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Recent development in Land Administration in Central and Eastern Europe

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Phased approach of Land Reform in ECA region

Terra DeNovo

- **First phase of reforms – Privatization of Land/Real Estate**
 - Privatization of apartments, state enterprises, Agriculture Land; non-agriculture/urban land;
 - East European and Baltic countries implemented restitution
- **Second phase of reforms – institutional changes, establishment of cadastre and registration systems**
 - Development of relevant legal framework and regulations;
 - Establishment of registration and cadastre institution
- **Third phase of reforms – Development of Land Management systems**
 - Development of Urban and Rural Planning;
 - Development of Land use Monitoring System

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Core Principles for Land Administration

- **Land administration should be separate from land management function;**
 - It should be differentiated between land administration (cadastre and registration) and land management functions (land use monitoring, urban/agricultural land use planning, land sale)
- **Registration Institution should operate as unified entity and be self-financed;**
 - Agricultural and nonagricultural land, buildings; Public, private, municipal property should be registered in one institution;
 - Land Administration institution should be self-financed
- **Institution should be independent in internal decision making;**
 - The Institution should operate as an independent, unified body which is free in internal decision making
- **Number of functions should be delegated to private sector**
 - Private sector is an important market player in providing cadastre and registration services

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Success Stories in Land Administration in Eastern Europe and Central Asia – Georgia Case

Before reform

- **Property registration was conducted by number of agencies**
 - State Department of Land Management - Land/Real Estate registration, mainly Agriculture Land, Cadastre;
 - Bureau of Technical Inventory - Urban Areas and Apartments;
 - Chamber of Notaries - Lien Registry
- **Registration Procedures**
 - Registration Procedures and Timeline were not defined by Legislation. The system was bureaucratic with extremely high level of corruption
- **Land management and land administration functions were not separated;**
 - The same agency was in charge of property registration and land use control
- **Registration system was not under the vertical management scheme;**
 - Registrars were appointed by the approval of Local Governors
- **Financing**
 - Registry was funded by State Budget;
 - Registry Staff were not motivated and poorly paid

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Success Stories in Land Administration in Eastern Europe and Central Asia – Georgia Case

Implemented Reform

- **Institutional**

Establishment of National Agency for Property Registry – all registration institutions like State Department of Land Management, Bureau of Technical Inventory, Chamber of Notary (for Lien registry) were integrated into one Agency. NAPR became a legal entity of public law with some independence from government vertical; Registrar became independent from local government and responsible on its decision

- **Legal**

New laws and regulations were enacted that specified registration procedures and service timelines. According to the new law, registration of municipal and church property, as well as object under construction can be registered; Law also defines rights on property subject to independent rights like pipelines, line constructions.

- **Administrative**

Agency selected qualified professionals who were offered increased salaries. Self-financed system was developed and VIP service was introduced

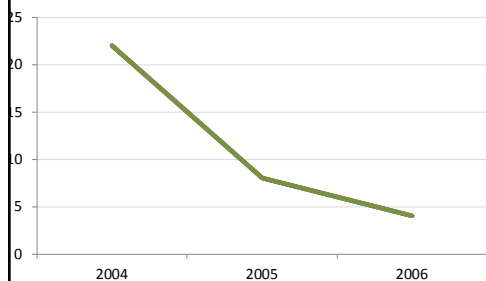
- **Technological**

Based on Registration Software developed by NAPR, E-Registration System was introduced that ensured accessibility to public information through internet as well as established opportunity for conducting online operations

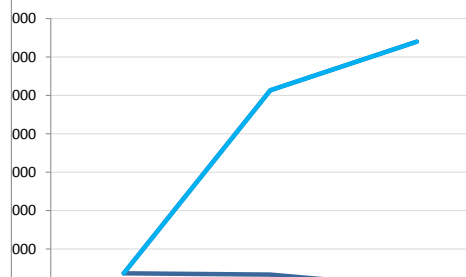
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Results of the Reform

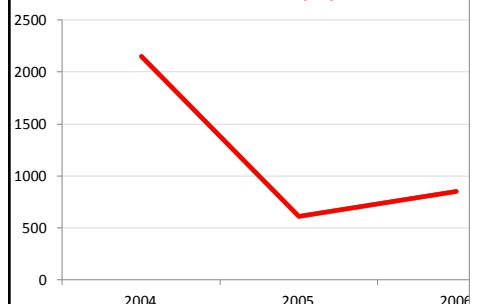
Steps for registration in the registry



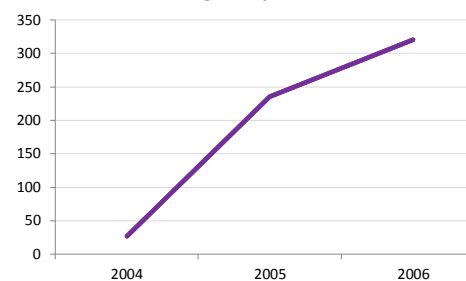
Income of the registry in thousand USD



Number of employees



Average salary in USD



The Voluntary Guidelines on the Responsible Governance of Tenure (VGGT)

In May 2012 the Committee on World Food Security endorsed the text of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests

VGGT covers:

A. Five General principles

1. Recognize and respect all legitimate tenure right holders and their rights;
2. Safeguard legitimate tenure rights against threats and infringements
3. Promote and facilitate the enjoyment of legitimate tenure rights
4. Provide access to justice to deal with infringements of legitimate tenure rights
5. Prevent tenure disputes, violent conflicts and corruption

B. Ten implementation principles

- Human dignity; Non-discrimination; Equity and justice; Gender equality; Holistic and sustainable approach; Consultation and participation; Rule of law; Transparency; Accountability; Continuous improvement

C. VGGT Sections

VGGT implementation process should be inclusive, participatory, gender sensitive, implementable, cost effective and sustainable

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What is the Land Governance Assessment Framework (LGAF)

- Diagnostic tool to assess the status of land governance at country level using a participatory process and is comprehensive
- Implemented by local experts; draws systematically on existing evidence and local expertise; Rankings assigned by panels of local experts (Gov, NGO, academia, private sector) and justified by evidence
- Participatory and consultative multi-actor approach
- Pre-coded framework based on global experience
 - 5 thematic areas;
 - 9 panels that cover 27 Indicators
 - 117 Dimensions
- Assessment based on detailed analysis of available data
- Results validated in national WS translation into policy recommendation



Recognition and respect for existing rights

Land Use Planning, Management, and Taxation

Management of Public Land

Public Provision of Land Information

Dispute Resolution and Conflict Management

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LGAF Implementation in ECA Region

- In several years LGAF proved to be the most effective and credible assessment in land governance field which continues to evolve and develop, facilitate implementation of VGGT.
- LGAFs implemented in ECA region demonstrated that the countries share a lot of similarities and common challenges but have different policy approaches.
- **Georgia:** LGAF Implemented in 2011, 2012; Land Governance Monitoring Pilot 2013; Retrospective update 2011-2014
- **Ukraine:** LGAF Implemented in 2012; Land Governance Monitoring started in 2015
- **Moldova:** LGAF implemented in 2013
- **Azerbaijan:** LGAF on hold: Started in 2014
- **Croatia:** LGAF ongoing: Started in 2015

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Status of Implementing LGAF Policy Recommendations

Ukraine

Policy Recommendations	Implementation Status
Lifting the moratorium on the sale-purchase of agricultural land in a phased manner, so as to allow for the development of implementing regulations, institutions, and the conduct of public education campaign	Government has elaborated land reform strategy based on LGAF policy recommendations
Further consideration of the creation of a single registry for land and property in order to avoid duplication of registration, increase public trust in registration services, facilitate savings of state funds, and increase the efficiency of respective state institutions	Government has elaborated land reform strategy based on LGAF policy recommendations
Consideration of the introduction of land taxation based on market valuation	Government has elaborated land reform strategy based on LGAF policy recommendations
Provision of the following support to accelerating the process of demarcation of state and communal land	Government has elaborated land reform strategy based on LGAF policy recommendations
Support for the adoption of legislation on land auctions, with transparent and streamlined procedures, and the inclusion of town planning terms and restrictions in the package of documents required during land auctions	Government has elaborated land reform strategy based on LGAF policy recommendations

<div> <div>Status of Implementing LGAF Policy Recommendations</div> <div>Terra DeNovo</div> </div>	
Moldova	
LGAF Policy Recommendations	Implementation Status
Completing the surveying and registration of land and properties and associated rights	On-going: Systematic registration is financed from the state budget, though below needed capacities
Improve the regulations and enforcement for joint-ownership and communal land tenure	On-going: new law on condominium was drafted by the Ministry of Constructions and Regional Development, supported by European Bank for Reconstruction and Development. Is to be presented to the Government
Strengthen the urban planning and its enforcement mechanisms	Ongoing. The government approved a medium-term program of development of urban plans at the localities level, for the period 2013-2016.
Strengthen the responsibility and administrative capacity of LPAs to manage building permits and legalization of constructions	Ongoing. Amendments to the law on authorizing construction works are under preparation. Streamlined procedure for buildings final acceptance is proposed.
Complete the tax reform to achieve the full benefits of a modern ad-valorem property tax system (nowadays there are 2 tax systems in place)	Market – based real property valuation based stopped from 2015.
Improve the expropriation procedures which need to be made more expedient and recognize non-registered, informal rights on land and property	Not implemented
Develop alternative mechanism for land and property dispute resolution and review the land legislation for more transparency on dispute resolution mechanisms	Not implemented

<div> <div>Status of Implementing LGAF Policy Recommendations</div> <div>Terra DeNovo</div> </div>	
Georgia	
LGAF Policy Recommendations	Implementation Status
Ensure institutionalization of regular monitoring for Land Governance	Creation of Steering Committee is in process
Expensive re-surveys are required to register or transact land that has been registered before 2006, increasing transaction in land rental markets	The WB support project for systematic registration of land is in process
High fees (50 GEL per parcel) discourage registration of low-value (agricultural) land, thus undermining completeness of the registry and posing obstacles to land market function	The fee for primary registration of agricultural land has been eliminated
Lack of textual and spatial data on land rights and use constrains policy formulation and monitoring	Not implemented
Gender disaggregated data on land ownership and transfers not available	NAPR introduce changes in the database structure
Strategy for agricultural promotion to take an integrated area-based view, relying on markets to address fragmentation as much as possible	Not implemented
Community land tenure over village pastures is in line with traditions and enjoy legitimacy, however is not recognized by the legal system, potentially creating space for future conflict	Not implemented

Main Challenges

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Croatia

Challenges	Description
Lack of unified data and service available for the whole country	Historical evolution of land registry has led to development of nonhomogeneous data. Cadastral plans are in different coordinate systems for different areas. Borders of land plots are overlapping. Cadastral information is renewed in some areas but not the land book. Registration of rights is done based on old cadastral documents. Registration is done by the Municipal Courts and Cadastre is managed by State Geodesic Administration
Lack of registered public utility infrastructure	Establishment of Utility infrastructure Cadastre is provided by regulations however it is non-existent. Utilities are sporadically registered as changes in the Land Book. The lack of this information in registry significantly reduces the quality of the registered data and causes insecurity in rights between the owners of land and infrastructure.
Completion of denationalization, conversion of "social ownership" and registration in the cadastre and land book	20 years ago Croatia has adopted regulations on denationalization and conversions of "social ownership". This process is still in progress. There is a lot of confusion and disputes about who owns the former "social ownership", often between the state and local governments. Registration of unambiguous owner in land book has not yet been conducted. Transfer of property to former owners is also not going fast enough.
Creating a transparent system of mass valuation of real estates and related legislation	There is no uniform method of property valuation In Croatia. There are several regulations that define rules how to perform property valuation, determine "market value". There are different types of taxes on certain property however the taxes are not introduced on all property. Necessary prerequisite for introducing the changes is a transparent system of mass valuation.
Land fragmentation and lack of land consolidation activities	In the past, number of land policies led to fragmentation of land. Currently there are more than 14 million cadastral parcels that prevent development of efficient farming. Land consolidation activities were implemented in 70s but currently there is no legislation that would allow implementation of land consolidation.

What is the Land Governance Monitoring

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Land Governance (LG) Monitoring is a regular automated reporting system on key indicators that correspond to the functional areas of land governance. It relies on existing administrative data from various sources as a primary source of information

LG Monitoring Indicators:

- Number (and prices where possible) of registered transactions of different types;
- Receipts of land tax revenue;
- Share of communal, private, and state land mapped;
- Cases of expropriation and privatization;
- Number of land-related conflicts in the courts;
- Share of agricultural/residential land registered and mapped in women's/men's name or in joint ownership

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Developments around Land Governance Monitoring

LG Monitoring is still in testing mode to track the progress of LGAF assessment

- **Georgia** - following LGAF assessment
- **Ukraine** - following LGAF assessment
- **Croatia** – being implemented in parallel with LGAF

Example of analytical results from Georgia pilot implementation

An increase in share of registered land by one percentage point is associated with:

- An increase in individual land tax revenue by about 10%;
- Higher number of land sales transactions (by 1.9%) and land mortgages (by 2.6%);
- Higher individual land prices (1.9% increase in an average land price)

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Thank you for your attention

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