Georgia: Cadastre and Land Register Phases I and II

Ex post evaluation report

OECD sector	16320 / Miscellaneous Public Services	
BMZ project ID	1998 65 635, 2002 65 991	
Project executing agency	National Agency for Public Registry (NAPR)	
Consultant	GFA	
Year of ex post evaluation	**2011 (2011 random sample)**	
	Project appraisal (planned)	**Ex post evaluation (actual)**
Start of implementation	Q4 1999	Q3 2000
Period of implementation	72 months	95 months
Investment costs	EUR 24.75 million	EUR 24.37 million
Counterpart contribution	n/a	n/a
Financing, of which FC funds	EUR 23.33 million (physical investments) EUR 1.41 million (training)	EUR 23 million (physical investments) EUR 1.37 million (training)
Other institutions/donors involved	GTZ, USAID, UNDP, SIDA, World Bank	GTZ, USAID, UNDP, SIDA, World Bank
Performance rating	3	
• Relevance	2	
• Effectiveness	3	
• Efficiency	3	
• Overarching developmental impact	3	
• Sustainability	2	

Brief description, overall objective and project objectives with indicators

Phase I of the project entailed the initial recording of technical and legal information on some three million plots of residential and actively farmed agricultural land in Georgia. The project further comprised: (1) equipping the central and regional organisations responsible for maintaining the cadastre (holding land demarcation details) and the land register (covering legal aspects of land administration); (2) basic training and advanced training for specialist Georgian staff carrying out the initial land registration; and (3) measures to prepare the way for land consolidation. Phase II of the project extended the Phase I measures; it also included updating and digitising existing soil

data as a prerequisite for modern planning purposes and for the introduction of sustainable methods of land use management. Cadastral data and land registry information from the FC programme as well as the results of other donor programmes were to be stored – together with the soil data – in a consolidated, user-oriented geo-database suitable for land use planning as well as land market processes. Pilot land-use planning initiatives were to be implemented with selected local authorities, using the data so prepared

The programme objective of both Phases was to establish a "comprehensive, multifunctional cadastre and land register and to see this put to use". Phase II had the additional objective of creating a soil map and having this also put into application. The purpose of the soil map was to foster the sustainable use of agricultural land on small farms and the preservation of ecologically fragile sites. The aim here was to create the basic information which is required not just for sustainable resource management and environmentally sound land-use planning, but is also for an efficient, regulated land market (the overall objective). The Phase I programme objective is considered to have been achieved once 75 % of changes requested are entered into the cadastre and land register within eight weeks. To achieve the Phase II objective, land valuations must be updated in a third of the rural communities selected. No indicator was set against achievement of the overall objective.

The project's primary target group were the owners of commercially useful land in rural and urban parts of smaller towns in Georgia. Public and private sector employees working in the cadastral area were addressed as intermediaries to facilitate the respective provision of services. The main target group for the soil atlas were (1) small agricultural enterprises working on privatised farmland and (2) the relevant local authorities.

Project design/major deviations from original planning and their main causes

This project aimed to establish a comprehensive, EDP-based multifunctional cadastre and land registry for land plots of commercial interest in rural and urban Georgia. Fundamentally, the project was suitably designed for the challenges it was to overcome. Staff, equipment and technology were all put in place to lay the foundations for a nationwide land registration operation. Under Phase II the soil atlas, dating back from the Soviet era, was to be updated, digitised and expanded, in order to promote sustainable cultivation on agricultural land used for small-scale farming, and to preserve ecologically fragile sites. In terms of the objectives formulated, the physical goal for updating the soil atlas itself was certainly achieved; however, no specific

measures followed which used the soil atlas according to its purpose of helping to preserve ecologically fragile sites.

The project comprised the elements summarised below.

- The initial recording of data for the cadastre and land register, along with geo-referencing and digitisation of respective data, proceeded generally according to plan, and was undertaken by local surveying companies working under the supervision of the project team. In Georgia's economically active regions (48 of the country's 61 districts and the four major cities other than Tbilisi), full details were recorded as planned.
- Since the various donors' cadastre projects were using different methods and software packages, project funds from the second phase were used to finance the complete integration of cadastral and land registration data collected by the project and other donors into a unified geo-database. This database is used for updating information and for data administration, and it can be accessed over the internet.
- A total of 52 NAPR local offices were equipped with the hard- and software needed for the registration of land and property (real estate). The project ran in parallel with a programme of reforming and institutionally restructuring the project agency, which was transformed into a financially sound, efficient and customer-oriented authority.
- Under the training component, a number of surveyors were trained up, the majority of whom are still active in the sector – mostly as private contractors, but some also as NAPR staff.
- The Soviet-era soil map was brought up to date, converted to the internationally recognised FAO (UN Food and Agriculture Organisation) classification system and digitised; as a result, a fairly comprehensive and up-dated soil atlas is available for Georgia. Loss of soil data has thus been averted. No provision was made under the project for specific measures to use this as a tool for safeguarding ecosystems.
- The voluntary land swaps that were originally envisaged in the land reform districts did not proceed as planned, partly because the initial data survey in these areas was carried out USAID according to a divergent concept. Instead of this, pilot land-use planning and land consolidation measures were carried out in selected communities – albeit not to the extent envisaged, since demand proved to be lower than anticipated.

Key results of the impact analysis and performance rating

Today, NAPR enjoys the legal prerequisites and technical facilities necessary to sustainably operate a land cadastre and registry. It is financially self-supporting, with operating and investment costs covered by revenues from the services that it offers. Staff at NAPR and at private-sector surveying offices in Georgia are rated as well qualified. Registers are updated continuously (the number of land transactions recorded has doubled between 2004 and 2010), and the average time required for registration (between one and four working days) is extremely short, with no loss of accuracy (average processing time in the OECD being 32 days). However, only around 9% of all the land and property in Georgia have in fact been registered, as every plot must be re-measured prior to its first registration. The associated costs are regarded as relatively high, especially in rural areas (with low plot values). As a result, land sales often take place solely on the basis of a transfer certificate – which is not legally binding – and the transaction does not get officially recorded within the land register. Such informal transfers of property ultimately will complicate proof of ownership and facilitate respective disputes, especially over the long term.

From an academic perspective, the updated, digitised soil atlas has an intrinsic value. With around 200 enquiries per year, mostly relating to investment decisions, use of the atlas has not reached its potential and is falling short of expectations.

Economic advantages arising from the creation and use of the cadastre and land register are difficult to quantify, but they are clearly of benefit. The increased security of land tenure constitutes one the main precondition for an efficient, regulated land market, which is in itself an important foundation for a sound investment climate. Evidence of property rights also serves to improve access to lending. The process of land consolidation, which was expected to result from the “soil atlas” component – and with it a more efficient and sustainable use of rural land, as well as better protection for natural resources – did not materialise.

The dynamic process of change that has been underway in Georgia since 2004 has created a favourable environment; this has greatly encouraged the introduction of the cadastral land registration system. A significant contribution has thus been made to improving the investment climate, and thereby to transforming the economic system.

Relevance: In its major components - the introduction of a cadastre and a land register - the project, together with the interventions of other donors, followed a suitable approach for promoting a functional land market, which previously had not existed in Georgia. The training component, which ran parallel to the project, was designed to

eradicate a key constraint, namely the lack of staff and expertise in public and private institutions within the sector. Even today, the training element's significance and contribution are not in question and remain clearly visible.

The problems of land fragmentation and the threat to resources are closely linked with the topic of land law. Updating the soil atlas aimed to address these issues. In retrospect, there was a lack of funding allocation here: whereas the resources allocated to the soil atlas were limited, its impact was advocated prominently. In reality, those effects did not materialise to the extent anticipated. For that to happen, either a multitude of assumptions would have had to be met, or extensive supplementary interventions would have had to be foreseen. Overall, programme relevance has been assessed as good (rating 2).

Effectiveness: The registration of land and property in Georgia is implemented in an unusually swift, customer-friendly and transparent fashion. There are, however, some qualifications with regard to the "level of registration" parameter, as rural areas fall far behind urban zones. This is caused by the reticence of landowners to pay the relatively high costs of re-measuring required for first registration (in the case of smaller, less valuable plots this can amount to as much as 40% of their actual value). From today's perspective, the training measures can be considered an unqualified success. Most of the staff trained under this programme are still working in the sector. It is due not least to these training interventions that the surveying offices and the NAPR are still adequately qualified today to carry out their duties. The digitisation of geo-referenced soil data - for which the project provided substantial support - today forms the basis for the cadastre and land register's functional capability, and is the foundation on which they are continuously updated, all in line with contemporary technical standards. NAPR, the project agency, is widely recognised as a capable, modern public institution which is financially independent and meets the latest technical standards. Although updating the soil atlas certainly has intrinsic value in terms of "knowledge management", its use - which to date has been predominantly for investment decisions – has not reached its potential and has fallen below expectations. In overall, project effectiveness is assessed as satisfactory (rating 3).

Efficiency: In terms of the results achieved compared to the funds deployed, the project overall is considered efficient. As may be inferred from the effectively functioning cadastre and land register system in operation today, and from the existence of an updated digitised soil atlas, funds were allocated appropriately between

the respective components. The relatively low costs incurred in the soil atlas/ land consolidation component are commensurate with the data collection and data updating undertaken and proportionate to the somewhat occasional use of that data.

The digital system of land registration funded by the project works quickly and covers its costs: NAPR, meanwhile, is generating substantial surpluses. Nonetheless, every plot of land must be re-measured at the time of voluntary first formal registration by the landowner, so the geodata furnished through the project is not fully exploited. Due to the increased administrative load on NAPR, this has a negative effect on project efficiency; and the need for re-measuring lowers the level of public response, especially in rural areas. We assess the project's overall efficiency as satisfactory (rating: 3).

Overarching developmental impact: The introduction of a cadastre and land registry system made an important contribution to improving the investment climate in Georgia – and hence also to transforming the economic system. Especially in urban districts, the increased legal security brought about by registration is seen positively and is in considerable demand. Land transactions and the use of land for securitising loans have both shown positive trends.

Moreover, there is indication of structural impacts: NAPR is one of the public agencies spearheading transparent and effective use of IT in the public interest. An increasing number of other public services (such as registration authorities, the passport office, registry offices etc) will soon be brought - based on the NAPR model, and mostly using digitised formats - into integrated centres serving the public. NAPR is also playing an important role in identifying loopholes in the regulatory framework and proactively providing the Ministry of Justice with proposals for legislative solutions and improvements (e.g in the area of land law).

With regard to the soil atlas, its use for land-use planning activities, and land consolidation, effects to date have fallen short of expectations. This is because these issues were not adequately confronted and institutional responsibilities, specifically in the areas of regional and land-use planning, have yet to be satisfactorily clarified. Based on the current status, we have assessed the project's overarching developmental impact as satisfactory (rating: 3).

Sustainability: Georgia's comprehensive modern cadastre and land registration system is being constantly updated and improved, and conforms to international standards. It can be reasonably assumed that this process of updating and innovation

will continue into the future, both because NAPR recognises the need and also because the necessary financial resources are available. In general, NAPR staff today are considered qualified. No future shortage of qualified labour is presently forecast, since existing sectoral knowledge is being handed on.

The digitised, updated data in the soil atlas will still remain valid in future. However, it remains questionable when (and if) the pilot measures in the areas of land-use planning and land consolidation that were implemented under the project will generate a broader impact. The project's sustainability is assessed as good (rating 2).

Overall assessment: The programme approach - introducing a digitised cadastre and land registration system - is now firmly enrooted within the appropriate systems, institutions and procedures, and is being further developed by the Georgian authorities as needed. However, qualifications remain with regard to its acceptance, primarily amongst the rural population, due to the costs associated with initial registration. The subordinate components in the project (the soil atlas and the pilot activities in land-use planning/ land consolidation in selected local authorities) were successfully implemented *per se*, but have not been not sufficiently utilised or developed with view to delivering larger-scale impacts.

We have assessed the overall success of the project as satisfactory (rating: 3).

General conclusions and recommendations

Despite a high level of complexity, the remarkable degree of *ownership* demonstrated in Georgia since 2004, together with the willingness to introduce modern, transparent procedures into cadastral and land registration processes, have helped ensure success in developing both the sector and the project agency.

Establishing *technical expertise*, both within the project agency and in private companies, was crucial to developing a professional surveying sector.

When formulating the objectives, broad-based projects such as these should either be limited to core aspects (in this case, the establishment a functioning land market), or underpin specific objectives (e.g. sustainable land management) with a relevant raft of measures.

Notes on the methods used to evaluate project success (project rating)

Projects (and programmes) are evaluated on a six-point scale, the criteria being relevance, effectiveness, efficiency and overarching developmental impact. The ratings are also used to arrive at a final assessment of a project's overall developmental efficacy. The scale is as follows:

1	Very good result that clearly exceeds expectations
2	Good result, fully in line with expectations and without any significant shortcomings
3	Satisfactory result – project falls short of expectations but the positive results dominate
4	Unsatisfactory result – significantly below expectations, with negative results dominating despite discernible positive results
5	Clearly inadequate result – despite some positive partial results, the negative results clearly dominate
6	The project has no impact or the situation has actually deteriorated

Ratings 1-3 denote a positive or successful assessment while ratings 4-6 denote a not positive or unsuccessful assessment

Sustainability is evaluated according to the following four-point scale:

Sustainability level 1 (very good sustainability) The developmental efficacy of the project (positive to date) is very likely to continue undiminished or even increase.

Sustainability level 2 (good sustainability): The developmental efficacy of the project (positive to date) is very likely to decline only minimally but remain positive overall. (This is what can normally be expected).

Sustainability level 3 (satisfactory sustainability): The developmental efficacy of the project (positive to date) is very likely to decline significantly but remain positive overall. This rating is also assigned if the sustainability of a project is considered inadequate up to the time of the ex post evaluation but is very likely to evolve positively so that the project will ultimately achieve positive developmental efficacy.

Sustainability level 4 (inadequate sustainability): The developmental efficacy of the project is inadequate up to the time of the ex post evaluation and is very unlikely to improve. This rating is also assigned if the sustainability that has been positively evaluated to date is very likely to deteriorate severely and no longer meet the level 3 criteria.

The overall rating on the six-point scale is compiled from a weighting of all five individual criteria as appropriate to the project in question. Ratings 1-3 of the overall rating denote a "successful" project while ratings 4-6 denote an "unsuccessful" project. It should be noted that a project can generally be considered developmentally "successful" only if the achievement of the project objective ("effectiveness"), the impact on the overall objective ("overarching developmental impact") and the sustainability are rated at least "satisfactory" (rating 3).