

Land and Real Estate Registration Project in the Kyrgyz Republic

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Key words:

SUMMARY

The Kyrgyz Republic is a former Soviet Union State and became independent 1991. Kyrgyzstan is a poor, mountainous country with a predominantly agricultural economy. Cotton, tobacco, wool, and meat are the main agricultural products, although only tobacco and cotton are exported in any quantity. Industrial exports include gold, mercury, uranium, and natural gas and electricity. Kyrgyzstan has been fairly progressive in carrying out market reforms, such as an improved regulatory system and land reform.

The privatisation of land, trade and industrial enterprises and utility services has been an objective of the Kyrgyz Government since 1994. The state agency on registration of rights to immovable property, GosRegister of the Kyrgyz Republic, was established in 1999 with the responsibility for introduction of the new system of registration of immovable property. GosRegister was established by merging the State agency on land engineering, geodesy and cartography, GosCartographia, Giprozem and the urban and regional bureaus of technical inventory.

A World Bank funded “Land and Real Estate Registration Project” is being implemented by the agency GosRegister between 2000 and 2005. The project development objective is:

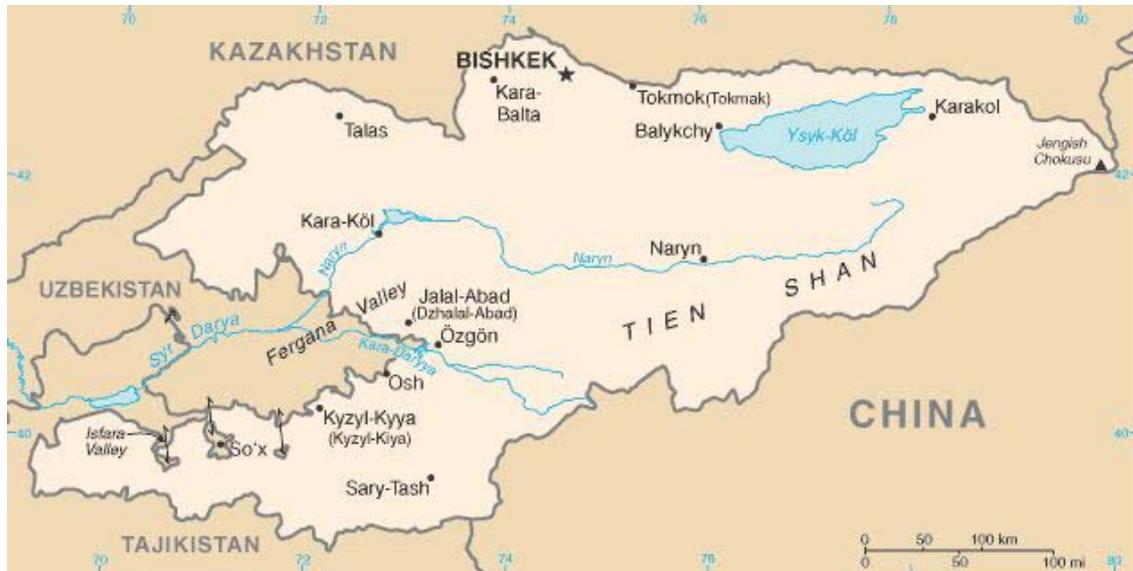
“...to support development of markets for land and real estate and the more intensive and effective use of land and real estate through the introduction of a reliable and well-functioning system for registration of rights in immovable property”.

Swedesurvey AB was contracted in 2000 to provide technical assistance to be financed by SIDA, Swedish International Development Cooperation Agency, as part of the Land and Real Estate Registration Project. Swedesurvey has had technical advisers in the Kyrgyz Republic since that time.

Overall the project is going well, with Gosregister meeting project targets and providing a reliable registration and land management service around the country. Systematic registration in settlements continues to progress well ahead of the plan designed for the project. The real estate market continues also to progress well.

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1. INTRODUCTION

The Kyrgyz Republic is a former Soviet Union State and became independent 1991. Kyrgyzstan is a poor, mountainous country with a predominantly agricultural economy. Cotton, tobacco, wool, and meat are the main agricultural products, although only tobacco and cotton are exported in any quantity. Industrial exports include gold, mercury, uranium, and natural gas and electricity. Kyrgyzstan has been fairly progressive in carrying out market reforms, such as an improved regulatory system and land reform.

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Swedish International Development Agency (SIDA) has since 2000 financed technical assistance in connection with a World Bank loan to support the Kyrgyz land reform process.

2. THE PROJECT PURPOSE AND EXPECTED RESULTS

GosRegister is the Kyrgyz Government agency with responsibility for the implementation of the Land and Real Estate Registration Project. The project development objective is:

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“...to support development of markets for land and real estate and the more intensive and effective use of land and real estate through the introduction of a reliable and well-functioning system for registration of rights in immovable property”.

The project is attempting to register 600,000 immovable property units throughout the Kyrgyz Republic before the end of 2004. The main project funding comes from a World Bank credit.

In August 2000, GosRegister contracted Swedesurvey AB to provide technical assistance to be financed by Sida as part of the WB financed Kyrgyz Land and Real Estate Registration Project. Swedesurvey has had technical advisers in the Kyrgyz Republic since that time.

Technical assistance is given in the following fields:

- Cadastral surveys and mapping
- Land registration
- Land administration
- Land valuation and land tax
- IT, design computerised registration system to form the basis for a future Land Information System (LIS)
- Business planning

The project is expected to result in:

- A well established market for real estate and land property
 - 50 local registration offices established across the Kyrgyz Republic
 - A database on immovable property ownership
 - A real estate property tax implemented
 - A public awareness strategy developed
 - Costs effective and simplified land transaction process.
- The project target for sporadic registration is 200 000 properties and for systematic registration 600 000 properties by the end of 2004.
- New laws and regulations adopted that will facilitate the project objectives

3. ACTIVITIES CARRIED OUT

3.1 Institutional Strengthening

3.1.1 General

Swedesurvey together with GosRegister has accomplished a number of seminars. Some of the seminars were general and covered many aspects of the work within the project such as data collection and the time frame for the IT-development. Other seminars have been accomplished focused on certain areas, se below.

3.1.2 Local registration offices

Assistance has been provided regarding work instructions, specification, data verification, training, reporting forms and on site advice.

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3.1.3 Cadastral Surveying and Mapping

Training courses for cartographers have been conducted. All cartographers at the different offices have been involved.

A ToR for production of Digital Registration Index Maps of and a contract was signed with Goskartographia to carry out the work.

A pilot project on investigating different methods on how to undertake survey of agricultural properties, former solchos and kolshos has been accomplished.

The methodology for all different kind of rural areas is now sorted out.

3.1.4 Legislation

Swedesurvey consultants have been involved in the work on amendments to both the Law on State Registration of Rights to Real Property and the Registration Manual.

A two days seminar was accomplished in 2003 about proposed amendments of the Law on Registration. The participants at the seminar were mainly from the parliament.

3.1.5 Financing of services

A study has been done on the current financial situation and has given recommendations for future sustainability of Gosregister. The studies included different transactions in the rayon offices and what kind of activities that GosRegister provide to the general public.

A Cost/Benefit study in order to implement the automated registration system (ARS) and Kyrgyz Land Information System (KLIS) has also been done.

Two seminars in business planning have been conducted. The participants were mainly the Head and the Chief Accountant from the local offices.

3.1.6 Property Appraisal and Property Tax

Input has been given regarding methods for mass valuation models for taxation purpose.

A “Round Table conference” was arranged in 2003. About 45 persons attended the Round Table conference representing different interests including the Deputy Prime Minister.

Swedesurvey together with GosRegister also arranged a seminar for parliament members. The subject was “The Regulation in order to determine the value of the immovable property for taxation purpose”.

3.1.7 Real Estate Market Development

A seminar “Basics of valuation and the real estate market development” with about 30 participants from PIU, the head quarter of GosRegister and the zonal centers has been accomplished.

A comprehensive report on the Real Estate Market including Transaction Routines has also been done.

3.1.8 Study tours

Study tours have taken place twice a year. The aim of the tours have been to study Land Administration Systems out of different views such as IT-system, mapping, real estate market, taxation, management, financial issues etc.

3.2 Operations

Work instructions have been carried out, specifications, data verifications, training, reporting forms and on site advice. The work has been carried out in close cooperation with the national and regional monitors.

3.3 Computerized Land Information System

A strategy and proposal for undertaking data verification of sporadic and systematic records has been done.

Furthermore Swedesurvey consultants have together with the Project Implementation Unit (PIU) and GosRegister designed the automated registration system (ARS) and also the Terms of Reference for the local consultant contract to develop the system.

Recommendations about the Kyrgyz Land Information System (KLIS) have been made. The proposal is to build a centralised KLIS with centrally stored information for the whole country.

3.4 Training

PIU has a program and schedule for training courses to be implemented to meet the requirements of the establishment of local registration offices, including computer operators, and for the contracted specialists involved with systematic registration.

Swedesurvey has together with PIU designed a training course for cartographers.

A contract has been signed about cooperation between Gosregister and the Swedish Royal Institute of Technology Kyrgyz regarding participation in a Master’s program in Land

Administration. Two people from Kyrgystan have participated in the course and another three are now attending the course.

3.5 Seminar and Workshops

SIDA was the major sponsor of a gender seminar held in 2002. The seminar was supported by both international and national organisations. The report of the seminar has been distributed to all involved organisations.

Swedesurvey has translated the FIG report “Women’s Access to Land” into Russian. This report has been distributed to the Local Registration Offices. The report will also be available and of benefit to other Land Administration projects within the former Soviet Union.

Other seminars and workshops, see above.

4. EFFECTS ON THE SERVICES

4.1 Institutional Strengthening

4.1.1 Local registration offices

50 local registration offices have been established across the Kyrgyz Republic.

The registration system is considered to be reliable and that Gosregister is an important government agency that gives security of tenure to those in possession and confidence to those wishing to transact with immovable property.

The Public Awareness Campaign is well established and is adding to the increasing workloads of the local registration offices. The campaign has used radio, television and posters. The method used varies from region to region depending on the facilities accessible. The campaign will continue this year with a focus on the rural area.

4.1.2 Cadastral Surveying and Mapping

There has been a marked improvement in the quality of maps held by most offices as a result of training programs conducted over the last years.

Digital Registration Index Maps are now in the process to be produced out of the analogue maps for the two largest cities. Goskartographia are carrying out the work.

The methodology on how to undertake survey of agricultural properties, former solchos and kolshos for all different kind of rural areas is now sorted out.

4.1.3 Legislation

The Kyrgyz land legislation looks quite satisfactory, especially in comparison to the situation in many other CIS countries. The most important law is perhaps the Law on State Registration

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of Rights to Immovable Property (shortly referred to as the Registration Law). It forms the basis for the creation of a registration system in the country and is, together with the Registration Manual, a daily used tool for staff dealing with the nation-wide systematic and sporadic registration.

Amendments to the Registration Law as well as the Registration Manual have been approved. Still the Registration Law is too close and could be more open for public access to information on ownership.

4.1.4 Financing of services

On an overall basis, GosRegister had a very good year in 2003 while looking at the financial situation. The number of transactions from sporadic registration increased and as a result the revenues from customers at the local offices increased so the total revenues were 1.5 million \$, an increase with 25 % compared to 2002.

It is important that not only financial issues matter while deciding if one office should be in place or not. The necessity to have a high quality property register and all the economic and social benefits of good land administration are also important matters.

The recommendation is now to go deeper with the business plan and see how many offices that has the capacity to reach a self-financed status in a broader sense.

4.1.5 Property Appraisal and Property Tax

The Law on Real Property Taxation has been accepted by the Parliament.

The Regulation was taken to the parliament in November 2003 but was rejected. Political opposition within the Parliament is running heavily against taking action.

4.1.6 Real Estate Market Development

The real estate market continues to progress well. There was a 28% increase in registrations between 2001 and 2002, and a 21% increase between 2002 and 2003. This trend has continued in 2004. Other activities, such as sale of information, inventory of properties, and allotment of land to individuals and issuance of State Deeds have continued with an equal or higher increase.

The number of mortgages has increased very much during the last year and stands in June 2004 at 81.000 mortgages with a value of \$324 million.

4.1.7 Study tours

Five study tours to Sweden and Lithuania have been accomplished during the last three years. All study tours have had a main focus. One focused on cadastral system, two on management and financial issues and two on Real Estate Market and Real Property Taxation. These tours

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have given a great impact on the discussions and decisions in the various fields. For example the first study tour regarding financial issues was followed up by seminars in the Republic and was the starting point in terms of business planning. The participants found it valuable to go both to Sweden and Lithuania for making their own comparisons and analyses.

4.2 Operations

Sporadic registration is operating in all 50 local registration offices, which have been established. By the end of April 2004, over 310.000 properties have been sporadically registered (the project target was 200,000).

Systematic registration in settlements continues also to progress well ahead of the plan designed for the project. By the end of August 2004, over 1.2 million properties have been surveyed and over 1 million properties have been prepared for registration (the project target was 600,000).

During the second half of 2004 systematic registration in the rural area has commenced in 10 Rayons and as yet no major problems have been found.

4.3 Computerized Land Information System

The Automated Registration System (ARS) is now being tested at the Bishkek office. The work on merging the information into ARS is due to be completed in the first half of 2005.

The basic design of the Kyrgyz Land Information System (KLIS) is done.

4.4. Training

The staff at the local registration offices the contracted specialists involved with systematic registration has all been trained.

The Office managers have sufficient autonomy to make decisions on staffing and financial matters, but often still operate as if they were running a State department rather than a self-funding organisation. As a first stage more management training is required for all office managers.

5. ACHIEVEMENTS AND LESSONS LEARNT

The real estate market continues to progress well. According to World Bank mission the projects targets are well on the way to being met. Systematic registration in settlements continues to progress well ahead of the plan designed for the project. Overall the project is going well, with Gosregister meeting project targets and providing a reliable registration and land management service around the country.

The Kyrgyz land legislation looks quite satisfactory, especially in comparison to the situation in many other CIS countries. Amendments to the Registration Law as well as the Registration Manual have been approved.

There has been a marked improvement in the quality of maps held by most offices as a result of training programs conducted over the last years.

The development of the full ARS, KLIS and integrated systems were not originally part of the project design. A simple automated registration system at the local level by the end of the project was all that was expected to be achieved. The development of such a system is on track. However the design is now also done for a KLIS system.

The prospects for implementation of the tax on immovable property during 2004 were unfortunately not realistic. Political opposition within the Parliament is running heavily against taking action.

The government of the Kyrgyz republic has expressed that the rayon offices at the GosRegister should be self-finance by the end of 2005. The work with business planning has started but Gosregister needs to concentrate more on changing to a business oriented self-sustainable organization.

A statistics report was presented at a seminar 2002 “Women’s access and rights to property”. This statistics covered only a small part of the total number registered properties. However the results delivered here show that men and women in general are equally treated. The situation seems to be the same in the whole country of the Kyrgyz Republic.

CONTACTS

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