Republika e Kosovës
Republika Kosova-Republic of Kosovo
Qeveria - Vlada - Government

The Kosovo Cadastral Agency
and
The Cadastral Sector in Kosovo

Business Plan 2009 – 2014

Prishtina, December 2008

Acknowledgement

Preface

This Business Plan is based on the Kosovo Cadastral Agency (KCA) Development Strategy 2009-2011 and provides concrete actions for development of the KCA and the cadastre sector in Kosovo. The Business Plan covers a 5-year-period starting July 1, 2009. The preparation of the Business Plan is financed by the Governments of Norway and Switzerland, the World Bank and GTZ / Germany.

The Business Plan is prepared by the KCA in cooperation with an Inter-Ministerial Committee with representatives from the Ministries of Public Services; Internal Affairs; Environment and Spatial Planning; Agriculture, Forestry and Rural Development; Local Government Administration; and Economy and Finance. The Business Plan was discussed and finalized in a seminar on December 4-5, 2008 with the Inter-Ministerial Committee, Donor representatives and representatives from three Municipal Cadastre Offices.

Considerations in the Business Plan are based on the Kosovo Government's priorities and strategies presented in the Program of the Government of the Republic of Kosovo, 2008-2011; the European Partnership Action Plan (EPAP); the Anti-Corruption Strategy and Action Plan; the Public Reform Strategy and Action Plan; and the Medium Term Expenditure Framework 2009-2011. Hence, the Business Plan suggests actions to contribute to the Government's goals to make Kosovo a member of the European Union and to fight corruption by making the KCA and the MCOs strong and transparent institutions.

The implementation of the Business Plan requires Government support in promoting and/or deciding a number of issues specified in the Business Plan. The Business Plan will be submitted to the Government for approval and with request of Government alignment decisions on the issues specified in the Business Plan.

In addition, the success of the land administration reform will depend on donor coordination and their timely coordinated decisions regarding funding of the different parts of the reform.

Pristina, December, 2008

Hamit Basholli
Chief Executive Officer

Kosovo Cadastral Agency

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Government Decision[1]

Republika e Kosovës
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No. 05/70
Date: 25.06.2009

Based on the article 92 of the paragraph 4, and article 93 paragraph (4) of the
Constitution of the Republic of Kosovo, and the article 4 of the paragraph (3) of the
Regulation on the work of the Kosovo Government no. 01/2007, the Government of the
Republic of Kosovo on the meeting held on 25 of June 2009, reached the:

DECISION

1. The Government approved the Kosovo Cadastral Agency Development Strategy
   2009-2011 and the Business Plan for the Kosovo Cadastral Agency and the
   Cadastral Sector 2009-2014

2. For the execution of this decision are responsible the Ministry of Public
   Administration and Kosovo Cadastral Agency

3. The decision enters into force on the day when signed

Hashim Thaçi
_____
Prime Minister of Kosovo

To be sent to:

- all ministries (ministers)
- Permanent Secretary of the Office of the Prime Minister (OPM)
- Government Archive

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[1] Government decision (translation) – original signed document is in Albanian:
http://www.ks-gov.net/ZKM/repository/docs/Vendimet_e_Mbledhjes_se_70-te_te_Qeverise.pdf

Business Plan 2009 – 2014

Executive Summary

This Business Plan is based on the Kosovo Cadastral Agency (KCA) Development Strategy 2009-2011 and provides concrete actions for development of the KCA and the cadastre sector in Kosovo. The Business Plan covers a 5-year-period starting July 1, 2009. The preparation of the Business Plan is financed by the Governments of Norway and Switzerland, the World Bank and GTZ / Germany.

The Business Plan is prepared by the KCA in cooperation with an Inter-Ministerial Committee with representatives from the Ministries of Public Services; Internal Affairs; Environment and Spatial Planning; Agriculture, Forestry and Rural Development; Local Government Administration; and Economy and Finance. The Business Plan was discussed and finalized in a seminar on December 4-5, 2008 with the Inter-Ministerial Committee, Donor representatives and representatives from three Municipal Cadastre Offices (MCOs).

Considerations in the Business Plan are based on the Kosovo Government's current priorities and strategies suggesting actions to contribute to the Government's goals to make Kosovo a member of the European Union and to fight corruption.

Implementation of the Business Plan will contribute to improved governance, i.e. the building of accountable and effective public administration and improved legal framework, by facilitating protection of property rights. By providing security to real property rights and establishing easy and safe mechanism for real property transactions, the Business Plan will assist Kosovo in the development of the land market.

The KCA as lead organization in land administration will provide for good cooperation and coordination within the sector benefiting the land market and public and private sector development.

There is an urgent need for new and amended legislation related to land administration. A Law on Real Rights was drafted in 2003 and is now in the Kosovo Parliament for consideration. The law is a necessity for security of tenure as a basis for economic growth in both urban and rural areas. The law is suggested to be promulgated as soon as possible together with a law on legalization of unlawful constructed buildings. The gaps in the cadastre records will have to be managed through legislation to remove uncertainty about property rights.

The Land Administration Policy adopted September 3, 2003 is suggested to be reviewed. The High Level Policy Objectives are still valid and should remain as basis for the government's goal for land administration. When reviewing the policy it should be harmonized with other government initiatives and Directives issued by the European Commission.

Tenure security and land administration is the responsibility of the State. It is important for the government and the ministries to have effective control over policies and actions by the KCA and the MCOs (delegated competence) to ensure the political accountability.

An Inter-Ministerial Land Administration Committee should be established as an Advisory Board to the Government and the KCA on matters concerning land administration and National Spatial Data Infrastructure (NSDI) to ensure consistency and promotion of the national and municipal interests as well as private sector interest. The Inter-Ministerial Land Administration Committee should be empowered with decision-making powers in certain issues on behalf of the Government.

Strengthening of the Government steering of the KCA is suggested but also the development

of KCA autonomy. To enhance the efficiency of KCA business and at the same time strengthen the government's possibility to control and steer it, the Government should introduce a system of Management by Objectives and Results. The KCA will enjoy more liberty to organize and perform the daily work. Detailed regulation will be kept at a minimum and modernized legislation on the status of the KCA be introduced. The Government will focus on what should be achieved by stating objectives and direction of the business in an annual Appropriation Direction for the KCA.

The municipalities should according to the Law on Local Self-Government be delegated the competence regarding cadastral records. The delegated competence should be in line with the Government's goals. The municipalities should organize their MCOs with a proper level of professional competence and capacity to ensure security of tenure; efficient and effective cadastre and real property right registration; and equal service to citizens all over Kosovo. It is essential that the municipalities put the MCO and its operations higher on the agenda and provide funding for proper staffing, equipment, maintenance of equipment and expenses.

The Government should in submitting annual funding from Kosovo Consolidated Budget (KCB) for delegated competences specify for each municipality funds to be used for the delegated competence and thereby use the concept Management by Objectives. Small municipalities should use the possibility of inter-municipal cooperation to perform their delegated competence. Inter-municipal cooperation will ease the pressure on the KCB.

It is evident that effectiveness of institutional structures for land administration has considerable impact on the standards of social and economic development of a country. The effectiveness of the institutions is dependent on the institutional framework as such, interaction between separate institutions and a clear mandate for each institution. All functioning land administration frameworks in market economies have a developed private sector, which operates within a defined and regulated framework.

The KCA has been set up with purpose of managing cadastre and land registration in Kosovo. The KCA, though, has an ambiguous role of being a coordinating body rather than providing direct management of the MCOs. In this perspective it is preferable to have a land administration organization with the MCOs as an integral part of KCA. The result would be a more consistent implementation of land administration policies than today, when the KCA has to negotiate with all Municipalities about measures to be taken. With KCA responsible for MCOs a clear accountability for land administration operations would be achieved.

However, the most likely option in the current political situation is to keep the existing institutional framework for land administration, but to achieve better efficiency it must be reformed. Close cooperation is necessary between the Ministry of Public Services as responsible for land administration and the Ministry of Local Government Administration as responsible for implementation and monitoring of delegated competence in the municipalities.

The suggested core businesses in the KCA are cadastre registration, land registration, real property valuation, geodesy and NSDI. The KCA should at first concentrate on the cadastre and land registration including the reconstruction work that is of importance for tenure security and reliability of data in the registers. However, the other core businesses should be developed and implemented within the next years.

Through establishment of Chief Registrar of Titles clear indication will be given to the whole society that reliability of real property rights is high on the KCA agenda. The Chief Registrar of Titles will have sole responsibility to decide about final registration in the land register. The responsibility of the MCOs will be to provide provisional registration. In a new organizational structure the KCA is suggested to concentrate its core businesses into fewer directorates and highlight the Chief Registrar of Titles.

Introduction of private sector involvement is found to be very beneficiary for development of the land administration sector. Up to date 37 surveyors and three surveying companies have been licensed for cadastral surveying located in different parts of Kosovo. Based on the experiences from neighbouring countries it should be possible to introduce the cadastral surveying as a task exclusively for licensed private surveyors, unburdening the MCOs and letting them concentrate on registration. The private sector should also be supported to provide land market with real property valuation.

Governments affect land administration through their policies and through the level of financial support that they provide. It is generally recognized that the initial creation of a land administration system requires a significant level of central government support, for instance using funds provided by international development agencies. Once established the continuing operation and maintenance of the system may be financed through revenues generated by the agency concerned.

The 2007 budgets for KCA and MCOs add up to a total amount of about 1.5 Million Euro. In comparison with neighbouring countries this is a very low budget for land administration. The cadastre and land registration business in the KCA and the MCOs is at present financed through grants coming directly or indirectly from the KCB. The bulk of fees for cadastre and land registration is collected by the MCOs and goes directly into the municipal accounts.

To give an indication about the prospect of self-financing of cadastre and land registration business comparison have been made between KCA and MCOs budgets from 2007 and known revenues collected by the KCA and MCOs during 2007 showing a surplus of about 45 000 Euro. The expected future increase in transactions will most likely imply a situation where both costs for operations and investments related to cadastre and land registration could be self-financed.

There is a disparity in collected revenues for cadastre and land registration between the municipalities mainly due to differences in preconditions for economic development in the municipalities. Redistribution of the revenues will therefore be a necessity. A system for collecting and redistributing the collected revenues and criteria for redistribution will have to be developed. When the system of self-financing of the cadastre and land registration is implemented, the burden on the KCB will ease.

If the financial system does not reflect the organization's business, it hampers the financial and managerial follow-up. Since the expectations on the KCA and the MCOs are to play a major role in land administration and support development of a vibrant land market, the focus should be on the output from these organizations rather than on the input. The financial system should present financial and non-financial information. The general ledger in the system should be the structure of business activities. In this way non-financial information such as time spent on separate business activities, volumes produced etc can be related to financial figures. This financial system will promote and provide information for setting of appropriate fees for the cadastre and land registration services. This financial system is in line with the concept of Management by Objectives and Results.

The average number of staff members per million inhabitants is 410 for land administration institutions in the neighbouring countries. If that average is applied to Kosovo the number of staff members would reach about 900 in the KCA and the MCOs together. In fact, there are only 427 staff members in the country.

The KCA is suggested to have its number of staff members increase with 10 experts in land administration to reach to the level of staffing it had some years ago. Additional staff may be needed further on to realize the new core businesses NSDI and real property valuation. A

plan for adequate staffing, competence, training etc. needed in MCOs to fulfil their business to provide efficient and effective cadastre and land registration is also suggested.

It is clear that KCA needs competent experts to be the lead organization in land administration. The KCA can today offer new staff exiting work in a development environment and training opportunities. However, the KCA cannot offer a high enough salary to attract the people needed in the organization. Instead, as the number of private businesses related to land administration increase, the loss of competent experts might accelerate. The Government should develop its scheme of experts' salaries in public service to include not only IT experts but also experts in KCA core businesses: cadastre, real property rights, real property valuation, geodesy, NSDI and mapping.

Management skills and management performance of managers of the KCA and the MCOs should be in focus. Modern management should be introduced through comprehensive training to support the managers in their important role to implement the land administration policies.

The role of land in the economy of all countries is of great significance. It is necessary that land information is available for numerous purposes in both public and private sector. The KCLIS should be developed into a unified system including cadastre data about land, buildings and apartments; real property right; addresses; property values, land use and environmental restrictions etc for multi-purpose use and hosted by the KCA. Stakeholders in both public and private sector should be able to use the data in the system together with their own data. Some of the data suggested in the system will not be produced by the land administration institutions. Producers of such data should be obliged to contribute with their data to the system based on agreements. The arrangement will primarily be built on sharing of data between the KCA and the other producers.

The original cadastre documentation is since the conflict in 1999 kept in Serbia and not accessible for Kosovo. Continuous reconstruction of cadastre and property rights is inevitable and the task ahead is still a huge undertaking. The KCA has identified and made a plan for reconstruction of prioritized cadastral zones, which adds up to a number of 386 cadastral zones, approximately 25% of the total area. With reconstruction of about 35 cadastral zones per year the reconstruction of the prioritized cadastral zones will take 10 years. It is also envisaged to reconstruct the cadastre inside urban areas in seven cities.

Reconstructions performed are not completed primarily due to lack of appropriate legislation. Procedures for reconstruction will have to be developed as well as changes of current legislation.

Projects for reconstruction of cadastre and real property rights and registration of buildings and apartments can preferably be handed out and distributed between the available and interested private licensed surveyors and companies without prior tender procedure.

Kosovo will experience an increasing demand for spatial data for planning, decision making and following up of effects within different areas. Development of e-Government services and increased cooperation in Europe and globally has to be recognized. Implementation of the NSDI concept will therefore be of importance for the Kosovo society. Aspirations to enter the EU provides important prerequisites to implement the INSPIRE Directive and other EC Directives impacting NSDI development.

The introduction of NSDI will take many years. A step-by-step approach is, therefore, suggested. The KCLIS is intended to provide management of national spatial data and will be developed to fulfil that purpose. The KCA as responsible for basic spatial data related to cadastre is also suggested to be responsible for NSDI.

The vision for the future development of NSDI should be clearly expressed and widely communicated. Based on the vision a short strategy document should be set up describing strategic goals and what actions should be taken to achieve the goals.

Demand for valuation of real property will increase in Kosovo. Therefore, the KCA should develop and implement methods for real property valuation; provide basic valuation data; and support establishment of a private sector dealing with real property valuation. In cooperation with Ministry of Economy and Finances the KCA should develop and present guidelines for mass appraisal of real property. Technical tools for different kinds of valuation based on transaction data and graphical presentation from the KCLIS should be developed as well as standards for presentation to customers of valuation result.

It became obvious for the KCA after the fire in Prizren MCO that existing cadastral documents should be preserved for the future through scanning. Scanning has also started in Klina. The approach in Klina MCO is both to secure the cadastral documents for the future and to make the digital documents available in its operation. Other MCOs have also expressed their interest to have access to digital documents in their processes. The cadastral documents should be stored in a digital archive and be available in an e-governance context. The digital archive must provide interoperability functions as search for document and retrieval of document. It should also provide functions for upload of new digital documents from other systems (e.g. case documents from the MCOs).

A digital archive strategy should be developed as a basis for the development and implementation of the system. Development of the system will be performed at a later stage during the planning period.

One of the Government's goals is to fight corruption. Many of the activities proposed in this Business Plan will contribute to this struggle, by making the KCA and the MCOs strong and transparent institutions. Especially the establishing of a Chief Registrar of Titles and a new registration procedure will be of importance in eliminating possibilities of corruption.

The current situation regarding real property rights is characterized by uncertainty. The cadastre is under reconstruction and the Immovable Property Rights Register (IPRR) just established. There are gaps in the chain of transaction of real property and data to be verified in the IPRR. The situation is breeding ground for corruption and manipulation of documents and registers.

Through the measures suggested in the Business Plan a clear indication will be given to the whole society and the MCOs that the reliability of real property rights is high on the Government agenda and therefore of foremost importance on the KCA agenda and that the registration will be managed in a proper way. Chief Registrar of Titles will be established with the sole responsibility to decide about final land registration and to supervise the MCOs.

The ongoing reengineering of MCOs in Ferizaj and Pristina within "Business Environment Technical Assistance Project" funded by the World Bank is also a step to eliminate the risk of corruption with the front and back office approach. The reengineering of MCO Ferizaj is completed and has been very successful. The front and back office set up has prevented possibilities of corruption. This is without any doubt a good example of what can be achieved and momentous as inspiration for the other MCOs.

In all aspects transparent institutions is also a way to prevent corruption. The Business Plan suggests a number of measures in that direction. Transparency should apply to decisions regarding registration in the registers, correction of registers, the MCOs' reconsideration of decisions, the KCA's review of the decisions by the MCOs and the KCA's reports and decisions as result of supervision inspections. All these documents should be available and accessible to the public at the institution that issues the document. These documents as well

as other documents, applications for registration etc should be noted in a diary at the institution in question.

According to research the general opinion is that low salaries of public sector officials cause corruption. The Business Plan suggests the Government to develop its scheme of experts' salaries in public service to include experts in KCA core businesses.

The KCA's intension is to intensify its cooperation with relevant institutions such as the Ombudsperson Institution, Kosovo Anti-Corruption Agency and Kosovo Property Agency in fight of corruption.

Detailed Programme for the development of the Kosovo Cadastral Agency (KCA) and the cadastral sector in Kosovo is presented. The Programme comprises nine development areas with objectives and sequenced concrete actions presented for each development area. Estimated Programme cost for the programme period July 1, 2009 to June 30, 2014 is presented per action. The total cost for the Development Programme is estimated to 20 577 000 Euro.

The KCA is the overall implementation institution, but the Programme needs to be carried out together with municipalities and private sector. There is a paramount need to have agreement with the municipalities confirming their support and willingness to give priority to the implementation. It is envisaged that the Development Programme will be funded with donations. Expected donors are: The Governments of Norway, Slovenia, Switzerland and Sweden, the World Bank and the GTZ (Germany).

The governance structure for policy-making related to the KCA Strategy and Business Plan and implementation of the Development Programme comprises the Inter-Ministerial Land Administration Committee and Donor Steering Committee as decision making bodies while the coordination and implementation of the set of projects covering all programme components will be managed by the Programme Implementation Board (PIB) supported by the Programme Coordination Office in the KCA.

The implementation of the Business Plan requires Government support in promoting and/or deciding on specified issues related to Policy and Legal Framework; Inter-Ministerial Land Administration Committee; Government Steering and Autonomy of the KCA; Government Steering of Competence Delegated to Municipalities; Self-Financing of Cadastre and Land Registration; Registration Procedure Development; and Kosovo Cadastre and Land Information System. The Business Plan will be submitted to the Government for approval and with request of Government alignment decisions on the mentioned issues.

In addition, the success of the land administration reform will depend on donor coordination and their timely coordinated decisions regarding funding of the different parts of the reform.

The Business Plan will support rebuilding of trust in government institutions by developing clear and transparent rules, procedures and standards for cadastre and real property rights registration.

Introduction

This Business Plan is based on the Kosovo Cadastral Agency (KCA) Development Strategy 2009-2011 and provides concrete actions for development of the KCA and the cadastre sector in Kosovo. The Business Plan covers a 3-5 year period starting July 1, 2009 and includes proposal regarding financing for 5 years and activities projected for 7 years.

As a consequence of the suggestions made in the Business Plan, the KCA's position as lead agency in land administration will be accentuated.

Considering the complexity of the land administration system in the Republic of Kosovo, there are numerous issues to be addressed regarding its sustainability, reliability, responsibility, organizational structure, legal framework, financial framework, policies, management and relation to stakeholders. Some of the issues are internal by nature, others are external. All these issues have been considered in this Business Plan and some of them in view of the Kosovo Government's aspiration to enter the European Union.

Considerations in the Business Plan are based on the Government's priorities and strategies presented in the Program of the Government of the Republic of Kosovo 2008-2011, the European Partnership Action Plan (EPAP), the Anti-Corruption Strategy and Action Plan, the Public Reform Strategy and Action Plan and the Medium Term Expenditure Framework 2009-2011.

The Government also emphasizes introduction of e-Governance in public administration, which is addressed in the Business Plan in system and procedure development related to cadastre and land registration and in the National Spatial Data Infrastructure (NSDI) concept.

The Business Plan will contribute to the struggle against corruption, by making the KCA and the Municipal Cadastre Offices (MCOs) strong and transparent institutions. Especially, the establishment of a Chief Registrar of Title and new registration procedures will be of importance in eliminating possibilities of corruption. For obvious reasons the security of tenure and equal and adequate customer service have been focal points in suggestions for development of land administration.

The Business Plan suggests structures and procedures for implementation, emphasising Government support in promoting and/or deciding a number of issues to facilitate the implementation of the Development Programme and suggesting governance structure for policy and implementation.

Some of the issues addressed are cutting cross Chapters in this Business Plan. In these cases references are made to applicable Chapters and Subchapters. Many suggestions of change involve alterations in legislation without special note about that.

Chapter 1 presents the Government Priorities and Strategies impacting the development;

Chapter 2 presents current situation and directs the development in important areas of the land administration reform;

Chapter 3 presents cross-cutting issues to be considered;

Chapter 4 suggests development goals, emphasizes importance of Government support, and suggests a development plan and governance structure for policy and implementation;

Chapter 5 presents the expected benefits of the development.

1 Impact of Government Priorities and Strategies

The Government of Kosovo has presented its priorities and strategies for various areas based on the Program of the Government of the Republic of Kosovo, 2008-2011, which emphasizes actions in the areas of economic growth; status implementation; good governance; and mitigation of poverty and social stability.

The Kosovo / Strategy Development Draft is a comprehensive document enlarging all priority areas mentioned above. In relation to land administration the Strategy Draft underlines as a priority area the importance of clarification and enforcement of property rights of persons, businesses, municipalities, publicly and socially owned enterprises and the central government[2]. For instance, special effort must be made to remove the confusion over property rights as a significant blockage to the growth of entrepreneurial activities[3].

One of the Government's goals is to make Kosovo member of the European Union. Actions towards that goal are presented as European Partnership Priorities (EPP) in the European Partnership Action Plan (EPAP). A number of these actions are related to land administration, but the Ministry of Public Services and the Kosovo Cadastral Agency (KCA) are only expected to participate in some of them. Being the responsible ministry and agency for land administration, the Ministry of Public Services and the KCA should be involved in all actions within their competence area. Suggestion to that extent is provided in this Business Plan. Additional actions are also suggested.

Another governmental goal is to fight corruption, which is presented in the Anti-corruption Strategy and Action Plan. Many of the activities proposed in this Business Plan will contribute to this struggle, by making the KCA and the Municipal Cadastre Offices (MCOs) strong and transparent institutions. Especially the establishing of a Chief Registrar of Titles and a new registration procedure will be of importance in eliminating possibilities of corruption.

The Medium Term Expenditure Framework 2009-2011 outlines budgets and funding of actions related to the Government's priority areas; Economic growth, Implementation of Status settlements, Good Governance and Poverty alleviation and Social sustainability. The framework for financing and financial resources of municipalities is described[4]. The Business Plan suggests changes in financing of land administration which will impact financing of municipalities. A reform of civil servants' pay and grading is presented, but without specific details indicating the outcome for experts in land administration[5]. Adequate salaries for land administration experts are emphasized in the Business Plan.

The Government has also prioritized a Public Administration Reform (PAR) presented in the PAR Strategy and Action Plan. Within this reform a vertical functional review of the KCA has been conducted. The report from that review is not yet available.

The Government is also emphasizing introduction of e-Governance in public administration. A draft e-Governance Strategy is available and some of the recommendations have been

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[2] **PISG.** *Kosovo / A Development Strategy Draft.* p.40

[3] Ibid. p.60

[4] **MEF.** 2008. *Medium Term Expenditure Framework 2009-2011.* pp.40-44

[5] ibid. pp.94-95

guiding the suggestions in the Business Plan. However, the Strategy is still under discussion and the KCA should be invited to take part in this discussion to be able to contribute with its experience and competence.

2 Land Administration in Kosovo

2.1 Policy and Legal Framework

Land is an economic asset, and as such recognized as one of the key wealth creation mechanisms[6]. It is also a scarce resource to be used in both urban and rural environment to improve quality of life of citizens and provide for future generations.

Government policies and priorities should therefore extend to the land administration system in order to ensure that land and property, both private and public, can be mobilized to support economic and social development in the society.

2.1.1 Land Administration Policy

The Land Administration Policy adopted September 3, 2003 was aimed at defining and then implementing a modern land administration framework. The Kosovo Cadastral Agency (KCA) is only one of the stakeholders among others in land administration. Other stakeholders have responsibilities for planning, land use, zoning, building management, utility infrastructure and mining – activities that contribute to effective administration and management of land and immovable property.

The Policy addressed the core problems constructively and sustainably and provided for cooperation and coordination among stakeholders. Policy Objectives and a Land Administration Action Plan were established based on review and analysis of the current situation. The High Level Policy Objectives were in line with the agreed government priorities at the time.

The High Level Policy Objectives adopted are as follows:

1. Create an efficient land administration based on best practice;
2. Resolve land tenure problems and create tradable assets;
3. Provide clear definitions of land and property with secure and safe administration of property rights;
4. Support local Land Management[7] consistent with public good and sustainable social and economic, rural and urban development;
5. Support stable and secure land markets;
6. Promote capacity building and professionalism in the public and private sector;
7. Improve information flow, access and dissemination of land information and basic spatial data; and
8. Provide basic Geo-information Infrastructure.

The High Level Policy Objectives are still valid and should remain as basis for the government's goal for land administration. When reviewing the policy it should be harmonized with other government initiatives.

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[6] See **Hernando de Soto**. 2000. *The Mystery of Capital.*

[7] Land management in this sense applies to all land, property, real property objects and includes their use, regulation, conservation, and gainful employ for socially and economically accepted activities.

Entering into the European Union (EU) means that Kosovo would have to apply to Directives issued by the European Commission (EC). In relation to land administration the Infrastructure for Spatial Information in the European Community (INSPIRE)[8] will have to be considered.

The EC INSPIRE Directive entered into force on May 15, 2007. The aim is to make it easier to use national spatial data throughout Europe. It introduces a joint spatial data infrastructure with harmonized data and mutual provisions concerning exchange, sharing, access and use of interoperable spatial data and spatial data services across the various levels of public authority and across different sectors. The basis for INSPIRE is the infrastructures for spatial information created by each member state (NSDI) in compliance with the rules in the Directive. The National Spatial Data Infrastructures (NSDI) should be designed to ensure that spatial data are stored, made available and maintained at the most appropriate level; that it is possible to combine spatial data from different sources across the Community in a consistent way and share them between several users and applications; that it is possible for spatial data collected at one level of public authority to be shared between other public authorities; etc[9].

Also other directives and initiatives related to spatial information issues must be considered. These include the Public Sector Information Directive[10], the directives on Global Monitoring of Environment and Security and the Water Framework Directive[11] and the Flooding Directive[12].

These directives should be considered when reviewing the NSDI part of the land administration policy and further on passing legislation regarding NSDI. Croatia, being an EU candidate country has introduced the NSDI concept in the Law on State Survey and the Real Property Cadastre[13]. A NSDI Council is established to lead the all-embracing sector implementation of NSDI. In Kosovo, however, it might be more suitable to charge the Inter-Ministerial Land Administration Committee to lead the all-embracing sector implementation of NSDI as suggested in **Subchapter 2.2.1.**

2.1.2   Land Administration Laws

The *Constitution of Kosovo* recognizes and protects the right of ownership to property and the use of the property in accordance with the public interest regulated by law. This is possible through a good land administration system with correct records and registers showing the real properties' location, shape and boundaries in a cadastre and the property rights in a property rights register. Both cadastre and Immovable Property Rights Register (IPRR) are established and operational in Kosovo.

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[8] **EC.** 2007. *Directive 2007/2/EC of the European Parliament and of the Council of 14 March 2007 establishing an Infrastructure for Spatial Information in the European Community (INSPIRE)*

[9] ibid. p.1-2

[10] **EC.** 2003. *Directive 2003/98/EC of the European Parliament and of the Council of 17 November 2003 on the re-use of public sector information*

[11] **EC.** 2000. *Directive 2000/60/EC of the European Parliament and of the Council establishing a framework for the Community action in the field of water policy*

[12] **EC.** 2007. *Directive 2007/60/EC of the European Parliament and of the Council of 23 October 2007 on the assessment and management of flood risks*

[13] Section V. National Spatial Data Infrastructure

There is, however, an urgent need for new legislation, especially a Land Code or Land Law. A transitional law that secures ownership rights and makes privatization of public land possible is also a necessity. As the creation of a comprehensive Land Code will take time, it is necessary to issue laws or make amendments to present laws during that time.

A Law on Real Rights was drafted in 2003 and sent to the Kosovo Parliament within the Provisional Institutions of Self Government (PISG). The law was not promulgated at the time. The draft law is now in the Parliament of the Republic of Kosovo for consideration. The law is a necessity for security of tenure as a basis for economic growth and most needed investments both in urban and rural areas of Kosovo.

Projects for reconstruction of the land cadastre have been conducted in certain areas of Kosovo. However, the committees assigned for these reconstructions have not been able to conclude them, since the legal provisions for such decisions are not available. Reconstruction of the land cadastre with its possession data will be a necessity until the cadastre records kept in Serbia are returned to Kosovo. The gaps to be filled and data to be verified in the cadastre will have to be managed through specific measures provided through legislation, allowing public review of the reconstructed cadastre and submission of claims within a certain time period. A Law on Restitution of Property is foreseen in the Ahtisaari plan and is a planned activity in the EPAP.

It is also recognized that the huge number of buildings constructed without building permit creates problems in the fulfilment of reconstruction of the cadastre and registration of buildings and apartments. Both tasks are very important for the support to development of the land market. A law on legalisation of unlawfully constructed buildings should be promulgated as soon as possible.

There is uncertainty among citizens in Kosovo which cadastre and real property rights register will prevail. For that reason some citizens also have their transactions registered in the records in Serbia. Such uncertainty must be eliminated through future legislation.

It is obvious that the current real property laws will have to be reformed and updated immediately to better serve security of tenure in Kosovo. The reconstruction of cadastre and property rights will have to be speeded up to make it easier to perform the restitution of land. Several impartial reviews of property laws in Kosovo have been made. The reform of the property laws should be made comprehensive and take into consideration these impartial reviews.

In the medium-term perspective a comprehensive Land Code should be created; defining the concept of real property and address among other things the definition of real property, fixtures, easements, leases for different purposes, border issues, mortgages, legal relations between neighbours, transfer rules, subdivision and so on.

2.2 Government Steering of Land Administration

The tenure security and the land administration is ultimately the responsibility of the State. Therefore, it is important for the government and the ministries to retain effective control over policy making and policy control and also to follow up actions by the KCA and the MCOs (delegated competence) to ensure the political accountability.

2.2.1 Inter-Ministerial Land Administration Committee

Cooperation and coordination is a clear and needed strategy when developing the land administration. In accordance with its coordination responsibilities the KCA approach must

be to take initiative as well as participate in activities in development areas with the other stakeholders, both public and private. Such areas are cadastre and land information system, taxation on immovable property, the functioning of mortgage systems, improvement of urban planning and infrastructure development, support of environmental management and protection and production of statistical data to assist in economic and development planning.

On the other hand the stakeholders in land administration ought to have influence on e.g. the outcome of the future Cadastre and Land Information System. Developing a modern Cadastre and Land Information System is a task of several years. There will be quite a number of stakeholder demands and expected results to deliver. Priorities have to be made at all times.

The framework for cooperation should be the establishment of an Inter-Ministerial Land Administration Committee. The committee should have an advisory role towards the Government and the KCA; and discuss matters of mutual interest for the members e.g. cadastre and land registration; legal framework and implementation of laws; quality and pricing of services and products; competence and training; and development, maintenance and cooperation related to technical systems such as the Kosovo Cadastral and Land Information System (KCLIS). The Secretariat for the Committee should be provided by the KCA.

The Committee should act as the main Advisory Board to the Government and the KCA on matters concerning land administration and NSDI; monitor and coordinate initiatives within the field of land administration and NSDI to ensure consistency and the promotion of the national, municipal interests as well as private sector interest; and promote specific cooperation issues and public-private partnership. Members of the committee should be drawn from the governmental sector. To the Committee's disposal should be established working groups for specific issues with members from governmental, municipal and private sector.

The Inter-Ministerial Land Administration Committee should be empowered with decision-making powers in certain issues on behalf of the Government.

2.2.2   Government Steering and Autonomy of the Kosovo Cadastral Agency

Organizational Sustainability has been defined as "the ability of an organisation to maintain the quality of its services indefinitely. Thus, for example, it must be able to replace its technology and introduce new activities that meet the needs of its users. Sustainability is not static, it is dynamic, and as users' needs change so the system must also be able to adapt"[14]. The definition gives a fairly good idea of the expectations on a modern organization. In this context every organization is under development all the time and needs a rolling long-term plan (e.g. business plan) to support the development. It also implies that the organization needs a certain level of operational autonomy.

A strengthening of the government steering of the KCA is suggested but also the development of KCA autonomy.

To enhance the efficiency of KCA business and at the same time strengthen the government's possibility to control and steer it, the Government should introduce a system of Management by Objectives and Results. The objectives must be precise, concrete and operational in order to function as criteria for evaluation. Objectives are given and result is expected. The KCA will enjoy more leeway and discretion in its daily work and liberty to

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[14] UN ECE Working Party on Land Administration, Edinburgh Workshop October 2003.

organize and perform the daily work. Detailed regulation of the KCA's use of resources, organization and implementation of its business will be kept at a minimum or even non-existent. The government will instead devote itself to what should be achieved by explicitly state objectives and direction of the business.

The KCA should have its mandate from the Kosovo Government through one of its ministries, e.g. Ministry of Public Services. The mandate should be clearly spelt out in laws and administrative instructions presenting the KCA's overall mission and competence areas. The Government should on basis of its policies and objectives express its expectations on the development of the land administration and the expected impact on social and economic development. These expectations will in general apply to all land administration activities performed by KCA as a government institution and the cadastre bodies in the Municipalities. These expectations on KCA should also be expressed as high level objectives for each competence area. The high-level objectives in turn are basis for concrete objectives to be developed by the KCA to guide the implementation of the mandate; supervision and control measures of cadastre and real property rights activities performed by Municipal Cadastre Offices (MCOs) and licensed private surveyors; and development activities and operations of the KCA.

The Ministry responsible for land administration should annually execute an Appropriation Direction for the KCA, based on budget proposal from KCA and setting out the objectives the KCA is to achieve and how the money is to be divided between different activities.

A modernized legislation on the status, responsibilities and authorities of the KCA should be introduced. As there are plans in Kosovo to introduce a special law on agencies, it is important to stress the fact that the KCA has specific needs and that general legislation will not cover them. Empowering KCA with modernized legislation will imply outlining of long-term goals for all the businesses and services performed by the KCA. It will also give KCA increased responsibility as well as authority.

The frequent change of Chief Executive Officers (CEOs) has been a major problem in the KCA. Good managerial skills and knowledge of land administration should carry greater weight compared to political views. A contract of 4 - 6 years would be preferable.

To maintain the quality of the KCA businesses and services over the years this long-term plan outlining the development of the land administration is being produced by the KCA.

2.2.3 Government Steering of Competence Delegated to Municipalities

The municipalities should according to the Law on Local Self-Government be delegated the competence regarding cadastral records. No further specification is given, but in practice this means cadastre services as of today. However, the exact delineation of functions and responsibility between the KCA and the MCOs will have to be addressed to achieve optimal security of tenure and best service to all citizens. See **Subchapter 2.3.2.**

The Government should be responsible for the delegation to the municipalities since the issue is of high importance with funding provided from the Kosovo Consolidated Budget (KCB). Moreover, the institutions involved in land administration are under the jurisdiction of separate ministries, at present the Ministry of Public Services and the Ministry of Local Government Administration.

The delegated competence of the cadastre services should expressly be in line with the government's goals, objectives and standards for such operations. Operational objectives should be developed deriving from the high-level objectives in the Land Administration Policy, see **Subchapter 2.1.1**. The municipalities should organize their MCOs with a proper

level of professional competence and capacity to ensure security of tenure; efficient and effective cadastre and real property right registration; and equal service to citizens all over Kosovo. In this respect special attention should be paid to the municipalities established in accordance with the Ahtisaari plan.

Among the 38 municipalities in Kosovo there are 12 municipalities with a population of 20 000 inhabitants or less. In this group half of the municipalities have a population of less than 10 000 inhabitants[15]. These rather small municipalities will have problems to deliver and finance all services needed in the municipality. They will also have difficulties finding the number of competent staff needed to perform the cadastre services. An option for them would be to use the possibility of inter-municipal cooperation to perform their delegated competence regarding cadastre and land registration. Inter-municipal cooperation would also ease the pressure on the KCB, where funds for delegated competence are taken.

In most municipalities the cadastre and real property rights service is not prioritized, at least not regarding financial means. The cadastre body in the municipalities is mostly understaffed and underequipped. Donors have provided and will provide some funding of equipment and capacity building in the MCOs. However, it is also essential that the municipalities themselves put the MCO and its operations higher on the agenda and provide funding for proper staffing, equipment, maintenance of equipment and expenses.

The Government should in submitting annual funding from KCB of delegated competences specify for each municipality funds to be used for the delegated competence to perform cadastre and land registration. The specification of KCB funding to each MCO should be based on proposal from KCA through the Ministry responsible for land administration outlining competence and investment needs, priorities the coming year etc. The Municipalities established in accordance with the Ahtisaari plan should be paid special attention.

The government could to some extent use the concept Management by Objectives and Results, see **Subchapter 2.2.2,** in its submission of annual funding to the municipalities regarding the delegated competence to perform cadastre and land registration.

2.3   Institutional Framework and Development

It is evident that effectiveness of institutional structures for land administration has considerable impact on the standards of social and economic development of a country[16]. The effectiveness of the institutions is dependent on the institutional framework as such, interaction between separate institutions and a clear mandate for each institution. All functioning land administration frameworks in market economies have a developed private sector, which operates within a defined and regulated framework.

2.3.1   Kosovo Cadastral Agency's Core Businesses

The land administration institutions in Kosovo have up to now been focusing on the core businesses: geodesy, cadastre and land registration. For the future the core businesses in the KCA should be:

- ♦ Cadastre registration;

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[15] The population figures are collected from Annex 1 of **KS.** 2008. *Law No.03/L-049 on Local Government Finance.*

[16] **WB.** 2003. *Overview: Sustainable Development in a Dynamic World,* p.1.

♦ Land registration (real property rights registration);

♦ Real property valuation;

♦ Geodesy, first and second order reference network and GPS (Global positioning System) reference network; and

♦ NSDI including ortho-photo production and topographical mapping

The presented core businesses are already established as core businesses in the KCA, with one exception: real property valuation, which will be of importance for development of the land market in the near future, see **Subchapter 2.9**. Some of the core businesses are not at all developed such as topographical mapping and the others are still in a development stage. The KCA should at first concentrate on the cadastre and real property rights registration including the reconstruction work that is of importance for tenure security and reliability of data in the registers. However, the remaining core businesses should be developed and implemented within the next years.

The KCA is suggested to be responsible for NSDI and should therefore have a major role in the development of the NSDI concept, see **Subchapter 2.2.1 and 2.8.**

To be able to focus on the core businesses, primarily cadastre and land registration, the KCA should identify and consider outsourcing of some activities. Area for outsourcing could be implementation and operation of GPS reference network.

2.3.2 Chief Registrar of Titles

At present the MCOs are recording immovable property rights in the register under the authority of the KCA[17]. The responsibilities and authorities of KCA on the immovable property rights register and registration are further elaborated in Administrative Instruction 2004/3 issued by the Ministry of Public Services within the Provisional Institutions of Self Government (PISG). The registration in the immovable property rights register shall be executed under the control and supervision of the KCA. The KCA is also given authority to certify an MCO and allow it to start registration when KCA finds the MCO competent and equipped to fulfil its responsibility. The KCA is required to take action and issue decision if there is an appeal of MCO decision or action, or that KCA finds violation of applicable laws, instructions and implementation guidelines[18].

The current situation regarding real property rights is characterized by uncertainty. The cadastre is under reconstruction and the IPRR just established. There are gaps in the chain of transaction of real property and data to be verified in the IPRR. The situation is breeding ground for corruption and manipulation of documents and registers[19].

A clear indication should be given to the whole society and the MCOs that the reliability of real property rights is high on the KCA agenda and that the registration will be managed in a proper way. Chief Registrar of Titles should be established with the sole responsibility to decide about final registration in the IPRR and the responsibility to supervise the MCOs. The responsibility of the MCOs is to collect applications of registration and prepare and provide the Chief Registrar of Titles with provisional registration. One person in each MCO should be authorized by the KCA to guarantee the correctness of the provisional registration. It should

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[17] Section 1 of **UNMIK/PISG**. *Law No 2002/05 on the Establishment of an Immovable Property Rights Register*

[18] Article 3.3 of the **UNMIK/PISG.** *Administrative Instruction No MPS 2004/3 on the Implementation of the Law on Establishment of an Immovable Property Rights Register*

[19] **Anti-Corruption Resource Centre.** 2008. *Corruption in land administration / land management in Kosovo.*

include a complete set of documents needed for the registration and description of deficiencies in the chain of transactions previous to the transaction in question etc. The Chief Registrar of Titles will present the decision and the grounds for the decision in a separate document that will be filed together with all documents provided by the MCO and other documents collected by the Chief Registrar of Titles. Deficiencies should be noted in the IPRR.

Applicants may request the KCA to review the MCO's decision to refuse to register change in the land cadastre[20] or refusing to register the immovable property right[21]. The Chief Registrar of Titles will be responsible for reviewing these decisions by the MCOs and present the review decision and the grounds for the decision in a separate document.

The ongoing reengineering of MCO in Ferizaj and Pristina within the World Bank (WB) project is a step to eliminate the risk of corruption with the front and back office approach. This reengineering is suggested to comprise all MCOs.

2.3.3   Registration and Client Service

The reengineering of MCO Ferizaj as a part of the "Business Environment Technical Assistance Project" funded by the World Bank has been very successful with the front and back office set up. It is already evident that the improvement of working conditions and new procedures for registration has speeded up the registration. New ideas to improve the customer service are under implementation. This is without any doubt a good example of what can be achieved and momentous as inspiration for the other MCOs. More good examples in the start up of the reengineering of MCOs should be established. The MCO in Peja is likely to become another "good example". The managers there are very enthusiastic about reengineering of their office.

The Ombudsperson Institution is not pleased with the approach and services provided by the MCOs. Based on the discussion at the Ombudsperson Institution the conclusion is that KCA could have much to gain from talks with the institution regarding improvements of customer service and reconstruction of property rights.

The reengineering should continue and comprise all MCOs and be performed in the same manner as the reengineering of MCO Ferizaj. Project proposal "Kosovo Real Estate Cadastre and Registration Project (RECAP)" has been drafted and includes reengineering of one MCO. This project or other projects should include reengineering of the remaining MCOs.

With a further developed KCLIS as proposed in **Subchapter 2.6** there is an opportunity for further reengineering of the registration processes to be able to better serve the clients in an efficient and effective way. Such reengineering should therefore be conducted.

2.3.4   Transparency

The most important characteristic for upholding tenure security and promoting economic growth in a society is perhaps transparency and predictability. Land owner, leaseholder, possessor of land as well as other stakeholders such as financial institutions must be able to foresee the legal consequences of their actions and have access to cadastre and land

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[20] Section 20.1 of **UNMIK/PISG.** 2003. *Law on Cadastre promulgated Law No. 2003/25*

[21] Section 6.1 of **UNMIK/PISG.** 2002. *Law on the Establishment of an Immovable Property Rights Register, promulgated Law No. 2003/13*

registers. In accordance with applicable laws the cadastre records[22] and the entries in the Immovable Property Rights Register[23] are accessible to the public.

Transparency should also apply to decisions regarding registration in the registers, correction of registers, the MCOs' reconsideration of decisions, the KCA's review of the decisions by the MCOs and the KCA's reports and decisions as result of supervision inspections. All these documents should be available and accessible to the public at the institution that issues the document. These documents as well as other documents, applications for registration etc should be noted in a diary at the institution in question.

For transparency and predictability reasons it should also be noted that the land administration institution's communication with its applicants, complainants etc should be made in writing and the letters and responses should be noted in the diary and filed in accordance with the administrative rules of the institution.

2.3.5   Kosovo Cadastral Agency's Organizational Structure

The KCA is presently seen as a technical, rather than a service organization. Greater focus on business and services is inevitable if the objectives are to be reached. The primary means to do this is change of organizational culture. Attitudes have to be changed towards the fulfilment of customers' needs, while technical tools must be perceived just as tools for customer satisfaction. Most of the functions in the KCA cannot be fully commercialized. The organization must, therefore, be flexible enough to accommodate both commercial and authority services and to provide the highest level of performance for each.

Land administration institutions are usually structured according to their core businesses. It is also common to have functions shared by all directorates such as economy, marketing etc in a separate joint organizational unit directly under the CEO. This is all applied in the current KCA organizational structure, but divided into too many parts with one Executive Office and seven directorates: Cadastre, Measurement, Geographical Information Systems (GIS), Cartography, Legal, IT, and Finance and Administration[24].

In a new organizational structure the KCA, see **Figure 1**, is suggested to concentrate its core businesses into fewer directorates and highlight the Chief Registrar of Titles recommended in **Subchapter 2.3.2.** The IT function is a joint service and should, therefore, become a section in a Directorate for Joint Services. It is important to mention that the ownership and responsibility of information systems such as the KCLIS and the data in them should stay with the core businesses enabling functionality of the systems to support the business processes, while the technical functionality stays with the IT function.

It will be important for the KCA to develop its internal Marketing function to assist the transformation of the KCA from an inwards focused technical/legal organization to a service based organization. Likewise a visible function for human resource development should be established based on a human resource development policy and with responsibility for training throughout the land administration sector. This does not mean establishing a team of lecturers. The function should instead monitor the training needs, define the training plans and assure their implementation. It might also be developing Human Resource Development

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[22] Section 22.1 of **UNMIK/PISG.** 2003. *Law on Cadastre promulgated Law No. 2003/25*

[23] Section 7.2 of **UNMIK/PISG.** 2002. *Law on the Establishment of an Immovable Property Rights Register, promulgated Law No. 2003/13*

[24] **UNMIK/PISG.** 2004. Administrative Instruction No MPS 2004/06 on the Internal Organization and Structuring of Ministry of Public Services

(HRD) Policy for the KCA and the cadastral sector as a whole, which should include most of the relevant issues, such as: planning and performance of training, career planning, individual training programs etc.

Figure 1: New organizational structure of the Kosovo Cadastral Agency
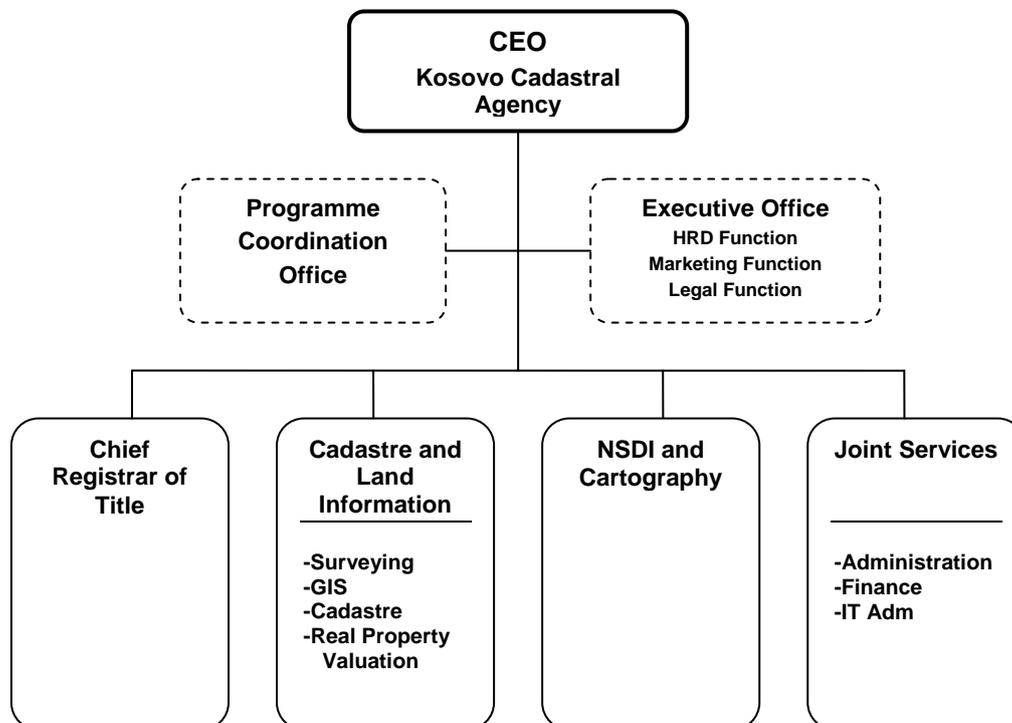
Development work covering one or several business areas are usually performed in projects outside the formal organizational structure. This is often the most efficient way of managing development. As a complement to the organizational structure the KCA should further develop its project culture based on modern project design and project management.

2.3.6   Municipal Cadastre Offices

The KCA has been set up with the expressed purpose of managing cadastre and immovable property rights registration in Kosovo. Nevertheless, the KCA has an ambiguous role of being a regulator and coordinating body rather than providing direct management of the MCOs. This situation has existed in CEE countries (Central and Eastern Europe) such as Croatia and Slovakia where the duality of management has proved to be inefficient and difficult.

Both Croatia and Slovakia have reorganized to having local cadastre offices under central control. The next step of rationalizing the organization so that capabilities match production requirements would be to reduce the overall number of offices. In Croatia the plan is now to reduce the number of complete local offices and combine them with a customer service point in municipalities where complete local office no longer will exist.

Land administration in Kosovo is not functioning well in the current institutional framework. The KCA has to supervise a span of thirty Municipal Cadastre Offices (MCOs) which will increase to thirty-eight. The Republic Geodetic Authority of Serbia supervises the local cadastre offices in the northern Serb dominated municipalities. Hopefully that situation will

be changed after the decentralization efforts implemented in accordance with the Ahtisaari plan. There is also much confusion and discussion regarding the KCA authority towards the MCOs. The MCOs and the KCA are tightly integrated concerning policy implementation, technology and personnel requirements, but the KCA do not manage those personnel directly or even have control over the technology used. In addition, the MCOs' services towards citizens are not equally provided.

Kosovo would without any doubt benefit from reorganization of the land administration institutions towards the same solution chosen by e.g. Croatia, Slovakia and other nations. Kosovo has one advantage in comparison with e.g. Croatia, having the responsibility for both cadastre and real property rights registration in the same institution.

As mentioned above the land administration in Kosovo is not functioning well in the current institutional framework. The experience from countries in transition is that unified land administration organization best serves the government goal to implement security of tenure, efficient and effective cadastre and real property rights registration and equal service to citizens.

Neighbouring countries such as Croatia, Macedonia, Montenegro, Serbia and Slovenia have for these reasons chosen a centralized institutional framework for land administration with local offices and sometimes combined with regional offices. The same institutional structure can be found in countries such as Finland, Latvia and Slovakia. A tendency is also to reduce the number of complete local offices and replace them with local customer service points as the plan is in Croatia[25].

In Kosovo impediments exist in establishment of the land market and there are many known difficulties to manage in development of an efficient and reliable land administration to the support the land market. There is also growing evidence linking the effectiveness of institutional structures with social and economic development enjoyed by a country. The security of tenure for real property is ultimately a state responsibility and not that of a local government. In this perspective and with KCA as the responsible land administration institution on government level, it is preferable to have a land administration organization with the MCOs as an integral part of KCA. The result would be a more consistent implementation of land administration policies than today, when the KCA have to negotiate with all Municipalities about measures to be taken. With KCA responsible for MCOs a clear accountability for land administration operations would be achieved. In addition, the integrated land administration institution would be a more powerful driving force towards a stable and mature land market.

The most likely option in the current political situation is to keep the existing institutional framework for land administration. However, it must be reformed to achieve better efficiency, cooperation, coordination and services towards the society. The Government should give municipalities objectives, standards and requests related to the delegated competence regarding cadastre records. Annual funding for municipalities from KCB for this should be specified by the Government, see **Subchapter 2.2.3.** Close cooperation is necessary between the Ministry of Public Services as responsible for land administration and the Ministry of Local Government Administration as responsible for implementation and monitoring of delegated competence in the municipalities.

To achieve better efficiency and service towards the society the MCOs will have to concentrate on their core businesses cadastre and land registration and not be burdened with other municipal tasks, which happens quite frequently today.

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[25] **PMM with associates.** 2008. *Final Report, Regional Cadastral Study*. p.13

In any case, it is obvious that the Municipalities are major stakeholders in the future land administration service and that there must be a high level of cooperation between them and the KCA.

2.3.7   Private Sector

Introduction of private sector involvement in land administration is found to be very beneficiary for development of the land administration sector. In most countries the private sector is engaged in cadastral surveying through licensed surveyors, valuation of real property and with value added services. In a country with mature land market and land administration, cooperation between the public and private sector sometimes develops into a so called public-private partnership in specific areas of competence. In Kosovo the private sector involvement has started with licensing of private surveyors for cadastral surveying. Licensed private surveyors are normally commissioned by owners of real property to perform cadastral surveying e.g. subdivision for registration in the cadastre, so called *sporadic* approach. In *systematic* approach projects, where real property objects in larger areas are e.g. re-measured, the private sector participates through a tendering process for data acquisition. This concept is evolving in neighbouring countries such as Croatia, Macedonia and Serbia, and has also started in Kosovo[26].

In land administration the role of the private sector is to perform data capture while the public sector performs the registration in public registers. The private surveyors need to be licensed to perform cadastral surveying. In Montenegro and Kosovo the license is directly obtained from the central authority for land administration. In Croatia, Macedonia and Serbia prerequisite for obtaining a license for cadastral surveying is to have an engineering license from a professional association. In Macedonia and Slovenia the branch offices are not allowed to undertake cadastral surveying. On the other hand the branch offices in Croatia and Serbia are allowed to undertake cadastral surveying only if there is no licensed private surveyor practising in their jurisdiction.

Up to date 37 surveyors and three surveying companies have been licensed for cadastral surveying located in different parts of Kosovo. They have just started their work and no jobs have yet been finished and delivered for registration at MCOs. There is uncertainty among the MCOs how to proceed with deliveries from licensed private surveyors. The KCA should develop manuals and procedures for quality control at MCOs and specification of how the data should be delivered from the private surveyors. Based on the experiences from neighbouring countries it should be possible in some years' time to introduce the cadastral surveying as a task exclusively for licensed private surveyors. They will thereby unburden the MCOs and give them the opportunity to concentrate on their prime task, registration.

The private sector should also be supported to provide participants in the land market with real property valuation of all kinds of real property. It could be handled through establishment of real property valuation companies or to extend already existing companies such as private surveying companies with real property valuation business.

Private sector companies in land administration should be provided training in e.g. business management/finance; ethics; business/contract laws; legal frame work and principles related to their business.

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[26] ibid. p.44

2.4 Management and Financing of Land Administration Institutions

Governments affect land administration through their policies and through the level of financial support that they provide. It is generally recognized that the initial creation of a land administration system requires a significant level of central government support, for instance using funds provided by international development agencies. Once established the continuing operation and maintenance of the system may be financed through revenues generated by the agency concerned.

The 2007 budgets for KCA and MCOs are presented in **Appendix I.** They add up to a total amount of about 1.5 Million Euro. In comparison with neighbouring countries this is a very low budget for land administration. The approximate figures per Million inhabitants are for Croatia 8.9 Euro; Macedonia 3.5 Euro; Montenegro 8.1 Euro; Serbia 3.5 Euro; Slovenia 9.8 Euro and Kosovo 0.4 Euro[27]. For all these countries revenues from cadastre and land registration are going back to state or municipality budgets[28].

The financial sustainability of the KCA will be reliant on grants for its business in both short-term and long-term perspective. The tasks from the government to provide the society with reference networks, ortho-photos and topographical maps will always have to rely on grants from the government or from donors. These basic frameworks covering a country are expensive to establish and are usually provided by the state. Fees from users can provide funding for maintenance. To separate the maintenance costs and be able to set appropriate fees the financial system suggested in the following should be introduced. Between data producers the financial arrangement will primarily be built on sharing of data. Pricing policy for data and products where sharing of data is not applicable should be developed. The pricing policy should ensure cost-effective use of all data in public and private sector and be in line with EU regulations.

The cadastre and land registration business in the KCA and the MCOs is at present financed through grants coming directly or indirectly from the KCB. The bulk of fees for cadastre and land registration is collected by the MCOs and goes directly into the municipal accounts. If the operation of cadastre and land registry becomes part of the KCA business or if an adequate portion of the revenues goes to KCA the whole cadastre and land registration business most likely could be financed from the revenues.

As basis for considerations regarding the possibility to self-finance the operational costs for cadastre and land registration business in the KCA and the MCOs, analysis of the property market with a number of transactions on sales and mortgages with related fees for registration in MCOs during 2006-2008 are provided, see **Appendix H**. Details and conditions for the mortgage market are also presented with examples from the two biggest commercial banks operating on the market, Raiffeisen Bank and Procredit Bank. Collected revenues for cadastre and land registration in the MCOs are presented in **Appendix J**. It should, however, be stressed that figures of collected revenues and numbers regarding transactions on sales and mortgages are not complete due to difficulties collecting them. Therefore, reliable projection of transactions and revenues in the future is hard to come by. However, transactions will undoubtedly increase hugely when buildings and apartments are registered and reconstruction of cadastre and property rights are made in the urban areas.

To give an indication about the prospect of self-financing of cadastre and land registration business, the KCA and the MCOs budgets from 2007, **Appendix I,** and known revenues

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[27] ibid. p.14

[28] ibid. p.31

collected by the MCOs during 2007, **Appendix J,** and revenues collected by the KCA during 2007, **Appendix H**, has been compared, see **Table 1.**

Table 1: The KCA and MCOs budgets compared with KCA and MCOs collected fees, 2007

Description	Euro		
	KCA	**MCO**	**Total**
Operational Costs	269,500	1,269,169	1,538,669
Revenues	95,216	1,488,127	1,583,343
Surplus/(Deficit)	(174,284)	218,958	44,674

The amount of the surplus that accrues to the MCOs during 2007 (about 219,000 Euro) is slightly higher than the amount of deficit incurred by the KCA (about 175,000 Euro). Hence, if service fees from both the KCA and the MCOs could be pooled and shared, the system would more than break even. The expected future increase in transactions will most likely imply a situation where both costs for operations and investments related to cadastre and land registration could be self-financed. In comparison with neighbouring countries the cost to register property in Kosovo is cheap, 0.8% of the property value in Prizren and 0.9% in Pristina[29]. Therefore, in the context of self-financing considerations should be made regarding the pricing of registration.

The first step towards self-financing would be to finance the cadastre and land registration business in KCA and MCOs from all collected fees for these businesses. There is a disparity in collected revenues for cadastre and land registration between the municipalities, see **Appendix I and J**. This is mainly due to differences in preconditions for economic development in the municipalities. Some municipalities such as Pristina and Prizren have a huge potential for economic development which results in numerous transactions and mortgages of real property, while other municipalities have less vibrant land market. However the basic resources for operating the MCOs will have to be the same to serve the clients in the municipality. In municipalities with a vibrant land market revenues more than well cover the costs of operations in the MCOs while less fortunate municipalities will not be able to cover the costs with collected revenues. However, it is foreseen that all collected revenues in Kosovo will cover the operational costs for all MCOs as well as the KCA. A redistribution of the revenues will therefore be a necessity. A system for collecting and redistributing the collected revenues and criteria for redistribution will have to be developed. When the system of self-financing of the cadastre and land registration is implemented, the burden on the KCB will ease.

The next step towards self-financing would be to change the current financial system, where accounting is done on a limited number of expenditure categories. The own collected revenues cannot be used by the agency. This is a typical governmental cash-commitment system, widely used at governmental level. It is an adequate financial system for organizations controlled by input factors such as employees, housing and equipment. This is reflected in the KCB as salaries and wages; goods and services, capital outlays etc.

If the financial system does not reflect the organization's business, it hampers the financial and managerial follow-up. Since the expectations on the KCA and the MCOs are to play a major role in land administration and support development of a vibrant land market, the focus should be on the output from these organizations rather than on the input. In addition, the KCA has two separate lines of business; on the one hand performing supervision of the MCOs and implementing land administration policies, and on the other hand performing production. For the KCA to become effective and efficient in all these aspects the financial

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[29] **WB.** 2008. *Doing Business in South East Europe 2008.* p.13

and control systems should be based on outputs and outcomes from the organization. The financial system should also introduce a depreciation system on investments taking into account the period under which the investment is productive. The financial system should present financial and non-financial information. The general ledger in the system should be the structure of business activities. In this way non-financial information such as time spent on separate business activities, volumes produced etc can be related to financial figures. This financial system will promote and provide information for setting of appropriate fees for the cadastre and land registration services.

Even if the full costs for the cadastre and land registration business were known, the present system does not support the concept of self-financing. A new system needs to account and provide financial data related to separate groups of products and services such as registration of title, surveying for subdivision, registration of mortgage, determination of parcel boundaries, cadastre supervision and land registration supervision. The system should also be able to aggregate the data for separate groups of cadastre products and services for the whole cadastre business and likewise for the land administration business. Moreover, with an appropriate financial system there should be a policy for cost accounting, which is not yet available.

In addition, efficiency should be an important issue for the KCA and the MCOs since they have the character of a production organization. It is true that they operate as monopolists in the land market, but it is also true that in an open economy, monopoly organizations are vulnerable. For their own position in the land market and for the social accountability, monopolists should operate at minimal costs and thereby offering low fees.

A plan for gradual introduction of the suggested self-financing of cadastre and land registration businesses and the new financial system should be developed. The first steps in such a plan could be to introduce and build capacity in financial and managerial issues especially among the managers; promote change of organizational culture; introduce cost-control; and to introduce a time accounting system on business activities to be used by each staff member. This financial system is in line with the concept of Management by Objectives and Results (see **Subchapter 2.2.2**) and should be introduced together.

2.5   Human Resources and Staff Motivation

The land administration in Kosovo is in a development stage with numerous challenges. Several projects with international support are under implementation and the institutions have to perform daily services to their customers as well. In the neighbouring countries, which are in more or less the same situation, the staffing of the institutions is far more satisfactory than in Kosovo. One way of comparing staffing of land administration institutions in neighbouring countries with the staffing in Kosovo is to compare the number of staff members per million people in respective country, see **Figure 2.**

The average number of staff members per million inhabitants is 410 for land administration institutions in the neighbouring countries. If that average is applied to Kosovo the number of staff members would reach about 900 in the KCA and the MCOs together. In fact, there are only 427 staff members in the country. The number of staff members 2007 in the KCA and individual MCOs are presented in **Appendix I.**

The KCA is suggested to have its number of staff members increase with 10 experts in land administration to reach to the level of staffing it had some years ago. Additional staff may be needed further on to realize the new core businesses NSDI and real property valuation. A plan for adequate staffing, competence, training etc. needed in MCOs to fulfil their business to provide efficient and effective cadastre and land registration is also suggested. The Ministry of Public Services and the KCA should be engaged in the inter-ministerial Working

Group on Capacity Building and Donor Coordination led by the Ministry of Local Government Administration developing a list of capacity building measures for municipalities.

Figure 2: Number of staff members per million inhabitants in land administration institutions in neighbouring countries and Kosovo 2007.
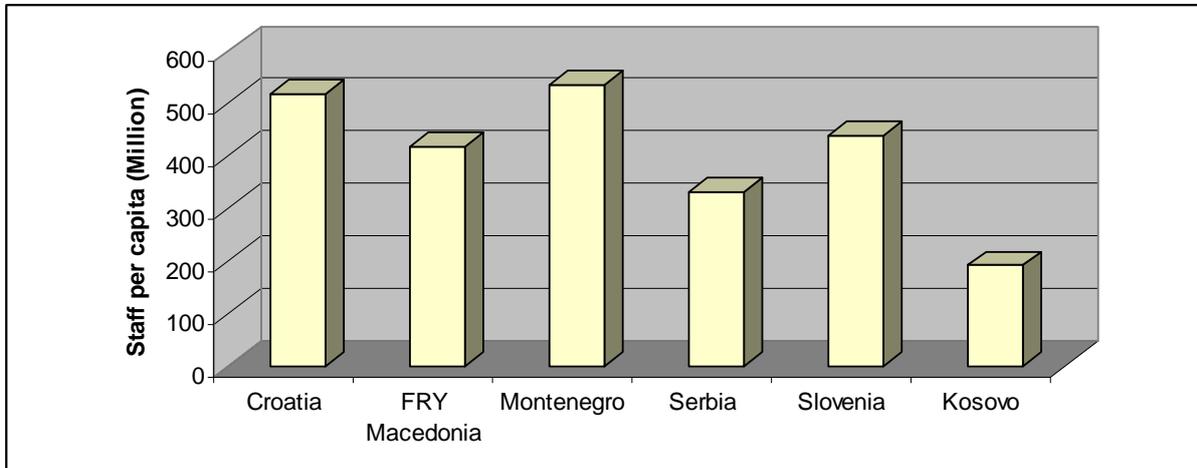
The KCA has throughout the years trained and developed experts with excellent skills in modern land administration and the techniques and technical tools used. The major part of these experts have left. They have been offered positions with better salaries in other organizations in need of their competence. Some of these experts are also going into private business as licensed private surveyors. This trend will certainly accelerate as the private businesses related to land administration develop.

In this context it is quite clear that KCA needs competent experts to be the lead organization in land administration. The KCA can today offer new staff exiting work in a development environment and training opportunities. However, the KCA cannot offer a high enough salary to attract the people needed in the organization. Instead, as the number of private businesses related to land administration increase, the loss of competent experts might accelerate.

The Government decree, dated 08.10.2008, No.02/39, gives a number of government experts in IT and engineering an increase in salary. The Government should develop its scheme of experts' salaries in public service to include not only IT experts but also experts in KCA core businesses: cadastre, real property rights, real property valuation, geodesy, NSDI and mapping. The increase in salaries is also of utmost importance as a tool to fight corruption, see **Subchapter 3.1.**

Satisfactory financing brings about one of the factors needed for sustaining an organization, but sustainability is also dependent on competent and motivated staff.

It is necessary to have a common understanding among the staff members what is expected from them and where the organization is heading. The KCA should, therefore, manage the organization through visions, business mission, goals and strategies, which are processed with the staff members to achieve common understanding in the organization and involve the MCOs in this concept. This has proved to let free the creative powers of staff members and thus finding satisfaction by experiencing development in their work.

Development and implementation of vision, policies and strategies should draw on both

central and local participation, emphasising that while the policy measures are necessarily top-down, the implementation and realization is best promoted bottom-up. The policies and actions therefore need to balance centralized standardization, control, organization and regulation against the need to support local initiatives and the promotion of self improvement at the municipal level. This is one way of building capacity and competence that should be complemented with training activities. Capacity building through training, delivery of equipment etc has been going on for several years and will continue as a part of ongoing and coming projects.

Management skills and management performance of managers of the KCA and the MCOs should be in focus. Modern management should be introduced through comprehensive training to support the managers in their important role to implement the land administration policies and the day to day running of the land administration business in a service oriented, efficient and effective manner. Mentor programme for managers in the KCA and the MCO should be introduced. Comprehensive programme should be provided for introduction and development of new managers. Training should also be offered staff in the KCA and the MCOs in project management preferably together with staff in private sector companies.

2.6   Kosovo Cadastre and Land Information System (KCLIS)

The role of land in the economy of all countries is of great significance. Information about land is widely used by different stakeholders and for different purposes both in public and private sector. The stakeholders need data about location of certain land areas or real properties, and the attribute data related to that specific area or real property. The data should support the land market, spatial planning, land management etc. To achieve this there must be good land records: of ownership to ensure security of tenure; of value as basis for transactions and mortgages, and to ensure fairness in land and real property taxation etc; and of the use of land to ensure efficient resource management and sustainability. The data should be stored in an information system and accessible for all stakeholders in public and private sector and to some extent the citizens. The KCLIS is intended to be and to fulfil the requirements for such a system to be used by all stakeholders.

It is necessary that land information is available for numerous purposes in both public and private sector. Stakeholders' interest in land administration has been described in e.g. documents produced in connection with development of the land administration policy. Institutions in need of land information tend to develop a complete land information system of their own. It is certainly an expensive business to establish such a system and also to maintain the technical system and the data in it. For a small country like Kosovo it would be necessary from a financial point of view to use the opportunity to establish a multi-purpose system for Kosovo-wide use in cooperation with data producers and users. This kind of concept has been suggested as an action in the EPAP to support spatial planning.

In the Ministry of Energy and Mining a working group has been formed for the National System of WebGIS in Kosovo with the goal to formulate a strategy for creating a common WebGIS system for the whole of Kosovo. Terms of Reference for development of such a system is also at hand without taking notice of the fact that such a system (KCLIS) is under development in the KCA.

The KCA is responsible for and provides basic spatial data in Kosovo. The strategy for development of the KCLIS has, therefore, been and should be to provide a unified system for multi-purpose use Kosovo-wide in cooperation with data providers and users.

The ongoing development of KCLIS has as a short term objective to provide a new system for updating the textual part of the cadastre, property rights and case management. The development plan makes preparations for delivery in June 2009, ready for operation and

replacement of the IPRR. In order to achieve a high quality application the operation logic, the user interface and the basic functionality will be verified and validated in pilot installations of the KCLIS property rights registration. The pilots will be conducted in Ferizaj and Gjilani MCOs.

The concept of KCLIS comprises a much wider functionality than just being a replacement of IPRR. There are still several modules to develop. A short overview of the KCLIS concept and the status of each module, see **Appendix F.**

Overall, the KCLIS concept and modules seem, conceptually, to cover the ambitions of the cadastre and land registration businesses. However, the current concept, requirements, architecture, technical solution and specifications need to be reviewed, probably changed, extended and completed due to new issues that lately have been coming up, see **Appendix F.**

In order to implement the new KCLIS, data must be migrated from IPRR to the KCLIS. However, there is an unspecified number of errors in the IPRR data that have to be corrected before migration to KCLIS. The errors are introduced at the migration of data from Kosovo Cadastre Interim Database (KCID) to IPRR; during the operations of IPRR in some MCOs; during operation of IPRR due to poor design of IPRR; and errors due to unidentified actions in the pre-1999 era, particularly during the period 1983-1999 for which the records are not available.

Software is developed, which enables MCO staff to check the data before migrating it to the new system, so that many of the errors in IPRR can be corrected. The migration to KCLIS also improves the structure of the data, e.g. address data. This migration and correction task requires significant commitment by MCO staff. It is difficult to know how much effort is needed until the first set of data has been migrated during the 'KCLIS pilot' in late 2008. The data correction is very important, as an essential element of a good cadastral system is good quality data so that users have confidence in the system. It is suggested to set up a task force with representatives from the KCA and international consultants to support the MCOs in correction and migration of data.

The project "Improved Property Tax Collection in Kosovo 2008-2011" has recently started in the Ministry of Economy and Finances with donor funding. The purpose of the project is to develop the property tax business with supporting IT system, making it more fair and effective. The KCA should establish cooperation with the Ministry of Economy and Finances to coordinate development of the KCLIS and the tax system.

The KCLIS should be developed into a unified system including cadastre data about land, buildings and apartments; real property right; addresses; property values, land use and environmental restrictions etc for multi-purpose use and hosted by the KCA. Stakeholders in both public and private sector should be able to use the data in the system together with their own data. Some of the data suggested in the system will not be produced by the land administration institutions. Producers of such data would be obliged to contribute with their data to the system based on agreements. The arrangement will primarily be built on sharing of data between the KCA and the other producers.

2.7 Systematic Registration

The original cadastre documentation is since the conflict in 1999 kept in Serbia and not accessible for Kosovo. After the conflict some of the cadastre records were originals found stored in Monasteries in the western part of Kosovo, but most of the records were copies of different date and in various conditions. A backup tape with digital textual cadastre data was found and has been the basis for the reconstruction of the land cadastre including property

rights. The basis for the reconstruction of the graphical part of the cadastre has been more challenging since the analogue cadastral plans rescued were mostly copies from different time periods in each and every municipality. Continuous reconstruction of cadastre and property rights is inevitable and the task ahead is still a huge undertaking. The KCA has identified and made a plan for reconstruction of prioritized cadastral zones, which adds up to a number of 386 cadastral zones and a total area of 273 660 ha, approximately 25% of the total area of Kosovo. With reconstruction of about 35 cadastral zones per year, which is envisaged in this Business Plan, the reconstruction of the prioritized cadastral zones will take 10 years. It is also envisaged to reconstruct the cadastre inside urban areas in seven cities: Pristina, Mitrovica, Peja, Prizren, Gjakova, Ferizaj and Gjilani.

Up to now reconstruction projects have been performed in 35 cadastral zones. However, the reconstructions are not completed primarily due to lack of appropriate legislation. Standards and procedures for reconstruction will have to be developed as well as changes of current legislation to provide for effective and efficient reconstruction of cadastre and property rights. Therefore, massive reconstruction of cadastre and property rights could realistically start in 2010. However, the reconstruction of the urban areas in Prizren should start already in 2009 to compensate for the most important cadastre and property rights records lost in a fire in Prizren MCO.

Based on discussion at the Ombudsperson Institution the conclusion is that the KCA could have much to gain from talks with the institution regarding improvements of reconstruction of property rights. Thus, the KCA will cooperate with this institution and other relevant institutions such as the Kosovo Property Agency to form the best possible basis for the reconstruction of cadastre and property rights.

The demand for mortgaging of buildings and apartments in the cities is very high. Thus, both owners and presumed owners of buildings and apartments as well as the banks are anxious to have all types of buildings and apartments registered, not just former socially owned which is the present approach. Registration of formally socially owned buildings and apartments has started in some pilot projects. Current legislation and lack of possibility to legalize unlawful constructed buildings and apartment buildings has prevented registration. These obstacles have to be removed by means of changed and new legislation, see **Subchapter 2.1.2.**

Projects for registration of all buildings and apartments will be performed in the following cities during the planning period: Pristina, Prizren, Peja, Gjilani, Mitrovica, Ferizaj and Gjakova in this priority order.

Registration of addresses will gradually be performed when address systems are completed in the municipalities.

Projects for reconstruction of cadastre and real property rights and registration of buildings and apartments can preferably be handed out and distributed between the available and interested private licensed surveyors and companies without prior tender procedure. This approach has been used in Macedonia to support the private sector development.

The Ahtisaari plan suggests establishment of security zones around the Serbian Church properties in Kosovo and changes of cadastral zones due to establishment of new municipalities. Security zones around the Serbian Church properties are already registered in the cadastre. Regarding the change of cadastral zones there is no information available to be able to predict the changes and the amount of work needed.

2.8   National Spatial Data Infrastructure

Kosovo will experience an increasing demand for spatial data for planning, decision making and following up of effects within different areas, such as environment, agriculture, forestry, transportation, telecommunication, energy, preparedness and security, real estate management, etc. Also the development of e-Government services, the increased cooperation in Europe and globally, the re-structuring of the public sector as well as issues related to the future handling of security, vulnerability and integrity has to be recognised.

Implementation of the NSDI concept will therefore be of importance for the Kosovo society. Aspirations to enter the EU provides important prerequisites to implement the INSPIRE Directive and other EC Directives impacting NSDI development.

The Land Administration Policy is suggested to outline the policy for NSDI implementation in Kosovo, see **Subchapter 2.1.1.** The KCA as responsible for basic spatial data related to cadastre is also suggested to be responsible for NSDI, see **Subchapter 2.3.1**, and will thereby take a major role in that respect. Capacity will be established in the KCA to: define policy and norms, oversee and coordinate activities for development and management of spatial data; support NSDI development; provide standards and specifications of products (topographical maps, orthophotos etc) to be outsourced for production by private sector; develop new products; provide back-office GIS for updating of spatial data; provide quality control; provide channels for receiving spatial data from other providers of data. The introduction of NSDI in Kosovo will take many years. A step-by-step approach is, therefore, suggested for the implementation of the NSDI concept. The KCLIS is intended to provide management of national spatial data and will be developed to fulfil that purpose.

Legal framework for NSDI should be developed outlining responsibilities; coordination and cooperation related to NSDI management; and specifying the spatial data themes to be included in NSDI, see **Subchapter 2.1.1.**

The users should be engaged as far as possible in the future development and implementation of NSDI in Kosovo and to base the work on user requirements.

It is important that the Inter-Ministerial Land Administration Committee will have a good start of the work and that the members of the Committee will devote sufficient time and take an active interest in forming vision, strategy and action plans for the development and implementation of NSDI. Especially, a kick-off start of one or two full day workshops should be arranged for the Committee members to discuss more in detail their viewpoints and priorities as a basis to achieve a common understanding about what should be done, how it should be carried out and managed, when it should be handled, how it should be financed, etc.

The KCA should dedicate qualified and sufficient resources to the Secretariat of the Inter-Ministerial Land Administration Committee and for coordination of NSDI related activities as well as for the technical support (including development of geo-portal and metadata services).

The vision for the future development of NSDI should be clearly expressed and widely communicated. Based on the vision a short strategy document should be set up describing strategic goals and what actions should be taken to achieve the goals. One important part of this work should be to clearly express the principles for efficient information handling regarding responsibilities, financial model, legal framework, structuring of information, technical infrastructure etc.

Another important issue should be to set up a technical framework describing the use of Geographical Information (GI) related standards and principles for efficient handling of geographic information. This document should be based on the CEN/TC 287 document on

standards, specifications, technical reports and guidelines required to implement Spatial Data Infrastructure (SDI) as well as draft implementing rules for the INSPIRE Directive.

The Republic of Kosovo and the Republic of Slovenia has gone into an agreement on cooperation in the field of geodetic activity. Draft Terms of Reference is available on technical assistance for establishing of Kosovo Spatial Data Infrastructure with support from the Surveying and Mapping Authority of the Republic of Slovenia.

Orthophoto production in accordance with a long-term plan is foreseen during the planning period. Aerial photographs are available, and new aerial photographs will be available for the whole territory of Kosovo by spring 2009. Production of rather simple topographic maps (line maps) would, in addition to the existing cadastre maps, orthophotos and digital terrain model (DTM), be the start of a National Spatial Data Infrastructure (NSDI) for Kosovo in compliance with the EC INSPIRE Directive. The line maps will be of importance to support planning, development and construction/ improvements of infrastructure in Kosovo. Preparation of such maps, based on an agreed data model could easily be completely done by private sector. Subsequent distribution could be done by KCA and enhance their role as the mapping authority of Kosovo.

Permanent GPS Network available for users in Kosovo will also be implemented based on proposal presented in General Feasibility Study: CORN in Kosovo (Continuously Operating Reference), August 2006.

2.9   Real Property Valuation

In many countries the central land administration institution is responsible for the development of real property valuation techniques for both individual and mass valuation, the administration of mass valuation procedures and the maintenance of databases containing sales prices of real property.

Individual valuation is an integral part of a land market system. It is commonly performed in support of transactions such as sale, leasing, mortgaging, inheritance, granting, reporting and accounting. An interested party will usually hire a valuation professional who may operate on a licence basis and who may be a member of a self-regulating professional association. A valuation professional will make a market analysis that will result in an estimated value of the property in question. This estimate will be presented by the valuation professional to the client in the valuation report.

The need for mass valuation is related to property taxation. Mass valuation of land is a systematic valuation of groups of similar properties performed on a certain date with the help of standard procedures and statistical analysis tools.

Demand for individual valuation of real property will increase in Kosovo. Therefore, the KCA should within its core business real property valuation develop and implement methods for real property valuation; provide basic valuation data; and support establishment of a private sector dealing with real property valuation. The KCA should in agreement and cooperation with Ministry of Economy and Finances develop and present guidelines for mass appraisal of real property. Appropriate technical tools for different kinds of valuation based on transaction data and graphical presentation from the KCLIS should be developed as well as standards for presentation to customers of valuation result.

The project "Improved Property Tax Collection in Kosovo 2008-2011" mentioned in **Subchapter 2.6** includes re-survey and revaluation of all taxable properties in all

municipalities where tax is collected. The revaluation of buildings and apartments could also be an important contribution to the development of the private sector and should be discussed with the Ministry of Economy and Finances.

2.10   Digital Archive System and Scanning of Cadastral Documentation

After the fire in Prizren MCO all cadastral documents were lost. It became obvious for the KCA that existing cadastral documents should be preserved for the future through scanning. With funding from the KCB and after a tender procedure a international company in cooperation with a local company has started the project "Digitalization of Cadastral Documents". The project comprises scanning of all cadastre documents in fourteen MCOs and state maps in the KCA. It is important that the scanning production is made in such a way that the result can be used in a future digital archive system. In that respect the preparation for scanning including indexing of documents is of utmost importance. To that extent the project has been provided with documents describing system of indexing and setup of production line.

It has also been evident that in Klina a project with scanning of cadastral documents is ongoing financed by an Italian NGO. The approach in Klina MCO is both to secure the cadastral documents for the future and to make the digital documents available in its operation. Other MCOs have also expressed their interest to have access to digital documents in their processes.

Thus, development of a digital archive system is imperative for the future. The digital archive system should be connected to the KCLIS to support the business processes in the KCA and the MCOs. Review and coordination of the ongoing scanning production should be conducted immediately to prepare for the digital archive system. The terms of reference for the project "Digitalization of Cadastral Documents" as well as the project in Klina should be extended with the following requirements:

♦ Specification of indexes (key attributes) to be registered for each document, which will be used when searching and retrieving document;

♦ Consider centralized digital document archive, which may be necessary for e-Governance services;

♦ Reconsider local versus central scanning production, and specify logistics for handling documents from scanning to centralized archiving;

♦ If locally based scanning, specify the upload process of document to a central digital archive; and

♦ Consider requirements on the processing of the scanned documents and quality control.

In the KCLIS concept the digital document archive is a centralized module, where each document will be registered with searchable indexes. The cadastral documents should be available in an e-governance context, e.g. purchase/download of case documents via the Product Delivery, and accordingly should be stored in the digital document archive of KCLIS. The digital archive must provide interoperability functions as search for document and retrieval of document. It should also provide functions for upload of new digital documents from other systems (e.g. case documents from the MCOs).

A digital archive strategy should be developed as a basis for the development and implementation of the system. Development of the system will be performed at a later stage during the planning period.

3 Crosscutting Issues

The Government has in its strategy documents presented policies for cross-cutting issues such as poverty mitigation, protection of minority rights, environment protection and fight against corruption. In addition to the Government strategies and action plans the Business Plan suggests measures in these cross-cutting issues. The measures are presented in relevant chapters of the Business Plan and summarised in the following subchapters.

3.1 Anti-Corruption Measures

One of the Government's goals is to fight corruption, which is presented in the Anti-corruption Strategy and Action Plan and the Suppression of Corruption Law[30].

Many of the activities proposed in this Business Plan will contribute to this struggle, by making the KCA and the Municipal Cadastre Offices (MCOs) strong and transparent institutions. Especially the establishing of a Chief Registrar of Titles and a new registration procedure will be of importance in eliminating possibilities of corruption.

The current situation regarding real property rights is characterized by uncertainty. The cadastre is under reconstruction and the IPRR just established. There are gaps in the chain of transaction of real property and data to be verified in the IPRR. The situation is breeding ground for corruption and manipulation of documents and registers.

Through the measures suggested in the Business Plan a clear indication will be given to the whole society and the MCOs that the reliability of real property rights is high on the Government agenda and therefore of foremost importance on the KCA agenda and that the registration will be managed in a proper way. Chief Registrar of Titles will be established with the sole responsibility to decide about final registration in the IPRR and the responsibility to supervise the MCOs. The supervision concept will be well documented and be built on anti-corruption and anti-discrimination principles. The concept will further include responsibilities of supervisors, supervision procedures, documentation of performed supervision with specification of necessary corrective measures, monitoring and follow up.

Applicants may request the KCA to review the MCO's decision to refuse to register change in the land cadastre or refusing to register immovable property right. The Chief Registrar of Titles will be responsible for reviewing these decisions by the MCOs and present the review decision and the grounds for the decision in a separate document.

The ongoing reengineering of MCOs in Ferizaj and Pristina within "Business Environment Technical Assistance Project" funded by the World Bank is also a step to eliminate the risk of corruption with the front and back office approach. The reengineering of MCO Ferizaj is completed and has been very successful. The front and back office set up has prevented possibilities of corruption. It is already evident that the improvement of working conditions and new procedures for registration has speeded up the registration. This is without any doubt a good example of what can be achieved and momentous as inspiration for the other MCOs.

The reengineering will continue as a part of the land administration reform and comprise all MCOs and be performed in the same manner as the reengineering of MCO Ferizaj.

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[30] **PISG.** 2005. *Suppression of Corruption Law promulgated Law No. 2004/34.* Pristina.

In all aspects transparent institutions is also a way to prevent corruption. The Business Plan suggests a number of measures in that direction. Transparency should apply to decisions regarding registration in the registers, correction of registers, the MCOs' reconsideration of decisions, the KCA's review of the decisions by the MCOs and the KCA's reports and decisions as result of supervision inspections. All these documents should be available and accessible to the public at the institution that issues the document. These documents as well as other documents, applications for registration etc should be noted in a diary at the institution in question.

For transparency and predictability reasons it should also be noted that the land administration institution's communication with its applicants, complainants etc should be made in writing and the letters and responses should be noted in the diary and filed in accordance with the administrative rules of the institution.

In corruption surveys made by different organizations such as UNDP and Riinvest the survey respondents have identified as primary cause of corruption low salaries of the officials in the public sector. According to the UNDP research "Combat of Corruption in Kosovo, 2004" the general opinion is that low salaries of public sector officials causes about 63% of the corruption. The results of research performed by Riinvest within the business community show that the low salaries are identified to be the possible cause of corruption, in 2006 around 32%[31]. The Business Plan suggests the Government to develop its scheme of experts' salaries in public service to include not only IT experts but also experts in KCA core businesses: cadastre, real property rights, real property valuation, geodesy, NSDI and mapping.

The KCA's intension is to intensify its cooperation with relevant institutions such as the Ombudsperson Institution, Kosovo Anti-Corruption Agency and Kosovo Property Agency in fight of corruption.

3.2   Environment Protection

The Government has expressed its intension to prepare a legal framework and implementation program for environmental protection in a wide perspective[32].

To manage environmental protection in an efficient way spatial data about location of certain land areas or real properties is needed including attribute data related to that specific area or real property. It is also important to make the authorities and citizens concerned aware of areas with environmental restrictions to prevent negative impact on these areas.

In **Subchapter 2.6** the Business Plan suggests development of KCLIS into a unified system including cadastre data about land; real property right; addresses; property values, land use and environmental restrictions etc for multi-purpose use that will serve as a basis for the mentioned environmental purposes. The KCLIS will be hosted by the KCA and is suggested to provide a variety of data produced by other stakeholders such as Ministry of Agriculture, Forestry and Rural Development and Ministry of Spatial Planning and Environmental Protection.

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[31] The mentioned studies are presented in a summarized form in **OSCE and PISG.** 2006. *The Anti-Corruption Action Plan: Social and Economic Necessity for Kosovo.* pp.19-20

[32] **KS.** 2008. *Program of the Government of Republic of Kosovo 2008 - 2011.* p.50

3.3   Gender and Minority Rights

The supervision concept will be built on anti-corruption and anti-discrimination principles, see **Subchapter 3.1.** In reality this means that emphasis should be put on protection of minority rights when inspection is made of cadastre and land registration performed in the MCOs.

A review of Gender and Land Titling in Kosovo is presented in a draft report. The draft report presents a comprehensive survey of applicable legislation and concludes that the legislation in Kosovo provides a strong basis for ensuring gender equity in relation to property rights[33]. The report suggests drafting of a gender policy and gender specific training within both the KCA and the MCOs. The findings and suggestions in the report will be of importance in drafting of laws and performance of trainings in the KCA and the MCOs.

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[33] **Lamb.** 2008. *Draft Report on Gender and Land Titling in Kosovo in connection with proposed World Bank sponsored Real Estate Cadastre and Registration Project.* p.3

4 Development Programme

The aim and direction of the Development Programme is built on the essence of proposals presented in **Chapter 2.** Detailed Programme for the development of the Kosovo Cadastral Agency (KCA) and the cadastral sector in Kosovo is presented in this chapter and supporting appendices.

4.1 Development Goals

The Programme Development Goals will support development of sustainable land administration in Kosovo by:

▪ Enhancing the capacity and competence in the KCA and the cadastral sector in Kosovo to provide the land market and stakeholders in land administration with customer oriented, efficient and effective service in cadastre and land registration, real property valuation, geodesy and National Spatial Data Infrastructure (NSDI); and

▪ Establishing the KCA as lead institution within the land administration sector in Kosovo in cooperation with stakeholders.

4.2 Government Support

To be able to reach the Programme Development Goals and to implement all parts of the Programme it is essential with support from the Government through promotion of and/or decisions in the following aspects addressed earlier in this document:

Policy and Legal Framework

♦ The Land Administration Policy with its high-level objectives adopted September 3, 2003 by the Provisional Institution of Self Government (PISG) of Kosovo should after relevant updating constitute the Kosovo Government's goals for the land administration in the Republic of Kosovo; and

♦ After due consideration promulgate the draft Law on Real Rights and the Law on Legalization of Unlawful Constructed Buildings; and make amendments to current laws to eliminate any uncertainty about property right and make it possible to conclude reconstruction of cadastre and real property rights in a proper manner;

Should be included in EPP 36, Action 1 presented in the EPAP;

Create a comprehensive Land Code defining the concept of Real Property and Real Property Rights.

Inter-Ministerial Land Administration Committee

♦ Establish an Inter-Ministerial Land Administration Committee in the field of land administration and NSDI as an advisory body to the Government and the KCA with working groups for specific issues with members from governmental, municipal and private sector. It should be considered to empower the Inter-Ministerial Land Administration Committee with decision making powers in certain issues on behalf of the Government;

Should replace EPP 136, Action 8 presented in the EPAP.

Government Steering and Autonomy of the Kosovo Cadastral Agency

♦ The KCA should have its mandate from the Government through one of its Ministries;

♦ Introduce a modernized legislation for the KCA stipulating the status; responsibilities; authorities; and core businesses: cadastre; real property rights registration; real property valuation; geodesy including first and second order reference network and GPS reference; NSDI including ortho-photo production and topographical mapping;

   As responsible for cadastre and land registration the Ministry of Public Services and KCA should be involved in EPP 136, Actions 10-17 presented in the EPAP;

♦ The Government should introduce Management by Objectives and Results for the KCA and to some extent for the Municipal Cadasre Offices (MCOs);

♦ The Government should gradually introduce a budget and financial system based on financial and non-financial performance related to agreed and reachable targets for the KCA and to some extent for the MCOs;

   The Government grants to the KCA should be based on an explicit long-term plan based on government policy and expectations to ensure a sustainable land administration;

   This concept should be implemented in EPP 18, Action 1 presented in the EPAP.

♦ The Ministry responsible for land administration should annually execute Appropriation Direction for the KCA;

♦ The Government should make appointment of the Chief Executive Officer (CEO) of the KCA with emphasis on good managerial skills and knowledge of land administration; and

♦ Increase the number of staff members in KCA with 10 experts in land administration; and

   Provide funding and salaries to keep existing experts and to attract experts with high level of competence in the KCA core businesses by further developing the Government's scheme of experts' salaries;

   This concept should be considered in EPP 19, Action 1-4, presented in the EPAP.

Government Steering of Competence Delegated to Municipalities

♦ The Government should exercise its power to address the Municipalities with objectives, standards and requests related to the delegated competence regarding cadastre records;

   The Ministry of Public Services and the KCA should be engaged in the establishment of new municipalities lead by the Ministry of Local Government Administration, complement to EPP 6, Action 24 in the EPAP;

♦ The Government should in submitting annual funding from Kosovo Consolidated Budget (KCB) of delegated competences specify for each Municipality funds to be used for the delegated competence to perform cadastre and land registration;

   This concept should be introduced in EPP 6, Action 18 and 24 presented in the EPAP;

♦ Investigate and provide a plan for adequate staffing, competence, training and investments in equipment etc needed in MCOs to fulfil their business to provide efficient and effective cadastre and land registration;

   The Ministry of Public Services and the KCA should be engaged in the inter-ministerial Working Group on Capacity Building and Donor Coordination led by the Ministry of Local Government Administration developing a list of capacity building measures for municipalities.

Self-Financing of Cadastre and Land Registration

♦ The cadastre and land registration businesses in the KCA and the MCOs should be financed from all collected fees for these businesses;

Most importantly the KCA with support to the MCOs should introduce the concept of self-financing of these businesses in a step-by step approach including change of organizational culture; system for financial and managerial information; and cost-control;

This concept should be considered in EPP 11, Action 18-20, 29 and 30 presented in the EPAP.

Registration Procedure Development

♦ An independent Chief Registrar of Titles should be established within the KCA with authority to make the final decision regarding registration of real property rights;

The responsibility of the MCOs will be to provide the Chief Registrar of Titles with provisional registration;

Implement this concept and involve the Ministry of Public Services and KCA in EPP 120, Actions 1-3 presented in the EPAP;

♦ Introduce execution of cadastral surveying as a task exclusively for licensed private surveyors and licensed surveying companies.

Kosovo Cadastre and Land Information System

♦ The Kosovo Cadastre and Land Information System (KCLIS) should within the e-Governance concept be declared as the unified system for spatial data with multi-purpose use Kosovo-wide in cooperation with data providers and users;

This concept should replace EPP 140, Action 18 presented in EPAP and take into consideration EPP 140, Action 17; EPP 136, Action 9; and EPP 139, Action 7.

4.3   Programme Components

The programme involves the following nine components:

Component M -   Management Advisor and Programme Coordination

Component A -   Policy and Legal Framework Development

Component B -   Institutional Development

Component C -   Human Resource Development and Staff Motivation

Component D -   Kosovo Cadastre and Land Information System Development

Component E -   Systematic Registration

Component F -   National Spatial Data Infrastructure Development

Component G -   Digital Archive System Development

Component H -   Real Property Valuation Development

Component I -   Education and Professional Development

The programme is planned for implementation during a seven-year period. Objective for each component and the proposed actions are presented in **Appendix B.** Sequence of the

proposed actions can be found in **Appendix D.** Planned international expert months on the different activities for the first five years are presented in **Appendix E.**

4.4   Investment Plan

Estimated programme cost for the programme period July 1, 2009 to June 30, 2014 is presented per activity and total in **Appendix C**. The total cost for the Development Programme is estimated to 20 577 000 Euro.

4.5   Governance Structure for Policy and Implementation

The KCA is the overall implementation institution of the proposed Development Programme, but the Programme needs to be carried out together with municipalities and private sector. There is a paramount need to have agreement with the municipalities confirming their support and willingness to give priority to the implementation of the Programme. The CEO of the KCA will through the Programme be provided with management and programme coordination support.

Figure 2: Governance structure for policy-making related to the KCA Strategy and Business Plan and implementation of the Development Programme
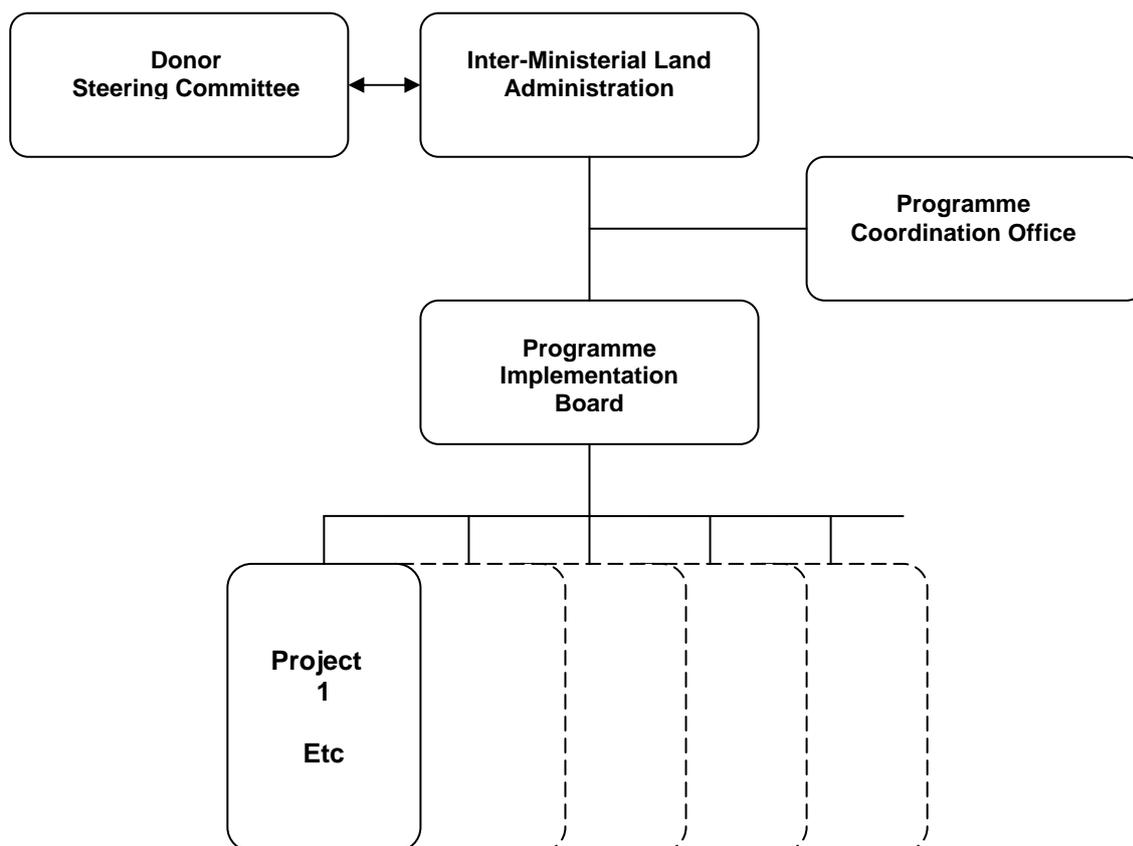
It is envisaged that the proposed Development Programme will be funded with donations. Expected donors are: The Governments of Norway, Slovenia, Switzerland and Sweden, the World Bank and the GTZ (Germany). Donations from the Governments of Switzerland and Sweden might be put together in a multi-donor trust fund (MDTF), while the donations from the Government of Norway, the World Bank and the GTZ will be separate. How the donation from the Government of Slovenia will be provided is not yet known.

The success of the Development Programme will depend on good timely coordination of the donors' decisions regarding funding of the different parts of the Programme. The success will also depend on the Kosovo Government's implementation of the necessary reforms, see **Subchapter 4.2.**

The governance structure for policy-making related to the KCA Strategy and Business Plan and implementation of the Development Programme comprises the Inter-Ministerial Land Administration Committee proposed in **Subchapter 2.2.1** and Donor Steering Committee as decision making bodies while the coordination and implementation of the set of projects covering all programme components will be managed by the Programme Implementation Board (PIB) supported by the Programme Coordination Office in the KCA.

Inter-Ministerial Land Administration Committee

The Inter-Ministerial Land Administration Committee should be the Kosovo Government's policy-making body with decision power regarding the KCA Strategy and Business Plan including the Development Programme, while the donor representatives have an advisory and supportive role regarding the implementation of the KCA Strategy, Business Plan and policy reforms.

In addition to the decision making role, the Inter-Ministerial Land Administration Committee is to mandate and support the KCA, the MCOs, other implementers, the Ministries in charge as well as other stakeholders involved in strategic and policy issues, in directing implementation of the activities to achieve the objectives and purpose of the KCA Strategy, Business Plan and policy reforms.

The members of the Inter-Ministerial Land Administration Committee are representatives from the Ministries of Public Services, Local Government Administration, and Environment and Spatial Planning, the Office of the Prime Minister (Director of Legal Office), and other relevant Ministries. The Ministry of Local Government Administration will represent the municipalities and can be supported by co-opted members representing selected Municipalities. The Committee is preferably chaired by the Minister of the Ministry of Public Services.

The functions of the Inter-Ministerial Land Administration Committee in relation to the KCA Strategy and Business Plan including the Development Programme are the following:

- Strategic guidance and decision making on policy issues of principle;

- Identification of policy and strategic issues;

- Monitoring of implementation of the KCA Strategy, Business Plan and policy reforms;

- Coordination and building consensus among stakeholders on critical policy issues related to the implementation and ensure coordination among various entities.

Programme Implementation Board (PIB)

The KCA will establish a Programme Implementation Board (PIB) to manage and monitor implementation of the Slovenian, MDTF, World Bank and GTZ funded projects within the Development Programme.

Members of the Board are representatives of the KCA, the MCOs and contributing donors who only have technical advisory roles.

The PIB is in charge of managing and monitoring the implementation of the activities to achieve the objectives and purposes of the Programme. It also has a coordinating role

regarding the Programme implementation in the KCA and the MCOs. The functions of the PIB are as follows:

♦ Providing overall policy advice and recommendations;

♦ Endorsing the overall work plan and budget for submission to the Inter-Ministerial Land Administration Committee for approval;

♦ Monitoring the implementation of the activities, programming and financial matters;

♦ Endorsing periodic reports prepared by KCA/Programme Coordination Office (PCO), and ensuring coordination among the various entities;

♦ Endorsing annual work plans and reports for submission to the Inter-Ministerial Land Administration Committee for approval;

♦ Submitting proposals through the Inter-Ministerial Land Administration Committee for decisions by the Donor Steering Committee on reallocation of support, requests for additional financing or other means needed in implementation of the Development Programme.

All decisions are made by consensus. Financing and reallocation of the budget funds will be decided by the donors in the Donor Steering Committee.

Donor Steering Committee

The Donor Steering Committee co-ordinates, monitors and supervises the activities and use of funds for implementation of the Development Programme, based on donations by the Government of Slovenia, the World Bank, the GTZ; and the MDTF.

The members of the Donor Steering Committee are representatives from all contributing donors. The Steering Committee meets twice a year after the Inter-Ministerial Land Administration Committees' meetings. The chairmanship of the Steering Committee will be rotated among the donor representatives.

Based on the guidance and suggestions from the PIB through the Inter-Ministerial Land Administration Committee, the Steering Committee makes decisions on:

• Proposals and requests received from the PIB through the Inter-Ministerial Land Administration Committee;

• Additional financing;

• Reallocation of funds;

• Approval of annual work plans and reports;

• Other matters and actions raised by the members.

The contractual and other matters related to the MDTF will be discussed in separate meetings with the trustee of the MDTF and the contributing donors.

Programme Coordination Office (PCO) at the KCA

The KCA, as the overall implementing agency of the Development Programme, will have at its disposal a Programme Coordination Office with the following responsibilities:

♦ Managing and supervising overall activities;

♦ Providing secretariat services to the Land Inter-Ministerial Administration Committee and the PIB, i.e. convening meetings, setting agendas, and disseminating minutes, follow up on decisions, reporting on implementation of decisions;

♦ Preparing annual work plans, budgets, and procurement plans;

♦ Coordinating the KCA's and the MCOs' implementation of the Development Programme, including coordinating with the municipalities, and assessing their needs for producing cadastres and training, and coordinating also with other agencies, e.g. regarding legislation, norms, etc;

♦ Preparing technical specifications and Terms of References (ToRs) for project activities in consultations within the KCA and the MCOs (Municipalities) as required;

♦ Establishing and participating in procurement selection committees, as required;

♦ Evaluating contractors' project inception and completion reports; following-up with management on all signed contracts, together with the Public Procurement Agency (PPA);

♦ Carrying out disbursement, financial reporting, and auditing efforts; and

♦ Preparing quarterly and annual monitoring reports for the Inter-Ministerial Land Administration Committee and the Donor Steering Committee.

The PCO staff will include:

♦ PCO coordinator who reports to the CEO of the KCA;

♦ One legal expert;

♦ Two experts for reengineering and establishment of MCOs etc;

♦ One expert to implement public awareness programs and customer surveys;

♦ One Monitoring and Evaluation (M&E) expert;

♦ One HRD expert;

♦ One financial management expert;

♦ One real property valuation expert;

♦ One project manager for implementation of systematic registration;

♦ Two NSDI experts;

♦ One scanning and digital archive expert;

♦ Two administrative assistants/interpreters to prepare administrative inputs and tasks for the PPA.

The PCO will throughout the implementation period of the Development Programme be funded with contribution from all donations. It is expected that when KCA becomes financially autonomous, KCA will fully fund the PCO.

5 Expected Benefits of the Development

The Kosovo Government's aspirations to enter the EU provides important prerequisites to implement the INSPIRE Directive and other EC Directives impacting NSDI development. Implementation of the suggested NSDI concept will therefore be of benefit for the Kosovo society and Europe providing easier use of spatial data throughout Europe. In addition, numerous actions in the European Partnership Action Plan are supported through the Business Plan.

The KCA as lead organization in land administration will provide for good cooperation and coordination within the sector benefiting the land market and public and private sector development.

Implementation of the Business Plan will contribute to improved governance, i.e. the building of accountable and effective public administration and improved legal framework, by facilitating protection of property rights. By providing security to real property rights and establishing easy and safe mechanism for real property transactions, the Business Plan will assist Kosovo in the development of the land market.

First, security of tenure should help intensify investments in and use of land for agricultural, residential, industrial and commercial development and construction. Second, security of tenure is expected to foster economic growth by encouraging a more intensive use of real property to access cheaper credit via mortgages. The Business plan will also provide reliable information for formulating and administering land policies and land use regulations, environmental protection and sustainable development. It will indirectly facilitate the land and real property tax system, and introduce less expensive procedures for resolving real property disputes. The Business Plan will further contribute to the good governance objective by improving the function of the land administration institutions cadastre and property rights registration, and thus ensuring that they deliver transparent and predictable services at prescribed and limited fees. The Business plan will also support the development of the private sector.

The target group includes actual and potential owners of real property, farmers, lenders, private investors, tenants, financial institutions, businesses, industries and land owning government institutions and municipalities. There will be additional benefits for individuals, private companies and government agencies with other interests such as providing more secure right of access, easements, and water and mineral exploitation.

Apartment owners are expected to receive direct benefits as a result of registration of apartments. The ability to dispose of assets or derive income from them will be particularly beneficial to pensioners and city dwellers with agricultural parcels. Security of tenure achieved will increase the real property value and saleability of small and fragmented land parcels, mostly owned by poor rural people who usually cannot either cultivate them profitably or sell them. Farmers contemplating consolidation of highly fragmented farmland will also benefit from a more efficient registration system, and it is expected that delineating and registering the agricultural land that remains in social ownership, will facilitate further land privatization.

Other beneficiaries will be the users of land cadastre data and cadastral maps, which as a result of the Business Plan will be available rapidly in digital format. Furthermore, the protection of the environment through improved data on current land use is expected to foster prudent use of land and natural resources. The Business Plan will also support

effective urban and rural planning, planning and management of utilities and roads, which require information on land use and ownership.

There are an estimated 400.000 beneficiaries who will benefit from a new transcript of the register and related cadastre records. As a result, waiting and processing time for registration in land administration institutions will be minimized and substantial reduction of backlogs of land related cases in Municipal and Supreme Courts will be possible.

As in other land administration projects, there are obvious difficulties associated with performing a sound cost/benefit analysis. This is due to lack of data to measure registration and cadastre impacts. Better conditions for sound cost/benefit analysis will be provided through implementation of the proposed financial system and the improved KCLIS.

There is a diversity of direct and indirect benefits that may result from the implementation of improved cadastre and land registration systems. The main direct benefits will comprise:

♦ Development of sound land market;

♦ Improved access to credit;

♦ Reduction of corruption;

♦ Improvement of service from the land administration institutions; and

♦ EU integration support.

These benefits will manifest themselves, inter alia, in the form of increased real property values; increased turnover rates; increased agricultural production; improved cost recovery; increased security of tenure and transactions; reduced costs of transactions; and increased availability of real property financing. Advantages from real property registration will be:

♦ Facilitated transfer of ownership of real property to heirs,

♦ Facilitated sale of real property,

♦ Possible use of real property as collateral to acquire loan, and

♦ Facilitated access to building permits to undertake construction.

Apart from the above stated benefits, there will also be a number of indirect benefits. For instance, increased security of tenure will provide one of the necessary conditions for increased direct foreign investment and an expansion of rental markets for real property. It will also reduce the risk faced by the overall banking system of inadequately secured housing loans. Improved information systems will result in increased quality of information and increased information access by citizens and stakeholders in land administration through e-Governance concept.

The Business Plan will support rebuilding of trust in government institutions by developing clear and transparent rules, procedures and standards for cadastre and real property rights registration.

APPENDICES TO THE BUSINESS PLAN

Appendix A   Abbreviations and Acronyms

Appendix B   Detailed Programme Description

Appendix C   Estimated Programme Costs 2009 - 2014

Appendix D   Time Schedule for Activities 2009 - 2016

Appendix E   Planned International Expert Months 2009 - 2014

Appendix F   Overview of the KCLIS Concept

Appendix G   Review of IT/IM Strategy, Upgrading of IT System and Security of Data and Technical Systems

Appendix H   Property Market, Business Environment and Existing State of Finance, Pricing

Appendix I   Number of Staff and Budgets 2007 in the KCA and the MCOs

Appendix J   Revenues from Cadastre and Land Registration in MCOs

Appendix K   References

Appendix L   Glossary of Terms

Appendix A – Abbreviations and Acronyms

CEE	Central and Eastern Europe
CEO	Chief Executive Officer
CORN	Continuously Operating Reference
DIT/MPS	Department of Information Technology at Ministry of Public Services
EBRD	European Bank for Reconstruction and Development
EC	European Commission
e-ID	Electronic Identification
EPAP	European Partnership Action Plan
EPP	European Partnership Priorities
EU	European Union
GI	Geographical Information
GIS	Geographical Information System
GML	Geographical Markup Language
GPS	Global Positioning System
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit GmbH
HRD	Human Resource Development
ICT	Information and Communication Technology
INSPIRE	Infrastructure for Spatial Information in the European Community
IPRR	Immovable Property Rights Register
KCA	Kosovo Cadastral Agency
KCB	Kosovo Consolidated Budget
KCID	Kosovo Cadastre Interim Database
KCLIS	Kosovo Cadastre and Land Information System
KDSP	Kosovo Development Strategy and Plan
KS	Republic of Kosovo
MCO	Municipal Cadastre Office
MDTF	Multi-Donor Trust Fund

M&E	Monitoring and Evaluation
NSDI	National Spatial Data Infrastructure
PAR	Public Administration Reform
PCO	Programme Coordination Office
PIB	Programme Implementation Board
PISG	Provisional Institutions of Self Government
PPA	Public Procurement Agency
RECAP	Real Estate Cadastre and Registration Project
SDI	Spatial Data Infrastructure
SOA	Service Oriented Architecture
SOAP	Service Oriented Architecture Protocol
ToR	Terms of Reference
UNMIK	United Nations Interim Administration Mission in Kosovo
XML	Extensible Markup Language
WAN	Wide Area Network
WB	World Bank
WFS	Web Feature Service
WMS	Web Map Service

Appendix B – Detailed Programme Description

Component M: Management Advisor and Programme Coordination

Background and inputs to this component can be found in various subchapters, **Chapter 2 and 4** in the Business Plan.

The component promotes **Strategy Objective 1** in KCA Development Strategy 2009-2011.

Objective

Promote modern management and efficient coordination of the land administration institutions in Kosovo through management advice to the management of the KCA.

Achieve sustainability of all development components through efficient coordination and necessary actions as support to the execution of the programme by the KCA.

Description of the Component

The component consists of the following sub-components:

M1 Management Advice and Programme Coordination   Priority: 1

Result: Sustainable and business oriented land administration institutions (KCA and MCOs) with good cooperation between the institutions, good management, skilled and motivated staff and good cooperation with other stakeholders as a result of an efficient implementation of the development components.

Activities: Support to the CEO of the KCA in preparation of management decisions regarding the programme implementation and follow-ups, coordination of the development activities and the reports from the different consultant teams, support the KCA participation in the Steering Committee and the Inter-Ministerial Land Administration Committee as well as contacts with the Ministry of Public Services, stakeholders etc, as well as monitoring and evaluation.

M2 Programme Coordination Office   Priority: 1

Result: Coordination of all projects related to land administration and efficient support to the programme implementation.

Activities: In accordance with **Subchapter 4.5** under Programme Coordination Office (PCO) at the KCA

Component A: Policy and Legal Framework Development

Background and inputs to this component can be found in various subchapters, **Chapter 2** in the Business Plan.

The component promotes **Strategy Objectives 1 and 2** in KCA Development Strategy 2009-2011.

Objective:

Enhanced policy and legal framework to better serve the land market activities by clarifying real property rights and promotion of conditions for reconstruction of cadastre and real property rights.

Description of the Component

The component consists of the following sub-components:

A1 Land Administration Policy   **Priority: 1**

Result: Updated Land Administration Policy with NSDI Policy

Activities: Review and make proposals for change of the Land Administration Policy 2003 with special attention to the NSDI development. Consider separate policy for NSDI. Discussion and anchorage in seminars and workshops.

A2 Legal Review/Support   **Priority: 1**

Result: Comprehensive set of Property Laws, Bylaws and Guidelines to support the cadastre and property rights registration as well as a well functioning land and property market.

Activities: Providing assistance internally within the KCA in legal matters and assistance in discussions with other institutions in understanding and resolving common problems. Plan for legal framework development. The outputs are: international assistance with review and comment on curren legal framework, drafting of laws and instructions for the detailed regulation within the competence of KCA e.g. review of draft law on real property rights, legal framework for NSDI; law on land information system, law on creating and managing joint facilities, law on utility easements.

Component B: Institutional Development

Background and inputs to this component, see Business Plan, **Subchapter 2.2-2.4 and 2.6.**

The component promotes **Strategy Objectives 1, 2 and3** in KCA Development Strategy 2009-2011.

Objectives:

Enhanced land administration institutions devoted to business and customer/ stakeholder orientation, cooperation with stakeholders, modern management, institutional development, efficient working procedures, quality management and internal monitoring.

Enhanced management of the land administration institutions based on visions, business mission, goals and strategies, which are processed with staff resulting in a common understanding in the organizations.

The KCA acts as lead institution in the land administration sector in Kosovo. The MCOs provide efficient and effective cadastre and real property rights registration services to the society of Kosovo.

Description of the Component

The component consists of the following sub-components:

B1 Modern Management   Priority: 1

Result: Improved management and communication skills of managers in the KCA and the MCOs and enhanced capability within the organizations to manage projects and to realize institutional development.

Activities: Development and introduction of a concept of "Management by Objectives and Results" adjusted to the KCA and the MCOs. Modern management should be introduced through comprehensive training to support the managers in their important role to implement the land administration policies and the day to day running of the land administration business in a service oriented, efficient and effective manner. Mentor programme for managers in the KCA and the MCO. Comprehensive programme should be set up for introduction and development of new managers. Training of staff in the KCA and the MCOs in project management, preferably together with staff in private sector companies.

B2 Financial and Management Systems   Priority: 1

Result: Budget and financial system based on financial and non-financial performance related to agreed and reachable targets reflecting the KCA's and the MCOs' business.

Activities: Introduce the concept and build capacity in financial issues especially among managers through workshops. Develop and introduce through training sessions a time accounting system on business activities to be used by each staff member in the KCA and the MCOs. Develop and introduce a financial and control system based on outputs and outcomes of the institutions. The general ledger in system should be the structure of

business activities, which makes it possible to relate financial figures to non-financial information such as time spent on separate business activities, volumes produced etc. The system should be provided with applications to make it possible to deliver budgets and financial reports in expenditure categories (salaries and wages, goods and services, capital outlays etc) reflected in the KCB. Training of administrative/financial staff in how to operate the system.

B3 Business Plan, Marketing, Pricing and Outsourcing   Priority: 1

Result: Comprehensive Business Plan to support business orientation, operation and marketing of all core business areas in the KCA and the MCOs. Areas for outsourcing identified and price policy for products and data available.

Activities: Periodical update of the business plan. The current business plan should be updated when the proposed financial and management systems are introduced and include estimated operations, marketing activities, income/expenditure plan for the core business areas and investment plan including marketing and development activities. The business plan will show budget and lines of revenue and expenditure for every business unit/ activity type. It will also show budget and lines of grants provided by the Government. The implementation will involve trainings, workshops etc. to raise the knowledge and set the new organizational culture coordinated with other subcomponents. Identify areas for outsourcing, tendering and contracting. Develop price policy in line with EU regulations for products and data ensuring cost-effective use of all data in public and private sector.

B4 User Needs Analysis   Priority: 1

Result: Comprehensive user needs analysis to support the land administration institutions to achieve customer orientation in all their core business areas.

Activities: Carry out a baseline survey, with questionnaire, focus groups and information campaign to determine the needs of the user community regarding services in all core business areas; cadastre and land registration, real property valuation, geodesy, first to third order reference network, GPS reference network; NSDI including ortho-photos and topographical maps. The user needs analysis will be used by the KCA in cooperation with MCOs to identify user priorities. It is recommended that the user needs analysis be repeated with a three year interval. The analysis should reflect the perceived priorities of the user community. The analysis should also show how well the user community is informed about the potential of KCA and MCO services and products as basis for further information of users. The implementation will have to involve trainings, workshops etc. for staff at the KCA and MCOs to raise knowledge about customer orientation and to provide for change in the organizational culture. These trainings, workshops etc could preferably be coordinated with trainings etc provided in other subcomponents.

B5 The KCA Supervision Function   Priority: 1

Result: Enhanced reliability in cadastre and real property rights registers and limited breeding ground for corruption and manipulation of documents and registers through comprehensive concept of supervision and quality control by the KCA. Chief Registrar of Title established with the sole responsibility to register property rights and to supervise the MCOs' provisional registration of property rights.

Activities: Development of the supervision concept regarding cadastre and property rights in accordance with applicable laws and in cooperation with the MCOs. The supervision

concept should be well documented and be built on anti-corruption and anti-discrimination principles. The concept should include responsibilities of supervisors, supervision procedures, documentation of performed supervision with specification of necessary corrective measures, monitoring and follow up. Training of supervisors resulting in licensing. Introduction of Chief Registrar of Title in the IPRR law (preferably through a new law on property rights registration) and reorganization of the KCA. Development of registration procedures including the MCOs' provisional registration. Introduction through comprehensive training of KCA and MCO staff.

B6 Diary and Archiving System   Priority: 1

Result: Diaries at the KCA and the MCOs showing incoming and outgoing documents and a transparent file and archive system for all kinds of documents including the documents produced at the institutions.

Activities: Development and introduction of diary and file and archiving system in the KCA and the MCOs.

B7 Reengineering of Municipal Cadastre Offices   Priority: 1

Result: The front- and back office approach and new working procedures established in all MCOs resulting in enhanced customer service, better working conditions and prevention of corruption.

Activities: Renovation of office space and installation of customer reception areas, service counters, document and plan viewing counters. Procurement of furniture and equipment. Training of staff in customer service, registration procedures etc. The reengineering of the MCOs will include all activities applied in the reengineering of Pristina MCO and Ferizaj MCO as a part of the BETA project.

B8 Establishment of New Municipal Cadastre Offices   Priority: 2

Result: Land administration services provided for the newly established municipalities in the same way as for the other municipalities.

Activities: Consideration and establishment of inter-municipal cooperation regarding land administration services. For establishment of MCO in new municipality see activities presented under B6.

B9 Reengineering of Registration Processes   Priority: 1

Result: Reengineered process for cadastre and land registration as basis for the future KCLIS.

Activities: With involvement of staff from the KCA and the MCOs, develop customer oriented, efficient and effective registration processes. Objective, process and scenario modelling in workshops.

B10 Public Awareness Campaign   Priority: 1

Result: Possessors to land, key professionals and the general public well aware of cadastre and property rights issues as well as increase in cadastre and property rights registration.

Activities: Public awareness campaign to develop support of possessors to land and cooperation from the key professionals involved in land market activities. The campaign should encourage the understanding of the importance of the registration process. The campaign can also, subject to agreement;

♦ Highlight planning problems, and encourage understanding of 'common good' purposes;

♦ Encourage clarification/confirmation of information in land cadastre and real property rights register;

♦ Explain that ultimately, penalties will be introduced for non compliance with land administration laws and regulations;

♦ Discourage people from purchases without proper documentation; and

♦ Inform people where they can receive advice and assistance.

The Publicity campaign should involve local leaders, television, newspapers and information leaflets. It should be so structured that an interested private person can easily follow up and provide clarification of property documentation.

B11 IT/IM Strategy Review/Support   Priority: 1

Result: 1) Quality System documenting all operations and responsibilities which are required to operate KCLIS and future extensions. 2) Strategy and rules to be able to undertake operation, maintenance and support of new software.

Activities: Review existing IT department related to the KCLIS strategy and implementation of this system. Initial specification work: Experts and IT department of KCA in cooperation. Workshop. Yearly review. For further information, see **Appendix F.**

B12 Upgrading of Technical ICT Systems in KCA   Priority: 1

Result. Yearly plans for upgrading of technical ICT systems at the KCA, based on implementation of new modules of KCLIS, and growth of capacity requirement.

Activities. Yearly reviews and new versions of plans for upgrading made in cooperation with the KCA IT director and representatives from the actual development KCLIS projects. International expert as mentor. For further information, see **Appendix F**

B13 Security of Data and Technical Systems   Priority: 1

Result: Specification, implementation plan and actual implementation of security actions against unauthorized use of data from KCLIS, data integrity solutions, and backup implementation to avoid critical operational stops.

Activities: Specification work. Yearly review of implementation plan. Procurement and installation of backup systems. For further information, see **Appendix F.**

B14 Development of Quality Control Concept   Priority: 1

Result: Licensed private surveyors and surveying companies have a clear view of what the expectations are concerning cadastral surveying deliveries to the MCOs and the MCOs have a good quality control system to apply before registration in the cadastre. Enhanced quality control and internal monitoring in both the KCA and the MCOs.

Activities: Development of specifications on cadastral surveying; specification on documentation of surveying results, delivery formats etc. Development of a quality control system to apply in the MCOs before registration in the cadastre; concept for internal monitoring of registration procedures and quality of data in registers in both the KCA and the MCOs. Implementation through workshops and training of staff in KCA and MCOs and licensed private surveyors.

B15 Private Licensed Surveyors/Companies   Priority: 1

Result: Enhanced capability of licensed private surveyors and surveying companies to manage and develop their business; and to manage project oriented tasks with good results.

Activities: Training of licensed surveyors in business management/finance; ethics; business/ contract laws; legal framework; use of modern survey equipment/software etc.

B16 Private Real Property Valuators   Priority: 1

Result: Private companies provide participants in the land market with real property valuation of all kinds of real property.

Activities: Training of interested people to establish and manage real property valuation companies or to expend already existing companies with real property valuation business. The training should include business management/finance; ethics; business/contract laws; legal frame work; valuation principles etc. The implementation should include property valuation workshops and study visits abroad.

Component C: Human Resource Development and Staff Motivation

Background and inputs to this component can be found in various subchapters, **Chapter 2** in the Business Plan.

The component promotes **Strategy Objective 1, 2 and 3** in KCA Development Strategy 2009-2011.

Objective:

Enhanced professional capacity in the KCA, the MCOs and the private sector to reflect demands of the society and provide improved cadastral services through continuous professional development based on individual needs assessment and training courses.

Capacity building measures are key part of all Components in the Development Programme and will be addressed on three levels: the societal level (policies, legal frameworks), the organizational level and individual levels.

Description of the Component

The component consists of the following sub-components:

C1 Develop HRD Policy and Action Plan   **Priority: 2**

Result: Comprehensive long-term HRD Policy and Action Plan including managerial and technical competences comprising professionals in the KCA, the MCOs and the private sector.

Activities: Long-term training needs assessment. Considerations based on results and experiences from the other Components in the Development Programme. Development of policy and action plan in workshops with staff from the KCA, the MCOs and private sector.

C2 Establish HRD Capacity in KCA   **Priority: 1**

Result: Capacity within the KCA (during the Development Programme period in the PCO) to assess training needs, provide training plans, assure and monitor the implementation, provide support in career planning and individual training programs etc. Lecturers should be drawn from the institutions or international experts.

Activities: Capacity building related to assessment of training needs, development of training plans and their implementation, Human Resource Development (HRD) Policy, support in career planning, individual training programs etc.

C3 Develop and Implement Programme Training Plan   **Priority: 1**

Result: Training plan presenting all training activities envisaged in the development programme, implemented and evaluated by trainers and participants. Recommendations based on the evaluation results.

Activities: Training plan, evaluation forms etc developed by the Programme Coordination Office with support from HRD experts; Realization of each course with KCA/MCO staff or experts as lectures; Reporting; Follow-up activities at participants' institutions. Training of MCO staff in legal literacy, technical topics and standards, data management and archiving, use of computers and computer system, customer service, project management and public awareness.

C4 Study Visits and International Conferences   **Priority: 2**

Result: International contacts, experiences from abroad in the relevant competence areas used in development of land administration in Kosovo.

Activities: Participation in relevant international Workshops, Seminars and Congresses arranged by e.g. FIG EuroGeoGraphics and UN ECE Working Party on Land Administration.

C5 Courses Abroad   **Priority: 2**

Result: Management and economic skills and skills in certain competence areas used in sustaining the land administration institutions and their activities.

Activities: Staff from the KCA and the MCOs attending courses in general management of institutions, land administration, land management, immovable property valuation etc.

Component D: Kosovo Cadastre and Land Information System Development

Background and inputs to this component, see Business Plan, **Subchapter 2.6.**

The component promotes **Strategy Objectives 1, 2 and 3** in KCA Development Strategy 2009-2011.

Objectives

The KCLIS accepted as the unified system for multi-purpose use Kosovo-wide including cadastre data about land, buildings and apartments; real property right; addresses; property values, land use and environmental restrictions etc and hosted by the KCA.

Established e-Governance concept making the KCLIS data accessible for all stakeholders in public and private sector and to some extent the citizens.

Ensure that integration of KCLIS and other systems such as property tax register, civil register, utility maps (water networks, electricity networks etc.) are functioning through joint projects with data producers.

Ensure the quality of data in the KCLIS through correction measures.

Description of the Component

The component consists of the following sub-components:

D1 Development of KCLIS Strategy   Priority: 1

Result: KCLIS is accepted as a unified system for multi-purpose use Kosovo-wide in cooperation with data providers and users. The revised KCLIS concept is accepted by the Inter-Ministerial Land Administration Committee.

Activities: Development of the KCLIS strategy in collaboration with stakeholders through workshops and individual consultations; A review of the conceptual description of KCLIS is a necessity, where the outcome should be a new version of the KCLIS concept model, modules, workflow and a strategy for implementation, The concept should include the new and extended ambitions on NSDI etc.

D2 Quality Measures on Current Cadastre and IPRR Data   Priority: 1

Result: The KCLIS provides correct data and notations about uncertainty of data.

Activities: Before migration into KCLIS, correction of IPRR data mainly introduced at the migration of data from Kosovo Cadastre Interim Database (KCID) to IPRR; during the poor operations of IPRR in some MCOs; during operation of IPRR due to poor design of IPRR; and errors due to unidentified actions in the pre-1999 era, particularly during the period 1983-1999 for which the records are not available. The MCOs make the corrections with support from a task force with representatives from the KCA and international consultants.

D3 Development of e-Governance Concept   Priority: 1

Result: A set of operational cadastre and map information services and products in KCLIS

accessible from web portals, to be used by citizens, private companies or governmental institutions, and with an implementation that avoids unauthorized access on data. Stakeholders will have possibility to submit requests for registration etc.

Activities: Development of e-Governance concept based on improvement of the specification of the Service desk module in the KCLIS; Specification work through involving and visiting users and distributors of the information products, e.g. KCA, MCO's, relevant governmental institutions, banks, entrepreneurs; Consideration on future implementation of WebGIS (GeoMedia Webmap, OpenSource); Arrange workshops to finalize the specifications; Issues regarding security and integrity of data must be solved in cooperation with other bodies involved in e-governance activities; Terms of Reference for system development (of Service Desk and Product Delivery in KCLIS) based on agreed product specification; Procurement, delivery and installation of software; Testing and quality control of software and documentation.

D4 Review and Development of KCLIS Graphical Concept   Priority: 1

Result: Operational Geographic Information System, that satisfies the requirements for managing both raster and vector data, both for cadastre purpose and extended to provide management of map data in the NSDI concept.

Activities: Requirement specifications; Geographic standard analysis; Interoperability analysis; Data exchange format specification; Arrange workshops to finalize the specifications; Terms of Reference for procurement of systems based on the agreed requirement specification; Procurement, delivery and installation of software; Testing and quality control of software and documentation; Implementation of the interoperability; Training of KCA and MCO staff and private licensed surveyors.

D5 Data Interface between KCLIS and Other Systems   Priority: 1

Interoperability represents the ability of the ITC systems and logical processes to support interchange of data and make data usable for various purposes. The EU directive INSPIRE promotes interoperability and main rules for exchange of data. Web Services are typical methodology to provide interoperability between systems. For geographical information the ISO 19100 standards WMS and WFS/GML are much used and should be considered for KCLIS implementation of data interchange. E.g. a WFS web service for searching addresses based on first characters of the address name, may response a GML list with matching addresses with related information and coordinates.

Result: Data Interface available to support interchange of data and making data usable for various purposes.

Activities: WFS web services within KCLIS must be defined and implemented during the development of the actual module or when other system requires a certain data interface.

D6 Building and Apartment Register Development   Priority: 1

The next version of KCLIS/ IPRR (June 2009) includes a database for Building and Apartment, which has internal functionality related to the textual cadastre data management in the system. But this version of KCLIS does not include functionality for updating and maintaining data in the register. Specification of update and maintaining functionality should be worked out in cooperation with **Subcomponent E4**.

Result: Detail requirement specification for update management of Building and Apartment in KCLIS and operational update management of Building and Apartment that satisfies the requirements for reviewed specification.

Activities: Requirement specifications. Index analysis and specification. Interoperability analysis and specification. Arrange workshops to finalize the specifications. Terms of Reference for development of the system based on the agreed requirement specification. Procurement, delivery and installation of software. Testing and quality control of software and documentation. Implementation of the interoperability. Training of staff.

D7 Address Register Development   Priority: 1

The next version of KCLIS/ IPRR (June 2009) includes database for Addresses, which has internal functionality related to the textual cadastre data management in the system. But this version of KCLIS does not include functionality for updating and maintaining data in the register. Specification of update and maintaining functionality should be worked out in cooperation with **Subcomponent E5**.

Result: Detail requirement specification for update management of Addresses in KCLIS and operational update management of Addresses that satisfies the requirements for reviewed specification.

Activities: Requirement specifications. Index analysis and specification. Interoperability analysis and specification. Arrange workshops to finalize the specifications. Terms of Reference for development of the system based on the agreed requirement specification. Procurement, delivery and installation of software. Testing and quality control of software and documentation. Implementation of the interoperability. Training of staff.

D8 Property Transaction Price Register Development   Priority: 1

Result: Transaction prices for real property to be used together with value factors will be available for individual and mass valuation (assessment for property tax purposes) of real property. Location of the comparison objects presented on maps.

Activities: Development of register and application to be able to present transaction price related to real property with specification of transaction type etc and location of the real property through graphical presentation.

D9 Development of Layers for Roads, Utilities, Restriction Areas etc   Priority: 1

Result: The modules Vector data and Raster data within the KCLIS provide the possibility to store many different layers of map data, and KCLIS distributes these maps via Service desk and Product Delivery. The graphical data can be produced and updated either by KCA or by other institutions, e.g. electricity companies who provide utility data.

Activities: Requirement specifications based on standard for Kosovo, see **Subcomponent F3**. Agree on exchange format standard with data providers. Define import procedures. Define layers in the graphical database based on agreed standards. Arrange workshops to finalize the specifications. Implementation of layer definitions and operational import procedures for updates of data and metadata.

D10 Development of Metadata Database   **Priority: 1**

Metadata – "data about data" – is information about the different data sets and data objects which are stored in the different databases of KCLIS e.g. owner of data, lineage, data quality, feature types, and production/update date. The EU directive INSPIRE promotes development of metadata as a kernel database in any geographical information system, giving the end-user access to the metadata prior to purchasing the data.

Result: Metadata Database within KCLIS with update management and capability for browsing of metadata within the Service Desk module.

Activities: Detailed requirement specification for a metadata database with update and browse management. Index analysis and specification. Interoperability analysis and specification. Arrange workshops to finalize the specifications. Terms of Reference for development of the system based on the agreed requirement specification. Procurement, delivery and installation of software. Testing and quality control of software and documentation. Implementation of an operational metadata database that satisfies the requirements specification. Training of staff.

Component E: Systematic Registration

Background and inputs to this component, see Business Plan, **Subchapter 2.7.**

The component promotes **Strategy Objective 1** in KCA Development Strategy 2009-2011.

Objective:

Provide and ensure the land market with correct data about cadastre, real property rights, buildings and apartments and addresses.

Provide the stakeholders in land administration with data for spatial and environmental planning, land management etc.

Description of the Component

The component consists of the following sub-components:

E1 Develop Standards and Procedures for Reconstruction   Priority: 1

Result: Efficient and effective reconstruction by applying good and reliable standards and procedures for reconstruction of cadastre and property rights.

Activities: Comprehensive study of requirements regarding reconstruction of cadastre and real property rights in urban and rural areas. Suggest changes in the legal framework. Provide changes in instructions and guidelines. Develop standards and procedures for reconstruction in both urban and rural areas.

E2 Reconstruction of Cadastre and Property Rights in Urban Areas   Priority: 1

Result: Cadastre and property rights reconstructed in the cities of Pristina, Mitrovica, Peja, Prizren, Gjakova, Ferizaj and Gjilani.

Activities: Reconstruction projects can preferably be handed out and distributed between the available and interested private licensed surveyors and companies without prior tender procedure. This approach has been used in Macedonia to support the private sector development. Registration in the KCLIS.

E3 Reconstruction of Cadastre and Property Rights in Rural Areas   Priority: 1

Result: Cadastre and property rights reconstructed in about 150 of the prioritized cadastral zones during the five year period and totally 210 during the seven year period. Cadastre and property rights reconstructed in

Activities: Reconstruction projects can preferably be handed out and distributed between the available and interested private licensed surveyors and companies without prior tender procedure. This approach has been used in Macedonia to support the private sector development. Registration in the KCLIS.

E4 Registration of Buildings and Apartments in   **Priority: 1**

Result: Data about all buildings and apartments in Kosovo available in the KCLIS.

Activities: Instruction for and specification of data to be collected regarding buildings and apartments. Collecting of data by MCOs or handed out and distributed between the available and interested private licensed surveyors and companies without prior tender procedure. Registration in the KCLIS.

E5 Address Registration   **Priority: 1**

Result: Addresses in the whole of Kosovo available through KCLIS.

Activities: Develop plan for address registration in agreement with the municipalities. Registration of addresses collected by the municipalities and in cooperation with the municipalities.

E6 Registration of Roads, Utilities, Restriction Areas etc   **Priority: 1**

Result: Layers presenting roads, utilities, restriction areas presented in KCLIS and with reference to relevant documentation.

Activities: In cooperation with data providers/owners collect and register layers in the graphical part of the KCLIS.

Component F: National Spatial Data Infrastructure Development

Background and inputs to this component, see Business Plan, **Subchapter 2.1, 2.3 and 2.8.**

The component promotes **Strategy Objectives 1, 2 and 3** in KCA Development Strategy 2009-2011.

Project proposal available on Technical Assistance for Establishment of Kosovo Spatial Data Infrastructure with support from the Surveying and Mapping Authority of the Republic of Slovenia.

Objective:

NSDI for Kosovo in compliance with the INSPIRE Directive and standards applied in EU.

Capacity in the KCA to support the development of NSDI in Kosovo.

Description of the Component

The component consists of the following sub-components:

F1 NSDI Strategy and Action Plan   Priority: 1

Result: NSDI Strategy and Action Plan for development of the National Spatial Data Infrastructure in Kosovo based on the Land Administration Policy and EU Directives and standards.

Activities: Consultation with stakeholders individually and in workshops to present the NSDI concept and the EU Directives and standards; to identify the implications for introduction in Kosovo; and to present and discuss the KCLIS concept regarding NSDI. Analyse and agree upon implementation of INSPIRE and standards for Kosovo. Provide suggestions for law regulation of NSDI. Cost estimations and finance proposal for a step-by-step process to develop the NSDI over a ten-year period based on user need analysis. The NSDI Strategy and Action Plan must be phased into realistic manageable pieces taking into account possible donor assistance and local financial resources. The investment programme should explicitly consider how to develop private sector capacity, and not merely place production in the public sector. Identify the data sets, the content, standardization, updating/maintenance strategy and dissemination of data.

F2 Establish Capacity at KCA   Priority: 1

Result: Capacity within the KCA (during the Development Programme period in the PCO) defining policy and norms, oversee and coordinate activities for development and management of spatial data; supporting NSDI development; providing standards and specifications of products (topographical maps, orthophotos etc) to be outsourced for production by private sector; development of new products; providing back-office GIS for updating of spatial data; providing quality control; providing channels for receiving spatial data from other providers of data;

Activities: Gradual capacity building related to EC Directives and standards to be applied in NSDI, technical knowledge and development of data models, products, quality control and services in KCA through training, pilot projects and study visits etc.

F3 Develop Standards and Data Model for Spatial Data   **Priority: 1**

Result: Document describing the data model and exchange format of each type of spatial data to be managed by KCLIS, based on ISO19100 and INSPIRE.

Activities: Development of standards and data models prior to implementation of the different graphical map layers in the spatial data base. For each spatial data type, e.g. topographic map, the data modeling process is performed by a group of experts from institutions involved in NSDI. Workshops for presentation and reviewing the models.

F4 Production of Digital Orthophotos   **Priority: 1**

Result: Orthophotos available for users in Kosovo

Activities: Production of orthophotos: 2012 for Prizren, Suhareka, Shtime, Lipjan, Fushe Kosova and Ptristina; 2013 for Gjakova, Klina, Skenderaj, Vushtri and Podujeva; 2014 for Dragash, Kaqanik, Viti, Gjilani and Kamenica.

F5 Establishment of Permanent GPS Network   **Priority: 2**

Result: Permanent GPS Network available for users in Kosovo.

Activities: Implementation (2011 – 2014) of the proposal presented in General Feasibility Study: CORN in Kosovo, August 2006.

Component G: Digital Archive System Development

Background and inputs to this component, see Business Plan, **Subchapter 2.10.**

The component promotes **Strategy Objective 2 and 3** in KCA Development Strategy 2009-2011.

Objective:

Preserve cadastral and real property rights documents and maps for the future and make them available for the public and in the registration processes at the KCA and the MCOs.

Description of the Component

G1 Development of Digital Archive Strategy   **Priority: 2**

Result: An agreed digital archive strategy and implementation plan for nationwide introduction of digital archive system in Kosovo.

Activities: Study visit to get experience from established digital archives. Formation of working group with members from KCA and MCOs and relevant ministries and institutions assigned to draft the strategy and the implementation plan; Workshops to develop the strategy and implementation plan with international support.

G2 Scanning of Cadastral Documents   **Priority: 1**

Result: Operational production lines for scanning that satisfy the requirements of reviewed specification. Scanned documents with agreed indexing ready to be stored in a digital archive system.

Activities: Produce requirement and indexing specifications; Arrange workshops to finalize the specifications; Terms of Reference for procurement of system based on the agreed requirement specification; Procurement, delivery and installation of software; Testing and quality control of software and documentation; Implementation of the interoperability; Training of staff; Routines for upload of documents.

G3 Development of Digital Archive System   **Priority: 2**

Result. Operational digital archive that provides digital documents accessible for the public and in the registration processes at the KCA and the MCOs.

Activities: Requirement specifications; Index analysis and specification; Interoperability analysis and specification; Arrange workshops to finalize the specifications; Terms of Reference for procurement of system based on the agreed requirement specification; Procurement, delivery and installation of software; Testing and quality control of software and documentation; Implementation of the interoperability; Training of staff; Routines for upload of documents.

Component H: Real Property Valuation Development

Background and inputs to this component, see Business Plan, **Subchapter 2.9.**

The component promotes **Strategy Objectives 1 and 3** in KCA Development Strategy 2009-2011.

Objective:

Private sector companies provide the land market with individual real property valuations for transaction and mortgage etc purposes based on transaction price data from the KCLIS and methods and standards provided by the KCA.

The KCA supports the property tax authorities' mass appraisal of real property with guidelines and technical tools for mass appraisal based on transaction data and graphical presentation from the KCLIS.

Description of the Component

The component consists of the following sub-components:

H1 Establish Capacity at KCA   Priority: 2

Result: Capacity within the KCA (during the Development Programme period in the PCO) to define policies and norms for individual and mass valuation of real property and providing support to private sector real property valuators and real property tax authorities.

Activities: Capacity building related to value theory; valuation theory; valuation methods such as sales comparison approach, cost approach and income approach; valuation factors influencing real property value; technical tools in individual valuation; mass appraisal and automatic valuation models through training, pilot projects and study visits etc.

H2 Develop Real Property Valuation Concept   Priority: 2

Result: Comprehensive set of guidelines for all types of individual valuation and mass appraisal of real property.

Activities: Define and present in guidelines valuation models, value factors etc to be used in Kosovo for individual valuation of real property in sales situations, mortgage situations, expropriation situations etc. Develop and present guidelines for mass appraisal of real property in cooperation with MEF. Develop appropriate technical tools for different kinds of valuation based on transaction data and graphical presentation from the KCLIS. Develop standards for presentation to customers of valuation result.

Component I: Education and Professional Development

Background and inputs to this component can be found in various subchapters, **Chapter 2.**

The component promotes **Strategy Objective 1** in KCA Development Strategy 2009-2011.

Objective

Enhanced professional capacity in land administration through broadened education at the University of Pristina.

Description of the Component

The component consists of the following sub-component:

I1 Development of Land Administration Curriculum   Priority: 1

Result: The land administration institutions are supplied with graduated surveyors and surveyors with knowledge in land management, property valuation and general management of institutions.

Activities: Develop in cooperation with the University of Pristina curriculum for land administration education including background analysis, training requirements, partnership with other regional training organizations, and exchange programmes, etc.

Subjects of interest to be included in a curriculum for land administration:

- Technical IT / GIS / DBMS
- Legal Frameworks
- Land Policy issues
- Technical training in surveying and mapping
- Real Property Valuation
- Land and Real Estate Management
- General management, finance, procurement.

Appendix C – Estimated Programme Costs 2009 - 2014

M Management Advisor and Programme Coordina	Euro Thousand	2009	2010	2011	2012	2013	2014	Total
M1	Management Advice and Programme Coordination	600	60	120	120	120	120	60	600
M2	Programme Coordination Office	1 174	165	257	215	215	215	107	1 174
	SUBTOTAL	1 774	225	377	335	335	335	167	1 774

A Policy and Legal Framework Development		2009	2010	2011	2012	2013	2014	Total
A1	Land Administration Policy	70	35	35					70
A2	Legal Review/Support	480	100	200	80	60	40		480
	SUBTOTAL	550	135	235	80	60	40	0	550

B Institutional Development		2009	2010	2011	2012	2013	2014	Total
B1	Modern Management	280	60	120	60	20	20		280
B2	Financial and Management Systems	204		118	86				204
B3	Business Plan, Marketing, Pricing and Outsourcing	120		40	20	20	20	20	120
B4	User Needs Analysis	80		40			40		80
B5	The KCA Supervision Function	160	40	40	40	20	20		160
B6	Diary and Archiving System	40		40					40
B7	Reengineering of Municipal Cadastre Offices	1 500	100	200	300	300	300	300	1 500
B8	Establishment of New Municipal Cadastre Offices	1 300	600	600	100				1 300
B9	Reengineering of Registration Processes	44		22	22				44
B10	Public Awareness Campaign	400	200			200			400
B11	IT/IM Strategy Review/Support	80	80						80
B12	Upgrading of Technical ICT Systems in KCA	90		50		40			90
B13	Security of Data and Technical Systems	150		100		50			150
B14	Development of Quality Control Concept	40	40						40
B15	Private Licensed Surveyors/Companies	60	20	20	20				60
B16	Private Real Property Valuators	40				20	20		40
	SUBTOTAL	4 588	1 140	1 390	648	670	420	320	4 588

C Human Resource Development and Staff Motiva		Euro Thousand	Allocation Over the Years						
			2009	2010	2011	2012	2013	2014	Total
C1	Develop HRD Policy and Action Plan	40		20	20				40
C2	Establish HRD Capacity in KCA	40	20	20					40
C3	Develop and Implement Programme Training Plan	80		40	20		20		80
C4	Study Visits and International Conferences	120		60		60			120
C5	Courses Abroad	100		20	20	20	20	20	100
	SUBTOTAL	380	20	160	60	80	40	20	380

D KCLIS Development			2009	2010	2011	2012	2013	2014	Total
D1	Development of KCLIS Strategy	120	120						120
D2	Quality Measures on Current Cadastre and IPRR Data	140		40	40	20	20	20	140
D3	Development of e-Governance Concept	1 120		380	380	360			1 120
D4	Review and Development of KCLIS Graphical Concept	310	310						310
D5	Data Interface between KCLIS and Other Systems	120		120					120
D6	Building and Apartment Register Development	140	140						140
D7	Address Register Development	140			140				140
D8	Property Transaction Price Register Development	140			140				140
D9	Developm of Layers for Roads, Utilities, Restriction A	140				140			140
D10	Development of Metadata Database	380				380			380
	SUBTOTAL	2 750	570	540	700	900	20	20	2 750

E Systematic Registration			2009	2010	2011	2012	2013	2014	Total
E1	Develop Standards and Procedures for Reconstruction	80	80						80
E2	Reconstruction in Urban Areas	1 000	100	200	200	200	200	100	1 000
E3	Reconstruction in Rural Areas	6 975		1 575	1 575	1 575	1 575	675	6 975
E4	Registration of Buildings and Apartments	800	80	160	160	160	160	80	800
E5	Address Registration	100		20	20	20	20	20	100
E6	Registration of Roads, Utilities, Restriction Areas etc	60				20	20	20	60
	SUBTOTAL	9 015	260	1 955	1 955	1 975	1 975	895	9 015

Euro Thousand		Allocation Over the Years						
F National Spatial Data Infrastructure Developmen		**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**Total**
F1	NSDI Strategy and Action Plan	100	20	40	40				100
F2	Establish Capacity at KCA	80	40	40					80
F3	Develop Standards and Data Model for Spatial Data	80		80					80
F4	Production of Digital Othophotos	300				150	150		300
F5	Establishment of Permanent GPS Network	280			95	50	65	70	280
SUBTOTAL		**840**	**60**	**160**	**135**	**200**	**215**	**70**	**840**

Euro Thousand		Allocation Over the Years						
G Digital Archive System Development		**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**Total**
G1	Development of Digital Archive Strategy	80			40	40			80
G2	Scanning of Cadastral Documents	80	40	20	20				80
G3	Development of Digital Archive System	120					120		120
SUBTOTAL		**280**	**40**	**20**	**60**	**40**	**120**	**0**	**280**

Euro Thousand		Allocation Over the Years						
H Real Property Valuation Development		**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**Total**
H1	Establish Capacity at KCA	80		40	40				80
H2	Develop Real Property Valuation Concept	80			40	40			80
SUBTOTAL		**160**	**0**	**40**	**80**	**40**	**0**	**0**	**160**

Euro Thousand		Allocation Over the Years						
I Education and Professional Development		**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**Total**
I1	Development of Land Administration Curriculum	240		80	80	80			240
SUBTOTAL		**240**	**0**	**80**	**80**	**80**	**0**	**0**	**240**

TOTAL	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Development Programme 2009-2013 **20577**	**2450**	**4957**	**4133**	**4380**	**3165**	**1492**

Appendix D – Time Schedule for Activities 2009 - 2016

		Priority	Timing of Activities 2009-2016							
M Management Advisor and Programme Coordination			2009	2010	2011	2012	2013	2014	2015	2016
M1	Management Advice and Programme Coordination	1	← — — — — — — →							
M2	Programme Coordination Office	1	← — — — — — — →							
A Policy and Legal Framework Development			2009	2010	2011	2012	2013	2014	2015	2016
A1	Land Administration Policy	1	← — — →							
A2	Legal Review/Support	1	← — — — — — — →							
B Institutional Development			2009	2010	2011	2012	2013	2014	2015	2016
B1	Modern Management	1	← — — — — — →							
B2	Financial and Management Systems	1		← — — →						
B3	Business Plan, Marketing, Pricing and Outsourcing	1		← — — — — — →						
B4	User Needs Analysis	1		← →			← →			
B5	The KCA Supervision Function	1	← — — — — — — →							
B6	Diary and Archiving System	1		← →						
B7	Reengineering of Municipal Cadastre Offices	1	← — — — — — — — — — — — — →							
B8	Establishment of New Municipal Cadastre Offices	2	← — — — →							
B9	Reengineering of Registration Processes	1		← — — →						
B10	Public Awareness Campaign	1	← →			← →			← →	
B11	IT/IM Strategy Review/Support	1	← →							
B12	Upgrading of Technical ICT Systems in KCA	1		← →		← →			← →	
B13	Security of Data and Technical Systems	1		← →		← →			← →	
B14	Development of Quality Control Concept	1	← →							
B15	Private Licensed Surveyors/Companies	1	← — — — →							
B16	Private Real Property Valuators	1				← — — →				

		Priority	Timing of Activities 2009-2016							
C Human Resource Development and Staff Motivation			2009	2010	2011	2012	2013	2014	2015	2016
C1	Develop HRD Policy and Action Plan	2		←――――→						
C2	Establish HRD Capacity in KCA	1	←―――▶							
C3	Develop and Implement Programme Training Plan	1		←――――→			←―→		←―→	
C4	Study Visits and International Conferences	2		←―→		←―→			←―→	
C5	Courses Abroad	2		←―――――――――――――――→						

		Priority								
D KCLIS Development			2009	2010	2011	2012	2013	2014	2015	2016
D1	Development of KCLIS Strategy	1	←→						←―→	
D2	Quality Measures on Current Cadastre and IPRR Data	1		←――――――――――――――→						
D3	Development of e-Governance Concept	1		←――――▶						
D4	Review and Development of KCLIS Graphical Concept	1	←→							
D5	Data Interface between KCLIS and Other Systems	1		←―→						
D6	Building and Apartment Register Development	1	←―→							
D7	Address Register Development	1			←―→					
D8	Property Transaction Price Register Development	1			←―→					
D9	Development of Layers for Roads, Utilities, Restriction A	1				←―→				
D10	Development of Metadata Database	1				←―→				

		Priority								
E Systematic Registration			2009	2010	2011	2012	2013	2014	2015	2016
E1	Develop Standards and Procedures for Reconstruction	1	←―→							
E2	Reconstruction of Cadastre and Property Rights in Urban	1	←―――――――――――――→							
E3	Reconstruction of Cadastre and Property Rights in Rural	1		←―――――――――――→						
E4	Registration of Buildings and Apartments	1		←―――――――――――→						
E5	Address Registration	1		←―――――――――――→						
E6	Registration of Roads, Utilities, Restriction Areas etc	1				←―――――――→				

F National Spatial Data Infrastructure Development		Priority	Timing of Activities 2009-2016							
			2009	2010	2011	2012	2013	2014	2015	2016
F1	NSDI Strategy and Action Plan	1	←	– –	– →					
F2	Establish Capacity at KCA	1	←	– →						
F3	Develop Standards and Data Model for Spatial Data	1		← →						
F4	Production of Digital Othophotos	1				← –	– →			
F5	Establishment of Permanent GPS Network	2			← –	– –	– –	– →		

G Digital Archive System Development		Priority								
			2009	2010	2011	2012	2013	2014	2015	2016
G1	Development of Digital Archive Strategy	2			← –	– →				
G2	Scanning of Cadastral Documents	1	← –	– –	– →					
G3	Development of Digital Archive System	2					← –	– →		

H Real Property Valuation Development		Priority								
			2009	2010	2011	2012	2013	2014	2015	2016
H1	Establish Capacity at KCA	2		← –	– →					
H2	Develop Real Property Valuation Concept	2			← –	– →				

I Education and Professional Development		Priority								
			2009	2010	2011	2012	2013	2014	2015	2016
I1	Development of Land Administration Curriculum	1		← –	– –	– →				

Appendix E – Planned International Expert Months 2009 – 2014

M Management Advisor and Programme Coordina	Expert Months	2009	2010	2011	2012	2013	2014	Total
M1 Management Advice and Programme Coordination	30	3	6	6	6	6	3	30
M2 Programme Coordination Office	0							0
SUBTOTAL	30	3	6	6	6	6	3	30

A Policy and Legal Framework Development	Expert Months	2009	2010	2011	2012	2013	2014	Total
A1 Land Administration Policy	4	2	2					4
A2 Legal Review/Support	24	5	10	4	3	2		24
SUBTOTAL	28	7	12	4	3	2	0	28

B Institutional Development	Expert Months	2009	2010	2011	2012	2013	2014	Total
B1 Modern Management	14	3	6	3	1	1		14
B2 Financial and Management Systems	8		5	3				8
B3 Business Plan, Marketing, Pricing and Outsourcing	6		2	1	1	1	1	6
B4 User Needs Analysis	4		2			2		4
B5 The KCA Supervision Function	8	2	2	2	1	1		8
B6 Diary and Archiving System	2		2					2
B7 Reengineering of Municipal Cadastre Offices	0							0
B8 Establishment of New Municipal Cadastre Offices	0							0
B9 Reengineering of Registration Processes	2		1	1				2
B10 Public Awareness Campaign	0							0
B11 IT/IM Strategy Review/Support	4	4						4
B12 Upgrading of Technical ICT Systems in KCA	2		1		1			2
B13 Security of Data and Technical Systems	5		4		1			5
B14 Development of Quality Control Concept	2	2						2
B15 Private Licensed Surveyors/Companies	3	1	1	1				3
B16 Private Real Property Valuators	2				1	1		2
SUBTOTAL	62	12	26	11	6	6	1	62

		Expert Months	International Expert Months per Activity and Year						
C Human Resource Development and Staff Motiva			2009	2010	2011	2012	2013	2014	Total
C1	Develop HRD Policy and Action Plan	2		1	1				2
C2	Establish HRD Capacity in KCA	2	1	1					2
C3	Develop and Implement Programme Training Plan	4		2	1		1		4
C4	Study Visits and International Conferences	0							0
C5	Courses Abroad	0							0
SUBTOTAL		**8**	**1**	**4**	**2**	**0**	**1**	**0**	**8**

			International Expert Months per Activity and Year						
D KCLIS Development			2009	2010	2011	2012	2013	2014	Total
D1	Development of KCLIS Strategy	6	6						6
D2	Quality Measures on Current Cadastre and IPRR Data	7		2	2	1	1	1	7
D3	Development of e-Governance Concept	56		19	19	18			56
D4	Review and Development of KCLIS Graphical Concept	12	12						12
D5	Data Interface between KCLIS and Other Systems	6		6					6
D6	Building and Apartment Register Development	7	7						7
D7	Address Register Development	7			7				7
D8	Property Transaction Price Register Development	7			7				7
D9	Developm of Layers for Roads, Utilities, Restriction A	7				7			7
D10	Development of Metadata Database	19				19			19
SUBTOTAL		**134**	**25**	**27**	**35**	**45**	**1**	**1**	**134**

			International Expert Months per Activity and Year						
E Systematic Registration			2009	2010	2011	2012	2013	2014	Total
E1	Develop Standards and Procedures for Reconstruction	4	4						4
E2	Reconstruction in Urban Areas	0							0
E3	Reconstruction in Rural Areas	0							0
E4	Registration of Buildings and Apartments	0							0
E5	Address Registration	0							0
E6	Registration of Roads, Utilities, Restriction Areas etc	0							0
SUBTOTAL		**4**	**4**	**0**	**0**	**0**	**0**	**0**	**4**

Expert Months		International Expert Months per Activity and Year						
F National Spatial Data Infrastructure Developmen		**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**Total**
F1	NSDI Strategy and Action Plan	5	1	2	2				5
F2	Establish Capacity at KCA	4	2	2					4
F3	Develop Standards and Data Model for Spatial Data	4		4					4
F4	Production of Digital Othophotos	0							0
F5	Establishment of Permanent GPS Network	0							0
SUBTOTAL		**13**	**3**	**8**	**2**	**0**	**0**	**0**	**13**

Expert Months								
G Digital Archive System Development		**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**Total**
G1	Development of Digital Archive Strategy	4			2	2			4
G2	Scanning of Cadastral Documents	4	2	1	1				4
G3	Development of Digital Archive System	3					3		3
SUBTOTAL		**11**	**2**	**1**	**3**	**2**	**3**	**0**	**11**

Expert Months								
H Real Property Valuation Development		**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**Total**
H1	Establish Capacity at KCA	4		2	2				4
H2	Develop Real Property Valuation Concept	4			2	2			4
SUBTOTAL		**8**	**0**	**2**	**4**	**2**	**0**	**0**	**8**

Expert Months								
I Education and Professional Development		**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**Total**
I1	Development of Land Administration Curriculum	12		4	4	4			12
SUBTOTAL		**12**	**0**	**4**	**4**	**4**	**0**	**0**	**12**

	TOTAL	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Development Programme 2009-2014	**310**	**57**	**90**	**71**	**68**	**19**	**5**

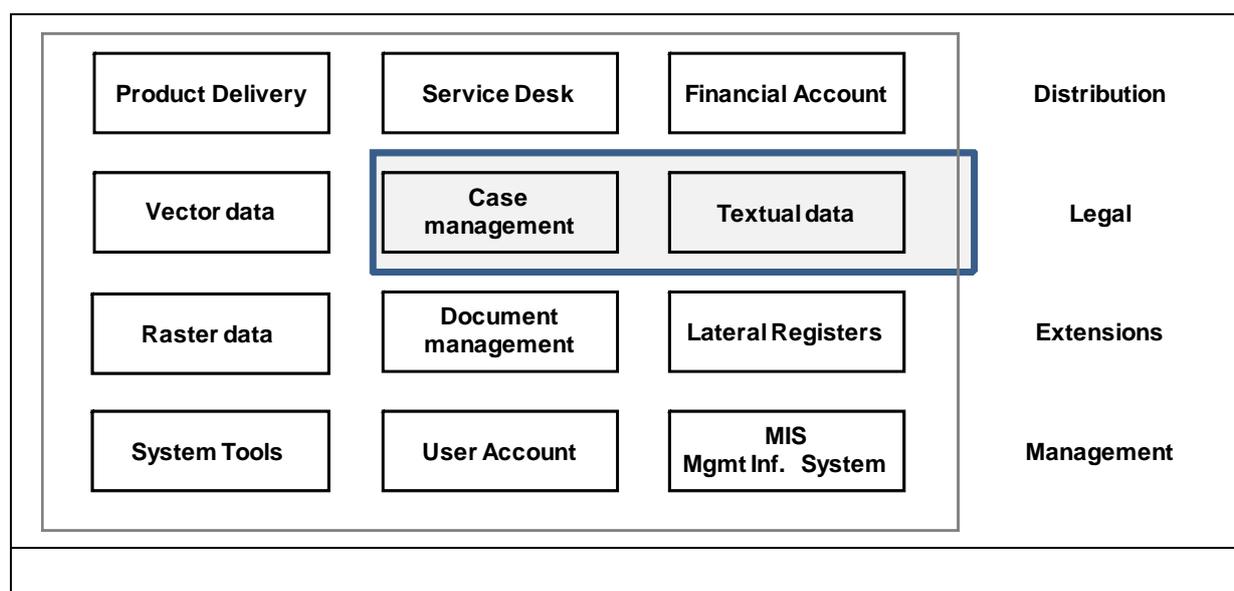# Appendix F – Overview of the KCLIS Concept

Introduction

In this document KCLIS (Kosovo Cadastre Land Information System) is used as the term of the conceptual model of the future system, due to KCA Development Strategy [1]. It is an extended KCLIS in comparison with the system concept and system architecture in the on-going development project KCLIS, replacing the existing system for Immovable Property Rights Register (IPRR). [2]

From the strategy document [1], KCLIS is aimed at managing both textual information and graphical data about immovable properties, as a central system.

Another objective is to manage a map database for the National Spatial Data Infrastructure, which may be included in the KCLIS concept.

KCLIS – Short Overview and Status of Each Module

The figure below (taken from [2]) shows the main components of KCLIS)

Product Delivery	Service Desk	Financial Account	Distribution
Vector data	Case management	Textual data	Legal
Raster data	Document management	Lateral Registers	Extensions
System Tools	User Account	MIS Mgmt Inf. System	Management

The on-going development project plans to deliver an operational system in June, 2009. The delivery comprises the shaded modules:

- ♦ **Textual data** manages the updating of the cadastre textual data, and replaces the IPRR system that is used today. It covers the registration of titles regarding parcels, buildings, parts of buildings, apartments and utilities.

- ♦ **Case management** manages applications of clients who want changes of the cadastral records.

The other modules:

♦ The **Vector data** module manages the update of the cadastre graphical data, e.g. based on surveying data, and will provide raster maps to **Service desk** and **Product delivery**. Today, Cadastre vector data is handled by GeoMedia/GeosPro and AutoCAD at some MCO's, but there is not yet a central operational database for graphical data.

♦ The **Raster data** module manages raster information, like Orthophotos or scanned cadastral maps, and will provide raster maps to **Service desk** and **Product delivery**. Today, there is full coverage of Orthophoto from 2004 stored on KCA servers, managed by a desktop version of Geomedia , as a local system at KCA.

♦ The **Document Management** module manages both scanned documents and other type of digital documents. The module includes a digital document archive which is accessible from the other modules. Today, the scanning of cadastral documents has begun at some MCO's. The digital archive is not yet being procured and implemented.

♦ The **Lateral Registers** manages registers additional to the core data of the cadastre, such as the Building and Apartment Register, Address Register and Property Value Register. Today, the Building and Apartment Register and Address Register are already defined in KCLIS database, but there will not be any functionality for registration and updating in the first delivery in June, 2009.

♦ The **Service Desk** makes it possible to browse, search and query cadastral data on web, meant for users outside the KCA (e.g. MCOs, citizens, companies and institutions). Today, a demonstration application, WebGIS, is running, but is not connected to KCLIS.

♦ The **Product delivery** module creates and delivers special information products (e.g. cadastre maps, orthophotos etc.) from the KCLIS, which may be ordered from the Service desk. Today, no implementation.

♦ The **Financial Account** module manages the financial aspects of data service for clients who have access to KCLIS data, including sales of information products. Today, not specified.

♦ The **User Account** module provides one single controlled user entry to KCLIS. It makes possible the multi-dimensional set-up of access rights. Today, a limited version is implemented in the on-going KCLIS project.

♦ The **System Tools** module assists the database administrator specialized operations, e.g. bulk changes to cadastre data. Today, no implementation.

♦ The **Management Information System** provides managers with the tools for organizing, evaluating and efficiently running their departments. Today, no implementation.

KCLIS – Future System

Overall, the KCLIS concept and modules seem, conceptually, to cover the ambitions of the cadastre and land registration businesses. However, the current concept, requirements, architecture, technical solution and specifications need to be reviewed, probably changed, extended and completed due to new issues that lately have been coming up:

♦ The KCA Development Strategy, and this Business plan describes new and extended ambitions for KCAs responsibility, which affect some of the modules e.g. NSDI and real property valuation;

♦ Change in overall workflow for registration and updates of cadastre data;

♦ The current development approach of KCLIS should be reconsidered. Much of the integration is based on a common database accessible from all modules – which will extend the amount of proprietary software development of KCLIS. Consider change to a more SOA-oriented approach with independent system modules where the integration is implemented by services;

♦ Consider use of standard systems for implementation of some of the modules, e.g. GIS, digital document archive, Web functionality. This to minimize implementation of proprietary software;

♦ Consider use of Open Source Software;

♦ Harmonization to eGovernance;

♦ Harmonization to INSPIREs (EU Directive) methods and data models and interoperability; and

♦ Harmonization to international standards (ISO19100–Geographic Information).

The Future Graphical Concept of KCLIS

The future graphical concept of KCLIS comprises both vector and raster data, and requires functionality that is found in a traditional Geographic Information System (GIS). Another important requirement is that the graphical data is managed in such a way that they can be used within the e-Governance concept, which means interoperability with the KCLIS modules **Service Desk** and **Product Delivery**. In addition, important to harmonize the graphical data models to international standards (INSPIRE). Data exchange format for transporting graphical data from systems that updates data into KCLIS is another important issue.

The graphical concept of KCLIS can easily be extended to include other maps which are not directly related to cadastre, e.g. topographic maps.

e-Governance Concept

E-governance is applied in most developed countries of the world, specifically in many EU countries. Functionally, the e-governance enables citizens to receive services from public administration electronically through web portals, from any distance, without having to use time for waiting in administrative offices.

In the KCLIS Concept, two of the modules are meant to support the e-Governance concept regarding cadastre information and maps, included maps from NSDI

- **Service desk** – enables citizens to browse cadastre data, address data, and maps in a web portal

- **Product delivery** – purchase cadastre information products and maps as official documents

Today, a demonstration website (WebGIS) at KCA shows the main ideas for browsing cadastre information.

This component should comprise following tasks

- Detail product specifications of all services and products proposed above; and

- Implementation of the products, by priority, within the KCLIS framework.

Security issue is a primary issue for functions and products in the e-governance, and must be given highest attention in the systems. User may have access to their parcels through electronic identification card (e-ID) to obtain any information or to get any service regarding the parcels. For other users, companies or institutions which may have access to any owned parcel or map layers, the authorization for this should be highly secured.

All development and implementation of e-Governance must harmonize to standards and other development of e-Governance and ITC in Kosovo.

References

[1]   KCA Development Strategy (2009-2011). Report 2008.
[2]   KCLIS Overall System Requirements Specification. Version 1.2 draft 16. March 2008.
[3]   Scanning and Digitalization of the Cadastral Documents. Terms of Reference. 2008.
[4]   Electronic Governance Strategy (2009-2015). Ministry of Public Services. October 2008.

Appendix G – Review of IT/IM Strategy, Upgrading of IT system and Security of Data and Technical Systems

IT/IM Strategy Review/Support

KCA follows the governmental policy for use of standard hardware and software described by DIT/MPS. "Hardware and software policy". For communication KCA uses the governmental communication network. Hence, several major issues within the framework for IT development and IT operation are already defined.

However, KCA is operating their own IT systems with servers for storing and managing orthophotos and the current version of IPRR. The server room and local network are well functioning. A staff of 5 (director, system administrator, network administrator, database administrator, and help desk) is managing the current system.

When KCLIS will be implemented and operating (June, 2009), and later, when extensions of the system according to work items in this business plan are implemented, the IT organization have to face new challenges. Among those

- Upgrading of HW/SW and the physical space (see B10a)

- Security issues (see B10b)

- Upgrading of the organization (staff, functions, competence)

- How to be able to operate and maintain software and new system modules of KCLIS?

Using the outcome of "D1 - Development of KCLIS strategy", a new IT strategy and definition of the IT operation at KCA should be worked out. There will be a work change for the IT department, from merely operating a traditional IT server/network site, to being responsible for operating the application programs and the databases with its contents. This should be documented in a Quality System (QS) for the IT organization. Some of the issues of a QS comprise

- Overview of all system and application components

- Dataflow (overall and in detail)

  o Data import/export to external systems

  o Data flow between KCLIS modules and manual processes

- Definition of processes and procedures

- Description of applications

- Definition of required competence

- Definition of roles and staff categories

- Definition of responsibilities

- Definition of the IT organization with staff matching all roles

The purpose of the QS is to establish a complete documentation of all tasks for the IT operation at KCA.

The IT department has another important challenge related to new versions and new modules of KCLIS when these are being implemented, especially modules that are

developed by external companies. In addition to operate these systems, the IT department will have the responsibility to maintain SW and database, and give user support. The challenge is to get enough competence to manage these tasks.

Upgrading of Technical ICT Systems in KCA

As all institutions of Republic of Kosovo, KCA is obliged to use standard hardware and software based on "Hardware and software policy" drafted by DIT/MPS, to guarantee hardware and software compatibility aiming at smooth functioning of information technology systems. The KCA systems are based on this policy.

Further, KCA is also a part of the governmental communication network (WAN) to enable the data communication between KCA and MCOs. Currently, the linking infrastructure between MCOs and KCA is not satisfactory. In the near future (during 2009), all government institutions and municipalities will be connected to the network through fiber optics. That will be satisfactory for KCA when operating KCLIS as a centralized system, serving the MCOs.

The main challenge for KCA will therefore be to upgrade the internal ICT equipment to serve the different modules of KCLIS prior to the progress upgrading KCLIS. That means

- Server and server capacity
- Storage and storage capacity
- Local Area Network
- Server room
- Security (See B10b)

Security of Data and Technical System

Security issue is primary an issue for functioning of IT systems in general. Concerning KCLIS, the main security aspect comprises

- Security against hostile attacks from outside, e.g. hacking and virus
- Security related to unauthorized use of data (data integrity), especially in the context of e-Governance
- Security against incidents caused by natural disasters, e.g. fire
- Security against stops in operation of KCLIS, as being the critical system for the whole business (24/7uptime)
- Physical protection of equipment to diminish the risk of unauthorized access on data, and protection against loss or damage.

As KCA is a part of the governmental communication network, the first two bullets should be worked out in cooperation with other DIT/MPS, e.g. a common e-ID system for accessing cadastre data, and integrity rules. KCA must discuss with other data providers about integrity of their data and develop integrity rules, as "who has access to which data?"

As KCA operates their own ICT for KCLIS, the three last bullets should be specified and implemented at KCA. Mainly, these issues concerns different implementations of "backup". E.g. system security against natural disasters may be implemented by backup data and backup system on another site, geographically apart from the operational site.

Appendix H – Property Market, Business Environment and Existing State of Finances, Pricing

Analysis of the Property Market – Sales and Mortgages

Overview

The property market is already up and running. Declaration of independence seems to have allayed concerns on the country's status, and helped reduce risk perceptions by investors. Making backward calculations using property tax data (below table), it is estimated that the adjusted overall value of commercial property stock in Kosovo exceeds Euros 12 billion, which is an enormous magnitude with positive implications for real estate market development in the country.

Table 1: Property Tax and Value of Property Stock in Kosovo

Description	Units	Amounts
Assessment and Billings in 2008	Euros	15,698,343
Number of Properties	Property Units	381,712
Average Tax Rate	Percent	0.15%
Value of Property Stock (unadjusted)	Billion Euro	10.47
Tax Coverage	Percent	85%
Value of Property Stock (adjusted)	Billion Euro	12.31
Average Property Value	Euro	27,417

Notes:

(1) Property tax above is based upon objects only.

(2) Land is excluded, because for the moment land cannot be levied property tax.

Although apartments cannot still be registered at the moment, there seems to be no apparent restriction concerning the buying and selling of apartments on the market. Apartments constitute the second fastest moving items on the property market. The ranking of top four property types by market activity is (a) construction land, (b) apartments, (c) houses, and (d) shops and business premises. A number of real estate agencies operate on the market, and the local media is replete with ads placed by people planning to sell or buy property. Meanwhile, there seems to be little or no activity in the agricultural land market. The real estate agencies charge 2% of the value of the property being transacted. Buyers pay the real estate commission.

In various sources it is indicated that there are some 600,000 apartments in Kosovo. This is certainly too many apartments for a population of 2 million people. The latest sample based surveys by the Statistical Office of Kosovo reveal that there are some 500,000 property objects (independent structures built by people) in the country, including apartments. Number of urban and agricultural land parcels, however, would be on top of this figure. Hence, the number of apartments cannot possibly be more than the number of all objects. Property tax records show that some 382,000 properties are levied the property tax, confirming the figure

from the statistical office. Hence, judging by the country's landscape dotted with so many standalone houses, in all likelihood, the number of apartments would be anywhere between 200,000 to 300,000. It is necessary to regularize and register most of these apartments thereby raising their value and ability to transact more freely which would enhance the revenues earned by real estate agents, KCA's registration fee income, as well as property tax collections. This activity would unleash such an immense market potential that economic benefits associated with apartments alone may suffice toward justifying significant investments in the KCA and MCOs.

In August 2008, prices for construction land varied from Euro 100 to 150 per square meter in the suburbs of Prishtina which are about 2 kms from the city center. City center land prices are higher and the highest recorded in recent times was Euro 1500/m2 for a prime location construction site. Old apartments command higher prices because their legal status is less controversial. Old apartments within the city center may run up to Euro 2000/m2, and about Euro 1000/m2 within 1.5 km from the city center. New apartments built without proper license range from Euro 600 to 800/m2. Old apartments are measured in net terms excluding walls, while new apartments are measured in gross terms including the walls. Hence, the discrepancy gets narrower when corrected for net or gross area.

Top Four MCOs

In 2006 and 2007, the top four most active MCOs in Ferizaj, Gjilen, Prishtina and Prizren accounted for 47 percent of all property sale transactions, and more than 40% of registered mortgages. In the relatively quiet first quarter of 2008, some 5,700 sales occurred in the country, of which some 3,300 originated from the top four MCOs. During the same time period, some 1,300 mortgages were registered in Kosovo, of which 540 were recorded in the top four MCOs. The extrapolated sales (meaning those that could actually be registered) and mortgages for the year end in 2008 are 27,500 and 7,300, respectively. These figures will serve as benchmark data for the economic analysis that ensues, see **Table 2.**

Table 2: Summary of IPRR Statistics

MCO	Transaction	2006	2007	2008, 1st Q	2008, Estim
Ferizaj	Sales	1,732	1,854	485	2,330
	Mortgages	367	431	118	673
Gjilen	Sales	2,382	2,811	616	2,955
	Mortgages	331	413	116	661
Prishtina	Sales	2,398	3,315	711	3,428
	Mortgages	757	983	228	1,320
Prizren	Sales	1,636	1,979	1,559	7,483
	Mortgages	757	319	78	445
Top Four MCOs	**Sales**	**8,147**	**9,959**	**3,371**	**16,179**
	Mortgages	**2,212**	**2,146**	**540**	**3,078**
Kosovo	**Sales**	**17,519**	**21,373**	**5,735**	**27,529**
	Mortgages	**4,335**	**5,291**	**1,288**	**7,342**
Percent of Top 4 MCO	**Sales**	**47%**	**47%**	**59%**	**59%**
	Mortgages	**51%**	**41%**	**42%**	**42%**

Note: To develop end of 2008 projections, Prishtina's growth rates in sales and mortgages were assumed to apply to all MCOs.

The Mortgage Market in Kosovo

Most of the current mortgage activity relates to commercial loans backed by real estate collateral. Although Kosovars may use different terms to describe the activity, this is generally referenced as home equity loans. This type of credit is important to enhance user access to formal credit and spur commercial activity. However, the more significant mortgage category is the so-called residential mortgage loans, which are just beginning to be introduced in the country. Residential mortgage loans have longer terms and possess a distinct macro-economic character. Residential mortgage loans enhance the national income in many ways. In fact, the ratio of total residential mortgage loans outstanding (term used by Fannie Mae, Freddie Mae and Freddie Mac) to the national GNP is a very important indicator for assessing the status of the financial markets and the construction sector. Attempts will be made to explore this ratio for Kosovo.

Contacts with two commercial banks, Raiffeisen Bank and Procredit Bank, showed that, despite problems, the next significant business domain for the financial sector is the promotion of the mortgage market in the country.

Raiffeisen Bank, which controls some 90% of the financial sector in the country, has already started offering residential mortgage loans for the purchasing of houses and apartments[34]. The eligible apartments for loans are mostly new ones still under construction where the building permit has been issued. These apartments will be duly registered upon completion. Old or existing apartments do not qualify, because they are not or cannot be registered as yet. Other real estate related credit operations of the Bank consist of home equity loans (commercial credit), land acquisition loans, and construction loans. In order to qualify for a residential mortgage loan, beneficiaries should be (a) citizens of Kosovo, (b) receive salary through the Raiffeisen Bank, and (c) have a monthly salary not less than €120.00. As for the loan conditions, the maximum amount is €350,000, the loan term is 240 months (i.e., 20 years), and (c) beneficiary cost participation should be 20% to 30% (depending on the location) of the value of property. The procedures for applications are simple. The Bank requires (a) ID card, (b) employment contract, (c) verification of any additional familiar incomes, and (d) purchasing contract and other documents on ownership. The Bank offers the loans in three currencies: EUR, USD and CHF. Both current residents as well as Kosovars living abroad are eligible for loans. The interest rate for citizens of Kosovo is 11%: less than one percentage point per month, which is quite reasonable.

As for collateral requirements, the bank requires up to 150% guarantee. The beneficiaries must use as collateral both the property purchased as well as supplemental assets, which may be other types of guarantee such as land and other property. The two biggest constraints facing the sector now is the lack of sufficient earning capacity by borrowers and the deficient state of the cadastral records and registers, especially for existing apartments. The loan amount covers about 80% of the value of property being purchased. Coverage may go up to 100% if and when additional collateral can be offered.

Operational targets for residential mortgage loans by Raiffeisen are Euro 32 million this year, and about 60 million next year. These amounts roughly correspond to 1 and 2% of the national GNP, estimated in the order of Euro 3 billion. Despite the late start of the residential

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[34] Please see web site http://www.raiffeisen-kosovo.com/?mumi=2,31

mortgage loan activity, these percentages are very significant, and the sole hurdle seems to be the improvement of cadastral records and institution of clear and secure property rights for all types of properties in the country. Monthly installments on loans seem to be within the reach of middle to high income Kosovars, see **Table 3.**

Table 3: Illustration of Mortgage Loans for Citizens Living in Kosovo

Loan term up to 240 months			
General amount	150,000 €	100,000 €	50,000 €
Participation of customer (20%)	30,000 €	20,000 €	10,000 €
Amount financed by the Bank	120,000 €	80,000 €	40,000 €
Monthly instalment	**1,239 €**	**826 €**	**413 €**
Loan term up to 180 months			
General amount	150,000 €	100,000 €	50,000 €
Participation of customer (20%)	30,000 €	20,000 €	10,000 €
Amount financed by the Bank	120,000 €	80,000 €	40,000 €
Monthly instalment	**1,364 €**	**910 €**	**455 €**

Procredit Bank residential mortgage loans[35] are available to finance long-term mortgage loans for up to 15 years. Private individuals and companies can apply. As is the case with the Raiffeisen Bank, only houses and landed property qualify for these loans. Old apartments and old buildings are excluded. Like all banks, Procredit Bank needs assistance from the KCA and municipal courts in order to function properly. In order to induce the registration of properties the Bank plans to freeze disbursement of approved mortgage loans until the property (that is qualifying ones) are duly registered. The Bank is anxiously awaiting a resolution to the stalemate related to apartment registration. Mortgage procedures are simple. They involve a quick verification of ownership status of applicants as well as provision of other legal documents. The features of the mortgage package by the Bank are summarized in **Table 4**.

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[35] Please see the financial product description on http://www.procreditbank-kos.com/?cid=2,102

Table 4: Procredit Bank Residential Mortgage Package

Parameter	Value or amount
Loan amount	minimum EUR 10, 000 and up to EUR 100,000
Currency	Euro
Loan duration	up to 180 months
Interest rate	10.9% annually, or 0.91% per month
Percent coverage of the financing needs	Up to 80% of the purchased property value
Collateral coverage for loans	150% of the loan amount
Types of collateral allowed	- co - debtor - guarantor - lien on salary - mortgage on real estate
To have regular incomes or a pension in the bank account for at least	3 months
Minimal salary required for eligibility	120 EUR
Payment of loan rates	at equal monthly rates
Processing of loan for disbursement	maximum 5 days

Business Environment and Existing State of Finances for KCA and MCOs

The two key institutions involved in cadastre and land registration services are the Kosovo Cadastre Agency (KCA) and Municipal Cadastral Offices (MCO). These are under the jurisdictions of different ministries. Hence, at this time, Kosovo does not have a unified cadastre-registration system. However, the ultimate objective is to integrate both cadastre and property registration systems under the same executive agency. The below analysis covers KCA, as well as one large MCO (Prishtina) and one small MCO (Kacanik) in order to give an idea on their work environments, finances and markets. A survey was launched to collect detailed MCO-related data and information on economic and financial matters. When the MCO data become available, further generalizations and elaboration can be made concerning the MCO operations.

Kosovo Cadastre Agency (KCA):

KCA is fully funded by the Government under the so-called Consolidated Budget of Kosovo. The budget consists of three main headings which finance (a) staff salaries, (b) goods and

services, and (c) capital expenditures. The budget cycle starts in June each year. As is the case with other agencies, KCA always ends up getting less budgetary allocation than what it had asked for. The agency's 2008 budget is presented in **Table 5.**

Table 5: KCA Budget in 2008

Budget Line	Allocation (in EUR)
Salaries	142,666
Goods and services	101,000
Utilities	23,000
Capital expenditures (*)	589,000
TOTAL Allocation	855,660

(*) Mostly equipment and durables, excluding special development projects
funded by donors as well as the Government.

KCA's budget in 2007 was about Euro 270,000 – almost the same level as in 2008 expect for the capital expenditures line, which did not have an allocation. KCA sales are regulated under UNMIK's Administrative Instruction of 2006/04.

KCA operates solely on the allocated central government budget, and does not retain any of its sales proceeds. All the funds accruing from KCA sales are thus returned to the government. In terms of sales, from 2004 through 2008, KCA provided various sorts of services, mainly to public clients, and billed for a total of € 1.33 million, but was actually able to make collections for € 0.76 million. The cadastral services were furnished mainly to support Spatial Planning under the Ministry of Environment and Spatial Planning (MESP) and the Census Office, which is under the jurisdiction of the Kosovo Statistical Office. The products supplied to clients consisted of orthophotos and other technical materials and data.

Table 6: KCA Services Billed and Payment Received (Euros)

Year	Receivables: Billings for Services	Collections Effected on Billings
2004	76,244	76,244
2005	162,346	162,346
2006	954,952	393,341
2007	97,678	95,216
2008	33,709	33,016
TOTAL	1,324,929	760,164

Licensing of private surveyors is expected to generate a higher demand for the information and records held by KCA. At this time, KCA's income is limited to cadastral type of information, and as yet no sales have been recorded for the IPRR data. Sale of cadastral information and services alone will not suffice in creating a self sufficient organization, as it is the registration services that generate the larger part of the revenues with any land administration system. Hence, at this time, KCA cannot aspire to be self sufficient until it is fully integrated with the MCOs – as envisaged in the Agency's latest strategy document.

Prishtina Municipal Cadastral Office (MCO)

This MCO is one of the most active in the country in terms of recording sales and mortgage transactions. The evolution of the property sales and mortgage registrations the Prishtina MCO over the last three years is shown in **Table 7**. The most popular and revenue earning services rendered by the MCO consists of provision of (a) copy of plans, (b) issuance of

certificates of various sorts, which are extracts of the existing records, (c) registration of mortgages, and (d) registration of change of ownership transactions, including sales. Sales account for more that 95 of the operations involving changes in ownerships. Other cases include inheritance, gifts and other types of conveyance. Using the latest data of 2008, on average the MCO effects about 14 registrations per day, and continues the same pace of work for about 250 days per year.

As is the case for the rest of the country, the Prishtina MCO does not register apartments. This deprives the MCO from a clear source of revenue. The MCO employs 29 staff. The most important challenge for the MCO management is the low employee motivation and lack of incentive schemes for staff.

Table 7: Revenues and Expenses for Prishtina MCO

Description	2006 IPRR Data	2007 IPRR Data	2008 (first 6 months - MCO data)	2008 (projection for entire year)
Number of Sales and Mortgages				
Sale Transactions	2,398	3,315	1,642	3,428
Mortgages	757	983	660	1,320
Average Value of Sale Transactions and Mortgages (Euro)				
Sale Transaction Value			80,000	80,000
Average Mortgage Value			100,000	100,000
Average Fees Charged and Retained by the MCO (Euro)				
Sale Transaction Registration			80	80
Mortgage Registration			80	80
MCO Revenues from Registration of Sales and Mortgages (Euro)				
Sales Revenue			131,360	274,200
Mortgage Revenue			52,800	105,600
Subtotal			**182,467**	**379,800**
Other Revenue from Cadastre (Euro)			**45,617**	**91,233**
Total MCO Revenue (Euro)	**100,000**	**400,000**	**228,083**	**471,033**
MCO Operational Costs (Euro)	**80,000**	**100,000**	**60,000**	**120,000**
Surplus Over OC (Euro)	**20,000**	**300,000**	**168,083**	**351,033**

Note: Data come from various sources. Some estimates are the author's calculations.

Kacanik Municipal Cadastral Office (MCO)

Kacanik is one the smaller MCOs in Kosovo. It takes about 10 days to complete a registration process, be it for sales or mortgages or other purposes. Five days alone are taken by the public display requirement. Following the adoption of the law on private surveyors, Kacanik MCO has reduced its staff from 9 to 6. In 2008 during the first eight

months the Kacanik MCO recorded 268 registrations, whose distribution is presented in **Table 8**.

Table 8: Statistics on Registration in Kacanik

Description	Number
Sales	175
Sub-Divisions	31
Error Corrections	2
Mortgages	55
Other	5
TOTAL	**268**

Kacanik MCO's revenue accrues from both registration services as well as various types of cadastral services rendered to clients. About two thirds of the MCO fee revenue accrues from registrations (sales, mortgages, inheritance, gifts, and other transfers of ownership). The remaining one third of the revenue accrues from cadastral services.

The mortgages that are being registered are exclusively for commercial credit purposes. That is, mortgages are engaged to finance businesses, where various pieces of real estate become the guarantee or collateral. There are no cases of residential mortgages, where people normally buy a house on long term credit and the property itself becomes the collateral. In Kacanik, the collateral requirement for mortgages is about 300% of the loan amount, while in Prishtina, where the market is more competitive, it is 150% of the loan amount. Mortgage values range from Euro 10,000 to Euro 300,000, suggesting a wide disparity among mortgage users. The average mortgage value (corresponding to loan amount) is about Euro 100,000, which is close to the average in Prishtina.

Kacanik MCO estimates that only about half of the existing properties are actually recorded in the MCO registers. There is still a need to cover the remaining half. Awareness raising campaigns can accelerate voluntary first time registrations. Meanwhile, most property tax payers are already included in the property tax registers, which are managed under the Ministry of Finance. Reportedly, these individuals are under the impression that being included in the property tax registry implies inclusion in the cadastre registry as well.

Sales have recently been increasing. The values that are recorded in the sale contracts are biased and represent a lower level than the real price. This is due to the law that requires the use of banks as intermediaries for any cash transfer exceeding Euros 10,000. People wary of leaving behind a paper trail (which can be tracked by tax authorities) usually opt in favor of underreporting the price. In the case of apartments, the official rate for property valuation for taxation purposes is Euro 250/m2, and average official rate for valuing land is Euro 25-30/m2. Apartments on average measure 70-80 m2, and houses 120 m2. It is estimated that the official rates are about 20% lower than the actual market rates.

Kacanik MCO earned some Euro 25,450 in fee income during the first eight months against accumulated expenses of Euro 12,400. Hence, Kacanik MCO is expected to end up with a surplus at the end of the current year. Kacanik MCO's 2008 budget execution, see **Table 9**.

Table 9: Kacanik MCO Budget Implementation in 2008 (first 8 months)

Budget Line	Allocation (in EUR)
Salaries (for 6 people)	11,637
Goods and services	723
Capital expenditures (*)	None
TOTAL Allocation	12,360

(*) Mostly equipment and durables

In 2007, the Kacanik MCO earned more than Euro 35,000, half of which came from the registration of inheritances. It is believed that this was a backlog cleared and the income accruing from this activity simply vanished in 2008, leaving behind only the current registrations on which only a limited income could be earned.

Pricing of Services and Products

Kosovo intergovernmental fiscal relations were established in 2001 and 2002 when the system of municipal finances was introduced to support administrative decentralization. In general, the system envisaged two sources of financing for Municipalities: (a) transfers from the central budget in form of three types of grants set at 22% of projected central budget revenues, and (b) municipal own source revenues (MOSR) comprising of property tax and several types of fees and charges. Fees collected for the registration of sales and mortgages are of the MOSR type, and hence they are totally retained by the concerned municipality where these fees are earned, and do not necessarily go back to the MCOs where they are generated. Meanwhile, all revenue that a\accrues to the KCA goes back to the Government.

In order to develop this section detailed information would be needed on the demand and supply conditions for the various service categories. This is particularly so for the cadastre related services, which may assume a more detailed character and may vary by customer served. As far as registration fees, the central Government, thru administrative instructions, and with assistance and recommendations from the KCA, has already taken a pro-active role in determining the service fees for sales and mortgages, as shown in **Table 10 and 11**. These are the two most important service fee generating activities. As will be seen, service fee rates for mortgages and sales are progressive, depending upon the value of the property, while the service production itself has a cost structure more like linear. Hence, the greater the property value, the greater the revenue for the MCOs. This gives a distinct advantage to larger municipalities, where property values are greater, and tends to penalize those smaller ones, where property values are smaller.

As stated above, pricing related to registration services is found in the administrative instructions issued by UNMIK. What is strictly in-house to KCA and where data is lacking is the domain of cadastral service prices, which are not tightly regulated. This point needs to be explored. What really complicates matters is that KCA supplies only cadastral data and services, while MCOs supply both cadastral and registration service. Due to the type of service it provides, the size of the public contracts it is delivered, and its position vis a vis the Government, KCA and the MCOs cannot be subjected to the same scope in cadastral service provision. Here, it is natural to expect KCA to assume the lead. Therefore, there is a need to have a formal set of rules and policies for pricing of cadastral services based upon universal premises or efficiency, accountability and cost recovery. Overall, institution of a multi-purpose and multi-agency cost accounting system may be considered as part of an overall service pricing strategy at the KCA.

Transactions Involving Sales

Registration of immovable property transactions (buying and selling) will be subject to fees based upon property value in accordance with **Table 10.**

Table 10: Fees on Sales Transactions

Transaction Value	Applicable Fee
Up to € 10,000	20 €
From 10,000 to € to 20,000 €	30 €
From 20,000 from € to 40,000 €	40 €
From 40,000 € to 50,000 €	50 €
Exceeding 50,000 €	50 € plus 10 € for each 10,000 € increment over 50,000 Euros up to a maximum of 200 €
Contract values unknown or unclear	70 €

Registration of Mortgages:

Registration of mortgages is charged in accordance with the mortgage loan amount as shown in **Table 11.**

Table 11: Fees for Mortgage Registrations

Mortgage Loan Amount	Applicable Fee
Up to 5,000 €	20 €
From 5,000 € to 10,000 €	30 €
From 10,000 € to 20,000 €	50 €
From 20,000 € to 40,000 €	70 €
Exceeding 40.000 €,	70 € plus 20 € for each 10,000 € increment over 40,000 up to a maximum of 300 €

Source: Administrative Instruction No KCA 2006/01 on Application of Law on Establishment of Immovable Property Rights Register No 2002/25, 2003/13 on Determination of Payment Level for Finished Payment on Registration of Immovable Property Rights

Appendix I – Number of Staff and Budgets 2007 in the KCA and the MCOs

KCA/MCO	Number of Staff	Salary Budget	Avarage Mounthly Salary	Goods& Services Budget	Average Goods and Services Budget per Staff Member	Komunal.	Kapitale	Total Budget	Total Budet per Staff Member
KCA	49	142666	243	103362	2912	23563	0	269500	5500
MCOs									
Gllogovc	14	33440	199	10570	2389	360	32400	76770	5484
F.Kosove	7	18480	220	4000	2640	0	0	22480	3211
Lipjan	12	29320	204	7100	2443	440	0	36860	3072
Obiliq	8	19716	205		2465	0	0	19716	2465
Podujeve	19	44203	194	8000	2326	0	0	52203	2748
Prishtine	29	68160	196	0	2350	0	0	68160	2350
Shtime	7	17020	203	4949	2431	0	0	21969	3138
Dragash	9	18662	173	1540	2074	0	0	20202	2245
Prizren	19	45155	198	17678	2377	0	20000	82833	4360
Rahovec	14	33239	198	20989	2374	0	0	54228	3873
Suhareka	9	21326	197	5000	2370	0	0	26326	2925
Malisheva	13	33015	212	10753	2540	0	0	43768	3367
Deqan	10	21122	176	11937	2112	0	0	33059	3306
Gjakove	16	36707	191	20000	2294	0	0	56707	3544
Istog	10	24608	205	7760	2461	0	15600	47968	4797
Klina	11	26043	197	24000	2368	0	0	50043	4549
Peja	19	46960	206	18439	2472	0	33000	98399	5179
Mitrovice	24	54137	188	16267	2256	600	0	71004	2959
Skenderaji	15	34656	193	6250	2310	800	14750	56456	3764
Vushtrri	14	34041	203	9000	2432	0	0	43041	3074
Zubin Potok	-	-	-	-	-	-	-	-	-
Gjilan	26	66931	215	36198	2574	12000	0	115129	4428
Kaqanik	8	22557	235	2500	2820	0	0	25057	3132
Kamenica	12	29921	208	4541	2493	1860	0	36322	3027
NovoBerda	-	-	-	-	-	-	-	-	-
Shterpca	5	12915	215	1500	2583	0	0	14415	2883
Ferizaji	16	39372	205	8980	2461	0	0	48352	3022
Viti	14	38347	228	8155	2739	1200	0	47702	3407
Leposaviq	-	-	-	-	-	-	-	-	-
Zveqan	-	-	-	-	-	-	-	-	-
Subtotal MCOs	360	870053	201	266106	2417	17260	115750	1269169	3525
GRAND TOTAL	411	1018871	207	369468	2479	40823	115750	1547598	3765

NOTE: Pilot Municipalities excluded. No available data for the northern Municipalities

Appendix J – Revenues from Cadastre and Land Registration in MCOs

Municipality	Cadastre and Land Registration Revenues in Euro		
	2005	2006	2007
Gllogovc	3,455	2,320	43,705
Fushe Kosove	31,320	64,650	12,541
Lipjan	36,995	63,427	110,171
Obiliq	3,935	9,576	37,658
Podujeve	24,648	29,890	50,858
Dragash	6,528	5,055	14,942
Prizren	672,420	727,308	207,352
Rahovec	3,740	6,740	6,312
Malisheve	5,422	6,730	8,092
Istog	15,346	24,772	55,143
Kline	31,916	44,854	60,122
Skenderaj	6,566	17,573	
Kaqanik	4,100	10,180	13,030
Kamenice	13,008	5,175	
Shterpce	844		2,250
Ferizaj	189,028	165,797	
Viti	11,740	19,180	
Suhareke		11,199	33,988
Peje		35,507	154,312
Mitrovice		58,152	81,724
Vushtrri		14,917	
Gjakove			137,448
Prishtine			424,773
Shtime			29,847
Deqan			
Leposaviq			
Zubin Potok			
Zvecan			
Gjilan			
Novoberd			3,860
TOTAL	**1,061,009**	**1,323,001**	**1,488,127**

Source: Department of Treasury - Ministry of Economy and Finance

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Glossary of Terms

Adjudication: the process whereby the ownership and rights in land are officially determined.

Assessment: determining the tax level for a property based upon its valuation.

Attribute: data associated with a spatial or non-spatial entity.

Boundary: either the physical objects marking the limits of a property or an imaginary line or surface marking the division between two estates. Also used to describe the division between features with different administrative, legal, land-use, topographic, etc., characteristics.

Cadastral surveying: the surveying and mapping of land parcel boundaries in support of a country's land administration or land registration system.

Cadastre: a register of land information or more specifically according to the FIG definition: a cadastre is normally a parcel-based and up-to-date land information system containing a record of interests in land (e.g. rights, restrictions and responsibilities). It usually includes a geometric description of land parcels linked to other records describing the nature of the interests, the ownership or control of those interests, and often the value of the parcel and its improvements. It may be established for fiscal purposes (e.g. valuation and equitable taxation), legal purposes (conveyancing), to assist in the management of land and land use (e.g. for planning and other administrative purposes), and enable sustainable development and environmental protection.

Consolidation: the amalgamation of land parcels into units of a different size, shape and location. In some jurisdictions, it refers to the planning and redistribution of land into units of more economic and rational size, shape and location.

Deed: a legal document evidencing legal rights and obligations.

Digital mapping: the processes of acquiring, transforming, manipulating and presenting spatial data held in digital form.

Easement: a right enjoyed by the owner of one lot of land (the dominant tenement) over that of another (the servient tenement); for instance a right of access or for the passage of water or electricity.

Estate: the quality of an interest in property (both immovable and personal). The term is also used in relation to physical elements of land as well as the legal and financial interests.

Geodesy: the scientific study of the size and shape of the Earth and the determination of positions upon it including the direction and intensity of gravity.

Geodetic framework or network: a spatial framework of points the position of which has been precisely determined on the surface of the Earth. The geodetic network is a basis for topographic, environmental and cadastral surveying and mapping.

Geographic Information System (GIS): a computer system for capturing, managing, integrating, analysing and displaying data which are spatially referenced to the Earth.

Global Positioning System (GPS): a system for fixing positions on the surface of the earth using radio-emitting satellites.

Global Spatial Data Infrastructure (GSDI): the policies, organisational remits, data, technologies, standards, delivery mechanisms, and financial and human resources necessary to ensure that those working at the global and regional scale are not impeded in meeting their objectives.

Immovable property: land and any things attached to the land including buildings, apartments and other constructions and natural objects such as trees, and in some jurisdictions, minerals.

Information: any data processed, organised or classified into categories to serve a useful purpose. It can be presented in voice, digital, printed, pictorial, image, graphical or numerical formats.

Interests: rights in land derived from a particular title for a specific purpose, such as an easement permitting neighbouring land drainage or access, or a mortgage.

Land: the surface of the Earth, the materials beneath, the air above and all things fixed to the soil. The airspace and ground beneath may be limited where horizontal boundaries are involved, for example, in flats or tunnels.

Land administration: the processes of determining, recording and disseminating information about the tenure, value and use of land when implementing land management policies.

Land Code: a Land Code should define the concept of Real Property and address the definition of real property; fixtures; easements; leases; border issues; mortgages and how to use the real property as collateral; legal relations between neighbours; basic provisions for transfer of real property including obligatory information in a sales contract; rules for leases, including time limits and automatic prolongations and notice of termination; basic rules for registration of real property rights; basic rules for real property formation; etc.

Land information system (LIS): a system for acquiring, processing, storing and distributing information about land.

Land management: the activities associated with the management of land as a resource from both an environmental and an economic perspective towards sustainable development.

Land parcel: an area of land under homogeneous property rights and unique ownership.

Land reform: the various processes involved in altering the pattern of land tenure and land use of a specified area.

Land register: a public inventory used to record the existence of deeds or title documents.

Land registration: the process of recording rights in land either in the form of registration of deeds or the registration of title to land.

Land tenure: the manner of holding rights in and occupying land.

Land title: the evidence of a person's rights to land, ownership, certificate of ownership.

Land transfer: the transfer of rights in land.

Land value: the worth of a property, determined in a variety of ways which gives rise to different estimates of the value.

Leasehold: land held under a lease, which is a contract by which the right of exclusive possession of land is granted by a landlord (the lessor) to a tenant (the lessee) for an agreed amount of consideration (usually money) for an agreed period of time.

Market value: the most probable sale price of a real-estate property in terms of money, assuming a competitive and open market.

Mortgage: an interest in land created by a written instrument providing security for the performance of a duty or the payment of a debt.

Multi-purpose cadastre: a record of interests in land, encompassing both the nature and extent of these interests. An interest or property right in land may be narrowly construed as a

legal right capable of ownership or more broadly interpreted as any uniquely recognised relationship among people with regard to use of the land.

Orthophoto: an aerial photograph or satellite image but which is geometrically accurate.

Overriding interest: a legal interest in land that has legal force even though not recorded in the public land registers; also called a statutory interest.

Property: everything that is or may be subject to ownership. A distinction is made between personal property (such as physical objects), intellectual property, and immovable property (by which is meant the ownership of rights in land and things attached permanently to the land).

Real estate: land-related property.

Real Property: see **Immovable Property**

Registration of deeds: a system whereby a register of documents is maintained relating to the transfer of rights in land.

Registration of title: a system whereby a register of ownership of land is maintained based upon the parcel rather than the owner or the deeds of transfer.

Servitude: an easement.

Spatial data/information: data/information relating to the land, sea or air that can be referenced to a position on the earth's surface. It is also the key to planning, sustainable management and development of our natural resources at local, national, regional and global levels.

Spatial Data Infrastructure (SDI): a term that describes the fundamental spatial datasets, the standards that enable them to be integrated, the distribution network to provide access to them, the policies and administrative principles that ensure compatibility between jurisdictions and agencies, and the people including user, provider and value adder who are interested at a certain level of area that starts at a local level and proceeds through state, national and regional levels to global level. This has resulted in the development of the SDI concept at these levels.

Subdivision: the process of dividing a land parcel into smaller parcels.

Systematic adjudication: the determination of rights in land on a regular and systematic basis, for example within all of one area at one time. See also "Consolidation".

Tenure: the way in which the rights, restrictions and responsibilities that people have with respect to the land are held. The cadastre may record different forms of land tenure such as ownership, leasehold, and different types of common, communal or customary land tenure.

Title deeds: documents giving evidence of title to land.