Land Administration Success Story; Eastern Europe and Central Asia

Dr. Mika-Petteri Törhönen
Lead Land Administration Specialist
Global Land and Geospatial Unit
Europe and Central Asia (ECA) Region

Countries: 30
Population: 893,314,335
Land area (sq km): 27,381,299
Properties registered since 1992: Estimated at 300-400 million

* 40+ projects – loan amount over $1.2 billion.

* 27 stand-alone land projects, 23 countries

* 5 lending projects under implementation

* 1 under preparation.
Three Stages of Land Administration Evolution in ECA

- Progression of reforms on land and property rights in ECA:
  1) Land reform; property rights, policy
  2) Land administration; land registers, cadastres, institutions, real estate markets, NSDI
  3) Land management; valuation, taxation, planning.

- Significant TAs from EU, FAO, USAID, Germany, Sweden, Switzerland …
### Thematic coverage of Bank Supported ECA land projects (1994-2014)

<table>
<thead>
<tr>
<th>Country</th>
<th>Land Reform</th>
<th>Land Administration</th>
<th>Land Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Armenia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Azerbaijan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bulgaria</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Croatia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estonia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Georgia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kazakhstan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kosovo</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kyrgyz Republic</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latvia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Macedonia FYROM</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moldova</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Montenegro</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Romania</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Russia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Serbia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Slovenia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tajikistan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turkey</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ukraine</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uzbekistan</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Land Reform Projects

• Creation of 300 – 400 million new private properties.
• Restitution of property to original owners.
• Optional compensation instead of the literal restitution – State disposed the lands further.
• Revitalization of cadastral records and the registration system to facilitate sales, leases and mortgages on land.
• Game changers in the economy.

[Note: Apart from few countries, the Bank’s role was rather limited in the land reform projects]
Land Management Projects

- Planning
- Regularization
- Mass valuation systems
- Land consolidation
- Land use monitoring; EU systems (LPIS, IACS)

[Note: The Bank’s engagement in land management in ECA has increased recently.]
Land Registration Projects

- National *registration* system of real estate rights and transactions
- *Systematic registration* of all parcels and buildings.
- Institutional reforms - single agencies - financial sustainability
- ICT; joint or unified systems, one-stop-shops and e-conveyancing
  - Office networks, financial sustainability
  - Volume escalations: transaction, mortgages, revenues
  - Efficiency; from months to days and hours.
  - Loan interest rate impact.

- **Major implementation support collaboration between** and donors.
Figure 2b
Percentage of Urban Land Parcels Recorded in the Cadastre (Before Project and Current Situation)

ECA land projects helped expand fiscal land record coverage.
Figure 7
Number of Days to Register a Land Sale (Before Project and Current Situation)

ECA land projects have had substantial impacts on land registration times.
Economic Impact of 13 Land Registration Projects (1997 – 2012)

- Armenia; Land Titling Project
- Azerbaijan; Agricultural Development and Credit Project
- Bosnia and Herzegovina; Land Registration Project
- Bulgaria; Registration and Cadastre Project
- Croatia; Real Property Registration and Cadastre Project
- Kazakhstan; Real Estate Registration Pilot Project
- Kyrgyzstan; Land and Real Estate Registration Project
- Moldova; First Cadastre Project
- Romania; General Cadastre and Land Registration Project
- Russia; Cadastre Development Project
- Serbia; Real Estate Cadastre and Registration Project
- Slovenia; Real Estate Registration Modernization Project
- Ukraine; Rural Land Titling Project

US$ 483 million of investment*

* Includes funding from the World Bank, cofinanciers, and client governments
### Economic Rates of Return Estimates (ERRs)

<table>
<thead>
<tr>
<th>Country</th>
<th>Project Name</th>
<th>ERR (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bosnia and Herzegovina</td>
<td>Land Registration Project</td>
<td>47</td>
</tr>
<tr>
<td>Croatia</td>
<td>Real Property Registration and Cadastre Project</td>
<td>12</td>
</tr>
<tr>
<td>Romania</td>
<td>General Cadastre and Land Registration</td>
<td>14</td>
</tr>
<tr>
<td>Serbia</td>
<td>Real Estate Cadastre and Registration</td>
<td>128</td>
</tr>
<tr>
<td>Slovenia</td>
<td>Real Estate Registration Modernization</td>
<td>12</td>
</tr>
<tr>
<td>Ukraine</td>
<td>Rural Land Titling Project</td>
<td>31</td>
</tr>
</tbody>
</table>
Economic Impact of Land Registration Projects

- Economic impact is estimated at 2.22x the initial investment*
- Return on investment of 122%
- Estimated total short-term and long-term benefit to the economy of a single registration is estimated at US$ 16.13

* Excludes the project in Kazakhstan due to the lack of adequate data on the project’s economic impact. In the case of Moldova, the economic impact is defined based on the economic impact per registration derived from data for six countries: Armenia, Azerbaijan, Kyrgyzstan, Romania, Slovenia, and Ukraine. All other numbers retrieved from respective project ICRs.
## Total Outstanding Residential Loans to GDP Ratio %

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>17.8</td>
<td>17.8</td>
<td>17.8</td>
<td>21</td>
<td>21.3</td>
<td>20.1</td>
<td>18.2</td>
<td>17.6</td>
</tr>
<tr>
<td>Romania</td>
<td>1</td>
<td>2.2</td>
<td>3.4</td>
<td>4.1</td>
<td>4.8</td>
<td>5.5</td>
<td>5.9</td>
<td>6.6</td>
</tr>
<tr>
<td>Slovenia</td>
<td>4.8</td>
<td>6.3</td>
<td>7.7</td>
<td>9.1</td>
<td>11.1</td>
<td>13.6</td>
<td>14.3</td>
<td>14.8</td>
</tr>
<tr>
<td>Croatia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>33.1</td>
<td>33</td>
<td>32.6</td>
</tr>
<tr>
<td>Russia</td>
<td>0.2</td>
<td>0.9</td>
<td>1.8</td>
<td>2.6</td>
<td>2.6</td>
<td>2.4</td>
<td>2.7</td>
<td>3.2</td>
</tr>
</tbody>
</table>

### Total Outstanding Residential Loans to GDP Ratio by Years (%)

- **Bulgaria**
- **Romania**
- **Slovenia**
- **Croatia**
- **Russia**
Land Registration Projects in the Kyrgyz Republic (2000-2013)

Impact to Sales Transactions

Data courtesy of Gosregister 2015.
ECA Property Registration Success

Doing Business 2016; Registering Property

1. New Zealand  
2. Lithuania  
3. Georgia  
4. Rwanda  
5. Belarus  
6. Estonia  
7. Slovak Republic  
8. Kyrgyz Republic  
9. Russian Federation  
10. Sweden  
11. United Arab Emirates  
12. Denmark  
13. Armenia  
14. Norway  
15. Iceland  
16. Switzerland  
17. Taiwan, China  
18. Kazakhstan  
19. Singapore  
20. Finland

Macedonia’s eServices

Dramatic Growth in Mortgages in Kyrgyzstan

Number of Transactions

World Bank Group
Social, Urban, Rural & Resilience
Cadastre and Social Questions

Percentage of parcels registered in the land registry in the name of women either individual or joint owner

- Serbia: 20%
- Kosovo*: 17%
- Estonia: 38%
- Croatia*: 50%
- BH (RS)*: 21%
- Armenia: 50%

Current Situation
20 Years of ECA Land Projects; Keys to successful land administration

- Clear rights, policy and law and institutional responsibilities.
- Long term commitment and political will.
- Training of public and private sectors → quality of services
- Focus to functioning systems rather than covering records.
- Public perception and participation!
- ICT …
- Feasible surveying standards.
- Autonomy of operations, self-financing agencies
- Revenue generation.
Applied Land Administration; Trends

Modern Land Applications
- Register outputs produced from interlinked public datasets
- Digital land and geospatial records used for mass valuation systems for property taxes
- State lands inventory and management integrated to the land administration system
- One Map defined as the baseline for environmental conservation and management
- Geospatial data provides the base for Early Warning Systems and other disaster resilience.

Interlinked Data and Services in Macedonia

Land Records for Mass Valuation in Slovenia

One Map on Land Use in Indonesia
Where do we go from here?
Land and Building
Modern Finland
Next Generation Systems will be 3D

Buildings & infrastructure are already planned in 3D

City models are being prepared

But regulatory processes and SDI’s are still 2D + paper

So, time to move on. Watch this space!
Keys to Successful Land Administration
Lessons Learned in 20 Years of ECA Land Projects

Mika-Petteri Törhönen

DOWNLOAD OUR PUBLICATION:
Access link here

WORLD BANK GROUP
KIITOS! THANKS!