

ROMANIA



**Report based on Exchange Programme documents provided by
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1 General Information



Figure 1 Map of Romania

1.1 Geography

Romania is located in the South-Eastern Europe, at the northern end of the Balkan Peninsula. It is bounded to the East by the Black Sea, Ukraine and Republic of Moldova, to the North by Ukraine, to the West by Hungary and Yugoslavia (Serbia) and to the South by Bulgaria. Romania covers a total of 238.391 sq km (91,699 sq mill.).

Romania has a beautiful and diverse landscape with mountains (the Carpathians rise to a maximum height of 2,543 meters), forested hills, fertile planes, the Black Sea Coast and the Danube Delta. The three main historical regions are Wallachia in the South, Moldova in the East, and Transylvania in the Northern part of the country.

Apart from the Danube, Romania’s major rivers are the Mures in Transylvania, the Siret and Prut in the East, the latter of which forms much of the border with Republic of Moldova, and Jiu, Olt, Arges and Ialomita in the South. Romania is situated in the Eastern European time zone, i.e. GMT+2 hours.

1.2 Climate

Romania has a typical continental climate, with cold winters and hot summers. Average temperature in the capital, Bucharest is 23° C in July and -3° C in January. These could fluctuate greatly. Further North in the country, winters are usually much colder and summers somewhat cooler.

1.3 Administrative structure

Romania is divided into forty administrative districts (“*judet*”) and the Municipality of Bucharest. Each “*judet*” is administered by a Prefect (appointed by the Government) and by a Judet Council. Mayors and the local councils are elected in all towns and communes (basic administrative territories). In the last years the Government took significant measures aimed at strengthening the role and effectiveness of local Governments throughout Romania, as a part of a general decentralization drive.

Bucharest is the capital of Romania and the administrative and commercial center of the country, with a population (The figures related to the number of inhabitants are from the Official Statistical Yearbooks) over 2 millions (2,210,800 in the metropolitan area and 1,906,800 in city proper).

The most important regional towns, with a population of over 300,000 are Iasi - the “capital” of the region of Moldova (320,000), Cluj-Napoca – the cultural “capital” of Transylvania (316,400), Timisoara – a cultural and commercial centre of extreme West of the country (316,100), Constanta –Romania’s Black Sea Pört (309,000), Craiova – the “capital” of the region of Oltenia, in the South West (301,100), Galati – an industrial city on the lower Danube (297,100) and Brasov – an industrial city in the middle of the country (282,500).

1.4 Population and Language

The total population is 22,698,974 (in 2002, according to the last Census) of which about 52.7% is urban, 89.5% of the population is Romanian ethnic while the most important minorities are Hungarian 6.6%, Roma 2.5%, Ukrainian 0.3%, German 0.3%, Russian 0.2%, Turkish 0.2%, other 0.4% (2002).

The official language of Romania is Romanian, a Latin-based language with close affinities to Italian. The most frequently used foreign languages in Romania are English and French, although in some parts of Transylvania Hungarian and German are also spoken.

About 87% of the population are Orthodox Christians, belonging mostly to the Romanian Orthodox Church. The other most important churches are Roman Catholic, Lutheran and Calvinist. Romania’s Muslim community is concentrated near the Black Sea Coast, while synagogues in most large towns serve the country’s dwindling Jewish population. The literacy rate of the Romanian population is estimated to 98%.

1.5 Historical Background

Most of Romania was the Roman province of *Dacia* from about A.D. 100 to 271. From the 3rd to the 12th century, wave after wave of barbarian conquerors overran the native Daco-Roman population. Subjection to the first Bulgarian empire (8th–10th century) brought Eastern Orthodox Christianity to the Romanians. In the 11th century, Transylvania was absorbed into the Hungarian empire. By the 16th century, the main Romanian principalities of Moldavia and Walachia had become satellites within the Ottoman Empire, although they retained much independence. After the Russo-Turkish War of 1828–1829, they became Russian protectorates. The nation became a kingdom in 1881, after the Congress of Berlin.

At the start of World War I, Romania proclaimed its neutrality, but later joined the Allied side and in 1916 declared war on the Central Powers. The armistice of Nov. 11, 1918, gave Romania vast territories from Russia and the Austro-Hungarian Empire, doubling its size. The areas acquired

included Basarabia, Transylvania, and Bucovina. King Carol II was crowned in 1930 and transformed the throne into a royal dictatorship. In 1938, he abolished the democratic constitution of 1923. On June 27, 1940 the Soviet Union occupied Basarabia and Northern Bucovina. King Carol II dissolved the Parliament, granted the new premier, Ion Antonescu, full power, abdicated his throne, and went into exile.

Romania subsequently signed the Axis Pact on Nov. 23, 1940, and the following June joined in Germany's attack on the Soviet Union, reoccupying Basarabia. Following the invasion of Romania by the Red Army in Aug. 1944, King Michael led a coup that ousted the Antonescu government. An armistice with the Soviet Union was signed in Moscow on Sept. 12, 1944. A Communist-dominated government bloc won elections by fraud in 1946, Michael abdicated on Dec. 30, 1947, and in 1955 Romania joined the Warsaw Treaty Organization and the United Nations.

Running a neo-Stalinist police state from 1967–1989, Nicolae Ceausescu wound the iron curtain tightly around Romania, turning a moderately prosperous country into one at the brink of starvation. To repay his USD10 billion foreign debt in 1982, he ransacked the Romanian economy of everything that could be exported, leaving the country with desperate shortages of food, fuel, and other essentials. In December 1989 the revolted Romanian people removed the dictator and the communist system.

Ion Iliescu of the National Salvation Front, served as president from 1990–1995. Emil Constantinescu of the Democratic Convention Party served as president from 1996–2000. In 2000, the former president Ion Iliescu returned to service for a next 4-years mandate. In 28 November 2004 general elections and presidential elections are scheduled. The result of these elections could bring significant changes to the institutional structures in Romania as they are presented in the present report.

The country applied for membership in the EU in June 1995 and according to the EU documents and the last country report Romania is invited to join the Union in 2007. Romania deployed 650 peacekeeping forces to Iraq in 2003, and joined NATO in 2004.

Political and administrative situation

Romania is a Republic, with a new Constitution, adopted by public referendum in 2003. A bicameral Parliament and President are democratically elected every four years. The President has specific attributions in matters of national security and foreign affairs.

The Parliament of Romania is formed of the Chamber of Deputies (345 members) and the Senate (140 members). The internal structures of the two Chambers of Parliament consist of the President of the Chambers, the Standing Bureaus, the parliamentary committees and the parliamentary groups.

Several restructures of the Government took place between June 2003 and July 2004 and led to the reduction in the number of ministries from 23 to 15. The restructured Cabinet includes a prime minister, 15 ministers and 8 delegate ministers.

Development indicators

The economic and social changes taking place in Romania since 1989 have resulted in considerable upheaval for the population. In 2003 the unemployment rate was 7.58%. The private sector also lags behind the more advanced Central-European countries, but nevertheless accounts for more than 50% of the GDP and foreign trade.

An economic summary of development indicators (The figures are selected from the Official Statistical Yearbooks) for Romania is presented below:

- GDP/PPP (2003 est.): USD154.4 billion;
- Per Capita USD6,900;
- Real growth rate: 4.5%;
- Inflation: 14.3% (in 2004 the inflation is foreseen to be reduced under 10%);
- Arable land: 41%;
- Agriculture: wheat, corn, barley, sugar beets, sunflower seed, potatoes, grapes;
- Industries: textiles and footwear, light machinery and auto assembly, mining, timber, construction materials, metallurgy, chemicals, food processing, petroleum refining;
- Natural resources: petroleum (reserves declining), timber, natural gas, coal, iron ore, salt, arable land, hydropower;
- Exports: USD17.63 billion (f.o.b., 2003 est.): textiles and footwear, metals and metal products, machinery and equipment, minerals and fuels;
- Imports: USD22.17 billion (f.o.b., 2003 est.): machinery and equipment 23%, fuels and minerals 12%, chemicals 9%, textile and products 19% (1999);
- Major trading partners: Italy, Germany, France, UK, U.S., Turkey, Russia, Austria, and Hungary.

In terms of transportation infrastructure in Romania, the figures are the next:

- Railways: total: 11,385 km (3,888 km electrified) (2002);
- Highways: total: 198,603 km; paved: 98,308 km (including 113 km of expressways); unpaved: 100,295 km (2000);
- Waterways: 1,724 km (1984);
- Ports and harbors: Braila, Constanta, Galati, Mangalia, Sulina, Tulcea;
- Airports: 65 (2002).

Land Resources

Considering the purpose of the present report a special consideration should be given to the land in the country profile. The land itself is Romania's most valuable natural resource. All but the most rugged mountainous regions sustain some form of agricultural activity. In 1989 more than 15 million hectares – almost two-thirds of the country's territory – were devoted to agriculture. Arable land accounted for over 41 percent, pasturage about 19 percent, and vineyards and orchards some 3 percent of the total land area.

Romania's soils are generally quite fertile. The best for farming are the humus-rich *chernozems* (black earth), which account for roughly one-fifth of the country's arable land. Chernozems and red-brown forest soils predominate in the plains of Walachia, Moldavia, and the Banat region--all major grain-growing areas. Soils are thinner and less humus-rich in the mountains and foothills, but they are suitable for vineyards, orchards, and pasturage.

The area under cultivation has increased steadily over the centuries as farming has encroached on forest and pasture areas, marshes have been drained, and irrigation has been brought to the more arid regions. By late 1986, Romania had extended irrigation to roughly one-third of its arable land,

and a major campaign had been conceived to drain the Danube Delta and develop it into a vast agro-industrial complex of some 1,440 square kilometres. The area of arable land grew incrementally from about 9.4 million hectares in 1950 to slightly more than 10 million hectares in the late 1980s.

Another strategy to gain arable land was the controversial program of “systematisation” of the countryside. This policy, first proposed in the early 1960s but seriously implemented only after a delay of some twenty years, called for the destruction of more than 7,000 villages and resettlement of the residents into about 550 standardized “agro-industrial centres,” where the farm population could enjoy the benefits of urban life. Only those villages judged economically viable by the authorities were to be retained. Through eradication of villages, fence rows, and reportedly even churches and cemeteries, the government aimed to acquire for agriculture some 348,000 hectares of land.

At the very time the government was attempting to increase the area of arable land, countervailing pressures were exerted by urban development, which consumed large tracts for residential and industrial construction. In May 1968, a law was passed to prohibit the diversion of farmland to non-agricultural uses without the approval of the central government. The law reversed the previous policy of assigning no value to land in calculating the cost of industrial and housing projects. It did not, however, curtail the ideologically driven policy of industrializing the countryside, and some of the country’s most fertile farmland was lost to development.

Post-war farming practices took a heavy toll on the country’s soil resources. It was estimated in the late 1980s that because of unwise cultivation methods, 30 percent of the arable land had suffered serious erosion. Moreover, residual agricultural chemicals had raised soil acidity in many areas.

2 Land Management and Administration System

2.1 Land cadastre

The Land Cadastre is a main issue for a market economy. The cadastre information are used not only for real property registration and land market but they have an important role in establishing the land taxes, and effective measures for environmental protection, urban planning, etc., being accessed as public information by the public authorities and citizens.

In this respect it appears of key importance to establish a cadastre system that fits the EU requirements in terms of land data exchange within a PAN European System.

Following to the Declaration of Cadastre in Europe adopted in the Cadastre Congress of Europe, held in Granada in 2002 in which is stated that the cadastre information of every EU member state should be made available to all the citizens of Europe and to all the private and public institutions, Romania as a EU candidate country has taken the necessary measures to modernize its cadastre system accordingly.

As a concept in Romania the cadastre constitutes the official system of technical, economic and legal evidence of real properties by mentioning their size, location, configuration, quality attributes and the value of land parcels, with or without buildings, covering the national territory.

The cadastre comprises all the written documents and maps (cadastre plans) in which a territory is represented as a division of parcels based on property and land use.

The three-cadastre functions (according to the Law no. 7/1996 - Cadastre Act) are:

1. Technical function – consists in determining of the position, configuration and area of land by categories of use and ownership by measurements;
2. Economic function – consists in the registration of destination, categories of use and of other elements for land and buildings needed to establish their value;
3. Judicial Function - consists in the identification of the landowner by property title and by real estate publicity.

The history of establishment of cadastre in the current territory of Romania dates back to the beginning of 20th century, but due to the communist period it lacked over a long period and was considered of use mainly for managing the land resources for agriculture purposes.

This is why the communist regime the cadastral evidence was organized under the Ministry of Agriculture and accomplished by its decentralised offices located in each district. The institutional organization inherited in 1989 when Romania switched onto a market economy was used to apply the restitution laws, namely the Land Fund Acts.

After 1989 the Romanian Government has started to re-fashion the land registration system in order to match the requirements of the market economy and to get financial support from the international funding bodies.

In this respect, in 1996 the General Cadastre and Land Registration Law (Law No.7/1996) was adopted with the objective of establishing a unitary and compulsory system of the real property registration, from the technical, juridical and economical viewpoints.

The main institutions in charge with the implementation and operation of the cadastre and real property rights' registration system – authorised according to the Law 7/1996 with subsequent modifications – were the National Office for Cadastre, Geodesy and Cartography (ONCGC) and the Ministry of Justice (MJ) through its judiciary branches. The ONCGC was established in 1996 pursuant to the law, and acted in parallel with the activities of the Ministry of Agriculture until 2001, when the Government of Romania decided to establish a single national office for cadastre responsible for the correct and concrete enforcement of the Land Fund Law (Law 18/1991) and the Cadastre Law, ref. to Urgency Ordinance 70/2001.

Given the fact that – following the Central European legal and institutional tradition – Romania separates the functions of identification of the real property through the National Office of Cadastre, and the registration of rights on those identified objects through the Land Book offices at the courts, a co-ordinated development of the total process of registration requires joint management between the two institutions.

Both institutions, the ONCGC and the MJ, have developed co-ordinated long-term strategies for the implementation, maintenance and management of an integrated cadastre and real property rights registry system.

The cadastre and land registration system has come into functioning long after the land reforms and privatisation were initiated, and the registration is therefore lagging behind.

The output of the land reform and privatisation process is fractionated and no single Governmental Agency or Ministry has a complete overview of the situation of possession and ownership of real property. The cadastre and land registration system does not only have a function of integrating the scattered records on properties into a unified system, it also carries the burden of cleaning up and reconciling the theoretical legal situation described in those documents with the real situation in the field.

Therefore the ONCGC together with the Ministry of Justice, Land Book offices, have worked together for carrying the heavy burden of creating a reliable cadastre and land registration system, in order to install confidence of all users in its recordings, administrative functions and the legal protection of the system.

The “General Cadastre and Land Registration Project”, co-financed by the World Bank, hereafter called the WB-project, which is by far the most important project currently under implementation for cadastre and land registration in Romania. It started in early 1998 and was planned to be concluded at the end of 2003. But considering the importance of its objectives and the delays in accomplishing some of its targets the parties agreed to an extension by 2005.

The project has laid the groundwork for introduction of new methods for both the cadastre and the real property rights registration sub systems. In particular there has been reached acceptance of the use of digital orthophotos as base maps for cadastre, and the concept of cadastral index mapping has been introduced and agreed as an approach to mass registration. Cadastral index mapping has been executed in parts of Dambovită judet (covering about 90%) and of Prahova judet (about 30%), which will permit a further refinement of the specifications and optimizing the methodology in the following works.

The current status is that while the World Bank project is nearing its end, it is at the same time gaining momentum in its last phase through significant contracts for IT-equipment and system, orthophoto mapping and cadastral index mapping as a part of a mass registration approach. Computerisation has reached most offices of cadastre and major land book offices; some training activities have been conducted; the sporadic registration activities according to Law 7 have accelerated; and mass registration methods have been developed. It is also clear that the assistance provided by the WB-project has only partially covered needs and been instrumental in the initial phase of the reform, but the country wide implementation of Law 7 is still a challenge for the future.

The implementation of the system according to Law 7/1996 is difficult, and during the transition phase the situation is particular complex. In the old land book areas Law Decree 115/1938 is still in force until a total judet has been systematically registered. Procedures under Law Decree 115/1938 are outdated and out of the procedural control and supervision of the ONCGC with the consequences that transactions in the land book are unidentified by the cadastre. The land book offices have used old maps and identification systems. The lack of procedural and technical standardisation of the system leads to major difficulties in the operation of the County Offices of Cadastre, Geodesy and Cartography (OJCGC) and of the Land Book Offices (BCF) in these areas. The unification and standardisation of the procedures at national level has become compulsory to improve and unify the cadastre and land registration subsystems.

Considering the constraints of having two sub-systems under the authority of two different Central Agencies and the lags in the overall development of a modern land registration in Romania, taking into consideration the best international practice and the IBRD advise as the key sponsor, the Romanian Government issued the Emergency Ordinance No 41 of 2004 that unified the 2 components of the land registration system (cadastre and land registers) under a only authority – the National Agency of Cadastre and Public Registers (ANCPI).

The new National Agency of Cadastre and Public Registers has been established by the Governmental Decision No. 1210 of 9.08.2004 as a public body with legal personality, under the authority of the Ministry of Administration and Interior, by the re-organization of the National Office for Cadastre, Geodesy and Cartography and by taking over the Public Registers operation from the Ministry of Justice.

According to the provisions of Emergency Ordinance No 41 of 2004 the existing institutions in charge with the cadastre shall be re-organized as 42 District Cadastre and Public Registers Offices and the National Center of Geodesy, Cartography, Photogrammetry and Remote-sensing. Their status and tasks are presented in the *Annex 1* to the present report.

2.2 Real property register

In the course of its history, different forms of registration of real property rights have been developed in Romania; at one historical point of time four different land registration systems existed on the territory of present day Romania. Presently the most important distinction is between the areas, where the deed registration system of inscription/transcription has been in force, and areas in Transylvania with the old land book system, the latter covering about 42% of the area of Romania.

The two different systems that of personal registration according to the French Civil Code and that of real registration according to the German Land Book system coexisted by the adoption of Cadastre Act (Law no.7 of 1996) that unified the real rights registration system at the level of the county based on a real registration of titles. The new system, so-called “*New Land Books*” in order to differentiate it from the land book system in use at the date of enforcement of the law, provides a transitional period by concluding the cadastre systematic works in each administrative territory, the moment in which the two previous systems will be replaced by the new system.

As presented before in accordance with the Law no. 7 of 1996 the Land Registry has been operated by the Land Book Offices functioning as departments within the Local Courts under the overall authority of the Ministry of Justice.

Once the Law no. 7 of 1996 was amended by the Emergency Ordinance No 41 of 2004 the operation of Land Registry entered under the authority of the new established National Agency of Cadastre and Public Registers as a public body with self-funding regime. In this respect within the National Agency of Cadastre and Public Registers will be established the General Directorate for Real Registers as the department in charge with the coordination of real rights registration activity by the District Cadastre and Public Registers Offices.

In each District Cadastre and Public Registers Office the registration of real rights shall be supervised by a Registrar, law graduated, assimilated to a legal advisor.

The land book offices will continue their activity within the local courts by 31 December 2004 when the transfer to the District Cadastre and Public Registers Offices of whole archives and activity will be concluded. By that date, the transfer will be made smoothly in order not to affect the registration process and the citizens not to suffer because of the changes.

According to its official statements the National Agency of Cadastre and Public Registers will take measures to improve the land registration system, to consolidate the trust of citizens in the system and to get rid of the internal and external administrative mal functions, as follows:

1. Standardization and optimisation of processes aimed to solve the problems and to issue the clearances;
2. Establishment of quality control for internal processes;
3. Solving the applications according to their registration order;
4. Establishment of emergency charges;
5. Establishment of interfaces between the citizens and the system by concluding agreements between District Cadastre and Public Registers Offices and Post offices for allowing the citizens to send/receive by mail the registration documents. This way it is intended to

diminish the inter-action between the citizens and the land registration offices in order to save their time and to establish effective and controllable information flow.

6. Launching of a publicity campaign at national level to clarify all the aspects related to the functioning of the system and its advantages

2.3 The benefits of a unified land registration system

By unifying the cadastre and public registers under an only central authority in Romania the next advantages are to be achieved:

- A reduction in the state budgets expenditures that were needed by the two different registrations before;
- An insurance for an effective registration of land due to an only decision and to standardised processes;
- The integration of all the information in a unique system that allows a fast updating for both technical and legal land data;
- A reduction in the time needed for registration;
- The possibility to access the EU funds for supportive projects in the field of rural development and environmental protection;
- A modern public service of land registration, effective and serving the citizens in accordance with the EU quality standards;
- A major support for improving the land market;
- An increase in the speed of rural development processes

2.4 Land Taxation and Land Valuation

Property taxes represent an important source of local government revenues and an incentive for a better use of land. The Land Fund Act (Law No.18/1991) exempted the new landowners from paying land tax for three years starting with 1991. Due to its political and social reasons the Government extended this exemption and consequently by now no tax was levied on agricultural land.

In 1994 the Law No.34/1994 introduced a tax on agricultural revenue for private farmers, agricultural associations and commercial companies that own agricultural land. Defined as a tax on agricultural revenue the tax introduced by this law is in fact a land tax since it is levied only for the land revenue and not for the agricultural revenue obtained from non-land agricultural activities. The tax according to the law is in a rate of 15% (excepting 1994-1996 when the rate was 10%) of the net revenue generated by cultivating the land.

The rate is applied by bands of taxable agricultural revenue differentiated by land uses and fertility class and has to be paid irrespective of cultivation or not of the land.

The Law 34/1991 has been amended twice (by Emergency Ordinance No. 24/1995 and Governmental Ordinance No. 8/2001).

The enforcement of the land tax was suspended twice in 1997 by 2000 and in 2000 by 2003, the reasons for suspension being the limited revenue of landowners and the decisions were considered due to social reasons.

The Emergency Ordinance No. 8 of 2001 replaces the so-called “tax on agricultural revenue” with the agricultural land tax. The taxpayer is defined as any natural person that owns more than 10 hectares of agricultural land (associations and other legal persons are not subject to a land tax). By

agricultural land the law defines any land with agricultural and forestry use and as well as other categories of land not affected by buildings. The tax rate remained at 15% of the land revenue differentiated by five categories of fertility. Again, the revenue band is not related to the land market but on the administrative determined value.

The repeated suspension of land tax has had two adverse effects. The first was depriving the local administration of an important source of revenue. Second, it encouraged the inactive landowners to keep the land un-cultivated instead to offer it for sale (since there was no cost).

The tax introduced in 2003 affects only a limited number of owners due to the fact that a vast majority of landowners owns less than 10 hectares.

For the land located in the built-up area of the settlements (called “*intravilla*” in the Romanian urban planning documents, intramural) the owners should pay a local tax that is established by the local authorities according to the Law 27 of 1994 with its consequent amendments. The tax is established based on a value that is assessed in relation with administrative and technical criterions and does not take into consideration the real land market value.

One of the objectives of the Cadastre according to Article 1 of Law No. 7/1996 is to keep the economic record of the cadastre, and in accordance with article 2 point d) to ensure for the whole country:

“d) the provision of data necessary to the system of taxes and duties for the correct establishment of tax-payers’ fiscal obligations.”

The obligations of the Cadastre Agency are further stated in Law 7, articles 10 and 14. *“The National Office of Cadastre, Geodesy, and Cartography and the county offices in its subordination, as well as the titular of specialized cadastres shall have the obligation to supply the Ministry of Finance’s bodies with the necessary records for levying taxes on tax-payers.”*

Furthermore, the Law prescribes that the Land Book shall include taxable value in its descriptive Part I. What is taxable value is a matter of uncertainty.

Therefore, it is consequently needed to develop a clear and equitable system of valuations that avoid tax evasion, encourage investments, and provide certainty of burden for the taxpayer and for the government.

The responsibility for implementation of property valuation is another area of uncertainty. The local governments are currently levying taxes according to Ordinance 36/2002 – the fiscal law, which prescribes the level of fees to stabilize the level of taxes. Values are determined according to a simple classification of areas. The current land taxes can be described as a type of fee, which is not necessarily related to the value of the property. Municipalities can vary the tax coefficient and this may result in variations that crudely follow perceptions of market prices.

Valuation forms the basis for taxation and in the case of transactions stamp duties relate to values of properties. The transaction costs in the market are an area, which deserves attention.

According to the Governmental Ordinance No. 12/1998 for the stamp taxes to be paid for Notaries activity, as per art. 4 (1), it is stipulated, “For the transactions of real properties, the stamp duties should be established at the value declared by the parties in the transaction deed, but not less than **the market value established by a valuator** accomplished by the request of the Chambers of Public Notaries”.

This provision stimulated the Chambers of Public Notaries to contract surveys on market value for the land and real estate in most of the Romanian areas. It is their interest to levy stamp taxes in close relationship with the market real estate value, taking into consideration that the parties are

tempted not to declare the real market value but less, in order to avoid high taxes. Therefore, the stamp tax could be considered as the best indicator on the land market value of each recently transferred real property.

The tables with the land market values established land valuers contracted by the Chambers of Public Notaries concern very good guides for all the persons in the land market. More information on Chambers of Public Notaries could be found in the **Annex 1** to the present report.

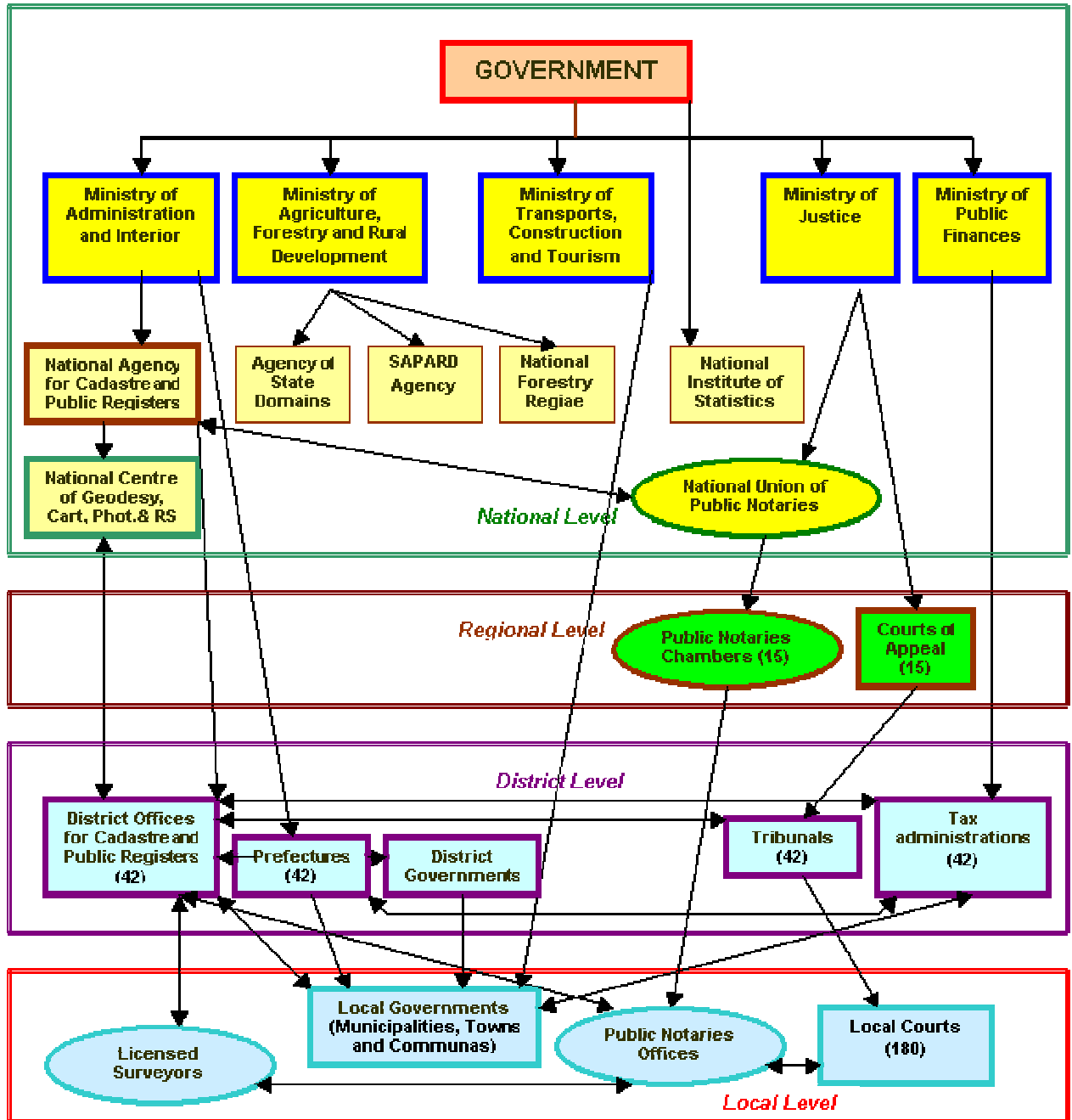
Another way to establish the real land market value for a real property is the procedure for getting a loan from a bank by registering the respective property as a collateral guaranty. The banks usually request a land valuation at the market value accomplished by a recognised (licensed) land valuator. The land value established by the respective land valuator is a basis for the mortgage and is usually insured in by Insurance Company.

In Romania the land the members of National Association of Evaluators of Romania – ANEVAR that is certifying the competences of the land valuers, accomplish valuation. There is no official methodology of evaluation but the European Standards -TeGOVA in the field. More information on ANEVAR could be found in the **Annex 1** to the present report.

Thus a suitable valuation system is needed for fair and equal administration of both forms of taxation. The only perceivable way to advance towards modern valuation will be through development of mass appraisal systems based on computerized methods.

The advantages from greater transparency are greater certainty as to the tax liability for the taxpayer, greater certainty of revenue for the government, and less opportunity for corruption.

2.5 Organizational structure



2.6 Institutional involvement

Institution	Abbreviation	Key role in relation with land market development	Contacts
Government of the Republic of Romania http://www.gov.ro	GOV	It is the overall responsible body for establishing and implementation of the State policies and strategies in the field of land management and administration.	
Ministry of Administration and Interior http://www.mai.gov.ro	MAI	It is the Central Administration body in charge with of public administration, development of local self-governance and regional development, e.g. co-ordinates and supervises County Governor's Administrations and Municipalities	Mr. Gheorghe EMACU, Delegated Minister for Public Administration +4021 2231477 e-mail: webmaster@mai.gov.ro
Ministry of Agriculture, Forestry and Rural Development http://mapam.ro/	MoAFRD	It is the Central Administration body that seeks to achieve the best conditions to the Romanian agriculture, food industry and forestry to fulfill the domestic requirements and those for European Integration. Starting with 1991 the Ministry has played a key role in the implementation of Land Restitution Laws as the authority in the rural cadastre.	Mr. Valeriu STERIU, Secretary of State for European Integration and Foreign Relations +4021 307.85.52 e-mail: comunicare@maa.ro
Ministry of Transports, Construction and Tourism http://mt.ro/	MTCT	It is the Central Administration body in charge with enforcing methodologies and norms for executing specific works for a land related evidence on real estate and utility networks within the settlements, for financing the urban and utility cadastre and for developing urban databases.	Ms. Ileana TUREANU, Secretary of State for Urban and Regional Planning +4021 312.54.17 e-mail: webmaster@mt.ro
Ministry of Justice http://just.ro	MoJ	It is the Central Administration body that is supervising the protection of real rights registered in the Land Book and the Public Notaries activity.	Mr.Cristian DIACONESCU , Minister of Justice e-mail: office@just.ro
Ministry of Public Finances	MoF	It is the Central Administration body that is	

		supervising the Land <i>taxation system</i> .	
National Agency of Cadastre and Public Registers http://ancpi.ro/	ANCPI	It is a specialized body of Central Government, legal entity, subordinated to the Ministry of Administration and Interior as a self sustainable agency in charge to coordinate the activity of cadastre and land registry as an integrated system as the unique authority in the field.	Mr. Florin CIOBANU, President +4021 2127339 e-mail: office@ancpi.ro
The Prefectures as County Governor Administrations (42)	PREF	Implement State policies on land use and management, territorial planning, regional development, execute land reform and privatise State land. They supervise the legal basis of local public administration.	Mr. Gheorghe EMACU, Delegated Minister for Public Administration +4021 2231477 e-mail: webmaster@mai.gov.ro
National Center of Geodesy, Cartography, Photogrammetry and Remote-sensing	NCGCPR	It is a National Institute under the authority of ANCPI in charge with the maintenance of the geodetic network and of the topographic base plan, to insure an accurate cartographic evidence of the administrative limits, to process aerial and remote sensing images and to achieve other cartographic products by using the existing data in the National Geodetic Fund.	Mr. Florin CIOBANU, President, ANCPI +4021 2127339 e-mail: office@ancpi.ro
District Offices for Cadastre and Public Registers (42)	DOCPI	Decentralised executive bodies under the authority of ANCPI in charge to register the real properties in the cadastre registers and the related real rights in the public registers.	Mr. Florin CIOBANU, President, ANCPI +4021 2127339 e-mail: office@ancpi.ro
Local Public Administrations (2960) as follows: Municipalities (97) Towns (170) Communes (2693)	LPA	Self-governance local bodies responsible for territorial planning, issuing construction permits and levying local taxes on the land.	
National Association of Public Notaries of Romania	NUPNR	The Public Notaries are the key actors in the land market procedures and in the registration of real rights.	Mr. Dumitru Viorel MANESCU, President +4021 313.99.20

<p>http://www.uniuneanotarilor.ro/</p>		<p>According to its status the NUPN is constituted by all Public Notaries in function in Romania organized in Chambers of Public Notaries (CPN) that function in the circumscriptions of each of the 15 Courts of Appeal.</p>	
<p>National Association of Romanian Valuers of Romania http://anevar.ro/</p>	<p>ANEVAR</p>	<p>It was founded in 1992, as a professional, non-profit, non-governmental, independent association that acts for public interest and promotes evaluation methods and techniques by specific means, in connection with investors, property transactions and the privatization process. One of the key activities of its members is the Land Valuation.</p>	<p>Mr. Gruia MIRCEA, Executive Director +4021 311 13 40 e-mail: anevar@anevar.ro</p>
<p>National Union of Real Estate Agents http://unim.ro/</p>	<p>UNIM</p>	<p>It was established in the year 2000 as an “professional, independent, autonomous, non-political and non-governmental organization, representative at the national level, having the character of a professional body and representing professional authority for real estate agents. It has the attributes and vocation of a “Public Utility Institution” for the land market.</p>	<p>Mr. Gabriel Florin ZAMFIR, President +4021 6655763 e-mail: contact@unim.ro</p>
<p>Licensed Companies, and Private Professionals executing Cadastral Surveying</p>	<p>Licensed Surveyors</p>	<p>Legal persons having the licence issued by National Office for Cadastre, Geodesy and Cartography (current functioning as ANCP) to execute cadastral surveys.</p>	<p>Mr. Valeriu MANOLACHE, President, <i>Patronal Association for Cadastre, Geodesy and Cartography</i> +4021 4028918 e-mail: theotop@dig.ro</p>

Note:

Additional information on these institutional organizations by concerning their status, legal basis, authority, tasks and position within the institutional structure could be found in the **Annex 1** that is part of the present report.

3 Financial Framework

3.1 Land market

The key element of the land market is represented by sales. The Land Fund Act no. 18/1991 obstructed this process for 7 years by stipulating that the land "... cannot be alienated through official deeds between living people for a period of 10 years, calculated from the beginning of the year next to the year in which the property was registered "

Under these conditions an un-official land market has been developed. In order not to violate the law, the people interested in land transactions found a series of solutions, namely the concluding of apparent juridical deeds of donation, accompanied by sale and purchase contract under private signature.

These constraints have been removed by the adoption in 1998 of the Law no. 54/1998 "on the legal circulation of land". This law has brought the next improvements to the existing land market system:

- The maximum upper limit of a land property holding was extended from 100 to 200 hectares;
- The exchange of land parcels between private natural and legal entities was allowed under the same limits;
- The pre-emption right was extended not only to co-owners and neighbours, but also to lessees;
- The Romanian citizens who reside abroad have got the permission to acquire ownership rights.

After the enforcement of Law 54/1998, the land market has emerged. According to the statistical data of the Ministry of Agriculture and Food, in March 1999 transactions were reported in 2135 communes, both in intramural and extramural areas. In intramural areas 61, 342 transactions of ownership rights were concluded. At the same time in extramural areas the number of transactions was 20,262. The intramural/extramural price ratio was almost 9:1. The sales market continued to grow all over the country. By the end of 2001 transaction occurred in 2607 localities out of a total of 2948 (2686 communes and 262 cities) and seems to be larger than these statistics reflect.

The Law No.66 of 2002 on legal circulation of forested land completed the requirements for land transactions and according to the current assessment made by experts the current legal framework is satisfactory for a functioning land market.

For residential land the ownership of built land with blocks of flats was transferred into the condominium ownership through privatization of city dwellings by Law No. 85/1995 .

The land of Nationalised dwellings have is under process of being transferred from the State to the former owner (by Law No. 10/2001) or to the new owner – the former tenant (by Law 112.1995).

The development of residential, commercial and industrial property markets has been constrained for a while by the lack of urban planning legislation, inadequate regime of condominium ownership and lack of appropriate market based measures of property value which are now mostly removed. Recent studies (Real Estate Market Overview 2003 – Eurisko) accomplished by the key players in the real estate market shows that that the current situation on land market is completely different compared to that of some years ago.

The property market is now one of the most active sectors of the Romanian economy. The demand for real estate is becoming more widespread with institutions and foreign and private investors all actively investing in the market. Based on local economic and political climate as well as access to international markets, nowadays realtors provide counselling on selling, leasing or construction of property and services such as project management and valuation.

The realtors are organized under the **National Union of Real Estate Agents (UNIM)** that was established in the year 2000 as an “professional, independent, autonomous, non-political and non-governmental organization, representative at the national level, having the character of a professional body and representing professional authority in the field. More information on UNIM could be found in the **Annex 1** to the present report.

3.2 Mortgages and Credit Market

The Civil Code in art.1746-1779 - chapter III, title “Privileges and Mortgages”, stipulates the legal support for the mortgages of the Third Book “About different ways to obtain the property”.

The mortgage is a real right against a land that is affected by an easement. It allows the mortgaged creditor the right to claim for the mortgaged land no matter of the possessor in order to recover the debt by the price to be obtained by its forced sale, with preference in front of other creditors (Art. 1719-1720 and 1746 of Civil Code).

Apart of these core regulations of the Civil Code the legal framework related to the legal mortgages in Romania is completed with other laws that stipulate specific regulations in the content, application and use of mortgages on the land, as follows:

1. The Decree – Law No. 61 of 1990 on the sale of dwellings built by State funds onto the tenants establishes that in case of these dwellings are bought by credits contracted to the Savings Bank the credit is insured by a mortgage on the dwelling. By the date of reimbursing the credit the dwelling cannot be transferred without prior approval of the Savings Bank;
2. The Law No. 114 of 1996 on housing stipulates in art. 18 that by the date of returning the amounts representing the subsidies received from the state, the beneficiaries of these subsidies are under a legal mortgage constraint;
3. The Governmental Ordinance No. 19 of 1994 concerning the stimulations of investments for accomplishing public works and raising houses stipulates in its art. 7 that “ By the date of complete restitution of the debts a mortgage shall be registered on the dwelling”;
4. The Law No. 190 of 1999 on Mortgaged Credits (‘Credit Ipotecar’) for investments in real properties, the most important legal document for the interest of the present report, as advocated next.

The mortgaged credits for investments in real properties has developed tremendously in the last years as a supportive approach for the natural persons that intend to buy a dwelling but the same time for the legal persons -commercial companies that work in constructions and investors that are interested to spend their own capital and additional funds by mortgaged credits.

According to the No. 190 of 1999 on Mortgaged Credits could benefit of the provisions of this law the natural persons having Romanian citizenship and Romanian legal persons that are acting in the field of raising, modernization, reinforcing or extension of buildings for housing, industrial or commercial use, and as well as the Romanian legal persons that intend to build service or operative dwellings for their employees. The mortgaged credits may be provided by commercial banks, the

National Agency for Dwellings, the Savings Bank and other financial institutions accredited by law, including Mortgaged Funds.

The problem that has arisen is that in the Civil Code (art. 1775) it is not allowed to register a mortgage for a debtor's future real property. The special Law 190/1999 removes this constraint through a specific provision.

The mortgage related to a real property shall be registered in the Land Registry, according to the art. 31 of the Law No.7/1996 on cadastre and land registration as a provisional record meaning that the property right on a future building (to be raised according to the building permit) shall not be registered but as a provisional record by the moment of concluding the building.

The Law No. 190 of 1999 does not establish a ceiling amount for a mortgaged credit, but for the creditor's protection and for insuring the cancelling of the mortgaged right when the debtor is not able to pay his debt, the value of the credit may not be larger than the market value of the respective property established by a professional expertise.

The value of the credit is established based on the credit market conditions by a contract between the creditor and the debtor.

When the debt has been fully recovered the mortgage shall be erased. If the debt has been recovered just in part the registration of the mortgage may be amended. Both operations may be accomplished following to both parties' agreement or by judicial decision.

The legal framework presented above but mainly the provisions in the Law No. 190 of 1999 brought an important positive support to the land market that is very dynamic and attracts more and more investors.

According to the forecast¹ for the 2004 both supply demand will grow, while prices will follow the same positive trend although not significantly, that allow the specialists to expect a good year for the land market in Romania.

4 Legal Framework

It is hard to come with a broad picture on the legal framework related to land reform. This paper intends to present a holistic view of land administration system in Romania and suggests that a multidisciplinary approach should be taken to its overall management. Therefore, for making an inventory of the key legal documents of interest for this presentation a specific additional research should be accomplished. Even so, considering the need of clear picture on the Romanian legal environment that governs the land administration the present paper will present below the related most important legal documents.

¹ Real Estate Review 2004 – Colliers International

Type of legal document	Number	Year	Title	Main provisions	Availability in English ²
Key laws on land restitution					
Law	18	1991	Law for reconstructing and constructing the property rights on the agricultural land (known as “ <i>Land Fund Act</i> ”)	Returned the land to the former owners within a limit of 10 hectares of agricultural land and 1 hectare of forest	Yes
Law	169	1997	Law for modifying and completing the Law #1/1991	Allows the former agricultural and forest land owners to solicit the difference between the land area owned and land area received in conformity with Law #1/1991	Yes
Law	1	2000	Law for reconstructing the property rights on the agricultural and forest land (known as “ <i>Lupu Act</i> ”, according to the name of its promoter)	Stipulates the restitution to the former owner of the difference between the land area contributed to the agricultural cooperative farms and land area and forestland received in conformity with Law #1/1991.	Yes
Law	10	2001	Law for restitution and compensating the real estate owners that have lost their properties by abuse during the communist system	Stipulates the restitution to the former owners of their real properties in nature (if possible) or the provision of compensations.	
Key legal documents on land registration					
Law	7	1996	Cadastre and Public Registers	Establishes the institutional system of land registration and its authorities for cadastre and land registry: National Cadastre Office and Ministry of Justice	Yes
Minister’s	2371	1997	Regulations for	Establishes the ways of	

² The English version is printed in booklets on paper by the Official Gazette of Romania as the official publisher.

Order (Minister of Justice)			functioning of Land Book Offices within the Local Courts	registration of real rights and functioning of Land Book Offices within the Local Courts	
Govern. Ordinance (Approved by Law No. 39 of 2002)	13	2001	Establishment, organization and functioning of cadastre services at the level of the Local Public Administration	Stipulates that each Local Council is invited to establish cadastre departments to register and manage the information on the land belonging to the respective settlement	
Minister's Order (Minister of Public Admin.)	534	2001	Technical norms for carrying out General Cadastre works	Establishes the ways to accomplish the general cadastre works in the administrative territories.	
Minister's Order (Minister of Public Admin.)	538	2001	Regulations for licensing natural and legal persons to execute and to verify specialized works in the field of cadastre, geodesy and cartography	Establishes the requirements, criteria and the approaches for licensing surveyors for cadastre works.	
Minister's Order (Minister of Public Admin.)	537	2001	Regulations for controlling the natural and legal persons to execute and to verify specialized works in the field of cadastre, geodesy and cartography	Establishes the approaches for controlling the activity of licensed surveyors by the State authority	
Minister's Order (Minister of Public Administration)	535	2001	Regulations for controlling the natural and legal persons to execute and to verify specialized works in the field of cadastre, geodesy and cartography	Establishes the approaches for controlling the activity of licensed surveyors by the State authority	
Emergency Ordinance	70	2001	Amendment to the Law #7/1996 for National Cadastre Office to take over the agricultural	Stipulates that the decentralized rural cadastre bodies were transferred from MoA onto the National	

			cadastre from the Ministry of Agriculture	Cadastre Office	
Emergency Ordinance	41	2004	Amendment and completing the Law #7/1996 for unifying the land registration system	Establishes that the National Agency for Cadastre and Public Registers shall be established by reorganizing the National Cadastre Office and shall take over the Land Registry from the Ministry of Justice	
Govern. Decision	1210	2004	For organizing and functioning of National Agency for Cadastre and Public Registers	Stipulates the status, objectives, functions, attributions, and mode of organization for National Agency for Cadastre and Public Registers	
Key legal documents on land market					
Decree-Law	61	1990	For selling the rented dwellings there are in State ownership to their tenants	Stipulates that the state owned dwellings could be bought by the people who live there as tenants	
Law	85	1992	For selling the other real properties (not only dwellings) there are in the State and State companies' ownership	Extends the range of real estates to be privatised not only to dwellings but to other use.	
Law	16	1994	Land lease	The law allows for leasing out agricultural land on the basis of a written agreement registered to the local councils.	
Law	36	1995	Public Notaries and notaries' activity.	Stipulates that the former State Notary Offices ceased their activity and the Public Notary Offices shall be established. The new organizing system produced in Romania the transit from the state system to a	

				liberal one shaped especially by the autonomous status of the position of a Public Notary.	
Law	114	1996	Dwellings Law	Stipulates facilities for citizens in purchasing a dwelling and the use of the dwelling as collateral in getting credits.	
Govern. Ordinance (Approved by Law no. 39 of 2002)	11	1996	Execution of Budgetary Debts	Stipulates that the State could recover the debts by executing debtors' real properties	
Law	54	1998	Legal circulation of land	Stipulates the status of land on the market	
Law	213	1998	Public property and its legal status	Stipulates the attributes of public property and its legal status	
Law	219	1998	Regime of concessions (leasing)	Stipulates the ways of concession the land belonging to public or private state ownership	
Law	190	1999	Mortgage Credits	Stipulates the status of the credits for real estate investments.	
Law	66	2002	Legal circulation of forested land	Stipulates the status of forested land on the market	
Key legal documents on land taxation					
Law	34	1994	Tax on agricultural revenue	Establishes a tax on agricultural revenue differentiated by land uses and fertility classes	
Emergency Ordinance	8	2001	Agricultural land tax	Defines the taxpayer and establishes the taxes.	
Govern. Ordinance	36	2002	Local taxes	Establishes a classification of land based on their position within the settlement, level of utilities and other elements in order to calculate fair land taxes. The taxes on the land are levied by the local administrations.	

5 Ownership Structure

5.1 Land Reform

Background and history

Romania has a wide diversity of land resources and a high agricultural potential. In this respect the next figures are illustrative:

Out of Romania's total area of 23.8 millions of hectares more than 60% is used for agriculture. The forests cover 28%. Of the agricultural area one third is permanent pasture and some 64% is arable. The national territory is almost equally split between plains, hills and mountains. Soil conditions are favorable for agriculture in most of the Romanian territory and agriculture is the dominant form of land use.

	Total area	Total agricultural land	Arable land	Grassland and Hayfields	Vineyards	Orchards	Forested area
Million hectares	23.8	14.8	9.5	4.7	.28	032	6.7
%	100.0	62.0	64.0*	31.8*	2.0*	2.2*	28

* % relative to the total agricultural land

Table: Total land area of Romania by main uses (Ministry of Agriculture, 1997 Annual Report)

Prior to 1945 (when it turned to the central planned economy due to the communist system) Romania had a system of property rights in land similar to most Western economies. The private property rights in land were exclusive, transferable, alienable and enforceable and have been placed in the context of a market economy. The state property and communal property co-existed with the private property. The property rights in land were guaranteed by constitutional (Romanian Constitution from 1866 and 1923 guaranteed the property of any nature) order, institutional arrangement and public order.

Following to 3 liberal agricultural reforms (1864, 1889 and 1918) the communist agrarian reform of 1945 confiscated all holdings over 50 hectares that had not been cultivated for the last seven years and that belonging to the absentee landlords, "enemies of the people" and "war criminals". This massive expropriation allowed the state to establish control over 1.47 millions hectares.

In 1948 the crown properties (151,740 hectares) and churches' properties (241,151 hectares) were expropriated as well as holdings over 50 hectares.

Collectivization started in 1948 and the process was accelerated in the second half of 1950 by forcing individual farmers to join collectives. In 1962 the collectivization was completed with more than 80% of the agricultural land transferred to collective and state farms. The remaining land, mostly in remote and mountain area was left in private ownership.

The collectivization and nationalization gradually negated property rights on the land by considering only the rights of use and limited transferability.

The restrictions in land transactions were increased in stages and culminated in 1974 with by the Laws No. 58 and No.59 when the transferability of land was accepted only by legal inheritance.

In 1989 at the end of the communist period the land ownership in Romania looked like in the table (Ministry of Agriculture, 1997 Annual Report) below:

	Total agricultural land (14.8 mil.ha)	Arable land (9.5 mil.ha)	Grassland land (4.7 mil.ha)	Vineyards (0.28 mil.ha)	Orchards (0.32 mil.ha)
State sector	30	21	42	31	34
Collective sector	55	70	70	55	44
Private sector	15	9	9	14	22

Restitution of land ownership rights

After December 1989 the land restitution process started with the land belonging to the cooperative farms by the Law No. 18 of 1991 (Land Fund Act).

According to this law the landlords that contributed with land to the cooperative farms have received back in property a land between 0.5 -10 hectares in arable equivalent and maximum 1 hectare of forest. Buy later amendments to the law these ceiling areas have been extended.

The restitution process has faced difficulties due to historical aspects (successive expropriation acts of the communist regime) and lack of clarity of the restitution process and also due to the potentially conflicting interests within the social base. The process typically implies the next stages:

1. Claim of the right;
2. Check and validation of the claims;
3. Establishment of land balance for each village;
4. Identification of parcels, completion of surveys and hand over of land;
5. Issuance and delivery of property titles.

The Law 18/1991 has suffered along the next years various amendments, extensions and methodological norms for the ways to enforcing its provisions. It concerned 9,120,323 hectares. More than 5.1 million claims were processed and the land restitution commissions have validated about 95%.

For establishing the property title for the natural and legal persons that submitted claims for reconstructing their property rights on the agriculture and forested land, according to the provisions in Law 18/1991, republished a new law was adopted in 2000 as Law 1/2000. This law allows the restitution of forested land for individuals up to 10 hectares as well as the restitution to different owners association but no more than 20 hectares for each dispossessed owner of the previous associations.

The restitution of forested land is progressing very slowly and it is going to last many years if the current trend is maintained. Once completed, about 40 percent of the forested area will have returned to its original owners.

During the communist regime many private real properties were confiscated by the State. The restitution process of these real estates started in part in 1995 by the Law No.112. It stipulates the

return in nature or compensations for the real estates used as dwellings and confiscated by the State along the communist period. The application of this law has created a lot of disputes due to the unclear legal status of the properties.

The Law 213/1998 establish a *de facto* state ownership (either public or private) over all private properties taken by the state with a valid title between March 1945 and December 1989 , provided that they were nationalized with a valid title with respect to the (communist) Constitution and the international treaties to which Romania was part.

A new Law No. 10 of 2001 regarding the legal regime of immovable property (land and buildings) confiscated by abuse between 1945 and 1989 provides restitution in private ownership of buildings and other immovable assets confiscated by the state. The law concerns mainly dwellings and urban land whether or not with buildings on it. In case the restitution is not possible the previous owners must be compensated.

This law has a major rate of application in the large municipalities where the most valuable buildings are related subjects. For instance in Bucharest following to this law about 43,500 claims were registered, out of which about 10% have been solved by now.

Privatization of the free state-owned land

Once the restitution process is completed an estimated area of about 500,000 hectares remains in the public state ownership and will not be subject to privatization. For the remaining state land it was agreed that the main focus would be on transfer of management of agricultural land from state enterprises to private entrepreneurs. This means that the state land has to be privatized based on a concession or long term lease contract between the administrator of the state land and a private investor. This transfer may or not may include the sale of shares in the agricultural commercial companies.

A legal decision to enforce this approach had a long time passage through the Parliament. Therefore, the Government decided to speed it up and enacted throughout an Emergency Ordinance No. 198 of 1999 the privatization of state farms. It enabled the former State Ownership Fund to privatize state farms. The State ownership Fund had neither technical capacity nor willingness to assume the administration of state land and therefore there appeared as a real need for the establishment of a separate agency to deal with state owned land.

On 28 May 2001 Law No.268/2001 replaced the Governmental Emergency Ordinance No. 198/1999 *on privatization of agricultural commercial companies holding agricultural land and establishment of the Agency of State Domains*. The new established Agency was empowered to exercise the state ownership rights for the state public and private domains and it was given the responsibility for selling the shares and assets of state owned commercial companies and for leasing out and concession of private and public state owned land

The net revenues obtained by the *Agency of State Domains* from sale and concession is transferred to the special Fund “Development of Romanian Agriculture” that is used to finance development projects in the field.

The privatization process was in many instances marked by lack of transparency and suspicions and therefore changes I the legislation tried to ensure higher transparency and thrust.

According to the information published on its site at November 1, 2004, the initial portfolio of the *Agency of State Domains* as defined by Law no.268/2001 comprised 739 commercial companies and 1.2 millions of hectares agricultural land. The result of its activity since its establishment is:

261 privatized companies, 25 companies under progress of privatization, 118 companies under restructuring, 324 companies under judicial re-organization, etc.

5.2 Results of the land reform

The restitution and privatization of land has strongly impacted on the structure of agricultural production, labor productivity and investment.

A first result in the restitution of the land from the collective farms to the private owners is a high fragmentation ownership pattern. Land fragmentation is generally considered as a major obstacle for technological progress in Romanian agriculture and will be subject to further considerations in the present paper.

Another related result is the transformation of the agricultural sector in a primarily subsistence sector rather than a market oriented one. The domestic production became insufficient and the demand is being met by imports.

The investments in the sector are limited due to lack of cash, limited profitability and current economic performance of the newly privatized farms.

Despite of these economic problems, the land reform brought benefits in terms of new capacities enabled by the market economy rules and a major increase in land market. The key result is the respect of property rights and the possibility to use the land as a collateral for credits to business development.

Once the real property is fully recognized and the real rights are protected the country could emerge onto a real market economy and to fulfilling the requirements for EU accession.

6 Land Development Related Policies

6.1 Key features of Romanian Agriculture³

Over the last ten years Romania has pursued a variety of different macro-economic reform measures in an attempt to re-vitalise its agricultural sector. Together with the food industry the agriculture sector accounts for more than a quarter of Romania's GDP and even larger share of its employment. This is due to its agricultural potential and to its natural resources as shown in the introductory part of the present report.

The contemporary Romanian agriculture has the following dominant characteristics:

- A severe dualistic structure – large subsistence agriculture co-exists alongside a smaller number of large-scale commercial farms
- Continued state control over the agricultural input and output markets – the state companies prevail in the 'upstream' sectors of agricultural production
- Stagnant land market due to the problems of land privatisation – administrative and technical
- The rural credit market is non-functional – due to low supply and low demand
- Romanian agriculture does not specialize in products that go to export – mainly due to the fact that the farmers are severely constrained by lack of capital.

³ The information related to this chapter has been selected from the **FAO/GTZ Land Fragmentation and Land Consolidation in the Agricultural Sector – a Case Study for Romania**, 1999-2000, prepared by M. Rusu, V. Florian, M. Popa, M. Popescu and V. Pamfil

Agriculture is a dominant livelihood strategy in the Northeastern (Moldova) and Southeastern regions of the country where 78.9 percent and respectively 74.6 percent of the population in rural areas are employed in agriculture. With the exception of Bucharest area all other regions have greater proportion of population employed in agriculture than any other sector.

There is a dramatic difference in terms of age of the labour force profile in urban areas compared to the rural areas, as it is illustrated in the next table (National Commission of Statistics, 1997):

Residence	15-24 years %	25-34 years %	35-49 years %	50-64 years %	Over 65 years %
Urban	10.7	28.5	47.1	12.6	1.1
Rural	16.2	18.4	24.3	25.4	15.7

Households in rural communities present significant differences in terms of size, demographic dimension and proportion of socio-economic structures. With regard to the head of household's age the statistics reveals that of the total households 40.2 percent are managed by people aged 60 and over and only 6.2 percent by young people up to 30 years old, as it is presented in the table (National Commission of Statistics, 1997) below:

	Total	Percent of Households					
	House holds	Employe es	Employers	Self-employed in non-agricultural activities	Peasants	Unemployed	Pensioners
Total	100	100	100	100	100	100	100
Up to 30 years	6.2	11.6	10.5	17.6	7.9	13.3	< 0.1
30-39 years	13.9	28.1	35.4	30.9	15.4	31.0	0.5
40-49 years	21.1	42.0	44.7	32.6	23.0	36.6	3.1
50-59 years	18.6	17.2	8.3	15.5	30.2	18.9	17.8
60 years and over	40.2	1.1	1.1	3.4	23.5	0.8	28.6

In terms of education the gross school enrolment rate was 40.6 percent in 1996-1997 in rural areas and 78.1 percent in urban. In 1995 the literacy rate of the adult population in rural areas was 94.7 percent and 99.0 percent in urban areas.

Farm income levels in Romania are so low that a prevalence of subsistence strategy and chronic poverty exists. If the agriculture s the only income source, then the households fall into the category of poor households. If agriculture is coupled to other sources of income (e.g. salaries, pensions, etc.) then the households have a reasonable standard of living.

Incomes in kind are larger than cash incomes, owing to the strong dependence on agricultural production. In the structure of the total incomes, incomes in kind account for 58.6 percent.

As regard to farm expenses, their structure was the following: 59.3 percent for food products, 33.3 percent for non-food commodities and 7.4 percent for the payment of services.

5.2 The physical and institutional structure of Romanian Agriculture

From a legal and a social equity point of view, the Land Law No.18 of 1991 attempted to re-create the pre-communism agrarian situation. The results of its application could allow a comparison between the property structures of 1938 and 1999⁴ as presented in the table below:

Year	No. of owners	Area (hectares)	Average area
1938	3,279,700	19,425,000	5.9
1999	4,920,000	9,200,000	1.9

The figures above prove that, due to the application of the Law 18/1991, the organizational structure of territory, the technical and legal deficiencies of the law and its application rules led to an excessive chaotic and irrational fragmentation of the agricultural land having negative implications in the economic performance of this sector.

This results in parcels disposed of in neither homogenous ways of ensuring a suitable access, and with a width/length ratio incompatible with the use of mechanised equipment. The average area of a parcel is less than 1 hectare.

6.2 Land fragmentation and the need for land consolidation

The Food and Agriculture Organization of the United Nations - FAO commissioned comparative studies on the impact of land fragmentation on rural society in four EU candidate countries with special emphasis on Bulgaria and Romania⁵. The findings of these studies highlight necessary conditions and requisites to address the issue and describe strategies, goals and objectives of proposed land consolidation processes.

Land fragmentation is a regional phenomenon in all Central and Eastern Europe Countries (CEEC) including Romania and affects mostly the agriculture sector. As a result of the distribution of state land (and in some cases cooperatives) according to equity principles without considering management aspects, the parcels received by farmers are either too small and/or badly shaped, for instance in their length to width ratio. Farm holdings' average area is between 2 to 3.5 hectares, which makes it difficult, if not impossible, to implement new production patterns, and to utilize machinery and appropriate technologies. Most private farmers are restricted to subsistence agriculture and cannot participate in commercial production. This leads to migration and the abandonment of farmland, especially in areas distant to markets.

The study revealed in its surveys an excessive land fragmentation in Romania mostly due to the political need to remedy the serious injustices in 1940's and 1950's. Land was restored to its former owners who had been forced to join the agricultural cooperative farms in the period from 1948 to 1962. Therefore two-thirds of those who received land are old people or heirs of the former landlords. Property was further fragmented because most of the deceased former owners left several children.

⁴ Sources: 1938, Romanian History – I.Giurascu and MoA

⁵ Land fragmentation and land consolidation in Romania - FAO commissioned study in co-operation with GTZ, 1999-2000 - Marioara Rusu, Violeta Florian, Mihail Popa, Marin Popescu, Virgil Pamfil

Even the causes of excessive land fragmentation have been identified by the study it is nothing to do but to take effective corrective measures.

In the specialised literature and in the legal systems of EU activities connected to the whole structure of agricultural land are known under different names in each country, the term of **Land Consolidation** being mainly in international use.

In the technical literature and in the legal system in Romania, many definitions were used to describe the activities connected to the arrangement of agricultural land such as:

- Land re-allotment
- Agricultural land organization
- Complete land reclamation arrangements

These activities have been accomplished in the conditions of centralised agriculture but no longer applicable under the new circumstances.

Taking into consideration these new developments and the experience in the EU countries in the last 50 years the FAO/GTZ study proposed institutional and legal arrangements in line with these best international practices to enable the implementation of mass land consolidation projects aimed to defeat the land fragmentation.

The Ministry of Agriculture took note of the results of this study and has sent to the Parliament a bill on land consolidation procedures.

FAO is offering its support to provide technical assistance to the Government by assigning permanent consultants in Romania. These consulting services are accomplished in partnership with GTZ (German Agency for Technical Cooperation) that provides as well financial support for developing pilot land consolidation projects (i.e. in the municipalities Odorheiul Secuiesc and Sighisoara).

7 International Projects and Cooperation

7.1 World Bank Project on Cadastre and Land Registry

The WB-project took its offset in the adoption of Law 7 March 13, 1996, and the Project Appraisal Document dates back to September 25, 1997. The total loan amount is 25,5 mio. USD and the government financing of the project constitute 11,7 mio. USD (ref. WB PAD, September 25, 1997, with annexes). The project implementation period was planned to be 5 years starting in 1998 running through 2003, but an agreement between the Romanian Government and the World Bank established an extension of the period of implementation, to compensate for delays generated in the first years of the project.

The aim of the WB-project is to:

1. Establish an efficient system for securing land titles of real estate owners, which can be expanded nationwide;
2. Create a general cadastre system which provides clear and current definition of real estate parcels which form the basis for real estate registration; and
3. Set up a simple, safe and cost effective procedure for land transactions.

Although some assistance had previous been implemented, the WB-project was the first major project to be implemented after the passing of the Law 7, 1996, in pursuant to which the

organisation of the ONCGC and its associated structures were set up. Consequently the initial focus of the project was on institutional strengthening, methodology development and testing. The project has three components and two phases:

1. Cadastre Component,
2. Land Registration Component and
3. Institutional Development Component.

The first phase concentrated on implementation trials, training and technical assistance to lay the groundwork for the major task of surveying, mapping, and land registration to take place during the second phase.

The conditions have changed during project execution, especially in the area of the institutional framework, which has suffered under frequent changes and lack of coordination between institutions, but also the legal basis was in question during 1999, when there were proposals in Parliament on privatising the land registry.

The WB project is currently in a stage of execution of a large number of activities in phase two of the project on the key areas such as an integrated computer hardware/software system for cadastre database and land book system, service contracts for aerial photography, GPS control, ortho-photography, and cadastral index mapping.

7.2 Multi-annual Programme for Implementation of the Cadastre and Real Property Rights Registration System

An EU Phare programme is likely to start based on the project fiche prepared by National Office for Cadastre, Geodesy and Cartography and Ministry of Justice as the agencies in charge with land registration in Romania. Its purpose is to extend the modernization of cadastre and land registry following to the WB project mentioned above. The overall objective is represented by the development and implementation of a secure, unitary, integrated and cost efficient system of cadastre and real property rights registration.

The follow-up to the overall objective will be done through a 3 Years Multi-annual Programme for Implementation of the Cadastre and Real Property Rights Registration System in Romania.

In 2002 – 2003, during the preparation phase of “Multi-annual Programme for Implementation of the Cadastre and Real Property Rights Registration System in Romania – Phase 1 – Annual PHARE Project 2003”, NOCGC and Ministry of Justice were assisted by foreign consultants hired through Project Preparation Facility. The consultants investigated the specific objectives of the project and the status of implementation.

The proposed Project aims to:

- Support the development and implementation of a secure, unitary, integrated and cost efficient system of cadastre and real property rights registration in order to:
- Increase capacity building, joint management co-ordination, QA and production management
- Improve regulatory framework in order to force simplification, standardisation and unification of registration systems and links with other public registers
- Speed up the quantitative implementation of the system.

Due to the new institutional framework established by the Emergency Ordinance no.41 of 2004, the Project should update the requirements to fit to the structures.

7.3 GTZ financed Project in the Municipalities of Sighisoara and Odorheiu Secuiesc

GTZ (The German Agency for International Cooperation) is financing a pilot project that has been taking place over the last four years in the municipalities of Sighisoara and Odorheiu Secuiesc. During the initial years there has been focus on development of a pilot system covering all different types of data for the urban information system, including the cadastral information.

The first phase of the GTZ project is finished in August 2002 with the second phase started in September 2002 for the next three years. The project areas are the municipalities of Sighisoara and Odorheiu Secuiesc where the project advises the two municipalities in the field of setting up an updated GIS and LIS, checking old land book info with the latest cadastre info, assisting in agricultural land conversion in intramural land for further city planning and all kinds of other problems related to cadastre and land register activities.

Considering that the project outputs are for the use of Municipalities and for the Specific Central Administration Bodies in charge with urban cadastre and land registry the GTZ project has established a Steering Committee to involve all these key actors in getting the best results.

8 Training

In Romania, as presented before, the land administration specialists are mostly working in the Central and Local Public Administration. The changes in legal environment, the content of new regulations and norms, the new technologies to be used, the new skill required to the specialists and the funding opportunities in developing urban and rural planning/development projects should be subject to a systematic and continuous transfer of knowledge to all the levels.

In order to respond to such a demand a network of Training Centres for Public Administration has been established since 1995. Currently the National Institute of Public Administration is in charge with the education and training of staff for central public administration bodies and the Regional Training Centres are taking care about the related education for the local public administration bodies and about that of decentralised units depending on central administration.

In Bucharest and its surrounding districts (“*judets*”) the local administration staff and that of the de-centralized local offices depending on the central governmental agencies (i.e. District Offices for Cadastre and Public Registers) are trained by the Regional Training Centre Bucharest. This is a very important task mainly taking into consideration the provisions of the Law No. 39 of 2002 that has established local services for cadastre and agriculture within the Local Administration in order to support the local land management and local authority.

9 References and Information Sources in English

- **FAO/GTZ Land Fragmentation and Land Consolidation in the Agricultural Sector – a Case Study for Romania, 1999-2000**

[http://www.landentwicklung-](http://www.landentwicklung-muenchen.de/cd_ceec_conference/case_studies/romania/os_n_rusu_formatiert.pdf)

[muenchen.de/cd_ceec_conference/case_studies/romania/os_n_rusu_formatiert.pdf](http://www.landentwicklung-muenchen.de/cd_ceec_conference/case_studies/romania/os_n_rusu_formatiert.pdf)

http://www.landentwicklung-muenchen.de/cd_ceec_conference/case_studies/romania/romania.pdf

- **UN- ECE Land Administration Guidelines, 1997**

<http://www.unece.org/env/hs/wpla/docs/lguidelines.html>

- **OECD, 2000 Review of Agricultural policy, Romania**

<http://www1.oecd.org/media/release/nw00-113a.htm>

- **Real Estate Review 2004 – Colliers International**

<http://www.colliers.com/Markets/Bucharest/MarketReports/MarketOverview/>

- **Real Estate Market Overview – Eurisko**

<http://www.eurisko.ro/section.php?sid=2>

BRIEF INVENTORY OF LAND ADMINISTRATION DATA SOURCES AND KEY ACTORS

RATIONALE

The present annex aims to offer guidance to those interested to better understand the institutional system of land administration in Romania and to identify the information of interest.

Due to the fact that this brief inventory has to be concluded in its first release before the date of General Elections in Romania (November 28, 2004) the author considers that in the next few coming months significant changes in terms of institutional structures will occur and therefore some of the present contacts will become obsolete.

In this respect the present inventory is proposing to provide a brief presentation of the main agencies in charge and of other key actors on land market in order to have a clear picture on their current responsibilities and to track the changes following to the General Elections in the next releases.

A. STATISTICAL DATA

Statistical data of interest for the land market development could be found in the **Romanian Statistical Yearbooks** published in time series 1990 - 2002 by the **National Institute of Statistics of Romania** or could be downloaded from Internet⁶ Other related statistic data could be identified in the **Statistical Quarterly Bulletin – CANSTAT** (that present yearly and quarterly data for EU transition countries) and in **Territorial statistics - 2001 edition**, both published by the National Institute of Statistics of Romania.

The National Institute of Statistics of Romania publishes key information on agricultural land use data and agricultural holdings in the second volume of the series concerning the General Agricultural Census of 2000-2003 in Romania. The information updates could be available in the **Ministry of Agriculture, Forestry and Rural Development**.

“The General Agricultural Census – 2002 (GAC 2002) represents the first agricultural census carried out in Romania, under an integrated statistical programme, in line with the recommendations of the United Nations Food and Agriculture Organisation (FAO) dedicated to the World Agricultural Census 2000 and compliant with the provisions of the statistical Acquis Communautaire related to farm structure survey.

The general context referring to the General Agricultural Census legal basis, purpose and objectives, coverage, observation unit, registration criterion, organizational issues, data collection and processing, as well as the dissemination of first preliminary results in two successive editions (June and July 2003) are presented at detailed level in the first volume with general data, issued and put at users disposal at the end of June 2004. Following the first volume mentioned above, “Land Use” is the subject of the second volume, belonging to a series of twelve volumes, meant to publish the results of General Agricultural Census – 2002. As suggested by the title, this volume is dedicated to the thematic and detailed presentation of data related to land use by individual agricultural holdings and by those with legal personality.

⁶ http://www.insse.ro/download/anuar_2002/aseng2002.htm

The detailed level of data included in two complementary publications, on paper and magnetic support – through the attached CD – is given, on one side, by multiple groupings of indicators according to the territorial administrative structure (whole country, development regions, county and locality – the last one being included, for space reasons, only in the CD) and, on the other side, by the classifications according to the legal status of agricultural holdings, to the ways of land using and crop categories, by size classes of areas and according to other relevant structures.

Though combined in a complex configuration, gathering in rows and columns of data classified and grouped according to various characteristics of derived indicators and variables, the tables are built as to be easily accessible and interpreted. Moreover, the data included in the CD where, as mentioned above, figures at locality level could be also found, gives the user multiple opportunities for processing and obtaining tables, into a suitable format. The total volume of data comprised in the 450 pages of this publication is structured into eight tables, further broken-down in a number of derived sub-tables, drawn up depending on the indicators complexity and on the need to ensure the coherence of data presentation. Thus, the electronically processed data included in tables, are practically entirely covering the indicators related to areas which were foreseen in the census program, respectively those included in the basic census “GAC” questionnaire (see Annex), based on which primary data were collected.

Besides the information referring to the number and structure of agricultural holdings, common reference indicator to which any of the main variables can be connected, the tables also comprise detailed data on: total area of observation unit; utilised agricultural area; not utilized agricultural area; areas according to land tenure (use) type; areas structure according to use – arable land, detailed by crops, areas covered by family gardens, natural pastures and meadows, areas under permanent crops, by species, other areas, including those covered by buildings, courtyards, etc., as well as various other land categories, respectively those covered by combined crops, successive crops, mushrooms, irrigated areas, etc..

The main elements and characteristics of the General Agricultural Census – 2002, in connection with the content of this volume related to land use, are the following:

- For the first time, the statistical observation unit is the agricultural holding, defined in accordance with international standards as “ the economic unit of agricultural production, where the activity is carried out under a unique current administration, comprising all livestock owned and all areas fully or partially utilized in order to obtain agricultural production, irrespective of the type of property, legal status or size”. Taking into account the specificity of Romanian agriculture, the definition of agricultural holding as statistical observation unit was extended beyond the delimitation criteria according to holding size (physical or value thresholds), being also included individual agricultural holdings with small and/or very small agricultural utilized areas;
- The reference moment of areas in the census was the agricultural year 2002 (1 October 2001 – 30 September 2002);
- The criterion taken into account for areas in the census was the one of agricultural land utilization instead of ownership, compliant with the European Union legal framework and norms related to the carrying out of farm structure survey. In other terms, the individual agricultural holdings and the units with legal personality, as users of areas in various ways (ownership, concession, taken on lease, etc) not as land owners, were subject of census;

- The census enumeration was carried out at the headquarters of observation units, irrespective of the territorial location of utilized areas. Thus, an utilized agricultural area spread within the radius of several localities but utilized by a single agricultural holding, was included in the locality where the respective agricultural holding had its headquarter. This option, adopted in accordance with international standards, supposes that, at the level of territorial administrative units, the agricultural areas used, determined according to the headquarters location, differs more or less from the agricultural areas effective existing in these units.
- New concepts were used on the occasion of this census, such as, for example, total area of observation unit (individual agricultural holding and the one with legal personality), utilized agricultural area; kitchen gardens; not utilized area and others.

Total Area represents the whole area hold under various ways and used by the agricultural holding, resulting from summing up the utilized agricultural area, areas under forests, areas under ponds, fish ponds, moors, non utilized agricultural area and other areas (covered with buildings, courtyards, quarries, stony fields, reed plots, etc.) that are located on the area of the holding. Taking into account the criterion of tenure the above mentioned areas by the holding, the total area does not include the land legally or de facto belonging to them, but which were given by the owner or user to other holdings under concession, tenancy, under free title, etc.

Utilized agricultural area includes all areas used for crops, kitchen gardens, permanent crops, natural pastures and meadows.

Kitchen gardens comprise the area located, as a rule, around the dwelling or in its proximity, mainly dedicated to the own consumption of the holding, with a size below 0.15 hectares.

Not utilized agricultural area comprises agricultural areas no more cultivated for various reasons, including areas formerly used as agricultural areas but which, during the agricultural year (1 October 2001 – 30 September 2002), as reference period, were no longer worked and were not included in the crop rotation system. It should be noticed that not utilized area did not include fallow land (included to set aside land), public gardens, parks and lawns on the area of the holding.

Explanation of agricultural holdings number

- The number of agricultural holdings present in various tables varies depending on the statistical indicator envisaged, as such:
- Total number of agricultural holdings 4484893, out of which: 4462221 individual agricultural holdings and 22672 units with legal personality;
- The number of agricultural holdings with total area 4464950, out of which 4442334 individual agricultural holdings and 22616 units with legal personality. In relation with the total number of agricultural holdings, this number does not comprise holdings exclusively owning livestock, without using land.
- The number of agricultural holdings with utilized agricultural area 4299361, out of which 4277315 individual agricultural holdings and 22046 units with legal personality. This number does not comprise the holdings having only not utilized agricultural area, respectively only areas covered by kitchen gardens or exclusively covered by buildings,

courtyards, ponds, fish ponds, moors, etc., and the holdings owning only livestock, without agricultural land.”⁷

B. KEY ACTORS AND DATA HOLDERS

B.1. MINISTRIES

MINISTRY OF AGRICULTURE, FORESTRY AND RURAL DEVELOPMENT

The **Ministry of Agriculture, Forestry and Rural Development** is the authority that seeks to achieve the best conditions to the Romanian agriculture, food industry and forestry to fulfill the domestic requirements and those for European Integration. Starting with 1991 the Ministry plays a key role in the implementation of Land Restitution Laws In order to achieve these key objectives the **Ministry of Agriculture, Forestry and Rural Development** has got responsibilities in coordinating agricultural cadastre and several National Agencies that have land administration tasks as follows:

- **Agency for State Domains;**
- *SAPARD* Agency;
- National Agency for Agricultural Consultancy
- National Forestry Regiae – ROMSILVA

Contact:

Ministry of Agriculture, Forestry and Rural Development

24, Carol I Blvd, Bucharest – 3, ROMANIA

e-mail: comunicare@maa.ro <http://mapam.ro/>

Telephone: +4021 307.85.52, Fax +40 21 307.85.54

Contact person: Valeriu STERIU, Secretary of State for European Integration and Foreign Relations

B.1.3. MINISTRY OF TRANSPORTS, CONSTRUCTION AND TOURISM

The **Ministry of Transports, Construction and Tourism** in the field interest for the present inventory is in charge with enforcing methodologies and norms for executing specific works for a land related evidence on real estate and utility networks within the settlements, for financing the urban and utility cadastre and for developing urban databases. In this respect the **Ministry of Transports, Construction and Tourism** is coordinating the implementation of 2 Specific Programs:

- **Accomplishment of works aiming to introduce the urban and utility cadastre within the settlements;**
- **Establishment of Urban Data Bases;**

The coordination and supervision of the implementation of these programs is assigned to a specific department – the General Directorate of Urban Cadastre.

⁷ Extracts from *General Agricultural Census – 2002* -Volume 2, ISBN973-0-03619-5 published IN 2004 by National Institute of Statistics

The same time, the **Ministry of Transports, Construction and Tourism** has other related responsibilities in coordinating the urban and regional planning, housing, transportation networks and rural infrastructure component under SAPARD program.

Contact:

Ministry of Transports, Construction and Tourism

38, Dinicu Golescu Blvd, Bucharest – 1, ROMANIA

e-mail: webmaster@mt.ro <http://mt.ro/>

9.1.1 Telephone: +4021 312.54.17; CFR: 121012; MTCT: 104

Contact person: Ileana TUREANU, Secretary of State for Urban and Regional Planning

MINISTRY OF ADMINISTRATION AND INTERIOR

The **Ministry of Administration and Interior** is responsible to coordinate the policy in the field of local and central public administration reform, regional development and for defending public order and Citizens' safety. Its main objective is to achieve the EU accession criterions by proving that Romania could strengthen its administrative capacity to fulfill its obligations as a future member state.

Concerning land administration, the **Ministry of Administration and Interior** acts at central level to promote a harmonized spatial development and of the settlement network, an increase in the capacity of regions and a clear understanding and use of the principles of sustainable development.

At the regional level the **Ministry of Administration and Interior** is acting to promote development programs to increase the local and regional infrastructure, socio-economic development in the rural areas and balanced policies to respond the local needs.

In this respect the **Ministry of Administration and Interior** coordinates various institutions in charge with specific tasks related to the land administration as follows:

- *National Agency for Cadastre and Public Registers;*
- Authority for Supervising the Unitary Application of Law #10 of 2001;
- Romanian Fund for Social Development
- National Institute of Administration
- Regional Training Center Bucharest

Contact:

Ministry of Administration and Interior

1, Piata Victoriei, Bucharest – 1, ROMANIA

e-mail: webmaster@mai.gov.ro <http://mai.gov.ro/>

9.1.2 Telephone: +4021 2231477 Fax: +4021 2600078

Contact person: Gheorghe EMACU, Minister assigned for Public Administration

MINISTRY OF JUSTICE

The **Ministry of Justice** is the authority to coordinate the judicial system in Romania. In 1995 the Notaries System has been changed by transferring the services from the State Notaries (as departments within the Local Courts) onto the Public Notaries, a Professional Association under the authority of the **Ministry of Justice**. This change in the system determined a transfer of archives and of the tasks referring to the registration of property rights onto the new established **Land Book Offices** as departments within the Local Courts. By August 2004, when the Government Issued the Emergency Ordinance no. 41/2004, the **Ministry of Justice** was the authority to coordinate the Real Public Registers in Romania. Starting with September 2004 the authority of registration of real rights was transferred onto the National Agency for Cadastre and Public Registers (re-organized from National Office for Cadastre Geodesy and Cartography) that is under the authority of the Ministry of Administration and Interior.

Contact:

Ministry of Justice

14, Aplodor street, Bucharest – 5, ROMANIA

e-mail: office@just.rohttp://just.ro/

Telephone: +4021

Contact person: Cristian DIACONESCU, Minister of Justice

B.2. OTHER CENTRAL ADMINISTRATION AGENCIES

NATIONAL AGENCY OF CADASTRE AND PUBLIC REGISTERS

The National Agency of Cadastre and Public Registers – ANCPI is a specialized body of Central Government, legal entity, subordinated to the Ministry of Administration and Interior as a self sustainable agency in charge to coordinate the activity of cadastre and land registry as an integrated system as the unique authority in the field.

It was established by the Governmental Decision No.1210/9.08.2004 following to the provisions of the Emergency Ordinance No.41/2004 that unified the land registration system by re-organizing the *National* Office for Cadastre, Geodesy and Cartography and taking over the Real Registers Activity (the Land Book Offices from the Ministry of Justice). The newly created sole system is consistent with the Declaration on Cadastre in Europe adopted by the Congress held in Granada in 2002, stating that the information regarding each EU member-state cadastre shall be available for all the citizens of Europe and for all the public and private institution. The Real Estate Publicity Division, established within **ANCPI**, coordinates the activity of registration of real rights within the district offices for cadastre and public registers in respect to observe the applicable laws and regulations.

The **National Agency of Cadastre and Public Registers** has as its key objective to coordinate and to control the execution of cadastral works and to insure the registration of real properties in the Land Registry at the country level. In this respect the **National Agency of Cadastre and Public Registers** has under its authority 42 **District Cadastre and Public Registers Offices** and

the **National Center of Geodesy, Cartography, Photogrammetry and Remote-sensing**, as public bodies with legal personality.

The main task of the **District Cadastre and Public Registers Offices** is to register the real properties in the cadastre registers and the related real rights in the public registers. The **National Centre of Geodesy, Cartography, Photogrammetry and Remote-sensing** is in charge with the maintenance of the geodetic network and of the topographic base plan, to insure an accurate cartographic evidence of the administrative limits, to process aerial and remote sensing images and to achieve other cartographic products by using the existing data in the National Geodetic Fund.

According to the law all the evidences related to the Land Registry shall be transferred from the Land Book Offices depending on the Local Courts onto the District Cadastre and Public Registers Offices by December 31, 2004.

Contacts:

National Agency of Cadastre and Public Registers

202A, Splaiul Independentei, Bucharest – 6, ROMANIA

e-mail: office@ancpi.ro <http://ancpi.ro/>

Telephone: +4021 2127339, Fax +4021 2225224

Contact person: Florin CIOBANU, President

National Center of Geodesy, Cartography, Photogrammetry and Remote-sensing

1A, Expozitiei Blvd, Bucharest – 1, ROMANIA

Telephone: +4021 2241621, Fax +4021 2241996

B.2.1.NATIONAL INSTITUTE OF STATISTICS

The **National Institute of Statistics** is a specialized body of Central Government, legal entity, subordinated to the Government and coordinated by the Minister of Coordination of Government's General Secretariat. In this position it organizes and coordinates the official statistics in Romania.

The National Institute of Statistics has under subordination the following units:

1. **8 Regional Statistical Directorates** – as Statistical Centers of Development Regions, established according to the stipulations of the Law No. 151/1998 on Regional Development in Romania, with its further amendments, and 34 County Statistical Directorates at the level of the other counties, as public services with legal personality;
2. The Publishing House “**Romanian Statistical Review**”, as public institution with legal personality.
3. The **National Center of Statistical Training**, as public institution with legal personality.

In order to insure objective, transparent and scientific methodologies, indicators, nomenclatures and classifications used in statistical activity, besides the National Institute of Statistics, the Council of Statistical Activity Coordination is functioning, as a Consulting Body mainly charged with the analysis and approval of development

strategy of National Statistical System, the activity reports of the National Institute of Statistics and the yearly program of statistical surveys.

Contacts:

National Institute of Statistics

16, Libertatii Blvd., Bucharest – 5, ROMANIA

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Contact person: Clementina IVAN-UNGUREANU, President

Romanian Statistical Review

phone: (401) 410.67.44 extension 1073, fax: (401) 336.67.60
e-mail: rrs@insse.ro

B.2.2. AGENCY OF STATE DOMAINS

The **Agency of State Domains** is a specialized body in charge with the privatization of agricultural commercial companies and with leasing of agricultural land belonging to public and private state ownership that is under the administration of these companies. Law No.268/2001 as an institution of public interest established it, with financial and commercial character under the authority of the **Ministry of Agriculture, Forestry and Rural Development**.

Its main tasks related to land administration are:

- Exercises its attributes as owner of the agricultural land of private state domain;
- Administrates the land with agricultural destination of public and private state domain and insures its effective use by concession or leasing towards the legal specialised persons, individual farmers or agricultural associations;
- Privatizes the commercial state owned companies with agricultural profile, by selling of shares, by restructuring, by selling of actives or by privatizing the management;

Contact:

Agency for State Domains

17, Carol I Blvd, Bucharest – 2, ROMANIA
e-mail: agentia@domeniilestatului.ro
[http:// domeniilestatului.ro](http://domeniilestatului.ro) /Telephone: +4021 312.46.23, Fax +40 21 312.46.23
Contact person: Corneliu POPA, General Director

B.2.3.SAPARD AGENCY

The **SAPARD Agency** insures the technical and financial implementation of SAPARD Program. Its key objective is to create the technical and financial premises for Romania to access the EU structures. It functions under the authority of the **Ministry of Agriculture, Forestry and Rural Development**.

SAPARD Program aims to provide financial support for the period 2000 – 2006 to the candidate countries of ECE and to prepare their participation in the Common Agricultural Policy. Up to the year 2007, by **SAPARD Agency** about 2.3 millions Euros (that includes EU contribution and counterpart funding) should be invested in the rural areas. In order to achieve its tasks **SAPARD Agency** has established at the country level **Regional SAPARD Bureaus** that offer information, register and evaluate the project proposals. These SAPARD Bureaus insure the linkage with the other institutions and organizations involved in the SAPARD program implementation and that have assigned specific functions at local and regional level.

Contact:

SAPARD Agency

43, Stirbei Voda Street, Bucharest – 1, ROMANIA

e-mail: : sapard@sapard.ro; promovare@sapard.ro

[http:// sapard.ro /](http://sapard.ro/)

Telephone: +4021 402.27.77, Fax +4021 311.09.99

Contact persons: Gheorghiu CORBU, General Director
Monica BĂCILĂ, Deputy General Director

B.2.4.NATIONAL AGENCY FOR AGRICULTURAL CONSULTANCY

The Governmental Decision No. 676/1998 established the **National Agency for Agricultural Consultancy** as a public body, with legal personality, financed from the state budgets and functioning under the coordination of the Ministry of Agriculture, Forestry and Rural Development.

The main task of the **National Agency for Agricultural Consultancy** is to provide technical assistance, information and training for an effective economic exploitation of agricultural land.

In this respect it coordinates the **District Centres for Agricultural Consultancy**, as decentralized bodies that are under administrative subordination to the District Councils. The 42 District Centres for Agricultural Consultancy implement their action plans by 700 **Local Centres for Agricultural Consultancy** organized at the level of *communas* (basic rural administrative territory), under the administrative subordination of the respective Local Councils. Therefore, the **National Agency for Agricultural Consultancy** is a key holder of updated information taking into consideration its specific infrastructure and tasks.

Contact:

National Agency for Agricultural Consultancy
3, Smardan Street, 2nd. Floor, Bucharest – 3, ROMANIA
e-mail: : rascanu@anca-maap.ro [http:// anca-maap.ro /](http://anca-maap.ro/)

Telephone/Fax: +4021 312.46.20

Contact person: Greta POPA, General Director

Telephone/Fax: +4021 312.46.27

Contact person: Maria RASCANU, Advisor

B.2.5. NATIONAL FORESTRY REGIAE - ROMSILVA

The **National Forestry Regiae - ROMSILVA** functions and is organized according to the Law No.26 /1996 (Forestry Code) and to the Governmental Decision No.1105/2003, as a legal person, self – funded and public service attributes, with the purpose to insure a sustainable and unitary management, according to the specific regulatory provisions and norms of the **Forestry Fund** belonging to the public state domain (that represented 68.7% of the National Forestry Fund at the date of December 31, 2004, and about 4.44 millions Hectares).

Related to land administration the **National Forestry Regiae – ROMSILVA** could manage, in accordance with its status, in extent to the forests belonging to state domain other forests belonging to private property or to administrative-territorial units, pastures with trees and forestry curtains on contractual basis.

The goods belonging to the state public domain administrated by the **National Forestry Regiae – ROMSILVA** being non-liable are registered in a distinctive way in its patrimony.

The **National Forestry Regiae - ROMSILVA** has as its own infrastructure 42 Forestry Directorates, as district units without legal personality and as well the Institute of Research and Forestry Arrangements as a specialized unit for research-design and forestry development with legal personality.

Contact:

National Forestry Regiae - ROMSILVA
31, Magheru Blvd. Bucharest– 1, ROMANIA
e-mail: : rnp@rosilva.ro [http://rosilva.ro /](http://rosilva.ro/)

Telephone: +4021 2129769 Fax: +4021 3100690

Contact person: Ion DUMITRU, General Manager

B.2.6. AUTHORITY FOR SUPERVISING THE UNITARY APPLICATION OF LAW 10 OF 2001

The **Authority for Supervising the Unitary Application of Law 10 / 2001** is structural department without legal personality under the authority of the **Ministry of Administration and Interior** being in charge with the supervision of the process of implementation of Law No. 10/2001, related to the restitution of real properties taken by abuse by the communist regime, and of the Emergency Ordinance No. 94/2000 (approved and completed by Law No.501/2002) related to the restitution of real properties to the religious cults.

The **Authority for Supervising the Unitary Application of Law 10 / 2001** is a key holder of updated land administration information due to its next tasks:

- Monitors the process of application of the Law 10/2001;
- Issues and updates the next reports: (i) land restituted in nature. (ii) Decisions for financial compensation or in equivalent in land or titles / shares / services, (iii) statistical situations and specific reports to be presented to the Government.
- Clears various situations related to conflicts between landowners and tenants resulted in the process of application of restitution laws for regulating the judicial status of real properties.

Contact:

Authority for Supervising the Unitary Application of Law 10 / 2001
3, Smardan Street, Bucharest– 3, ROMANIA

9.1.3 Telephone /Fax:: +4021 311.01.72

Contact person: Adrian MARASOIU, President

B.2.7. ROMANIAN FUND FOR SOCIAL DEVELOPMENT

Law No. 129/1998 established the Romanian Fund for Social Development as a public interest body without working purpose, with legal personality and administrative autonomy, under the authority of the Government, in charge with financing the projects for poor communities and disadvantaged groups. A Loan Agreements between Romanian Government and IBRD and EBCD provides the funding.

The purpose of **Romanian Fund for Social Development** is to support a sustainable development for the poor communities by financing projects for rural infrastructure, communitarian services, etc.

Contact:

Romanian Fund for Social Development

3, Regina Elisabeta Blvd, Bucharest– 3, ROMANIA

e-mail: : office@frds.ro http://frds.ro

Telephone /Fax:: +4021 315 34 40

Contact person: Valentina MANEA, Public Relations Officer

B.3. NON - GOVERNMENTAL ORGANIZATIONS

B.3.1. NATIONAL UNION OF REAL ESTATE AGENTS

The **National Union of Real Estate Agents (UNIM)** was established in the year 2000 as an “professional, independent, autonomous, non-political and non-governmental organization, representative at the national level, having the character of a professional body and representing professional authority in the field. It has the attributes and vocation of a “Public Utility Institution”. **UNIM** offers insurance for the member agencies and manage the National Register where could be checked the member agencies.

Starting with the year 2002, UNIM has become associated member of CEPI (*Conseil European des Professions Immobilières*) and partner in adopting in Romania the European Professional Standards in the field and in the implementation of the approaches and of the principles of these European Standards on the land market in Romania, in order to insure quality services on Romanian land market.

UNIM aims towards the harmonization of Romanian legislation with the European legislation in its field of activity. It has developed a database containing **updated information on the real estate market** that is made available to the member agencies and to the concerned persons on Internet, by request or by a newsletter.

Contact:

National Union of Real Estate Agents (UNIM)

160, Mihalache Blvd., Bl.3, Sc.A, Ap.3, Bucharest, ROMANIA

e-mail: contact@unim.ro <http://unim.ro/>

Telephone: +4021 6655763, Fax +4021 6652500

Contact person: Gabriel Florin ZAMFIR, President

B.3.2. NATIONAL ASSOCIATION OF ROMANIAN VALERS - ANEVAR

The **National Association of Romanian Valuers - ANEVAR** - was founded in 1992, as a professional, non-profit, non-governmental, independent association that acts for public interest and promotes evaluation methods and techniques by specific means, in connection with investors, property transactions and the privatization process. Today, the association counts more than 4,900 full members and 166 associated firms. Its activity is developed in 51 territorial centers throughout Romania..

The fourth specific domains of activity are:

- Business Valuation
- **Real Estate Valuation**
- Personal Property Valuation
- Financial Assets Valuation

The companies, in order to become affiliated members, must fulfill the following requirements: be active in the appraisal area and having a minimum of three **ANEVAR** licensed valuers as employees or partners.

ANEVAR has elaborated a number of 19 Valuation Standards, compatible with the International Standards established by IVSC and the European Standards established by *TEGoVA*. As a consequence of the professional training of its members, as well as of the promotion of National, European and International Standards and the Code of Professional Conduct, many important Romanian organizations (governmental and non-governmental associations which established the specific regulations) recognized **ANEVAR**'s activity and requested that Appraisal Reports would be elaborated in accordance with **ANEVAR**'s Standards and Recommendations.

Contact:

National Association of Romanian Valuers - ANEVAR

46-48, Calea Plevnei, Bucharest -1, ROMANIA

e-mail: anevar@anevar.ro<http://anevar.ro/>

Telephone: +4021 311 13 40,

Contact person: Gruia MIRCEA, Executive Director

B.3.3. NATIONAL UNION OF PUBLIC NOTARIES

The **National Union of Public Notaries from Romania** has been established in November 17th, 1995, the date when the former State Notary Offices ceased their activity and the Public Notary Offices were set up as they are known today by the population. The new organizing system pursuant to Law no. 36/1995 on Notaries Public and Notaries Activity meant in Romania the transit from the state system to a liberal one shaped especially by the autonomous status of the position of a notary public.

According to its status the **National Union of Notaries Public** is constituted by all Public Notaries in function in Romania organized in **Chambers of Public Notaries** that function in the circumscriptions of each of the 15 Courts of Appeal. Each Chamber of Public Notaries has, according to the law, legal personality and its own seal. The Public Notaries are the key actors in the land market procedures and in the registration of real rights. They exercise their functions in individual bureaux or in associations with other Public Notaries or in professional civil companies.

The activity of **National Union of Public Notaries** is accomplished under the **authority of the Ministry of Justice**.

Contact:

National Union of Public Notaries from Romania

41, General Berthelot Street, Bucharest -1, ROMANIA

[http:// www.uniuneanotarilor.ro/](http://www.uniuneanotarilor.ro/)

Telephone: +4021 313.99.20,

Contact person: Dumitru Viorel MANESCU, President

B.3.4. NATIONAL CONFEDERATION OF PATRONS - “UGIR 1903”

The **National Confederation of Patrons - UGIR 1903** is a has been first established in 1903 in Bucharest It has a confederative structure, with national coverage that include commercial companies, professional associations, organizations, etc., having or not legal personality.

Within its registered members there is the **Patronal Association for Cadastre, Geodesy**

and Cartography that groups Surveying Companies and defends their interests under the broader umbrella of the **National Confederation of Patrons - UGIR 1903**.

Contact:

Patronal Association for Cadastre, Geodesy and Cartography

202A, Splaiul Independentei, 5th floor, room 23, Bucharest -6, ROMANIA

E-mail: theotop@dig.ro

Telephone: +4021 4028918, Fax: 3216282

Contact person: Valeriu MANOLACHE, President

Biographical Notes

Mr. Virgil Pamfil has a broad experience in management of numerous international projects, training and in developing of pilot studies in the field of land administration, institutional strengthening, information systems and public administration reform. Currently he is the Head of Projects and Training Programs Directorate within the Regional Training Centre Bucharest (RTCB).

Starting with 1997 he worked for 6 years for the Romanian Ministry of Justice and the National Office for Cadastre Geodesy and Cartography as the Director of the Cadastre and Land Registration Project funded jointly by the Romanian Government and the World Bank.

He is licensed as land valuator by the Romanian National Association of Valuers – ANEVAR and evaluator of project manager's competences by the Romanian National Council for Adult Education – CNFPA.