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## **Moldova Land Governance Assessment Framework (LGAF)**

### **Synthesis Report**

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## EXECUTIVE SUMMARY

1. The Land Governance Assessment Framework (LGAF) is a diagnostic tool for the evaluation of land governance at the national level. It provides governments with an objective assessment that they can use to identify the areas where improvements are needed. The diagnosis is typically made through the assessment of twenty-one land governance indicators (LGIs) grouped into five main modules: (1) legal and institutional framework; (2) land use planning, management, and taxation; (3) management of public land; (4) public provision of land information; and (5) dispute resolution and conflict management. In Moldova, the LGAF also included two additional modules (6) Forestry; and (7) Large-Scale Acquisition of Land Rights.

2. The scoring of the indicators in Annex 4 is based on opinions of local experts representing government, private sector, academia and NGOs at nine panel meetings held in Chisinau. Various government institutions provided primary data, which combined with a review of secondary sources served as background information for the debate panels.

3. The LGAF results were presented and validated by a group of experts during a Technical Validation Workshop held in Chisinau on December 16, 2013. LGAF key findings and policy recommendations were then presented to government officials and policy makers at a Policy Dialogue Workshop held in the World Bank country office on December 17, 2013.

## BACKGROUND DATA AND INFORMATION

4. Moldova has a surface area of 33,850 square kilometers and is located in the south-eastern Europe, between Ukraine and Romania. Endowed with rich agricultural black soils and a temperate climate, Moldova has relied heavily on agriculture throughout its history. The surface area is roughly divided in 91% rural and 9% urban.<sup>1</sup> Agricultural land use covers about 75% of Moldova's total land area. It is estimated that 73% of agricultural land is arable, and only 12% of it is under perennial plantations. Forests cover about 12% of total land area.<sup>2</sup>

5. Moldova is divided to thirty-two districts (raioane, singular raion), three municipalities, and two autonomous regions (Gagauzia and Transnistria<sup>3</sup>). The status of Transnistria is disputed and the region is not controlled by the central government. There are 1,681 localities. 982 localities have their own Local Public Authorities (LPAs), of which five have municipality status, 66 have city status, and 916 are villages with commune status. The remaining 699 villages are too small to have an independent administration, and belong to either cities (40) or communes (659). LPAs work on the basis of the autonomy principle and decentralization of local public services. Local autonomy is exercised through elected local councils and mayors. There are also councils and presidents at the district level. The Territorial Office of the State Chancellery is responsible for the administrative control of the LPAs.

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1 GD No. 468 of 26.07.2012

2 World Bank, World Development Indicators, 2011

3 Note that the LGAF in Moldova didn't include Transnistria.

6. The country has a population of 3.6 million people and its population is shrinking at 1% annually. The population is 52% rural and 48% urban. Moldova is a multi-ethnic state. There is no updated official data, but the 2004 Population Census estimates that the population is divided in 76% Moldavian, 8% Ukrainian, 6% Russian, 4% Gagauz, 2% Roma and 3% other nationalities. Moldova is classified as a lower middle income country with a Gross National Income (GNI) per capita of US\$ 1,980 (Atlas method, current US\$, 2011). About 22% of the population lives below the national poverty line.<sup>4</sup> Moldovan economy suffered losses during the 2008 financial crisis and it is slowly recovering.

7. Since its independence from the Soviet Union in August 1991, Moldova has taken significant steps to strengthen the legal and institutional framework for the recognition and protection of property rights. A Land Code was approved in 1992. The legal framework recognizes land ownership for public property held by the state, public property held by LPAs, and private property. There is an estimated 5.7 million properties in Moldova divided into agricultural (70%), residential (27%), and other uses (3%). About 97% of the total number of properties in the real estate registry is registered after private owners. The surface area covered by these properties is about 55% of Moldova's territory. The Agency for Land Relations and Cadastre (ALRC) is the entity responsible for implementation of state land policy. ALRC hosts several technical institutions and state-owned enterprises (SOE). The SOE "Cadastre" is responsible for the management of the cadastre and registry.

8. Land privatization formally began in 1991, but it was not until the National Land Program ("Pământ") in 1998 that the large scale distribution of land plots and dissolution of collective farms occurred. Land privatization was carried out in two stages. In the first stage, village land commissions assigned land shares to eligible recipients, who received a title issued by the mayor's office. In the second stage, recipients had the right to request separation of individual land plots by dissolving the collective or state farm. Recipients on average got 1.3-1.4 hectares of agricultural land divided into multiple plots for equal access to arable land, orchards, and vineyards. Although this distribution led to a fragmentation of land ownership, in practice land use remained concentrated in the hands of corporate farms which in most cases are leasing land from small holder farmers and individual landowners. Currently, less than 1% of registered corporate farms operate over 61% of agricultural land under production.<sup>5</sup> Hence, Moldova's agricultural sector is characterized by a dual structure with large corporate farms on one side and small farms on the other. Small farms used to be important for household food security but have evolved to become an obstacle to land market development as well as productivity and competitiveness. The level of land ownership fragmentation has not changed significantly since the privatization process that ended in 2000. In practice, however, the land use never became very fragmented.

9. The following summarizes the main findings of the LGAF by thematic area. Policy analysis and recommendations based on the LGAF findings are presented in the subsequent section.

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<sup>4</sup> Ibid

<sup>5</sup> General Agricultural Census 2010

## LAND GOVERNANCE ASSESSMENT

### Legal and Institutional Framework

10. *The land tenure rights (i.e. rights to land and built property) of Moldovan citizens are equally protected before the law and there are no specific provisions for any particular group.* All Moldovan citizens enjoy the right to own private property. Women's rights to property and inheritance are formally recognized, and the percentage of properties registered under a woman's name is 41 %. In rural areas, apart from Moldovans there are distinct communities of Ukrainians, Gagauz, Roma and other nationalities. As Moldovan citizens, they are considered to have the same land tenure rights as the rest of the population, and as such the legislation does not vest them with special provisions. There is no specific data on land tenure by ethnic group but it is estimated that 44% of Roma households received ownership rights during the farm privatization process. The LGAF results do not reveal whether part of the remaining 56% possess legitimate informal property rights, but in general the Roma are recognized as a vulnerable group and the Government has an Action Plan (2011-2015) to facilitate their economic and social integration.

11. *Overall, the law recognizes the majority of existing land tenure rights held by the majority of the population and for the most part these rights are enforced in practice.* The legislation makes a clear distinction between public (by the state and the LPAs), private, and joint ownership. About 97% of the population holds land assets in private property. In urban areas, individual property rights have been fully registered. In rural areas, 81% of the properties have been registered. The remaining 680,000 unregistered assets include residential buildings, plots, and gardens in 700 rural residential areas (intravilan areas) that have not yet been covered by systematic registration. Sporadic registration procedures exist, but at a high cost. ALRC is planning to implement a systematic registration campaign in these areas to achieve full coverage of land registration.

12. *In spite of the progress achieved in the recognition and enforcement of land and property rights, full protection and adequate management of joint and communal rights including use rights still needs to be realized.* The agricultural population makes use of public lands for grazing, agriculture or forestry. However, only 12% of state public lands, and 15% of public lands owned by LPAs are registered in the cadastre, and even a smaller percentage of them are demarcated in the field. This causes conflicts between the state and LPAs as well as with the population using these lands or in areas adjacent to them. For example, communities using forests are strongly attached to forests and manage them independently although most forests belong to the state forest authority. In the private property domain, co-ownership arrangements are recognized, but common possession, use, and disposition of land is under-regulated. Common properties are thus often attempted to be registered to belong to a single owner. The law allows for the subdivision and merging of co-ownership, but the parties must ensure compliance with any limitations (e.g. encumbrances or restrictions) placed on the asset. In practice, little information on encumbrances and restrictions per parcel have not been systematically recorded to the cadastre. Ownership of common areas in condominiums presents another challenge. The legislation allows for the transfer of common ownership from public property to tenants, but in practice this has occurred only in a few cases. One of the reasons mentioned during the panels is the lack of incentive on the part of the tenants to take over the responsibility for maintaining the common areas. In a broader context, the legislation still allows for the separation of ownership of land and that of the buildings, which hinders

condominium creation and management. LPAs are reluctant to transfer property rights for land under buildings to condominiums. A similar situation exists for businesses; after the collapse of the Soviet system, enterprises were transferred to private ownership without a clarification of land assets that the enterprises possessed.

13. *Institutional mandates concerning the regulation and management of the land and properties are clearly defined, but institutional arrangements and responsibilities are neither clear nor effective.* The ALRC and the Ministry of Agriculture and Food Industry (MAFI) need to better collaborate for the implementation of rural land policy since their mandates overlap. MAFI is responsible for sectoral policies and the ALRC has the mandate to oversee all state land policy. This inter-institutional arrangement can result in a lack of clarity over implementation procedures. This was the case in the Land Consolidation Program, where MAFI drafted and implemented the land consolidation policy, but ALRC had the budget for implementation. In the end, the program achieved limited results. In general, land management is carried out by the Government transferring the task to central agencies which in turn outsource services to SOEs and joint stock companies. The outsourcing of these services is often not done on competitive basis. Functional conflict of interest seems to exist within the state institutions as well since, for example, ALRC at the same time covers property valuation and expropriation functions, registration of rights, survey of the property, and demarcation and registration of public assets/property.

#### **Land Use Planning, Management, and Taxation**

14. *Land use planning instruments have a marginal effect in regulating growth and promoting citizen participation.* In Moldova, the urban plans are prepared at three levels: general plans, zonal plans, and detailed plans. In practice, only a few localities have updated urban plans of any level. Between 1952 and 1991, general urban plans were developed for all 1,674 rural localities. Since 1991, general plans have been updated in only 17 localities. In urban areas, only a few cities have updated plans. The Chisinau General Urban Plan (GUP) was approved in 2007 and the subsequent regulations in 2008. This is the fourth plan developed for the city since 1991. Even with updated plans, the regulations are poorly enforced. For example, minimum plot size regulations are not checked during registration to cadastre. Also, developers are known to circumvent built area restrictions by declaring an area larger than the plot where the construction is located. In general, urban plans have been ineffective for controlling urban growth. As a result, new housing units are being erected without service infrastructure. Also, practices to promote citizen participation such as participatory planning and open access to information have not been fully developed. Public consultations during the past preparation of the regulations for the Chisinau urban plan were the first case of known consultations so far. Furthermore, information on how regulations affect individual plots is not easily available to residents.

15. *Moldova lacks an adequate regulatory and operational framework to manage construction permits and legalize unauthorized constructions.* In general, LPAs have low capacity to enforce land use and building regulations. Land use change is prohibited in certain categories of environmentally sensitive land and restricted for certain categories of agricultural land. These restrictions, however, are often violated, by way of the construction of permanent structures on forest land and the use of grazing pastures for other purposes. The process to obtain building permits is regulated and payments are affordable, but in practice the speed and transparency of the process are a problem. Deadlines are generally not met and the use of informal payments is widespread. Inappropriate discretion in the enforcement of regulations is

common. This is influenced by low salary and fee levels preventing land use planning departments to act on a cost-recovery basis. LPAs supervise constructions, but they do not have the authority to regularize infractions. When the LPA declares that a construction is illegal, a fine is imposed and a demolition is ordered. The person can appeal the case to a judicial court. In 73% of cases submitted to the court, the judge ruled in favor of the owner. Hence, the courts are in fact very often regularizing unauthorized construction.

16. *Moldova's real estate taxation system is functional, but it is still evolving towards full modernization and application.* In Moldova, there are separate taxes for land and property. ALRC is responsible for conducting the appraisal for land and property values for taxation, but in practice LPAs often carry out their own appraisals. ALRC assessed the values for some property types between 2004, 2009 and 2011. In principle, the valuation is based on market prices. It is estimated that over 95% of owners liable for land/property tax are listed on the tax roll. However, a recent audit performed by the Court of Accounts revealed that assessed values were two to ten times lower than the market prices and many properties and property types were subject to low tax or escaped taxation. In 2007, the Government had initiated a reform with the aim of modernizing the taxation system, which would phase out the old land and property taxes and introduce a single tax for property regulated by the Fiscal Code by 2012. The reform introduced a mass appraisal system to real property taxation using cadastre data as the base and bringing the values closer to market prices. The reform was delayed and the Government now has until 2020 to complete the mass appraisal to cover all property types and areas. Meanwhile, the taxation system is neither adequately transparent nor efficient. The defects of mass appraisal need to be substituted by local ad hoc appraisal rolls and the parcel-based information for tax purposes is available for free only for a limited number of properties which have been evaluated. The tax code includes many exceptions, some of which are not properly justifiable. Collection rate for land and property taxes was over 96% (of the completed tax roll) in 2012, but the revenue only exceeded the cost of collection by a factor of 1.7.

### **Management of Public Land**

17. *The lack of demarcation and clear assignment of rights and responsibilities hinder the effective and transparent management of public lands.* Public lands account for about 45% of Moldova's surface area. The ownership of public lands is roughly divided between 781,500 hectares under the state ownership and 732,900 hectares under the LPAs. However, only about 12% of state-owned public lands have been assigned, out of which 34% have their boundaries demarcated. For LPA-owned public lands, about 15% are registered out of which 81% have their boundaries demarcated. The lack of demarcation causes conflicts by contributing to insecurity of tenure for the individuals adjacent and inside public lands conducting agricultural, grazing, and forestry activities. There is also a lack of clarity over who is the entity responsible for the management of the public lands, which for example hinders the signing and supervision of leases and concessions. Some public lands are leased out to joint-stock companies. However, these companies are not properly supervised and there have been reports of improper management of land assets. On the other hand, information on land concessions is published in the official gazette and available to the public. All public land disposed in the last three years has been through public auctions. There are arrears in the collection of payments from leasing plots in public lands. The general rule is to sell or lease public land at market prices, but some exceptions apply in the cases of employees of state institutions, pensioners, and socially vulnerable families.

18. *Expropriation procedures are inefficient and do not take into account un-documented forms of tenure (i.e. informal rights on land and property).* Since 1991, expropriation procedures have been applied for the compulsory acquisitions of land for six public utility projects. All projects still have disputes over compensation levels pending settlement. Since the legislation allows for the seizure of holdings and conversion of land use while the case is pending settlement, the public utility projects have progressed. The legislation establishes that compensation is defined by the real value of lost buildings and land and/or the value of any harm caused to the owner or legal holder of the registered property rights. Hence, non-registered properties or property rights are excluded from compensation. Although the legislation establishes relatively short deadlines to settle claims, in practice the on-going processes have taken years. In many cases, a case cannot be immediately resolved due to outdated register content (unrecorded inheritances) or absentee owners or lack of owner identification. ALRC is responsible for settling expropriation claims in first instance and their resolutions can be appealed in a judicial court. Also, an Ombudsman affiliated to the Parliamentary Advocates Institution may intervene in the proceedings before delivery of judgment in the first instance and on appeal.

### **Public Provision of Land Information**

19. *The cadastre (as also the legal land registry) in Moldova offers efficient, transparent, and cost-effective services.* ALRC is the entity responsible for drafting, coordinating, and enforcing state policies in the land sector. ALRC carries these functions through subsidiary SOEs: “Cadastre” in the fields of the land registry, cadastre, and valuation; IPOT in the fields of land management and expropriation; and Ingeocad in the fields of geodesy, cartography, and geo-informatics. The “Cadastre” operates a unified cadastre and registry system that covers 88% of real estate in the country. Coverage of these records with graphic information is high: about 97.5% in rural and 98.3% in urban areas. Records can be searched by both the rights’ holder name and the parcel number as the key. Copies of extracts are available to anyone who requests them and can usually be obtained within 1 day. Formal cost of registration is only 1% of the property value, but informal payments have been reported. The schedule of fees is published and widely available. Informal payments are discouraged with anti-corruption measures. The “Cadastre” is self-financing and operates on a cost-recovery basis. The “Cadastre” is adherent to ISO 9001:2008 quality standards and has developed high service standards.

20. *The next stage of spatial data reform is directed toward the consolidation of a multi-purpose cadastre and integration geo-spatial information.* The “Cadastre” has almost complete records of real estate assets in the private domain apart from rural *intravilan* (settlement) areas, which are not covered. The Cadastre does not contain or link to other datasets, which hinders the goal of creating a functional multi-purpose cadastre. As mentioned earlier, the tax roll needs to be updated, and public lands need to be demarcated and registered. Although private encumbrances can be registered, they are not uniformly recorded or registered to the cadastre. Public restrictions on properties are not systematically recorded either. ALRC monitors and compiles statistics on agricultural land use, but this information has not been properly maintained due to the lack of resources reviewing land use. An internet-based geo-portal has been launched, but more data and services need to be added.

### **Dispute Resolution and Conflict Management**

21. *The judicial system is primarily responsible for the resolution of land disputes, and its efficiency could be increased by the introduction of administrative and alternative conflict resolution mechanisms.*

As mentioned earlier, the legalization of unauthorized constructions (i.e. illegal buildings) is primarily carried out by the judicial system and there is no feasible administrative process. There are alternative conflict resolution mechanisms available in Moldova which, however, are rarely used because they are not encouraged by state. Roma communities have their own informal conflict resolution mechanisms, but the judicial system does not recognize their decisions. A new version of the law on mediation is currently being drafted. At the same time, land cases represent less than 1% of total cases in the courts. On average, land cases take about the same time and costs for solving than other types of cases. Land related cases in first instance take between 6-10 months, with an average term for appealing of 3-6 months. More than 80% of cases are decided in less than 12 months. Nonetheless, the low number of land cases in the judicial system could also be related to the high cost of litigation and poor accessibility to courts, particularly for the rural population.

22. *The Land Code is outdated and stipulates unclear and non-transparent procedures for land allocation.* The procedures to allocate land lots for building residential houses are not clearly regulated. The existing provisions are of declarative nature while the criteria and mechanisms of allocation are defined by a local advisory body. Their decisions tend to be discretionary and non-transparent. Likewise, the criteria for allocating land to gardening associations and secondary residencies are unclear. The Supreme Court of Justice rulings offer little guidance on how to ensure a correct and unitary application of land legislation.

### **Forestry**

23. *The institutional and operational framework for forestry and forest land management is weak providing marginal support to the sector's development.* Although Moldova is a party to most international conventions on environment, few have been transposed to national legislation, regulated, and developed into programs. Moldsilva is the state agency under the Ministry of Environment that regulates, coordinates, and enforces policies in the forestry sector. Most forests are located in public lands, and forest management is typically carried out by joint stock companies under contract with Moldsilva. The institutional arrangement is weak in practice: there is a lack of clarity over revenue sharing arrangements and there is no separation between management and regulation. The government does not promote the participation of small and medium sized enterprises in the forestry sector. There is virtually no dialogue between investors and local authorities and communities on investments in forest management. The lack of demarcated boundaries for public lands also undermines the security of investments.

### **Large-Scale Land Acquisition**

24. A large scale acquisition phenomenon is becoming increasingly widespread in Moldova. In recent years, the land market has been steadily increasing which resulted in the growth of farming surface area and increase in the market price. Although, in Moldova there is no legal framework directly dedicated to the large scale acquisition of agricultural land, the investors wishing to invest in agriculture can either lease agricultural land or purchase it based on direct negotiations with the right holders or at public auctions based on market price. Foreign investors (individuals and companies) as well as local companies whose equity includes foreign investments have no right to purchase agricultural land. However, agricultural land is purchased by indirect methods, based on the loopholes in the legal framework and certain interpretations of the existing law.

25. In case of public agricultural and non-agricultural land, investors are guided by the general legal framework with regards to the privatization of public property and/or legislation on public-private partnerships.

26. In the Republic of Moldova, there are no public institutions that deal specifically with the promotion, allocation and land acquisition for purposes of investment. However, ALRC is a public body authorized by the Government to acquire land for investment and infrastructure purposes by means of expropriation. Expropriation of land for agricultural projects hasn't been done up to now.

27. Restrictions on land use (including the demarcation or changes in rural land use or allocation) are not recorded in the register of real estate (Cadastre), but are established in territory development projects and schemes and planning documents.

28. Social safeguard requirements for investors are neither documented nor clearly defined in the current legislation. Mechanisms for sharing the benefits of investment in agriculture exist and generally allow the public to benefit from the investment. Inclusion or non-inclusion measures of community interest in sale and purchase contracts, leases, and loans concluded with investors will depend in many cases on the competencies of responsible officials from LPA or other responsible authorities.

## **POLICY ANALYSIS AND RECOMMENDATIONS**

### **Summary**

29. Moldova has a functioning but limited framework for land governance: ownership and security of tenure is guaranteed for most of the population, the land reform (privatization) has been completed, a land and property taxation system is in place, and the state offers reliable and transparent cadastre and registry services that are cost-effective. However, this functioning system needs to be expanded to cover types of tenure that currently do not enjoy the same level of security as most private lands and some of its elements need to become more integrated, efficient, and transparent in order to better contribute to the country's development.

30. Several land governance dimensions need improvement. Systematic registration should target the remaining 700 rural localities and public lands to achieve completeness of the cadastre records, provide secure tenure to all, reduce conflicts, and increase revenues. The legal and regulatory framework needs reforming to facilitate co-ownership arrangements and legalization of buildings. The capacity of LPAs to deal with land use planning needs strengthening. The tax reform needs to be completed by finishing the mass appraisal system to cover all real estate. Expropriation mechanisms need to become more expedient and to cover also unregistered properties and rights. Responsibilities over the management of public lands and forestry sector should be clarified and mechanisms for enforcement further developed. Land information needs to become more integrated/linked to develop into a multi-functional cadastre. Finally, citizen participation in the preparation and monitoring of land policies needs to be further encouraged. More specific guidance for policy recommendations follows.

### **Policy Analysis and Recommendations by Theme**

31. *Completing a covering register of land and properties and associated rights is key policy recommendation that can be implemented in a relatively short period of time and will produce substantial*

*benefits.* Moldova has the legal and regulatory framework as well as the operational capacity to complete the first registration of the remaining 700 rural localities. Public provision of first registration is not only justifiable on the basis of a public good, but is also needed to provide equal treatment to property owners that have not yet benefitted from land registration. Moreover, it will encourage investment and increase revenues. The registration of public lands could also be achieved within a relatively short-term horizon. In this case, the biggest challenge would be for the state and LPAs to reach an agreement over each real estate boundary. An incentive framework could be developed to encourage cooperation such as the promotion of a land management program that would be conditional on registration.

32. *Joint-ownership and communal land tenure arrangements need to be better regulated and enforced to increase security of tenure, reduce transaction costs, and improve management.* It is recommended to complete the transfer of ownership of condominiums from the state and LPAs to the owners' associations. This process could be supported by providing assistance for the creation of associations and establishing a deadline for completing the transfer. The transfer of rights should also include ownership of land applying not only to condominiums but also to all other cases where land rights have not yet been transferred to building owners. Furthermore, joint/common possession, use, and disposition of land would need to be regulated to prevent the appropriation of rights by one owner. This would include drafting new regulations to the subdivision of co-ownership, because the current regulations are not clear. Communal use of public lands would also need to be better organized, which could be done as part of a program to improve land management in these areas.

33. *Urban plans and their enforcement mechanisms need to be strengthened to become more relevant to land use management.* General urban plans need to be updated for rural and urban localities. The development of a streamlined and cost-effective methodology could help to achieve this task. For example, assistance could be provided for the preparation of standard procurement documentation and organizing procurement planning works into bidding lots, which would reduce transaction costs and raise the interest of service providers. In the main cities, more detailed land use planning is required including zonal urban plans and detailed land use plans. Regulations would need to be updated taking into consideration residential parcel sizes and mechanisms for capturing public benefits resulting from land use change. Moreover, land use planning needs to adopt participatory and transparent practises. The public should be provided with sufficient information to participate in consultations where they can voice their concerns and provide suggestions. Proposed urban plans, including the list of land plots that are subject to a land use change, should be made open for consultation in public displays.

34. *The responsibility and administrative capacity of LPAs to manage building permits and legalization needs to be strengthened.* The LPAs need to develop greater capacity to enforce the provisions in the Law on Construction Permits. The application of information technology can help minimize the time required to obtain construction permits. Also, providing a structure of monetary and non-monetary incentives could help improve the efficiency of civil servants, as well as increase their income. Administrative procedures need to be developed for the legalization of buildings in order to reduce the number of cases submitted to the courts. The introduction of administrative procedures would require changes to the legal framework which has to define responsible institution, procedures, required documents, and deadlines for legalization. In addition, informally occupied properties should be surveyed and recorded in the cadastre to streamline legalization process and involve the property into the state taxation system.

35. *The tax reform must be completed to achieve the full benefits of a modern property tax system.* Moldova is moving towards a unified property tax regulated under the Tax Code. The main task ahead is updating the valuation roll by completing the appraisal of the 5.1 million real assets in the country. This task requires the completion of the mass appraisal of the entire country. The first step would be to develop standardized procedures and adopt them by law. The exemptions to property taxes should be re-examined to ensure a fair and equitable treatment.

36. *Expropriation procedures need to be made more expedient and recognize non-registered, informal, rights on land and property.* The existence of pending expropriation cases waiting for disputed compensation level settlements older than three years is not compliant with international best practices. A review of these cases and the process is recommended to identify bottlenecks and prepare an action plan for their solution. Under the current expropriation legislation, individuals holding non-registered or non-documented forms of property rights are particularly vulnerable because they are not entitled to compensation. Addressing this vulnerability would require both provision of aid to property rights registration and stipulation that also informal property owners are eligible for compensation in cases of expropriation. One specific action would be to draft a law to provide for a possession formalization process. Particular attention should be paid to the land rights of the Roma population since the experience in other countries in the region shows that they often lack documentation to prove their rights. One proposed action is to prepare a study to assess the problems faced by this particular population and provide specific recommendations to facilitate their social and economic integration.

37. *The responsibilities, duties and capacity of state and local agencies to manage public lands need to be clarified and strengthened, including the clarification of leasing provisions.* Along with the demarcation and registration of public lands, additional efforts need to be implemented to improve the conditions for the productive capacity and environmental protection of these areas. One of the most critical actions is to review the legislation for the transfer and lease of unused assets. Particularly, it is important to specify the body entitled to auction agricultural land lease rights in public lands. Information about the leased land (tenants, payments, etc.) should be kept either in the land registry or a specialized information system. Another action is to specify the competencies over the administration of land lots in public land adjacent to private lots, and determining the conditions for their transfer into use or lease. Appropriate resources should be allocated to the agencies vested with the management of public lands.

38. *More attention should be given to forestry and forest land management in order for Moldova to head into the direction of greener growth.* Although the forestry sector has a marginal contribution to GDP, this sector is strategic for climate change action. One action is to develop an action plan to transpose ratified international conventions into national legislation and draft the regulations for their enforcement. The functions of the state agencies involved in the forestry sector should be carried out to ensure separation of roles, clarity of mandates, and efficiency of procedures. The legal and regulatory framework should be reviewed in order to include mechanisms to attract new investments in the forestry sector, such as the payment for environmental services (PES). Moldova should also promote a certification program for timber and other non-timber forest products. Other recommended actions include developing a communication campaign on forest land management to involve the local population and promote small and medium enterprises.

39. *Moldova's evolution into a multi-functional cadastre should be considered within the goal of National Spatial Data Infrastructure (NSDI) development.* The international best practice is to build NSDI by linking and sharing data between original data producers. This approach reduces the cost of data collection, maintains clear responsibilities of data maintenance, and enhances the use of data. The establishment of NSDI will require the wide adoption of definition of policies and data models by public, private and non-profit data producers. The ALRC should play a central role in coordinating the establishment of NSDI and providing base data for various users and data producers/owners. For example, MAFI and ALRC should share and interlink parcel-based information on agricultural land use.

40. *Land and property dispute resolution methods should include alternative resolution mechanisms and the Land Code should be reviewed for clarity on dispute resolution mechanisms.* Institutionalizing and promoting alternative conflict resolution mechanisms - such as the use of mediation, arbitration, and conciliation - in rural areas should be encouraged. Equally important is to review the Land Code to identify areas that need to be clarified in legislation and establish a more effective mechanism for judicial review.

41. *Citizen participation should be encouraged through the provision of information, entry points for interaction, and mechanisms to monitor the implementation of land policies.* Access to information is vital for strengthening governance and encouraging citizen engagement. One action includes the development of a public communication campaign to ensure ample media coverage of land policies and programs. Furthermore, the Government could develop procedures for public reporting on the implementation of land policies. Public opinion on land policy could be monitored on an ongoing basis using different methods, such as surveys, interviews, and public consultations.