

Assessment of NACLR institutional capacity before and after the financial crisis

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Agenda

- Achievements before the crisis
- Effects of the financial crisis
- Counteracting the crisis

Achievements before the crisis

Historical background

- 1870 – Austrian-Hungarian land registration in Transylvania
- 1918 – Establishment of Romania
- **1920 – first land reform**
 - first cadastral law (1933)
 - first land registration law (1938)
- **1945 – second land reform**
 - nationalization, collectivization (1948)
- **1991 – third land reform**
 - restitution, privatization
 - new cadastral and land registration law (1996)
- 2004 – establishment of ANCPI
 - cadaster and land registration merged into a single entity

Mission

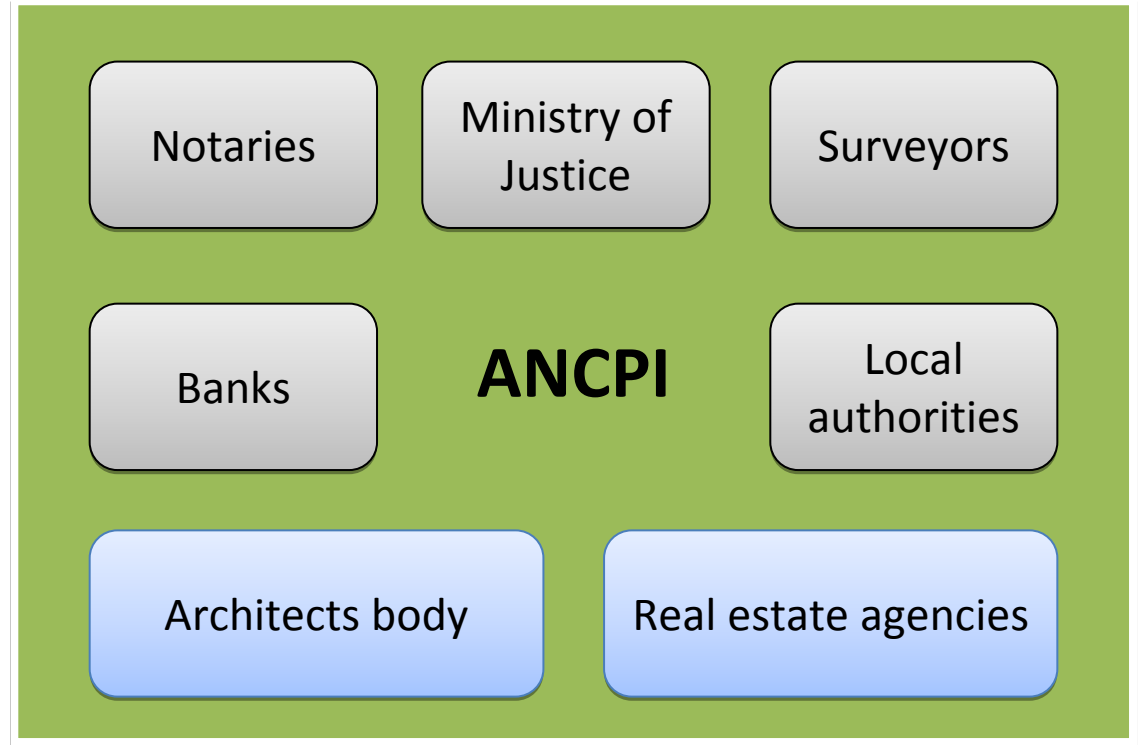
- Property guarantee
- Basis for property evaluation and taxation
- Real estate market development
- Mortgage loan system

Achievements 2004-2009

- Unification of Cadaster and Land Registration
- Improved work conditions
- Improved archives
- IT system

- Self-financing

Unified system

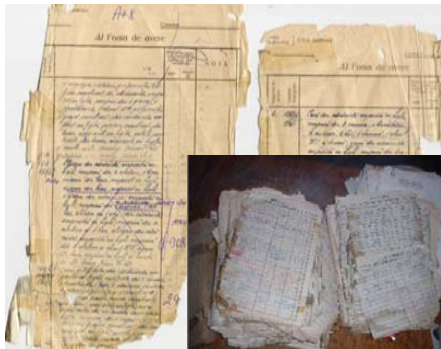


- Solid connections with major professional bodies through bilateral agreements
- There are still issues with the real estate companies and architect bodies

Modernisation



- **Front-office**
- **Back-office**

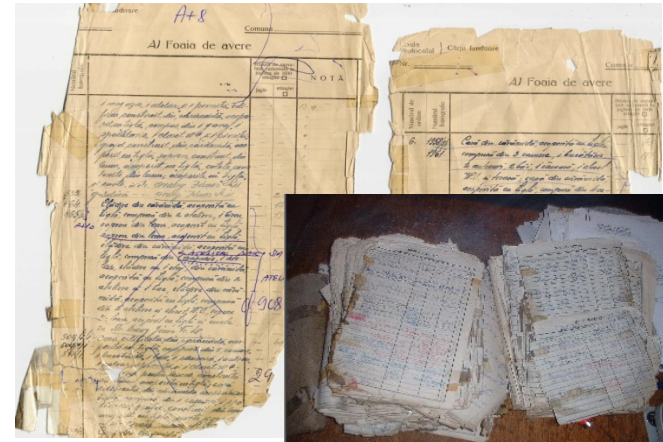


Archives consolidation



Data conversion

- Two major evidence systems at the country level;
- Old paper evidence, partially damaged;
- Different practices for about 100 years;
- Hand written land books, sometimes in foreign languages, currently unused;
- Inconsistent registrations and data;
- Legal framework tailored for papers practice;



Landbook
20%

Cadastre
85%



IT system – main goals

- efficient registration
- standardization :
 - unified country wide practice
 - predictive & controlled processes
- unified electronic archive
- improved information retrieval
- operation tracking
- base for other major projects

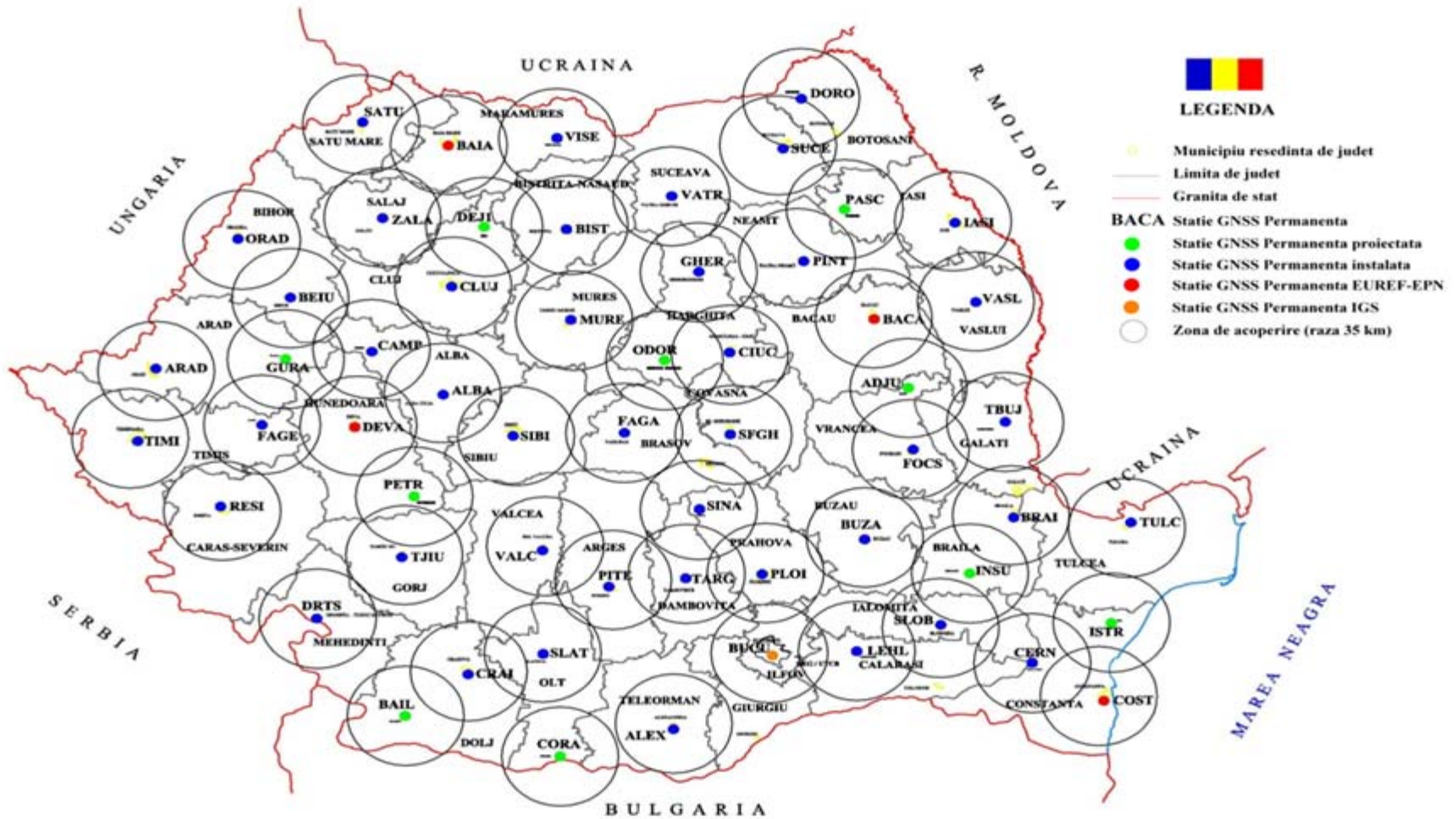
IT system - numbers



Pilot starting	sept. 2006
Improvements	2007-2009
Rollout starting	aug. 2008
Rollout completed	dec. 2009

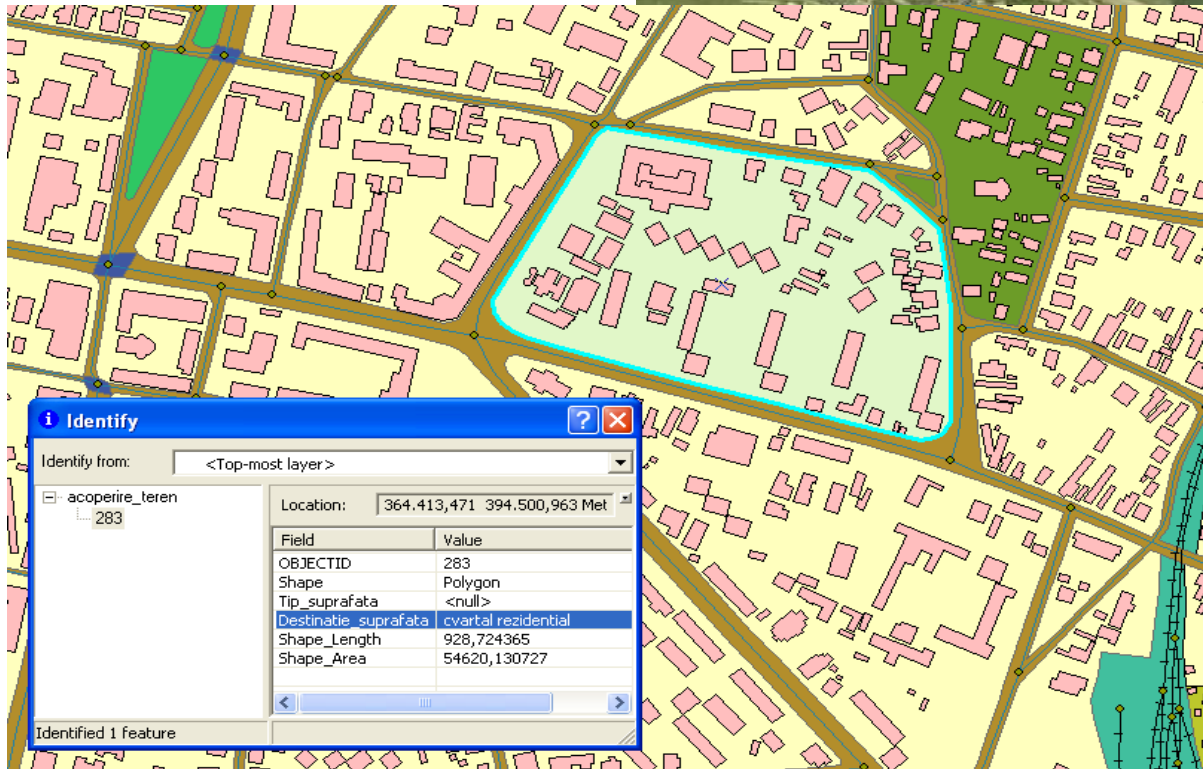
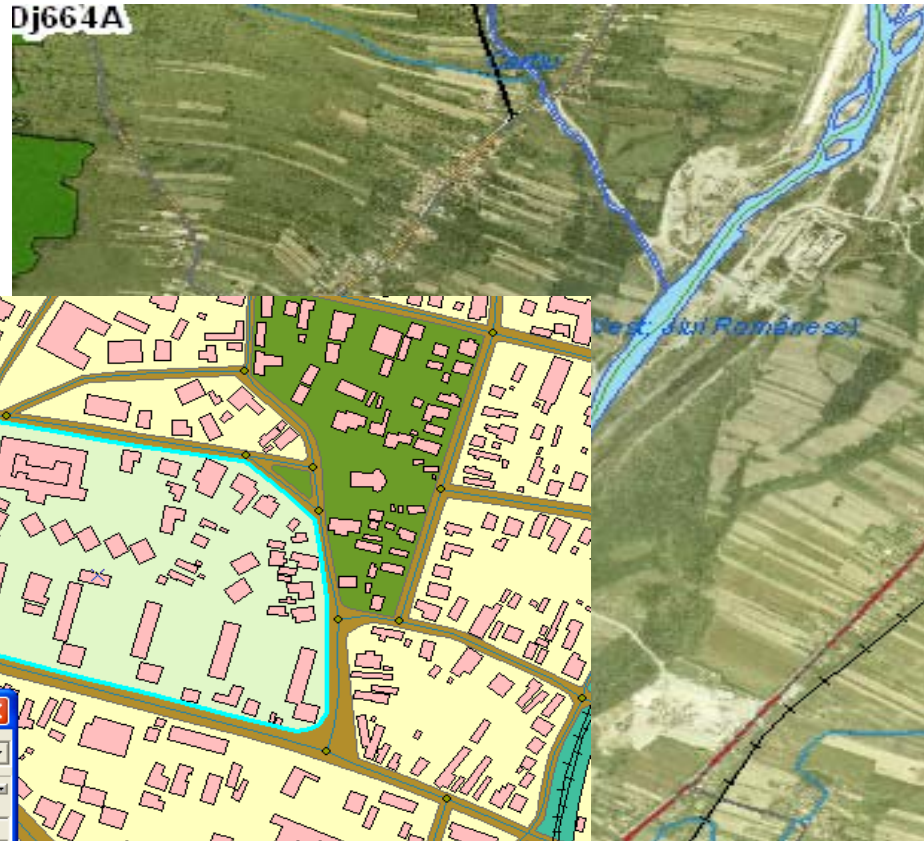
Requests	10.983.584
Immovables	4.475.612
Transactions	8.576.634
Mortgages	1.966.815

Permanent Station Network



Digital map (1:5000)

Dj664A



Identify

Identify from: <Top-most layer>

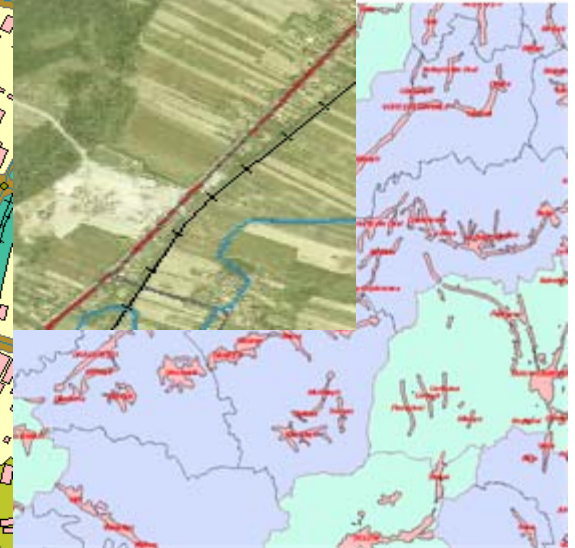
- acoperire_teren
 - 283

Location: 364.413,471 394.500,963 Met

Field	Value
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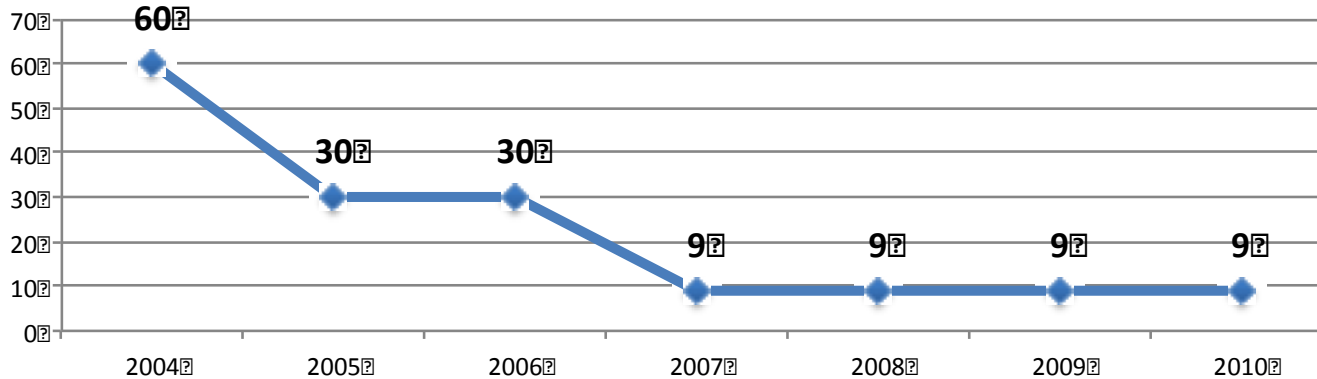
Identified 1 feature

Post. Slt. Romănești

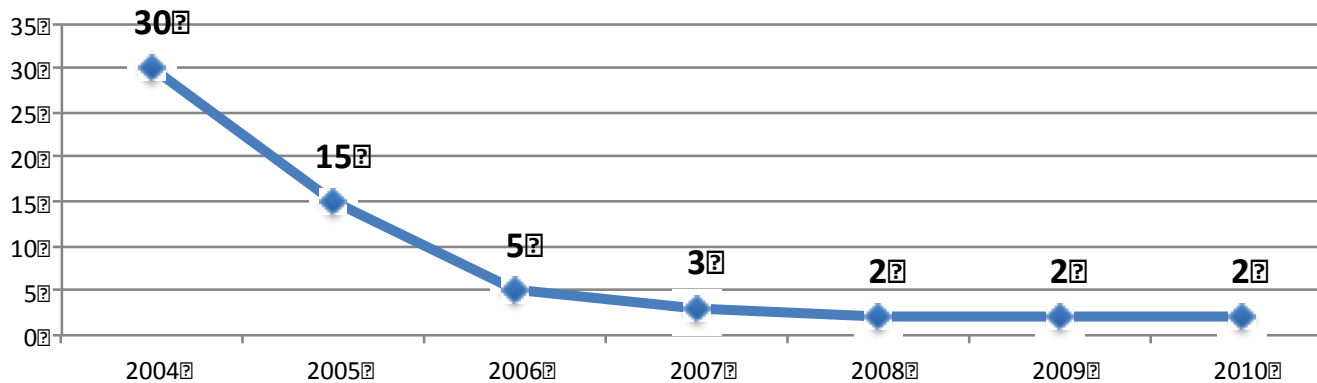


Registration time

Transactions (days)

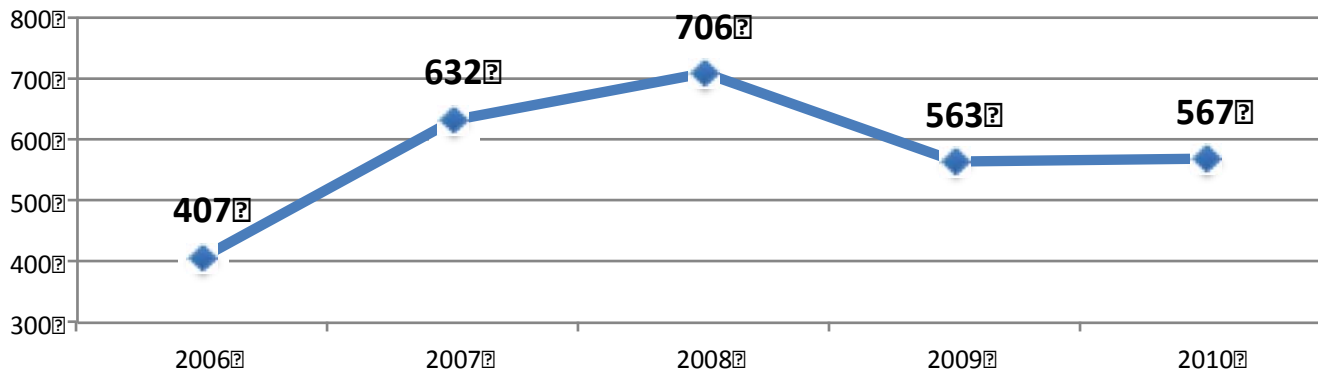


Mortgages (days)

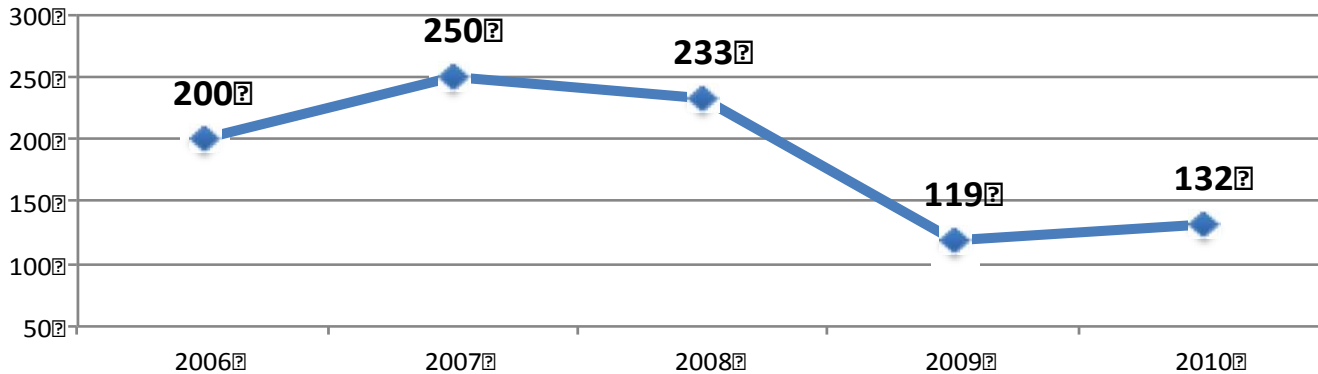


Registration (1)

Transactions (k)

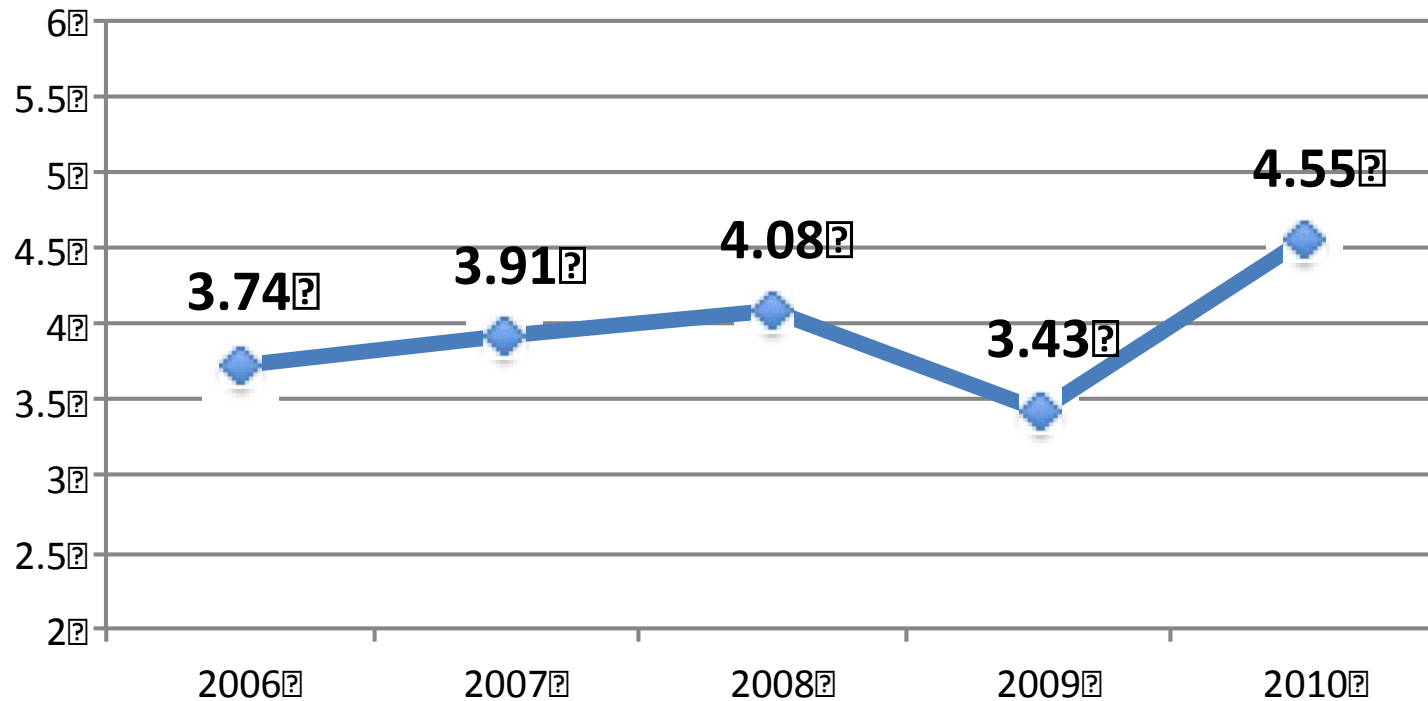


Mortgages (k)



Registration (2)

Operations (M)



Effects of the financial crisis

Change in way of financing (2009)

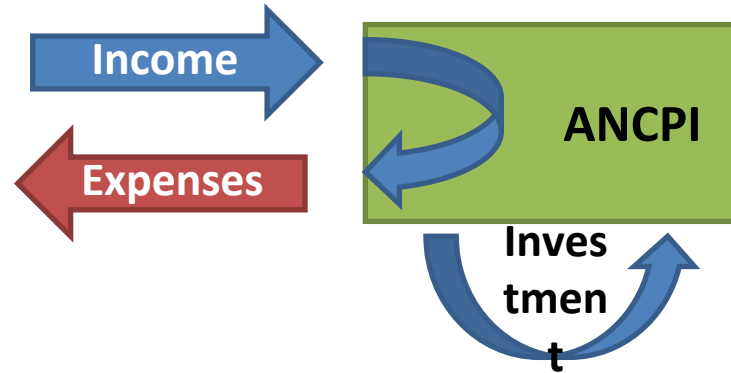
- From self-financing to state budget

Applying the government policy (2010)

- 25% personnel reduction

Changes in crisis

before



after



Outcome of the crisis

Immediate effects:

- 63% budget deficit in 2010
- 60% wage reduction
- Loss of qualified personnel

Risks:

- Impossibility to follow commitments (lack of specialists)
- Drop of service quality
- Increase of solution time
- Corruption
- *Loss of confidence in the system*

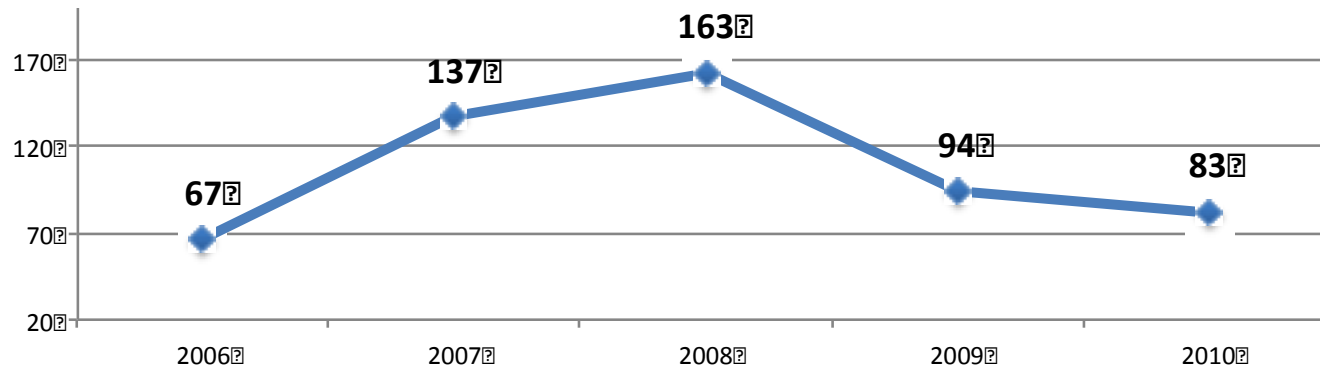
ICT Department

➤ Takeover of the qualified personnel

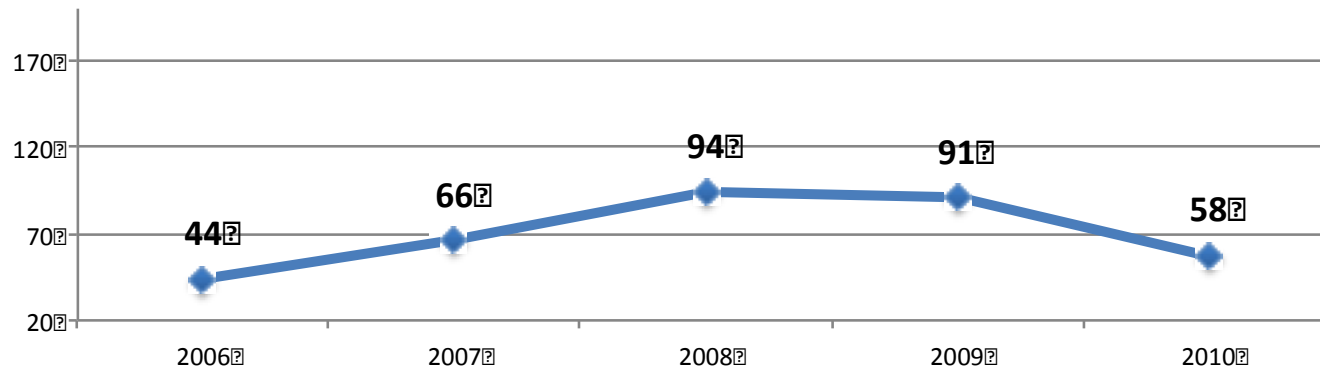
- Keeping the knowledge
- Stability
- Uniform procedures
- Centralized management

Income VS Expenses

Income (Million Euro)

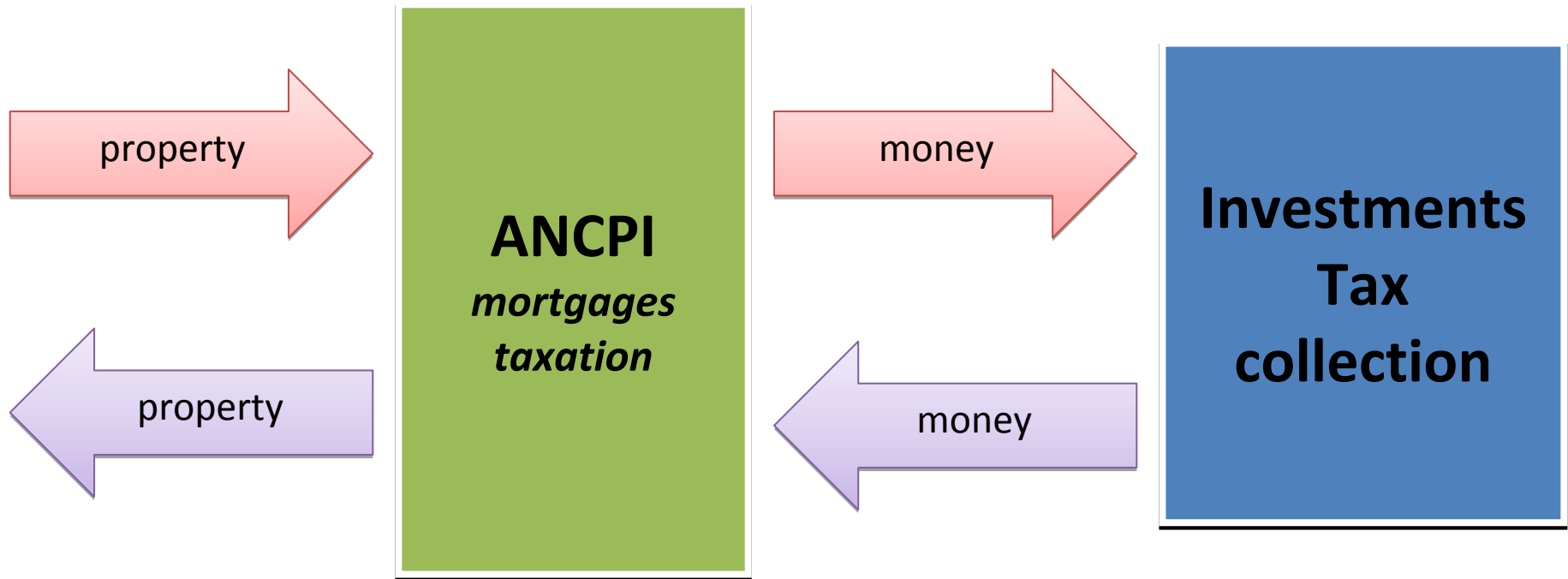


Expenses (Million Euro)



Counteracting the financial crisis

Mission during the crisis

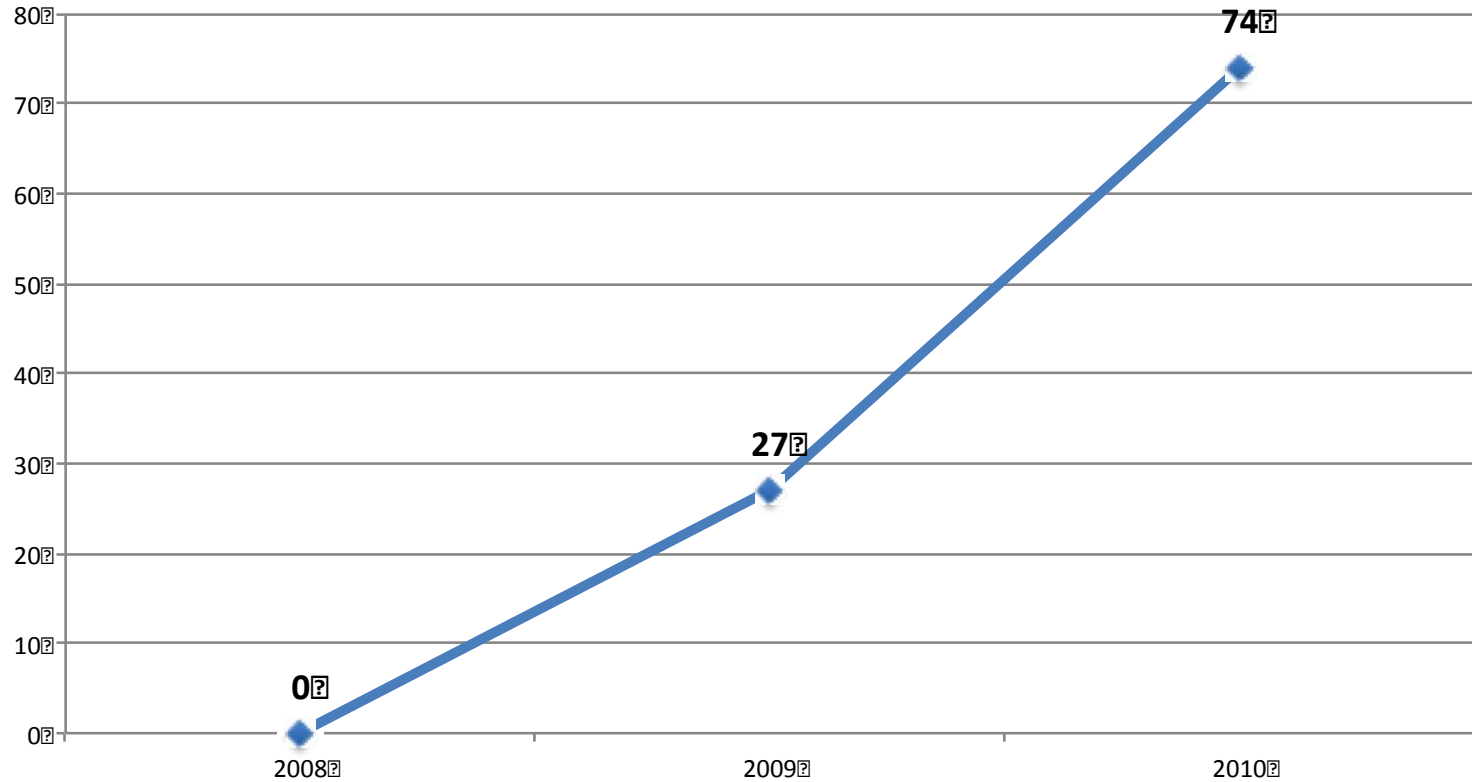


Supporting investments

- New framework from expropriation
 - Shorter terms
 - Simplified procedures
- Agreements with the municipalities for free access to data in order to sustain their projects regarding systematic registration
 - Data
 - Standard approved procedure
 - Technical support

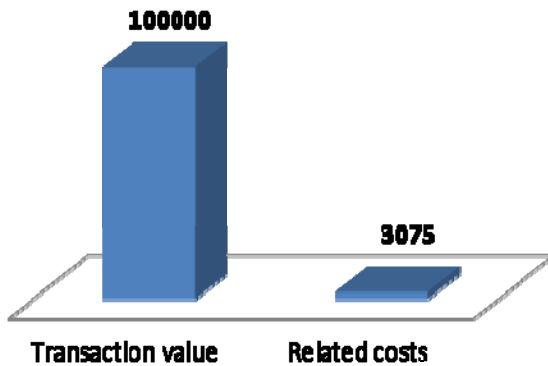
Expropriation

Expropriation (k)

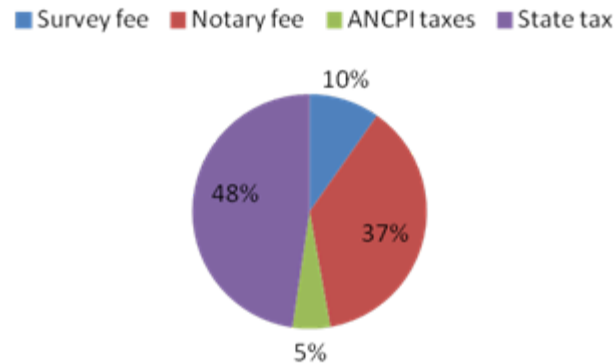


Transaction cost

Transaction related costs (EUR)



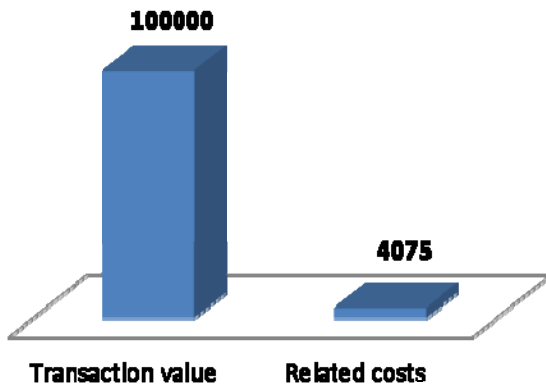
Structure of related costs



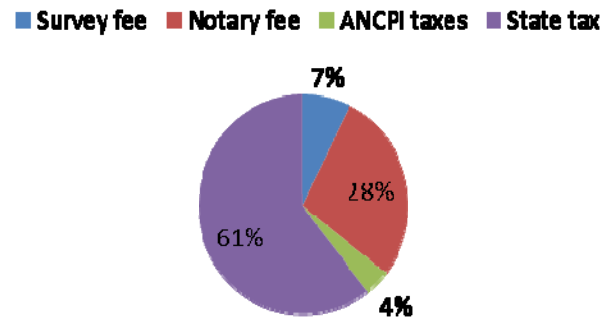
Transaction costs	Case 1
Survey fee	300
Notary fee	1150
ANCPi taxes	160
State tax	1465
	3075

Immovable owned for more than 3 years

Transaction related costs (EUR)



Structure of related costs



Transaction costs	Case 2
Survey fee	300
Notary fee	1150
ANCPi taxes	160
State tax	2465
	4075

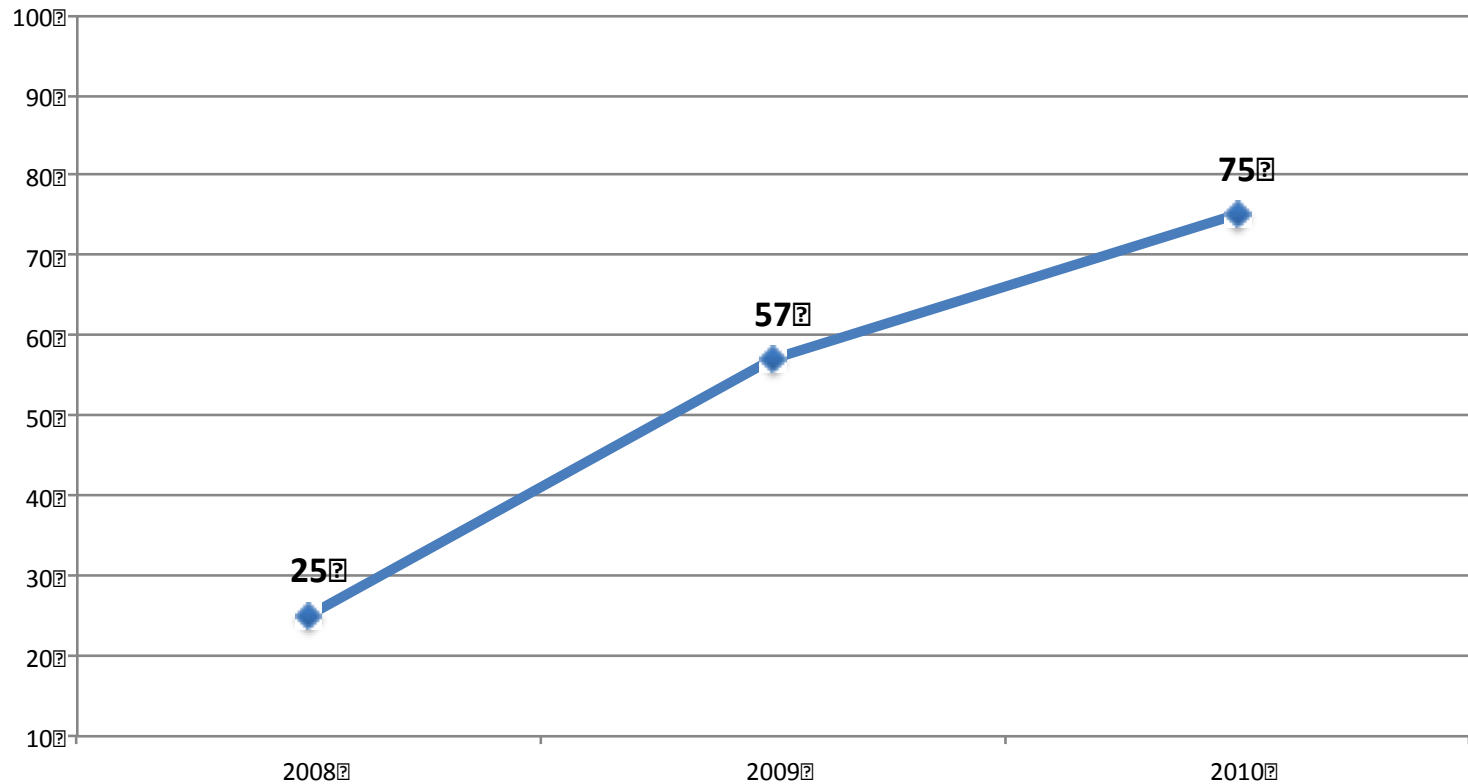
Immovable owned for less than 3 years

Better tax collection

- Agreement with the public notaries for lower fees regarding inheritance
 - Actualized information about ownership
- Ongoing negotiation with the ministry of finance for lower taxes regarding inheritance
 - State tax: 1%
 - Notary tax: 50 EUR
 - ANCPI tax: 0
 - Surveyor tax: 0
- Mass registration of property (for free)

Mass registration (2)

Registration of Property Titles (k)



Measures (3)

Anticipating a contraction in the volume of requests, ANCPI continued projects regarding parcel plans with the following effects:

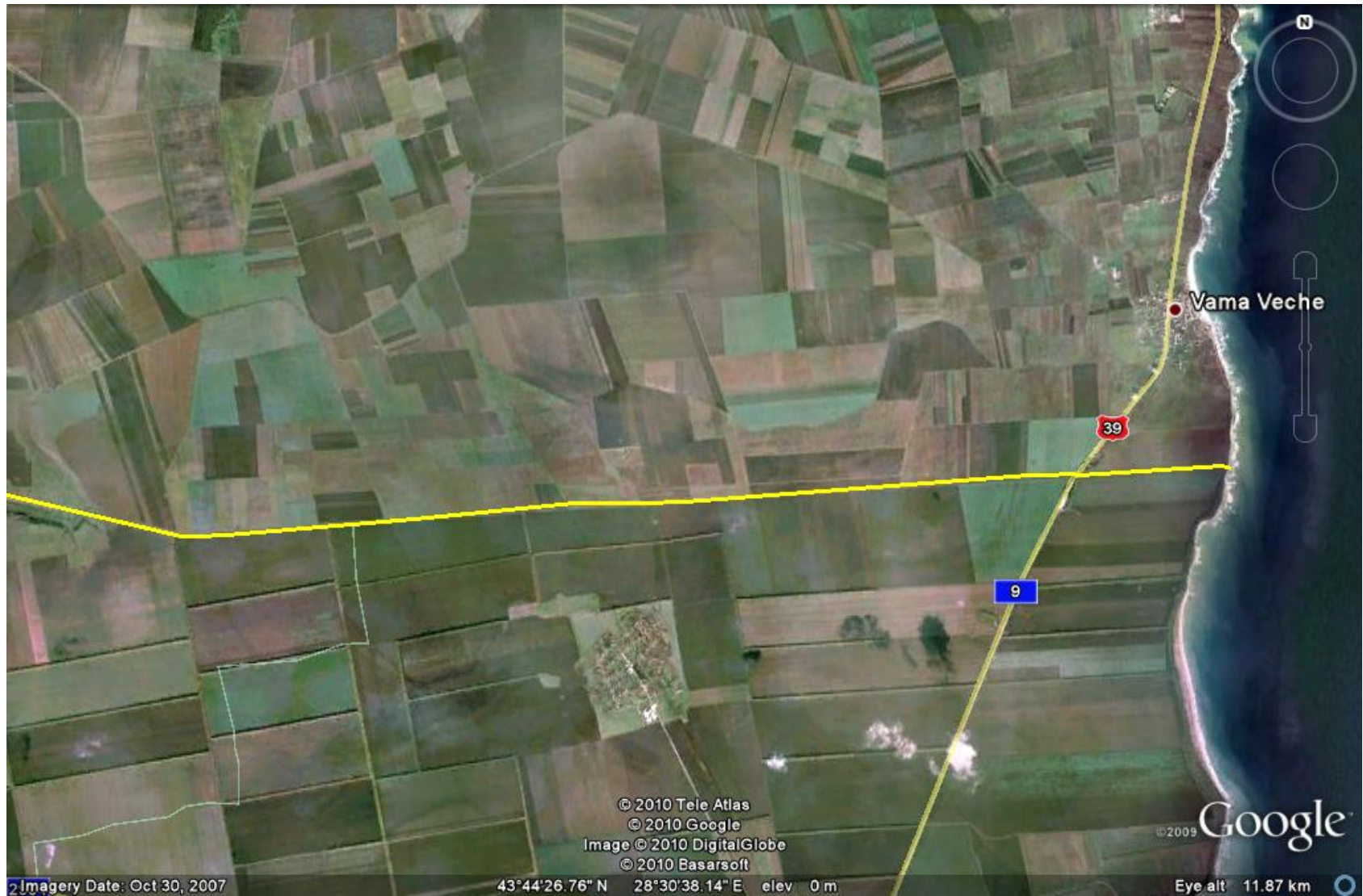
- infusion of state funds in the horizontal economy;
- ANCPI personnel and surveyors;
- completion of land records.

Land consolidation

Testing and further developing methodologies to improve the agricultural situation in Romania

- improvement of land administration
- land consolidation
- better land use

Land fragmentation



- Data conversion
 - Digital archives
- Massive registration
 - EU funding / PPP
 - New legal framework

Thank you for your attention !

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