

Improving Land Sector Governance in Georgia

Implementation of the Land Governance Assessment Framework

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SECTION 1

LGAF IMPLEMENTATION PROCESS

1.1 What is LGAF?

The Land Governance Assessment Framework (LGAF) is a diagnostic tool that makes it possible for government to objectively assess their efforts at land governance, identifying areas for improvement and new policies. The LGAF divides the issue into five thematic areas; (i) Legal and Institutional Framework; (ii) Land Use Planning, Management and Taxation; (iii) Management of Public Lands; (iv) Public Provision of Land Information; and (v) Dispute Resolution and Conflict Management. These areas include 21 Land Governance Indicators (LGI's hereafter) covering 80 dimensions and sixteen additional parameters, which were evaluated by nine different panels of experts in property law, land management as well as planning and building issues

1.2 How the study was prepared?

Modified indicators

The LGI's were inspected in advance to ensure that each was relevant to the Georgian reality. Only insignificant changes were made, such as deciding not to assess LGI 1, D iv, "Urban group rights are recognized in informal areas" – because, unlike most developing and post-Soviet countries, illegal group settlements don't exist in urban areas.

Expert Investigations

During the preparation stage, the expert investigators, working closely with each other and the LGAF Country Coordinator for Georgia, gathered information on each of the five LGAF thematic areas. They reviewed the existing legal framework related to the topics and collected data from the relevant government institutions, NGOs and private sector participants in land and real estate projects.

Panels

Following LGAF guidelines, the Georgian team conducted nine meetings to share their findings with panels of three to five experts, including specialists in the legal and legislative issues regarding land use and property, land planning and development as well as managing public lands. A total of 37 such experts were involved: seven were from the public sector, selected on the basis of the relevance of their respective government bodies to the issues at hand and their field of expertise; the remaining 30 were from the private sector, including lawyers, architects, academics and NGO representatives selected on the basis of their qualifications and track records. (See Annex 13 for a full list of panel members.)

To assemble these experts, the Country Coordinator prepared a list of candidates from the government, the private sector, NGOs and academia, and then contacted each of them to find out if they were interested in sharing their knowledge and experience with the LGAF project. The response was very favorable; those who agreed to participate received extensive information about the investigation as well as materials for discussion prepared by the team's investigators.

The Country Coordinator began each panel with a presentation about the meeting's objective, its agenda and working procedures. He also explained the dimensions related to each panel and the actual assessment procedures. Although panel members had received assessment tables in advance in order to grade each dimension in Georgia on a scale from A to D, not all of them had taken the time to jot down their scores before the meeting. Participants, therefore, were given time at the beginning of the gathering to do so. In order to provoke lively discussion, the moderator displayed on a screen the four preliminary grades that each panel member had given to the dimensions. The second part of the meeting was dedicated to discussions and debate, aimed at reaching a consensus in assessing each dimension. The panel also discussed possible recommendations for policies, research and reforms. For some of the dimensions, the consensus assessment that the panel eventually differed so much from the opinions of the individual members that the final score had not even appeared in their preliminary assessments.

Interviews with the Public Registry

Georgia has only one institution with the responsibility of registering land and property – the National Agency of Public Registry, which has regional branches. The registration system is fully centralized and well equipped with the electronic capacity to deliver all the available information about registered property from a central office – thus cancelling the need for customers to search for information in regional branches.

Interviews with Court Officials

Though the LGAF investigation in Georgia had the support of the nation's Supreme Court, Georgian law forbids judges to discuss their work. The team's interviews were thus limited to court officials and lawyers with experience in the courts regarding land-related issues.

Coordination

Collecting statistical information from the Government is hard and time-consuming. The unreliability of some of the statistical data is notorious and raises doubts. To keep the Government involved in the project and to ensure easy access to its statistical information, the LGAF team met with Government representatives at the World Bank office in Tbilisi to discuss the project's goals, tasks and implementation methods. Among them were representatives from the Prime Minister's Office, Ministry of Justice - the National Agency of Public Registry, Ministry of Finance, Revenue Service,

Ministry of Economy and Sustainable Development, Ministry of Regional Development and Infrastructure, Ministry of Agriculture and Tbilisi Municipality.

Technical Validation Work Shop

Forty representatives from civil society, NGOs, the private sector and academia attended the LGAF Technical Validation workshop. The guest list also included experts working on the project, panel members and representatives from World Bank headquarters in Washington DC who had traveled to Georgia to participate in the event.

The Country Coordinator opened the meeting with a brief review of the project implementation process, followed by presentations from panel members who described the land governance situation in Georgia according to the LGAF's five thematic areas. They also present the research findings and introduced the general and specific recommendations for improving land governance in Georgia. Active discussions took place after each presentation, generating more comments and ideas.

Policy Dialogue

The LGAF policy dialogue was held at the World Bank office in Tbilisi. Government officials had been invited to the event to join the Country Coordinator and World Bank representatives in a discussion about the LGAF's findings and final recommendations. A total of 13 people took part in the policy dialogue, which described Georgia's impressive progress in improving land governance, revealed the remaining bottlenecks in the current system and discussed how those weak points might be improved in the near future.

The Government officials agreed to policy recommendations and expressed their interest in using the LGAF as a tool for monitoring the performance of Georgia's land sector and to open up a broader dialogue on land issues with the Bank. The workshop's lively discussions demonstrated the benefits of combining an awareness of local conditions and a view from the perspective of the system's users with broader principles to provide the technical detail needed for useful policy recommendations.

Roundtable with Government Representatives

As a follow-up to the LGAF, the Government of Georgia organized a round table involving representatives from the relevant ministries and other institutions with land-related responsibilities to discuss the report and possible initiatives to address the remaining problem areas that the LGAF had revealed. The participants reviewed the report's findings and recommendations – and expressed their support for the study.

The Government also agreed with the LGAF's six recommendations and supported implementing them. In addition, the Minister of Agriculture voiced his own formal commitment for reform to the World Bank and exploring the following recommendations:

- The lack of textual and spatial data on land use currently constrains policy formulation and monitoring. Remedying this problem should not be too costly, and updating the database should be a relatively easy task;
- An overall strategy for promoting agriculture is necessary, which takes an integrated, area-based view, and should rely as much as possible on markets to address land fragmentation. At this stage, however, what is most needed is to elaborate a vision for Georgia’s agricultural land sector;
- Although communal land tenure over village pastures is in line with traditions and enjoys legitimacy among the public, the practice is not legally recognized and is likely to be a source for future conflicts over the rights to agricultural land. “Best practice” experiences in other countries should be investigated.

The Government also expressed its readiness to continue cooperating with the World Bank – along with its anticipation for WB support in implementing these.

SECTION 2

GEORGIA: GENERAL DATA AND INFORMATION

2.1 Geography

Georgia is a small country (76,200 sq. km.) located in Southeast Europe on the coast of the Black Sea, sharing borders with Armenia, Azerbaijan, Russia and Turkey. Considering its size, Georgia's climate is unusually diverse, ranging from humid subtropical in the west to dry, continental in the east. The terrain is largely mountainous with the Great Caucasus Mountains in the north and Lesser Caucasus in the south. Predominantly an agricultural country with a variety of natural resources,



including forests, hydropower and mineral reserves of manganese, iron ore, copper, gold, as well as minor coal and oil deposits, the country's subtropical climate is also suitable for growing tea and citrus.

Georgia's small population (4.4 million) is as diverse as its landscape: 83.8% is ethnic Georgian, 5.7% Armenian, 6.5% Azeri and 1.5% Russian.

2.2 History

Georgia's history dates back more than 2,500 years. Its language is one of the world's oldest, unrelated to any outside the immediate region and with its own distinctive alphabet. The capital city, Tbilisi (pop: 1.5 million), was founded in the Fifth Century.

Georgia was well known in the ancient world (as Colchis) and was where, according to the famous Greek legend, Jason and the Argonauts ended their search for the Golden Fleece. Much of Georgia's early history was linked to the struggle between Rome and Persia. During the country's Roman period, Georgia became the world's second nation to convert to Christianity in 337 AD – 23 years after the Roman Emperor Constantine endorsed Christianity. Today, more than 80% of Georgians practice Eastern Orthodox Christianity – with most of those belonging to the national Georgian Orthodox Church.

Georgia's "Golden Age" was in the 12th and early 13th Centuries, which included a literary renaissance as well as breakthroughs in political organization and tolerance – interrupted by the invasion of the Mongols. After the expulsion of the Mongols, Georgia continued to be disrupted by invasions by Tamerlane, the legendary and ruthless Muslim leader who conquered most of Asia in the late 14th century; in the 16th Century, with Georgia still weak and divided into three kingdoms, the Persian Empire conquered the eastern part of the country, while the Ottoman Empire subjugated the west. At the beginning of the 19th Century, Georgia was incorporated into the Russian Empire.

On May 26, 1918, within seven months after the Russian Revolution, the Georgians established the independent Republic of Georgia whose first president, Noe Zhordania, and a social-democratic Government led the country – until the invasion of the Red Army in March 1921. The following year Georgia became a Soviet Socialist Republic led by a communist government installed by Moscow. During the Soviet period, Georgia was one of the wealthiest and most privileged republics; its Black Sea coast was the most popular holiday destination for the Soviet elite. On April 9, 1991, shortly before the collapse of the Soviet Union, the Supreme Council of the Republic of Georgia declared independence from the U.S.S.R.

Like other former Soviet Republics, Georgia's independence was followed by ethnic and civil conflicts. In 1992, separatists took control of parts of South Ossetia and two years later most of the region of Abkhazia. Georgia began to stabilize in 1995. However, separatist conflicts in Abkhazia and the region of Tskhinvali remain unresolved. In August 2008, periodic outbreaks of tension and violence culminated in a five-day war with Russia, which took over 20% of Georgia's territory.

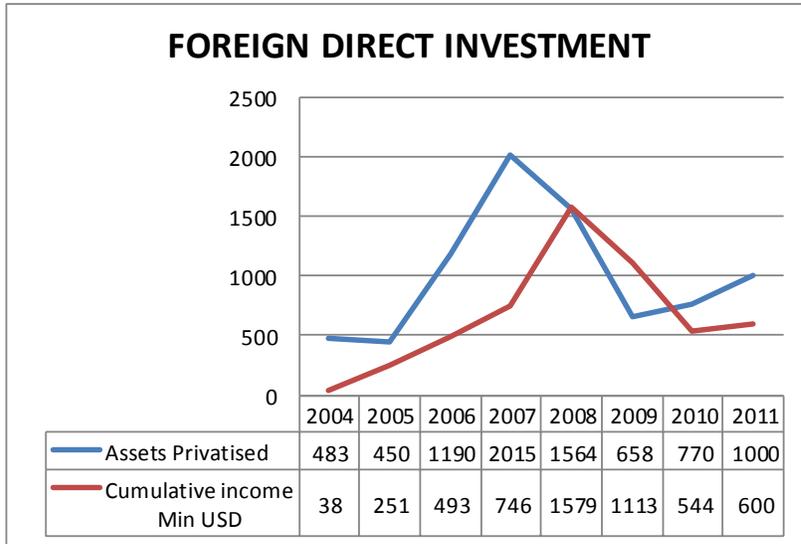
2.3 Economy

After independence, Georgia started a major structural reform designed to establish a free market economy. Like other post-Soviet states, however, Georgia faced severe economic crises, aggravated by the conflicts in South Ossetia and Abkhazia. Between 1990 and 1994, the nation's GDP declined by more than 70%. By 1996, as a result of a sharp fall in agricultural and industrial output, the Georgian economy had shrunk to about a third of its size just seven years before.

The late 1990s saw some signs of economic growth, which were wiped out by the 1998-1999 Russian financial crisis. In the face of widespread corruption, financial mismanagement and an economy that was on the verge of collapse, public hostility increased toward the Government. According to the World Bank, "By 2003 Georgia was nearly a failed state, political power was increasingly fragmented, corruption and crime were rampant, there were massive arrears in pension payments and teachers' salaries, and infrastructure was in a state of near collapse, with most of the country without power and road network increasingly deteriorated."

Public hostility boiled over into the 2003 Rose Revolution. The post-revolutionary Government, chaired by President Mikheil Saakashvili, who was trained as a lawyer in the US and had worked for a New York law firm, promised a program of widespread legal reform – including privatizing state property, stabilizing the economy, reducing regulation and wiping out corruption. His Government has delivered impressively on those promises, having achieved significant improvements in combating corruption, as well as rehabilitating infrastructure tax administration and the business environment that have led to better economic performance. Georgia was soon one of the fastest growing economies in Eastern Europe – with GDP growth in 2007 of 12 %.

Since 2003, Georgia has implemented an impressive array of legal and institutional reforms reflected in pronounced political, social and economic transformations. By all accounts, these reforms have been recognized to be at the roots of Georgia's improved institutional environment, sustained economic growth, augmented human capital and foreign direct investments that have increased multifold. Foreign



investors enjoy equal rights with respect to owning real estate, business, land and other assets. Georgia has no restrictions on foreign investors repatriating their capital, and its business climate has improved exponentially as a result of the post-revolutionary reforms. According to the World Bank/IFC's "Ease of Doing Business" ranking for 2012, Georgia has risen from 112th to 16th in the world since 2003. As a

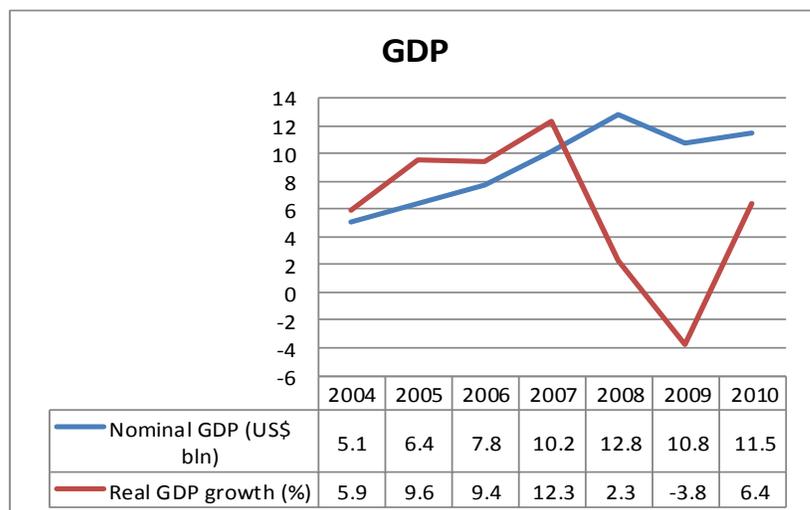
result, Georgia has been the beneficiary of substantial levels of FDI in recent years, which accounted for 20% of GDP in 2007; cumulative FDI between 2004 - 2009 amounted to 59% of GDP.

The program to privatize under-performing state-owned assets is still underway. Since 2003, 4280 state assets have been privatized, earning the Government a total of US\$ 1.6 billion. With all of the main, large-scale state properties already privatized, current privatization efforts are now focused on the remaining medium-sized and small properties. As the result of new simple, straightforward regulations, property as well as business can be registered in one day.

Great strides have been made in improving the nation's infrastructure. Over 33% of Georgia's road network and more than 115 bridges have been repaired or completely rebuilt, and more than 225 kilometers (about 14%) of Georgia's railway network and 20 railway bridges have been repaired or rebuilt. In 2007, the Government financed construction of new international airport terminals in Tbilisi and Batumi; a railway connection is now being built between Georgia and Turkey.

The conflict with Russia in August 2008 quickly followed by the world financial crisis caused substantial damage to the country's infrastructure, while an inflow of displaced persons increased demands on public expenditures. GDP growth slowed in 2008 by 2% and foreign direct investment declined; in 2009 the economy contracted by almost 5%.

Georgia imports nearly all its gas and oil supplies but has a strong hydropower capacity. By renovating hydropower plants



and relying less on natural gas imports from Russia, the country has been able to overcome chronic energy shortages. To take advantage of its strategic location, Georgia has begun developing its role as a transit point for oil, gas and other goods. Central to this strategy are public development projects, such as the Baku-Tbilisi-Ceyhan oil pipeline and the EU initiative for regional transport integration (Transport Corridor Europe Central Asia – TRACECA), along with the commercial development of Georgia’s Black Sea ports.

Despite Georgia’s impressive economic reform efforts, high unemployment still remains a persistent challenge. Although Government figures indicated that the unemployment rate was 16.3 % in 2010, international organizations report Georgian unemployment to be closer to 30%. An accurate estimate of the poverty rate is complicated due to unavailability of annual national poverty data. However, according to 2011 data of Georgia’s Social Service Agency, about 10% of population (136,000 households, totaling 402,660 individuals) is considered “vulnerable” and is receiving a state subsistence allowance. Based on the World Bank’s 2008 Georgia Poverty Assessment Report, 23.6% of the Georgian population is poor, with 9.3% classified as “extremely poor.”

In 2012, Georgia’s nominal GDP amounted to US\$ 11.7 billion, while GDP per capita was US\$ 2,629.

2.4 Land related issues

Land Policy

After the occupation of Georgia by the Red Army in 1921, the Moscow-controlled communist government nationalized all privately owned lands in the country, without paying any compensation to owners. The abolition of private ownership as a human right, of course, was a cornerstone of the communist, totalitarian ideology. With independence from Soviet Union in 1992 and the adoption of a new constitution and civil code, Georgia acknowledged the rule of law and democratic values. At the center of Georgia’s historic transition from a totalitarian legal system to a democracy was the restoration of the absolute right to private property.

The Republic of Georgia’s efforts to privatize property is widely recognized as one of the country’s most important and successful reform efforts – crucial not only to creating a democratic state but also a liberal market economy. Georgia has become a follower of a continental, Romano-Germanic legal system, reflected in the Civil Code by such institutions as the Property Law, which governs the various forms of ownership of real property (land as distinct from personal or movable possessions) and personal property.

One of the significant reform achievements in the civil law system has been the establishment of a notion of property, regardless of who the owner of the property might be. “State property” does not refer to any special right belonging to the state but simply to the fact that the property belongs to the state; state property is subject to civil law – like any other piece of property

According to article 21 of the Georgian Constitution, “The right to inherit and own property is recognized and guaranteed. The abrogation of the universal right of property, its acquisition, transfer, and inheritance

is prohibited.” Property ownership in Georgia is now as an absolute right for every citizen, regardless of race, sex, ethnic group, religious beliefs etc. The Constitution – along with the Civil Code and other regulations – safeguards ownership rights regarding agricultural, non-agricultural (urban) land, communal, state/municipal and religious lands.

The Constitution however, does envision the possibility of restricting the right to property for “public needs” – after proper legal procedures and compensation.

Tenure Typology

Land tenure typology					
	Area/000 ha/Population	Tenure Sub Categories (description of general characteristics)	Legal recognition (reference relevant legislation/regulations)	Registered or recorded (state which institution is responsible)	Comments (including overlap with other rights)
PUBLIC OWNERSHIP/USE	2256,7 ha/2097900	Agriculture	The Law on State Property 21 July, 2010 #3512; Law on Agricultural land ownership 22 March, 1996	Partially registered by NAPR	Land to be privatized by Central Government (Ministry of Economy and Sustainable Development) and Local Government are not defined
	3 749,1/ 2 371 300	Non-Agriculture/Urban	The Law on State Property 21 July, 2010 #3512;	Partially registered by NAPR	Land to be privatized by Central Government (Ministry of Economy and Sustainable Development) and Local Government are not defined
	462,7/462 700	Protected Area	Forest Code, 22 June, 1999 #2124-11	Partially Recorded, NAPR, Ministry of energy, Forest Department	Responsible organization: Legal Entity of Public Law of Ministry of Environment Protection of Georgia Agency of Protected Areas
PRIVATE OWNERSHIP/USE	769,6 ha/ 2 097 900	Agriculture Land	Decree of the Cabinet of Ministers 1992 - #48, #128, #290; Law on Agricultural land ownership 22 March, 1996	Partially Registered by NAPR	

	108 100/ 2 371 300	Nonagricultural/urban	Civil Code of Georgia, June 26, 1997 #786-I; Law on state ownership 21 July, 2010 N3512;	Registered by NAPR	
	824/206 000	Land under leases	Law on leasing agricultural land, June 28, 1996; Civil Code of Georgia, 26 June, 1997 #786-I;	Registered by NAPR	State owned agricultural land with the right of transfer
INDIGENOUS AND NON- INDIGENOUS COMMUNITY TENURE	1796,6 ha/ 2 097 900	Pasture	Civil Code of Georgia, 26 June, 1997 #786-I; The Law on State Property 21 July, 2010 #3512; Law on Agricultural land ownership 22 March, 1996	Unregistered	Community groups use the land however the law does not recognize such ownership and consequently does not protect their rights

SECTION 3

ASSESSMENT OF LAND GOVERNANCE

Legal and Institutional Framework

With the creation of the independent state of Georgia in 1991 came the challenge of creating a modern, inclusive market economy. The new democratically elected Government responded by smashing the cornerstone of Soviet ideology – the prohibition of private property – and replaced it with a bold and liberal approach. During the country’s seven decades as a member of the Soviet Union, Georgians lived in state-owned housing, worked in state factories or toiled on state farms. The state would now give them the legal right to own urban property and agricultural land.

The first stage of privatization took place between 1992 and 1998 with the state distributing state-owned agricultural land in two stages. The first was to distribute land to households in private ownership free of charge. Each household got three to seven separate land parcels; the maximum allotment was 1.25 ha per household (5 ha in mountainous areas). The second stage was to lease out the rest of the state-owned land.

The new Constitution, which was passed in 1995, embraced a legal and institutional framework built on restoring the rights of Georgians to private property. The only restriction in the new Constitution was that foreigners could not own agricultural land. But even that obstacle had a large (and liberal) hole in it: foreigners could set up a legal entity in Georgia that could purchase and own agricultural land.

In 1992, the state transferred apartment buildings into private ownership free of charge – but initially maintained ownership of the land on which the buildings stood. Commercial/industrial buildings were privatized but not the land on which they were located. Then in 1998, the law declaring private ownership on land used by physical and legal entities recognized the ownership of land under private buildings and also required selling state property with the attached land – to ensure the integrity of both the buildings and the land. Land under apartment buildings was demarcated and transferred to private ownership free of charge; equal shares to the land under private buildings were sold to the building owners for a set price. The new owner of the land was required to submit a receipt of payment for it to the Registry and then register the land; owners paid the annual land tax during the first year and double that amount thereafter.

During the second stage of privatization, which began in 2005 and continued to 2011, the state allowed leaseholders to buy the agricultural land that they had been occupying – through a lease purchase contract for a price that equaled ten times the land tax. The purchase price of the land could be paid in installments over a 10-year period; leaseholders that could cover the cost within a month received a 50% reduction in the price. In 2007, Parliament passed a law regulating the management of condominiums and recognizing the tenants’ common ownership of the land under their building. Land under enterprises was sold to private owners for a set price.

In 2004, as part of the Government's institutional reform strategy, the functions of land management (land use planning, monitoring, and alienation of land) and Land Administration (cadaster and registration of rights) were separated. The National Public Registry was created to handle administration, and the management functions went to the Ministry of Environmental Protection and Ministry of Agriculture.

The details of the LGAF team's findings, according to the relevant LGI's, follow:

Recognition and Enforcement of Rights

(Based on LGI 1, LGI 2, LGI 3)

As noted in Section 2, the new Georgian Constitution recognizes ownership as an absolute and ensured right; the nation's laws include no restrictions on ownership according regardless of race, sex, ethnic origin, religious beliefs etc.

Neither illegal "urban settlements" nor squatting on rural territory is a significant problem in Georgia. The same is true for illegal buildings and structural additions. Georgia has not established regulations for group ownership/use regarding rural groups using pastures. Existing legislation does not even consider the sale of pastures used by the rural population as common property that they have a legal right to use. Also significant is the fact that although these rural lands are surveyed by donor-funded projects, they are not registered.

Despite the fact that little of Georgia's agricultural land has been officially registered, the majority of owners do have documents that prove their property rights. And though current legislation does not regulate the use of pastures, the rural population manages them as common property according to their own rules and regulations. It is also important to keep in mind that the National Property Registry is unable to provide information on agricultural land registered before 2006, thus making it impossible to provide a precise number of owners who might have previously registered their land. And while only a fraction of owners of urban land/property have registered their holdings, like owners of agricultural land, they also have documents confirming their ownership.

On July 11, 2007, Georgia enacted a law regulating official recognition of ownership of undisputed land ("Recognition of Ownership Rights to Lands in Legitimate Possession (Use) by Physical Persons and Legal Entities of Private Law"). In cases where owners have no documented proof of their property rights, authorities will accept the owner's oral testimony regarding those rights, a tax statement, or other documents –backed up by a statement from a witness certified by a notary that the owner of the land in question had occupied it before 2007.

A parcel of state owned agricultural or non-agricultural land with or without buildings/structures is considered to be legitimately used if the individual or legal entity's right of possession to the land occurred before July 2007. A parcel of land occupied without permission is also considered legitimate if it had been registered with the Bureau of Technical Inventory.

“Occupied without permission” refers to a number of different situations:

- a parcel of state-owned agricultural or non-agricultural with an existing house on it (finished or demolished) or a supplementary building that has been illegally occupied by an individual prior to January 1, 2007;
- a legitimately occupied land parcel (with or without a building) adjacent to land owned by or in the formal possession (usage) of an individual - with an area that measures less than that same adjacent land parcel;
- an illegally occupied plot of land with a supplementary building on it adjacent to a land parcel owned by or in formal possession (usage) of a legal entity - with an area less than that of the adjacent land parcel, which is not registered by the state at the time when the request is made to legalize its ownership.

After the enactment of the 2007 law in six large cities and districts (Tbilisi, Rustavi, Kutaisi and the districts of Mtskheta, Dusheti and Borjomi), commissions established under local self government (sakrebulo) examined 23,079 applications and made positive decisions for 7862 of them - 34% of the cases. (Commissions rejected 15,217 applications.)

Property Restrictions

(Based on LGI 4)

Current legislation does not place any restrictions on the alienation of land by private owners. There are no limits on the area/size or configuration of the land for sale; nor does the law restrict the buyer in terms of employment or experience in agriculture.

The law divides land into “agricultural” and “non-agricultural.” Any individual or legal entity can own non-agricultural land – regardless of citizenship; only Georgian citizens, however, are eligible to own agricultural land. Nevertheless, according to the Georgian legislation, a legal entity registered in Georgia is also eligible, regardless of the founder’s citizenship.

Before alienating land, the owner does not have to agree to a selling price or rental fee with local government bodies or the owner of an adjacent parcel; nor is the owner required to explore the background of the buyer or renter or the kind of project he/she is planning for the property.

Clearly Defined Institutional Mandate and Practice

(Based on LGI 5)

The institutions in Georgia mandated to administer land are clearly defined: Management of agricultural and non-agricultural land is carried out by the Ministry of Economy and Sustainable Development, its territorial agency or an entity of the executive authority of Abkhazia or Adjara Autonomous Republic acting within the scope of power delegated by the Ministry. The Ministry is also authorized to sign an agreement with any third party eager to initiate the privatization process for state-owned agricultural

land and is willing to prepare a cadastral map, if required. The Georgian Government sets the selling price of agricultural land according to administrative and the territorial units and the category of land.

The local self-government body is responsible for managing non-agricultural land owned by a municipality.

Forest Management

Forests cover approximately 40% of the surface of Georgia, mainly in mountainous areas. The state owns this forest land, which is managed by the national “Forest Fund” – with the following agencies acting on behalf of the state: the Agency of Natural Resources – a “legal entity of public law” (i.e. a public agency that operates as a private business) that is part of the Ministry of Energy and Natural Resources; the Agency of Protected Territories - a legal entity of public law within the Ministry of Environmental Protection; and the agencies responsible for managing the territory of the Autonomous Republics of Abkhazia and Adjara.

Changing Land-use Category

To change agricultural land to the category of “non-agricultural” is carried out by the National Agency of Public Registry (NAPR) - a legal entity of public law in the Ministry of Justice.

Expropriation of Land

Expropriating private land in Georgia is prohibited – except in cases of “emergency public needs.” (“Rule of expropriation of property for emergency public needs”, adopted on November 11, 1997.) The decision to do so is made by: the President of Georgia, a governmental entity with executive authority, a governmental agency of an autonomous republic or a local council where the land is situated.

Expropriation also requires an order of the Ministry of Economy and Sustainable Development or general court on the behalf of a state or local council entity and/or some other legal entity of public or private law that has been assigned the right of expropriation in accordance with this law.

Spatial Planning

Georgian law regarding “Fundamentals of Spatial Planning and Construction Development” regulates the process of spatial planning, specifies the goals and tasks of planning, identifies agencies authorized to participate in such planning and spells out the hierarchy of the planning process and its various types.

The following governmental agencies are authorized for planning and ratification:

- The Ministry of Economy and Sustainable Development is authorized to initiate and conduct spatial and territorial planning throughout Georgia – once the President has approved the planning scheme. In the case of an autonomous republic, special planning schemes are initiated and done by its highest executive body – with the approval of The Ministry of Economy and Sustainable Development;
- In a district or municipality, spatial and territorial planning is initiated by the local government and approved by the local council in agreement with the Ministry of Economy and Sustainable Development;

Regarding settlements, initiating a spatial and territorial planning project is in the hands of the local council's executive, which is also authorized to do the planning – subject to the approval of:

- a) Self-government (Sakrebulo) – regarding any plan involving general land use;
- b) The settlement council's executive – regarding any plan involving the regulation of landscape development.

Issuance of a Building Permit

For the purpose of a issuing a permit and fulfilling its requirements, buildings are divided into five classes:

Class I: Buildings that do not require permission– up to 60 sqm not exceeding 5 m height and 2 m depth in the ground;

Class II: Low risk buildings – from 60 to 300 sqm area, not exceeding 12 m height and 4 m depth;

Class III: Medium risk buildings – from 300 to 6,000 sqm area, not exceeding 22 m height and 4 m depth;

Class IV: High risk buildings – all buildings higher than 22 m with a total area exceeding 6,000 sqm). The local self-government issues building permits for a specific project and is responsible for ensuring that the construction is done accordingly;

Class V: Constructions with an increased risk factor – such as reservoirs, dams, airports, tunnels for metro stations, etc. The Ministry of Economy and Sustainable Development issues the building permits and is legally responsible for ensuring that the project is completed according the plans submitted.

Administration of Land Tax

The Tax Code of Georgia specifies the base rates for property taxes. Agricultural land rates are figured according to administrative and territorial units, quality and types of land, within limits established by the Tax Code; tax rates on non-agricultural land are defined by local government, but also within the limits set by the Tax Code. Local government, however, is entitled to increase the property tax rate on non-

agricultural land within the limits provided in the Tax Code. The Revenue Service of the Ministry of Finance is responsible for collecting property tax fees, which it then turns over to the local government to be included in its own budget.

Registration of Property

Registration is the responsibility of the National Agency of Public Registry (NAPR), a legal entity of public law under the Ministry of Justice.

Participation and Equal Rights in Land Policy

(Based on LGI 6)

Georgian legislation applies the principle of equal rights to land policies; however, neither current legislation nor existing institutions provide for regular control of land policy, which undermines its objectivity. Preliminary public discussions tend to be rare, typically held after an aggrieved party expresses dissatisfaction with a Government decision regarding land use.

While it is generally fair to say that state bodies are funded to implement land policy, such funding is unlikely to take into account the costs associated with collection of land use data and land use monitoring.

The public remains largely uninvolved in land policy implementation, especially in rural territories –even though Georgian farmers and the rural population in general are most affected by such policies.

Land Use Planning, Development and Taxation

During the first decade after independence from the Soviet Union, the main focus of land reform in Georgia was privatizing land, registering it and taxing it. As part of the post-revolutionary reform efforts, the Government turned its attention to developing a planning strategy for land use and construction in urban areas. In 2005, Parliament finally enacted the law entitled “Fundamentals of Spatial Planning and Construction Development,” which regulates the process of spatial planning, specifies its goals and tasks, identifies the agencies authorized to consider issues related to planning, and spells out the types of planning covered by the law and the hierarchy of the planning process.

Master plans for the use and development of urban land exist for three of Georgia’s largest cities (Tbilisi, Batumi, Zugdidi) and for a small mountain resort town (Bakuriani). Zoning maps have also been drawn up for the cities Batumi, Kobuleti, Poti, Kutaisi, Khashuri, Gori and Signagi. So far, however, development has occurred only in Batumi. The rest of the country’s cities and towns still await plans. And while there is a law in place regarding planning and development of rural land, there are no such development projects in the planning stages.

Building permits are relatively easy to obtain through a three stage process set by law: defining the terms for building on the land (15 working days); agreeing on design documents (20 working days); issuing the building permit (10 working days). The second and the third stages can be merged and completed in 20 working days. Since January 2012, the process has been simplified in the capital city of Tbilisi, where applicants can register at the website of the office of the municipality's architect (www.tas.ge), establish a personal online account and then upload the relevant documentation, including architectural designs. Within the same legal time periods, applicants receive the terms of construction and the building permit in their personal online account.

Georgia has a liberal approach for transferring agricultural land to the category of "non-agricultural" – in not associated with land-use planning, practice; if the owner wants the change, NAPR, by law, must grant it: the owner submits a formal request for the change to the Public Registry, which makes it automatically—and free of charge. The only exceptions are six units in the administrative territories of Tbilisi and Batumi, where the fee for changing agricultural land to non-agricultural is 34,001 Gel per hectare; and in the four recreational zones of Bakhmaro, Ureki, Gudauri and Bakuriani, where the fee is 100,000 Gel per hectare. (Current legislation does not address the possibility of changing non-agricultural land to the category of "agricultural.")

The state has taxed land since December 1994, when the head of the government that was in power after a military coup in 1992 and during the Civil War enacted a "land use tax" on agricultural land. The Shevardnadze regime enacted a new Tax Code in 1997, introducing a tax for both non-agricultural as well as agricultural land and for other types of real estate property. In 2004, Parliament abolished the Tax Code of 1997 and introduced a new Tax Code, which was replaced in 2010. Property owners can file electronic declarations regarding their property and automatically receive notice online of taxes owed based on the information that they filed.

According to the current Tax Code, land/property in Georgia is not valued for tax purposes: local self-governments are authorized to set property taxes according to specific zones or districts; the maximum increase in tax fees allowed by the Tax Code is 150%.

Local self-governments, however, cannot exempt any owner from paying taxes. The Tax Code alone defines the list of entities eligible for a tax exemption, which are: agricultural land measured five hectares or more that has been owned by a physical person since before March 1, 2004; land under dwellings and garages located in the territory of municipalities; and other land owners defined by the law. Households and apartment owners are exempt from property taxes if the family's cumulative annual income does not exceed 40,000 Gel (about \$24,000, according to current rates of exchange).

The details of the findings of the LGAF team, according to the relevant LGI's, follow:

Spatial Planning and Land Use Related Restrictions

(Based on LGI 7, LGI 8, LGI 9)

Spatial Planning Instruments

Georgia's law entitled "Fundamentals of Spatial Planning and Construction Development" regulates the process of spatial planning, specifies its goals and tasks, identifies the agencies authorized to consider issues related to planning, and spells out the types of planning covered by the law and the hierarchy of the planning process.

Plans are divided into:

1. Spatial planning; and
2. Urban development.

Documents for spatial planning are divided into:

- Master plans for the country (country level);
- Special plans for Autonomous Republics (regional level);
- Territorial development plans (local level).

The planning documents for developing urban residential areas (city, urban settlement, community, and village) are:

- Land-use master plan (local level);
- Development regulatory plan (local level).

Entities with authority in planning and approval are:

- The primary entity authorized to initiate spatial territorial planning in Georgia is the Ministry of Economy and Sustainable Development, which by law oversees all construction activity throughout the country. The Ministry's planning scheme must be submitted to the Government for the President's approval. In Autonomous Republics, the supreme body of its executive government – in agreement with the Government of Georgia – must submit all planning schemes to the Republic's representative body for its approval.
- For spatial territorial planning in a region (municipality), the entity authorized to initiate and make plans is the local executive body; approval is up to the local government's representative body in agreement with the Ministry of Economy and Sustainable Development.
- In residential areas/settlements, the executive of the self-government initiates the planning scheme, which then must be approved by the self-government's executive body.
 - General land use plans are the responsibility of the local self-government (sakrebulo).
 - Development regulatory plans are up to the self-government's executive body.

According to the Georgian law entitled "Spatial Arrangement and Urban Development Basics" enacted on July 8, 2008, the Minister of Economic Development adopted an order ("Basic Regulations for Using Residential Areas and Regulating the Development") that regulates:

- Residential areas and their development (mainly specifying the zoning conditions in urban development documents by determining general and specific functional zones, principal parameters for regulating development of construction sites on zoning territories, etc.);
- Composition of master plans for land-use and development. (The law gives a rather detailed specification of both types of plans but also the components of the tasks required for executing them);
- Forming, working out, approval, and changing the goals of residential spatial territorial planning documents – and how these processes are publicized;
- Conditions for placing buildings and structures on land plots, determining their maximum heights and encroachment into public spaces.

The same law defines the legal instruments that give each self-governing unit an opportunity to use its exclusive authority to create documents that define important conditions for spatial planning development. The order also defines a municipality's discretion: specific conditions in spatial planning documents are to be determined according to the legislation, thus creating an opportunity to consider local circumstances.

Urban Land Use

Urban development master plans currently exist only in a few cities but will eventually be produced in other cities and settlements.

Information about development/construction of cities is available in the Urbanization and Construction Department of the Ministry of Economy and Sustainable Development of Georgia. Land-use master plans exist for Tbilisi, Georgia's largest city, Batumi, the largest city in the Autonomous Republic of Adjara in the southwest on the Black Sea among the four largest cities in the country, Zugdidi, the largest city in the western region and Bakuriani, a small, year round resort town on the northern slope of the Trialeti Mountains.

In 2004, the Ministry of Economic Development ordered legal zoning maps to be drawn up for the cities of Batumi, Kobuleti, Poti, Kutaisi, Khashuri, Gori and Signagi. Further development, however, has taken place only in Batumi.

Rural Land Use

Even though current Georgian law ("Fundamentals of Spatial Planning and Construction Development" and "Main Provisions for Regulating Use and Development of Settlement Territories – Zoning Rules") provides for the development of the nation's rural land, there are currently no rural land development projects in the planning stages.

Issuing Building Permits

Current law provides for five different permit classes:

Class I: Buildings that do not require permission;

Class II, III and IV: Building permits are issued under the supervision of the local self- government;

Class V: Building permits are issued and supervised by the Ministry of Economy and Sustainable Development.

According to the 57th resolution of the Government of Georgia and requirements of the law entitled “Rule of Issuing a Building Permit and Permit Terms and Conditions,” obtaining a building permit is done in three stages: defining terms for building on the land (15 working days); agreeing on design documents (20 working days); issuing building permit (10 working days). The second and the third stages can be merged and done in 20 working days.

Construction plans In Georgia tend to be more accurate than special planning documents – because of the demands and competitive environment of the construction businesses.

Land taxation

(Based on LGI 10, LGI 11)

Land taxes fall under the category of “local tax,” which owners are obliged to pay to the municipality. Land valuation in Georgia is not for the purpose of taxation. The amount of land tax is defined by a “zoning principle” – the property is taxed according to the zone in which it is located and not according to its market value.

An individual owner pays the tax on his real estate plus other property on the land, such as unfinished buildings and other structures. That individual owner is obliged to submit a property tax declaration to the Tax Department no later than 1 November of the calendar year, listing data about the property to be taxed based on the past year. The amount to be paid is then calculated automatically. All of this is done via the Internet.

According to the information provided by the Revenue Service of the Ministry of Finance of Georgia, total tax collection in 2011 amounted to 6,134,752.5 GEL. The Revenue Service had projected property tax income for the year to be 6,134,752.5 GEL, but actually collected 220,390 GEL. The Revenue Service reported total costs in 2011 of 53,733,280 GEL, including 38,349,031 GEL for salaries and 15,384,249 GEL for “Goods and Services.”

Management of Public Land

During the Soviet era, the state owned all of the nation’s land, and the law prohibited selling any of it. As a result of legal reforms that began privatizing state-owned land in 1992, land ownership in Georgia now takes three forms: state, municipal and private. State land is now sold or leased without any restrictions – except those put on certain categories of land: pastures, livestock trails, historical monuments, protected area, etc. And although foreign investors have an equal right to buy land, the law restricts them from directly buying agricultural land.

Privatization of land is managed by the Ministry of Economy and Sustainable development in the following different ways: a) by auction; b) by direct sale; c) by direct sale through a competitive process. The LGAF investigation regarding the status of land management in Georgia found that the Government has allocated adequate financial and human resources to the organizations involved in managing state-owned land. In the context of its commitment to property as an absolute right, the Georgian Constitution prohibits expropriation – except if there is an “Urgent Public Need” (Article 21). Legislation clearly defines the rules of expropriation – giving the court the final say when a dispute arises. The court’s decision must contain a detailed description of the property to be expropriated and precise instructions about how the owner will be fairly compensated.

The LGAF also revealed that forestry management in Georgia has been much improved. In the past, the State Department of Forestry was no match for corruption and illegal deforestation. Factories processing illegal timber were also commonplace. Today, villagers are free to enter and move around forests without having to pay bribes, enjoying the scenic surroundings for recreation, camping and tourism; though indiscriminate cutting of trees is prohibited, locals are allowed to collect fallen wood for personal use.

As extensive and impressive as Georgia’s progress in land management has been, the LGAF team turned up some serious concerns and inadequacies in the management of public land that are bound to undermine the Government’s goal of creating a vibrant land market, particularly investment in large-scale agricultural land. The over-riding problem in public land management is that “the public” plays virtually no role in the creation or implementation of policies to deal with land issues. In fact, anyone interested in the status of a large piece of agricultural land – its size, quality or category – will be hard-pressed to find any information about that land.

The only source of information about land ownership in Georgia is the National Public Registry. The LGAF research into the nation’s land management efforts, however, revealed that the majority of state-owned agricultural land, including large-scale plots (50 plus hectares), has not been surveyed and registered. Nor has this land been assigned a category (“agricultural” or “non-agricultural”) or use (“arable,” “perennial,” “pasture”). Registration tends to occur only when either the state or a private investor expresses interest in privatizing a piece of land. This lack of easily accessible public information about state-owned land is a major obstacle to creating a vibrant land market in Georgia. Nor is the public guaranteed an opportunity to participate in the implementation of a given land policy. In fact, we found that public hearings occur only when someone affected by a particular policy complains.

The details of the LGAF team’s findings on land management in Georgia, according to the relevant LGI’s, follow:

Identification and management of public land

(Based on LGI 12, LGI 15)

In order to realize the constitutional right of Georgians to own property by giving people state-owned apartments, the Government issued in February 1992 Resolution # 107 entitled “Transfer of apartment

to private ownership free of charge.” Georgian citizens received apartments that they had been renting from the state; however, the area and borders of the land on which these apartment blocks were built were not defined.

Following the adoption of the Civil Code on November 25, 1997, which considered the building and its connected/affiliated land as a single unit of real estate that cannot be sold separately (Article 150 of the Civil Code), the need for transferring non-agricultural land to private ownership has emerged.

According to Georgian legislation, if a physical or legal entity had been lawfully using a parcel of non-agricultural land until November 12, 1998, the land was transferred to their private ownership – for a payment equal to that of the annual land tax; after January 1, 1999, the payment was set as twice the amount of annual land tax.

On July 11, 2007, Parliament issued a new law on “Recognition of tenure rights on land parcels occupied/used by physical persons and private legal entities,” abolishing the previous legislation, and assigned the task of registering land in Georgia to the National Agency for Public Registry (NAPR). The law set the title registration fee according to the formula of the annual property tax multiplied by five.

Demand for privatization of state-owned property, especially non-agricultural land, is still very high; the process is transparent – managed by the Ministry of Economy and Sustainable Development and in Tbilisi by the municipality’s Property Management Agency. On the titles issued by NAPR, under the box marked “owner,” appear two choices, “state ownership or “local government ownership,” thus indicating the authority to which privatizations requests must be sent.

The methods of privatization available are: a) auction (most of the cases) b) direct sale and c) direct sale through competition. Privatization of state-owned agricultural land is managed by the Ministry of Economy and Sustainable Development.

The majority of Georgia’s state-owned agricultural land has neither been surveyed nor registered in the National Public Registry. Registration of state-owned land is done only when either the state or a private investor expresses an interest in privatizing a particular piece of land.

Based on these findings, we can conclude that Georgia’s land management functions are well defined and clearly assigned to different Government entities. We also found that there are adequate financial and human resources allocated to the management of state-owned land. There are no legal restrictions on access to information regarding state-owned land; in practice, however, there is little actual information available due to the simple fact that not all state-owned land has been registered. Our investigations indicated that privatization, whether through public auctions or tenders, is carried out in a transparent way, regardless of who the investor might be. Georgian legislation does not discriminate against foreign investors, treating their rights to purchasing property as equal to those of Georgian citizens.

Land Expropriation

(Based on LGI 13, LGI 14)

Georgian legislation foresees expropriation of property only for “Urgent Public Needs” (Article 21 of the Constitution).

Only the court can make a decision to expropriate property. The court must identify a state body or an entity of a local authority and/or a legal person according to private or public law that will be given the right of expropriation. The court must also include a detailed description of the property to be expropriated plus instructions about the expropriator’s obligation to compensate the owner with a payment equivalent to “the market price” for the property.

If the expropriator and the owner cannot agree on the market price or adequate compensation (either cash or a transfer of another property), each of the parties is entitled to file a case in court. If the court accepts the case, it is authorized by the Civil Code to appoint an independent expert to assess the value of the property and report to the court within a predetermined time on the market price of the expropriated property or another property offered as compensation. Based on that report and the arguments presented by the parties, the court then makes its final assessment of the amount of compensation that the owner should receive.

In practice, the number of expropriation cases in Georgia is relatively small. And even when an expropriation process is initiated, the owner and the state often reach agreement.

During the 2007-2012 Tbilisi-Senaki-Leselidze road construction, the state expropriated 302 plots of land; 31 plots were expropriated during the Vaziani-Telavi-Gombori road construction in 2010-2011; 21 during the Anaklia-Ganmukhuri road construction in 2010; 40 plots were expropriated for the building of the Mestia airport in 2011; and 232 for the Adjara bypass during 2010-2011. For the period of 2007-2012, there was a total of 625 expropriations with compensation.

NGO’s in Georgia have raised concerns about the issue of illegal expropriation, particularly in tourist zones and infrastructure development areas. A coalition of NGO’s recently studied the issue of illegal expropriation of land in the village of Gonio, situated in the Black Sea tourist zone, which had been legalized in 2008 on grounds that the land had “served the traditional use of land.” The basis of the expropriation was that the land was part of a “cultural heritage zone.” The land, however, was taken from the owners without compensating them for it in any way.

Public Provision of Land Information

Like other former Soviet Republics, Georgia’s property registration efforts during the years after independence produced a system that was chaotic and burdensome for consumers and rife with corruption. To register a property, for example, even in 2004, required 39 days and 8 steps – and too many temptations on the part of employees to smooth the way with “additional fees.” By 2006, Georgia was ranked as a “top performer” in registering property by the popular World Bank/IFC “Doing Business” series, and continues to make improvements; “Doing Business 2012” ranked Georgia’s new property registry system number one among the 183 economies surveyed. Such internationally recognized success

is proof that with a proper reform strategy and strong Government commitment, remarkable things can happen even in a short time.

The Georgian success story required a strategic restructuring of Georgia's entire property registry system to make it more efficient, predictable, trustworthy, user-friendly and financially self-sufficient. From 1998-2004, two different agencies were responsible for registering property in Georgia, which caused great confusion among the public: the Bureau of Technical Inventory (BTI) was responsible for surveying and registering apartments and buildings; the State Department of Land Management (SDLM) handled land administration and management, including registering property rights and maintaining the cadaster, privatizing and leasing state owned land, categorizing and compiling land statistics, controlling the use of land and natural resources, and mediating land disputes. Some of these responsibilities were in conflict (e.g. managing land as well as administering it), which led to corruption; while others overlapped with the mandate of different government agencies, such as the Ministry of Agriculture and Ministry of Urbanization. Moreover, the local SDLM offices were accountable to local authorities, which increased the role of political influence regarding ownership protection, land registration.

Procedures were vague and cumbersome; consumers were burdened with too many official (and unofficial) fees; documents flowed through unnecessary chains of control, wasting time and human resources; and SDLM suffered from a constant shortage of state funding. Up to 2004, according to "Doing Business," registration of property in Georgia required 8 procedures, 39 days and cost 2.5% of the value of the property.

After the Rose Revolution, the Government initiated in 2004 legal and institutional reforms along with anticorruption measures to ensure that property rights were easily and fairly registered and that the public had easy access to such information. The Government proceeded to shut down both the BTI and the SDLM, transferring surveying services to the private sector and land management to the Ministry of Environment and Ministry of Agriculture. A unified and independent agency responsible for registering all types of property was then established as a legal entity of public law within the Ministry of Justice – the National Agency of Public Registry (NAPR). SDLM's regional offices were transformed into NAPR registration offices, which were finally free from the influence of the local governments.

NAPR has further improved its services by extending online access to its Civil Registry Database – available also to notaries – which makes double-checking information easier and falsification of documents impossible. The agency has also made itself even more consumer-friendly by engaging a network of "authorized users" in the private sector – banks, real estate agencies, notaries, land surveyors and legal consulting companies – to provide the same services available at the National Public Registry and its regional offices.

By most accounts, Georgia's indisputable success was due to the political will of the Government, which engaged one of Georgia's most experienced land administration professionals to head a team of young surveyors and lawyers specializing in land issues – and gave them a clear mandate to accomplish two main tasks: eliminate queues in registration offices and end corruption. The guiding principle of the new system put into place was "running the registry as a business." The result of all of the ensuing

institutional and legal reforms and improvements in services is a new, simple and politically independent registration system with the ongoing mission of making registering property and finding information about that property easily accessible to consumers: time have been reduced from 39 days in 2004 to one; the number of steps for registration has decreased from 8 to one.

NAPR is now not only a one-stop shop for registering and gaining access to information about property, the Public Registry is also currently 100% self-financed. Before the reforms that began in 2004, the annual budget of the registration institution was US\$ 370,000, which came out of the state budget; two years later, NAPR had earned more than US\$ 6.4 million and was paying the state more than \$250,000 a year in income and other taxes, without raising fees.

The increase in NAPR's income was due mainly to the income from an innovative program that fast-tracked services for an extra fee. Innovations such as on-line access and the role of "authorized users" in the private sector replicating NAPR's services have also increased NAPR's overall efficiency, enabling the agency to reduce its number of employees three times during 2004-2006; salaries have been increased 12 times in the same period.

The details of our assessment of Georgia's new registration system, according to the relevant LGI's, follow:

Reliability of Land Registration

(Based on LGI 16, LGI 17)

According to Article 311 of the Civil Code of Georgia, the public registry is a unique database recognizing and recording rights on property and nonmaterial goods, liens, mortgages/hypothec, and any subsequent amendments to those rights.

The legal entity authorized to carry out the registration of land/immovable property in Georgia – as well as rights to such property and any restrictions on those rights – is the National Agency of Public Registry (NAPR). All land/immovable property in Georgia must be registered in NAPR: public and private agricultural lands, non-agricultural lands, as well as buildings and other structures, apartment blocks, office buildings, factories and other industrial sites.

Procedures for purchasing property are straightforward: there is no requirement, for example, to have an agreement to transfer property certified by a notary; the signatures of the buyer and seller on the property transfer agreement in the presence of a state registrar is considered sufficient to prove its authenticity.

Registration itself is a simple and quick procedure, which, by law, must be completed within four working days. For an extra fee, a "same-day" service is available, which has prevented the practice of unethical employees offering their own version of speedier service for a fee that they pocketed.

Efficiency and Transparency of Land Administration

(Based on LGI 18, LGI 19)

The National Agency of Public Registry (NAPR) has achieved an unusual kind of financial autonomy. By statute, NAPR is formally funded from the state budget. In fact, NAPR covers virtually all of its own costs through income accumulated from its services.

NAPR has extended its network in innovative ways to make its services as publicly accessible and “near the home” as possible: Customers can obtain registration and cadastral services at NAPR regional offices and through the agency’s website that allows people to pay with a bank debit card. And now thanks to Article 3, Paragraph 3 of the “Public Registry” law, NAPR’s services include “authorized users” – commercial banks, real estate agencies, notaries, legal consulting companies, land surveyors and other entities authorized to deliver the same services available at the National Registry and its regional offices. As of this writing, such authorized users – also known as NAPR’s “front offices” - number 500.

To ensure that the Public Registry is as public as possible, the agency makes titles available to anyone who wants one. NAPR is also authorized to issue a copy of any document formed or kept at the registry. Digital versions of these documents have the same legal force as the actual documents (Law of Georgia on “Public Registry,” Article 7).

NAPR has been legally empowered to receive or issue any information and/or document in its automated management system. Accordingly, users can submit applications to NAPR, its regional offices or any of its “front offices,” which, in turn, can issue documents to customers.

From any city or district in Georgia, citizens can access online – at www.reestri.gov.ge - Information on the status of an application, ownership rights registration, delays or reasons for a refusal. NAPR has made searching for information online user-friendly, too: it can be done by personal data, real estate address, cadastral code or registration number. There is no other database available with NAPR’s data. Its database is easily updated, integrating comprehensive legal and cadastral information on land and real estate in general, automatically.

NAPR’s management closely monitors staff conduct and customer relations – backed up by the video cameras installed in all registry offices. In addition, the registry’s offices as well as its front offices are set up in a way that separate customer service from the registration procedures.

Dispute Resolution and Conflict Management

The Rose Revolution of 2003 generated a series of institutional reforms aimed at not only reinforcing Georgia’s fragile democracy but ensuring more transparency in how the nation was governed. In recent years, President Saakashvili, a US-trained lawyer who was involved in both US and European legal reform efforts in Georgia before he got into the power has devoted much effort to modernizing the country’s judicial system, notorious for its corruption. During the Soviet era, judges were appointed by the state, and the notion of “equal justice before the law” took a back seat to the needs and preferences of the

government in power. And while independence in 1991 may have relegated Georgia's Soviet system into the dustbin of history, the same judiciary system remained – with the same incompetent, underpaid and corrupt judges running it.

Since 2005, Georgia has been implementing, step by step, a wide-ranging reform of the judiciary system, which is still underway. The President dismissed all judges, and appointed replacements based on an examination process overseen by the Supreme Council of Justice, a presidential body that offers him advice on judicial issues; the Supreme Council also raised the salaries of judges – as much as 400% for Supreme Court justices and 300% for judges of the lower courts – and increased the budget significantly for court administration and renovating buildings and offices. Internet and IT systems are now in place for tracking and researching cases. But new judges also mean inexperienced judges. (Saakashvili's first appointment of Chief Justice to the Supreme Court was 31 years old.) Dismissed judges have complained that their successors are too politically beholden to the President, giving him too much influence over the court system; and human rights activists have complained about the large backlog of cases.

The President's ultimate goal of an independent judiciary still faces some challenges. The LGAF team's research into the current status of resolving disputes and managing conflicts over land issues in Georgia offers one window into the kinds of obstacles that Georgia's justice system still faces.

The massive titling efforts carried out between 1992 and 1998 led to the unintended consequences of disputes and conflict over land. The state, for example, distributed agricultural land for free –based on documentation and drawings issued by village committees. Unfortunately, those committees were typically staffed by unqualified personnel who drew up equally unqualified maps and other titling documents, which unleashed corrupt practices and property disputes. Registration of land was left up to SDLM offices at the district level. And after the introduction of new UTM geographic coordinate system, the number of disputes increased due to overlapping borders of many land parcels.

Another concern is that those who file an official complaint are not likely to get a speedy decision. The hierarchy of the Georgian judicial system begins at the local area in the form of the "first stage district common court, which is where complaints are first filed. The decision of the first stage court can be appealed to Court of Appeal whose decision, in turn, can be appealed to Court of Cassation (Supreme Court). In recent years, the average time it takes to resolve a case is three months; but some take years. In the period of 2008 to 2011, 10% of all disputes filed in lower courts ended up In the Supreme Court. Worse still, the courts are not easily accessible for most ordinary people, particularly for villagers in remote areas who, in addition to paying court fees, have to travel to the court at considerable personal expense.

Speedier resolution is available through private arbitration where the decision is final and not subject to appeal. But arbitration can take place only with the written consent of all parties to the dispute. Apart from private arbitration and the public court system, there is not alternative way for resolving land disputes. In the country's remote mountainous areas, villagers still resort to traditional methods for settling land disputes, such as bringing the case before a committee of village elders or swearing an oath

on a religious icon to confirm the veracity of a complaint. As acceptable as such solutions might be locally, they are not legally recognized by the state and could be subject to further disputes.

There is still much skepticism in Georgia about the Government's efforts to ensure that justice is equal for all citizens. The LGAF revealed that one area where Georgia could prove its commitment to equal justice is to make it easier for ordinary people at the village level to resolve their land disputes quickly -- outside the court system.

The details of the LGAF team's findings follow:

Access to Dispute Resolution Mechanisms

(Based on LGI 20)

Disputes related to the ownership and/or use of land are handled by the following bodies: 1) general courts; 2) private arbitration, (provided there is a preliminary agreement between the parties to make real estate disputes subject to arbitration); 3) higher administrative body – (if the right of real estate ownership and/or use has originated on the basis of a relevant act issued by an administrative body, then the land title in dispute is appealed to the higher administrative body).

The general courts consider most disputes. According to Article 82 of the Georgian Constitution, judicial power is dependent on and implemented solely by courts, which hear cases in open sessions and make their decision in public. (Closed sessions are allowed but only in special cases envisioned by the law.) Decisions are binding on all public bodies and persons throughout the country. Appeals must be filed before the Court of Appeal (District Court) and the Court of Cassation (Supreme Court). According to the Constitution, no extraordinary or special courts can be established.

A judge is considered independent, subject only to the Constitution and Georgian law. Any outside pressure on judges or interference in their activities with a view to influence court decisions is prohibited and punishable by law. Legal proceedings in the courts are conducted on the basis of the equality of the adversaries.

In 2005, Georgia initiated wide-ranging judicial reforms covering all aspects of how the judiciary is organized and functions. Still underway, this reform process has been implemented step by step – with the ultimate goal of establishing throughout Georgia an independent judiciary system.

The reform effort has introduced a significant internal control mechanism for judicial power – the so-called “consistent principle of instances.” Under this principle, Courts of Appeal and then the Cassation Court (Supreme Court) have the power to overrule the decisions of lower courts, thus providing an important mechanism for disclosing judicial misconduct and fighting against corruption. This mechanism is bound to become even more efficient over the time, as the Supreme Court gradually develops uniform practices and a more experienced grasp of the contours of the many new laws that have been recently enacted. It should be noted that while decisions of the Supreme Court do not have the binding power of precedent, lower courts that make any decision veering from the Supreme Court's position on the matter

will have to produce a strong justification for their position, thus contributing to the development of Supreme Court practice.

Arbitration is authorized to consider private legal disputes over property to help those involved resolve their differences as equals before the law. What is particularly remarkable about the Georgian system of arbitration is that legal entities of physical and private law – not the state or any administrative body – represent both parties of such disputes.

An arbitration review will take place only if all parties in the conflict either have agreed in writing at the outset of their contractual or other legal relationship to submit to arbitration should a dispute arise; or when a dispute arises, they agree in writing to have it arbitrated rather than go to court. Arbitration consists of one or several arbitrators designated by the parties themselves. Any capable person – irrespective of occupation and education – may act as an arbitrator.

The legal decision resulting from arbitration is final and may not be appealed, making arbitration a prompt means of dispute resolution – in contrast to the judiciary system, where appeals to higher courts can drag out the settlement. Nor can any court interfere in a legal process envisioned by the Law of Georgia “On Arbitration,” except in cases where the law specifically allows the court to do so. One other possible way of resolving disputes exists in Georgia: An administrative body is authorized to hold proceedings regarding disputes over acts issued by its subordinate administrative bodies. In such cases, the administrative body will represent the subordinate body whose decision is being appealed. Higher administrative bodies consider issues under a simple and formal administrative procedure. Administrative decisions made may be appealed to higher administrative bodies and eventually to the court.

Efficiency of Dispute Resolution Mechanisms

(Based on LGI 21)

All citizens of Georgia have an unrestricted right to turn to the court when they believe that their rights have been violated. Georgian legislation does not envision any barriers to that right. Cases arise mainly as a result of disputes over the acts of an the administrative body that affect a person’s rights and obligations. The only requirement is that aggrieved parties take their case first to the higher administrative body.

There is no other legal means for resolving an alleged violation of a right. In certain regions of Georgia, mainly mountainous villages, the custom still exists where the local “elder” resolves a given dispute or the conflict is resolved when disputants are required to swear an oath on a religious icon. The downside of such verdicts is that though the community respects the results of such traditional methods for resolving disputes, they are still unofficial and not recognized by the law.

On July 11, 2007, Georgian law regarding “Recognition of Ownership Rights to Lands in Legitimate Possession (Use) by Physical Persons and Legal Entities of Private Law” was adopted, and is the basis for the legalization of long-term undisputed ownership. Big cities and regions (Tbilisi, Rustavi, Kutaisi, Districts of Mtskheta, Dusheti and Borjomi) established commissions that examined 23,079 applications

and recognized the property right in 34% of them (7,862). The commissions rejected 15,217 applications. Many of those applicants took their cases to court, which did not rule in their favor.

The total number of land dispute applications received under the administrative procedure in the first instance court in 2008-2011 was 3104, and the total number of land disputes considered was 2897. The number of those cases relating to titles was 2,616; expropriation cases – 13; heritage disputes -80; land demarcation disputes – 165; Mortgage disputes – 22; right to access disputes - 1. During 2011, the total number of land disputes was 1253. The total number of cases on land disputes currently on file at the first instance court is 207. According to the statistics provided by the general courts, the average period of time for considering existing land disputes in 2008-2011 was three months. There are currently no conflicts registered as unresolved for more than 5 years.

In 2008-2011, the total number of land disputes under the administrative procedure in the Court of Appeal (II instance) was 1,444 cases, or 19%. The total number of land disputes considered during the same period was 1,377, or 15.2% of the total.

In 2008-2011, the total number of land disputes cases under the administrative procedure in the Court of Cassation (Supreme Court) was 453, or 10%. The total number of land disputes during this same period was 406, or 8.5% of the total number of cases that the Supreme Court considered.

Alienation of Large-scale Land

(Based on PLI 1 to PLI 16)

State policy is clearly directed at improving the environment for investment in Georgia – foreign as well as local – with an eye on the potential direct and indirect benefits that such capital might add to the economy. Nevertheless, the number of investments in large-scale agricultural land (50 hectares plus) was low until 2011. One reason why investment has been so weak is that a number of owners of agricultural land have had little incentive to put it into cultivation, which encouraged speculation. Then in 2011, rural land taxes and bid prices were increased, and sales prices were established for land, a change that is likely to reduce speculation of uncultivated land-owners and encourage them to engage in the market.

Changes in the legislation regarding large-scale lands and forests are very frequent. For example, during the LGAF implementation alone, the Government made nine fundamental changes relating to transferring ownership of forest areas. In the case of the acquisition of large-scale land, the decision is left up to the investor and the owner: the Government's responsibility is limited to checking that the deal is in accordance with the law. Government bodies pay attention to the contracts and also determine and document environmental issues for investors.

There is no statistical information available to confirm how much large-scale, government-owned land there is in Georgia. State-owned large-scale lands have not been measured or registered. Nor has the State identified categories of these lands or their quality – the kind of information that is essential for investors to make decision about how much the land is worth to them: whether the land is irrigated or not; whether there are communication systems available or other utilities.

Nor does the law guarantee any public participation in the policy implementation process; in practice, public discussion starts only after someone expresses dissatisfaction with the deal. Land authorities tend to ignore potential objections on the part of the local population and have not done enough to explain the benefits of these investments to local people. Effective tools for mitigating potential disputes and delays in implementing investments, such as campaigns to spread the word about what is happening, to engage the public and make them more aware about land policies under implementation – have been limited during the alienation of large-scale land, taking advantage of an effective tool for mitigating potential disputes and delays in implementing investments. On the more positive side, to ensure that the alienation of large-scale state land is transparent, the Government holds an online auction. The downside of such Internet land auctions is that local villagers are not likely to have easy access to computers or the Internet.

Management of Forest Land

(Based on FGI 1 to FGI 6)

The State Forest Fund covers: a) “Protected Territories”; and b) “State Industrial Forest Fund,” which includes local forests.

According to a sub-legislative normative act in Georgian law, the Government defines the borders of the State Forest Fund based on a proposal to the Government from the Ministry of Environmental Protection identifying the borders of protected territories. During our assessment, the Government amended Georgia’s Forest Code, which changes this rule: As of March 17, 2011, the process of border identification is limited only to protected territories of the State Forest Fund.

The State Forest is divided between forested areas, and deforested areas.

The Agency of Natural Resources – with the agreement of the Ministry of Economy and Sustainable Development – transfers to the private sector the rights to use forest. If the forestland is located in a border zone with different regulations, the Agency needs the additional consent of the Ministry of Internal Affairs to transfer those rights. The Agency of Natural Resources is authorized to transfer the land of the State Forest Fund for agricultural purposes for a period of no longer than 10 years; for non-agricultural purposes the limit is 49 years.

Everyone has the right to use the nation’s forests. Citizens are allowed to enter and move freely around forest areas, unless otherwise specified by Georgian law. (The State Forest Fund, for example, may put restrictions on specific areas.) Citizens are allowed to collect only secondary wood for their personal use (e.g. fallen tree branches for heating); they also have the right to use forest areas for relaxation, tourism and aesthetic enjoyment.

The Agency of Natural Resources carries out State Forest Fund transfers regarding the right of use and the ownership of wood resources via an electronic auction. E-auctions may be initiated by the Government or by anyone interested in buying the right of use of the State Forest Fund. With respect to transferring ownership of wood resources, the Agency of Natural Resources is responsible for initiating the e-auction. (Decree #242 on “Ratification of Regulations for Application of Forest,” Article 46)

SECTION 4

FINDINGS AND RECOMMENDATIONS ACCORDING TO THEMATIC AREAS

Thematic Area 1. Legal and Institutional Framework

Land ownership rights are legally recognized in Georgia for individual and common property - without any restrictions on such rights for Georgian citizens in terms of area, size, or ethnic group; nor does the owner need to be employed in agriculture or even have any experience in farming. Also, there are no restrictions as to the management of lands.

This absence of restrictions on property rights not only makes it possible that an increasing number of Georgians will be able to gain rights to their land but also will encourage the development of a vibrant land market. Crucial to these goals is the proper administration of land, the responsibility for which has been distributed among a number of state institutions as well to the Government, central and local.

Findings

The only restriction in Georgian law to the right of land ownership is that foreign citizens cannot personally own agricultural land. A foreigner, however, is permitted to establish a legal entity of private law in Georgia, which is allowed to own foreign land – thus sidestepping the “restriction.”

Responsibilities related to land administration are clearly defined in the law and split between a number of state agencies to avoid any overlap: the National Agency of Public Registry under the Ministry of Justice, Ministry of Economy and Sustainable Development, Ministry of Energy and Natural Resources, Ministry of Environmental Protection of Georgia and others.

Privatization of state-owned land is done mostly in accordance with the national policy requirements rather than in the interests of local governments and development. The downside of this is that rights regarding the use of community owned land or that of village groups, especially pastures adjacent to villages, are not defined, thus leaving the property rights of villagers unprotected.

It is difficult – indeed practically impossible – to obtain statistical information about land ownership on property registered before 2006 from land/immovable property registration agencies. Organized information about land use is also scarce, which is a major obstacle to designing and implementing a sound agricultural and land policy.

Also, costs related to implementing land policy do not take into account those costs associated with registration of land use and land use monitoring.

The level of agricultural land fragmentation remains high, as a result of the massive and free privatization of land that took place in 1992-1998. The average size of a privatized plot of land was 0.25 hectares, a fact that now hinders the nation's agricultural production.

General recommendations

- It is important that local government bodies participate in the process of land alienation because they are tuned into the needs and requirements of the people in their villages and cities;
- The strategy for land management should be improved; in particular, the agricultural program should include projects aimed at consolidating land, which would also help solve the Georgian economy's vexing problem of widespread land fragmentation;
- Land registration should be improved according to purpose and categories; also essential is defining the state body responsible for monitoring land use and ensuring that land users register their land;
- The status of group/community land should be addressed, and that land, mainly village pastures, should be registered; state land policy in general should ensure effective use of land not through restrictions on land ownership (e.g. for foreign citizens) but through control of land use.

Specific recommendations

- Define rights regarding the use of pastures under state ownership;
- Define specific rights of village populations for using state pastures.

Thematic Area 2. Land Use Planning, Management and Taxation

Planning and development of land use is one of the main instruments for effective implementation of land management. Spatial planning in Georgia is in its infancy; a crucial step for its maturation is to encourage such planning to be result-oriented, which is likely to convince both state officials and land users of the benefits of planning.

The reason that land in Georgia is not even close to the market price is due to how it is assessed – for tax purposes rather than for market value: Territories are divided into zones, which sets the tax rate rather than a fair assessment of each property.

Findings

Due to its early stage of development, Georgia's spatial planning regime (including land use master plans and those regulating construction) has significant gaps. Here follows our assessments/findings of the current system:

Creativity, to be sure, is an important part of the development and implementation of spatial planning projects. But creativity should be placed within strict legal boundaries. There are problems in plans that can cause misunderstandings. Legislation, for example, does not clearly define the legal status of internal roads passing through privately owned properties in areas under commercial development; and special planning documents should be updated regularly, according to specifications in new legislation.

Not all the cadastral data necessary for normal development of the planning process is registered. For example, we have noted in land parcels alienated by the state a lack of cadastral information regarding the presence of public utilities or externalities (e.g. an underground sewage system, telecommunications lines, gas conduits, etc.).

The implementation of spatial plans is very slow, especially in small settlements; one of the main reasons is that legislation related to special planning continues to be improved. With that in mind, implementation efforts could be speeded up by new regulations that would allow authorities to implement parts of the master plans independently (e.g. zoning plan, transport plan etc.) and set minimum requirements for them.

Regarding construction development, one of the main obstacles in this area is the absence of a plan for regulating settlements. Even though there are requirements for studying/surveying the territory adjacent to the land parcel for construction development, it is a temporary solution – and, unfortunately, not up to the task of providing full development.

Two more problems: frequent changes in tax legislation and lack of professionalism among the tax collection personnel. The Tax Code has been amended 137 times; during the process of developing the LGAF alone, there were 15 changes made in the code. Such a high rate of change in the Tax Code makes it difficult for taxpayers to stay up to date on their tax obligations and has undermined the professionalism of the personnel responsible for tax collections. Also complicating matters is the fact that there are 8 zones for determining the property tax fee for non-agricultural land in Tbilisi. Tbilisi's city council defines the payment based on the zone where the land is located. Other cities and districts of Georgia have their own zones, also defined by the municipality. In 2011, a significant increase in the property tax on agricultural land caused dissatisfaction among the village population and for good reason: the total amount of the tax fees that the Revenue Service collected exceeded the personnel costs of collecting them – by almost five times.

The Tax Department holds the available information – transferred from NAPR – regarding those paying land taxes, which is updated annually. It remains difficult for the Tax Department to define its costs related to collecting property taxes, because the agency does not have an administrative unit dedicated solely to tax collection.

Declaring taxable property – both urban and agricultural – is done mainly through the Tax Department's website; the department responds with a bill for the appropriate amount to be paid by a set deadline.

Georgian tax authorities are not authorized to exempt anyone from paying a land/property tax; the exemption process is entirely regulated by the Tax Code.

General recommendations

To improve the system of spatial planning and construction activity, it is necessary to:

- Bring the legislative process in line with the goal of implementing plans legally, speedily and as problem-free as possible;
- Improve training and establishing qualifications for “specialists” working for agencies responsible for land use planning, management and taxation;
- Improve issues related to creating implementing and updating spatial development plans.

To improve the land/immovable property assessment system, it is necessary to:

- Develop further the institute of private assessors and promote the formation of self-regulating organizations for supporting their work;
- Exclude the state from the assessment market, which will encourage a more competitive environment;
- Provide free consultations to tax payers to help them submit their tax declarations via the Internet

Specific recommendations

- To improve and further develop the Code “About Spatial Planning and Construction Activity” will require creating major principles for drafting legislation for spatial planning and construction activity; and clearly defining which parts of the legislation will be carried out at the central level and which will be local;
- Based on the Code “About Spatial Planning and Construction Activity,” normative-technical legislation system enforced by the Government (i.e. zoning rules, construction rules, including the those for issuing a building/construction permit and for mechanical systems etc.) must be much more specific and establish minimum necessary conditions for spatial planning and construction activities;
- In addition to the legislation regulating spatial planning for all of Georgia, there is also a need for a normative-technical legislation system at the local self-government levels, within the conditions defined in the Code “About Spatial Planning and Construction Activity” and government resolutions;
- Another gap to be filled: Forming a regional spatial development service/agency and/or one that unites several municipalities;
- It is important to clarify in Georgia’s organic law regarding “Local Self-government” precisely what the exclusive authority of self-government is in the spatial planning sphere;
- To address the lack of spatial planning specialists, it is important to develop a teaching/training system; organize special events aimed at training existing specialists in the new legal environment; and training/retraining architects interested in becoming spatial planning specialists;

- Since urban planning has yet to occur in small and medium cities, it is important that one or two medium-sized or small cities be selected for urban development – as a pilot project;
- Since there is no rural planning taking place in Georgia, it is important that several rural territories of different regions be selected as pilot projects;
- To satisfy Georgia’s need for social housing, a study should be launched to diagnose exactly what it will take to accomplish that goal and identify the steps for moving forward.

Thematic Area 3. Management of Public Land

Georgian legislation clearly defines issues of management and competencies regarding state land. The use of information technologies is already quite well developed: E-auctions for selling all state lands are already being conducted, thus ensuring the transparency of the process.

It should also be noted that the Georgian legislation gives the President of Georgia the right to alienate land/immovable property, though such sales currently represent only a fraction of the all the property sold by the state.

State policy has been aimed directly at improving the climate for investment – for both local and foreign capital - banking on direct and indirect benefits to the public. Nevertheless, historically investments have been scant in large-scale agricultural land (50 plus acres) due to a lack of incentive among owners to sell. There is now evidence, however, that investment interest has picked up in the past few years.

According to Article 21 of the Georgian Constitution, the state is allowed to expropriate private property for “an urgent public need” (e.g. for road, highway, power plant construction). Expropriation of land on behalf of private interests is prohibited.

Georgian forests and their resources have been treated as significant variables in the Government’s socio-economic and ecological strategies. The Government has proposed plans for preservation and restoration of forests and strengthening such efforts is important to the future of the nation’s forest areas.

Findings

No statistical information is available specifying how much land is under state ownership. Registration of ownership of state land in the National Public Registry typically occurs only when either the state or a private investor expresses interest in buying or selling it.

Public involvement in implementation of land policy is not guaranteed. Typically, public discussions tend to be held only after an aggrieved party expresses dissatisfaction.

The good news is that Georgia's land management has embraced transparency: alienation of state land, for example, takes place through an online auction. Authorities must now remedy the obstacles to Internet accessibility faced by many customers, especially the local/village population.

Another plus is that land expropriation can take place only for "urgent public needs" and now occurs in a timely manner. Some NGOs, however, have pointed to cases of illegal expropriation, mainly in tourist zones.

In 2010, the State increased both the initial selling price and tax for non-agricultural land, which should discourage land speculation, while encouraging owners to engage in the land market.

On the minus side, Georgia's national forestry policy remains weak, as is its strategy for operating and developing forest areas. As a result of structural and staff changes carried out at the Government level in the area of forest management, progress in designing reforms and new policies has been postponed several times – or the direction of forestry operations was radically changed. For example, forest area and forest management functions of the Ministry of Natural Resources and Environment were transferred to the Ministry of Energy and Natural Resources. The Ministry of Environment has maintained only the management functions of National Parks and Protected areas. The state has initiated privatization of local forests (formerly owned by collective farms) with the starting price of 200 Gel per ha. Public participation in the decision-making process, particularly among the local population, remains low.

The expert consensus is that registration and administration of forests should be conducted once every ten years; yet most of the land in the State Forest Fund has not been attended to since 1990. As a result, the state does not have information about the overall condition of the Forest Fund, which represents more than 40% of the country's territory.

General recommendations

- Legislation should define the investment environment and other conditions in a consolidated and clear way. It is also important that investors are aware of the conditions and responsibilities during alienation of any piece of large-scale land;
- Land use registration and monitoring should be done with the goal in mind of answering such questions as: What is a general situation regarding land use in the country? What undesired changes can be expected? What measures will block them?
- It is important that legislation protects agricultural lands from further fragmentation;
- Ways should be explored to encourage more cooperation between local government bodies and state agencies in charge of land management;
- Surveying all state land and registering it the Public Registry is essential;
- Management of state-owned agricultural land must include a concerted effort to inform local village populations about the process, and acquaint them with the benefits of modern land management strategies;

- In addition to announcements made in the mass media regarding land alienation, local government and self-government offices should also mount publicity campaigns;
- Forest inventory and functional zoning should be carried out – to provide a basis for developing plans for managing forestland;
- A privatization strategy for Georgia’s vast forestland needs to be developed. The law should introduce different forms of ownership over forest resources. Special attention must also be paid to separating local (community) forests from state forests.

Specific recommendations

- Survey large scale state lands and register them, not only identifying their borders but also their category, qualities and other information useful to investors and planners ;
- Register pastures and forest lands that will be separated into various kinds of protected territories (state reserve, national park, restricted territory, natural monument, protected landscape);
- Encourage the participation of the local public in the process of the alienation of large-scale land, informing them what is happening and explaining the potential benefits for their communities; such transparency is also likely to facilitate investment and avoid subsequent disputes over ownership;
- Address the social and environmental issues problems faced by the local population during the process of alienating large-scale land;
- Ensure that cattle runways are surveyed and registered in the Public Registry so that they will be factored into infrastructure projects;
- Agricultural land owners should not have to transfer their property into non-agricultural land if
- Activities related to forest management, such as forest protection, restoration and fire prevention measures should be adequately financed

Thematic Area 4. Public Provision of Land Information

Georgian law as well as practice ensures that information about land/immovable property is publicly available, which provides an opportunity to establish different kinds of legal ownership: private, state, common, municipal, community ownership. The state should take advantage of information technologies to make land information easily accessible to the public.

In terms of its institutional and administrative set-up, Georgia’s registration system for immovable property is recognized as one of the best in the world. The National Agency of Public Registry has financial autonomy: While formally funded from the state budget, NAPR, in practice, operates like a private business and covers its own costs through income from its fees. Currently, NAPR reliably registers most of the nation’s land parcels as well as pledges, mortgages and other land-related information. All that information is easily accessible to anyone interested in it – within a day.

Findings

Property rights registered in Tbilisi before 2006 – and in some other districts before 2009 – were registered in the old system, and access to that information is still a problem, which, in turn causes a number of difficulties and snags in the system. Only a fraction of privatized agricultural land, for example, has been registered in the new coordinates system; and owners of an already registered parcel eager for a mortgage or to alienate their land are required to have additional surveys in a new coordinate system.

Another difficulty is that NAPR does not produce the kind of statistical information that would be useful either for developing a vibrant market or for elaborating a comprehensive land policy.

On the plus side, NAPR has in place standards for publicizing the information it does have, and the registry ensures that these standards are fulfilled. Restrictions and obligations are properly and reliably listed and easily available to any interested person.

General recommendations

- Land parcels registered before 2006 in the old system should be entered into the current NAPR database in a new system of coordinates; it would, however, be unfair to charge owners for doing this, since they already paid to register their ownership before 2006;
- Legislation should be improved to make registration procedures as clear as possible so that they can act as an every-present guide for the registration staff and thus help NAPR achieve uniform service throughout the country;
- Proper manuals should also be developed for NAPR staff; and a serious effort should be made to raise the qualifications for registry employees.
- A registry of addresses should be organized. It is sometimes difficult to enforce contracts and execute collateral due to the lack of apartment numbers.

Specific recommendations

To facilitate the development of a market for agricultural land and reduce the level of fragmentation, NAPR should abolish the initial registration fee for agricultural land, and reduce the secondary registration fee.

- NAPR should produce statistical information on land and immovable property in a form that would allow authorities to implement the best possible land policies;
- Customers should not have to request documentation from the archives of the Technical Bureau of Inventory, whose archives are now part of National Public Registry; NAPR should obtain such information for those interested (and thus become a “one stop shop” for all registration information).

Thematic Area 5. Dispute Resolution and Conflict Management

Disputes related to the ownership and/or use of land in Georgia are heard by general courts and private arbitration; if the right to ownership and/or use under dispute has originated as a result of a decision issued by an administrative body, then it must be appealed to the next higher administrative body.

The general courts consider most disputes. Judicial acts are binding upon all public bodies and persons throughout the country. Verdicts can be appealed to the Court of Appeal (District Court) and the Court of Cassation (Supreme Court).

Arbitration may take place only by written agreement of all parties to the dispute. The parties agree to submit to arbitration all or some of the disputes that might arise as a result of their contractual or other legal relationships. An administrative body holds hearings when a dispute arises over decisions by one of its subordinate bodies. It should be noted here that one of the parties of the dispute is actually represented by the very administrative body whose action is being appealed. Higher administrative bodies hear disputes under a simple and formal procedure. Decisions made by the administrative body can be appealed to a higher administrative body and eventually to the court.

Findings

Any citizen of Georgia who believes that his/her rights have been violated has an unrestricted right to apply to the court for restoration of those rights. Georgian legislation does not envision any barriers to this recourse to the courts - except for the requirement that in cases of disputes over any administrative decision involving concrete physical persons/individual, the aggrieved parties must first take their appeals to the higher administrative body before turning to the court. The law envisions courts solving most cases within two months.

There are no other means for resolving land-related disputes in Georgia. In certain regions, mainly mountainous villages, people take their conflicts to the local "elder" or resolve them by swearing an oath on an icon. Though people respect the verdicts from such traditional methods of solving disputes, they are still unofficial and not recognized by law.

The justice system is theoretically accessible to all citizens at the district level. In practice, however, districts in Georgia unite tens of villages, which are quite far from the district center where the courts are located. The result is additional costs for the village population to get to court; not surprisingly, villagers who believe their rights have been violated are thus less likely to take their cases to courts, preferring to try to resolve their disputes locally. Such cases often drag on for years and too often yield no results.

And thus the legal provision that courts will be able to solve simple cases within two months does not happen in practice.

General recommendations

Neighborhood disputes over borders and parcels of land in the Public Registry should be considered by NAPR's Cadastral Service whose decision should be final. For quick and effective resolutions of land disputes at the local level, it would be expedient to concede authority to a village trustee for certifying agreements between village residents over boundaries. Such locally certified agreements could also become the basis for registration of land parcels in the respective territorial registration branches of the Public Registry.

We would also recommend lowering the court fee for settling neighborhood disputes so that villagers who believe that their rights have been violated will be less likely to try to resolve the problem through other options not backed up by the force of the law.

To ensure effective and quick consideration of disputes in the court system, the judicial system must increase the number of judges

Specific recommendations

Conflicts/disputes related to land issues should be presided over by judges specialized in this field.

To deal with disputes in villages where there is no notary office, the law on "Notary in Georgia" should be amended to cede the authority for certifying agreements to land disputes to a village "trustee" – and provide training for that position.

ANNEXES

Annex 1. LGAF Georgia - Policy Matrix

	Policy issues	Proposed action	Monitoring indicator
1	Expensive re-surveys are required to register or transact land that has been registered before 2006, increasing transaction in land rental markets...	Create low-cost procedure to use exiting maps as index maps.	% increase of land registration, leases and land transfers.
2	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.	-Cost-benefit analysis -Legal drafting of fee reduction/elimination for first registration.	% increase of land transactions
3	Lack of textual and spatial data on land rights and use constrains policy formulation and monitoring.	Identify a responsible agency. Prepare design study.	Design study Rural reports
4	Gender disaggregated data on land ownership and transfers not available	Add necessary fields to registration software	Regular reports
5	Strategy for agricultural promotion to take an integrated area-based view, relying on markets to address fragmentation as much as possible.	Design rural development program including market-based land consolidation.	Increasing long term investment in agriculture- N° of parcels consolidated

6	National spatial data infrastructure to underpin land policy and use decisions. Public awareness and participation assure gathering the comprehensive information on current land conditions, availability and potential use of resources, etc. which increase the value of information and legitimizes policy decisions.	-Initiate pilot projects in spatial planning including urban and rural areas; -Elaboration of required legislative changes for development of spatial planning	Spatial planning instruments developed % of jurisdictions applying land use planning instruments
7	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	-Study implications of recognizing and registering community access to pastures.	Recommendations for a legal proposal to fit different situations in the country produced
8	Lack of awareness of rules for land privatization,; limited coordination with local governments slows process, creates conflict and by undermining sustainability of investments may deter investors.	Establish procedures and cut-offs, create awareness, coordination mechanisms with local governments in land privatization	Procedure in place and in use
9	Although property tax collection is effective, valuation is exclusively carried out by the public sector, creating possible conflict of interest	Elaborate valuation guidelines and promote private valuers.	N° of private valuers participating
10	Current area-based valuation system subject to inequities and limits potential land tax revenue	-Study of options for ad-valorem property tax in urban and sub-urban areas	% of areas using ad valorem property tax
11	Lack of address system compromises enforcement of contracts and execution of collateral.	Study options to improve address system and include this in land data bases	N° of properties included in new address system and data bases

12	Information residing in the public registry (such as documents archived in the Technical Bureau) should not be requested to the registry users.	Mechanism for inter-institutional coordination & regulatory amendment if needed	Cost & time of registration
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Annex 2. Recommendations for statistic reports

THEMATIC AREA 1. LEGAL AND INSTITUTIONAL FRAMEWORK

LGI	Dim.	DIMENSION DESCRIPTION	REQUIRED DATA
2	I	The boundaries of communal land are surveyed/ mapped and rights are	% area communal lands surveyed
2	ii	Individually held properties in rural areas are formally registered.	% registered rural individual property
2	iii	Individually held properties in urban areas are formally registered.	% registered urban individual property. .
2	iv	Women’s rights are recognized in practice by the formal	% land registered to women
2	vi	There is compensation for loss of rights due to land use changes.	Matrix: types of land use changes
3	vi	There is an efficient and transparent process to formalize possession	Matrix: types of formalization process

THEMATIC AREA 2. LAND USE PLANNING, MANAGEMENT, AND TAXATION

LGI	Dim.	DIMENSION DESCRIPTION	REQUIRED DATA
7	iv	Actual land use changes to the assigned land use in a timely manner.	% of land which use was changed by legal process and was implemented
8	iv	Residential plot sizes are adhered to in urban areas.	% of plots adhering to mandated size
9	I	Applications for building permits for residential dwellings are affordable and	Number of days needed
11	ii	Property holders liable to pay property tax are listed on the tax roll.	% of property holders listed in payrolls

THEMATIC AREA 3. MANAGEMENT OF PUBLIC LAND

LGI	Dim.	DIMENSION DESCRIPTION	REQUIRED DATA
12	ii	There is a complete recording of publicly held land.	% of public land recorded
13	i	There is minimal transfer of expropriated land to private interests.	% of expropriated land that has been given for private interest
13	ii	Expropriated land is transferred to destined use in a timely manner.	% of expropriated land where destined use implemented
14	i	Compensation is paid for the expropriation of registered property.	Matrix: differentiates urban / rural land and analyzes fairness, timeliness of compensation
14	ii	Compensation is paid for the expropriation of all rights.	Matrix: idem LGI 14 i) but for all rights
14	iii	Expropriated owners are compensated promptly.	% expropriated owners receiving compensation within one year
14	v	Timely decisions are made regarding complaints about expropriation.	% cases presented last 3 years that were solved
15	i	Public land transactions are conducted in an open transparent manner.	% of public land disposed through open tender
15	ii	Payments for public leases are collected.	% of agreed payments effectively collected

THEMATIC AREA 4. PUBLIC PROVISION OF LAND INFORMATION

LGI	Dim.	DIMENSION DESCRIPTION	REQUIRED DATA
16	i	The mapping or charting of registry records is complete.	% of records in cadastral maps
17	ii	Registry/cadaster information is up-to-date.	% of registry / cadaster parcels info which is up to date
18	i	The cost of registering a property transfer is low.	breakdown of all transfer costs (registry fees and other costs)

18	ii	The registry is financially sustainable through fee collection.	% of registration fees in relation of operating costs
18	iii	There is sufficient capital investment in the system.	List capital expenditure and other expenditures, list capital investment needed for sustainability

THEMATIC AREA 5. DISPUTE RESOLUTION AND CONFLICT MANAGEMENT

LGI	Dim.	DIMENSION DESCRIPTION	DATA REQUIRED
20	ii	Decisions made by informal or community based dispute resolution	
21	i	Land disputes constitute a small proportion of cases in the formal legal	% of existing land disputes + Matrix types of disputes and time to resolve
21	ii	Conflicts in the formal system are resolved in a timely manner.	% of land disputes solved in first instance within a year
21	iii	There are few long-standing land conflicts (> 5 years).	% of long standing conflicts

THEMATIC AREA 6. Module on Large-Scale Acquisitions of Land Rights

LSLA	DIMENSION DESCRIPTION	DATA REQUIRED
1	Most forest land is mapped and rights are registered	% of forest land demarcated and surveyed registered
2	Land acquisition generates few conflicts and these are addressed	Number (%) of conflicts
5	Incentives for investors are clear, transparent and consistent	Clear policies and legislation to encourage investment

Annex 3. Scoring table

1. Legal and Institutional Framework

LGI 1, Dimension i	Assessment
Rural land tenure rights are legally recognized.	A. Existing legal framework recognizes rights held by more than 90% of the rural population, either through customary or statutory tenure regimes.
	B. Existing legal framework recognizes rights held by 70% - 90% of the rural population, either through customary or statutory tenure regimes.
	C. Existing legal framework recognizes rights held by 50% -70% of the rural population, either through customary or statutory tenure regimes.
	D. Existing legal framework recognizes rights held by less than 50% of the rural population, either through customary or statutory tenure regimes.
LGI 1, Dimension ii	Assessment
Urban land tenure rights are legally recognized.	A. Existing legal framework recognizes rights held by more than 90% of the urban population, either through customary or statutory tenure regimes.
	B. Existing legal framework recognizes rights held by 70% - 90% of the urban population, either through customary or statutory tenure regimes.
	C. Existing legal framework recognizes rights held by 50% -70% of the urban population, either through customary or statutory tenure regimes.
	D. Existing legal framework recognizes rights held by less than 50% of the urban population, either through customary or statutory tenure regimes.

regimes.

LGI 1, Dimension iii	Assessment
Rural group rights are formally recognized.	<ul style="list-style-type: none"> A. The tenure of most groups in rural areas is formally recognized and clear regulations exist regarding groups’ internal organization and legal representation. B. The tenure of most groups in rural areas is formally recognized but ways for them to gain legal representation or organize themselves are not regulated. C. The tenure of most groups in rural areas is not formally recognized but groups can gain legal representation under other laws (e.g. corporate law). <li style="background-color: #d9e1f2;">D. The tenure of most groups in rural areas is not formally recognized.
LGI 1, Dimension iv	Assessment
Urban group rights are recognized in informal areas.	<ul style="list-style-type: none"> A. Group tenure in informal urban areas is formally recognized and clear regulations exist regarding the internal organization and legal representation of groups. B. Group tenure in informal urban areas is formally recognized but ways for them to gain legal representation or organize themselves are not regulated. C. Group tenure in informal urban areas is not formally recognized but groups can gain legal representation under other laws. D. Group tenure in informal urban areas is not formally recognized.
<i>The indicator 1.iv. was not evaluated by the panel members.</i>	
LGI 1, Dimension v	Assessment
If desirable, opportunities for tenure	<ul style="list-style-type: none"> A. If desirable, the law provides opportunities for those holding land uncustomary, group, or collective tenure to fully or partially individualize land ownership/use. Procedures for doing so are

<p>individualization exist and are accessible.</p>	<p>affordable, clearly specified, safeguarded, and followed in practice.</p> <p>B. If desirable, the law provides opportunities for those holding land under customary, group, or collective tenures to fully or partially individualize land ownership/use. Procedures to do so are affordable and include basic safeguards against abuse but are not always followed in practice and are often applied in a discretionary manner.</p> <p>C. If desirable, the law provides opportunities for those holding land under customary, group, or collective tenures to fully or partially individualize land ownership/use. Procedures are not affordable or clear, leading to widespread discretion or failure to apply even for cases where those affected desire to do so.</p> <p>D. Although desirable, the law provides no opportunities for those holding land under customary, group, or collective tenures to fully or partially individualize land ownership/use.</p>
<p>LGI 2, Dimension i</p>	<p>Assessment</p>
<p>Most communal or indigenous land is mapped and rights are registered¹</p>	<p>A. More than 70% of the area under communal or indigenous land has boundaries demarcated and surveyed and associated claims registered.</p> <p>B. 40-70% of the area under communal or indigenous land has boundaries demarcated and surveyed and associated claims registered.</p> <p>C. 10-40% of the area under communal or indigenous land has boundaries demarcated and surveyed and associated claims registered.</p> <p>D. Less than 10% of the area under communal or indigenous land has boundaries demarcated and surveyed and associated claims registered.</p>
<p>LGI 2, Dimension ii</p>	<p>Assessment</p>
<p>Individually held properties in rural</p>	<p>A. More than 90% of individual properties in rural areas are formally registered².</p>

<p>areas are formally registered.</p>	<ul style="list-style-type: none"> B. Between 70% and 90% of individual properties in rural areas are formally registered. C. Between 50% and 70% of individual properties in rural areas are formally registered. D. Less than 50% of individual properties in rural areas are formally registered.
LGI 2, Dimension iii	Assessment
<p>Individually held properties in urban areas are formally registered.</p>	<ul style="list-style-type: none"> A. More than 90% of individual properties in urban areas are formally registered³. B. Between 70% and 90% of individual properties in urban areas are formally registered. C. Between 50% and 70% of individual properties in urban areas are formally registered. D. Less than 50% of individual properties in urban areas are formally registered.
LGI 2, Dimension iv	Assessment
<p>Women’s rights⁴ are recognized in practice by the formal system (in both urban and rural areas).</p>	<ul style="list-style-type: none"> A. More than 45% of land registered to physical persons is registered in the name of women either individually or jointly. B. Between 35% and 45% of land registered to physical persons is registered in the name of women either individually or jointly. C. Between 15% and 35% of land registered to physical persons is registered in the name of women either individually or jointly. D. Less than 15% of land registered to physical persons is registered in the name of women either individually or jointly.
LGI 2, Dimension v	Assessment

<p>A condominium regime provides for appropriate management of common property.</p>	<p>A. Common property under condominiums is recognized and there are clear provisions in the law to establish arrangements for the management and maintenance of this common property.</p> <p>B. Common property under condominiums is recognized but the law does not have clear provisions to establish arrangements for the management and maintenance of this common property.</p> <p>C. Common property under condominiums has some recognition but there are no provisions in the law to establish arrangements for the management and maintenance of this common property.</p> <p>D. Common property under condominiums is not recognized.</p>
<p>LGI 2, Dimension vi</p>	<p>Assessment</p>
<p>There is compensation for loss of rights due to land use changes.</p>	<p>A. Where people lose rights as a result of land use change outside the expropriation process, compensation in cash or in kind is paid such that these people have comparable assets and can continue to maintain prior social and economic status.</p> <p>B. Where people lose rights as a result of land use change outside the expropriation process, compensation in cash or in kind is paid such that these people have comparable assets but cannot continue to maintain prior social and economic status.</p> <p>C. Where people lose rights as a result of land use change outside the expropriation process, compensation in cash or in kind is paid such that these people do not have comparable assets and cannot continue to maintain prior social and economic status.</p> <p>D. Where people lose rights as a result of land use change outside the expropriation process, compensation is not paid.</p>
<p>LGI 3, Dimension i</p>	<p>Assessment</p>
<p>Non-documentary forms of evidence for recognition of</p>	<p>A. Non-documentary forms of evidence are used alone to obtain full recognition of claims to property when other forms of evidence are not available.</p>

<p>property claims are acceptable.</p>	<p>B. Non-documentary forms of evidence are used to obtain recognition of a claim to property along with other documents (e.g. tax receipts or informal purchase notes) when other forms of evidence are not available. They have about the same strength as the provided documents.</p> <p>C. Non-documentary forms of evidence are used to obtain recognition of a claim to property along with other documents (e.g. tax receipts or informal purchase notes) when other forms of evidence are not available. They have less strength than the provided documents.</p> <p>D. Non-documentary forms of evidence are almost never used to obtain recognition of claims to property.</p>
<p>LGI 3, Dimension ii</p>	<p>Assessment</p>
<p>There is formal recognition of long-term, unchallenged possession.</p>	<p>A. Legislation exists to formally recognize long-term, unchallenged possession and this applies to both public and private land although different rules may apply.</p> <p>B. Legislation exists to formally recognize long-term, unchallenged possession but applies only to one specific type of land (e.g. either public land or private land).</p> <p>C. Legislation exists to formally recognize long-term, unchallenged possession but due to the way this legislation is implemented, formal recognition is granted to very few or no applicants for recognition on either public or private land.</p> <p>D. Legislation to formally recognize long-term, unchallenged possession does not exist.</p>
<p>LGI 3, Dimension iii</p>	<p>Assessment</p>
<p>First-time registration on demand is not restricted by inability to pay the formal fees.</p>	<p>A. The costs for first time sporadic registration for a typical urban property do not exceed 0.5% of the property value.</p> <p>B. The costs for first time sporadic registration for a typical urban property do not exceed 2% of the property value.</p>

	<p>C. The costs for first time sporadic registration for a typical urban property do not exceed 5% of the property value.</p> <p>D. The costs for first time sporadic registration for a typical urban property exceed 5% of the property value.</p>
LGI 3, Dimension iv	Assessment
First-time registration does not entail significant informal fees.	<p>A. There are no informal fees that need to be paid to effect first registration.</p> <p>B. There are informal fees that need to be paid to effect first registration, but the level of informal fees is significantly less than the formal fees.</p> <p>C. There are informal fees that need to be paid to effect first registration and the level of informal fees is about the same as the formal fees.</p> <p>D. There are informal fees that need to be paid to effect first registration and the level of informal fees is significantly higher than the formal fees.</p>
LGI 3, Dimension v	Assessment
Formalization of urban residential housing is feasible and affordable.	<p>A. The requirements for formalizing housing in urban areas are clear, straight- forward, affordable and implemented consistently in a transparent manner.</p> <p>B. The requirements for formalizing housing in urban areas are clear, straight-</p> <p>C. Forward, and affordable but are not implemented consistently in a transparent manner.</p> <p>D. The requirements for formalizing housing in urban areas are not clear, straight-forward, or affordable but many applicants from informal areas are managing to satisfy the requirements.</p> <p>E. The requirements for formalizing housing in urban areas are such that formalization is deemed very difficult.</p>

LGI 3, Dimension vi	Assessment
<p>There is an efficient and transparent process to formalize possession.</p>	<p>A. There is a clear, practical process for the formal recognition of possession and this process is implemented effectively, consistently and transparently.</p> <p>B. There is a clear, practical process for the formal recognition of possession but this process is not implemented effectively, consistently or transparently.</p> <p>C. The process for the formal recognition of possession is not clear and is not implemented effectively, consistently or transparently.</p> <p>D. There is no process for formal recognition of possession.</p>
LGI 4, Dimension i	Assessment
<p>Restrictions regarding urban land use, ownership and transferability are justified.</p>	<p>A. There are a series of regulations that are for the most part justified on the basis of overall public interest and that are enforced.</p> <p>B. There are a series of regulations that are for the most part justified on the basis of overall public interest but that are not enforced.</p> <p>C. There are a series of regulations that are generally not justified on the basis of overall public interest but are not enforced.</p> <p>D. There are a series of regulations that are generally not justified on the basis of overall public interest and are enforced.</p>
LGI 4, Dimension ii	Assessment
<p>Restrictions regarding rural land use, ownership and transferability are justified.</p>	<p>A. There are a series of regulations that are for the most part justified on the basis of overall public interest and that are enforced.</p> <p>B. There are a series of regulations that are for the most part justified on the basis of overall public interest but that are not enforced.</p> <p>C. There are a series of regulations that are generally not justified but are not enforced.</p>

	D. There are a series of regulations that are generally not justified and are enforced.
LGI 5, Dimension i	Assessment
There is an appropriate separation of policy formulation, implementation, and arbitration roles.	<p>A. In situations that can entail conflicts of interest or abuse (e.g. transfers of land rights) there is a clear separation in the roles of policy formulation, implementation of policy through land management and administration and the arbitration of any disputes that may arise as a result of implementation of policy.</p> <p>B. In situations that can entail conflicts of interest or abuse (e.g. transfers of land rights) there is some separation in the roles of policy formulation, implementation of policy through land management and administration and the arbitration of any disputes that may arise as a result of implementation of policy, but there are overlapping and conflicting responsibilities that lead to occasional problems.</p> <p>C. In situations that can entail conflicts of interest or abuse (e.g. transfers of land rights) there is some separation in the roles of policy formulation, implementation of policy through land management and administration and the arbitration of any disputes that may arise as a result of implementation of policy but there are overlapping and conflicting responsibilities that lead to frequent problems.</p> <p>D. In situations that can entail conflicts of interest or abuse (e.g. transfers of land rights) there is no clear separation in the roles of policy formulation, implementation of policy through land management and administration and the arbitration of any disputes that may arise as a result of implementation of policy.</p>
LGI 5, Dimension ii	Assessment
The responsibilities of the ministries and agencies dealing with land do not overlap (horizontal overlap).	<p>A. The mandated responsibilities exercised by the authorities dealing with land administration issues are clearly defined and non-overlapping with those of other land sector agencies.</p> <p>B. The mandated responsibilities of the various authorities dealing with land administration issues are defined with a limited amount of overlap with those of other land sector agencies but there are few</p>

	<p>problems.</p> <p>C. The mandated responsibilities of the various authorities dealing with land administration issues are defined but institutional overlap with those of other land sector agencies and inconsistency is a problem.</p> <p>D. The mandated responsibilities of the various authorities dealing with land administration are defined poorly, if at all, and institutional overlap and inconsistency is a serious problem.</p>
LGI 5, Dimension iii	Assessment
<p>Administrative (vertical) overlap is avoided.</p>	<p>A. Assignment of land-related responsibilities between the different levels of administration and government is clear and non-overlapping.</p> <p>B. Division of land-related responsibilities between the different levels of administration and government is clear with minor overlaps.</p> <p>C. Division of land-related responsibilities between the different levels of administration and government is characterized by large overlaps.</p> <p>D. Division of land-related responsibilities between the different levels of administration and government is unclear.</p>
LGI 5, Dimension iv	Assessment
<p>Land information is shared with interested institutions.</p>	<p>A. Information related to rights in land is available to other institutions that need this information at reasonable cost and is readily accessible, largely due to the fact that land information is maintained in a uniform way.</p> <p>B. Information related to rights in land is available to interested institutions and although this information is available at reasonable cost, it is not readily accessible as the information is not maintained in a uniform way.</p> <p>C. Information related to rights in land is available to interested institutions but this information is not readily accessible as the information is not available at a reasonable cost.</p>

	D. Information related to rights in land is not available to interested institutions as a matter of policy or practice.
LGI 6, Dimension i	Assessment
Land policy is developed in a participatory manner.	<p>A. A comprehensive policy exists or can be inferred by the existing legislation. Land policy decisions that affect sections of the community are based on consultation with those affected and their feedback on the resulting policy is sought and incorporated in the resulting policy.</p> <p>B. A comprehensive land policy exists or can be inferred by the existing legislation. Land policy decisions that affect sections of the community are based on consultation with those affected but feedback is usually not sought or not used in making land policy decisions.</p> <p>C. Policy exists or can be inferred by the existing legislation but it is incomplete (some key aspects are missing or only covers part of the country such as only urban or only rural areas) or land policy decisions that affect some sections of the community are made without consultation with those affected.</p> <p>D. No clear land policy exists or can be inferred by the existing legislation and/or land policy decisions are generally taken without consultation of those affected.</p>
LGI 6, Dimension ii	Assessment
There is meaningful incorporation and monitoring of equity goals in land policy.	<p>A. Land policies incorporate equity objectives that are regularly and meaningfully monitored and their impact on equity issues is compared to that of other policy instruments.</p> <p>B. Land policies incorporate equity objectives that are regularly and meaningfully monitored but their impact on equity issues is not compared to that of other policy instruments.</p> <p>C. Land policies incorporate some equity objectives but these are not regularly and meaningfully monitored.</p> <p>D. Equity issues are not considered by land policies.</p>

LGI 6, Dimension iii	Assessment
<p>The implementation of land policy is costed, matched with benefits and adequately resourced.</p>	<p>A. Implementation of land policy is costed, expected benefits identified and compared to cost, and there are a sufficient budget, resources and institutional capacity for implementation.</p> <p>B. The implementation of land policy is costed, though not necessarily based on a comparison of expected benefits and costs. There is an adequate budget, resources and institutional capacity.</p> <p>C. The implementation of land policy is not fully costed and/or to implement the policy there are serious inadequacies in at least one area of budget, resources or institutional capacity.</p> <p>D. The implementation of land policy is not costed and there is inadequate budget, resources and capacity to implement the land policy.</p>
LGI 6, Dimension iv	Assessment
<p>There is regular and public reporting indicating progress in policy implementation.</p>	<p>A. Formal land institutions report on land policy implementation in a regular, meaningful, and comprehensive way with reports being publicly accessible.</p> <p>B. Formal land institutions report on land policy implementation in a regular and meaningful way but reports are not made public.</p> <p>C. Formal land institutions report on land policy implementation but in a way that does not allow meaningful tracking of progress across different areas or in a sporadic way.</p> <p>D. Formal land institutions report on policy implementation only in exceptional circumstances or not at all.</p>

2. Land Use Planning, Management, and Taxation

LGI 7, Dimension i	Assessment
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<p>In urban areas, land use plans and changes in these plans are based on public input.</p>	<p>A. Public input is sought in preparing and amending land use plans and the public responses are explicitly referenced in the report prepared by the public body responsible for preparing the new public plans. This report is publicly accessible.</p> <p>B. Public input is sought in preparing and amending land use plans and the public responses are used by the public body responsible for finalizing the new public plans, but the process for doing this is unclear or the report is not publicly accessible.</p> <p>C. Public input is sought in preparing and amending land use plans but the public comments are largely ignored in the finalization of the land use plans.</p> <p>D. Public input is not sought in preparing and amending land use plans.</p>
<p>LGI 7, Dimension ii</p>	<p>Assessment</p>
<p>In rural areas, land use plans and changes in these plans are based on public input.</p>	<p>A. Public input is sought in preparing and amending land use plans and the public responses are explicitly referenced in the report prepared by the public body responsible for preparing the new public plans. This report is publicly accessible.</p> <p>B. Public input is sought in preparing and amending land use plans and the public responses are used by the public body responsible for finalizing the new public plans, but the process for doing this is unclear or the report is not publicly accessible.</p> <p>C. Public input is sought in preparing and amending land use plans but the public comments are largely ignored in the finalization of the land use plans.</p> <p>D. Public input is not sought in preparing and amending land use plans.</p>
<p>LGI 7, Dimension iii</p>	<p>Assessment</p>
<p>The public captures benefits arising from changes in permitted</p>	<p>A. Mechanisms to allow the public to capture significant share of the gains from changing land use are regularly used and applied transparently based on clear regulation.</p>

land use.	<p>B. Mechanisms to allow the public to capture significant share of the gains from changing land use are applied transparently but not always used.</p> <p>C. Mechanisms to allow the public to capture significant share of the gains from changing land use are rarely used or applied in a discretionary manner.</p> <p>D. Mechanisms to allow the public to capture significant share of the gains from changing land use are not used or not applied transparently.</p>
LGI 7, Dimension iv	Assessment
Actual land use changes to the assigned land use in a timely manner.	<p>A. More than 70% of the land that has had a change in land use assignment in the past 3 years has changed to the destined use.</p> <p>B. Between 50% and 70% of the land that has had a change in land use assignment in the past 3 years has changed to the destined use.</p> <p>C. Between 30% and 50% of the land that has had a change in land use assignment in the past 3 years has changed to the destined use.</p> <p>D. Less than 30% of the land that has had a change in land use assignment in the past 3 years has changed to the destined use.</p>
LGI 8, Dimension i	Assessment
Land use planning effectively controls urban spatial expansion in the largest city in the country.	<p>A. In the largest city in the country urban spatial expansion is controlled effectively by a hierarchy of regional/detailed land use plans that are kept up-to-date.</p> <p>B. In the largest city in the country, while a hierarchy of regional/detailed land use plans is specified by law, in practice urban spatial expansion is guided by the provision of infrastructure without full implementation of the land use plans.</p> <p>C. In the largest city in the country, while a hierarchy of regional/detailed land use plans is specified by law, in practice urban spatial expansion occurs in an ad hoc manner with infrastructure provided some time after urbanization.</p>

	D. In the largest city in the country a hierarchy of regional/detailed land use plans may or may not be specified by law and in practice urban spatial expansion occurs in an ad hoc manner with little if any infrastructure provided in most newly developing areas.
LGI 8, Dimension ii	Assessment
Land use planning effectively controls urban development in the four largest cities in the country, excluding the largest city.	<p>A. In the four major cities urban development is controlled effectively by a hierarchy of regional/detailed land use plans that are kept up-to-date.</p> <p>B. In the four major cities, while a hierarchy of regional/detailed land use plans is specified by law, in practice urban development is guided by the provision of infrastructure which implements only a part of the land use plans.</p> <p>C. In the four major cities in the country, while a hierarchy of regional/detailed land use plans is specified by law, in practice urban development occurs in an ad hoc manner with infrastructure provided some time after urbanization.</p> <p>D. In the four major cities in the country a hierarchy of regional/detailed land use plans may or may not be specified by law and in practice urban development occurs in an ad hoc manner with little if any infrastructure provided in most newly developing areas.</p>
LGI 8, Dimension iii	Assessment
Planning processes are to cope with urban growth.	<p>A. In the largest city in the country, the urban planning process/authority is able to cope with the increasing demand for serviced units/land as evidenced by the fact that almost all new dwellings are formal.</p> <p>B. In the largest city in the country, the urban planning process/authority is able to cope to some extent with the increasing demand for serviced units/land as evidenced by the fact that most new dwellings are formal.</p> <p>C. In the largest city in the country, the urban planning process/authority is struggling to cope with the increasing demand for serviced units/land as evidenced by the fact that most new dwellings are informal.</p>

	D. In the largest city in the country, the urban planning process/authority cannot cope with the increasing demand for serviced units/land as evidenced by the fact that almost all new dwellings are informal.
LGI 8, Dimension iv	Assessment
Residential plot sizes are adhered to in urban areas.	<p>A. Existing requirements for residential plot sizes are met in at least 90% of plots.</p> <p>B. Existing requirements for residential plot sizes are met between 70% and 90% of plots.</p> <p>C. Existing requirements for residential plot sizes are met between 50% and 70% of plots.</p> <p>D. Existing requirements for residential plot sizes are met in less than 50% of plots.</p>
LGI 8, Dimension v	Assessment
Use plans for specific rural land classes (forest, pastures, wetlands, national parks etc.) are in line with actual use.	<p>A. The share of land set aside for specific use that is used for a non-specified purpose in contravention of existing regulations is less than 10%.</p> <p>B. The share of land set aside for specific use that is used for a non-specified purpose in contravention of existing regulations is between 10% and 30%.</p> <p>C. The share of land set aside for specific use that is used for a non-specified purpose in contravention of existing regulations is between 30% and 50%.</p> <p>D. The share of land set aside for specific use that is used for a non-specified purpose in contravention of existing regulations is greater than 50%.</p>
LGI 9, Dimension i	Assessment
Applications for building permits for	A. Requirements to obtain a building permit are technically justified, affordable, and clearly disseminated.

residential dwellings are affordable and effectively processed.	<ul style="list-style-type: none"> B. Requirements to obtain a building permit are technically justified and affordable but not clearly disseminated. C. Requirements to obtain a building permit are technically justified but not affordable for the majority of those affected. D. Requirements to obtain a building permit are over-engineered technically.
LGI 9, Dimension ii	Assessment
The time required to obtain a building permit for a residential dwelling is short.	<ul style="list-style-type: none"> A. All applications for building permits receive a decision within 3 months. B. All applications for building permits receive a decision within 6 months. C. All applications for building permits receive a decision within 12 months. D. All applications for building permits receive a decision after a period exceeding 12 months.
LGI 10, Dimension i	Assessment
There is a clear process of property valuation.	<ul style="list-style-type: none"> A. The assessment of land/property values for tax purposes is based on market prices with minimal differences between recorded values and market prices across different uses and types of users and valuation rolls are regularly updated (at least every 5 years). B. The assessment of land/property for tax purposes is based on market prices, but there are significant differences between recorded values and market prices across different uses and types of users or valuation rolls are not updated regularly or frequently (greater than every 5 years). C. The assessment of land/property for tax purposes has some relationship to market prices, but there are significant differences between recorded values and market prices across different uses or types of users and valuation rolls are not updated regularly. D. The assessment of land/property for tax purposes is not clearly based on market prices.

LGI 10, Dimension ii	Assessment
Valuation rolls are publicly accessible.	<p>A. There is a policy that valuation rolls be publicly accessible and this policy is effective for all properties that are considered for taxation.</p> <p>B. There is a policy that valuation rolls be publicly accessible and this policy is effective for most of the properties that are considered for taxation.</p> <p>C. There is a policy that valuation rolls be publicly accessible and this policy is effective for a minority of properties that are considered for taxation.</p> <p>D. There is no policy that valuation rolls be publicly accessible.</p>
LGI 11, Dimension i	Assessment
Exemptions from property taxes are justified and transparent.	<p>A. There are limited exemptions to the payment of land/property taxes, and the exemptions that exist are clearly based on equity or efficiency grounds and applied in a transparent and consistent manner⁵.</p> <p>B. There are limited exemptions to the payment of land/property taxes, and the exemptions that exist are clearly based on equity or efficiency grounds but are not applied in a transparent and consistent manner.</p> <p>C. The exemptions to the payment of land/property taxes are not always clearly based on equity or efficiency grounds and are not always applied in a transparent and consistent manner.</p> <p>D. It is not clear what rationale is applied in granting an exemption to the payment of land/property taxes and there is considerable discretion in the granting of such exemptions.</p>
LGI 11, Dimension ii	Assessment
Property holders liable to pay property tax are listed on the tax roll.	<p>A. More than 80% of property holders liable for land/property tax are listed on the tax roll.</p> <p>B. Between 70% and 80% of property holder liable for land/property tax are listed on the tax roll.</p> <p>C. Between 50% and 70% of property holder liable for land/property tax</p>

	are listed on the tax roll.
	D. Less than 50% of property holders liable for land/property tax are listed on the tax roll.
LGI 11, Dimension iii	Assessment
Assessed property taxes are collected.	<p>A. More than 80% of assessed property taxes are collected.</p> <p>B. Between 70% and 80% of assessed property taxes are collected.</p> <p>C. Between 50% and 70% of assessed property taxes are collected.</p> <p>D. Less than 50% of assessed property taxes are collected.</p>
LGI 11, Dimension iv	Assessment
Receipts from property taxes exceed the cost of collection.	<p>A. The amount of property taxes collected exceeds the cost of staff in charge of collection by a factor of more than 5.</p> <p>B. The amount of property taxes collected is between 3 and 5 times cost of staff in charge of collection.</p> <p>C. The amount of property taxes collected is between 1 and 3 times cost of staff in charge of collection.</p> <p>D. The amount of property taxes collected is less than the cost of staff in charge of collection.</p>

3. Management of Public Land

LGI 12, Dimension i	Assessment
Public land ownership is justified and managed at the	A. Public land ownership is justified by the provision of public goods at the appropriate level of government and such land is managed in a transparent and effective way.

appropriate level of government.	<p>B. Public land ownership is generally justified by the provision of public goods at the appropriate level of government but management may be discretionary.</p> <p>C. Public land ownership is justified in most cases by provision of public goods but responsibility is often at the wrong level of government.</p> <p>D. Public land ownership is not justified by the cost effective provision of public goods.</p>
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LGI 12, Dimension ii	Assessment
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There is a complete recording of publicly held land.	<p>A. More than 50% of public land is clearly identified on the ground or on maps.</p> <p>B. Between 30% and 50% of public land is clearly identified on the ground or on maps.</p> <p style="background-color: #e6f2ff;">C. Less than 30% of public land is clearly identified on the ground or on maps.</p> <p>D. Public land is not clearly identified on the ground or on maps.</p>
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LGI 12, Dimension iii	Assessment
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The management responsibility for public land is unambiguously assigned.	<p style="background-color: #e6f2ff;">A. The management responsibility for different types of public land is unambiguously assigned.</p> <p>B. There is some ambiguity in the assignment of management responsibility of different types of public land but this has little impact on the management of assets.</p> <p>C. There is enough ambiguity in the assignment of management responsibility of different types of public land to impact to some extent on the management of assets.</p> <p>D. There is serious ambiguity in the assignment of management responsibility of different types of public land with major impact on the management of assets.</p>
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LGI 12, Dimension iv	Assessment
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Sufficient resources are available to fulfill land management responsibilities.	<p>A. There are adequate budgets and human resources that ensure responsible management of public lands.</p> <p>B. There are some constraints in the budget and/or human resource capacity but the system makes most effective use of available resources in managing public lands.</p> <p>C. There are significant constraints in the budget and/or human resource capacity but the system makes effective use of limited available resources in managing public lands.</p> <p>D. There are either significantly inadequate resources or marked inefficient organizational capacity leading to little or no management of public lands.</p>
LGI 12, Dimension v	Assessment
The inventory of public land is accessible to the public.	<p>A. All the information in the public land inventory is accessible to the public.</p> <p>B. All the information in the public land inventory is accessible to the public, but information for some types of public land (land used by the military, security services, etc.) is not available for justifiable reasons.</p> <p>C. All the information in the public land inventory is only available for a limited set of public property and there is little or no justification why records are not accessible.</p> <p>D. No information in the public land inventory is accessible to the public.</p>
LGI 12, Dimension vi	Assessment
The key information on land allocations is accessible to the public.	<p>A. The key information for land allocations (the locality and area of the land allocation, the parties involved and the financial terms of the allocation) is recorded and publicly accessible.</p> <p>B. The key information for land allocations (the locality and area of the land allocations, the parties involved and the financial terms of the allocation) is only partially recorded but is publicly accessible; or the key information is recorded but only partially publicly accessible.</p>

	<p>C. The key information for land allocations (the locality and area of the land allocations, the parties involved and the financial terms of the allocation) is recorded or partially recorded but is not publicly accessible.</p> <p>D. There is no recorded information on land allocations.</p>
LGI 13, Dimension i	Assessment
There is minimal transfer of expropriated land to private interests. ⁶	<p>A. Less than 10% of land expropriated in the past 3 years is used for private purposes.</p> <p>B. Between 10% and 30% of land expropriated in the past 3 years is used for private purposes.</p> <p>C. Between 30% and 50% of land expropriated in the past 3 years is used for private purposes.</p> <p>D. More than 50% of land expropriated in the past 3 years is used for private purposes.</p>
LGI 13, Dimension ii	Assessment
Expropriated land is transferred to destined use in a timely manner.	<p>A. More than 70% of the land that has been expropriated in the past 3 years has been transferred to its destined use.</p> <p>B. Between 50% and 70% of the land that has been expropriated in the past 3 years has been transferred to its destined use.</p> <p>C. Between 30% and 50% of the land that has been expropriated in the past 3 years has been transferred to its destined use.</p> <p>D. Less than 30% of the land that has been expropriated in the past 3 years has been transferred to its destined use.</p>
LGI 14, Dimension i	Assessment
Compensation is paid for the expropriation of registered property.	<p>A. Where property is expropriated, fair compensation, in kind or in cash, is paid so that the displaced households have comparable assets and can continue to maintain prior social and economic status.</p>

	<p>B. Here property is expropriated, compensation, in kind or in cash, is paid so that the displaced households have comparable assets but cannot maintain prior social and economic status.</p> <p>C. Where property is expropriated, compensation, in kind or in cash, is paid but the displaced households do not have comparable assets and cannot maintain prior social and economic status.</p> <p>D. Compensation is not paid to those whose rights are expropriated.</p>
LGI 14, Dimension ii	Assessment
Compensation is paid for the expropriation of all rights regardless of the registration status.	<p>A. Fair compensation, in kind or in cash, is paid to all those with rights in expropriated land (ownership, use, access rights etc.) regardless of the registration status.</p> <p>B. Compensation, in kind or in cash, is paid however the level of compensation where rights are not registered does not allow for maintenance of social and economic status.</p> <p>C. Compensation, in kind or in cash, is paid for some unregistered rights (such as possession, occupation etc.), however those with other unregistered rights (which may include grazing, access, gathering forest products etc.) are usually not paid compensation.</p> <p>D. No compensation is paid to those with unregistered rights of use, occupancy or otherwise.</p>
LGI 14, Dimension iii	Assessment
Expropriated owners are compensated promptly.	<p>A. More than 90% of expropriated land owners receive compensation within one year.</p> <p>B. Between 70% and 90% of expropriated land owners receive compensation within one year.</p> <p>C. Between 50% and 70% of expropriated land owners receive compensation within one year.</p> <p>D. Less than 50% of expropriated land owners receive compensation within</p>

one year.

LGI 14, Dimension iv	Assessment
<p>There are independent and accessible avenues for appeal against expropriation.</p>	<p>A. Independent avenues to lodge a complaint against expropriation exist and are easily accessible.</p> <p>B. Independent avenues to lodge a complaint against expropriation exist but there are access restrictions (i.e. only accessible by mid-income and wealthy).</p> <p>C. Avenues to lodge a complaint against expropriation exist but are somewhat independent and these may or may not be accessible to those affected.</p> <p>D. Avenues to lodge a complaint against expropriation are not independent.</p>
LGI 14, Dimension v	Assessment
<p>Timely decisions are made regarding complaints about expropriation.</p>	<p>A. A first instance decision has been reached for more than 80% of the complaints about expropriation lodged during the last 3 years.</p> <p>B. A first instance decision has been reached for between 50% and 80% of the complaints about expropriation lodged during the last 3 years.</p> <p>C. A first instance decision has been reached for between 30% and 50% of the complaints about expropriation lodged during the last 3 years.</p> <p>D. A first instance decision has been reached for less than 30% of the complaints about expropriation lodged during the last 3 years.</p>
LGI 15, Dimension i	Assessment
<p>Public land transactions are conducted in an open transparent manner.</p>	<p>A. The share of public land disposed of in the past 3 years through sale or lease through public auction or open tender process is greater than 90%.</p> <p>B. The share of public land disposed of in the past 3 years through sale or lease through public auction or open tender process is between 70% and 90%.</p>

	<p>C. The share of public land disposed of in the past 3 years through sale or lease through public auction or open tender process is between 50% and 70%.</p> <p>D. The share of public land disposed of in the past 3 years through sale or lease through public auction or open tender process is less than 50%.</p>
LGI 15, Dimension ii	Assessment
Payments for public leases are	<p>A. More than 90% of the total agreed payments are collected from private parties on the lease of public lands.</p> <p>B. Between 70% and 90% of total the agreed payments are collected from private parties on the lease of public lands.</p> <p>C. Between 50% and 70% of the total agreed payments are collected from private parties on the lease of public lands.</p> <p>D. Less than 50% of the total agreed payments are collected from private parties on the lease of public lands.</p>
LGI 15, Dimension iii	Assessment
Public land is leased and/or sold at market prices.	<p>A. All types of public land are generally divested at market prices in a transparent process irrespective of the investor's status (e.g. domestic or foreign).</p> <p>B. Only some types of public land are generally divested at market prices in a transparent process irrespective of the investor's status (e.g. domestic or foreign).</p> <p>C. All types or some types of public land can be divested at market prices in a transparent process, but this only applies to a particular type of investor (e.g. domestic only or foreign only).</p> <p>D. Public land is rarely or never divested at market prices in a transparent process.</p>

4. Public Provision of Land Information

LGI 16, Dimension i	Assessment
<p>The mapping or charting of registry records is complete.</p>	<p>A. More than 90% of records for privately held land registered in the registry are readily identifiable in maps in the registry or cadaster.</p> <p>B. Between 70% and 90% of records for privately held land registered in the registry are readily identifiable in maps in the registry or cadaster.</p> <p>C. Between 50% and 70% of records for privately held land registered in the registry are readily identifiable in maps in the registry or cadaster.</p> <p>D. Less than 50% of records for privately held land registered in the registry are readily identifiable in maps in the registry or cadaster.</p>
LGI 16, Dimension ii	Assessment
<p>Economically relevant private encumbrances are recorded.</p>	<p>A. Relevant private encumbrances are recorded consistently and in a reliable fashion and can be verified at low cost by any interested party.</p> <p>B. Relevant private encumbrances are recorded consistently and in a reliable fashion but the cost of accessing them are high.</p> <p>C. Relevant private encumbrances are recorded but this is not done in a consistent and reliable manner.</p> <p>D. Relevant private encumbrances are not recorded.</p>
LGI 16, Dimension iii	Assessment
<p>Socially and economically relevant public restrictions or charges are recorded.</p>	<p>A. Relevant public restrictions or charges are recorded consistently and in a reliable fashion and can be verified at a low cost by any interested party.</p> <p>B. Relevant public restrictions or charges are recorded consistently and in a reliable fashion but the cost of accessing them is high.</p> <p>C. Relevant public restrictions or charges are recorded but this is not done in a consistent and reliable manner.</p>

	D. Relevant public restrictions or charges are not recorded.
LGI 16, Dimension iv	Assessment
The registry (or organization with information on land rights) is searchable.	<p>A. The records in the registry can be searched by both right holder name and parcel.</p> <p>B. The records in the registry can only be searched by right holder name.</p> <p>C. The records in the registry can only be searched by parcel.</p> <p>D. The records in the registry cannot be searched by either right holder name or parcel.</p>
LGI 16, Dimension v	Assessment
The records in the registry (or organization with information on land rights) are accessible.	<p>A. Copies or extracts of documents recording rights in property can be obtained by anyone who pays the necessary formal fee, if any.</p> <p>B. Copies or extracts of documents recording rights in property can only be obtained by intermediaries and those who can demonstrate an interest in the property upon payment of the necessary formal fee, if any.</p> <p>C. Copies or extracts of documents recording rights in property can only be obtained by intermediaries upon payment of the necessary formal fee, if any.</p> <p>D. Records on land rights are not publicly accessible or can only be obtained by paying an informal fee.</p>
LGI 16, Dimension vi	Assessment
There is a timely response to a request for access to records in the registry (or organization with information on land rights).	<p>A. Copies or extracts of documents recording rights in property can generally be obtained within 1 day of request.</p> <p>B. Copies or extracts of documents recording rights in property can generally be obtained within 1 week of request.</p> <p>C. It generally takes more than 1 week after request to produce a copy or extract of documents recording rights in property.</p>

	D. It is not unusual that an extract or copy of a record cannot be produced in response to a request as the original record cannot be located.
LGI 17, Dimension i	Assessment
Service standards are published and monitored.	<p>A. There are meaningful published service standards, and the registry actively monitors its performance against these standards.</p> <p>B. There are meaningful published service standards, but the registry does not actively monitor its performance against these standards.</p> <p>C. Meaningful service standards have been established, but have not been published and there is little attempt to monitor performance against the standards.</p> <p>D. There are no meaningful service standards set and no attempt to monitor customer service.</p>
LGI 17, Dimension ii	Assessment
Registry/cadaster information is up-to-date.	<p>A. More than 90% of the ownership information in the registry/cadaster is up-to-date.</p> <p>B. Between 70% and 90% of the ownership information in registry/cadaster is up-to-date.</p> <p>C. Between 50% and 70% of the ownership information in registry/cadaster is up-to-date.</p> <p>D. Less than 50% of the ownership information in the registry/cadaster is up-to-date.</p>
LGI 18, Dimension i	Assessment
The cost of registering a property transfer is low.	<p>A. The cost for registering a property transfer is less than 1% of the property value.</p> <p>B. The cost for registering a property transfer is between 1% and less than 2% of the property value.</p>

	<p>C. The cost for registering a property transfer is between 2% and less than 5% of the property value.</p> <p>D. The cost for registering a property transfer is equal to or greater than 5% of the property value.</p>
LGI 18, Dimension ii	Assessment
The registry is financially sustainable through fee collection.	<p>A. The total fees collected by the registry exceed the total registry operating costs.</p> <p>B. The total fees collected by the registry are greater than 90% of the total registry operating costs.</p> <p>C. The total fees collected by the registry are between 50% and 90% of the total registry operating costs.</p> <p>D. The total fees collected by the registry are less than 50% of the total registry operating costs.</p>
LGI 18, Dimension iii	Assessment
There is sufficient capital investment in the system.	<p>A. There is significant investment in capital in the system to record rights in land so that the system is sustainable but still accessible by the poor.</p> <p>B. There is investment in capital in the system to record rights in land but it is insufficient to ensure that the system is sustainable in the medium to long-term although the system is accessible by the poor.</p> <p>C. There is investment in capital in the system to record rights in land but it is insufficient to ensure that the system is sustainable and the poor have limited access.</p> <p>D. There is little or no investment in capital in the system to record rights in land.</p>
LGI 19, Dimension i	Assessment
The schedule of fees is publicly accessible.	<p>A. A clear schedule of fees for different services is publicly accessible and receipts are issued for all transactions.</p>

	<p>B. A clear schedule of fees for different services is not publicly accessible, but receipts are issued for all transactions.</p> <p>C. A clear schedule of fees for different services is publicly accessible, but receipts are not issued for all transactions.</p> <p>D. A clear schedule of fees for different services is not publicly accessible and receipts are not issued for all transactions.</p>
LGI 19, Dimension ii	Assessment
Informal payments are discouraged.	<p>A. Mechanisms to detect and deal with illegal staff behavior exist in all registry offices and all cases are promptly dealt with.</p> <p>B. Mechanisms to detect and deal with illegal staff behavior exist in all registry offices but cases are not systematically or promptly dealt with.</p> <p>C. Mechanisms to detect and deal with illegal staff behavior exist in some registry offices.</p> <p>D. Mechanisms to detect and deal with illegal staff behavior are largely non-existent.</p>

5. Dispute Resolution and Conflict Management

LGI 20, Dimension i	Assessment
Conflict resolution mechanisms are accessible to the public.	<p>A. Institutions for providing a first instance of conflict resolution are accessible at the local level in the majority of communities.</p> <p>B. Institutions for providing a first instance of conflict resolution are accessible at the local level in less than half of communities but where these are not available informal institutions perform this function in a</p>

way that is locally recognized.

- C. Institutions for providing a first instance of conflict resolution are accessible at the local level in less than half of communities, and where these are not available informal institutions do not exist or cannot perform this function that is locally recognized.
- D. Less than a quarter of communities have institutions formally empowered to resolve conflicts and a variety of informal institutions may be available in the rest.

LGI 20, Dimension ii	Assessment
<p>Decisions made by informal or community based dispute resolution systems are recognized.</p>	<ul style="list-style-type: none"> A. There is an informal or community-based system that resolves disputes in an equitable manner and decisions made by this system have some recognition in the formal judicial or administrative dispute resolution system. B. There is an informal or community-based system that resolves disputes in an equitable manner but decisions made by this system have little or no recognition in the formal judicial or administrative dispute resolution system. C. There is an informal or community-based system that resolves disputes in a manner that is not always equitable and decisions made by this system have limited or no recognition in the formal judicial or administrative dispute resolution system. D. There is an informal system or community-based that makes decisions that are not always equitable but have recognition in the formal judicial or administrative dispute resolution system.
LGI 20, Dimension iii	Assessment
<p>There is clear assignment of responsibility for conflict</p>	<ul style="list-style-type: none"> A. There are no parallel avenues for conflict resolution or, if parallel avenues exist, responsibilities are clearly assigned and widely known and explicit rules for shifting from one to the other are in place to minimize the scope for forum shopping.

	<p>B. There are parallel avenues for dispute resolution but cases cannot be pursued in parallel through different channels and evidence and rulings may be shared between institutions so as to minimize the scope for forum shopping.</p> <p>C. There are parallel avenues for dispute resolution and cases can be pursued in parallel through different channels but sharing of evidence and rulings may occur on an ad-hoc basis.</p> <p>D. There are parallel avenues for dispute resolution and cases can be pursued in parallel through different channels and there is no sharing of information.</p>
LGI 20, Dimension iv	Assessment
<p>There is a process for appealing dispute rulings.</p>	<p>A. A process exists to appeal rulings on land cases at reasonable cost with disputes resolved in a timely manner.</p> <p>B. A process exists to appeal rulings on land cases at high cost with disputes resolved in a timely manner.</p> <p>C. A process exists to appeal rulings on land cases but costs are high and the process takes a long time.</p> <p>D. A process does not exist to appeal rulings on land cases.</p>
LGI 21, Dimension i	Assessment
<p>Land disputes constitute a small proportion of cases in the formal legal system.</p>	<p>A. Land disputes in the formal court system are less than 10% of the total court cases.</p> <p>B. Land disputes in the formal court system are between 10% and 30% of the total court cases.</p> <p>C. Land disputes in the formal court system are between 30% and 50% of the total court cases.</p> <p>D. Land disputes in the formal court system are more than 50% of the total court cases.</p>

LGI 21, Dimension ii	Assessment
Conflicts in the formal system are resolved in a timely manner.	A. A decision in a land-related conflict is reached in the first instance court within 1 year for more than 90% of cases.
	B. A decision in a land-related conflict is reached in the first instance court within 1 year for between 70% and 90% of cases.
	C. A decision in a land-related conflict is reached in the first instance court within 1 year for between 50% and 70% of cases.
	D. A decision in a land-related conflict is reached in the first instance court within 1 year for less than 50% of cases.
LGI 21, Dimension iii	Assessment
There are few long-standing land conflicts (greater than 5 years).	A. The share of long-standing land conflicts is less than 5% of the total pending land dispute court cases.
	B. The share of long-standing land conflicts is between 5% and 10% of the total pending land dispute court cases.
	C. The share of long-standing land conflicts is between 10% and 20% of the total pending land dispute court cases.
	D. The share of long-standing land conflicts is greater than 20% of the total pending land dispute court cases.

Module on Large-scale Acquisition of Land Rights

PLI 1	Assessment
Most forest land is mapped and rights are registered.	A. More than 70% of the area under forest land has boundaries demarcated and surveyed and associated claims registered.
	B. 40-70% of the area under forest land has boundaries demarcated and surveyed and associated claims registered.

	<p>C. 10-40% of the area under forest land has boundaries demarcated and surveyed and associated claims registered.</p> <p>D. Less than 10% of the area under forest land has boundaries demarcated and surveyed and associated claims registered.</p>
PLI 2	Assessment
Land acquisition generates few conflicts and these are addressed expeditiously and transparently.	<p>A. Conflicts related to use or ownership rights and directly or indirectly related to land acquisition are scarce (less than 5% of rural land area affected) and emerging conflicts are addressed expeditiously and in a transparent manner.</p> <p>B. Conflicts related to use or ownership rights and directly or indirectly related to land acquisition are scarce (less than 5% of rural land area affected) but the process for addressing conflicts is slow and lacks transparency.</p> <p>C. Conflicts related to use or ownership rights and directly or indirectly related to land acquisition are relatively frequent (more than 5% of rural land area affected) but emerging conflicts are addressed expeditiously and in a transparent manner.</p> <p>D. Conflicts related to use or ownership rights and directly or indirectly related to land acquisition are relatively frequent (more than 5% of rural land area affected) and the inability to address these conflicts expeditiously and in a transparent manner results in long pending disputes.</p>
PLI 3	Assessment
Land use restrictions ⁸ on rural land parcels can generally be identified	<p>A. The land use restrictions applying to any given plot of rural land can be unambiguously determined on site for land occupied by more than 70% of the population.</p> <p>B. The land use restrictions applying to any given plot of rural land can be unambiguously determined on site for land occupied by 40 – 70 % of the population.</p>

	<p>C. The land use restrictions applying to any given plot of rural land can be unambiguously determined site for land occupied by 10 – 40 % of the population.</p> <p>D. The land use restrictions applying to any given plot of rural land can be unambiguously determined on site for land occupied by less than 10% of the population.</p>
PLI 4	Assessment
Public institutions involved in land acquisition operate in a clear and consistent manner.	<p>A. Institutions that promote, channel or acquire land for purposes of interest to this study operate following clear guidelines and have high standards of ethical performance that are consistently implemented. Their accounts are regularly audited with results being made available publicly (e.g. for parliamentary debate).</p> <p>B. Institutions that promote, channel or acquire land for purposes of interest to this study have high standards of ethical performance that are consistently implemented and have their accounts regularly audited although results are not available publicly.</p> <p>C. Institutions that promote, channel or acquire land for purposes of interest to this study have clear standards of ethical performance but implementation is variable and accounts are not subject to regular audits.</p> <p>D. Standards of ethical performance for institutions that promote, channel or acquire land for purposes of interest to this study are not clearly defined and accounts are not regularly audited.</p>
PLI 5	Assessment
Incentives for investors are clear, transparent and consistent.	<p>A. Incentives for investors are clearly specified in law or regulations, uniform and stable over time, and applied in an equitable and transparent fashion.</p> <p>B. There are written provisions in law or regulations regarding incentives for investors but frequent changes (i.e. limited predictability) do not ensure their consistent application in the future.</p>

	<p>C. There are written but unclear provisions in law or regulations regarding incentives for investors and their applicability have to be negotiated on a case by case basis in a way that is often discretionary.</p> <p>D. There are no written provisions in law or regulations regarding incentives for investors.</p>
PLI 6	Assessment
Benefit sharing mechanisms for investments in agriculture (food crops, biofuels, forestry, game farm/conservation) are regularly used and transparently applied.	<p>A. Mechanisms to allow the public to obtain benefits from the investment (or investing party) other than compensation (e.g., schools, roads, etc.) are regularly used and applied transparently based on clear regulation.</p> <p>B. Mechanisms to allow the public to obtain benefits from the investment (or investing party) other than compensation (e.g., schools, roads, etc.) are applied transparently but not always used.</p> <p>C. Mechanisms to allow the public to obtain benefits from the investment (or investing party) other than compensation (e.g., schools, roads, etc.) are rarely used or applied in a discretionary manner.</p> <p>D. Mechanisms to allow the public to obtain benefits from the investment (or investing party) other than compensation (e.g., schools, roads, etc.) are not used or not applied transparently.</p>
PLI 7	Assessment
There are direct and transparent negotiations between right holders and investors.	<p>A. Final decisions on land acquisition for large scale investment are made between the concerned right holders and investors; government's role is limited to checking compliance with applicable regulations which is done in a transparent manner and with clear time limits.</p> <p>B. Final decisions are made in direct negotiations but a non-transparent and often discretionary process for obtaining approval is required.</p> <p>C. Transfer of land use or ownership rights for large scale investment requires previous acquisition of these rights by the state which follows a clear, transparent, and time-bound process with decision-making authority clearly assigned.</p>

	D. Expropriation of land by the state is required and the process is murky.
PLI 8	Assessment
Sufficient information is required from investors to assess the desirability of projects on public/community land.	<p>A. Investors are consistently required to provide exhaustive information on company background and financial/technical analyses that is sufficient to assess viability and benefits from the project.</p> <p>B. Investors are consistently required to provide exhaustive information on either company background or financial/technical analyses (but not both) that is sufficient to assess viability and benefits from the project. Investors are required to provide meaningful information but this is not always sufficient to assess the desirability of the project.</p> <p>C. Investors are consistently required to provide information on company background or financial/technical analyses but this information is not sufficient to assess viability and benefits from the project.</p> <p>D. Information required from investors is not consistently and generally insufficient to assess viability and benefits from the project.</p>
PLI 9	Assessment
For cases of land acquisition on public/community land, investors provide the required information and this information is publicly available.	<p>A. Investors provide all the information required from them and - subject to reasonable limits on confidentiality - this information is publicly available.</p> <p>B. Investors provide some information required from them and - subject to reasonable limits on confidentiality - this information is publicly available</p> <p>C. Investors provide some or all the information required from them but this information is not publicly available</p> <p>D. Investors do not provide the information required from them.</p>
PLI 10	Assessment
Contractual provisions regarding acquisition of land from communities or the	<p>A. Contracts must specify risk sharing and benefit sharing arrangement that are understood and agreed to by all parties.</p> <p>B. Contracts must specify arrangement regarding sharing of benefits or risk</p>

<p>public are required by law to explicitly mention of the way in which benefits and risks will be shared.</p>	<p>(but not both) that are understood and agreed to by all parties.</p> <p>C. Contracts must specify arrangement regarding sharing of benefits or risks but are poorly understood or agreed to by all parties.</p> <p>D. Contracts do not have to specify either risk sharing or benefit sharing arrangement.</p>
<p>PLI 11</p>	<p>Assessment</p>
<p>The procedure to obtain approval for a project here it is required is reasonably short.</p>	<p>A. In most cases, investment application related documents are reviewed and receive a response within 3 months of date of submission.</p> <p>B. In most cases, investment application related documents are reviewed and receive a response within 6 months of date of submission.</p> <p>C. In most cases, investment application related documents are reviewed and receive a response within 9 months of date submission.</p> <p>D. In most cases, investment application related documents are reviewed and receive a response within greater than 9 months from date of submission.</p>
<p>PLI 12</p>	<p>Assessment</p>
<p>Social requirements for large scale investments in agriculture are clearly defined and implemented</p>	<p>A. Social safeguard requirements for investors are clearly documented and defined (i.e., with details regarding specific processes and elements in the assessment), include provisions for assessment and mitigation of direct and indirect effects, and consistently implemented.</p> <p>B. Social safeguard requirements for investors are clearly documented and defined (i.e., with details regarding specific processes and elements in the assessment) and consistently implemented but do not include provisions for assessment and mitigation of direct and indirect effects.</p> <p>C. Social safeguard requirements for investors are clearly documented and defined (i.e., with details regarding specific processes and elements in the assessment) but implemented with discretion.</p> <p>D. Social safeguard requirements for investors are not clearly documented</p>

and defined.

PLI 13	Assessment
<p>Environmental requirements for large scale investments in agriculture are clearly defined and implemented.</p>	<p>A. Environmental safeguard requirements for investors are clearly documented and defined (i.e., with details regarding specific processes and elements in the assessment), include provisions for assessment and mitigation of direct and indirect effects, and consistently implemented.</p> <p>B. Environmental safeguard requirements for investors are clearly documented and defined (i.e., with details regarding specific processes and elements in the assessment) and consistently implemented but do not include provisions for assessment and mitigation of direct and indirect effects.</p> <p>C. Environmental safeguard requirements for investors are clearly documented and defined (i.e., with details regarding specific processes and elements in the assessment) but implemented with discretion.</p> <p>D. Environmental safeguard requirements for investors are not clearly documented and defined.</p>
PLI 14	Assessment
<p>For transfers of public/community lands, public institutions have procedures in place to identify and select economically, environmentally, and socially beneficial investments and implement these effectively.</p>	<p>A. Procedures to fully cover economic, social, and environmental issues are in place and implemented effectively.</p> <p>B. Procedures to partly cover economic, social, and environmental issues are in place and implemented effectively.</p> <p>C. Procedures to fully cover economic, social, and environmental issues are in place but not implemented effectively.</p> <p>D. Procedures provide at best partial coverage of economic, social, and environmental issues and are not implemented effectively.</p>
PLI 15	Assessment

<p>Compliance with safeguards related to investment in agriculture is checked</p>	<p>A. The responsible government agencies follow up on the agreements to check for compliance and consistently take reasonable action in cases of non-compliance.</p> <p>B. Responsible government agencies follow up on the agreements to check for compliance and, on a discretionary basis, take reasonable action in cases of non-compliance.</p> <p>C. Responsible government agencies follow up on the agreements to check for compliance and but do not take reasonable actions in cases of non-compliance.</p> <p>D. Responsible government agencies do not follow up on the agreements to check for compliance.</p>
<p>PLI 16</p>	<p>Assessment</p>
<p>There are avenues to lodge complaints if agricultural investors do not comply with requirements.</p>	<p>A. There is a clear process by which affected parties or the public at large can lodge complaints regarding investor compliance with safeguards. Mechanisms to deal with these fairly and expeditiously are in place and consistently implemented.</p> <p>B. There is a clear process by which affected parties or the public at large can lodge complaints regarding investor compliance with safeguards. Mechanisms to deal with these fairly and expeditiously are in place but not consistently implemented.</p> <p>C. There is a process by which affected parties or the public at large can lodge complaints regarding investor compliance with safeguards but mechanisms to deal with these fairly and expeditiously are not in place.</p> <p>D. There is no clear process by which affected parties or the public at large can lodge complaints regarding investor compliance with safeguards.</p>

Forestry Module

<p>FGI 1, Dimension i</p>	<p>Assessment</p>
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<p>Country signature and ratification of international conventions and treaties in support of forest conservation (CITES, CBD, CCD, Ramsar, UNFCCC)</p>	<p>A. The country has committed to follow the requirements of the most relevant treaties, and their implementation is excellent. It is following all of them.</p> <p>B. The country has committed to follow most or all of these treaties, and its implementation is fairly good. It is following most of them.</p> <p>C. The country has committed to follow most or all of these treaties, but its implementation needs improvement.</p> <p>D. The country has not committed to follow most of these treaties, or it is ignoring most of the treaty requirements.</p>
<p>FGI 1, Dimension ii</p>	<p>Assessment</p>
<p>Implementation of incentives to promote climate change mitigation through forestry</p>	<p>A. Relevant and potentially effective incentives are widely available, including for PES and REDD+. These incentives are backed by the necessary funds and the programs are implemented in a cost effective manner.</p> <p>B. Some incentive mechanisms are available, including for PES and REDD+. Funding is available and the programs are implemented in a cost effective manner.</p> <p>C. A few incentive mechanisms are available, including for PES and REDD+. Funding is often not available and the programs are not considered cost effective.</p> <p>D. No incentive mechanisms are available, neither for PES nor for REDD+.</p>
<p>FGI 2, Dimension i</p>	<p>Assessment</p>
<p>Public goods aspects of forests (biodiversity, soil and water conservation, social and cultural values) recognized by law and protected</p>	<p>A. The law recognizes and strongly promotes the sustainability of and offers protection for a wide variety of public goods and services.</p> <p>B. The law recognizes some and offers protection for just a few of the public goods and services.</p> <p>C. The law recognizes a few public goods and services, but there is no effective protection.</p>

	D. The existing legal framework for forests does not even recognize the public goods and service functions.
FGI 2, Dimension ii	Assessment
How well forest management plans and budgets address the main drivers of deforestation and degradation	<p>A. Addressing the drivers of deforestation and degradation appears to be high on the list of priorities in forest development plans and budgets.</p> <p>B. Addressing the drivers of deforestation and degradation appears to be given the same level of priority as other activities in forest development plans and budgets.</p> <p>C. Addressing the drivers of deforestation and degradation appears to be low on the list of priorities in forest development plans and budgets.</p> <p>D. Addressing the drivers of deforestation and degradation is not explicitly considered in forest development plans and budgets.</p>
FGI 3, Dimension i	Assessment
Country's commitment to forest certification and chain-of-custody systems to promote sustainable harvesting of timber and non-timber forest products	<p>A. The government requires and actively supports and encourages certification and chain-of-custody systems; the area under certification in the country is growing rapidly.</p> <p>B. The government does not require certification but supports and encourages it and chain-of-custody systems; the area under certification in the country is growing but only slowly.</p> <p>C. The government has no stand as regards promotion of certification and chain-of- custody systems.</p> <p>D. Existing rules, regulations or institutions make it difficult to put certification or chain-of-custody systems in place.</p>
FGI 3, Dimension ii	Assessment
Country's commitment to SMEs as a way to promote competition,	A. The government actively supports the development of small- to medium-sized forest sector businesses that use forest resources sustainably.

<p>income generation and productive rural employment</p>	<p>B. There is support, but the government could do much better.</p> <p>C. The government neither encourages nor discourages small- to medium-sized forest sector businesses.</p> <p>D. Existing laws and institutions make it difficult for small- to medium-sized forest sector businesses to succeed.</p>
<p>FGI 4, Dimension i</p>	<p>Assessment</p>
<p>Recognition of traditional and indigenous rights to forest resources by law</p>	<p>A. The law mostly recognizes traditional and indigenous rights and guarantees security of access to forest dependent communities.</p> <p>B. The law often recognizes traditional and indigenous rights and guarantees security of access to forest dependent communities.</p> <p>C. The law recognizes traditional and indigenous rights in less than half of the cases and cannot fully guarantee security of access to forest dependent communities.</p> <p>D. The law does not recognize traditional and indigenous rights, nor does it guarantee access to forest dependent communities.</p>
<p>FGI 4, Dimension ii</p>	<p>Assessment</p>
<p>Sharing benefits or income from public forests with local communities by law and its implementation</p>	<p>A. The law includes clear provisions for sharing payments or other benefits with local communities. These provisions cover sharing of benefits generated from all kinds of forest uses, and they are effectively implemented.</p> <p>B. The law has clear provisions on sharing benefits from some forest uses, but not from all uses, and implementation is weak.</p> <p>C. The law addresses benefit sharing but the rules are unclear and unenforceable.</p> <p>D. The law is silent on benefit sharing for local communities.</p>
<p>FGI 5, Dimension i</p>	<p>Assessment</p>

<p>Boundaries of the countries forest estate and the classification into various uses and ownership are clearly defined and demarcated.</p>	<p>A. Forest boundaries are mostly all clearly surveyed and demarcated for all categories of forest lands, and ownership is clear and not contested.</p> <p>B. Forest boundaries are often clearly surveyed and demarcated for most categories of forest lands and ownership is often clear and uncontested.</p> <p>C. Forest boundaries are clearly surveyed and demarcated only in some places and ownership is unclear and widely contested.</p> <p>D. Forest boundaries are generally not clearly surveyed and demarcated and ownership is highly contested.</p>
<p>FGI 5, Dimension ii</p>	<p>Assessment</p>
<p>In rural areas, forest land use plans and changes in these plans are based on public input.</p>	<p>A. Public input is sought in preparing and amending land use plans and the public responses are explicitly referenced in the report prepared by the public body responsible for preparing the new public plans. This report is publicly accessible.</p> <p>B. Public input is sought in preparing and amending land use plans and the public responses are used by the public body responsible for finalizing the new public plans, but the process for doing this is unclear or the report is not publicly accessible.</p> <p>C. Public input is sought in preparing and amending land use plans but the public comments are largely ignored in the finalization of the land use plans.</p> <p>D. Public input is not sought in preparing and amending land use plans.</p>
<p>FGI 6, Dimension i</p>	<p>Assessment</p>
<p>Country's approach to controlling forest crimes, including illegal logging and corruption.</p>	<p>A. The government systematically monitors the extent and types of forest crimes and employs a variety of measures, appropriate to the crime, to control it.</p> <p>B. The government partially monitors the extent and types of forest crimes and makes partial and unsystematic efforts to control it.</p> <p>C. The government monitors forest crime only infrequently and makes no</p>

significant investments in efforts to control it.

- D. The government neither monitors forest crimes nor invests resources to control it.

FGI 6, Dimension ii

Assessment

Inter and intra agency efforts and multi-stakeholder collaboration to combat forest crimes, and awareness of judges and prosecutors

- A. Officials inside and outside the forest agency effectively work together to combat forest crime; the government collaborates frequently with civil society organizations and representatives of local communities, and; judges and prosecutors are generally knowledgeable about the effects of forest offences.
- B. Officials inside and outside the forest agency occasionally work together to combat forest crime; government sometimes collaborates with civil society organizations and representatives of local communities, and; many judges and prosecutors are knowledgeable about the effects of forest offences.
- C. Officials inside the forest agency occasionally work together to combat forest crime, but there is weak coordination with other agencies; government rarely collaborates with civil society organizations and representatives of local communities, and; few judges and prosecutors are knowledgeable about the effects of forest offences.
- D. There is no coordination inside the forest agency and across agencies to combat forest crime; government does not collaborate with civil society organizations and representatives of local communities, and; judges and prosecutors are not knowledgeable about the effects of forest offences.

Annex 4. Aide Memoire Panel 1: Land Tenure

The World Bank

Land Governance Assessment Framework

Georgia

Report: Panel 1. Land Tenure

Professional Consulting Group Office

August 11, 2011

Introduction

1.1 The Land Governance Assessment Framework (LGAF) is a diagnostic tool for the evaluation of the legal framework, policies and related practices, land use and management. The LGAF groups land topics into five core thematic areas: Legal and Institutional Framework; Land Use Planning, Management and Taxation; Management of Public Land; Public Provision of Land Information; and Dispute Resolution and Conflict Management. Within the five thematic areas there are 21 “land governance indicators” (LGI) and 80 parameters, which are assessed by 9 panels.

1.2 The core approach to implement the LGAF is using panels of 3 to 5 experts, who at the one-day workshop assess the respective dimension both individually and through consensus. The first Panel of Experts was held on the issues of Land Tenure, which discussed 13 and assessed 12 dimensions of the Indicator. The Land Tenure Panel was attended by Mr. Paata Chipashvili, staff member of the Public Registry Office of the Ministry of Justice; Ms. Nino Kopperia, Chair of the Chamber of Notaries of Georgia, practicing notary; Mr. Naum Turabelidze, Full Professor of the Agrarian University of Georgia, doctor of economic sciences; Mr. Temur Paichadze, private expert on the issues of land/real estate market; one of the invited panel members, Mr. Irakli Songulia, Director of NGO "Association of Land Owners Rights", was not able to participate in the panel meeting;

1.3 In order to inform and prepare the panel members, the country coordinator sent them the following materials:

- LGAF Implementation Manual - Annex 1

- Assessment forms and tables
- Land Tenure Typology in Georgia
- Information about land ownership collected by expert investigators

1.4 The panel meeting was held in two parts. In the first part, the country coordinator, who at same time moderated the meeting, presented the agenda and working procedures, as well as LGAF assessment and explained to the panel members the objective of the meeting. After that, all 13 dimensions and assessment procedures were explained. The assessment tables that were preliminarily filled in by the panel members were collected. The others were given time to fill them in. Individual assessment scores were recorded by the country coordinator in the general table (see Annex A). The second part of the meeting was dedicated to discussions/debate and reaching of consensus in assessment of each dimension. Before starting the assessment of dimensions, the panel members were presented with the results of their individual assessment. In order to provoke active discussion, each dimension with its four possible assessments were shown on the screen. By the end of the meeting, discussion was held on the findings and recommendation made on the subject matter.

2 Assessment of Dimensions and Discussion

2.1 Rural land tenure rights are legally recognized LGI 1, D i

During the preliminary assessment, two panel members assessed the dimension as A and two as B. As a result of consensus, the panel members assessed the dimension as A: " Existing legal framework recognizes rights held by more than 90% of the rural population, either through customary or statutory tenure regimes".

This was explained by the fact that agricultural land tenure rights in Georgia are legally recognized and the legislation of Georgia does not impose any limitations in terms of area and size of land, rural employment, or experience. In addition, there are no limitations on alienation (e.g. permission should not be obtained from neighbors or local government). Moreover, ownership is guaranteed in the form of both individual and communal rights.

Ownership right is limited only for the residents of foreign countries. However, the panel members gave high score to the dimension as the citizens of foreign countries can establish legal entities in Georgia and thus become owners of agricultural land.

In addition, the panel members mentioned that the legislation does not set any special conditions for various vulnerable groups, such as orphans, widows, elders, children and women.

During the preliminary assessment, two panel members assessed the dimension as A and two as B. As a result of consensus, the panel members assessed the dimension as A: " Existing legal framework recognizes rights held by more than 90% of the rural population, either through customary or statutory

tenure regimes". This was explained by the fact that agricultural land tenure rights in Georgia are legally recognized and the legislation of Georgia does not impose any limitations in terms of area and size of land, rural employment, or experience. In addition, there are no limitations on alienation (e.g. permission should not be obtained from neighbors or local government). Moreover, ownership is guaranteed in the form of both individual and communal rights.

Ownership right is limited only for the residents of foreign countries. However, the panel members gave high score to the dimension as the citizens of foreign countries can establish legal entities in Georgia and thus become owners of agricultural land.

In addition, the panel members mentioned that the legislation does not set any special conditions for various vulnerable groups, such as orphans, widows, elders, children and women.

2.2 Urban land tenure rights are legally recognized LGI 1, D ii

All four members of the panel gave high score and assessed the dimension as A: " Existing legal framework recognizes rights held by more than 90% of the urban population, either through customary or statutory tenure regimes".

This was explained by the fact that urban land tenure rights are legally recognized and the legislation of Georgia does not impose any limitations for both citizens of Georgia and other countries. The ownership is guaranteed in the form of both individual and communal rights. The Civil Code of Georgia recognized communal ownership on communal land and space of apartment blocks/condominiums, where the owners of apartments co-own the communal land and space proportionally to the area of their apartments and make decisions in their management.

In addition, the legislation of Georgia does not impose any limitations on area or size of land. There are no limitations on alienation.

2.3 Rural group rights are formally recognized LGI 1, D iii

During the preliminary assessment, three panel members out of four gave score D to the dimension and one assessed as C. As a result of consensus, the panel members assessed the dimension as D: "The tenure of most groups in rural areas is not formally recognized".

Two members of the panel initially planned not to assess the dimension, as community/group tenure does not formally exist in Georgia. They were explained that the assessment was interested in actual situation and after that, the panel members discussed the use of pastures by rural population as a form of community/group tenure. Furthermore, the legislation of Georgia does not stipulate for sale of pastures.

It was mentioned that the government does not recognize community/group tenure that excludes the possibility to protect the rights of pasture users.

2.4 Urban group rights are recognized in informal areas LGI 1, D iv

The dimension was not assessed, as urban groups do not exist in Georgia. Despite of the fact that there are cases of illegal individual houses, these do not represent illegal group settlements.

2.5 Opportunities for tenure individualization exist and are accessible LGI 1, D v

During the preliminary assessment, two panel members assessed the dimension as A and two as B. During the preliminary assessment, the panel members reviewed the cases when land was owned by the groups, i.e. several persons purchased the land together and not the cases of group/community tenure of land. After that, the panel members were explained that the indicator referred to group/community tenure of land and based on consensus, they assessed the dimension as D: "Although desirable, the law provides no opportunities for those holding land under customary, group, or collective tenures to fully or partially individualize land ownership/use", as group tenure of land is not at all regulated in Georgia and therefore, there is no opportunity for tenure individualization.

2.6 Most communal or indigenous land is mapped and rights are registered LGI 2, D i

During the preliminary assessment, two assessed the dimension as D, one as B and one as C. based on consensus, the panel members assessed the dimension as D: "Less than 10% of the area under communal or indigenous land has boundaries demarcated and surveyed and associated claims registered".

The panel members mentioned that International projects that are implemented in Georgia have surveyed these lands. However, they are not registered in the respective agency. Therefore, the dimension was assessed as D. The panel members requested to reflect in the report the information on the fact that these lands are surveyed.

2.7 Individually held properties in rural areas are formally registered LGI 2, D ii

During the preliminary assessment, two panel members out of four assessed the dimension as B and two as D. During the preliminary assessment, the panel members reviewed only the land that is registered in Public Registry. The panel members were explained that that the indicator referred to not only fully registered land but also to the cases when the owners have respective documents for registration of their property, or the land is recorded in the administrative bodies, e.g. tax list,

acceptance act, etc. After that, (based on consensus) the panel members assessed the dimension as A: "More than 90% of individual properties in rural areas are formally registered".

In addition, It was mentioned that the Registry does not give information on agricultural lands registered before 2006. Therefore, it is impossible to accurately assess the number of owners,

who have registered their land before 2006. The experts made decision based on their personal experiences.

2.8 Individually held properties in urban areas are formally registered LGI 2, D iii

During the preliminary assessment, two panel members out of four assessed the dimension as B and two as D. During the preliminary assessment, the panel members reviewed only the land that is registered in Public Registry. The panel members were explained that that the indicator referred to not only fully registered land but also to the cases when the owners have respective documents for registration of their property, or the land is recorded in the administrative bodies, e.g. tax list, acceptance act, etc. After that, (based on consensus) the panel members assessed the dimension as A: "More than 90% of individual properties in urban areas are formally registered".

It was mentioned that despite of the fact that number of registered property in the Public Registry is low, all the owners of apartments and other real estate actually have respective documents. In addition, the archive of the Public Registry holds respective information.

2.9 A condominium regime provides for appropriate management of common property LGI 2, D v

During the preliminary assessment, two out of four panel members assessed the dimension as B, one as A and one as C. Based on consensus, the panel members assessed the dimension as C: "Common property under condominiums has some recognition but there are no provisions in the law to establish arrangements for the management and maintenance of this common property".

The legislation of Georgia does not regulate condominium regime of rural groups. However, the panel members mentioned that rural groups manage common property based on self- regulation and informal rules. This is the reason for the above assessment.

2.10 There is compensation for loss of rights due to land use changes LGI 2, D vi

During the preliminary assessment, two out of four panel members assessed the dimension as D, one as B and one as C. Based on consensus, the panel members assessed the dimension as D: "Where people lose rights as a result of land use change outside the expropriation process, compensation is not paid".

The legislation does not include compensations in case of land change use. There are some individual cases of compensation, e.g. compensation is paid to the complaining neighbor, when a new house is built by an individual person or organization. These kinds of cases cannot be considered as the right to get compensation in case of change in land use.

The panel members recalled the cases of compensation (outside the expropriation process) during implementation of pipeline project by British Petroleum, when along the "right of way" of the oil pipeline, the owners right to use the land was limited and they received respective compensations. However, the fact was caused by the requirements of international organization and not by the state regulation.

2.11 Use of non-documentary forms of evidence for recognition of property claims LGI 3, D i

The panel assessed the dimension as B: "Non-documentary forms of evidence are used to obtain recognition of a claim to property along with other documents (e.g. tax receipts or informal purchase notes) when other forms of evidence are not available. They have about the same strength as the provided documents". Four members of the panel attributed similar score to the dimension.

This was explained by the fact that in the process of recognition of rights, when other forms of evidence are not available, witnesses' verbal testimony, record from tax department and other documents are applicable, together with non-documented evidences. In addition, while legalizing the rights on illegally occupied property, notarized testimony of witnesses is applicable.

2.12 There is formal recognition of long-term, unchallenged possession LGI 3, D ii

The panel assessed the dimension as A: "Legislation exists to formally recognize long-term, unchallenged possession and this applies to both public and private land although different rules may apply". Four members of the panel attributed similar high score to the dimension.

This was explained by the fact that the legislation exists on formal recognition of non-disputed public land. On July 11, 2007, the law of Georgia on "Recognition of ownership right on land parcels in possession of physical and legal persons" was adopted, according to which long-term illegal possession is formally legalized. After the enforcement of the law, special commissions established in the city halls of six big cities of Georgia (Tbilisi, Rustavi, Kutaisi, districts of Mtskheta, Dusheti and Borjomi) reviewed 23,079 cases, out of which 7,862 cases had positive outcome in terms of recognition of ownership rights, that makes 34% of total cases and 15,217 cases were respectively refused.

2.13 There is an efficient and transparent process to formalize possession LGI 3, D vi

Three panel members assessed the dimension as B and one as C. Based on consensus, the panel members assessed the dimension as B: "There is a clear, practical process for the formal recognition of possession but this process is not implemented effectively, consistently or transparently".

This was explained by the fact that the legislation of Georgia clearly defines the possibility for formalization of possession of non-disputed land. On July 11, 2007, the law of Georgia on "Recognition of ownership right on land parcels in possession of physical and legal persons" was adopted, according

to which long-term illegal possession is formally legalized. According to the law, possession of two categories of land can be formalized: reasonable possession and willfully occupied land.

The process of legalization was not very efficient in the initial period, right after adoption of the law. The requirement of the law on terms were not followed. In addition, there were several shortfalls in the law. Later, with the amendments to the law and improvements in administration, the situation was improved in Tbilisi and currently the implementation is consistent. However, the panel members mentioned that the process is not similar in some cities and districts of Georgia.

Annex 5. Aide Memoire: Panel 2. Land Tenure Urban Land Planning and Development

The World Bank

Land Governance Assessment Framework

Georgia

Report: Panel 2. Urban Land Planning and Development

Professional Consulting Group Office

August 16, 2011

Introduction

2.1 The Land Governance Assessment Framework (LGAF) is a diagnostic tool for the evaluation of the legal framework, policies and related practices, land use and management. The LGAF groups land topics into five core thematic areas: Legal and Institutional Framework; Land Use Planning, Management and Taxation; Management of Public Land; Public Provision of Land Information; and Dispute Resolution and Conflict Management. Within the five thematic areas there are 21 “land governance indicators” (LGI) and 80 parameters, which are assessed by 9 panels.

2.2 The core approach to implement the LGAF is using panels of 3 to 5 experts, who at the one- day workshop assess the respective dimension both individually and through consensus. The second Panel of Experts was held on the issues of Urban Land Planning and Development, which discussed and assessed 12 dimensions of the Indicator. The Urban Land Planning and Development Panel was attended by Mr. Tengiz Kodua, Construction and Technical Inspection of the Ministry of Economy and Sustainable Development; Mr. Papuna Dzidziguri, Tbilisi City Hall Architectural Service; Mr. Teimuraz Japaridze, the Director of Designing Organization “AKO”, LLC; Mr. Zurab Motsonelidze, an architect.

2.3 In order to inform and prepare the panel members, the country coordinator sent them the following materials:

- LGAF Implementation Manual - Annex 1
- Assessment forms and tables
- Land Tenure Typology in Georgia

- Information on urban land planning and development collected by expert investigators

2.4 The panel meeting was held in two parts. In the first part, the country coordinator, who at same time moderated the meeting, presented the agenda and working procedures, as well as LGAF assessment and explained to the panel members the objective of the meeting. After that, all 12 dimensions and assessment procedures were explained. The assessment tables that were preliminarily filled in by the panel members were collected. The others were given time to fill them in. Individual assessment scores were recorded by the country coordinator in the general table (see Annex A). The second part of the meeting was dedicated to discussions/debate and reaching of consensus in assessment of each dimension. Before starting the assessment of dimensions, the panel members were presented with the results of their individual assessment. In order to provoke active discussion, each dimension with its four possible assessments were shown on the screen. By the end of the meeting, discussion was held on the findings and recommendation made on the subject matter.

3 Assessment of Dimensions and Discussion

2.1 Formalization of urban residential housing is feasible and affordable LGI 3, D v

Out of five panel members, one assessed the dimension as A, two as B, and two as C. As a result of consensus, the panel members assessed the dimension as B, “The requirements for formalizing housing in urban areas are clear, straight-forward, and affordable but are not implemented consistently in a transparent manner.”

This was explained by the fact that obtaining a building permit for urban dwellings, construction and acceptance into operation is carried out in accordance with the 57th resolution of the government on “the Rule for Issuing a Building permit and Terms of Permit”, is regulated and affordable.

In addition, the panel members mentioned that despite the fact that there are regulations in place, urban planning is not carried out and consequently, there is no zoning in other settlements except the three largest cities.

The panel members also mentioned that in places with zoning (approximately 65% of urban population), no constructions of dwellings are carried out without a relevant building permit, construction process is divided into appropriate stages and construction is renewed after completion of the previous stage which significantly simplifies acceptance into operation and its formalization. Consequently, where there is zoning, formalization of construction of dwellings is mainly regulated and affordable.

The panel members also mentioned that in places without zoning (approximately 35% of urban population), buildings are constructed illegally without relevant building permits. In such cases, acceptance of buildings into operations is possible only when a penalty fee for illegal construction is paid and it is demonstrated that construction meets required standards and if applied, it would

not have had any problem to obtain a building permit. Consequently, where there is no zoning, formalization of construction of dwellings is not always affordable.

2.2 Restrictions regarding urban land use, ownership and transferability are justified LGI 4, D i

Out of five panel members one assessed the parameter as A and four as B. As a result of consensus, the panel members assessed the parameter as B, “There are a series of regulations that are for the most part justified on the basis of overall public interest but that are not enforced.”

The Georgian law on “Spatial Arrangement and City Construction Basics” and the law on “Principle Provisions Regulating Usage and Development of Residential Areas”, restricts urban land use, ownership and transferability, including functional zones (i.e. residential; recreational, industrial, historic, etc.); terms of placement of buildings on plots and maximum heights; development regulation lines (red and blue); coefficients of plot development, development intensity and landscaping.

There are no restrictions on land transferability, land ownership, type of property, size of property, price of property and lease.

It was also mentioned that urban planning is required by the law. However restrictions related to urban land use are not fully specified in places where there is no proper urban planning. It was also mentioned that the legislation specifies terms for assigning a relevant zone to a land plot. But this is a temporary solution on unplanned territories and solves a certain part of problems though definitely can not substitute the urban planning.

2.3 Information Sharing LGI 5, D iv

Out of five panel members one assessed the parameter as A and four as B. As a result of consensus, the panel members assessed the parameter as B, “Information related to rights in land is available to interested institutions and although this information is available at reasonable cost, it is not readily accessible as the information is not maintained in a uniform way.”

This was explained by the fact that “Principle Provisions Regulating Usage and Development of Residential Areas” specify publicity that gives opportunity for information sharing. However, as the planning is not done throughout the whole country, the information is not unified. It is often difficult to find and in some cases it may be concealed on purpose.

In addition, the panel members also stated that the information sharing experience of Tbilisi municipality which has published the interactive map on its official web-site reflecting the issues/information related to ownership, planning, obtaining a building permit and other current processes is constantly updated.

It was also mentioned that in cities where urban development is mainly implemented, there are no interactive maps similar to that of Tbilisi, though there is an interest of making such interactive maps.

It was also mentioned that information sharing is more difficult in those places where there is no urban planning.

2.4 In urban areas, land use plans and changes in these plans are based on public input LGI 7, D i

During the preliminary assessment, three panel members out of five assessed the parameter as C and two as D. Finally, as a result of consensus, the parameter was assessed as C, “Public input is sought in preparing and amending land use plans but the public comments are largely ignored in the finalization of the land use plans.”

Although the Georgian law on “Spatial Arrangement and City Construction Basics” and this law on “Principle Provisions Regulating Usage and development of Residential Areas” specify involvement of the public in the planning process, the public is still not involved in the planning process, public opinion is rarely taken into account and practical planning experience is little too.

It was also mentioned that in Georgia, unfortunately, the land is not divided into urban and rural ones. It is divided into Agriculture land and non agriculture land. Such division is related to the construction development ability of land. Construction on the agriculture land is not allowed, it is allowed on non agriculture one. In most cases, agriculture land is transferred into agriculture one in order to carry out construction. No precedent of contrary cases had been reported.

2.5 The public captures benefits arising from changes in permitted land use LGI 7, D iii

Out of five panel members, one assessed the parameter as A and four as B. On the basis of consensus, the parameter was assessed as B, “Mechanisms to allow the public to capture significant share of the gains from changing land use (e.g. betterment taxes, levies for infrastructure, property tax) are applied transparently but not always used”.

This was explained by the fact that in our country, the planning process mostly is carried out transparently although public involvement is still little, probably because the public is not well aware of the profit or loss that may be resulted from the land use change. In addition, in a new (post-Soviet) environment, there is a little experience of planning.

It was also mentioned that in some cases the change of land use may represent somebody’s hidden interests and illegally/informally be profitable for pre-interested persons.

2.6 Actual land use changes to the assigned land use in a timely manner LGI 7, D iv

During preliminary assessment one panel member out of five assessed the parameter as B and four as C. As a result of consensus, the panel members assessed the parameter as C, “Between 30% and 50% of the land that has had a change in land use assignment in the past 3 years has changed to the destined use.”

This was explained by the fact that “Principle Provisions Regulating Usage and development of Residential Areas” specify a regime of land use change (the pace of land use change depends on simple and difficult regimes. For simple regime, maximum 20 days and for difficult regime, 50 days) which is positive, though in most cases, public involvement in the process of land use change is little and there are cases of ignoring public opinion over special territories. It was also mentioned that real changes to defined land use are not carried out properly.

It was also mentioned that under the law, the change of land use is possible in quite a short time. Though, on unplanned territories first it is necessary to make a zoning, determine appropriate regimes of use of plots and only afterwards it is possible to change the land use, if requested.

2.7 Land use planning effectively controls urban development in the largest city in the country LGI 8,

D i

During preliminary assessment one panel member out of five assessed the parameter as B and four as C. As a result of consensus, the panel members assessed the parameter as C, “In the largest city in the country, while a hierarchy of regional/detailed land use plans is specified by law, in practice urban spatial expansion occurs in an ad hoc manner with infrastructure provided some time after urbanization.”

The panel members noted that in Tbilisi, urban planning (that is carried out at two levels – general and detailed) is implemented according to the “General Plan of Land Use” of the city of Tbilisi and on specific territories detailed planning is implemented in the form of “Development Regulating Plans” that are worked out in accordance with this plan, as well as on demand basis. In addition, there is an interactive map placed on the official web-site of Tbilisi where planning and development process is reflected in a permanently updating regime. However, there are such spontaneous urban developments where infrastructure does not reach a plot or is not provided at all or is insufficient.

It was also mentioned that in the capital of the country and at the same time the largest city, Tbilisi, urban planning process is most developed, most of urban planning specialists are gathered here and, consequently, the demand and criticism is greater that played its part in determining the panel’s comparatively low assessment.

2.8 Land use planning effectively controls urban development in the four largest cities in the country, excluding the largest city LGI 8, D ii

During preliminary assessment one panel member out of five assessed the parameter as A, two as B and one as C. As a result of consensus, the panel members assessed the parameter as C, “In the four major cities in the country, while a hierarchy of regional/detailed land use plans is specified by law, in practice urban development occurs in an ad hoc manner with infrastructure provided some time after urbanization.”

This was explained by the fact that in the two largest cities (Batumi and Zugdidi) excluding the largest city, urban planning has been already carried out and in the two largest cities (Kutaisi and Rustavi) it is to be carried out. Where there is no urban planning, development is spontaneous. It was mentioned that urban development is generally implemented in Batumi, intensive construction is underway and replacement or renewal of water and sewage networks is carried out.

2.9 Planning processes are to cope with urban growth LGI 8, D iii

During preliminary assessment two panel members out of five assessed the parameter as C and four as B. As a result of consensus, the panel members assessed the parameter as C, "In the largest city in the country, the urban planning process/authority is struggling to cope with the increasing demand for serviced units/land as evidenced by the fact that most new dwellings are informal."

This was explained by the fact that the population of Georgia had been decreasing until recently, now it shows a little increase. In addition, despite the fact that 45% of population lives in villages, increase of urban population generally is not high excluding the largest city Tbilisi which satisfies urban growth demands the most, though in many cases it faces great problems. In addition, population of Tbilisi is provided with such services as: power, water, sewage and natural gas. It also has potential for satisfying increasing population. However, there are problems related to breakdown of such networks. Mainly, they are outdated, fail frequently and have great loss. Mainly, this applies to waterpipes. As for electric wiring, it is more or less in order. It was also mentioned that though service organizations are private bodies, they are monopolists on the territory of the city that causes problems. I.e. they demand inadequate amounts for providing houses with utilities. This prevents urban development, especially, on undeveloped territories and so, in this respect, there are great problems. Often, undeveloped territories are developed without providing such networks.

2.10 Residential plot sizes are adhered to in urban areas LGI 8, D iv

During preliminary assessment two panel members out of five assessed the parameter as C and three as D. As a result of consensus, the panel members assessed the parameter as B, "Existing requirements for residential plot sizes are met between 70% and 90% of plots."

This was explained by the fact that initially the question was not understood correctly by the panel members (mainly they meant minimum requirements for plot sizes in residential areas which is nonexistent). Afterwards, during discussion, the question was comprehended differently and discussion continued over the issue whether plot sizes in urban area are violated or not or is it protected or not. As a result, the final assessment significantly differed from the initial one.

It was mentioned that in Soviet times when a sole land owner was the state, red lines of those times still specified development territories, including residential territories, during development planning. On the territories intended for individual dwellings, appropriate plot was assigned to each house on formal basis. After establishing land ownership, plots being in the property of residential buildings were

assigned to them, in case of individual houses; these were plots that had been in use of house owners. As for residential apartment houses, there was established the “Rule for Determining Plot Borders Included in the Common Property of the Membership of Flat Owners” and plots were and in certain cases are even now assigned according to this rule.

It was also mentioned that building permit is not issued without a confirmation of ownership on a plot.

It was also mentioned that according to expert evaluation, in residential areas of urban territories, sizes of plots are maintained; on rural territories they may be less maintained however overall they are maintained; as for the whole country, plots are not in all cases assigned on formal basis to residential houses (especially, apartment houses) constructed in Soviet time.

2.11 Applications for building permits for residential dwellings are affordable and effectively processed LGI 9, D i

Five panel members out of five assessed the parameter as A and as a result of consensus, the panel members assessed the parameter as A, “Requirements to obtain a building permit are technically justified, affordable, and clearly disseminated.”

This was explained by the fact that issuance of building permit is carried out in 3 stages (approval of construction terms for plots; agreement of architectural design and issuance of building permit) and there is no fee for application of building permits for dwellings. The fee is imposed only for obtaining a building permit and it is determined according to the area intended for construction of a building. It amounts one Lari per square meter.

It was also mentioned that currently some newly developed codes are also used; partially, old soviet standards; ICC codes and European Codes. The process of code development is also underway.

It was also mentioned that in some cases the process of issuing building permits encounters problems related to fairness, though mainly building permits are issued transparently.

2.12 The time required to obtain a building permit for a residential dwelling is short LGI 9, D ii

Five panel members out of five assessed the parameter as A and as a result of consensus, the panel members assessed the parameter as A, “All applications for building permits receive a decision within 3 months.”

This was explained by the fact that time required to obtain a building permit is maximum 60 days.

It was mentioned that in Tbilisi there is a parallel regime of building permit issuance that provides for the service in a shorter time and it is a paid service.

It was also mentioned that there are no unofficial fees.

Annex 6. Aide Memoire: Panel 3. Rural Land Use and Land Policy

The World Bank

Land Governance Assessment Framework

Georgia

Report: Panel 3. Rural Land Use and Land Policy

Professional Consulting Group Office

August 16, 2011

Introduction

3.1 The Land Governance Assessment Framework (LGAF) is a diagnostic tool for the evaluation of the legal framework, policies and related practices, land use and management. The LGAF groups land topics into five core thematic areas: Legal and Institutional Framework; Land Use Planning, Management and Taxation; Management of Public Land; Public Provision of Land Information; and Dispute Resolution and Conflict Management. Within the five thematic areas there are 21 “land governance indicators” (LGI) and 80 dimensions, which are assessed by 9 panels.

3.2 The core approach to implement the LGAF is using panels of 3 to 5 experts, who at the one-day workshop assess the respective dimension both individually and through consensus. The third Panel of Experts was held on the issues of Rural Land Use and Land Policy, which assessed 10 dimensions of the respective Indicator. The Rural Land Use and Land Policy Panel was attended by Mr. Giorgi Butskhrikidze, full professor of the Business Administration Faculty of Akhaltsikhe State University; Mr. Teimuraz Kiknadze, director of LTD “Meoli” and head of Vocational Education Center of Geodesy; Mr. Giorgi Zurashvili, farmer; Mr. Alexander Datiashvili, director of LTD “Tbilisi 90”.

3.3 In order to inform and prepare the panel members, the country coordinator sent them the following materials:

- LGAF Implementation Manual - Annex 1
- Assessment forms and tables
- Land Tenure Typology in Georgia
- Information collected by expert investigator on rural land use planning and development

3.4 The panel meeting was held in two parts. In the first part, the country coordinator, who at the same time moderated the meeting, presented the agenda and working procedures, as well as LGAF assessment and explained to the panel members the objective of the meeting. After that, all 10 dimensions and assessment procedures were explained. The assessment tables that were preliminarily filled in by the panel members were collected. The others were given time to fill them in. Individual assessment scores were recorded by the country coordinator in the general table (see Annex A). The second part of the meeting was dedicated to discussions/debate and reaching of consensus in assessment of each dimension. Before starting the assessment of dimensions, the panel members were presented with the results of their individual assessment. In order to provoke active discussion, each dimension with its four possible assessments were shown on the screen. By the end of the meeting, discussion was held on the findings and recommendation made on the subject matter.

4 Assessment of Dimensions and Discussion

2.14 Restrictions regarding rural land use, ownership and transferability are justified LGI 4, D ii

During the preliminary assessment, three panel members assessed the dimension as A and one as B. Finally, the panel members assessed the dimension as A: "There are a series of regulations that are for the most part justified on the basis of overall public interest and that are enforced".

This was explained by the fact that agricultural land tenure rights in Georgia are legally recognized and the legislation of Georgia does not impose any limitations in terms of area and size of land, rural employment, or experience. In addition, there are no limitations on alienation (e.g. permission should not be obtained from neighbors or local government). Moreover, ownership is guaranteed in the form of both individual and communal rights.

Tenure right is limited only for the residents of foreign countries. However, the panel members gave high score to the dimension as the citizens of foreign countries can establish legal entities in Georgia and thus become owners of agricultural land.

2.15 There is an appropriate separation of policy formulation, implementation, and arbitration roles LGI 5, D i

Out of four members, two assessed the dimension as A, one as B and one as C. Based on consensus, the panel members finally assessed the dimension as A: "In situations that can entail conflicts of interest or abuse (e.g. transfers of land rights) there is a clear separation in the roles of policy formulation, implementation of policy through land management and administration and the arbitration of any disputes that may arise as a result of implementation of policy".

This was explained by the fact that there is no overlapping of roles and responsibilities. In terms of policy formulation and implementation, conflict of interest is not observed and arbitration functions are clearly separated. E.g. functions of land management and land administration are clearly separated - land/real

estate registry is a unified, centralized body that makes its own decisions, independent from other state institutions and local bodies.

2.16 The responsibilities of the ministries and agencies dealing with land do not overlap (horizontal overlap) LGI 5, D ii

Three panel members out of four assessed the dimension as A and one assessed as D. As a result of consensus, the panel members assessed the dimension as A: "The mandated responsibilities exercised by the authorities dealing with land administration issues are clearly defined and non-overlapping with those of other land sector agencies".

This was explained by the fact that responsibilities exercised by the authorities dealing with land administration issues are clearly separated, defined and non-overlapping with those of other land sector agencies.

The legislation clearly separates the functions of the Public Registry under the Ministry of Justice, Ministry of Economy and Sustainable Development, Ministry of Energy, Forestry Department, Ministry of Environment and other ministries and state bodies.

2.17 Administrative (vertical) overlap is avoided LGI 5, D iii

During the individual assessment, two panel members assessed the dimension as B, one as A and one as D. Based on consensus, the panel members finally assessed the dimension as B: "Division of land-related responsibilities between the different levels of administration and government is clear with minor overlaps".

This was explained as follows: despite of the fact that division of land-related responsibilities between the different levels of government (vertical) is clear, information availability is not ensured on local level.

According to the panel members, the main shortfall is conditional by the fact that participation of local authorities in land alienation is not acceptable. According to Georgian legislation, the Ministry of Economy and Sustainable Development is responsible for alienation of agricultural land.

2.18 Land policy is developed in a participatory manner LGI 6, D i

During the preliminary assessment, all panel members gave different assessment to the dimension. However, based on consensus they assessed it as C: "Policy exists or can be inferred by the existing legislation but it is incomplete (some key aspects are missing or only covers part of the country such as only urban or only rural areas) or land policy decisions that affect some sections of the community are made without consultation with those affected".

This was explained by the fact that land policy exists and is inferred by the legislation, but in some cases does not incorporate the views of those affected.

In the process of policy implementation, preliminary participation of community is not guaranteed. In fact, public discussions are held only in case of dissatisfaction from those affected. In most of the cases, expression of dissatisfaction is followed by public discussions.

2.19 There is meaningful incorporation and monitoring of equity goals in land policy LGI 6, D ii

Out of four panel members, three assessed the dimension as C and one as B. Finally, the panel members assessed the dimension as C: "Land policies incorporate some equity objectives but these are not regularly and meaningfully monitored".

This was explained by the fact that the legislation of Georgia infers equity objectives in land policies. However, the panel members mentioned that regular monitoring is not ensured neither legally nor institutionally, that on its part does not guarantee equity.

2.20 The implementation of land policy is costed, matched with benefits and adequately resourced LGI 6, D iii

Out of four panel members, two assessed the dimension as C, one as B and one as A. Despite of the fact that panel members did not have information on statistical data on costs of policy implementation, they assessed the dimension as B: "The implementation of land policy is costed, though not necessarily based on a comparison of expected benefits and costs. There is an adequate budget, resources and institutional capacity".

This was explained by the fact that land policy related costs does not include the costs of land tenure registration and land monitoring. The panel members stressed implementation of the latter functions as crucial and requested to incorporate them in the recommendations.

2.21 There is regular and public reporting indicating progress in policy implementation LGI 6, D iv

The panel members unanimously assessed the dimension as B: "Formal land institutions report on land policy implementation in a regular and meaningful way but reports are not made public".

This was explained by the fact that public is not informed on the issues of land policy. The issue becomes more critical when legislation and normative acts are frequently emended. It is important to not only report to public but also arrange debates and roundtable discussions in order to raise public awareness, that in its part will contribute to efficient implementation of land policy.

The problem is particularly critical on local level, where farmers and rural population are major beneficiaries of the policy.

2.22 In rural areas, land use plans and changes in these plans are based on public input LGI 7, D ii

During the individual assessment, three panel members assessed the dimension as C and one as B. Finally, the panel members assessed the dimension as C: " Public input is sought in preparing and amending land use plans but the public comments are largely ignored in the finalization of the land use plans ".

The panel members mentioned that agricultural land use plans do not exist in Georgia. In rare cases, when these kinds of plans are prepared, public input is not sought. In order to implement agricultural policy, it is very important to overcome the problem of land fragmentation. This should be implemented not only through land consolidation programs, but also through well analyzed public consultations and according to agricultural land use plans prepared on the bases of public input.

2.23 Use plans for specific rural land classes (forest, pastures, wetlands, national parks etc.) are in line with actual use LGI 8, D v

Two out of four panel members assessed the dimension as A, and other two as C and B. Based on consensus, the panel members assessed the dimension as A: "The share of land set aside for specific use that is used for a non-specified purpose in contravention of existing regulations is less than 10%."

This was explained by the fact that use of specific land classes (forests, protected areas, national parks, reserves, natural monuments, protected landscapes, etc.) are in line with actual use. The panel members could not recall a single case, when specific land was used for a non-specified purpose.

In addition, special law on "System of Protected Areas" is adopted that creates bases for protection of country's remarkable natural environment and cultural heritage. As a result, international norms based on recommendations of International Union for Conservation were introduced.

Annex 7. Aide Memoire: Panel 4. Land Valuation and Taxation

The World Bank

Land Governance Assessment Framework

Georgia

Report: Panel 4. Land Valuation and Taxation

Professional Consulting Group Office

August 17, 2011

Introduction

4.1 The Land Governance Assessment Framework (LGAF) is a diagnostic tool for the evaluation of the legal framework, policies and related practices, land use and management. The LGAF groups land topics into five core thematic areas: Legal and Institutional Framework; Land Use Planning, Management and Taxation; Management of Public Land; Public Provision of Land Information; and Dispute Resolution and Conflict Management. Within the five thematic areas there are 21 “land governance indicators” (LGI) and 80 parameters, which are assessed by 9 panels.

4.2 The core approach to implement the LGAF is using panels of 3 to 5 experts, who at the one-day workshop assess the respective dimension both individually and through consensus. The presented Panel of Experts was held on the issues of Land Valuation and Taxation, which assessed 6 indicators and respective dimensions. The Land Valuation and Taxation was attended by Ms. Ekaterine Lapachi, Professor of Tbilisi State University, Mr. Omar Keshelashvili, Academician, Chair of Scientific Council of the Institute of Agrarian Economy, Mr. Mamuka Terashvili, Manager of “Solution” LTD, and Mr. Lasha Loladze, Director of “Tax Consulting Group” LTD;

4.3 In order to inform and prepare the panel members, the country coordinator sent them the following materials:

- LGAF Implementation Manual - Annex 1
- Assessment forms and tables
- Land Tenure Typology in Georgia
- Information collected by expert investigators about land valuation and taxation

4.4 The panel meeting was held in two parts. In the first part, the country coordinator, who at same time moderated the meeting, presented the agenda and working procedures, as well as LGAF assessment and explained to the panel members the objective of the meeting. After that, all 6 dimensions and assessment procedures were explained. The assessment tables that were preliminarily filled in by the panel members were collected. The others were given time to fill them in. Individual assessment scores were recorded by the country coordinator in the general table (see Annex A). The second part of the meeting was dedicated to discussions/debate and reaching of consensus in assessment of each dimension. The panel also discussed possible recommendations on the issues of policy, research and reforms. Before starting the assessment of dimensions, the panel members were presented with the results of their individual assessment. In order to provoke active discussion, each dimension with its four possible assessments were shown on the screen.

5 Assessment of Dimensions and Discussion

2.24 There is a clear process of property valuation LGI 10, D i

Two panel members assessed the dimension as D and two as B. As a result of consensus, the panel members assessed the dimension as D: "The assessment of land/property for tax purposes is not clearly based on market prices".

The practice of land valuation for tax purposes does not exist in Georgia. The panel members considered Tax Zoning as substitute of Valuation for Tax Purposes, according to which each territory is assigned to respective zone. Tax Zoning excludes the possibility of valuation of each property and therefore, it is not based on market prices.

In Tbilisi, valuation of non-agricultural land for property tax purposes is done according to 8 zones. Tbilisi city hall defines the tax amount according to nominal tax rate assigned to the respective zone. There are different zones in various cities of Georgia, defined by the respective municipal council. The Government of Georgia defines property tax on agricultural land according to cities and districts of Georgia.

2.25 Valuation rolls are publicly accessible LGI 10, D ii

During the individual assessment, three panel members assessed the dimension as A and one as B. Finally, the panel members assessed the dimension as A: "There is a policy that valuation rolls be publicly accessible and this policy is effective for all properties that are considered for taxation".

The panel members mentioned that valuation rolls are accessible. Nominal land tax rates are defined by the law. Local administrative bodies and tax departments have and issue information on tax rates of any particular territory without any limitations.

In addition, during completing the tax declaration, the person indicates location of the land and computer calculates the tax rate (fills in the respective field).

2.26 Exemptions from property taxes are justified and transparent LGI 11, D i

During the individual assessment, three panel members assessed the dimension as A and one as B. Finally, the panel members assessed the dimension as A: "There are limited exemptions to the payment of land/property taxes, and the exemptions that exist are clearly based on equity or efficiency grounds and applied in a transparent and consistent manner"

The legislation of Georgia clearly defines the list of groups that are exempt from land/property taxes. Therefore, it can be stated that exemptions are applied in a transparent manner. Tax authorities are not authorized to make decisions on tax exemption of individual persons. This kind of practice previously existed.

According to the current Tax Code of Georgia, the owners of agricultural land, who have acquired tenure right before March 1, 2004 and whose land parcel do not exceed 5 ha, are exempt from property tax. Therefore, the majority of agricultural land owners are tax exempt. In addition, physical person is exempt from property tax (except for land) if his/her last year's income was less than GEL 40,000. The legislation stipulates exemption from property tax on land for other groups as well.

2.27 Property holders liable to pay property tax are listed on the tax roll LGI 11, D ii

As in case of previous two dimensions, three panel members assessed the dimension as A and one as B. As a result of consensus, the panel members finally assessed the dimension as A: "More than 80% of property holders liable for land/property tax are listed on the tax roll".

The tax authorities have full information on land taxpayers, which is provided to them by the National Agency of Public Registry. In addition, information on new owners is provided to tax authorities and updated annually. Therefore, the panel members concluded that tax authorities have information on land taxpayers and they do not rely on good will of owners, who have to declare their tax liabilities.

2.28 Assessed property taxes are collected LGI 11, D iii

All four panel members assessed the dimension as A: "More than 80% of assessed property taxes are collected".

The panel members relied on the information provided by the tax authority, according to which the projected tax collection was GEL 201.000.0K and actual tax collection was GEL 191,728.7K.

2.29 Receipts from property taxes exceed the cost of collection LGI 11, D iv

During the preliminary assessment, three panel members assessed the dimension as C and one as A. Finally, as a result of discussion, the panel members came up to the consensus and assessed the dimension as B: "The amount of property taxes collected is between 3 and 5 times cost of staff in charge of collection".

It is difficult for tax authorities to make separate calculation of property tax collection costs because the tax authorities do not have separate administrative unit that is responsible for property tax collection. However, the tax authorities provided information that was discussed by the panel experts. According to the information, in 2010 payment to the staff in charge of property tax collection made GEL 43,597.4K, which included salaries GEL 39,700.4K and costs of compulsory tax collection GEL 3,897.0K. In the same year, the income from property tax collection made GEL 191,728.7K that is a bit less than 5 times cost of staff in charge of collection.

Annex 8. Aide Memoire: Panel 5. Public Land Management

The World Bank

Land Governance Assessment Framework

Georgia

Report: Panel 5. Public Land Management

Professional Consulting Group Office

August 18, 2011

Introduction

1.1 The Land Governance Assessment Framework (LGAF) is a diagnostic tool for the evaluation of the legal framework, policies and related practices, land use and management. The LGAF groups land topics into five core thematic areas: Legal and Institutional Framework; Land Use Planning, Management and Taxation; Management of Public Land; Public Provision of Land Information; and Dispute Resolution and Conflict Management. Within the five thematic areas there are 21 “land governance indicators” (LGI) and 80 dimensions, which are assessed by 9 panels.

1.2 The core approach to implement the LGAF is using panels of 3 to 5 experts, who at the one-day workshop assess the respective dimension both individually and through consensus. The fifth Panel of Experts was held on the issues of Public Land Management, which assessed 16 dimensions of the respective Indicator. The Public Land Management Panel was attended by Ms. Rima Lomauri, representative of Procredit Bank, Mr. Vazha Chopikashvili, representative of Ministry of Economy and Sustainable Development of Georgia, Mrs. Nino Bakhtadze, representative of Tbilisi Municipality, Mr. Gela Kalichava, representative of Georgian Railway Ltd.

1.3 In order to inform and prepare the panel members, the country coordinator sent them the following materials:

- LGAF Implementation Manual - Annex 1
- Assessment forms and tables
- Land Tenure Typology in Georgia
- Information collected by expert investigators on Public Land Management.

1.4 The panel meeting was held in two parts. In the first part, the country coordinator, who at the same time moderated the meeting, presented the agenda and working procedures, as well as LGAF assessment and explained to the panel members the objective of the meeting. After that, all 16 dimensions and assessment procedures were explained. The assessment tables that were preliminarily filled in by the panel members were collected. The others were given time to fill them in. Individual assessment scores were recorded by the country coordinator in the general table (see Annex A). The second part of the meeting was dedicated to discussions/debate and reaching of consensus in assessment of each dimension. Before starting the assessment of dimensions, the panel members were presented with the results of their individual assessment. In order to provoke active discussion, each dimension with its four possible assessments was shown on the screen. By the end of the meeting, discussion was held on the findings and recommendation made on the subject matter.

2.0 Assessment of Dimensions and Discussion

2.1 Public land ownership is justified and managed at the appropriate level of government LGI 12, D i

During individual assessment, three members of the panel out of four assessed the dimension as A, the fourth as B. Finally, as a result of discussion, the panel members assessed the dimension as A, „Public land ownership is justified by the provision of public goods at the appropriate level of government and such land is managed in a transparent and effective way“.

The legislation of Georgia clearly defines the issues of land management and competences. In addition, it was mentioned that information technologies are widely used. In particular, online auctions are held on sale of every public land that ensures transparency of the process.

The state policy is clearly oriented at attracting investments (both local and foreign), that benefits the society.

In addition, the panel members mentioned that the legislation of Georgia gives authority to the President of Georgia to alienate land/property through sole source. Property sold through sole source makes very small portion of the total property sold by the state.

2.2 There is a complete recording of publicly held land LGI 12, D ii

During individual assessment the votes were equally divided between A and C. During consensus discussion, the experts assessed it as C, „Less than 30% of public land is clearly identified on the ground or on maps“.

It was difficult for panel members to discuss the issue because of the lack of statistical information. The coordinator presented to the panel some information supplied by the National Agency of Public

Registry, according to which there are 55 thousand cases of real estate registration under the state ownership. However, the panel members did not have information on the total amount of state land. It

was also mentioned that the state property is registered only when there is an interest to alienate it (by the initiative of both the state and private investor).

2.3 The management responsibility for public land is unambiguously assigned LGI 12, D iii

Individually, three panel members out of four assessed the dimension as A, only one chose B. After discussion, experts unanimously assessed it as A, „The management responsibility for different types of public land is unambiguously assigned“.

The decision was conditioned by the fact that the management responsibilities of state bodies, Ministry of Economy and Sustainable Development of Georgia and local administrations, as well as Ministry of Environment of Georgia, Ministry of Energy and Natural Resources of Georgia and Ministry of Agriculture of Georgia are unambiguously assigned.

2.4 Sufficient resources are available to fulfill land management responsibilities LGI 12, D iv

Out of four panel members, three assessed the dimension as A, only one as D. As a result of consensus, the dimension was finally assessed as A, „There are adequate budgets and human resources that ensure responsible management of public lands“.

All functions related to land management, that are defined and assigned to respective state bodies have adequate budgets and human resources. However, the panel members outlined the fact that they discussed recognized functions in the dimension.

2.5 The inventory of public land is accessible to the public LGI 12, D v

As the previous dimension, three panel members out of four assessed the dimension as A, and only one expert had a different opinion, thinking B. However, after group discussion the dimension was assessed as A, „All the information in the public land

inventory is accessible to the public.“

Any kind of information is accessible on the website of the Public Registry. Any kind of registered data can be obtained after payment of respective fee, except for cases when the data represents commercial secret.

2.6 The key information on land allocations is accessible to the public LGI 12, D vi

All four experts unanimously assessed the dimension as A, „The key information for land allocations (the locality and area of the land allocation, the parties involved and the financial terms of the allocation) is recorded and publicly accessible“.

The panel members mentioned that information for land locality and financial terms of allocation is publicly accessible, in some cases through website and in other cases, the interested persons should apply to respective services to get it.

2.7 There is minimal transfer of expropriated land to private interests LGI 13, D i

Individually, three members out of four assessed the dimension as A, and one as B. As a result of consensus, it was assessed as A, "Less than 10% of land expropriated in the past 3 years is used for private purposes."

In Georgia, expropriated land is not at all used for private purposes. Expropriation is done only for public needs during implementation of infrastructure projects and its destined use is ensured.

2.8 Expropriated land is transferred to destined use in a timely manner LGI 13, D ii

Three members of the panel assessed the dimension as A, the fourth one as B. As a result of consensus, the panel members assessed it as A, „More than 70% of the land that has been expropriated in the past 3 years has been transferred to its destined use“.

The fact that expropriation of land is done based on preliminarily defined purpose and transfer to its destined use is done immediately was taken into account.

2.9 Compensation is paid for the expropriation of registered property LGI 14, D i

As the previous two dimensions, during individual assessment, this was also evaluated by three members as A, and by one member as B. At the end, the experts chose A, „Where property is expropriated, fair compensation, in kind or in cash, is paid so that the displaced households have comparable assets and can continue to maintain prior social and economic status“

The panel members mentioned that during the expropriation of property registered in Georgia, fair compensation is paid. This is confirmed by the fact that the majority of compensation issued for public needs is paid on the bases of mutual agreement.

2.10 Compensation is paid for the expropriation of all rights regardless of the registration status LGI 14, D ii

During individual assessment two members of the panel assessed the dimension as A, one as B, and one as C. Finally, it was evaluated as A, „Fair compensation, in kind or in cash, is paid to all those with rights in expropriated land (ownership, use, access rights etc.) regardless of the registration status“

The panel members mentioned that in case of losing any rights for public needs compensation is paid. Based on the fact that parts of infrastructural projects implemented in Georgia are funded by international donor organizations, they also monitor the issue.

2.11 Expropriated owners are compensated promptly LGI 14, D iii

Out of four panel members, three assessed the dimension as A, and only one as B. As a result of consensus, the experts evaluated it as A, „More than 90% of expropriated land owners receive compensation within one year“

The panel members mentioned that compensation is paid timely, approximately within one month. There were no cases of complaints because of delays in receiving compensations or any kind of protests because of dissatisfaction.

2.12 There are independent and accessible avenues for appeal against expropriation LGI 14, D iv

The dimension, by all members of the panel, was unanimously assessed as A, „Independent avenues to lodge a complaint against expropriation exist and are easily accessible. “

Special Ministry of Law Enforcement, Probation and Legal Aid exists in Georgia, which provides free legal aid to vulnerable citizens in preparation of complaints and perform the functions of attorney in the courts. Based on the initiative of Tbilisi municipality, special lawyers work in district administrations, who also provide free legal aid to vulnerable citizens in preparation of complaints and perform the functions of attorney in the courts. It was mentioned that various NGOs also provide free legal aid to citizens.

2.13 Timely decisions are made regarding complaints about expropriation LGI 14, D v

As the previous dimension, this one was also assessed by all experts as A, „A first instance decision has been reached for more than 80% of the complaints about expropriation lodged during the last 3 years.“

To some extent the panel members relied on the information supplied by the Supreme Court of Georgia, according to which the first instance courts make decisions within 3 months, as well as personal experiences of panel members, who could recall a single case when disputes continued for three years.

2.14 Public land transactions are conducted in an open transparent manner LGI 15, D i

During individual assessment, three members of the panel out of four assessed the dimension as A, and one as B. Finally it was assessed as A, „The share of public land disposed of in the past 3 years through sale or lease through public auction or open tender process is greater than 90%.“

In Georgia, land is mainly sold through open auctions and in rare cases through sole source, based on the decision of the President of Georgia.

2.15 Payments for public leases are collected LGI 15, D ii

All four members of the panel assessed the dimension as A, thus the final assessment was A as well, „ More than 90% of the total agreed payments are collected from private parties on the lease of public lands“

Collection of lease payments is strictly and effectively organized. Tax authorities react on non-payment of lease through computerized system. It was also mentioned that use of software is a good instrument for administration of lease payments.

2.16 Public land is leased and/or sold at market prices LGI 15, D iii

As the previous dimension, this was also assessed by all members of the panel as A, „All types of public land are generally divested at market prices in a transparent process irrespective of the investor’s status (e.g. domestic or foreign)“ In Tbilisi, the interested person can get information on nominal price and amount of increments on land to be sold at auction through online interactive map. The information is also regulated in the regions, although not online.

The legislation of Georgia does not stipulate any preferences for foreign investors and they are in the same conditions as local investors.

Annex 9. Aide Memoire: Panel 6. Public Provision of Land Information

The World Bank

Land Governance Assessment Framework

Georgia

Report: Panel 6. Public Provision of Land Information

Professional Consulting Group Office

August 23, 2011

Introduction

5.1 The Land Governance Assessment Framework (LGAF) is a diagnostic tool for the evaluation of the legal framework, policies and related practices, land use and management. The LGAF groups land topics into five core thematic areas: Legal and Institutional Framework; Land Use Planning, Management and Taxation; Management of Public Land; Public Provision of Land Information; and Dispute Resolution and Conflict Management. Within the five thematic areas there are 21 “land governance indicators” (LGI) and 80 dimensions, which are assessed by 9 panels.

5.2 The core approach to implement the LGAF is using panels of 3 to 5 experts, who at the one-day workshop assess the respective dimension both individually and through consensus. The sixth Panel of Experts was held on the in issues of Public Provision of Land Information, which assessed 16 dimensions of the respective Indicator. The Public Provision of Land Information Panel was attended by Ms. Marekh Chopikashvili, Notary, Ms. Eter Khetsauridze, Director of real estate agency “Savane”, Mr. Guram Gogolauri, Head of real estate surveying company.

5.3 In order to inform and prepare the panel members, the country coordinator sent them the following materials:

- LGAF Implementation Manual - Annex 1
- Assessment forms and tables
- Land Tenure Typology in Georgia
- Information collected by expert investigators on public provision of land information

5.4 The panel meeting was held in two parts. In the first part, the country coordinator, who at same time moderated the meeting, presented the agenda and working procedures, as well as LGAF assessment

and explained to the panel members the objective of the meeting. After that, all 16 dimensions and assessment procedures were explained. The assessment tables that were preliminarily filled in by the panel members were collected. The others were given time to fill them in. Individual assessment scores were recorded by the country coordinator in the general table (see Annex A). The second part of the meeting was dedicated to discussions/debate and reaching of consensus in assessment of each dimension. The panel also discussed possible recommendations on the issues of policy, research and reforms. Before starting the assessment of dimensions, the panel members were presented with the results of their individual assessment. In order to provoke active discussion, each dimension with its four possible assessments were shown on the screen.

2.30 Assessment of Dimensions and Discussion

2.31 Women's rights are recognized in practice by the formal system (in both urban and rural areas) LGI 2, D iv

During the individual assessment, two out of three panel members assessed the dimension as B and one as D. Finally, after the discussion, the panel members assessed the dimension as C: "Between 15% and 35% of land registered to physical persons is registered in the name of women either individually or jointly"

The legislation of Georgia recognized women's rights, no limitations or privileges are stipulated. However, the panel members mentioned that traditionally land owners in Georgia are men.

Unfortunately, the registry does not maintain statistical information on the amount of property owned by women. Therefore, the panel members made decision based on their practical experiences.

2.32 First-time registration on demand is not restricted by inability to pay the formal fees LGI 3, D iii

All three panel members were for A and therefore, assessed the dimension as A: "The costs for first time sporadic registration for a typical urban property does not exceed 0.5% of the property value"

According to Georgian legislation, enacted since 2008, notaries certification of agreement on transfer of property is not necessary. The only requirement is that seller and purchaser sign an agreement on transfer of property in presence of registrar, who certifies the validity of an agreement with signature. Registration fee in case of property transfer is GEL 50, which is much less than 0.5% of property cost. In addition, registration fee of first time and consequent registrations are the same.

2.33 First-time registration does not entail significant informal fees LGI 3, D iv

During the individual assessment two out of three panel members assessed the dimension as A and one as C. After the joint discussion, the dimension was unanimously assessed as A "There are no informal fees that need to be paid to effect first registration"

The panel members mentioned that in practice “informal fees” are not paid in the registry. These kinds of facts used to happen prior to the reform. However, after the reform, the issue is strictly controlled and the problem is eliminated.

2.34 The mapping or charting of registry records is complete LGI 16, D i

Initially all three panel members assessed the dimension as A. However, after the discussions and based on consensus, the dimension was assessed as C: “Between 50% and 70% of records for privately held land registered in the registry are readily identifiable in maps in the registry or cadaster”.

The new system was introduced in Tbilisi in 2006 and in the whole Georgia in 2009. Only the property registered using new system is easily identifiable. The panel members discussed the cases of property registered using old system. Ownership rights of these properties are legally recognized. However, property boundaries are not clearly “defined” and it is actually impossible to identify them of maps.

2.35 Economically relevant private encumbrances are recorded LGI 16, D ii

Like in case of previous dimension, all three panel members assessed the dimension as A, both initially and after the discussion: “Relevant private encumbrances are recorded consistently and in a reliable fashion and can be verified at low cost by any interested party”.

Information on private incumbencies are easily accessible. Every interested person can access the information through website, at no cost. Moreover, if an interested person wants to get the respective document (verification), he/she should apply to the Agency of Public Registry and will get the service after payment of respective fee.

2.36 Socially and economically relevant public restrictions or charges are recorded LGI 16, D iii

Two out of three panel members assessed the dimension as A and one as D. After the discussion, the dimension was assessed as A: “Relevant public restrictions or charges are recorded consistently and in a reliable fashion and can be verified at a low cost by any interested party”.

Information on public restrictions and charges are recorded consistently and in a reliable fashion by the state registry. The information is accessible. Any interested person can access the information through website, at no cost. Moreover, if an interested person wants to get the respective document (verification), he/she should apply to the Agency of Public Registry and will get the service after payment of respective fee.

2.37 The registry (or organization with information on land rights) is searchable LGI 16, D iv

All three members of the panel unanimously assessed the dimension as A: “The records in the registry can be searched by both right holder name and parcel”.

Software of land/property registration is structured in a way that information on land rights is easily searchable according to both name and personal number of the owner, as well as address, cadastral code of the parcel and other data.

2.38 The records in the registry (or organization with information on land rights) are accessible LGI 16, D v

All three members of the panel unanimously assessed the dimension as A: "Copies or extracts of documents recording rights in property can be obtained by anyone who pays the necessary formal fee, if any".

Copies of documents recording rights in property are kept in the National Agency of Public Registry and the Archive of Technical Inventory, which at the same time is the archive of Public Registry. Therefore, their accessibility is guaranteed for anyone who applies and pays service fee.

2.39 There is a timely response to a request for access to records in the registry (or organization with information on land rights) LGI 16, D vi

Initially two panel members assessed the dimension as A and one as C. Finally, the panel members chose A: "Copies or extracts of documents recording rights in property can generally be obtained within 1 day of request".

The panel members mentioned that in addition to standard service, the registry provides accelerated services, according to which the service can be received in the same day of filing a request.

2.40 Service standards are published and monitored LGI 17, D i

During the individual assessment, two panel members assessed the dimension as A and one as B. Based on consensus, the dimension was assessed as A: "There are meaningful published service standards, and the registry actively monitors its performance against these standards".

The management of Public Registry regularly monitors the performance and customer relations of its staff. In addition to other means, the control is conducted through installed cameras. It is noteworthy that in order to separate the processes of accepting and registering of customers, front and back offices are operational.

While assessing the parameter, the panel members focused on the quality of services and not on the qualification of staff.

2.41 Registry/cadastral information is up-to-date LGI 17, D ii

Three panel members gave different assessment to the dimension: B, C, and D. Based on consensus, the panel members agreed to assess the dimension as D: "Less than 50% of the ownership information in the registry/cadastral is up-to-date".

Registration of land parcels was conducted based on not verified information and not according to the new verified cadastral rules. Before creation of Public Registry and during the land reform implemented in Georgia, the land parcels were allocated based on State Acceptance Acts on Land, Land Titles signed by the President of Georgia and Certificates of Collective Gardening that were registered in Land Management Departments. Less than m50% of information on these land parcels is updated in the Public Registry.

2.42 The cost of registering a property transfer is low LGI 18, D i

All three panel members unanimously assessed the dimension as A: “The cost for registering a property transfer is less than 1% of the property value”.

According to Georgian legislation, enacted since 2008, notarial certification of agreement on transfer of property is not necessary. The only requirement is that seller and purchaser sign an agreement on transfer of property in presence of registrar, who certifies the validity of an agreement with signature. Registration fee in case of property transfer is GEL 50, which is much less than 0.5% of property cost.

2.43 The registry is financially sustainable through fee collection LGI 18, D ii

Like in case of previous dimension, all three panel members unanimously assessed the dimension as A: “The total fees collected by the registry exceed the total registry operating costs”.

The Public Registry is self-sustainable Legal Entity of Public Law. There are fees on registration of any rights, including registration of mortgages and restrictions, and issuing of information. The fees fully make income of the Public Registry. Therefore, the agency is financially sustainable.

2.44 There is sufficient capital investment in the system LGI 18, D iii

During the individual assessment, all panel members assessed the dimension as A: “There is significant investment in capital in the system to record rights in land so that the system is sustainable but still accessible by the poor”.

There are capital investments in the system, which made ----- in 2010. The Public Registry is self-sustainable Legal Entity of Public Law. There are fees on registration of any rights, including registration of mortgages and restrictions, and issuing of information. The fees fully make income of the Public Registry.

2.45 The schedule of fees is publicly accessible LGI 19, D i

Like in cases of previous three dimensions, all three panel members assessed the dimension as A, both individually and after the discussion: “A clear schedule of fees for different services is publicly accessible and receipts are issued for all transactions”.

This was explained by the fact that fees for Public Registry services are paid in commercial banks and consequently, receipts are issued. In addition, schedule of fees is defined in the Law of “Public Registry”. Therefore, there is no doubt on its public accessibility.

2.46 Informal payments are discouraged LGI 19, D ii

Two panel members assessed the dimension as A and one as D. Based on consensus, the panel members assessed the dimension as A: “Mechanisms to detect and deal with illegal staff behavior exist in all registry offices and all cases are promptly dealt with”.

For example, in 2010 the National Agency of Public Registry revealed 88 cases of illegal behavior of its staff.

Annex 10. Aide Memoire: Panel 7. Dispute Resolution and Conflict Management

The World Bank

Land Governance Assessment Framework

Georgia

Report: Panel 7. Dispute Resolution

Professional Consulting Group Office

August 25, 2011

Introduction

1.5 The Land Governance Assessment Framework (LGAF) is a diagnostic tool for the evaluation of the legal framework, policies and related practices, land use and management. The LGAF groups land topics into five core thematic areas: Legal and Institutional Framework; Land Use Planning, Management and Taxation; Management

of Public Land; Public Provision of Land Information; and Dispute Resolution and Conflict Management. Within the five thematic areas there are 21 “land governance indicators” (LGI) and 80 dimensions, which are assessed by 9 panels.

1.6 The core approach to implement the LGAF is using panels of 3 to 5 experts, who at the one-day workshop assess the respective dimension both individually and through consensus. The seventh Panel of Experts was held on the issues of Dispute Resolution, which assessed 7 dimensions of the respective Indicator. The Dispute Resolution Panel was attended by Mr. Zurab Eremashvili, lawyer, Mr. David Todradze, lawyer, Ms. Nino Andriashvili, “Human Rights Center”, Ms. Tsisana Kadagishvili, “Association of Young Lawyers of Georgia, Mr. Badri Magradze, lawyer.

1.7 In order to inform and prepare the panel members, the country coordinator sent them the following materials:

- LGAF Implementation Manual - Annex 1
- Assessment forms and tables
- Land Tenure Typology in Georgia

- Information collected by expert investigator on Dispute Resolution

1.8 The panel meeting was held in two parts. In the first part, the country coordinator, who at the same time moderated the meeting, presented the agenda and working procedures, as well as LGAF assessment and explained to the panel members the objective of the meeting. After that, all 7 dimensions and assessment procedures were explained. The assessment tables that were preliminarily filled in by the panel members were collected. The others were given time to fill them in. Individual assessment scores were recorded by the country coordinator in the general table (see Annex A). The second part of the meeting was dedicated to discussions/debate and reaching of consensus in assessment of each dimension. The panel also discussed possible recommendations on the issues of policy, research and reforms. Before starting the assessment of dimensions, the panel members were presented with the results of their individual assessment. In order to provoke active discussion, each dimension with its four possible assessments was shown on the screen.

2.0 Assessment of Dimensions and Discussion

2.1 Conflict resolution mechanisms are accessible LGI 20, D i

During the individual assessment, two panel members assessed the dimension as A, one as B, and two as C. As a result of consensus, the dimension was assessed as A, „Institutions for providing a first instance of conflict resolution are accessible at the local level in the majority of communities“.

Accessibility of courts at district level and not at village level was considered as accessibility at the local level. The fact that every citizen of Georgia has unlimited right and possibility to address the court on the issues of his/her rights' violation and the legislation of Georgia does not include any kinds of restrictions was taken into account. In addition, discussion was held on administrative hearing of cases, where the legislation in some cases stipulates that the parties should first address the respective administrative body before appealing to the court (the issue is related to administrative acts issued by administrative bodies, which have impact on rights and responsibilities of a physical person). However, panel members did not consider the issue as restriction for conflict resolution.

2.2 Decisions made by informal or community based dispute resolution systems are recognized LGI 20, D ii

One member of the panel did not assess the dimension in the beginning, since they think that informal or community based dispute resolution is not common in Georgia.

Two experts assessed the parameter as B, and two as C. Finally, after discussion, the panel members assessed the dimension as B “There is an informal or community-based system that resolves disputes in an equitable manner but decisions made by this system have little or no recognition in the formal judicial or administrative dispute resolution system“.

There were conflicting ideas regarding community based system that considers dispute resolution in the villages/communities by elderlies. These kinds of cases can be very rarely observed in Georgia, mainly in high mountainous villages.

Despite of the fact that people respect community decisions, these decisions are still unofficial and not legally recognized. The panel members mentioned that community- based dispute resolution systems are aimed at restoring fairness. Therefore, the panel members considered community-based system as fair. It should be mentioned, that the issue fairness of dispute resolution implemented according to Georgian Legislation was not discussed.

The experts also discussed and concluded that informal or community-based system does not exist in Georgia, except for very rare cases in the high mountainous villages.

It was mentioned that the issue of dispute resolution in communities require additional study.

2.3 There is clear assignment of responsibility for conflict resolution (forum shopping) LGI 20, D iii

One member of the panel assessed the dimension as D, other four as A. Based on consensus, the panel members assessed the dimension as A, „There are no parallel avenues for conflict resolution or, if parallel avenues exist, responsibilities are clearly assigned and widely known and explicit rules for shifting from one to the other are in place to minimize the scope for forum shopping“.

The panel members have unanimously concluded that parallel avenues for conflict resolution do not exist in Georgia. However, this does not exclude existence of alternative avenues, such as e.g. private arbitration. The parties apply to it based on joint application and/or if the issue is included in the agreement between the parties.

The panel members unanimously noted that the legislation of Georgia excludes the possibility of parallel avenues for conflict resolution, according to which one and the same dispute cannot be simultaneously discussed in parallel systems.

2.4 There is a process for appealing dispute rulings LGI 20, D iv

Two members of the panel assessed the dimension as C, one as B, and one as A. However, in the end they made decision and agreed that prices of appealing dispute are acceptable, but time is procrastinated. B, „A process exists to appeal rulings on land cases at high cost with disputes resolved in a timely manner“.

The panel members discussed in details the terms of court hearings of disputes and concluded that in general the process of disputes hearings in courts is procrastinated. Costs are more or less acceptable but not low, as price of dispute resolution is based on the price of disputable property.

Therefore, the panel members requested to amend the dimension and formulate it as follows: „A process exists to appeal rulings on land cases at acceptable cost with disputes not resolved in a timely manner”

2.5 Land disputes constitute a small proportion of cases in the formal legal system LGI 21, D i

Three members of the panel assessed the dimension as A, and two as C. As a result of consensus, the dimension was assessed as A, „ Land disputes in the formal court system are less than 10% of the total court cases.”

The experts relied on the information submitted by the Supreme Court of Georgia, according to which land disputes in the formal court system are 9% of the total court cases.

2.6 Conflicts in the formal system are resolved in a timely manner LGI 21, D ii

Individually, two panel members assessed the dimension as A, two as D, and one as C. Based on consensus, the panel members assessed the dimension as A, „A decision in a land-related conflict is reached in the first instance court within 1 year for more than 90% of cases.”

It was mentioned that in fact the court system is not a mechanism for prompt conflict resolution. However, they agreed on the fact that decisions on conflict in the first instance court never exceed one year.

The panel members mentioned that according to the current legislation of Georgia, the term for conflict resolution in the first instance court is two months and in case of complicated cases, the term can be extended up to five months. During the discussion, the panel members mentioned that land-related conflicts are considered as complex cases. However, there are cases when terms stipulated by the legislation are violated, which, according to experts, is caused by the big amount of the cases in the court.

2.7 There are few long-standing land conflicts (greater than 5 years) LGI 21, D iii

Three experts assessed the dimension as A, and two as B. Based on consensus, the panel members assessed the dimension as A, „The share of long-standing land conflicts is less than 5% of the total pending land dispute court cases.”

The panel members mentioned that share of long-standing conflicts, greater than 5 years, caused by malfunctioning of courts cannot be observed in the current court system of Georgia.

However, it was mentioned that various conditions may exist that may cause halting of court process until resolving certain issues. E.g. case may be halted until other court makes decision on some related case, if the case is critical for making court decision and if a party bases his/her arguments on the case.

Annex 11. Aide Memoire: Panel 8. Module on Large-scale Acquisition of Land Rights

The World Bank

Land Governance Assessment Framework

Georgia

Report: Panel 8. Module on Large-scale Acquisition of Land Rights

Professional Consulting Group Office

August 26, 2011

Introduction

1.9 The Land Governance Assessment Framework (LGAF) is a diagnostic tool for the evaluation of the legal framework, policies and related practices, land use and management. The LGAF groups land topics into five core thematic areas: Legal and Institutional Framework; Land Use Planning, Management and Taxation; Management of Public Land; Public Provision of Land Information; and Dispute Resolution and Conflict Management. Within the five thematic areas there are 21 “land governance indicators” (LGI) and 80 dimensions, which are assessed by 9 panels.

1.10 The core approach to implement the LGAF is using panels of 3 to 5 experts, who at the one-day workshop assess the respective dimension both individually and through consensus. The eighth Panel of Experts was held on the issues of Large-scale Acquisition of Land Rights, which assessed 16 dimensions of the respective Indicator. The Module on Large-scale Acquisition of Land Rights Panel was attended by Ms. Gvantsa Meladze, Representative of Export Support Service of the National Investment Agency of Georgia, Mr. Omar Bedia, Representative of the Agricultural Academy of Sciences of Georgia, Ms. Tea Gadrani, Representative of the Privatization Department of the Ministry of Economy and Sustainable Development of Georgia, Mr. Beka Chantladze, Expert of the Professional Consulting Group.

1.11 In order to inform and prepare the panel members, the country coordinator sent them the following materials:

- LGAF Implementation Manual - Annex 1
- Assessment forms and tables
- Land Tenure Typology in Georgia
- Information collected by expert investigators on Large-scale Acquisition of Land

1.12 The panel meeting was held in two parts. In the first part, the country coordinator, who at the same time moderated the meeting, presented the agenda and working procedures, as well as LGAF assessment and explained to the panel members the objective of the meeting. After that, all 16 dimensions and assessment procedures were explained. The assessment tables that were preliminarily filled in by the panel members were collected. The others were given time to fill them in. Individual assessment scores were recorded by the country coordinator in the general table (see Annex A). The second part of the meeting was dedicated to discussions/debate and reaching of consensus in assessment of each dimension. The panel also discussed possible recommendations on the issues of policy, research and reforms. Before starting the assessment of dimensions, the panel members were presented with the results of their individual assessment. In order to provoke active discussion, each dimension with its four possible assessments was shown on the screen.

2.0 Assessment of Dimensions and Discussion

2.1 Most forest land is mapped and rights are registered LGI 1

Two panel members out of four assessed the dimension as C, one as A, and one as D. Based on consensus, the panel members finally assessed the dimension as A, „More than 70% of the area under forest land has boundaries demarcated and surveyed and associated claims registered.“

The project coordinator informed the panel members that the Public Registry was implementing the project on surveying and registration of forest land. However, the representative of the Ministry of Economy and Sustainable development clarified that the project was completed two weeks prior to the meeting and all forest land is actually surveyed and registered.

It was mentioned that registration of forest land will improve forest management that together with other results will create the possibility of getting bio-certificates on forest products.

2.2 Land acquisition generates few conflicts and these are addressed expeditiously and transparently LGI 2

Two members of the panel assessed the dimension as B, one as C, and one as D. As a result of consensus, the dimension was assessed as C, „Conflicts related to use or ownership rights and directly or indirectly related to land acquisition are relatively frequent (more than 5% of rural land area affected) but emerging conflicts are addressed expeditiously and in a transparent manner.“

According to personal experiences of experts, there are cases when investors have problems with local population. Mainly the conflicts are related to acquisition of leased pastures. Information on the cases was many times disseminated through media. However, it was mentioned that the problems are promptly resolved (on average within one month, or never exceed three months).

At the same time, the representative of the Ministry of Economy mentioned that recently the Ministry has strengthened cooperation with local authorities in order to avoid the above cases.

Despite of the fact that the experts did not have accurate statistical data, they mentioned that the problems related to acquisition of large-scale land may comprise a bit more than 5% of total cases. Therefore, the dimension was respectively assessed.

2.3 Land use restrictions on rural land parcels can generally be identified LGI 3

One member of the panel assessed the dimension as B, one as D, two as C. As a result of consensus, the dimension was assessed as A, „The land use restrictions applying to any given plot of rural land can be unambiguously determined on site for land occupied by more than 70% of the population.“

The legislation of Georgia prohibits use of agricultural land for non-agricultural, industrial, or commercial purposes. Only one house can be built per land parcel. Otherwise, the land owner should change destined use of land and make it non- agricultural.

There are no other restrictions of agricultural lands. The state does not regulate the type of agricultural production. In addition, agricultural land planning is not conducted that could impose certain restrictions of agricultural land use.

2.4 Public institutions involved in land acquisition operate in a clear and consistent manner LGI 4

Two panel members assessed the dimension as C, one as A, and one as D. Though final decision was B, „Institutions that promote, channel or acquire land for purposes of interest to this study have high standards of ethical performance that are consistently implemented and have their accounts regularly audited although results are not available publicly.“

It was mentioned that in addition to state bodies that are responsible for selling of state lands, other organizations, like “Invest in Georgia”, function to ensure public availability of investment conditions and procedures.

It was also mentioned that stimulation of investments is directly linked with existence of clear instructions and introduction/improvement of ethical norms.

2.5 Incentives for investors are clear, transparent and consistent LGI 5

Individually, two out of four panel members assessed the dimension as B, one as A, and one as D. After discussion, the dimension was assessed as B, „There are written provisions in law or regulations regarding incentives for investors but frequent changes (i.e. limited predictability) do not ensure their consistent application in the future.“

All panel members unanimously mentioned that the state pays special attention to attraction of investments. However, in some cases the investors do not have information on conditions that are stipulated by the law and preliminary knowledge of which is a necessity.

It was also mentioned that the respective legislation is frequently amended that impedes the process of getting informed not only for foreign investors but also for local professionals.

2.6 Benefit sharing mechanisms for investments in agriculture (food crops, biofuels, forestry, game farm/conservation) are regularly used and transparently applied LGI 6

During the individual assessment, three panel members assessed the dimension as B, one as D. Based on consensus, the panel members assessed the dimension as B, „Mechanisms to allow the public to obtain benefits from the investment (or investing party) other than compensation (e.g., schools, roads, etc.) are applied transparently but not always used“

One of the issues of negotiations between the state and investors is shared benefits that are regulated by the contracts. The issue becomes especially critical when large-scale land is alienated and rural population should get practical benefits. Public availability of information on shared benefits in most cases can be viewed as a means of avoiding problems with local population.

2.7 There are direct and transparent negotiations between right holders and investors LGI 7

Two members of the panel assessed the dimension as A, one as B, and one as D. Finally, it was evaluated as A, „Final decisions on land acquisition for large scale investment are made between the concerned right holders and investors; government’s role is limited to checking compliance with applicable regulations which is done in a transparent manner and with clear time limits.“

The legislation of Georgia does not impose any limitations on acquisition of large-scale agricultural lands. The owner has no obligations towards the government. He/she is not obliged to get agreement from local authorities on the purchaser, size, price, etc. of the area to be sold. In addition, the government does not have pre-emptive right to buy the land that excludes the requirement of informing the Government.

The only function of the state in case of selling of land by the owner is registration in the real estate registry.

2.8 Sufficient information is required from investors to assess the desirability of projects on public/community land LGI 8

All the experts unanimously assessed the dimension as B, „Investors are consistently required to provide exhaustive information on either company background or financial/technical analyses (but not both) that is sufficient to assess viability and benefits from the project. Investors are required to provide meaningful information but this is not always sufficient to assess the desirability of the project.“

First of all, the panel members mentioned that citizens of foreign countries and legal entities of foreign countries cannot buy agricultural land in Georgia. Therefore, investors are obliged to establish legal entities in Georgia or open branches/representations and then buy land. In this case, the investors

should provide information on their company, including financial information. However, the information provided by the investors is not always sufficient to assess the desirability of the project.

2.9 For cases of land acquisition on public/community land , investors provide the required information and this information is publicly available LGI 9

As the previous dimension, this was also unanimously assessed by the experts as B, „Investors provide some information required from them and - subject to reasonable limits on confidentiality - this information is publicly available.“

The investors provide information requested by the state bodies. However, there is some confidential information that the state bodies are not obliged to make public. Moreover, the legislation prohibits of publish confidential information.

The investors are also obliged to provide bank guarantees and make respective preliminary payments.

2.10 Contractual provisions regarding acquisition of land from communities or the public are required by law to explicitly mention of the way in which benefits and risks will be shared LGI 10

During the individual assessment, two panel members assessed the dimension as A, and another two as B. Finally it was assessed as A, „Contracts must specify risk sharing and benefit sharing arrangement that are understood and agreed to by all parties.“

State bodies that according to the legislation of Georgia alienate large-scale lands (Ministry of Economy and Sustainable Development) should include in the contracts risk sharing and benefit sharing arrangements.

It is noteworthy that in certain cases, while selling the land, the participants of the tender are preliminarily informed on such risk sharing and benefit sharing arrangements.

2.11 The procedure to obtain approval for a project where it is required is reasonably short LGI 11

All the experts assessed the dimension as A, „ In most cases, investment application related documents are reviewed and receive a response within 3 months of date of submission.“

In addition to the fact that the government of Georgia promptly reacts on the issues of approving the investment projects, the issue is also regulated by the legislation. According to the experts, there is no single case when review of investment application took more than three months.

2.12 Social requirements for large scale investments in agriculture are clearly defined and implemented LGI 12

During the preliminary assessment, two panel members assessed the dimension as D, one as A, one as B. Based on consensus, the panel members finally assessed the dimension as B, „Social safeguard

requirements for investors are clearly documented and defined (i.e., with details regarding specific processes and elements in the assessment) and consistently implemented but do not include provisions for assessment and mitigation of direct and indirect effects.“

The contracting state body should take into account social safeguards requirements. However, there are cases, when local population expresses dissatisfaction, which is usually followed by respective response.

In addition, one of the panel members mentioned that while making contract the respective state bodies should by all means incorporate social safeguards requirements in it and requested to include the information in the report.

2.13 Environmental requirements for large scale investments in agriculture are clearly defined and implemented LGI 13

During the individual assessment, two panel members assessed the dimension as B, one as C, one as D. Finally, after discussion, the panel members assessed the dimension as B,

„Environmental safeguard requirements for investors are clearly documented and defined (i.e., with details regarding specific processes and elements in the assessment) and consistently implemented but do not include provisions for assessment and mitigation of direct and indirect effects.“

Incorporation of environmental safeguards is guaranteed by the legislation and requirements of international conventions that obliges the contracting state body to take this into account. However, the requirements are not always incorporated. Conversely, in case of e.g. construction of hydro-electric power stations, the environmental safeguard requirements are always incorporated.

In addition, one of the panel members mentioned that while making contract the respective state bodies should by all means incorporate environmental safeguard requirements in it and requested to include the information in the report.

2.14 For transfers of public/community lands, public institutions have procedures in place to identify and select economically, environmentally, and socially beneficial investments and implement these effectively LGI 14

Out of four panel members, two assessed the dimension as C, one as B, one as D. Based on consensus, the panel members finally assessed the dimension as A, „ Procedures to fully cover economic, social, and environmental issues are in place and implemented effectively.“

According to the requirement of the law, state institutions have respective procedures for transfer of state/community land. The issue is strictly regulated while implementing infrastructural investment projects.

2.15 Compliance with safeguards related to investment in agriculture is checked LGI 15

All the experts had different opinions about the dimension. After discussion it was assessed as B, „Responsible government agencies follow up on the agreements to check for compliance and, on a discretionary basis, take reasonable action in cases of non-compliance.“

The Ministry of Economy and Sustainable Development of Georgia has special service that is responsible for supervision and monitoring of contracts.

In addition, there are cases when civil society reacts on the cases of contract violation.

2.16 There are avenues to lodge complaints if agricultural investors do not comply with requirements LGI 16

At first, only one expert assessed the dimension as D, another three assessed as B. Finally it was given B, „There is a clear process by which affected parties or the public at large can lodge complaints regarding investor compliance with safeguards. Mechanisms to deal with these fairly and expeditiously are in place but not consistently implemented.“

The responsible state body conducts monitoring and reacts on facts of non-compliance with safeguards by investors. It was mentioned that there are cases when public gets information on the facts that makes the process more expedient and consistent.

Annex 12. Aide Memoire: Panel 9. Forestry Module

The World Bank

Land Governance Assessment Framework

Georgia

Report: Panel 9. Forestry Module

Professional Consulting Group Office

August 30, 2011

Introduction

1.13 The Land Governance Assessment Framework (LGAF) is a diagnostic tool for the evaluation of the legal framework, policies and related practices, land use and management. The LGAF groups land topics into five core thematic areas: Legal and Institutional Framework; Land Use Planning, Management and Taxation; Management of Public Land; Public Provision of Land Information; and Dispute Resolution and Conflict Management. Within the five thematic areas there are 21 “land governance indicators” (LGI) and 80 dimensions, which are assessed by 9 panels.

1.14 The core approach to implement the LGAF is using panels of 3 to 5 experts, who at the one-day workshop assess the respective dimension both individually and through consensus. The ninth Panel of Experts was held on the issues of forestry module, which assessed 12 dimensions of the respective Indicator. The Forestry Module Panel was attended by Mr. Leri Chochua, independent expert, Mr. Misha Adeishvili, representative of Association of Young Economists of Georgia, Mr. Giorgi Kavtaradze, representative of Agrarian University of Georgia, Mr. Teimuraz Kandelaki, representative of “Association of Forest Workers”.

1.15 In order to inform and prepare the panel members, the country coordinator sent them the following materials:

- LGAF Implementation Manual - Annex 3
- Assessment forms and tables
- Land Tenure Typology in Georgia
- Information collected by expert investigator on forestry module.

1.16 The panel meeting was held in two parts. In the first part, the country coordinator, who at the same time moderated the meeting, presented the agenda and working procedures, as well as

LGAF assessment and explained to the panel members the objective of the meeting. After that, all 12 dimensions and assessment procedures were explained. The assessment tables that were preliminarily filled in by the panel members were collected. The others were given time to fill them in. Individual assessment scores were recorded by the country coordinator in the general table (see Annex A). The second part of the meeting was dedicated to discussions/debate and reaching of consensus in assessment of each dimension. Before starting the assessment of dimensions, the panel members were presented with the results of their individual assessment. In order to provoke active discussion, each dimension with its four possible assessments was shown on the screen. By the end of the meeting, discussion was held on the findings and recommendation made on the subject matter.

2.0 Assessment of Dimensions and Discussion

2.1 Country signature and ratification of international conventions and treaties in support of forest conservation (CITES, CBD, CCD, Ramsar, UNFCCC) FGI 1, D i

All the members of the panel unanimously assessed the dimension as C, „The country has committed to follow most or all of these treaties, but its implementation needs improvement.”

It was mentioned that Georgia is signatory of major conventions. However, implementation does not always happen. E.g. according to the international conventions, the Government of Georgia should have developed the system and mechanism of certification, as well as publish the Guideline of Forestry Policy.

2.2 Implementation of incentives to promote climate change mitigation through forestry FGI 1, D ii

As in the previous one, the members had same opinions and the parameter was assessed as D, „No incentive mechanisms are available, neither for PES nor for REDD+.”

The panel members mentioned that incentive mechanisms are not available either in terms of financing, or forest development plans.

2.3 Public goods aspects of forests (biodiversity, soil and water conservation, social and cultural values) recognized by law and protected FGI 2, D i

One panel member assessed the dimension as B, one as D, and two as C. Based on consensus, the panel members finally assessed the dimension as C, „The law recognizes a few public goods and services, but there is no effective protection.”

The panel members mentioned that the issues of public goods and services are incorporated in the National Environmental Plan. However, there are no economic assessment indicators and effective protection system.

2.4 How well forest management plans and budgets address the main drivers of deforestation and degradation FGI 2, Dii

One panel member assessed the dimension as C, one as B, and two as D. However, based on consensus they assessed it as C, „Addressing the drivers of deforestation and degradation appears to be low on the list of priorities in forest development plans and budgets.”

The panel members mentioned that there are no prospective and operative forest development plans and they appear low on the list of budget priorities. Funding mainly goes on physical protection of forests, technical costs and salaries. There is no funding for in-depth assessment of forests and addressing main drivers of deforestation.

2.5 Country’s commitment to forest certification and chain-of-custody systems to promote sustainable harvesting of timber and non-timber forest products FGI 3, Di

Individually two panel members assessed the dimension as C, two as D. After discussion the parameter was assessed as C, „The government has no stand as regards promotion of certification and chain-of-custody systems.“

The panel members mentioned that certification is voluntary that creates problems in its implementation.

2.6 Country’s commitment to SMEs as a way to promote competition, income generation and productive rural employment FGI3, Dii

During the individual assessment, three panel members assessed the dimension as D, only one as B. As a result of consensus, the panel members assessed the dimension as D, „Existing laws and institutions make it difficult for small- to medium-sized forest sector businesses to succeed.“

In Georgia, the state issues license on forest use and if a person wants to use forest resources, he/she should apply to the license holder. Therefore, the license holder makes decision on rendering permission to the representative of small business.

In addition, one panel member mentioned that in order to produce seeds of fir-tree in the forests of Georgia, the physical person should address the private person/company, who has license on indirect use of Georgian forests.

2.7 Recognition of traditional and indigenous rights to forest resources by law FGI4, D i

Two panel members assessed the dimension as C, one as B, one as D. Finally, the dimension was assessed as C, „The law recognizes traditional and indigenous rights in less than half of the cases and cannot fully guarantee security of access to forest dependent communities.“

It was mentioned that there are no communities in Georgia that fully dependent on forests. They depend on forests only in relation to certain things, like use of timber as a source of heating.

According to the legislation, access to forests for population is recognized/guaranteed. In addition, local population can use forest for personal purposes. E.g. they can collect berries, or get timber for heating. The panel members considered the latter as traditional right. However, it is limited by the law and does not guarantee security of access without special permission of respective bodies.

2.8 Sharing benefits or income from public forests with local communities by law and its implementation FGI4, D ii

Individually, two panel members assessed the dimension as C, two as D. Based on consensus, the experts assessed the dimension as D, „The law is silent on benefit sharing for local communities.”

The legislation of Georgia is silent on benefit sharing for local communities. Regulation of the issue depends on the decisions of the local authorities.

2.9 Boundaries of the countries forest estate and the classification into various uses and ownership are clearly defined and demarcated FGI5, D i

Two panel members assessed the dimension as C, two as D. After discussion the experts assessed the parameter as C, „ Forest boundaries are clearly surveyed and demarcated only in some places and ownership is unclear and widely contested.”

It was mentioned that forest boundaries are surveyed and demarcated. In addition, the Public Registry has marked all forests on the orthographic photos that created bases for their registration. However, the issue of their physical demarcation is not solved.

The panel members also mentioned that during the last 20 years the works related to forest arrangements have not been conducted in Georgia (the activity used to be conducted once in ten years), except for Racha-Lechkhumi districts, the results of which are not enacted yet.

2.10 In rural areas, forest land use plans and changes in these plans are based on public input FGI5, D ii

As the previous parameter, during individual assessment, two panel members assessed the dimension as C, two as D. Finally the panel members assessed the parameter as D, „Public input is not sought in preparing and amending land use plans.”

The panel members mentioned that the program on use of state forestland does not exist. Forestland use plans in rural territories are not prepared. Therefore, plans are not prepared and amended and public input is not sought.

2.11 Country's approach to controlling forest crimes, including illegal logging and corruption FGI 6, D i

Individually, three panel members assessed the dimension as B, one as C. Based on consensus, the experts finally assessed the dimension as B, „The government partially monitors the extent and types of forest crimes and makes partial and unsystematic efforts to control it.”

It was mentioned that rural population faces critical shortfall of timber for heating. At the same time, state controls illegal tree cutting. Recently, the situation has been improved. However, the measures are not sufficient and systematic.

2.12 Inter and intra agency efforts and multi-stakeholder collaboration to combat forest crimes, and awareness of judges and prosecutors FGI6, D ii

Two panel members assessed the dimension as C, and other two as B. After discussion the experts assessed the parameter as C, „Officials inside the forest agency occasionally work together to combat forest crime, but there is weak coordination with other agencies; government rarely collaborates with civil society organizations and representatives of local communities, and; few judges and prosecutors are knowledgeable about the effects of forest offences.”

Government rarely collaborates with civil society organizations and representatives of local communities. It was mentioned that there are very rare cases when local authorities identify illegal tree cutting. The process is centralized and central forest agencies do not collaborate with local authorities.

Annex 13. List of Panel Members

Panel 1. Land Tenure			
	Name	Organization	Position
1	Nino Koperia	The Chamber of Notaries	Head
2	Paata Chipashvili	NAPR	Head of division
3	Naumi Turabelidze	Agrarian University	Professor
4	Temur Paichadze	Real Estate Registration Service Center Ltd.	Private Expert

Panel 2 – Urban Land Use Planning and Development			
	Name	Organization	Position
1	Papuna Dzidziguri	Architectural Service of Tbilisi City Hall	Tbilisi Master Plan
2	Teimuraz Japaridze	Ako Ltd.	Director/Independent
3	Tengiz Kodua	Ministry of Economy and Sustainable Development of Georgia	Main Specialist
4	Giorgi Khipiani	Georgian Union of Architects	Deputy director
5	Zurab Motsonelidze	Georgian Union of Architects	Chief of Urban Planning Unit

Panel 3 – Rural Land Use and Land Policy			
	Name	Organization	Position
1	Giorgi Butskhrikidze	Akhaltsikhe State University	Professor of Business

2	Temur Kiknadze	Meoili XXI Ltd. Geodesy Professional Study Center	Director Leader
3	Giorgi Zurashvili		Farmer
4	Alexander Datiashvili	Tbilisi 90 Ltd.	Director

Panel 4 – Land Valuation and Taxation

	Name	Organization	Position
1	Ekaterine Lapachi	Tbilisi State University	Professor
2	Omar Keshelashvili	Institute of Agrarian Economy	Academician, Head of Scientific Council
3	Mamuka Terashvili	Solution Ltd.	Manager
4	Lasha Loladze	Tax Consulting Group Ltd.	Director

Panel 5 – Public Land Management

	Name	Organization	Position
1	Rima Lomaury	Procredit Bank	Chief Lawyer
2	Vazha Chopikashvili	Ministry of Economy and Sustainable Development of Georgia	Deputy Head of the Department of Privatization
3	Gela Kalichava	Georgian Railway Ltd.	Head of department
4	Nino Bakhtadze	Tbilisi Municipality	Deputy Chairman of Vake-Saburtalo District

Panel 6 – Public Provision of Land Information

	Name	Organization	Position
1	Marekh Chopikashvili		Notary

2	Eter Khetsauridze	Real-estate Agency	Director, Broker
3	Guram Gogolauri	Real-estate amzomveli Agency	Director

Panel 7 – Dispute Resolution

	Name	Organization	Position
1	Zurab Eremashvili	Delta Comm, Ltd.	Lawyer
2	Davit Todradze	Davit Todradze and Partners, Ltd.	Lawyer
3	Badri Magradze	Private Sector	Lawyer
4	Nino Andriashvili	Human Rights Center	Lawyer
5	Tsisana Kadagishvili	Association of Young Lawyers of Georgia	Lawyer

Panel 8 (Optional) – Module on Large-scale Acquisition of Land Rights

	Name	Organization	Position
1	Tea Gadrani	Ministry of Economy and Sustainable Development of Georgia	Deputy Head of the Department of Privatization
2	Omar Bedia	Academy of Agrarian Science	Deputy President
3	Gvantsa Meladze	Georgian National Investment Agency	Head of Export promotion Department
4	Beka Chantladze	Professioanl Consulting Group	Expert

Panel 9 (Optional) – Forestry Module

	Name	Organization	Position
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1	Leri Chochua		Independent expert
2	Giorgi Kavtaradze	Association of Young Economists of Georgia	Executive Director
3	Misha Adeishvili	Agrarian University	Doctor of forestry, Chief Scientist
4	Teimuraz Kandelaki	Association of Foresters	President

Annex 14. Land Governance Scorecard

Country Scorecard for Georgia – Core Set of Indicators

			Score			
LLGI-Dim	Topic		A	B	C	D
Recognition of Rights						
1	i	Land tenure rights recognition (rural)				
1	ii	Land tenure rights recognition (urban)				
1	iii	Rural group rights recognition				
1	iv	Urban group rights recognition in informal areas				
1	v	Opportunities for tenure individualization				
Enforcement of Rights						
2	i	Surveying/mapping and registration of claims on communal or indigenous land				
2	ii	Registration of individually held properties in rural areas				
2	iii	Registration of individually held properties in urban areas				
2	iv	Women’s rights are recognized in practice by the formal system (urban/rural)				
2	v	Condominium regime that provides for appropriate management of common property				

2	vi	Compensation due to land use changes				
Mechanisms for Recognition						
3	i	Use of non-documentary forms of evidence to recognize rights				
3	ii	Formal recognition of long-term, unchallenged possession				
3	iii	First-time registration on demand is not restricted by inability to pay formal fees				
3	iv	First-time registration does not entail significant informal fees				
3	v	Formalization of residential housing is feasible and affordable				
3	vi	Efficient and transparent process to formally recognize long-term unchallenged possession				
Restrictions on Rights						
4	i	Restrictions regarding urban land use, ownership and transferability				
4	ii	Restrictions regarding rural land use, ownership and transferability				
Clarity of Mandates						
5	i	Separation of institutional roles				
5	ii	Institutional overlap				
5	iii	Administrative overlap				
5	iv	Information sharing				
Equity and Non-Discrimination						
6	i	Clear land policy developed in a participatory manner				
6	ii	Meaningful incorporation of equity goals				

6	iii	Policy for implementation is costed, matched with the benefits and is adequately resourced				
6	iv	Regular and public reports indicating progress in policy implementation				
Transparency of Land Use						
7	i	In urban areas, land use plans and changes to these are based on public input				
7	ii	In rural areas, land use plans and changes to these are based on public input				
7	iii	Public capture of benefits arising from changes in permitted land use				
7	iv	Speed of land use change				
Efficiency of Land Use Planning						
8	i	Process for planned urban development in the largest city				
8	ii	Process for planned urban development in the 4 largest cities (exc. largest)				
8	iii	Ability of urban planning to cope with urban growth				
8	iv	Plot size adherence				
8	v	Use plans for specific land classes (forest, pastures etc) are in line with use				
Speed and Predictability						
9	i	Applications for building permits for residential dwellings are affordable and processed in a non-discretionary manner.				
9	ii	Time required to obtain a building permit for a residential dwelling				

Transparency of Valuation						
10	i	Clear process of property valuation				
10	ii	Public availability of valuation rolls				
Tax Collection Efficiency						
11	i	Exemptions from property taxes are justified				
11	ii	Property holders liable to pay property tax are listed on the tax roll				
11	iii	Assessed property taxes are collected				
11	iv	Property taxes correspondence to costs of collection				
Identification of Public Land						
12	i	Public land ownership is justified and implemented at the appropriate level of government				
12	ii	Complete recording of publicly held land				
12	iii	Assignment of management responsibility for public land				
12	iv	Resources available to comply with responsibilities				
12	v	Inventory of public land is accessible to the public				
12	vi	Key information on land concessions is accessible to the public.				
Incidence of Expropriation						
13	i	Transfer of expropriated land to private interests				
13	ii	Speed of use of expropriated land				
Transparency of Procedures						
14	i	Compensation for expropriation of ownership				

14	ii	Compensation for expropriation of all rights				
14	iii	Promptness of compensation				
14	iv	Independent and accessible avenues for appeal against expropriation				
14	v	Appealing expropriation is time-bounded				
Transparent Processes						
15	i	Openness of public land transactions				
15	ii	Collection of payments for public leases				
15	iii	Modalities of lease or sale of public land				
Completeness of Registry						
16	i	Mapping of registry records				
16	ii	Economically relevant private encumbrances				
16	iii	Economically relevant public restrictions or charges				
16	iv	Searchability of the registry (or organization with information on land rights)				
16	v	Accessibility of records in the registry (or organization with information on land rights)				
16	vi	Timely response to a request for access to records in the registry (or organization with information on land rights)				
Reliability of Records						
17	i	Focus on customer satisfaction in the registry				
17	ii	Registry/ cadastre information is up-to-date				

Cost Effective and Sustainable					
18	i	Cost of registering a property transfer			
18	ii	Financial sustainability of the registry			
18	iii	Capital investment			
Transparency					
19	i	Schedule of fees is available publicly			
19	ii	Informal payments discouraged			
Assignment of Responsibility					
20	i	Accessibility of conflict resolution mechanisms			
20	ii	Informal or community based dispute resolution			
20	iii	Forum shopping			
20	iv	Possibility of appeals			
Low Level of Pending Conflicts					
21	i	Conflict resolution in the formal legal system			
21	ii	Speed of conflict resolution in the formal system			
21	iii	Long-standing conflicts (unresolved cases older than 5 year)			
Large Scale Acquisition of Land rights					
PLI	1	Most forest land is mapped and rights are registered			
PLI	2	Conflicts generated by land acquisition and how these are addressed			
PLI	3	Land use restrictions on rural land parcels can generally be identified			

PLI	4	Public institutions in land acquisition operate in a clear and consistent manner.				
PLI	5	Incentives for investors are clear, transparent and consistent.				
PLI	6	Benefit sharing mechanisms for investments in agriculture				
PLI	7	There are direct and transparent negotiations between right holders and investors.				
PLI	8	Information required from investors to assess projects on public/community land.				
PLI	9	Information provided for cases of land acquisition on public/community land.				
PLI	10	Contractual provisions on benefits and risks sharing regarding acquisition of land				
PLI	11	Duration of procedure to obtain approval for a project				
PLI	12	Social requirements for large scale investments in agriculture				
PLI	13	Environmental requirements for large scale investments in agriculture				
PLI	14	Procedures for economically, environmentally, and socially beneficial investments.				
PLI	15	Compliance with safeguards related to investment in agriculture				
PLI	16	Procedures to complain if agricultural investors do not comply with requirements.				
Forestry						

1	i	Country signature and ratification of international conventions				
1	ii	Implementation of incentives to promote climate change mitigation through forestry				
2	i	Public good aspects of forests recognized by law and protected				
2	ii	Forest management plans and budgets address the main drivers of deforestation and degradation				
3	i	Country's commitment to forest certification and chain-of-custody systems to promote sustainable harvesting of timber and non-timber forest products				
3	ii	Country's commitment to SMEs as a way to promote competition, income generation and productive rural employment				
4	i	Recognition of traditional and indigenous rights to forest resources by law				
4	ii	Sharing of benefits or income from public forests with local communities by law and implemented				
5	i	Boundaries of the countries forest estate and the classification into various uses and ownership are clearly defined and demarcated				
5	ii	In rural areas, forest land use plans and changes in these plans are based on public input.				
6	i	Country's approach to controlling forest crimes, including illegal logging and corruption				
6	ii	Inter and intra agency efforts and multi-stakeholder collaboration to combat forest crimes, and awareness of judges and prosecutors				

Annex 15. Georgian Laws and Regulations used in LGAF Implementation

1. "Constitution of Georgia", adopted on August 25, 1995;
2. Law of Georgia on "State Property", adopted on July 21, 2010 -#3512-RS;
3. Law of Georgia on "Agricultural Land Ownership", adopted on March 22, 1996;
4. Law of Georgia on "Compensation of substitute land cost and damage caused by transfer of agricultural land to non-agricultural use", adopted on October 2, 1997;
5. Law of Georgia on "Recognition of tenure rights on land parcels occupied/used by physical persons and private legal entities", adopted on July 11, 2007;
6. Law of Georgia on "Public Registry", adopted on December 19, 2007;
7. Law of Georgia on "Fossils";
8. Ordinance # 525 of the President of Georgia, dated December 11, 2007, on "Rule of recognition of tenure rights on land parcels occupied/used by physical persons and private legal entities and approval of format of land title certificate";
9. Ordinance #603 of the President of Georgia dated October 26, 2007, on "Approval of the rule on determining normative price of non-agricultural land owned by state and local self-governing bodies";
10. Ordinance of the Minister of Justice # 4, dated January 15, 2010, on "Approval of instruction on Public Registry";
11. Ordinance of the President of Georgia # 650, dated August 19, 2010, on "Approval of rule of determining privatization and transfer price of state owned property";
12. "Tax Code of Georgia", adopted on September 17, 2010 - #3591;
13. "Forestry Code of Georgia", adopted on June 22, 1999;
14. "Civil Code of Georgia", Adopted on November 25, 1997;
15. Law of Georgia on "Local Self-Governance Bodies", adopted on July 21, 2010 - # 1190;
16. "Constitutional Agreement between the State of Georgia and Independent Apostolic Orthodox Church of Georgia", signed on October 22, 2002;

17. Organic Law of Georgia on “Rule of expropriation of property for emergency public needs”, adopted on November 11, 1997;
18. Law of Georgia on “Rule of expropriation of property for inevitable public needs”, adopted on July 23, 1999;
19. Law of Georgia on “Property Legalization”, adopted on June 22, 2007 - #5014;
20. Ordinance of the Government of Georgia #15, dated January 13, 2011, on “Prices of agricultural land parcels according to categories”;
21. Ordinance of the Government of Georgia #394, dated December 23, 2010, on “Nominal annual property tax rates on agricultural land”;
22. Law of Georgia on “Privatization of state owned agricultural land”, adopted on July 8, 2005 and annulled on August 9, 2010;
23. Law of Georgia on “Declaring private ownership on non-agricultural land used by physical persons and private legal entities”, adopted on October 28, 2008 and annulled on September 20, 2007;
24. Law of Georgia on “Management and alienation of state owned non-agricultural land”, adopted on October 28, 2007 and annulled on July 11, 2007;
25. Law of Georgia on “Lease of Agricultural Land”, adopted on June 28, 1996 and annulled on November 25, 1997;
26. Law of Georgia on “Land Registration”, adopted on November 14, 1996 and annulled on March 20, 2006;
27. Ordinance of the President of Georgia # 603, dated October 26, 2007, on “Approval of rule of determining normative price of non-agricultural land, owned by state and local self-governing body”;
28. Ordinance of the Cabinet of Ministers # 107, dated February 1, 1992, on “Privatization (free transfer) of Apartments in the Republic of Georgia”;
29. Decision of the Tbilisi City Council #1-5, dated January 28, 2011 on “Determining normative price of land on the territory of capital and nominal price of annual lease”;
30. Ordinance of the Government of Georgia # 57, dated March 24, 2009, on “Rules and conditions for issuing construction permits”;
31. Decree of the State Council of Georgia # 29, dated October 21, 1992, on “Implementation of land reform, reorganization of state farms, collective farms and other farming enterprises in the Republic of Georgia”;

32. Ordinance of the President of Georgia # 762, dated September 29, 2010, on “Rule of defining price and payment on selling through sole source or competitive sole source of agricultural state-owned, un-leased land”. Annulled on January 1, 2011;
33. Law of Georgia on “Registration fee of land parcel and real estate fixed on the parcel”, adopted on April 30, 1999 and annulled on May 10, 2002;
34. Law of Georgia on “ Use of Dwelling”, adopted on June 25, 1998:
35. Ordinance of the Cabinet of Ministers of Georgia #48, dated January 18, 1992, on “Reform of Agricultural Land in the Republic of Georgia”;
36. Ordinance of the Cabinet of Ministers of Georgia #128, dated February 6, 1992, on “Additional Measures for Practical Implementation of Ordinance of the Cabinet of Ministers of Georgia #48, dated January 18, 1992”;
37. Ordinance of the Cabinet of Ministers of Georgia # 290, dated March 10, 1992, on “Amendments and Changes to Ordinances #48, dated January 18, 1992 and # 128, dated February 6, 1992”;
38. Ordinance of the Cabinet of Ministers #39, dated January 16, 1993, on “Status of Agricultural Land Reform”;
39. Ordinance of the Head of State of Georgia, dated February 22, 1995, on “Allocation of land for residents of cities and district centers and measures for their efficient use”;
40. Ordinance of the President of Georgia#46, dated August 2, 1998, on “Rule of leasing of state-owned agricultural land”;
41. Ordinance of the President of Georgia # 327, dated May 16, 1999, on “Emergency measures for initial registration of tenure rights on agricultural land and issuing of Land Titles to the citizens of Georgia”;
42. Law of Georgia on “Forest Fund Management”, adopted on March 11, 2011 - #3345;
43. Ordinance of the Government of Georgia #242, dated August 20, 2010, on “Approval of Rules for Forest Use”.