

TERMS OF REFERENCE

for the provision of consultancy services of Land Administration Strategy development

1. Background

The Croatian system of registering real properties and associated titles has several objectives. The most important ones include **guaranteed security in real property legal transactions and the protection of titles registered in the registers.**

The system of registering the real properties and associated titles in the Republic of Croatia is based on two registers: cadastre and land registers. The cadastre denotes records containing the data on land parcels and buildings permanently present on the land or beneath its surface, as well as the special legal status on the land surface. The cadastral records are kept by State Geodetic Administration (SGA) regional cadastral offices and Zagreb City Office for Cadastre and Geodetic Works. Land registers are public registers where the data on legal real property status of merit for legal transactions are recorded. Each land register consists of the main register and a collection of deeds. Land registers are kept by land registry offices of municipal courts whereas the Land Registration and Real Property Rights Sector performs tasks related to functional work organisation of land registries and supervises their work.

Since 2012, the MoJPA and SGA have been implementing the Integrated Land Administration System Project (ILAS Project). The Project is financed by the International Bank for Reconstruction and Development (World Bank) and its Development Objective is to modernize the land administration system of the Republic of Croatia (RoC) in order to improve on the civil service from the point of view of efficiency, transparency and cost. The development of the Real Property Registration and Cadastre Joint Information System (JIS) was also supported under the Project. The JIS establishment has led to the creation of unified records for the cadastre and land registers in which the systems are interlinked and exchange real property data. In simplified terms, a unified database and application bringing numerous benefits to the users have been established to keep and maintain the cadastre and land registry data. Apart from the time, needed to access the data and make a registration, being significantly reduced, the citizens are today able to see at one place the ownership structure of a real property and its location in space as well as numerous other functionalities. This system is, therefore, one of the key instruments in the development of e-Croatia and entrepreneurship, and helps secure the public trust in the registers.

The ILAS Project was designed based on the past successful cooperation and completion of the Real Property Registration and Cadastre Project implemented between 2003 and 2010. As the Additional Financing and continuation of the ILAS Project planned for the 2018-2021 period includes the new sub-component C4 to support Implementing the Joint Cadastre and Land Registry Strategy (Joint Strategy), the goal of this task is to help the MoJPA SGA develop the Joint Strategy.

2. Objectives

The objective of Strategy development is to provide guidelines to the Client, Ministry of Justice (MoJPA) and State Geodetic Administration (SGA) on how to secure a stable and safe environment for

better, faster and more efficient work on improving data quality and their harmonisation in the land registry and cadastre, thereby ensuring legal security and public administration efficiency, and encouraging and accelerating investment processes by improving the real estate market functioning.

The present vision of the joint strategy is as follows: land administration system enabling fast, reliable and legal determination of real properties with all their attributes related to rights, limitations and responsibilities linked to a particular land or real property.

A modern and efficient land administration system contributes to increased legal security in real property transactions, while a further development of electronic business operations in the land registry and digital cadastre contributes to the end goal of public administration system reform. Public administration is one of the strategically key areas, with modernisation of the public administration and provision of quick and reliable public services an important integral part of business environment and a precondition for ensuring better living standards for all citizens.

The Strategy needs to elaborate all activities aimed at creating a social, legal and business environment ensuring timely, reliable and high-quality public service to users, securing higher living standards for all citizens and creating an encouraging entrepreneurial environment. The Strategy is expected to encourage further changes in land administration reform to the satisfaction of the user, as well as a contribution to economic development.

The Strategy aims to envisage and ensure the development of as many as possible complex land administration e-services oriented to the citizens and businesses, in a standard way. Complex, customer-oriented e-services will be developed based on the Real Property Registration and Cadastre Joint Information System, by applying the 'only once' basic principle (the citizen provides information only once, and data are transferred thereon). In line with the public administration reform and the need to increase efficiency and reduce the costs, land administration will encourage as much use of the e-services by the citizens and businesses as possible, in order to shorten the processes and cut operational costs.

The key elements to be covered by the Strategy will include, but may not be limited to, are the legal and institutional framework, finances, human resources, business processes, data quality and information and communication technology (ICT).

Land Administration Strategy should be in line with the National Strategy for Development of Croatia until 2030. It is expected that the National Strategy for Development of Croatia until 2030 will define the developmental paths and strategic objectives that the local and regional government units have described in detail in their short-term and mid-term national plans and developmental plans. In terms of hierarchy, the National Strategy for Development until 2030 is the top strategic planning act in the Republic of Croatia, used to shape and implement developmental policies of the Republic of Croatia. The National Development Strategy until 2030 contains a long-term vision of the development of the Republic of Croatia as well as the 10-year investment priorities so the Land Administration Strategy development should follow the same approach.

3. Time period

The time period the Land Administration Strategy should cover is by 2030, particularly with regard to the need to fit in the Strategy and/or its guidelines in line with the National Development Strategy Croatia 2030, which is in the process of adoption in the Croatian Parliament. The Land Administration

Strategy should also determine the short-term (1 year), mid-term (2-5 years) and long-term (5-10 years) investment priorities.

The Land Administration Strategy should provide clear advice on how to conduct the National Reform Program (NRP) activities of the Croatian Government aimed at improving and linking the land registry and cadastre system in the RoC.

4. Overview of the land administration status and goals before Strategy adoption

Although significant projects have been implemented and new solutions introduced contributing to its efficiency, the land administration system is still not on a desired level. Further improvement of the system will therefore be achieved through measures for the harmonisation of data in the cadastre and land registry, which will ensure legal security, encourage and accelerate investment processes, and improve functioning of the real property market. In line with the NRP goals, the MoJPA and SGA have developed the Detailed Plan of displaying cadastral survey data, and land register establishment and renewal, as a basis for carrying out procedures in question, i.e. establishing and renewing land registers for those cadastral municipalities where cadastral surveys have been carried out and survey reports confirmed, but no display process has not been carried out, or land registers renewed. The Plan was approved by the Croatian Government in October 2018. The process of sporadic transformation of the land book and cadastre into the Land Database (LDB) started in November 2018. This process is specified by the Land Registration Act and the State Survey and Real Property Cadastre Act adopted in December 2018, which envisage establishing a joint ownership register, or the LDB, where a harmonisation of the cadastre and land registry registers is expected, without the need to carry out new cadastral surveys, through applications from the electronic database and electronic transfer of all harmonised data in a certain period, with continued maintaining of such cadastral municipalities in the joint database, and applying the joint business processes of the cadastre and land registry. Currently, there is a number of cadastral municipalities in Croatia suitable for the process of sporadic transformation. Launching the mentioned process, as an important instrument for cadastre and land registry harmonisation without the need to carry out lengthy and expensive cadastral surveys, will increase the number of harmonised land registry and cadastral records.

The preconditions for data quality improvement and harmonisation have been met with the establishment of the LDB currently containing 209 (6.62%) cadastral municipalities, 582,116 (4.07%) cadastral parcels and 2,158,244,038 m² (3.91%) of cadastral parcel area. The intent, with the new legislation, is to enable upload of certain cadastral parcels within each cadastral municipality into the LDB (sporadic transformation of the real property cadastre and sporadic transformation of such cadastral parcels into the LDB). Up-to-date real property records are data of crucial importance for both the private and public sectors, strengthening fiscal policies, accurate determination and payment of public dues, preventing fraud in real property transaction, meeting various local government needs, strategic planning of services and infrastructure.

As part of the ILAS Project, a sporadic transformation of the land registry and cadastre pilot-project was carried out at RCOs and LROs Osijek and Požega. Digital cadastral map homogenisation is one of the key preconditions for sporadic transformation of cadastral parcels into real property cadastre, implemented by COs. SGA reported in their final report on homogenisation of cadastral maps that in total 2,234 cadastral municipalities are homogenized. Sporadic transformation is carried out on the

basis of geodetic reports, since all digital geodetic reports are submitted in standardized form almost over 80% are submitted electronically through the developed Digital Geodetic Elaborates System.

5. Tasks and scope of work

The tasks the Consultant shall carry out are as follows:

- Review the key documents, including but not limited to the following:
 - Land Registration Act (Official Gazette no.63/19),
 - State Survey and Real Property Cadastre Act (Official Gazette no. 112/18),
 - Rules and regulations and decrees passed based on the State Survey and Real Property Cadastre Act;
 - Act on the Performance of Geodetic Activity (Official Gazette no. 25/18);
 - Rules and Regulations on the Internal Structure, Keeping of Land Registers and Performance of Other Works at Land Registries (Land Registration Rules of Procedure) (Official Gazette nos. 81/97, 109/02, 123/02, 153/02, 14/05 and 60/10);
 - Rules and Regulations on Benchmarking the Work of Land Registration Staff (Official Gazette nos. 97/05 and 64/12;
 - Rules and Regulations on Technical and Other Conditions of Electronic Business Operations in the Land Registry (Official Gazette no. 119/15);
 - 2020 National Reform Program
 - National Recovery and Resilience Plan 2020 – 2026 (in preparation)
 - Program of the Government of the Republic of Croatia 2020 – 2024
 - Real Property Registration and Cadastre Joint Information System Rules of Procedure (Official Gazette no. 112/17);
 - 2019-2023 e-Justice Strategy (EU Official Journal – 2019/C 96/04),
 - 2019-2023 Action Plan for European e-Justice (EU Official Journal – 2019/C 96/05),
 - Implementation of the Land Governance Assessment Framework (LGAF), Final Report, April 2016;
 - World Bank Croatia Policy Notes 2016 – Restoring Macroeconomic Stability, Competitiveness and Inclusion, February 2016; and
 - Report from the „Croatia as we want it“ participatory workshops; the document was published on the 2030 Strategy website: <http://www.hrvatska2030.hr/>, Ministry of Regional Development and EU Funds, March 2018.
 - available technical documents related to the existing land administration ICT system,
 - Project Appraisal Document and other relevant public documents of the Integrated Land Administration System Project and its additional financing.

- Prepare an overview of international experiences. Use the examples of countries such as Slovenia, Austria, Slovakia, Estonia and Finland to present the ways of and experiences in data quality improvement and harmonisation in the land registry and cadastre, specify the advantages and disadvantages of each system, and describe the activities carried out in practice, as well as lessons learned in the process. The Consultant shall also analyse experiences in the above countries, including the instances of efficient land administration systems where mergers of the institutions were completed successfully, or unsuccessfully. This can be either a separate document or a chapter in the Strategy providing a short overview of examples from other countries, explaining in a concise way why such examples are relevant

for Croatia. The Consultant shall review how these countries have overtime improved their land registry and cadastral systems and advise the MoJPA and SGA about how they could additionally improve the land registry and cadastre system in Croatia.

- Analyse the current situation and constraints on meeting the objectives of the Joint Strategy. The analysis is to include the following:
 - identification of the constraints affecting the MoJPA and SGA abilities to meet their mandate and the Strategy's requirements, including human resources constraints, in order to identify possible gaps preventing the attainment of the defined vision and strategic goals;
 - considering the institutional structures and determining possible institutional changes required to attain the defined vision and strategic goals;
 - analysis of the information technology currently used and its capacity to meet the Strategy requirements (including with regard to electronic payments and e-government goals), adherence to the Land Administration Domain Model (ISO 19152) and the European Union INSPIRE Directive; and
 - analysis of the role of public notaries, lawyers, licensed surveyors and the private sector.
 - Analysis of the process of developing the National Development Strategy of the Republic of Croatia until 2030, in order to incorporate the land administration strategy, once it is adopted, in the afore-mentioned strategy framework.
- Create an Initial Report with a detailed plan of Strategy development. A detailed development plan of the Strategy shall be produced with a brief description of each chapter. The proposed approach, plan and table with content shall be approved by the MoJPA and SGA before moving on to the following tasks. This document should provide a detailed description of the comprehensive approach, and a first draft of how the Strategy will be developed.
- 1st Workshop. The workshop shall present a detailed plan for developing the Strategy, including each chapter's concept, along with bringing up suggestions and comments. The workshop gathers MoJPA and SGA representatives, as well as external users.
- Draft Strategy. The key elements the Draft Strategy shall include are as follows: legislative and institutional framework, financial issues, human resources, facilities, business processes, data quality and the information and communication technology (ICT). The Strategy should define the priority areas of interest and elaborate the dynamics of their activities. Another key element of the Strategy is an activity implementation plan with defined responsibilities for implementation and an estimate of the costs of proposed activities. The Strategy should outline the proposal of other strategic documents derived from it, such as land administration ICT strategy, as well as other documents. Also, the Strategy should provide the clear input on how the MoJPA and SGA could additionally support key development priorities (State assets management, judicial reform, environment, spatial planning, agriculture, forestry etc.) and

strengthen their partnerships with other ministries, State authorities, private sector and other key stakeholders.

- 2nd Workshop. The Draft Strategy shall be presented at a workshop, along with suggestions and comments. The workshop gathers MoJPA and SGA representatives, as well as external users. If possible, representatives of the countries with experience in merging cadastral and land registry institutions take part via video-conference.
- Final Draft of the Strategy. After having been approved by the MoJPA and SGA, all suggestions and comments made at the workshop shall be included in the Final Draft of the Strategy.

6. Qualifications and Experience

The Consultant shall be an economic operator registered with the competent registration body for performing the activities related to the subject of the procurement, or an association in the form of a joint venture, partnership or sub-contracting, with a legal entity as the lead partner that may include academia, universities, institutes, non-governmental organisations and individuals with the following qualifications:

1. At least 5 years of experience in providing consultancy services to public client(s) (a public client shall mean an entity which is a public authority and/or body with public authorities);
2. Experience in providing consultancy services to public client(s) in the field of land administration in at least two projects/contracts;
3. Experience in providing consultancy services to public client(s) in the field of land administration in Republic of Croatia and one EU country is considered as advantage;
4. Experience in drafting an approved national land administration strategy which is under implementation, is an advantage;
5. Relevant financial capability,

The team proposed to implement these activities shall include the following experts: (i) team leader; (ii) legal expert; (iii) geodetic expert and (iv) ICT expert. The role of the team leader may be combined with the role of the legal or technical expert (geodetic or ICT), provided that the candidate possesses the qualifications and experience required for both positions.

As proof for the above-mentioned, the Consultant shall submit:

- I. proof of registration in the relevant register (not older than 3 months),
- II. certificates of other contractual party on proper project/contract execution substantiating Consultant's relevant experience,
- III. as proof of financial capability, the Consultant shall submit:
 - Declaration by the Tax Authority or another relevant body (for Consultants from outside RoC) not older than 30 days from the publication of the Request for Expression of Interest. The Client shall exclude from the procurement procedure Consultants who have not paid its outstanding tax obligations and obligations related to social and health insurance contributions, except when such Consultant is exempted from paying these obligations by special law, or when delayed payment has been approved (for instance, in the case of pre-bankruptcy settlement). To prove such circumstances, the Consultant shall submit as part of the bid a statement by the Tax Authority not older than 30 (in writing: thirty) days from the day of the publication of the Request for Expression of Interest.

IV. a proof that the Consultant's key personnel will include at least the following experts available for the full duration of the project possessing the following qualifications:

Team Leader:

- Relevant university degree, with no less than 8 years of experience working on tasks pr projects in the fields of reform activities, guidelines development, analysis of economic and business processes, and human resources management;
- At least 8 years of experience working on developing strategic documents for large-scale systems;
- Management–level work experience in RoC State authority bodies or private business entities shall be considered an advantage.
- International experience on land administration projects shall be considered an advantage.

Legal Expert

- Relevant university degree, degree in law, with no less than 8 years of experience working on tasks in the field of civil law and land registry administration in the RoC;
- At least 5 years of experience working on developing strategic documents for large-scale systems;
- Knowledge of the legislative framework and practical functioning of the land registry administration system;
- Management–level work experience in State authority bodies or private business entities shall be considered an advantage;

Geodetic Expert

- Relevant university degree, degree in geodesy, no less than 8 years of experience working on tasks in the field of geodesy with a special emphasis on cadastral tasks in the RoC;
- At least 5 years of experience working on developing strategic documents for large-scale systems;
- Knowledge of the legislative framework and practical functioning of the cadastral system;
- Knowledge of the legislative framework and practical functioning of the cadastral system in RoC is an advantage;
- Management–level work experience in State authority bodies or private business entities shall be considered an advantage;

ICT Expert

- Relevant university ICT degree, with no less than 5 years of experience working on tasks in the field of ICT technology with a special emphasis on tasks from the areas of civil law and land registry administration;
- At least 5 years of experience working on developing strategic documents for large-scale systems;
- Familiarity with the legal framework and practical functioning of the land registry administration system in the RoC shall be deemed an advantage;

Management–level work experience in State authority bodies or private business entities shall be considered an advantage;

7. The Consultant's reports and deliverables

The reports and deliverables produced by the Consultant shall include:

- **Initial Report** – the Consultant shall provide an Initial Report to the Client for approval (no more than 30 pages) covering (a) a short international comparison overview; (b) the analysis of the current system and constraints; and (c) a detailed plan for the development of the Strategy covering main directions and ideas of the draft strategy to the Client for review **6 weeks after Commencement of Services**.
- **1st Workshop** – the Consultant shall conduct a workshop to present a detailed plan for developing the Strategy, including each chapter's concept, in a period **not longer than 5 working days after submitting the Initial Report**.
- **Draft Strategy** – the Consultant shall provide a Draft Strategy, including the detailed analysis and overview of international practice, and the detailed analysis of the current situation, to the Client for review **2 months after the approval of the Initial Report**. The Consultant shall submit also a 10-page brief summarising key findings and recommendations for the Draft Strategy.
- **2nd Workshop** – the Consultant shall conduct a workshop with a presentation of the Draft Strategy to the Client **within 5 working days after the delivery of the Draft Strategy**
- **Final Draft of the Strategy** including the Client's comments made during the workshop shall be provided to the Client for approval **within 2 months after the approval of the Draft Strategy**.

The Client shall provide approvals or comments to reports and deliverables provided by the Consultant **within 20 working days**.

The Consultant shall update documents based on comments provided by the Client **within 10 working days**.

8. Service provision period

The Consultant's planned service provision period is 9 calendar months.

9. Reporting/supervising contract implementation

The Consultant shall be responsible for its work directly to the coordinators appointed for this task by the MoJPA and SGA.

10. Language

The official language on this task shall be Croatian. All materials and reports produced by the Consultants within these Terms of Reference shall be delivered to the Client in Croatian and English. They shall be delivered in electronic format open for text editing. All translation costs, whether written translations or any simultaneous translation services, are covered by the Consultant.

The Final Draft of the Strategy shall be produced in Croatian and English, and the document shall be delivered in three bound hard copies in each language.

11. Other provisions

As needed, the Consultant shall perform their tasks on the premises of the State Geodetic Administration Head Office, Gruška 20, 10000 Zagreb, or of the Ministry of Justice and Public Administration, Ulica grada Vukovara 49, 10000 Zagreb.

The workshops stated and described under 5 herein shall be conducted on the premises of the MoJPA and SGA via an online platform depending on the situation related to the COVID-19 epidemic.

Additional information regarding the project can be found on www.uredjenazemlja.hr.