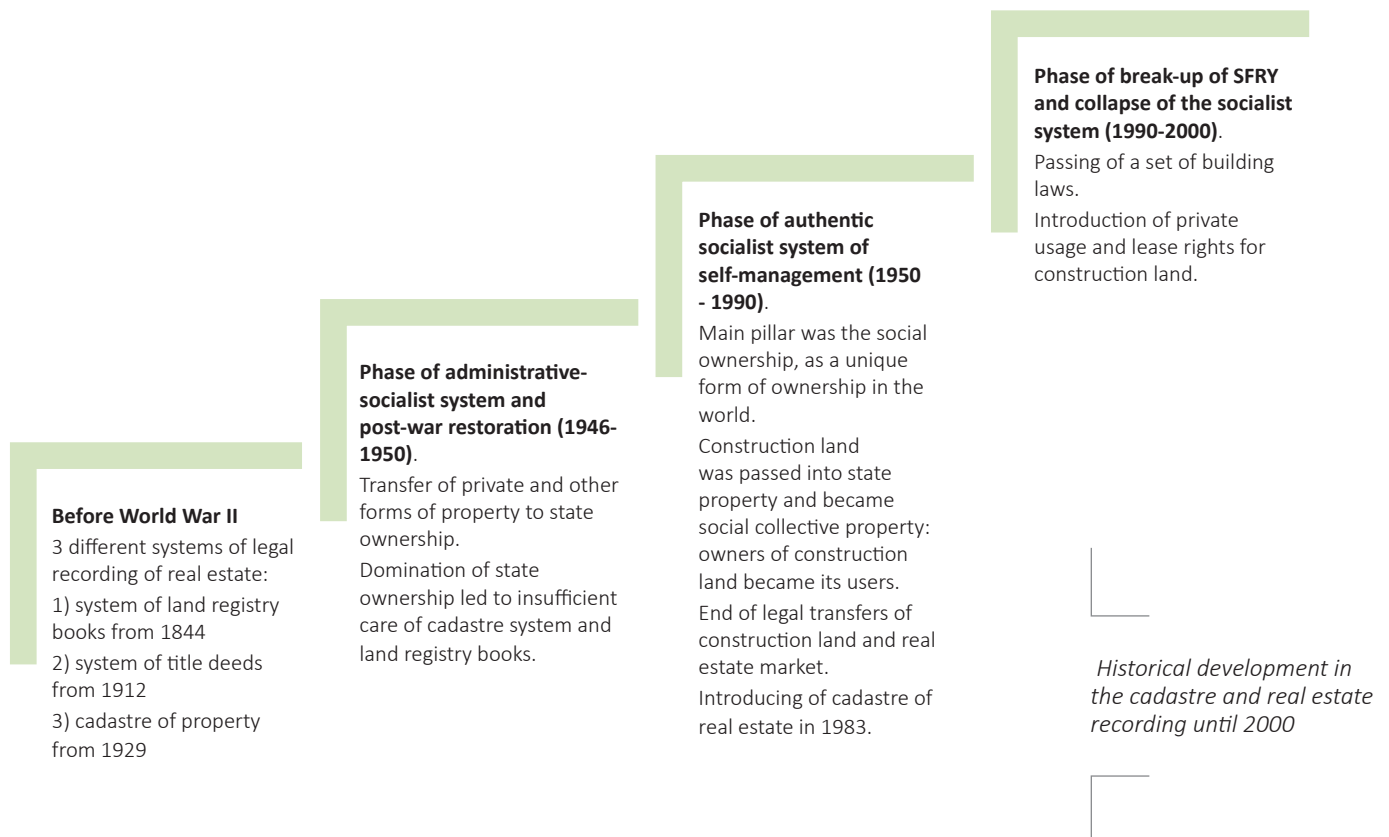
### What next steps have to be taken in the future? What concrete and practical solutions are needed?

The future of land readjustment depends quite a lot on how this issue is addressed on a national level regarding by-laws and regulations. There is a working group working on these issues at the moment. It is important for the legal framework to be flexible so that the local authorities have certain freedoms to conduct land readjustment depending on their own

context and situation. In my opinion, the land-use plans should be developed and adjusted in accordance with land readjustment processes. Due to a non-transparent and non-updated cadastre system in Serbia, we additionally need efficient instruments in order to assess the actual use of land and property status before starting with land readjustment. A similar mechanism was established for land consolidation, which was quite successful and could be used as a best practice.

*In your opinion, what were the main impacts of the GIZ/AMBERO-ICON project in the area of land readjustment?*

The project raised the interest of the ministry and institutions at national level. The experiences made in the pilot projects had an impact on the awareness for this topic, so that now a by-law is being drafted. At the same time, the professional body and technical experts gained interest in the topic of land readjustment, they attended workshops, could exchange knowledge with international professionals and learn from the experiences in the pilot projects. For the future, it would be good if national experts were more involved in studies and pilot projects. This is significant because national experts have valuable experience and knowledge of the situation in Serbia and combining it with the expertise of the foreign experts is the way to success.



Transparency of the real estate market, encompassing the whole territory, is a basic necessity not only for a country, but also for its citizens as well as for the businesses present in the market. A stable, transparent real estate market is a necessary precondition for the economic development and stability of any country. Potential investors are ready to invest only if there are sufficient realistic, precise, comparable and preferably territorially all-encompassing data about the market value of the real estate objects. The financial crisis that originated in the United States of America in 2007 and 2008 is above all a consequence of a lack of reliable information on real market value of real estate objects for the purposes of issuing bank loans. On the other hand, the financial crisis did not affect, or affected only to a very small extent, the markets of those few European countries that have valid, standardized, state-regulated real estate valuation.

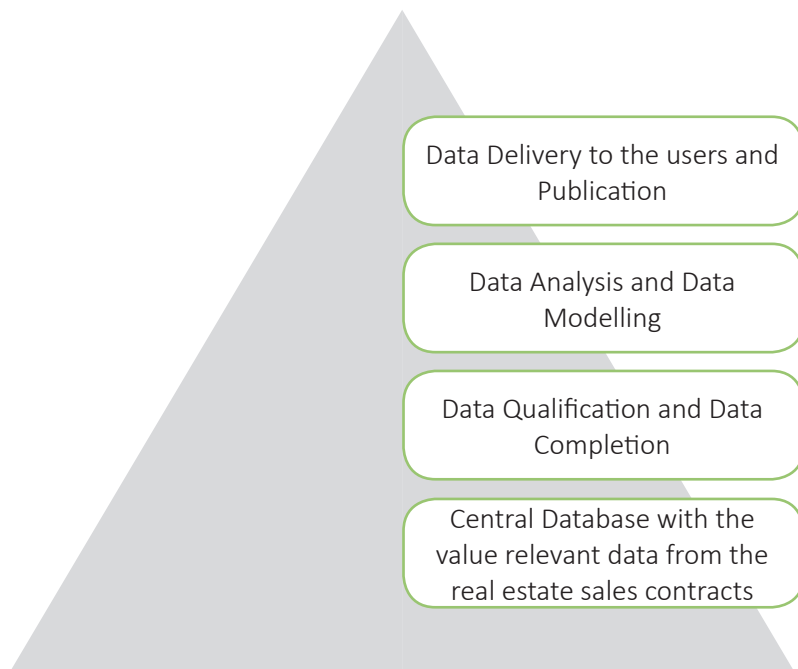
When developing a real estate valuation system providing high market transparency, the following four steps should be realized:

1. Development of a central database with the relevant value data from all real estate sale contracts
2. Data qualification and data completion
3. Data analysis and data modelling
4. Data delivery to the users and data publication

The central database should become the only database for all activities regarding real estate valuation. In order to be able to get a complete overview of the real estate market, it must be ensured by law that all purchase contracts are available.

The data has to be checked for plausibility using, among others, statistical methods. Information relevant to the value, which cannot be taken directly from the sales contracts, is to be collected subsequently, by questionnaires for buyers and sellers, and by additional research and calculations.

Four steps for the development of a real estate valuation system



The data modelling includes the clustering of property types (e.g. apartments, apartment buildings, single-family houses, commercial properties, building land, agricultural land, etc.), the determination of reference properties (e.g. surface, year of construction, equipment, etc.), value zones, average prices and additions and deductions for the deviation from the reference property, etc.

All market information must be made available to the public, including more basic services such as client-oriented data extraction, annual reports, value maps and up to complex Internet information systems.

### **Real estate valuation in Serbia today**

“Modern society requires quality spatial information for optimum management of resources, efficient decision-making and continuous growth”, these are the words contained in *The Strategy on Establishing Spatial Data Infrastructure in the Republic of Serbia for the Period 2010-2012* (hereinafter referred to as the Strategy, 2010) adopted by the Serbian Government. This statement illustrates clearly the importance of the real estate valuation system, its conceptual solution still being in the making. Public authorities, which must enable “a greater access to geographical information” (the Strategy, 2010) in order to realise the full potential of the technology and provide numerous possibilities to improve public services, have an indubitably important role in the future development of the system.

The process of the development of the real estate valuation system in the Republic of Serbia started with the adoption of the Law on State Survey and Cadastre (RS OG, 79/09 and 18/10) in 2009. Namely, the law stipulates that the real estate mass valuation comes within the competence of the Republic Geodetic Authority (RGA). The RGA initiated the establishment of the register of real estate market value and, based on the data from purchase and sale and leasing contracts they receive from notarization authorities, they created the Real Estate Sales Register. Data from the real estate sales contract as well as from the real estate cadastre database is entered into this register. Also, the Rulebook on Real Estate Valuation (RGA’s internal document) stipulates another manner of real estate data collection – the questionnaire to be filled out when entering the right of ownership

into public books. According to the RGA data, there are 100,000 sales of real estate currently registered (without data required by the questionnaire).

Apart from the RGA, the Tax Administration, the National Bank, the Ministry of Construction, Transport and Infrastructure, the National Association of Valuers of Serbia, the Serbian Union of Surveyors, the Association of Court Experts, the National Mortgage Insurance Corporation (NMIC), as well as a significant number of agencies and individuals, work in the field of real estate valuation. According to the Business Registers Agency data, there are more than 1,000 agencies currently registered in the field of real estate.

As a consequence, the new national sales price register established and currently adjusted by the RGA should become the only base for all activities regarding real estate valuation. The establishment of a modern structure for this database would represent a milestone, encompassing decentralized workstations for data entry and in particular the open access of the general public via web services, with additional details available to authorized user groups.

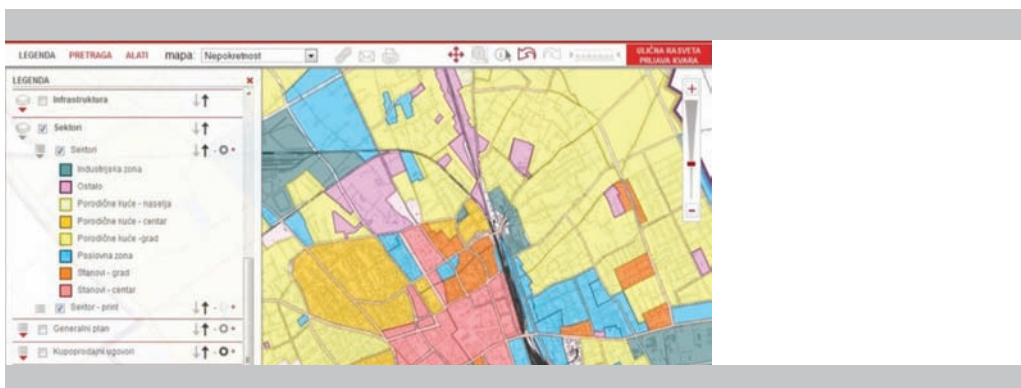
### Implementation of real estate valuation activities by the project

Within the GIZ/AMBERO-ICON project, numerous activities aimed at the development of the real state valuation system, first and foremost for the needs of the State, but also for all other individual appraisals in the Republic of Serbia. Forms of cooperation were diverse, from the organisation of expert workshops, direct cooperation with several local self-governments through pilot projects, to cooperation with representatives of state institutions and organisations, private sector and educational institutions.

During several working visits to German institutions, Serbian experts had the opportunity to gain insight into systems of real estate valuation and analyse its importance for the economy of a country. During visits to Berlin, Düsseldorf, Potsdam, Lüdenscheid and other cities, meetings with stakeholders in the field of real estate valuation were organised and the work of the Real Estate Valuation Committee in the context of German legislation analysed.

In Serbia, important regional centres, such as Subotica, Zrenjanin, Novi Sad, Belgrade, Valjevo and Kragujevac were included in expert workshops. Numerous debates and lectures were organised involving a great number of Serbian and German experts in this area, leading to an exchange of experiences with the aim to perceive the necessity and the value of establishing such a system in Serbia and point out all relevant characteristics of this system.

Both during working visits to Germany and in the workshops throughout Serbia, a high number of participants took part. Several hundred people were included in the project, directly or indirectly, which is of importance when spreading and consolidating the idea of a real estate valuation system in Serbia. Apart from the theoretical content, the project encompassed many concrete practical activities. Among the most important ones were



*Excerpt from elaborated GIS based information system on real estate values*



## SUBOTICA

**Demographics:** 141,554 inhabitants

**Size:** 1008 km<sup>2</sup>, including 18 communities

**Geography:** Subotica is situated in the north of the Republic of Serbia, close to the Hungarian border, alongside the E-75 international route. Subotica is an administrative, industrial, agricultural, transportation, touristic and cultural centre of the Northern Bačka region.

**Instruments tested:** Real Estate Valuation

### Development of a GIS based database system on real estate market values

The project supported the municipality of Subotica in the development of a **GIS based database system on real estate market values**. The city of Subotica was among the first cities in Serbia to introduce a functional Geographic Information System (GIS), which has continuously been upgraded and improved. A new software solution for spatial presentation was developed in order to be added to the already existing Geographic Information System. Additionally, the pilot project served as a basis for further trainings and capacity development on real estate valuation methods.

Data on real estate sales was provided by the national Tax Administration, while an actual cadastral basis for the area was provided by the Republic Geodetic Authority (RGA). The delivered data was used for the **elaboration of an automatically generated map** on average real estate sales values per m<sup>2</sup> for different types of objects (e.g. single-family home, two-family house, apartment building, industrial building) in different zones established within the whole area. **The newly developed software solution** enables the collection, management and spatial presentation of existing data on real estate values.

The new information system facilitates the provision of reliable data on the local real estate market for the municipality of Subotica. It can serve as a basis to strengthen the efficiency, local management and planning capacities of the public administration itself, as well as for increasing the transparency and economic sustainability of the local real estate market. The pilot project was awarded with a first prize in the category of *Application of Informational Technology* at the Urban Planning Salon held in Leskovac on November 8th, 2012.

Unfortunately, due to delays and impediments in the cooperation and delivery of necessary data between RGA and the city of Subotica, the database on real estate values is not currently in use.



several pilot projects realised with the representatives of local self-governments and Universities of Belgrade and Novi Sad.

During the project, a great effort has been made to get acquainted with other countries' experiences. Normative regulation of the system, requirements for becoming a licensed surveyor, valuation methods and existing standards applied for that purpose were all analysed. Austria, Germany, Greece, the Russian Federation, Ireland, Norway, Italy, Sweden and Slovenia were included as examples of best practice. The structure of German services was described in detail, because of the experiences gained in the direct. The online information system BorisPlus was highlighted as one solution for the communication of and access to market data for all activities regarding real estate valuation. Besides examples of best practice, the importance of the IAAO standard of real estate mass evaluation was pointed out.

### ***Addressing the local level***

Area of activity	Instrument tested	Tested where
Real Estate Valuation	Purchase price collections (GIS-based)	Subotica, Valjevo and Zrenjanin
	Municipal real estate valuation map	Subotica, Valjevo? and Zrenjanin?
	Valuation of property	Kragujevac, Niš, Valjevo

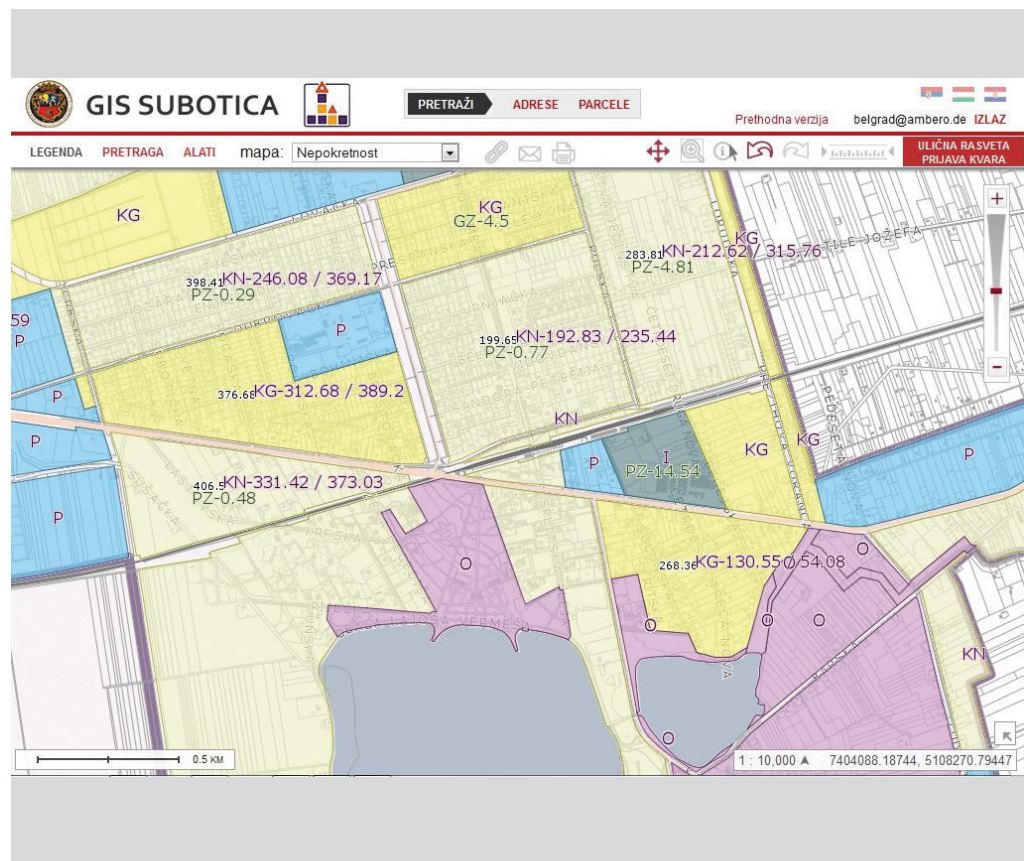
A direct cooperation with representatives of local self-governments during the project on topics of real estate valuation gave an opportunity to appraise existing capacities and organisation of work, and with help of German experiences, advance the work of local stakeholders in land management. Through trainings and introduction of IT tools, the quality of gathering and visualising spatial data, required for the decision-making on the local level, rose significantly. With the application of GIS-based technology such as purchase price collections and municipal real estate valuation maps, the functioning of local self-government services was improved. The pilot project in Subotica was successful in increasing significantly the level of cooperation, the understanding and readiness to improve the work of municipal authorities, both regarding the development of the real estate valuation system and the implementation of GIS-based technology. Initiated activities with regard to systemic and systematic solutions to the real estate valuation problem of taxation represent a good foundation for further work on the development and improvement of the system.

Activities on the local level included three pilot projects on GIS supported real estate valuation, in the partner municipalities of Subotica, Valjevo and Zrenjanin (in Valjevo and Zrenjanin, only a limited area was covered). For building up so-called purchase price collections and municipal real estate valuation maps, initial data was received from the national Tax Administration of Serbia in the form of Excel tables (as an extract from the Tax Administration's records). At the beginning of the first phase of the project (2010-2012), those were the only available relevant data on real estate market transactions. However, these data were of a limited use as they contained too many incomplete records (e.g. missing parcel numbers, incorrect addresses, etc.) and the quality of records was also inconsistent for the three municipalities. This caused an extensive work of manually "cleaning" raw records. On the basis of these data, a municipal real estate valuation map was created in Subotica with the aim of visualising the valuation data in a GIS-based solution. At a later stage of the project, the Republic Geodetic Authority (RGA) could supply more reliable data for the case of Subotica, although only for the most recent real estate transactions in the period from 2013 to 2015.

The pilot project on the local level has shown four main results:

1. A GIS-based data processing is a suitable instrument for a quick and clear visualisation of market information;
2. The purchase price collections of the tax authorities (in the form of an Excel table) are structured in an insufficient way since they are not georeferenced, which hinders a further automatic handling;
3. The collected price data is not reliable (due to many records containing incomplete data) and not suitable for automatic analysis.
4. Without a fully automated data flow, the procedures regarding the analysis of real estate market are uneconomic and too complicated.

Example of municipal real estate valuation map (Subotica)



**Interview with Jozsef Csipa**, former Deputy Director for Construction in the city of Subotica, on real estate valuation in municipalities

What in your opinion is the need for real estate valuation in municipalities and in Serbia in general?

**J.C.:** The introduction of real estate valuation instruments is necessary because the largest part of the municipal revenue comes from the local taxes. The most influencing factor for the value of real estate is the location. At the moment, this parameter is defined too vaguely. At best, valuations would additionally be overseen by a technical committee and would be agreed upon by the city council. This would increase the professionalism of the process and with this the acceptance of the tax payers. A second important benefit relates to planning aspects. On the basis of more realistic values of land and buildings a more accurate and market-driven planning process can be carried out. A third reason for having real estate valuation is that citizens as well as public institutions would know the accurate value of their property. This is of help if they decide to sell it on the market or in the creditworthiness assessment in the case of using a mortgage loan as guarantee instrument.

What experiences were made in Subotica regarding real estate valuation?

**J.C.:** A software tool was developed in cooperation with a private firm here in Subotica aiming at finding out the real estate value using specific parameters such as the distance to important landmarks and facilities, the infrastructural connection, etc. We encountered the challenge that we could not guarantee the continuous update of property data, being dependent on the National Tax Administration for the delivery of this data. Unfortunately, this software tool is not in use at the moment. The municipal tax authority introduced a system in which the whole city is divided in four zones, taxing all properties in one zone in the same way. In this case, the only value-driven parameter is the location and sometimes the age of the building, not taking into account

other factors. Unfortunately, there is no pressure from the public or politicians to change this system and develop it further.

Why do you think there is such a low public interest in this topic?

**J.C.:** I think that the politicians in Subotica are not sufficiently aware of this topic. For the administrative staff in charge of this topic it is the easiest solution to just split the city in four different taxation zones. The importance of this topic is still low, because in former times the taxes on real estate were very low and were only a marginal percentage of the city's revenues. It has changed now –the yearly tax on real estate amounts to 4% of the real estate value, which is a significant burden in family budgets. This is the reason why a detailed value assessment, in which different parameters have an influence on the final value assessment of the properties, is of great importance. Only in this way can an equal treatment of citizens be possible. The differences between the properties within one zone of the city are just too big. Also, in some cases the property is used for agriculture purposes but it is classified as building land and therefore taxed higher. In the future we should try to develop this further, for example by introducing blocks of 6, 8 or 10 buildings as a basis for taxation.

Are there stakeholders who should be involved in a stronger way in order to achieve a successful real estate valuation?

**J.C.:** On the level of policy-makers, stakeholders and institutions should be more involved in the process. For example the Republic Geodetic Authority (RGA) should not only act as the institution delivering data, but also as a shaping actor. Without the support of the central level, the cooperation between the local branches of the land surveying institute and the local authorities is hindered and not very user-friendly, in the sense that the local branches sell data to the municipalities at high prices. The political significance of this topic has to increase.

In your opinion, what is the impact of the GIZ/AMBERO project on real estate valuation in Subotica and in Serbia?

**J.C.:** We have to differentiate between the instrument we created, which was successful, and its implementation. The methodological approach was developed in a good and professional way. Especially the trainings and capacity building activities were of great help in order to learn how real estate valuation is carried out on an international level. In the future a greater emphasis should lay on this issue. The tax authorities are not sufficiently equipped and capacities are still lacking for them to be able to carry out this new real estate valuation approach. A positive outcome is that the tax authority in Subotica has now understood the importance of creating a registry of all taxable inhabitants. For this, a form was handed out to all taxable inhabitants with the request to send it back filled with all relevant real estate data. This data can be verified through site visits and using the city's GIS system, street view and aerial photographs.

### **Cooperation on national level**

Besides the cooperation with local self-government, numerous meetings took place with the Ministry of Construction, Traffic and Infrastructure, the Republic Geodetic Agency (RGA), the chambers of commerce, the Tax Administration, the National Bank, the Serbian Union of Surveyors (SGS), and many other organisations and individuals which deal with real estate valuation. The cooperation with representatives of faculties (The Faculty of Civil Engineering in Belgrade and in Subotica) was organised in different ways: in cooperation with the Faculty of Civil Engineering in Subotica, a summer school on Real Estate Valuation was organised in May 2015, while in cooperation with the Faculty of Civil Engineering in Belgrade, one study was realised as well as further consulting services and workshops.

On behalf of the project, the Faculty of Civil Engineering of the University of Belgrade prepared the baseline study *Analysis of existing condition and developmental needs for official real estate valuation infrastructure in the Republic of Serbia*<sup>13</sup>. The study gives an extensive overview of the existing situation, identifies the needs and all the relevant factors for sustainable development of the real estate valuation system in the Republic of Serbia, and describes in detail the concept for an integrated system of real estate valuation.

### **Main challenges encountered and to be worked on in the future**

User surveys have shown that the existing data quality on real estate valuation is often of low quality. It is recommended that local experts with market knowledge, such as representatives of the tax offices, cadastral and planning authorities, real estate brokers or agents of banks should be involved in the process of data classification. Moreover, it is not sufficient to provide only the individual prices agreed in the contracts, but from the user's point of view there is an essential need for standardized values for the different real estate types. Therefore valuation models have to be developed. During several workshops and study trips the Northrhine-Westfalian web information system BORIS was recognized as suitable model for Serbia, as it is based on a central price database and allows diverse query and analysis tools. It should be analysed whether and how BORIS could be adapted to the Serbian infrastructure.



*Round Table on Real Estate Valuation, 2013*

<sup>13</sup> The study can be downloaded on <http://www.urbanlandmanagement.rs>.

In order to develop an integrated system of real estate valuation in Serbia an interdisciplinary steering committee, composed of representatives of Republic Geodetic Agency (RGA), the Tax Administration, the Ministry of Construction, Traffic and Infrastructure, the Ministry of Finance, the National Statistical Office, the Standing Conference of Towns and Municipalities, the National Bank of Serbia, the National Association of Valuers of Serbia NUPS, other municipal representatives and educational institutions, should be formed, with technical accompaniment of international experts. Finally the professional education and training must be adjusted.

The professional and technical conditions in Serbia are good; the challenge will be to bring all the parties together to work together on the development of a modern and future-oriented system which can satisfy the needs of business, government and private sector. This cannot be achieved without clear political support.

Some challenges were also encountered in coordinating activities with other donors in the field of real estate valuation. Discussions with the USAID's Business Enabling Project and with the World Bank in the preparatory phase of their new Real Estate Management project showed that there is a different understanding of how a real estate valuation system should look like. Both, USAID and the World Bank did not support the projects proposal to build up a public real estate valuation with a central database and decentralised public valuation institutions (valuation committee) as it was accepted by the Serbian Ministry of Construction in 2013 and incorporated into a first draft of the Planning and Construction Law in 2013. After the elections the new formed Ministry changed its opinion and decided not to incorporate the project's proposal into the Planning and Construction Law. The experiences the project had to make indicate a need for stronger coordination of donor activities in order to achieve an optimum use of resources. Therefore a coordinating platform should be established by the responsible Serbian institutions.

German expert presenting  
Boris plus system,  
2015



**In the context of the cooperation with GIZ/AMBERO-ICON, which activities were carried out in order to support real estate valuation?**

The Republic Geodetic Authority RGA (in Serbian Republički geodetski zavod - RGZ) has enjoyed an active cooperation with the GIZ/AMBERO-ICON project in the field of real estate valuation. In my opinion it was very important, that in all workshops conducted by the project on the topic of real estate valuation it was intended to include all interest groups, for example RGA, tax authorities, the Standing Conference of Town and Municipalities, local authorities, representatives of universities and professionals of the real estate market. This was a very positive experience, that a project succeeded in getting these different stakeholders together. Also of great help was the presence of international experts who could give examples of experiences made in Germany and other European countries, and explain to us international standards and how to approach this topic. Additionally, during a study trip to Germany we were able to visit different administrative institutions and hear about solutions to the questions we were discussing at the round tables. These activities, both round tables and study trip, helped us gain a common perspective on the topic to define a common way forward in implementing international standards and in strengthening the cooperation between the institutions.

**What are current developments in the area of real estate valuation?**

When it comes to mass valuation, in 2014 we put into official use for the whole Serbia our sales price registry, for which we got assistance from international consultants from Sweden and Slovenia. To help disseminate information on the new services of RGA arising from the sales price registry, GIZ/AMBERO-ICON supported the conduction of workshops in different parts of the country. Nowadays, RGA is

collecting data on real estate market for mass valuation, while understanding that this data should be shared. For example, by providing local authorities with this data in order to address their needs in real estate valuation on local level. We have a concrete pilot project running in Subotica, for which it is agreed that data will be exchanged between national and municipality levels.

**From your perspective, what is the benefit of real estate valuations for municipal administrations and other institutions?**

We are aware that different levels need data on real estate prices and values, we are especially aware of the needs of local authorities for taxation purposes. Even though we have not completely succeeded until now to improve the situation for local authorities, for example in the provision of data, there are some positive changes and developments. Through the workshops, study trips and gained experiences, we gained a broad understanding that the value for real estate should not be a normative value proposed on national or local level, but instead it should be a market value based on international standards and practices.

**What is the point of view of RGA regarding a decentralised system of real estate valuation?**

RGA is of the opinion that mass valuation has to be done for the whole country, at a central level. The real estate market is in development, so if you set up prices on the local level you can have inappropriate and temporary influences. Still, if you do not include local market knowledge you will lose the specific information on the local level. Especially for the verification of data, we need the local knowledge on prices and price development. It is too costly to have many local data systems collecting this information, so we are planning one database, but we need to cooperate with local authorities and experts to know about the real situation of the real estate values and prices on the local level.



How in your opinion can the verification and validation of data be achieved in order to have reliable data?

At the moment we are only collecting data for mass valuation and do not have a tool for verification. In Serbia we have the special situation that sometimes the stated real estate price in the contract is deliberately indicated in an incorrect way. Sometimes, only a plot of land and a small hut is stated in the contract even though a normal sized house exists in reality. In that sense, we need verification procedures, including field visits and inspections of property to check if the data on real estate is correct and if the stated prices in the contracts are realistic. So it is a good first step that, within the project, we cooperated with local authorities to create a basis for verification in the future.

What are major challenges and which next steps have to be taken to address this in the future?

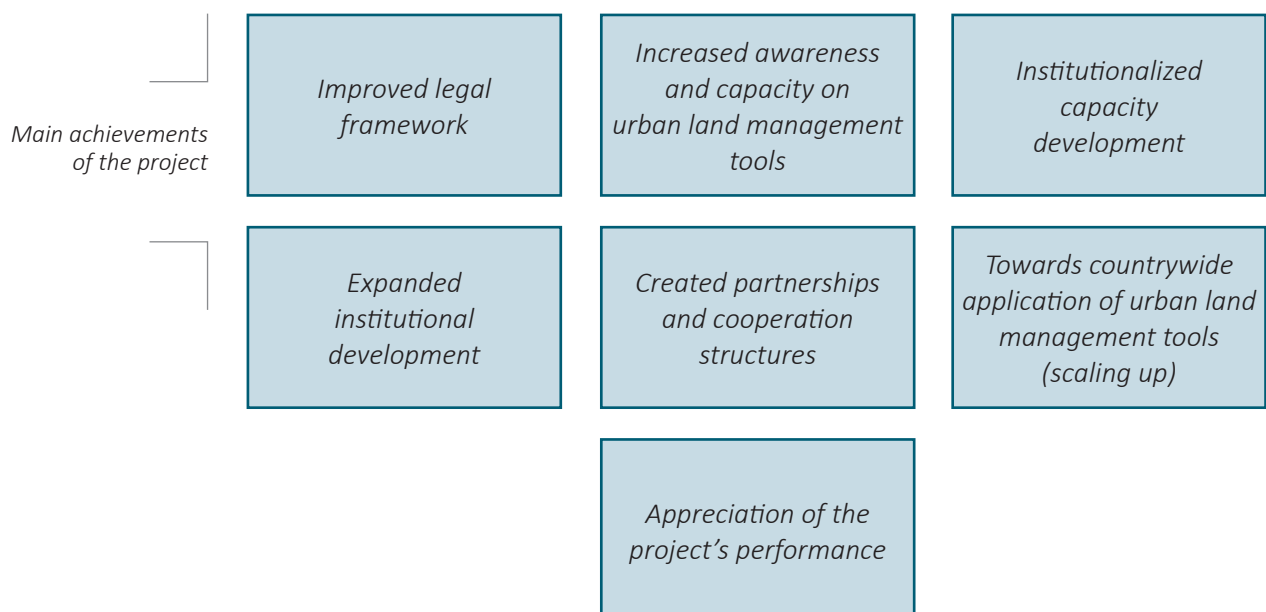
Now we have to put verification into practice, especially regarding the pilot project in Subotica and in some other municipalities which will be included in the expected Real Estate Management Project financed by the World Bank credit. Problematic is the change of staff in authorities. During these changes we are losing knowledge and commitment for further cooperation and communication between the institutions. When working on a specific issue it is important to have the support of the managers and decision makers. It takes a while until people get acquainted to the topic and understand it in order to also grasp its importance. But recurring staff changes can hinder this. We also face the challenge that at RGA, we are not enough staff for the high number of tasks. In the department on mass valuation, we are only five people. But still, we are using the capacity of RGA and pushing the issue to create a better solution for real estate valuation.

# 04 Achievements

## 4 Main achievements and challenges encountered

From 2010 to 2015, the project gained numerous experiences in implementing new and improving existing urban land management instruments in Serbia. In most cases the cooperation on local level was characterized by strong commitment and mutual trust, and thus could achieve remarkable results. However, political discontinuity has led to disruptions and in some cases the pilot projects could not be finalized according to the agreements. In the second phase from 2013 to 2015, the project focused on dissemination, institutionalisation and improvement of the legal framework. The cooperation with associations, universities and national institutions has been intensified, and impressive results could be achieved. Nevertheless, it should be noted also at this point, that two elections in five years ended each time with changes of the direct partners in the relevant ministry, so that it was a demanding situation to repeatedly re-establish long-term commitment. Each time it was necessary to start again from scratch with persuasive efforts.

Nevertheless, it can be stated that, in the end, the project achieved its main objective: The strengthening of competencies of towns and municipalities to guide land use in an ecologically sustainable, socially balancing and efficient way. This has been achieved by identifying missing or insufficient urban land management tools, developing or improving respective tools based on EU good practices, testing and incorporating them in the national legal framework, establishing multiple ways of short and long term capacity development, creating effective partnerships and disseminating gained experiences and results in order to strengthen the countrywide application of the instruments. The newly introduced and/or improved tools now contribute to guide the urban development in a land-saving/land-efficient manner and to increase transparency and public participation, thus facilitating responsible investments. The indicators of both phases as outlined in chapter 2.2.1 have been achieved with only minor modifications.





*Urban Laboratory on Enforcement of  
the Planning and Construction Law  
on Early Public Participation, SCTM,  
Belgrade, 2015*

## 4.1 Improved legal framework

The continuous professional advice from the project experts resulted in the extension of the legal framework with new regulations on urban land management.

The **Law on Amendments to the Law on Planning and Construction**, adopted on 12 December 2014, contains the following proposals of the project:

- EU compliant principles of planning  
In Article 3, principles of integrated sustainable urban development have been enshrined in the act.
- Early public participation  
Article 45a states that after the decision on the plan development, the local authority responsible for the formulation of the plan informs the public about general objectives and aims of the plan, possible and alternative solutions and effects of the plan. Early public participation is announced to the public according to legal requirements, and lasts 15 days. As stated in the law: “The public must have a possibility to declare and recorded remarks may have an influence on planning solutions” (Article 45a). The article also states that funds for the implementation of the early public participation are provided in the budget, and it elaborates further on responsibilities and details of the procedures.
- Establishing and financing of a national program for urban development  
Article 39 states that the ministry competent for urbanism matters can, for the purpose of EU integration process of the Republic of Serbia, finance national programs which are regulating the policy of urban development, urban renewal, etc.
- Land readjustment  
The Law on Planning and Construction provides new regulations for the implementation of land readjustment. Article 107 declares land readjustment as a process of public interest, provides definitions and explains when to apply land readjustment and how it works. Article 108 focuses on the responsibilities and the procedures, including time limits. Article 108a deals with financial issues such as costs and compensation. Article 108b is about finalizing the process.
- Strategic Environmental Assessment  
Article 46 provides improved involvement of the environmental departments of the municipalities in the decision-making process on the need to conduct Strategic Environmental Assessments (SEA) within urban planning processes.

Beyond that, a number of **by-laws** have been proposed and already partly adopted:

- The issue of early participation has been specified in a by-law on planning procedures that has already been adopted.
- A proposal for a by-law on land readjustment has been drafted and presented to the ministry, and is awaiting adoption in the near future.
- The project supported the ministry in the standardization of land-use classifications and planning symbols for urban and spatial plans.

In your opinion, what are the main challenges and potentials for urban development and urban land management in Serbia?

There are a number of challenges and potentials in the sector of spatial and urban planning, impacting spatial and urban development, as well as land management in the Republic of Serbia. The planning system in the Republic of Serbia has been inherited from the former socialist period, and as such, requires relevant changes, i.e. reforms, in order to adapt to the conditions of a market economy. It may be said that, in the recent past, a lot has been done to change the legal framework and it will undoubtedly contribute to making procedures for implementing planning documents, i.e. the issuing of permits, much more efficient than it was previously.

Also, for the first time in the Republic of Serbia, we will draft and adopt a document entitled National Urban Development Policy. With this document we expect that we will gain the basic principles to redefine urban development strategy, goals, priorities, measures and instruments for achieving this policy, as well as a framework for monitoring and evaluation.

A rational land management model needs to be created, so that land, as a non-renewable resource, is used and protected in accordance with the normative and planning framework. This requires updated real estate records, i.e. an updated real estate cadastre, with the simultaneous development of local information systems for the spatial situation. One of the social phenomena with negative impact on urban development is certainly illegal construction. Resolving illegal construction problems will create a good basis for defining new strategies and directions for development.

In which of these named areas do you see the main impacts of the GIZ/AMBERO project?

The GIZ/AMBERO-ICON project produced very good results during the past period, as proved by the establishment of new instruments, such as early public participation, included in drafting planning documents. Other important issues initiated and redefined by the project cover the concept of integrated planning in local municipalities, the place and role of Strategic Environmental Assessment in urban planning, the classification and standardisation of land purpose and planning symbols, among other things.

For the first time, as part of a number of thematic workshops, experts and representatives of local municipalities gathered, while having the possibility to network and directly participate in deliberating and defining possible planning solutions. In direct exchange of experiences, a number of issues from practical work were considered, and answers were found to questions regarding the application of new legal instruments from the amended Law on Planning and Construction. It was assessed that this practice needs to be continued in the future, whether organised by the GIZ project or in some other way. We should find the strength, capacity and interest to persist in establishing this kind of cooperation and exchange of opinions among experts as a mandatory form of cooperation. It is particularly important to persist in the project of standardisation of the classification of land-use planning symbols.

For the implementation of elaborated Integrated Urban Development Strategies, financial funds are needed. The Amendments to the Law on Planning and Construction from 2014 foresees a national program for supporting project implementation in municipalities. How is the ministry addressing the development of such a program?

The provisions of Article 39 of the Law on Planning and Construction define that funds can be secured for financing together on the same line co-financing both planning documents, as well as documents intended for the inclusion of the Republic of Serbia in the integration process, for example the national program regulating the urban development policy, urban renewal, etc. To this end, in 2016 the Republic of Serbia will work on drafting the National Urban Development Policy. There are great expectations from drafting this document, i.e. the main goal is to draft a new urban agenda for the Republic of Serbia in the context of the upcoming conference Habitat III, and start its implementation, without delay. Cooperation with colleagues from GIZ/ AMBERO-ICON is important, particularly to maintain the contacts established with colleagues from the German Ministry of Construction, Protection of Natural Resources, Environmental Protection and Nuclear Safety, from whom we expect good advice and guidelines in drafting this document.

What are the next steps regarding an integrated and sustainable urban development in Serbia? In your opinion, which issues should be tackled in a possible further cooperation with GIZ?

Sustainable urban development is the main goal of future spatial development in Serbia. Sustainable urban development involves systems for social cohesion and equality, spatial development, urban economy, urban ecology and environmental protection, housing and the development of a sustainable system of basic services in cities. There are a number of topics that could be the basis for defining future cooperation with GIZ, primarily the development of GIS (Geographic Information Systems), the development of an information system on the spatial situation (national and local systems), urban renewal projects, pilot projects to stimulate sustainable urban development and activate territorial capital. This is primarily in regards to small towns that previously had economic but these structures stopped working during the transition for various reasons. In order to reach a more even regional development in this context, it is important to stimulate a polycentric urban development. During the work so far, it was mutually assessed that cooperation needs to continue, and considering the wide area, we hope we will be able to jointly define good projects that will be successfully implemented.

## Challenges encountered

In the six last years of the project, political changes on the ministerial, national institutional and municipality level occurred several times, while the Government of Serbia changed twice. Each time, the project team had to build new cooperation structures, specify agreements and decide on common objectives and activities with the new partners after political changes had occurred. For example, the project team advised the former Ministry on Construction and Urban Planning on Amendments to the Law on Planning and Construction in 2013. Several proposals of the project were incorporated into the draft law, such as real estate valuation, urban contract, land readjustment, or early participation in urban and spatial plans. Before these amendments were adopted, a new government was elected with the result that the partners from the ministry changed. The new partners had a different strategy towards the Amendment to the Law and presented a draft without any of the projects proposals. At a later stage some proposals were included into the adopted Amendments to the Law (2014), while others were rejected (i.e. Real Estate Valuation, Urban Contract).

The main goal of the Amendments to the Law (2014) was to modernize and shorten the procedure for issuing building permissions in order to improve the investment conditions. However, this shortening of procedures can lead to a decrease in the quality and sustainability of planning instruments. This applies in particular to the preparation of Detailed Regulation Plans and General Urban Plans, both key instruments of a quality oriented planning system.

A similar situation could be observed in the development and implementation of by-laws, e.g. with by-law on Land Readjustment. The project team, with advisory work from international experts, has supported the development of the by-law text on several

### Tasks to be addressed in the future

#### Further adaptation of the legal framework in view of EU best practise:

- Creation and quality improvement of a more coherent and efficient system of spatial and urban plans, in which efficient permitting processes go along with quality in planning;
- Integration of new challenges, such as climate change and energy aspects, into urban development planning;
- Further support in market-oriented construction land development approaches: enabling PPP-models not only for projects of public interest (i.e. Urban Development Contract);
- Regulatory compliance of urban planning in relation to a medium-term construction land program, medium-term program for the development of municipal utilities in accordance with the public utility companies and projection of medium-term local budgets;
- (Further) Development of a real estate valuation system as a public task regulated by law and based on a national sales contract database.

#### Supplementary national policies

- Elaboration of a national urban development program in order to promote integrated planning, revitalisation of deprived areas, urban renewal, participatory planning and climate change mitigation and adaptation
- Improvement of the conditions for long-term oriented municipal land banking policies to enable municipalities to always have sufficient land available for compensation, voluntary land exchange, PPPs, etc. and to acquire this land at low price.



occasions, the first attempt being in 2011. After months of intense preparations, the draft by-law was ready for adoption procedure in early 2012. The national elections followed in May, resulting in changes among key persons within the partner ministry. A new team within the ministry requested a different strategy in preparing the by-law. After a longer period of time, a new proposal was elaborated as a result of many meetings and discussions. In 2014, yet another change of personnel within the partner ministry caused another major revision of the proposed text. The ministry indicated the urgency of adopting the by-law at the beginning of 2015. Now, at the end of 2015 the adoption of the by-law is expected soon.

On the one hand, urban land management is an ongoing process, being embedded in social and spatial structures, and therefore changes and adjustments in these areas need often a long time to be negotiated, agreed upon and adopted. The effects of these changes and decisions take even more time to become visible. On the other hand, the interventions of the project (as with all other projects part of development cooperation) occur during a set timeframe, meaning that they begin and end at a determined time. These two different preconditions can contradict each other and in some unfortunate cases, they hamper the possibility to achieve long-term results.

## 4.2 Increased awareness and capacity

Awareness and capacity have increased at both national and municipal levels. There is now a continuously increasing number of urban development and land management experts in Serbia, who can uphold the discussion and further develop the sector. Decision-makers at national level are well informed about the new instruments. Technical experts within the pilot municipalities as well as freelance national experts are able to apply the instruments. This has been achieved by an effective combination of capacity development methods, including on-the-job training, study trips, workshops, conferences and peer-to-peer learning.

One example of such a capacity development format was an international workshop on real estate valuation organised and conducted in coordination with the Chamber of Engineers and the Faculty of Civil Engineering Subotica of the University of Novi Sad. This workshop was recognised by the Chamber of Engineers as an official training event, which was attended by civil engineers from all over Serbia as well as by academic staff and students of the University of Novi Sad.

Another capacity development example is related to the development of Integrated Urban Development Strategies in Kragujevac, Kraljevo and Užice. The collaborative development of these strategies contributed to an increased awareness of the advantages of integrated planning, and resulted in increased capacities of all those who regularly participated in the workshops and contributed to the strategy. Participants did not only gain a better understanding of how to do integrated planning for sustainable development, but they also learned about the importance of such strategy as one advantage or even prerequisite for applying for financial support at national or international institutions.

### Challenges encountered

The challenges on the local level are often linked to the fact that municipalities have limited information on how to implement new regulations or amendments to the law. In addition, many municipalities experience constraints in human and financial capacities for integrating new or improved instruments within standardized planning procedures. Especially small municipalities rely on external support in the form of advisory services, trainings or financial resources for carrying out such new instruments.

## Tasks to be addressed in the future

### Continuation of capacity development at local and national levels in the following areas:

Integrated Urban Development: There is a great need to develop capacities further for representatives of local authorities. One capacity development and coaching module should address the issue of applying for international funding programs, which often requires a highly structured, detailed and comprehensive application methodology. Another module should focus on strengthening the management skills of the staff in coordinating and carrying out extensive and complex urban development projects.

Participatory Planning (e.g. early public participation, integrating comments from the public into planning documents, feedback mechanisms for comments)

Construction land development (e.g. land readjustment, interim purchase model, long-term strategies such as land banking)

PPP-models in urban development (e.g. urban contract)

Real estate valuation as a public task (e.g. sales price register, standardization of values for real estate types, client-oriented data dissemination)

Incorporation of climate change aspects into spatial and urban planning (e.g. mitigation, adaptation and disaster risk management, green and smart growth)



*Capacity development in form of urban laboratories, Belgrade, 2014*

Statement by **Zoran Radosavljević**, President of the Association of Spatial Planners, on strengthening of capacities through study trips and expert dialogues

The planning of spatial and urban development is experiencing a phase of change as a result of economic, financial and political crisis in modern Europe. A high degree of uncertainty and overwhelming innovations as well as fast changes represent an additional challenge for all urban planners, whether their occupation is scientific work, drafting of spatial and urban plans, or if they work as political advisors, mediators, city or regional managers, etc. Urban planners in Serbia are also going through adjustments. At the beginning of the 21st century, Serbia is on the path to reforms and transitions in the context of EU accession. On this path, professional urban planners are expected to be a valuable source of information and to offer concrete proposals for the establishment of efficient and responsible planning policies and instruments based on accepted European values and standards.

Study trips to the Federal Republic of Germany from 2012 to the end of 2015 were organised with the goal to strengthen Serbian capacities for the EU membership through high-quality and open exchange of knowledge and experiences among Serbian and German experts. These visits gave Serbian experts an opportunity to get acquainted with current subject matters and spatial and urban development planning practices in Europe and Germany, as well as with new planning instruments and possibilities of their application in Serbia. Study trips were prepared with such assiduity, and the quality of chosen destinations and interlocutors was so high, that three years after the first study trip, participants – among others representatives of the Serbian Association of Spatial Planners – still refer to experiences and best practice examples they were presented in Germany.

Gained knowledge and skills found their way into the preparation and promotion of the guide for the conduction of Strategic Environmental Impact Assessments in urban planning in Serbia; the initiation and realisation of a scientific conference with international participation dedicated to the impact of climate change on space and settlements; the active contribution to discussions/workshops organised by the relevant ministry and GIZ/AMBERO-ICON on the subject of classification and standardisation of land-use and planning symbols, etc. Discussions on possibilities of future cooperation marked the end of these study trips. It was concluded that the future of the region lies in the integration and building of mutual trust and that there is a great motivation among Serbian and German experts to continue their communication, expand cooperation and create joint actions. It was also concluded that a dialogue between experts is much more than a simple conversation – namely, it nourishes us all as well.

### 4.3 Institutionalized capacity development

Institutionalizing capacity development is crucial to ensure that (future) professionals will also be trained on the application and further development of the instruments introduced by the project once the project has ended.

One example to highlight is the institutionalization of capacity development at the Faculty of Architecture of the University of Belgrade. The Faculty of Architecture signed a memorandum of understanding with the project committing itself to ensure that their curriculum provides for the imparting of the relevant knowledge, skills and attitudes to independently apply the following urban development instruments: integrated urban planning, inner-city development, participation and urban design. In addition, the project's key national senior expert on sustainable, integrated urban development has become professor at the faculty. She will take care that future generations of urban planners receive the knowledge, skills and attitudes to ensure that the newly introduced urban development and land management instruments will be applied throughout Serbia and adjusted whenever necessary.

Until now, the next generation of experts has been trained through new lectures at the university and cooperation with the project in the form of project seminars on the topics of integrated urban development and urban resilience and climate change. The latter was part of an initiated cooperation with the Faculty of Architecture of TU Berlin.



*Collaborative and practice oriented learning, Obrenovac, 2015*

**Statement by Marija Maruna**, University of Belgrade, Faculty of Architecture, on collaborative learning on the topic “Resilient Cities: Disaster Risk Management” using as a case study the municipality of Obrenovac

The cooperation with the GIZ/AMBERO-ICON project enabled a direct contact with local self-government experts and allowed students to work on concrete problems of the municipality’s urban development. On the other hand, the support to the newly established study program on Integrated Urbanism became part of the project’s agenda, increasing the visibility of the teaching process and the interest of a wider professional public in the quality of achieved results. Additionally, the cooperation with a German university on the final master’s papers enriched the education process, both for students and professors. The support of the project in establishing cooperation and guaranteeing the relevance of thematic scope also contributed to the diversity and quality of the academic results.

Participants:

- Eleven students and four mentors from the master studies in Integral Urbanism, six professors from the Department of Urbanism, six professors from other departments of the Faculty of Architecture and eight expert members of the consulting team
- Two professors and 27 students from the Urban Management study Program at the TU Berlin
- Representatives of the local self-government of the municipality of Obrenovac.

Results achieved:

- Presentation of results at a workshop before representatives of the local self-government of the municipality of Obrenovac  
Date: 28 April 2015
- Eleven final master’s papers of students in Integral Urbanism  
Date: February/July 2015
- Report on results at the Resilient Cities – Urban Disaster Risk Management in Serbia workshop at the Technical University of Berlin, Urban Management Program

## Tasks to be addressed in the future

### Continue institutionalization of capacity development at universities and professional associations in the next phase, that is at:

- University of Belgrade, Faculty of Architecture
- University of Belgrade, Faculty of Civil Engineering
- University of Belgrade, Faculty of Geography
- University of Novi Sad, Faculty of Technical Sciences
- University of Novi Sad, Faculty of Civil Engineering Subotica
- Professional Associations

The focus should be on ensuring that the curricula of all relevant study programs include the transfer of knowledge, skills and attitudes, which future professionals will need to conduct sustainable urban land management as well as on ensuring that lecturers will be sufficiently familiar with practical examples.

## 4.4 Expanded institutional development

The project supported and/or initiated institutional development both on local and national levels. In the first phase the activities in the pilot projects already stimulated institutional development in the local self-governments of the partner municipalities. The award given by the Direction of Construction from the city of Kraljevo is an example for the impacts achieved already on the local level.

### Award Kraljevo

In November 2014, during the ceremony organized in honour of the patron saint of the Department of Construction and Urban Planning of the city of Kraljevo, GIZ/AMBERO-ICON received recognition for their assistance through consultancy services and for the trustful cooperation established in the recent years.

The GIZ/AMBERO-ICON project had supported the implementation of two pilot projects in Kraljevo since 2011:

From 2011 to 2012 the project assisted the elaboration of a General Regulation Plan for the redevelopment of the brownfield site "Industrial Zone – Sports Airfield". The General Regulation Plan was adopted in July 2013.

From 2013 to 2014 the second project in Kraljevo assisted by the GIZ/AMBERO-ICON project was the elaboration of an Integrated Urban Development Strategy for the inner-city zone. The Strategy was adopted by the city council in June 2014.



In the second phase the project devoted special attention to institutional development on the national level. The project cooperated particularly with national institutions, universities and professional associations. Partners in this regard are: the Republic Geodetic Authority (RGA), the Serbian Union of Surveyors (SGS), the Association of Spatial Planners in Serbia (APPS), the Association of Serbian Town Planners, the Serbian Chamber of Engineers, the Faculty of Civil Engineering and the Faculty of Architecture at the University of Belgrade and the Faculty of Technical Sciences at the University of Novi Sad.

### **Challenges encountered**

One of the main challenges encountered while conducting capacity development measures in local authorities or national institutions was the lack of continuity of the personnel structure. Often due to political and/or institutional changes, the staff in the departments the project worked closely with changed within the project duration. It took time until the staff got themselves acquainted with the new instruments of urban land management and fully understood their importance and expected outcomes. In this context, it is of special importance to convince the responsible managerial staff in charge of decision making of the relevance of these new approaches, allowing for continuity in the application of these instruments. In many cases, the changes in the personnel structure created a discontinuity in terms of objectives already agreed on or achieved, and of already created expertise. It was experienced as a setback because if the staff on decision making level and in the operational teams changed during the testing and application of instruments, capacity development and awareness rising measures had to be re-introduced from scratch.

### Tasks to be addressed in the future

#### **Continue strengthening of institutional development of partners of the project:**

Due to this described difficulty in ensuring long-term capacity development, it is necessary to frame the process of building up personal skills and capacities within a more encompassing institutional learning process.

This needs to be backed by:

- Long-standing communication and cooperation structures, such as the formation of working groups;
- The establishment of knowledge management systems, to which all members of the institutions have access;
- Transparent external information procedures, such as publications and dissemination of new information on the webpage;
- Adjustment to the institutional framework and settings, such as changes to the curricula or regulations.

## **4.5 Created partnerships and cooperation structures fostering long-term sustainability of project results**

For a project to attain long-term results, it is equally important to cooperate directly with its partners and other institutions, as it is to facilitate partnerships between project partners or between project partners and external institutions. Finally, the cooperation between donors should also not be neglected.

## **Established mechanisms for coordination and exchange of experiences**

Apart from the Ministry and the pilot municipalities, a number of institutions have been cooperated with closely throughout the project duration. Together with them, respectively their members, experts' groups have been established allowing for regular, competent exchange of experience and joint development of the subject matter. One such working group is the "urban laboratory", another one is the "round table on real estate valuation".

### **Urban laboratory:**

A cycle of thematic workshops under the title Urban Laboratory have been organized in close cooperation with the Standing Conference of Towns and Municipalities (SCTM) within the framework of the project. The goal of this professional panel was to exchange and discuss in order to:

- present new urban planning instruments that were tested in pilot cities and municipalities within the framework of the project;
- assess the implementation of these instruments in contemporary foreign practice;
- discuss the possibility of further use of these instruments in urban planning practice in Serbia;
- consider possible future directions of the project work.

Participants of thematic workshops have been:

- representatives of the pilot cities and municipalities in the field of urban/spatial planning;
- German experts engaged in the project;
- representatives of the Ministry of Construction, Traffic and Infrastructure;
- experts from the Standing Conference of Towns and Municipalities;
- experts from the Serbian Association of Town Planners, the Association of Spatial Planners, the Chamber of Engineers;
- experts from the university;
- representatives of private companies and nongovernmental organizations dealing with urban planning and environmental protection;
- other interested professionals.

Each workshop dealt with one topic. Altogether, nine workshops were held focussing on the following topics: sustainable development planning, brownfield development, urban design, feasibility study, integrated urban development strategy, strategic environmental assessment, participation and transparency in urban planning, and standardization of land-use and planning symbols in urban planning.

Urban Laboratories have been conducted throughout the project's duration, starting in December 2010 with the first workshop and finishing in October 2015 with the final workshop during which the two guides produced by the project (on participation and SEA) have been presented and first results of incorporating early participation in Serbian practice after its inclusion into the law have been discussed.

In the future, Urban Laboratories need to continue without the project's support to ensure that these opportunities for dialog and professional exchange of knowledge and experience will continue to exist. Ideally, the partnerships initiated by the project between the Serbian Association of Spatial Planners and the German Association of Urban, Regional and Spatial Planning as well as between the Faculty of Architecture of the University of Belgrade and the Faculty of Architecture of the Technical University of Berlin could play a key role in it.



**Interview with Dragana Biga**, Director of Arhiplan (private planning firm),  
on the Urban Laboratory series

Different formats were used in order to disseminate the outcomes of the pilot projects within the professional body in Serbia, one of them being the so called Urban Laboratories. In your opinion, was this format adequate and useful?

Since I personally only participated directly in one pilot project, it was particularly important for me to gain insights into other pilot projects through this workshop series. The experiences made by other colleagues in the different pilot projects in using new instruments new for all of us, and we could all learn from them. Through this formats the urban planners in Serbia could gain knowledge about European procedures and practices and use this know-how for their own work. For example, I learned through these dissemination events that in Smederevo a feasibility study was done before drafting the urban development plan. On the basis of this new knowledge I suggested to the municipality of Ub to also conduct a feasibility study for the development of a business park, which they accepted.

What are your main lessons learned from conducting Urban Laboratory workshops on standardization of land-use classification?

I realized that a patient and careful approach is needed. Now, after having conducted several workshops on this topic, I see the first positive results. A very positive outcome is that these workshops are attended by actors from a great number of municipalities, which also allows for a qualified professional discussion based on practitioners' needs and experiences. Also, we see that it is important to have the support of the political level, from the ministry, from the different professional associations – spatial planners, urban planners, Chamber of Engineers – and from the biggest spatial planning firms in Serbia. Only by involving all these different stakeholders do we have the possibility to develop a document that can be applied in the daily use of planners in Serbia and that is widely accepted. We heard from participants that they really enjoy participating in these workshops, because it is one of the few platforms for practitioners where they can express their opinion freely and openly. Also, they feel that their comments and suggestions are taken seriously, analysed and incorporated into the document. This also leads to a growing trust between practitioners in Serbia. For these reasons, this workshop format should be continued after the GIZ/ AMBERO-ICON project has ended.

### Roundtable on real estate valuation:

The initiation of this roundtable by the project was a response to the huge number of stakeholders dealing with real estate valuation based on nearly thirty different laws, by-laws and regulations without using a standardized methodology and without coordination among themselves, resulting in misunderstandings and a lack of acceptance.

Regularly conducted roundtables have brought together the representatives of the Ministry of Construction, Traffic and Infrastructure, the Republic Geodetic Authority (RGA), the Tax Administration, universities, the National Bank of Serbia as well as private valuers.

As a result, a common interest in an integrated system for real estate valuation has been clearly expressed. In the meantime, RGA has developed an internal Sales Price Register and is collecting sales data countrywide. Some spatial information from this database of sales has been offered to the public via web services, with additional details available to authorized user groups.



*Roundtable on real estate valuation, Belgrade, 2013*



*Network event of the Standing Conference of Towns and Municipalities, Belgrade, 2014*

### **Created partnerships**

In addition to partnerships between the project and other stakeholders, the project could initiate and support the establishment of cooperation structures between project partners and peer institutions. Such cooperation is generally part of capacity development measures based on peer-to-peer learning. In this regard, the project fostered contact and exchange possibilities between:

- The Serbian Association of Spatial Planners and the German Association of Urban, Regional and Spatial Planning
- The Serbian Association of Surveyors (SGS) and the German Association of Geodesy, Geoinformatics and Land Management (DVW)
- The Serbian Republic Geodetic Authority and the Real Estate Valuation Committee of Märkischer Kreis (Germany)
- The Faculty of Architecture of the University of Belgrade and the Faculty of Architecture of the Technical University of Berlin
- The Faculty of Civil Engineering of the University of Belgrade and the Jade University of Applied Sciences in Oldenburg
- The Faculty of Civil Engineering of the University of Belgrade and the Technical University Georg Agricola in Bochum
- The Faculty of Technical Sciences of the University of Novi Sad and the Technical University Georg Agricola in Bochum

The specific objective and contents of the partnerships varies. Whereas professional associations focus primarily on the exchange of knowhow and experience concerning standards, approaches, and institutional issues, university partnerships look at research cooperation and improvement of their curricular.

### **Donor coordination – experiences made and challenges encountered**

In a country where several donors are acting in similar areas, donor coordination is needed. As the project dealt with a wide range of topics, regular coordination with ongoing or planned activities of other donors was necessary. For example, during the preparation of the World Bank's Real Estate Management Project several coordination meetings were held. On the one hand, the coordination was successful and prevented the establishment of parallel activities in the area of urban planning. On the other hand, different approaches and methods, mainly in the field of real estate valuation, could not be avoided.

As another example, the United States Agency for International Development (USAID) advised the Ministry of Construction, Transport and Infrastructure on the Amendments to the Law on Construction and Planning at the same time as the GIZ/AMBERO-ICON project was proposing changes to the law. USAID's approach focused strongly on simplifying and accelerating the permissions, while the GIZ/AMBERO-ICON project aimed at enhancing planning quality through the introduction of new and the improvement of existing planning instruments. In some cases the donors followed different approaches and it was not possible to come to a joint solution.

To avoid such cases in the future, stronger donor coordination with more space for professional information exchange is recommended. A common steering structure according to thematic areas could serve as a platform for information exchange and to improve the alignment of interests and objectives.

## Tasks to be addressed in the future

Ensure the sustainability of multi-stakeholder cooperation and coordination platforms (e.g. Real Estate Valuation Roundtables and Urban Laboratory) to ensure the continuation of information sharing, exchange of experiences, peer-to-peer-learning and joint discussions and reflections on further actions needed. This is necessary to increase the application of the newly introduced instruments throughout Serbia as well as to further develop or improve additional urban land management instruments.

Strengthen the coordination mechanisms of all donors working in the field of urban land management in Serbia so that all the support is in line with national objectives and to avoid discrepancies between different donors' approaches.



Publications of the project at World Urban Forum 7, Medellin, 2014



Presenting the guide for participation in urban development to the public, Belgrade, 2013

The GIZ/AMBERO-ICON project on strengthening urban land management in Serbia was a result of the perceived necessity to strengthen the knowledge, capacity and experience of Serbian urban planning professionals in the field of sustainable urban planning, in the context of an increasing privatization of land and market-oriented economy. Thus, the main focus of the GIZ project on urban land management, conducted by GIZ/AMBERO-ICON, was on the capacity development of local planners. This was accomplished through diverse activities, from pilot projects at the level of local self-governments to public events with the purpose of sharing the gained knowledge with a wider range of actors.

The role of the Standing Conference of Towns and Municipalities – Association of Serbian Towns and Municipalities (SCTM), as a partner of this project, was most closely related to this component of the project. The SCTM supported the dissemination of experiences gained in the pilot municipalities ensuring that project results were available to as many interest groups as possible, especially to the group of local experts in the field of spatial and urban planning and land management.

The SCTM has decided to use proven ways of information and knowledge dissemination such as: presentations on meetings of the Committee for Urban Planning, Housing and Construction; presentation of the project's results in the SCTM Newsletter; and a discussion about new land management instruments on the meeting of the new-established Network for Urban Planning. Beyond these platforms for knowledge dissemination, SCTM has proved a reliable partner for realizing professional workshops with a wider range of interest groups – the so-called Urban Laboratories that have been organized in the facilities and with the support of SCTM. The Urban Laboratories have been an excellent opportunity for representatives of the local self-governments, ministries, professional associations and academic community to come together. It has been a good starting point to initiate discussions and to throw light on the challenges of introducing land management instruments, and to evaluate it from different aspects.

One key point for the success of a project is the inclusion of national institutional partners, who are able to provide a sustainable knowledge transfer to the end users. In its Strategic Plan, SCTM has determined to continue improving the quality of the urban planning procedures at the local level, thus, the positive experiences from the GIZ project will be incorporated into the future activities of the SCTM.

## 4.6 Towards a countrywide application of urban land management instruments (scaling up)

The objective of international cooperation projects is that they are no longer needed once they are over. This requires that new or improved procedures are enshrined in the legal framework (see 4.1) and that these regulations are actually implemented, that is beyond the piloting activities of the project. This generally requires a strategic approach to awareness raising and capacity development, and the establishment of effective partnerships (see 4.2 – 4.5). The adjustment of the legal framework and implementation of the provisions, the preparation of guides to help implementing the new provisions, the dissemination of gained experiences and expertise, and countrywide trainings are crucial for ensuring the countrywide application of new urban land management instruments.

Against this background, the project developed several **technical guides** demonstrating step-by-step procedures, including first examples from Serbia. These guides explain and show in a simple, easy-to-understand way how to apply the respective tool, and they provide illustrations on how it has already been done in Serbia. These guides include:

- *Guide for Participation in Urban Development Planning*
- *Guide on Strategic Environmental Assessment*
- *Guide on Land-use Classification* (draft version)
- *Guide on Land Readjustment* (draft version)

Although the new law has just been adopted, some positive impacts are already visible, especially regarding public participation. Based on the new Law on Planning and Construction and using the *Guide for Participation in Urban Development Planning*, a number of municipalities that were not part of the original pilot municipalities of the project have applied new forms of public participation on their own. Among these municipalities are Trstenik, Smederevska Palanka, Čuprija, Novi Sad, Subotica, Belgrade, etc.

With the help of the *Guide on Strategic Environmental Assessment in Urban Planning* and with workshops such as the Urban Laboratory on Strategic Environmental Assessment being attended by a wide range of actors from the local level, improved technical information and support was provided to all municipalities in Serbia. With the help of these tools and of the Amendments to the Law on Planning and Construction, the capacity and decision-making power of environmental departments could be strengthened in order for them to carry out Strategic Environmental Assessments of a higher quality and effectiveness. Moreover, the national experts advising and supporting the pilot municipalities in the first phase of the project on how to integrate environmental protection into planning are now using and spreading this gained expertise while working together with other municipalities in Serbia.

### Tasks to be addressed in the future

#### **Strengthened and expanded application of instruments throughout Serbia:**

- Ensuring the sustainability of exchange and peer-to-peer learning platforms for experts in order to increase the application of urban land management instruments throughout Serbia
- Dissemination of good practices of already implemented urban land management instruments
- Regular update and further development of guiding material on how to apply and adjust urban land management instruments in the municipalities, while taking into account the specific (legislative) Serbian context

## 4.7 Appreciation of the project's performance

The contributions of the project to the enhancement of urban land management in Serbia has been recognized at several occasions. In 2011, the project together with ECOlogica Urbo received the Prize for Environmental Protection Planning at the Salon of Urbanism (International Urban Planning Exhibition) in Niš. In 2012, the Serbian Association of Town Planners awarded the project three prizes at the Salon of Urbanism: one for the Integrated Urban Development Study for the inner-city of Užice (in the “Studies” category), another one together with ECOlogica Urbo for the new Instruments in the SEA Procedure (in the “Environmental Protection” category) and one more together with Manufaktura for new GIS Technology (in the “GIS Technologies” category). Only one year later, in 2013, the project received again two prizes at the Salon of Urbanism: one prize for the Strategy of Integrated Urban Development elaborated for the inner-city of Kragujevac (in the “Publications in Planning” category) and another award for Cooperation with and Promotion of the Urban Planning Profession in Serbia. At the Summer School of the Serbian Association of Town Planners in 2014, the project received an award for successful cooperation and exchange of experiences. Also in 2014, at the Salon of Urbanism, the project together with the Faculty of Architecture, the project was awarded with a prize for the catalogue of master’s works on Integrated Urbanism. In 2015, the project received an award for professional engagement from the Serbian Union of Surveyors during their annual congress.

The achievements of the project have also been presented as good practices at international forums such as the World Urban Forum 2014, in Medellín (Colombia), Connective Cities Launching Event in 2014, in Leipzig (Germany), and the International Forum of Local Economic Development in May 2015, in Tbilisi (Georgia). Also, the project got an invitation to present results in Ukraine in December 2015.

21st Urban Planning Salon,  
Leskovac, 2012



At the 8th International Forum of Local Economic Development in Tbilisi in Georgia on the 5th of May 2015, the project presented gained experiences of citizen participation and stakeholder involvement in urban development planning in Serbia. The International Forum of Local Economic Development was organized by the city of Tbilisi Economic Affairs Office in cooperation with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) for the promotion of integrated and citizen-oriented urban development.

The main topic of the event was City of Tomorrow – Integrated and Citizen-Oriented Urban Development. It gathered professionals in the field of urban development planning and local economic development from different countries such as Georgia, Armenia, Azerbaijan, Germany and Holland.

Under the topic Understanding *Urban Governance*, national expert Dr. Ratka Čolić from the GIZ/ AMBERO-ICON project presented the activities of the Serbian project realized during the last five years on a local level to promote participation and stakeholder involvement in the formulation of Integrated Urban Development Concepts for the Serbian cities Kragujevac, Užice and Kraljevo.



## Results of the introduced and improved instruments

AREA OF ACTIVITY		INSTRUMENT	RESULTS ACHIEVED THROUGH FOLLOWING ACTIVITES			
			Improved legal or institutional framework	Increased capacities of (future) practitioners	Improved partnerships	Increased dissemination /scaling up
Integrated urban planning for sustainable urban development	Instruments to improve environmental sustainability	Reducing land consumption through Brownfield Development	Advising on Amendments to the Law on Planning and Construction, Article 3, Planning Principles	<b>Through</b> <ul style="list-style-type: none"> <li>Urban Laboratory</li> <li>Study trips</li> <li>On-the-job learning through collaborative workshops in pilot municipalities</li> </ul>		<ul style="list-style-type: none"> <li>Presentations on the topic at symposiums of professional associations</li> <li>Published study on brownfield development for case study of Kraljevo</li> </ul>
		Strategic Environmental Assessment	Advising on Amendments to the Law on Planning and Construction, improved involvement of environmental departments in the planning process	<b>Through</b> <ul style="list-style-type: none"> <li>Urban Laboratory</li> <li>Study trips</li> <li>On-the-job learning through collaborative workshops in pilot municipalities</li> </ul>	<b>Initiated</b> <ul style="list-style-type: none"> <li>Cooperation with Association of Spatial Planners</li> <li>Cooperation with Faculty of Geography (Uni. of Belgrade)</li> </ul>	<ul style="list-style-type: none"> <li>Published <i>Guide on Strategic Environmental Assessment in Urban Planning</i></li> </ul>
		Climate Change Mitigation and Adaptation in urban planning		<ul style="list-style-type: none"> <li>Topic integrated into curriculum of master's program of the Faculty of Architecture (University of Belgrade)</li> <li>Supported student project using the case study of Obrenovac</li> </ul>	<b>Initiated</b> <ul style="list-style-type: none"> <li>Cooperation between Faculty of Architecture (Uni. of Belgrade) and Technical University of Berlin</li> <li>Membership of Faculty of Architecture (Uni. of Belgrade) into international N-AERUS university network</li> </ul>	<b>Published</b> <ul style="list-style-type: none"> <li>Catalogue of students' works</li> <li>Monography on collaborative learning and integration of new topics</li> <li>Common report on action plan on risk disaster management</li> <li>Poster of student works exhibited at Urban Planning Salon</li> </ul>

AREA OF ACTIVITY		INSTRUMENT	RESULTS ACHIEVED THROUGH FOLLOWING ACTIVITIES			
			Improved legal or institutional framework	Increased capacities of (future) practitioners	Improved partnerships	Increased dissemination /scaling up
Integrated urban planning for sustainable urban development	Instruments to improve market orientation	Feasibility Studies		<b>Through</b> <ul style="list-style-type: none"> <li>Urban Laboratory</li> <li>On-the-job learning through collaborative workshops in pilot municipalities</li> </ul>		
		Building Registry and Atlas of Sites (GIS-based)		<b>Through</b> <ul style="list-style-type: none"> <li>On-the-job learning through collaborative workshops in pilot municipalities</li> </ul>		
	Instruments to improve social accountability	Public Participation and Stakeholder Involvement	Advising on Amendments to the Law on Planning and Construction, Article 45a, Early Public Participation	<b>Through</b> <ul style="list-style-type: none"> <li>Urban Laboratory</li> <li>On-the-job learning through collaborative workshops in pilot municipalities</li> </ul>	<b>Initiated</b> <ul style="list-style-type: none"> <li>Cooperation with Faculty of Architecture (Uni. of Belgrade)</li> </ul>	<ul style="list-style-type: none"> <li>Published <i>Guide on Participation in Urban Development Planning</i></li> <li>Presentations on the topic at national and international events</li> <li>Advisory guidance for external municipalities (RC)</li> </ul>
	Supplementary measures to improve quality and harmonization of existing formal urban planning procedures	Urban Design		<b>Through</b> <ul style="list-style-type: none"> <li>Urban Laboratory</li> <li>Study trips</li> </ul>		Presentations on the topic at symposiums of professional associations
		Land-use Classification	Advising on directives on land-use classification and planning symbols	<b>Through</b> <ul style="list-style-type: none"> <li>Urban Laboratory</li> </ul>		Public hearing for by-law on land-use classification and planning symbols (planned)

AREA OF ACTIVITY		INSTRUMENT	RESULTS ACHIEVED THROUGH FOLLOWING ACTIVITES			
			Improved legal or institutional framework	Increased capacities of (future) practitioners	Improved partnerships	Increased dissemination /scaling up
Integrated urban planning for sustainable urban development	Introduction of Integrated Urban Development Planning	Integrated Urban Development Strategy for inner-city area	Advising on Amendments on Law on Planning and Construction, Article 39, National Program for Urban Development	<b>Through</b> <ul style="list-style-type: none"> <li>• Urban Laboratory</li> <li>• Study trips</li> <li>• On-the-job learning through collaborative workshops in pilot municipalities</li> <li>• Topic integrated into curriculum of master course at Faculty of Architecture (Uni. of Belgrade)</li> <li>• Project for master students using the case study of Kragujevac</li> </ul>	<b>Initiated</b> <ul style="list-style-type: none"> <li>• Cooperation with Faculty of Architecture (Uni. of Belgrade)</li> </ul>	<ul style="list-style-type: none"> <li>• Publication on integrated urban development strategies of three case studies</li> <li>• Presentations on the topic at symposiums of professional associations</li> <li>• Presentations at international events</li> <li>• Catalogue of student' works</li> <li>• Poster of student works exhibited at Urban Planning Salon</li> </ul>
Construction land development		Land Readjustment	<ul style="list-style-type: none"> <li>• Advising on Amendments on Law on Planning and Construction, Article 107, Land Readjustment</li> <li>• Advising on draft for by-law on land readjustment</li> </ul>	<b>Through</b> <ul style="list-style-type: none"> <li>• Multi-stakeholder workshops</li> <li>• Study trips</li> <li>• On-the-job learning through collaborative workshops in pilot municipalities</li> </ul>	<b>Initiated</b> <ul style="list-style-type: none"> <li>• Cooperation with Faculty of Civil Engineering (Univ Belgrade)</li> </ul>	<ul style="list-style-type: none"> <li>• Guide in elaboration</li> <li>• Presentations on the topic at symposiums of professional associations</li> </ul>

AREA OF ACTIVITY	INSTRUMENT	RESULTS ACHIEVED THROUGH FOLLOWING ACTIVITIES			
		Improved legal or institutional framework	Increased capacities of (future) practitioners	Improved partnerships	Increased dissemination /scaling up
Real Estate Valuation	Purchase price collections (GIS-based)		<b>Through</b> <ul style="list-style-type: none"> <li>• Workshops /Summer Schools</li> <li>• Multi-Stakeholder Roundtables</li> <li>• Study trips</li> <li>• On-the-job learning through collaborative workshops in pilot municipalities</li> </ul>	<b>Initiated</b> <ul style="list-style-type: none"> <li>• Cooperation with Faculty of Civil Engineering (Uni. of Belgrade)</li> <li>• Cooperation with Faculty of Civil Engineering (Uni. of Novi Sad)</li> <li>• Cooperation with Republic Geodetic Authority (RGA)</li> <li>• Cooperation with Serbian Union of Surveyors (SGS)</li> <li>• Cooperation with Tax Administration</li> </ul>	<ul style="list-style-type: none"> <li>• Published study on development of an infrastructure for official real estate valuation</li> <li>• Presentations on the topic at symposiums of professional associations</li> </ul>
	Municipal land valuation map				
	Valuation of municipal owned property				
Use of GIS as a tool in planning and land management  <i>* In this impact study GIS is not referred to as a separate area of activity</i>	Web-GIS supported land information system		<b>Through</b> <ul style="list-style-type: none"> <li>• On-the-job learning through collaborative workshops in pilot municipalities</li> </ul>		<ul style="list-style-type: none"> <li>• Published study on <i>Implementation of web-based Geographic Information Systems in Serbia</i> – based on experiences from the pilot project in Čačak</li> </ul>

AREA OF ACTIVITY	INSTRUMENT	RESULTS ACHIEVED THROUGH FOLLOWING ACTIVITES			
		Improved legal or institutional framework	Increased capacities of (future) practitioners	Improved partnerships	Increased dissemination /scaling up
Use of GIS as a tool in planning and land management  <i>* In this impact study GIS is not referred to as a separate area of activity</i>	First-time introduction of GIS systems and trainings		<b>Through</b> <ul style="list-style-type: none"> <li>On-the-job learning through collaborative workshops in pilot municipalities</li> </ul>		



05 Outlook

## 5 Outlook

After 6 years of Serbian-German cooperation in the field of urban land management, some steps towards sustainable urban land management in Serbia have been taken. Existing instruments have been adapted and new ones introduced with the objective to improve the ecological, economic and social sustainability of urban land management processes and their outcomes. Several new instruments, planning and management approaches have been tested, professionals have been trained, and the regulatory framework has been partly adjusted.

However, there is still room for further improvement. At the moment, urban land management in Serbia is characterized and influenced by the political will to improve the economic situation. This is doubtless of high importance. Consequently, everything possible is being done to achieve this goal and to improve the investment climate and thus, to attract more investors. In such a climate, urban land management is often seen as a means that should have one primary objective: facilitating investments. However, urban land management is more than a necessary tool to enable business. Such a limited focus on an investor-oriented planning runs the risk of neglecting the holistic task of urban development. To achieve sustainable development of the urban environment in line with EU policies and standards, a broader and more integrative view is needed, balancing the interests of investors, politicians and citizens. Ensuring the quality of the urban environment is a public task and requires urban plans of good quality with an adequate scale and degree of accuracy.

Against this background, further adjustments of the legal framework are needed. Special attention should be paid to the system of local spatial and urban plans. The 4-stage system of local plans is not coherent nor in line with European standards, it is too complex and ties up too many financial and human resources. Hence, a major task for the future should be the revision of the planning system aiming at a more efficient, simple and coherent system. In that context, the recommendations of UNECE<sup>1</sup> could be a good starting point.

Another point of focus should be the further adaptation of the urban land management system to policies and standards of the European Union. For instance, this applies to principles and instruments of integrated urban development. It is of high importance in the process of EU-rapprochement, since Integrated Urban Development Plans are necessary to access specific EU-funds, for example.

When talking about sustainability of the already achieved results, it is recommended to further support and monitor the implementation of the introduced instruments, such as early participation in urban planning procedures, Integrated Urban Development Strategies, land readjustment or support to complex brownfield redevelopments.

Moreover, some additional issues should be addressed to react on actual challenges that have not been comprehensively addressed so far.

### **In terms of environmental sustainability:**

Cities face a number of environmental challenges that can be addressed through land management. Climate change mitigation is one such challenge. Improved urban risk management, energy efficiency and reduced exhaust fumes are a few responses to it. Urban development is another, e.g. by planning for more public transport and with an energy-oriented planning of settlements such as residential or commercial areas, in which buildings are built with the right angle of inclination towards the sun to ensure maximum solar energy production. According to EU urban policies, urban development should focus

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<sup>1</sup> Please refer to *Economic Commission for Europe (2008): "Spatial Planning. Key Instrument for Development and Effective Governance with Special Reference to Countries in Transition"*. United Nations, New York and Geneva.

more on inner-city development, redevelopment of deprived neighbourhoods and urban renewal.

**In terms of economic sustainability:**

Construction land development could be developed further and better adapted to market-oriented principles. For instance, the application of PPP-models for the implementation of investment projects could be extended to projects that are not of public interest, using the instrument of urban development contracts. Another challenge is to strengthen the project management capacities for the redevelopment of brownfields and the introduction of new innovative models for the development of construction land. In that regard, further effort should aim at improving the legal framework on a national level and raising capacities of local self-governments to organize a constant quality offer of planning and development possibilities. A further essential precondition for economic development and sustainability is a transparent real estate market with public access and reliable information about the market values of land and buildings. Last but not least, the availability of official digital geographic data according to the European Commission's Digital Agenda for Europe and the INSPIRE Directive is a key condition for an effective and efficient land management.

**In terms of social sustainability and accountability:**

In addition to ensuring that men and women are equally involved in public participation, focus should also be on the inclusion of youths and the elderly as well as on socio-economic and ethnic groups that are often overlooked. It requires different channels and different messages for each of these stakeholder groups to be addressed and motivated to participate in decision making.

All those mentioned aspects should be embedded in a national policy for sustainable and integrated urban development as an umbrella for all future activities and decisions to be elaborated under involvement of all relevant stakeholders and citizens.



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