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INSTITUTIONAL REFORM OF THE PUBLIC ADMINISTRATION SYSTEM AND ITS EFFECT ON LAND ADMINISTRATION (CASE STUDY: REPUBLIC OF MOLDOVA)

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WASHINGTON DC, MARCH 25-29, 2019



Abstract

The public administration reform currently underway in Moldova covers all ministries, departments and agencies, including the central public authority for land administration, geodetic surveying and cadastre. Although the Agency for Land Relations and Cadastre (ALRC) has been established in particular on the World Bank's recommendation as an optimal structure enabling integrated development of a number of economic segments and activity types to ensure effective land administration, it will be reorganized and its tasks to develop policies and strategies in the spheres it used to regulate will be allocated to several separate ministries.

The paper discusses and attempts to assess possible effects and consequences of the ALRC reorganization and its influence on further development of the real estate market and its infrastructure, on the quality and state of the multi-purpose real estate cadastre; it also presents the recommendations developed to improve the land administration system in the Republic of Moldova.

Key Words: land administration, real estate cadastre



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WASHINGTON DC, MARCH 25-29, 2019



Introduction

One of the tasks faced by a modern state is to create an effective land administration system. The solution chosen depends on multiple factors, e.g. the legal framework should be in place for land ownership; the real estate market and the market infrastructure should have reached a certain minimal development level; an appropriate institutional environment should be in existence. Whereas developed market economies investigate mainly into the approaches and directions intended to improve land administration, Central and Eastern European states are at the stage of establishing their own land administration systems. The concepts of “private property”, “market price”, “real estate market” only began to emerge 25-30 years ago - and so these concepts are currently examined from the legal and economic perspective as well as with account of their social and psychological implications for holders of the property rights to real estate and for other players that are involved in land and market relations.

The purpose of this paper is to examine the institutional component of Moldova’s land administration system, the role of the cadastral authorities and other public institutions in land administration and possible options for further institutional development of the system after the current reform of public authorities is completed in the Republic of Moldova.

In 2016 the Moldovan government approved the Public Administration Reform Strategy Paper for 2016-2020. That strategy paper envisaged modernisation of the state agencies and thus creation of the necessary prerequisites for Moldova’s sustainable development in the long-term. The legal act of the Republic of Moldova: *On Central Sectoral Public Administration* (No 98, 2012) as subsequently amended and supplemented from time to time) and the legal act: *On the Government* (no. 136, 2017) forms the legal framework for the reform of the central public administration.

The main task set for the reformers is to create a unified central public administration system which would cover all sectors of the national economy, i.e. without making any exceptions for any



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ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY
WASHINGTON DC, MARCH 25-29, 2019



ministry or any other central public administration or agency they believe should be within the scope of that system.

The reform has a number of main short-term and the long-term objectives. Its short-term objectives are: streamlining of the administration structure; reduction of red tape; prevention of duplications; segregation between policy-making functions and policy implementation, regulation and control functions; improving the efficiency of public budget expenditures. The objective of the long-term reform is to develop a modern public administration system that is professional and dedicated to the provision of adequate quality public services in accordance with the needs and expectations of citizens. In other words, the objective of the reform is to ensure proper administration quality and transparency.

The first step towards the implementation of this strategy paper was the reform of the State Chancellery and strengthening of its institutional role as the “Government Centre”. That was done in accordance with best international practices and models. The structure of the State Chancellery was streamlined by getting rid of inappropriate functions and duplications and through transition to a different document flow model (without any hardcopy documents), which made it possible to improve the efficiency of work performed by the public officers employed by the Chancellery and to optimize administrative expenses.

As the second step, the ministries were reorganized and their number was reduced. During 2017-2018 the total number of the Moldovan ministries was reduced from 16 to 9; public offices were depoliticized; the reform covered also the agencies in charge of supervisory functions, research and innovation. The Public Property Agency and the recently established Public Services Agency is now run by the Government; the structures subordinated to the Government and the agencies subordinated to the ministries were also reorganized. The emphasis was made on improving of the public agencies’ efficiency, optimizing their administrative expenses and, as a result, improving financial incentives for their employees.



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ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY
WASHINGTON DC, MARCH 25-29, 2019



A similar reform (reorganisation, authority cuts, transfer of certain functions to sectoral ministries) has now become almost imminent for the Agency for Land Relations and Cadastre (“Agency”). Throughout 2018, this public agency kept bombarding the Reform Centre with substantiating arguments, rationales and examples demonstrating the current adequate effectiveness of its performance. No final decision has yet been made regarding the further fate of the Agency and so we bring the current fragile balance situation to the attention of the international donors, financial institutions, professionals and the business community. The role of the Agency in Moldova’s land administration can hardly be overestimated. Moreover, the consequences and the future social-economic impacts of the public administration reform have not even been considered or assessed (in particular in land administration).

1. Background: the emerging institutional component of the land administration system in the Republic of Moldova

The 20th century held numerous shocks in store for Moldova: the socialist revolution of 1917, annexation to the Romanian Kingdom; annexation to the USSR; World War II; the socialist period. Finally, the independence and sovereignty period began in 1991. Obviously, all those events in the modern history of Moldova led to the emergence of a state characterized, in institutional terms, with very strong influence of the government, i.e. public administration, on all aspects of the nation’s development. Notwithstanding a number of mistakes already made in the field of public administration during Moldova’s sovereign period, the state still enjoys the confidence of the population. The state initiated multiple reforms aimed at the emergence of the private sector in the national economy and state property privatisations during the first years of Moldova’s independence.

Privatisations of residential dwellings, commercial and industrial facilities were progressing at a rapid pace in Moldova in the mid-1990s. Agricultural land could also be sold and purchased in Moldova after the adoption of the legal act *On standard price and procedure of land purchase and sale* in 1997 (No.1308, 1997). So an urgent need emerged during that period to be able to



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ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY
WASHINGTON DC, MARCH 25-29, 2019



guarantee the property rights to land, buildings and structures. A new system had to be created for registration of real estate and the legitimate rights holders to immovable property – and the underlying principles were quite new for Moldova; moreover, a system of state offices had to be established for registration of real estate. At that time, there were several different systems in existence in Moldova for registration of real estate; the legislative framework was lacking for registration of the property rights; the procedure to transfer a title to a land plot was overly complex. Geodesy and cartography were considered the activity fields falling within the scope of state interests and thus fully classified. The state-of-art map-making techniques were lacking. The concept of “real estate valuations” was only used for insurance purposes.

The Agency for Land Relations and Cadastre was established as a central public administration agency in 1994 to regulate the following activities: land relations and territorial planning, reclamation of impaired land, geodesy, topography, cartography and engineering surveys.

The recommendations given by the World Bank in 1992 and based on the analysis of best international practices and a comprehensive study of Moldova’s situation and challenges were very important for the establishment of the Agency. The establishment of the Agency as a sectoral administration by the decree of Moldova’s president, rather than by the decision of Moldova’s government, additionally emphasised the immense importance attached to the process of establishing an agency to be in charge of regulating land relations and all transactions and other activities involving land. The conceptual foundations were laid during that period for the establishment of the real estate cadastre, the strategy was developed for the national cadastral system and the framework was created for a new professional activity - real estate valuations.

The Agency’s main task was to develop the legal and regulatory environment for the reform of land relations, to ensure proper registration of land plots, buildings and structures and to further develop geodesy and cartography. After the approval of the decree establishing it as a new sectoral administration, the Agency took over a part of the land planning and surveying functions from the Chisinau Mayor’s Office and the land administration department from the ministry of agriculture.



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ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY
WASHINGTON DC, MARCH 25-29, 2019



During the first three years of its operation, the Agency also took over the state enterprise INGEOCAD, the territory-planning and design institute and the soil protection agency. The national property inventory and registration authority, complete with its network of territorial property inventory offices, was made directly subordinate to the Agency in 1997.

The first pilot project to establish the real estate cadastre was implemented in Moldova in 1996-1997 with financial support from the World Bank and with advisory support from the internationally operating UMA-GEOMATIC (Canada) and ILIS (Netherlands). As part of the project, a legal act was drafted on the real estate cadastre, the methodology was developed for the cadastre establishment and diverse options were considered for the cadastre's institutional system. An automated program was developed for registration of real estate and the rights thereto and intensive training was delivered to the experts employed in the diverse fields pertaining to the establishment and development of the cadastral system. Moreover, the pilot project gave an impetus to the development of property valuation activities in the Republic of Moldova. International experience and practices were studied in this field and the methodology was developed for valuations of individual real estate; alongside with the description of the market approaches to valuation, the methodology also examined the possibility of their application in the emerging market environment in Moldova.

Thus, the legal, methodological and institutional framework was created for Moldova's future cadastral system; the mission was formulated and the main directions were determined for the Agency's operation. During the late 1990s the main focus was on the establishment of the cadastre whose contents have not undergone any significant changes till presently. The real estate cadastre established in Moldova is an integrated multifunctional system for state registration of real estate and the rights thereto and for the valuations of that real estate (no 1543, 1998, art.2). The purpose of the cadastre is to identify, to describe, to appraise and to register real estate and the rights thereto as well as to protect public and private interests in the legal relations involving real estate, to create a system protecting the holders of property rights to real estate, to establish an open information



Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY
WASHINGTON DC, MARCH 25-29, 2019



system accessible for players at the real estate market and for public authorities, including tax authorities.

The main tasks of the cadastre are to:

- shape a civilized real estate market and ensure that the property rights to real estate are adequately guaranteed;
- ensure the accessibility of cadastral information to all players at the real estate market and to the public administrations;
- increase revenues to local budgets and improve their structure through establishment of the optimal fees for real estate uses;
- attract investments in real estate; and
- enable proper effectiveness and promptness of the territorial administration.

The cadastral system registers real estate (land plots, buildings, structures, engineering networks, other items not separable from land) and the property rights thereto.

The real estate cadastre was expected to be established during 1998 to 2010. Stage I (1998-2003) covered the introduction of a new system for registration of the rights, support to land privatization, and development of the real estate market. The legislative framework for the cadastre was developed at this stage; citizens were privatising land at an accelerated rate; information support was ensured for the population; training was delivered to personnel; a system was established for the cadastral authorities; and active work was in progress to establish the cadastral information system.

During the implementation of the First Cadastral Project financed by the World Bank (1998-2007), 4.7 million of private properties were registered, including 4.2 million of the properties covered by the systematic mass registration process. It was expected to complete mass registrations of all types of real estate in the Republic of Moldova and to perform tax assessments of real estate at the second stage. Certain circumstances prevented the implementation of the second cadastre



Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY
WASHINGTON DC, MARCH 25-29, 2019



establishment stage according to the initial plan: new priorities emerged for Moldova's development, putting the establishment of the cadastre on the back burner; the lengthy period of time needed to establish the cadastre in Moldova and the involved financial costs resulted in a negative attitude of many public officials who were the decision-makers for financing the work necessary to complete the cadastre; high-ranking officials did not see a prompt economic effect from the establishment of the cadastre in the environment of frequent shortages of the treasury funds and believed that any feasible social and economic effects could only be expected in remote future.

The above reasons delayed the development of the cadastre in Moldova by at least 15 years because no initial mass registrations were financed during 2003 to 2018. The cadastre continued to develop solely through selective registrations performed on the requests of the affected individuals and companies. But even notwithstanding this delay, Moldova's real estate cadastre is among the best cadastral systems emerged in the CIS countries and in Europe. According to the World Bank, during 2009-2011 Moldova was steadily ranked 18 or 19 in real estate registrations among 189 countries of the world. It should be pointed out for the sake of comparison that the USA ranked 16 and Sweden - 20 according to this criterion. Moldova's ranking slightly deteriorated in 2019: its real estate registration system was rated 22 out of 189 countries. The reason is insufficient attention on the part of the state to the real estate cadastre and its challenges. Unless the system continues to develop, it begins stagnating and lagging more and more behind other similar systems. Institutional changes caused by the reform of the central sectoral administrations also had their adverse impact. Nevertheless, the key indicators of the multifunctional real estate cadastre established in Moldova are still high (DB 2019), thus demonstrating the high promise of the cadastral system.

2. Development of the Agency for Land Relations and Cadastre

Till presently, the Agency has gone through a number of stages of its life cycle as a central sectoral public agency. Its **establishment phase** was relatively short and took about three years.



Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY
WASHINGTON DC, MARCH 25-29, 2019



The **rapid development phase** was the period of implementation of the World Bank-funded First Cadastral Project. It was one of the most effective World Bank projects in Moldova, bringing forth significant changes to the infrastructure of the real estate market, emergence of new professions and development of the private sector. The main project outcome was the emergence of a real estate cadastre and a system of cadastral authorities. The Agency was able to improve its image considerably during the lifetime of that project.

The Agency's **stable development stage** (2009-2016) was characterized with its involvement in diverse international projects to accumulate geospatial information and to develop land relations. At that stage the Agency took part in forecasting Moldova's social-economic development, coordinated actions of the central sectoral authorities and local authorities concerning the development and promotion of several national programs and plans. In addition, the Agency was promoting the economic and organisational reform in the spheres covered by its activities, harmonising the relevant national legal acts and regulations with the European regulations and standards, promoting the implementation of innovative technologies in related fields. The Agency was administrating state property of the subordinated enterprises with fully or partly state-owned share capital, was responsible for running the subordinated state enterprises and for their financial and economic performance, establishing and winding up state enterprises in its field of activities in compliance with law. Besides, the Agency was coordinating education, professional development, training and certification of the professionals in the respective field.

The Agency is the founding shareholder in four state enterprises:

- 1) State Enterprise CADASTRU;
- 2) State Enterprise INGEOCAD - Institute of Geodesy, Engineering Research and Cadastre;
- 3) State Enterprise IPOT - Project Institute for Land Management;
- 4) State Enterprise for Soil Protection and Territorial Development.



Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY
WASHINGTON DC, MARCH 25-29, 2019



The total number of employees in this sector is 1,384. Acting in accordance with the basic policy papers underlying the development of its activities, and with account of the recommendations and opinions of its donors, partners and stakeholders, the Agency established the following priorities for 2012-2016:

- development of the legal and regulatory framework in the areas of the Agency's activities;
- reclamation of impaired land;
- ongoing mass-scale cadastral work, mass-scale initial registrations of real estate and the rights thereto;
- continued implementation of the new tax appraisal system and the development of an effective automated appraisal system unique throughout Moldova;
- completion of the work to demarcate the state border between Moldova and Ukraine;
- coordinating the emergence, modernization and maintenance of the state geodetic network and of the national network for the levelling, gravimetric and national positioning system;
- coordination of activities related to the accumulation, storage and distribution of geospatial data to all levels of government by implementing the national spatial data infrastructure; and
- implementation of new techniques in the areas of its activity and improving the quality and efficiency of the services provided to the public; facilitating participation in the national e-government platform.

The Agency's Department for Geodesy, Mapping and Geo-informatics is the subdivision responsible for the coordination and administration in promotion of state policies in the field of geodesy, cartography, geo-informatics and spatial data infrastructure.

The Agency's Department for Land Relations and Soil Protection is the subdivision mainly coordinating and administrating the activities to promote state policies on territorial development, soil protection and land development and reclamation to the category of land suitable for agricultural production or construction.



Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY
WASHINGTON DC, MARCH 25-29, 2019



The Agency's Department for Real Estate Cadastre is the subdivision responsible for the coordination, collection and storage of cadastral information and data; development of the state policies on establishment and maintenance of the real estate cadastre; developing and updating geometrical plans and maps; forming real estate parcels and keeping a register of the territorial administrative units and engineering infrastructure components.

The Real Estate Valuation Service ensures further development of immovable property valuations in the Republic of Moldova. The Service is drafting and implementing uniform governmental policies for valuations, developing the legal framework and methodologies, coordinating the efforts to develop the national valuation standards. In addition, the Service ensures implementation of a new real estate tax appraisal system and facilitates the development of the national real estate market and its infrastructure.

Cadastru State Enterprise was established by way of reorganization on 1 April 2006 in the merger of 13 state enterprises: 12 territorial cadastral offices and the Central Information Office Cadastru with the objective to consolidate the cadastral offices and to ensure sustainable development of the cadastral system in Moldova. The real estate cadastre covers approx. 5 million properties (about 85% of all real estate in Moldova).

State Enterprise INGEOCAD founded in 1987 is Moldova's leading enterprise in the field of surveying, geological engineering surveys and mapping. Its main activities include:

- a complex of geodetic services in diverse branches of the national economy, including cadastral work;
- cartographic and photogrammetric services to deliver customers maps of various scale and thematic content;
- delimitation and demarcation of the national border;
- administration and maintenance of the national satellite positioning system MOLDPOS;
- metrological certification of diverse geodetic equipment;
- complex geological engineering surveys;



Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY
WASHINGTON DC, MARCH 25-29, 2019



- development and maintenance of mapping portals in accordance with the Law on Spatial Data Infrastructure; information updates.

State Enterprise Planning Institute for Land Management (S.E. IPOT) founded in March 1961 is the most sustainable enterprise in the branch. Historically, the Planning Institute for Land Management initiated the development of the land management theory and its practical implementations in Moldova. Presently the institute is Moldova's leading organization in the field of land management. It has a state-of-art material and technical infrastructure as well as state-of-art techniques, measuring devices and equipment and a soil research laboratory. Most of the institute's personnel are engineers trained in land management, surveying, cadastral work and soil research. On 23 June 1997 it was taken over by the Agency for Land Relations and Cadastre as a state enterprise operating on the principles of cost accounting and self-financing. Its main objectives are to organise and coordinate the services in the field of soil protection, reclamation and productivity improvements.

Thus, the Agency has been playing an important role in Moldova's economic development because it has been implementing a number of national programmes concerning registration of the property rights, legal and methodology support to cadastral work, delimitation of state property, tax appraisals of real estate, land consolidation, soil fertility improvement, demarcation of the state border, maintenance of the national geodetic network, etc.

3. The system approach in the Agency's activity

The Agency for Land Relations and Cadastre is a public authority integrating the organisations that regulate four interrelated areas: land relations; geodesy and cartography; cadastre; and real estate valuations. The implementation of uniform state policies and best international practices and use of the most recent scientific and technical progress deliverables in the regulated fields has



Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY
WASHINGTON DC, MARCH 25-29, 2019



ensured Moldova certain **strategic development advantages**, as opposed to its neighbouring countries.

The establishment of the Agency and its powers to regulate the relevant interrelated directions has made it possible to ensure their integrated development, **creating the synergy effects** manifest in Moldova's high international rankings in the field of real estate registration.

Moreover, the streamlined regulation of the diverse directions and activity types which have a common focus - real estate (land and its improvement) helped achieve a certain **institutional effect**. The **institutional effect** of the Agency's development is that it has become possible within a single authority to:

- 1) synchronise the development of the regulated activities in terms of its timing as well as direction;
- 2) ensure and facilitate understanding of the common challenges, risks and development trends;
- 3) implement best international practices;
- 4) develop an integrated development strategy common for all of its activity areas;
- 5) save time, efforts and tangible resources required for the management of the above activities.

All sectors and activities regulated by the Agency are also developing on the basis of a system approach. A certain specific feature of the real estate cadastre established within the Agency's system should be pointed out in this context. Integration of the real estate cadastre and the register of the rights to real estate in a single system is specific of the institutional structure of such cadastres and registers in Eastern and Central Europe. It results in a higher level of data comparability, the reliability of the database for tax appraisals of real estate, the possibility to involve less staff, savings on technical and other resources and a more user-friendly system for the information consumers because they now have to contact only one agency rather than two. The unified cadastre and rights register system has been recommended by the United Nations



Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY
WASHINGTON DC, MARCH 25-29, 2019



Economic Commission for Europe (UN ECE) and additionally confirmed by the integration trends noted in many countries.

The establishment of a system integrating the real estate cadastre and the register of property rights to real estate creates the prerequisites for the emergence from this foundation also of the system for tax appraisals of real estate. In all these cases a new appraisal system has been implemented which is based on computerised mass appraisals of the market value of real estate.

According to Moldova's legal act on the real estate cadastre (No 1543, 1998), in the Republic of Moldova the cadastre is a single multi-functional system for state registration of real property, the rights thereto and the value thereof. The objective of the cadastre is identification, description, valuation, and registration of real estate and the rights thereto; protection of the legitimate public and private interests in the title of real estate; creation of a system for protection of the property rights of real estate owners; and creation of an accessible database for players in the real estate market and public authorities, including tax authorities.

The advantage of the multi-purpose cadastre is that it provides a single database by combining the functions of the real estate cadastre with registration of the property rights. This ensures the correlation between the cadastre and the property registration system. Now the changes in the methodology for creating of the cadastre database do not require additional coordination between the agencies and can be implemented within a single system. The integrated database requires fewer resources for its maintenance, thus saving time, labour and financial resources associated with its creation, maintenance and updates.

In the Republic of Moldova, the economic component in the real estate cadastre enhances the functionality of the cadastral system. Tax appraisals of real estate rely on the real estate registration system and the cadastral database for subsequent generation of a new data layer, such as technical specifications and values of real estate. Mass valuations of real estate for tax purposes have been performed since 2004. They are performed by the territorial cadastral offices according to the



Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY
WASHINGTON DC, MARCH 25-29, 2019



uniform methodology, by real estate types. The appraisals of all residential real estate in cities and towns, all garages in garage construction and operation cooperatives, all summer cottages, all industrial and commercial facilities had been completed by the beginning of 2019. The appraisals of single residential dwellings in rural areas, agricultural land, state property, municipal property and special purpose real estate have not yet been completed because much real estate in these categories have not yet been registered in the real estate cadastre. Since 2007, a new market value-based tax system has been implemented in Moldova for the real estate types covered by mass valuations.

An undoubted achievement of the real estate cadastral system in the Republic of Moldova is the creation of a network of cadastral authorities, including the Agency, a specialized enterprise in the field of cadastre as the system's central public administration, and its branches, territorial cadastral offices (TCOs). These branches are located in all regional centres of Moldova, in the municipalities of Balti and Chisinau and in the towns of Ceadir-Lunga and Vulcanesti. The functions of the cadastral system are described in sufficient detail in the above-mentioned legal act on the real estate cadastre.

The Agency ensures the implementation of uniform policies in the field of the cadastre establishment and maintenance and tax appraisals of real estate; it directs and monitors the activities of its subordinated organisations, including the specialized cadastral enterprise and its branch offices, coordinates at interdepartmental level all activities associated with the establishment and maintenance of the real estate cadastre and performs some other functions.

The specialized cadastral enterprise accumulates and stores cadastral information, creates and develops the cadastral information system, maintains, keeps safe and administrates the central databank, develops the required guidelines concerning the methods to be applied to maintain cadastral documentation and the procedures to be followed for submission of cadastral information and for tax appraisals of real estate; moreover, that enterprise designs and establishes the link between the electronic forms of the cadastral register and electronic forms of other registers; it also



Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY
WASHINGTON DC, MARCH 25-29, 2019



provides systematised cadastral information to public administrations and other public authorities as well as companies and individuals.

In accordance with law, the branch offices of the specialised cadastral enterprise (TCOs) perform state registrations of real estate, creating for each real estate parcel a separate cadastral file and other documents required for the maintenance of the cadastre; they transfer the register data to the central cadastral database, provide cadastral information to consumers on the requests of the latter, ensure safekeeping and continuity of the cadastral information, perform tax appraisals of real estate objects and fulfil some other functions.

4. The reform of central sectoral administrations in Moldova and its impact on the land administration system

Although intended to satisfy the perfectly reasonable objectives of streamlining the public administration function in Moldova, to reduce the number of ministries, to eliminate duplications of functions and to reduce the number of public officials, not all aspects of the reform have been carefully designed and supported with a sound economic rationale.

5.1. First and foremost, the reform has **disrupted the system of cadastral authorities** in land administration. In 2017 when the new agency for public services was created, the Agency had to transfer the state enterprise Cadastru to that new agency. As a result, the enterprise lost its legal status and was reorganised to the cadastral department of the agency for public services. The territorial cadastral offices, i.e. the branch offices of the state enterprise Cadastru, were transformed to territorial cadastral agencies with the same functions. These institutional changes have disrupted the technical and functional links with the Agency. The information flows between the authority developing cadastral policies, strategies and development programmes and the authority responsible for maintaining the multi-purpose real estate cadastre and property appraisals have slowed down to a considerable degree and become much less effective.



Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY
WASHINGTON DC, MARCH 25-29, 2019



5.2. A similar disruption of the existing technical links took place during the emergence of the new structure, the agency for public property, whose functions were significantly expanded by making all of Moldova's state enterprises subordinated to this agency. In particular, two of these state enterprises used to be subordinated to the Agency: the Planning Institute of Land Management and the Enterprise for Soil Protection and Land Improvement. At the same time, to the agency for public property were transferred certain new functions previously performed by the Agency for Land Relations and Cadastre: delimitation of state property and the property of local governments. Here the adverse consequences are similar to those resulting from the above-described situation. The agency for public property does not have the required capacity in the field of land relations; the institutional continuity is lacking and there is no possibility to verify the quality of land delimitation services.

In the both situations, the effectiveness of the two new agencies has suffered considerably. The introduced uniform salary rates do not motivate cadastral officials to handle large volumes of work and staff turnover rates have grown as a result. Moreover, it is necessary to segregate the public services of real estate registration from cadastral work and tax appraisals of real estate. These work types are complex; they are performed in part as a desk exercise and in part during field trips to the land plots concerned; they involve performing measurements with geodetic tools. All these work types cannot be treated as public services. In addition, they will only be effective if based on the appropriately developed relevant infrastructure.

It is feared that the Agency will undergo further significant transformations in near future. It is planned to transfer the Agency's functions to develop the sectoral development policies, strategies and programmes to the respective ministries. This will inevitably lead to disruptions in the integrated policy development system for the interrelated sectors and activities because the functions of policy-making in the field of cadastre and land relations will be transferred to the Ministry of agriculture, environment and regional development; in the field of real estate appraisals to the Ministry of finance; in the field of geodesy and cartography possibly also to the Ministry of agriculture.



Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY
WASHINGTON DC, MARCH 25-29, 2019



Development of state policies in the above-mentioned field goes far beyond the capacity and competencies of the above-mentioned ministries. Thus, these reforms will deprive the Agency of all its strategic strengths that have been created over the years through careful analysis and appropriation of best international practices.

The first phase of the reform has initiated and is likely to progress in near future with the transition from a highly integrated structure to a fragmented state which will weaken considerably the sectors and activities regulated by the Agency and may even lead to their total destruction. The theory formulated by I. K. Adizes has proved convincingly that integration lacking in the system leads to its decomposition (Adizes, 2078).

The current situation is contrary to the Bible teaching, “a time to cast away stones and a time to gather stones together” (Ecclesiastes 3:5). In Moldova’s case the reform has led to disintegration of the progressive sectoral administration structure whose achievements were recognized throughout the world, rather than to further development of the land relations and cadastre system. So the key idea behind the reform is, “the time to gather stones together is gone; the current time is a time to cast them away.”

The final decision has not yet been made regarding the reform of the Agency’s structure. Obviously the complexity of the challenges faced by the Agency, the impossibility to accommodate even the single individual directions of its activities into the structure of the existing ministries and, the considerable public outcry sparked by the changes in the Agency’s role and status in the national economy calls for additional substantiating arguments from the Centre of Reform. This gives optimists certain grounds to hope for a more weighted political decision and a successful outcome of the reform.



Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY
WASHINGTON DC, MARCH 25-29, 2019



Conclusions and suggestions

1. The Agency for Land Relations and Cadastre has been successfully operating in the Republic of Moldova since 25 years as the central sectoral administration with the functions of policy-making and regulation of the development in four interrelated sectors and activity fields: geodesy, cartography and geospatial data; land relations; cadastre; and appraisals of real estate.
2. The Agency has been ensuring comprehensive development in all the Agency-regulated activity fields, contributing to the appropriation of best international practices and promotion of uniform state policies and development strategies with the emergence of institutional synergies.
3. At all stages of its development, the Agency has been a system committed to effectiveness and efficiency of its work in the short and long term through streamlined uses of the existing potential.
4. The World Bank has played an important role in the establishment and development of the Agency: this public authority was established and its structure was designed, the development of a multi-purpose real estate cadastre has been ensured and effective land administration has been achieved following the recommendations of the World Bank experts.
5. The solutions offered for land administration authorities within the framework of central sectoral administration reform, which has been underway in Moldova since 2016, do not seem to be fully substantiated; they may lead to disintegration of the existing system. The inevitable fragmentation resulting from allocation to different ministries of the policy-making functions for the interrelated sectors which currently ensure the continuity of land administration can lead to deceleration in the development of certain activity fields and



Catalyzing Innovation

ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY
WASHINGTON DC, MARCH 25-29, 2019



directions, de-synchronisation and disintegration and thus to the emergence of inevitable future problems manifest in loss of technical and functional links and institutional continuity, more red tape in decision-making, lacking continuity in the development of the real estate cadastre and in the fields of real estate appraisals, land relations, geodesy and the system of geospatial data.

6. The situation has become particularly acute because in January 2019 Moldova began implementing the Land Registration and Property Valuation project scheduled for 2019-2023 and financed by the World Bank. One of the project objectives is to improve the land administration system through completion of the mass-scale initial registrations of real estate, revaluation of residential dwellings and commercial real estate and completed valuation of all types of real estate.
7. In this situation we draw the attention of the Moldovan leaders, the World Bank and other international donors as well as the professional and academic community to the necessity of consolidating the Agency for Land Relations and Cadastre and the specialized enterprises which formed part of the Agency's system as a unique institution able to generate social, economic and institutional effects at the level of macroeconomics as well as at the level of development in individual sectors, activity fields and public and private enterprises.

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ANNUAL WORLD BANK CONFERENCE ON LAND AND POVERTY
WASHINGTON DC, MARCH 25-29, 2019



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