

Implementation of the Land Governance Assessment Framework (LGAF) in the Republic of Croatia

– Final Report –

(to be discussed at the technical validation workshop)



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Abbreviations

ALA	Agricultural Land Agency
PAAFRD	Paying Agency for Agriculture, Fisheries and Rural Development
LPIS	Land parcel identification system
ICZM	Integrated coastal zone management
GDP	Gross domestic product
SGA	State Geodetic Administration
JSC	Joint stock company
DDP	Detailed development plan
SPMA	State Property Management Administration
d.o.o.	Limited liability company
EU	European Union
GUP	General Urban Plan
CSF	Croatian State Forests
PPIS	Physical planning information system
ICZM	Integrated coastal zone management
LSGU	Local self-government units (towns/municipalities)
RSGU	Regional self-government units (counties)
LGAF	Land Governance Assessment Framework
RDC	Register of Deposited Contracts
MFIN	Ministry of Finance
MJ	Ministry of Justice
PIN	Personal identification number
MC	Municipal Court
TA	Tax Administration
RCO	Regional Cadastral Office
IUDP	Implementing urban development plan
RC	Republic of Croatia
WB	World Bank
UN	United Nations
UDP	Urban development plan
VGGT	Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests
JIS	Joint information system
PCA	Protected coastal zone
LOORR	Law on Ownership and Other Property Rights

Summary

The World Bank and partner institutions have developed LGAF as a diagnostic tool for the assessment of the legal framework, policies and practices regarding land governance in individual countries by way of evaluating 117 benchmarks grouped into 27 indicators and 9 modules. LGAF helps establish a consensus on priority activities within the land policy, which are to be carried out regarding land governance. LGAF also helps establish structure and procedures of continuous monitoring of the land governance improvement over time.

The most important recommendations derived from the implementation of LGAF in Croatia have been:

- a. To align the land situation recorded in the key registers (the cadastre and the land register) with the actual situation, to complete the registration of all lands and legal regimes and thus enable access to reliable information for everyone, and to eliminate redundant registers.
- b. To develop a comprehensive strategy of land governance which will help define a comprehensive land and housing policy and establish the spatial planning of land and sea areas, based on the strategy and development programs that take into account sustainable development.
- c. To develop a monitoring system of the spatial situation, within the framework of the key registers, unique to all sectors, and to publish information on the area situation while exchanging data between institutions and services.
- d. To improve the land resource management, to consolidate land and simplify public land use activation procedures.
- e. To eliminate over-regulation and over-segmentation of regulations, and to unify the management of original land data (the cadastre and the land register) by creating a more efficient management structure by means of reducing the number of institutions in charge of land.

The prerequisite for the implementation of the afore-mentioned recommendations is to functionally link the existing registers and institutions. Key land/real property registers of land/real property should be unified and placed under the jurisdiction of a single institution. It is also necessary to unify various functions of land/real property management within the framework of one institution. This would reduce the number of institutions and registers while simultaneously focusing on the quality of human resources.

The benchmark assessment is the result of the discussions of local experts at workshops organised according to standard panel topics. Based on the official data gathered from numerous institutions in charge of land, the assessment was conducted by recognised experts from public authorities, private sector, academic community and NGOs. This implementation phase does not include technical validation and policy dialogue workshops.

This summary presents the most important results derived from the implementation. Further information on the implementation is contained in the following chapters. The first chapter provides basic introductory remarks on LGAF. The second chapter presents the standard LGAF methodology. The third chapter covers general data on Croatia and the situation in the land sector. The fourth chapter presents the assessment and considerations for each individual module. Aside from the standard nine modules, the additional module called "Coastal Zone Management" was also developed. The fifth chapter provides the systematised and analysed results and recommendations, while the sixth chapter presents the conclusions. An assessment chart for all benchmarks is given in the supplement, as well as a list of experts who took part in the panel discussions, the proposal of recommendations for further discussion, and the final approval at technical validation and policy dialogue workshops.

General Data and Information

The Republic of Croatia is a Central-European and a Mediterranean country, bordering with Slovenia, Hungary, Serbia, Montenegro, Bosnia and Herzegovina and Italy (sea border). The Croatian territory covers 87,661 km² in total, out of which 56,594 km² is mainland. Croatia disposes over 31,067 km² of the Adriatic Sea surface. Out of the overall area, 4.3 million hectares have the common good status, 3.0 million hectares are state-owned, 0.013 million hectares are owned by the regional/local self-government units and 2.6 million hectares are privately owned. The population predominantly lives in real property located on privately-owned land.

Urban areas (38% of the surface area) account for 70% of the population, and rural areas (62% of the surface area) account for 30% of the population. Forests and forest land account for 45% (2,7 million hectares) of the overall land area of the Republic of Croatia, and agricultural land accounts for 45% (2,7 million hectares). The Republic of Croatia owns 33% of the overall agricultural land and 78% of forests and forest land.

According to the 2011 census, the Republic of Croatia has a population of 4,284,889, out of which 90.42% are Croats, 7.68% are minorities and 1.90% other nations. Croatia faces population decline, i.e. it has a negative population growth rate. 3.9% of the workforce are employed in the primary sector (agriculture, forestry and fisheries), 26.2% of the workforce are employed in the secondary sector (industry, construction, mining) and 69.9% of the workforce are employed in the tertiary sector (services) (2009). With the GDP of USD 13.020, the Republic of Croatia belongs to the countries with a high gross domestic product (the Atlas method for 2013).

On the administrative level, Croatia is divided into units of regional self-government (20 counties and the City of Zagreb which bears a special status), 127 towns and 429 municipalities as units of local self-government. Each have their own representative bodies (assemblies and councils) and executive authorities (county prefects, mayors and municipal mayors). Many local self-government units do not have sufficient capacity to perform all functions within their competence.

During 1990-s the Croatian socialist and half-market economy was transformed into the system based on private ownership and open market economy, and legislation was adopted which protects ownership. Social ownership was abolished by new regulations, followed by the implementation of property restitution and privatisation. Much of the land became state property (agricultural land and forests) but this has so far not been recorded in official registers. Land/real property is registered in the cadastre, which is administered by the competent State Geodetic Administration, and land/property rights are recorded in the land register, which is administered by the land registry offices of the municipal courts.

There are also a number of institutions at the national and regional level which are in charge of specific tasks concerning land data administration and related land interests, as well as land management. Numerous institutions are spread across different sectors, which makes it difficult to conduct integrated land governance and it slows down the activation of land for investments. Public land defined as a public good may be operated only as a concession. State-owned agricultural land is assigned into long-term lease, and sold only exceptionally.

Land Governance Assessment

Land Tenure Recognition

Individual legal land interests and a continuum of rights are protected by regulations with respect to all citizens of the Republic of Croatia without exception, and there is a number of legal protective instruments in practice. There are no special provisions for any specific group. Common law is no longer a legal source of regulation of real property legal relations and there are no specific indigenous groups in need of the establishment of special rights. All citizens exercise equal rights to land and they can register their rights under equal conditions. Gender information is not kept in the registers, and it is difficult to obtain precise information on the

number of properties registered to female owners in relation to those registered to the male ones.

Joint ownership has been individualized and there are appropriate instruments for the dissolution of co-ownership. All privately owned land is registered and visible on the cadastral map. Even though there have been numerous illegal transactions concerning land-property, present regulations make such actions almost impossible and it is estimated that the number of current illegal sales and leases is low.

The number of regulations dealing with land ownership is too great and it needs to be reduced. Improvements can be achieved by introducing mitigation for the parties in the process, especially the state and local self-government units. The number of regulations restricting ownership rights was deemed too great and it was suggested that the entry of legal regimes in the cadastre should be intensified, pursuant to the regulations, as well as reviewing the justification of legal regime proclamation, in order to reduce the amount of restrictions to ownership rights to a reasonable level.

Rights to Forest and Common Lands and Rural Land Use Regulations

Forest land and other types of land are clearly defined by law, and responsibility for their use is clearly stipulated. Hrvatske šume d.o.o. is responsible for the management of state forests, while the Agency for Agricultural Land is responsible for the management of state-owned agricultural land. The State Property Management Administration is in charge of the state-owned real property in urban areas. There are no common rules and benchmarks for land classification and in practice there are overlaps in the interpretation of the types of land. This then makes the jurisdiction questionable (e.g. the same type of land is classified as agricultural land and forest land). Rights to key natural resources have been regulated but in practice disputes may arise due to overlapping interests or legal regimes.

Different rights on land parcels and the rights to its resources or other resources under the earth's surface on the same parcel of land may coexist. Most of the resources located underneath land surface (earth, stone, ores...) are regulated as common goods or state property, and it is necessary to obtain a concession for their use. The attempt to prevent illegal use is done by pre-regulated sanctions but they are rarely enforced in practice.

There is no common national strategy for rural development in all sectors. The rural development program has been recently approved by the European Union, and its implementation has started. It is necessary to align public goals with ownership right restrictions regulated by legal regimes. There is no special system of rural land planning, rather it is included in the general planning system which is implemented publicly and enables the protection of existing rights. Purpose achievement is slow, often due to unresolved property claims or outdated registration entries.

Urban Land Use, Planning and Development

Restrictions related to the ownership and use of urban land serve public policy objectives, where they exist. Disaster risks are taken into account in the planning, but there are numerous areas built in the past that are at risk and in need of repair. The process of urban sprawl respects existing rights, and changes in spatial planning are based on the existing public procedure. Requests for change are often based on the increase in land value which will be capitalized in the future. There are currently more planned construction areas than needed and this ought to be adjusted by future plan amendments.

There is no systematic housing policy or affordable housing policy, only individual examples. In the past, large cities "overlooked" zones were left behind, which now causes problems in infrastructure development. Their activation would benefit the development of cities.

Permit issue is clearly defined in the regulations and it is not too expensive. However, due to outdated register entries and the involvement of numerous institutions for granting approval, getting a permit can be a lengthy process. By unifying the institutions in charge of land, the

whole process could be significantly accelerated. Past illegal construction was legalized by a special regulation adopted in 2012.

The formalisation of urban housing is feasible and affordable by the registration of condominium ownership, and it is implemented for all new real properties. For existing real properties, the registration of condominium ownership has not been carried out, despite several attempts to legally enforce the registration. The management of complex real properties is efficient. Co-ownership shares are defined by co-ownership agreements, but they are usually not recorded in the land register. Until they need a mortgage loan, or for some other reason, owners have no interest to register their condominium ownership. Most users are content with the registry into the Book of Deposited Contracts which was set up as a temporary solution.

Real, relevant economic and demographic data for the purposes of spatial planning is missing, and the insufficient monitoring of the land situation is further reinforced by inadequate standardization of information and terminology between land management sectors. Poor communication between stakeholders (formal and expert ones) in the procedures of spatial planning development, and frequent fundamental changes of the spatial planning and construction system, generate problems in the implementation of regulations. In order to overcome deficiencies, a standardized spatial situation monitoring system needs to be set up and analytical functions in the land data storage systems need to be developed. All spatial plans are available on the Internet but they are not easily searched.

Public Land Management

The lack of reliable official data on public land impedes effective management. Responsibility for public land management has been assigned unambiguously but inadequate registration has caused disputes (e.g. between the state and the units of local self-government). Regulations stipulate the public land identification process, and the management of various types of land has been awarded to different institutions. Public land has been only partially registered. Registration of the maritime domain has started but only a smaller part of the process has been completed so far. Legal status entries in the land register, for land parcels visible on the cadastre map, often do not correspond to the situation on the ground. This complicates management and creates obstacles for investments. Land information is available on the Internet but its use is restricted due to it being outdated.

Only land deemed to be in the public interest can be expropriated. Before expropriation, priority is given to agreement with owners, and only in cases where an agreement cannot be reached does the expropriation come into play. Purchased or expropriated land is quickly placed in used, and compensation is paid immediately. There are independent and accessible manners of filing complaints against expropriation but resolutions of these complaints may take a while.

In order to improve public land management it is necessary to update all register entries, intensify the lease of state-owned agricultural land, and to offer public goods into concession. The prerequisite for this is up-to-date information on available public land and public disclosure of land status information (expropriation, purpose, protected area...).

Allocation of Large Tracts of Land to Investors

Due to the high level of fragmentation of land in the Republic of Croatia there are almost no "big" parcel land parcels available to investors. For the same reason, agricultural production is weak and it is necessary to start the process of land consolidation and other appropriate measures. Public land allocation is carried out at market prices, but society has limited benefits from this.

Making land available to investors has been clearly and transparently stipulated by law, but the process has been difficult due to outdated register entries. Land identification has been made difficult and requires the cooperation of numerous institutions for each case. Investments are selected in an open procedure based on the prescribed benchmarks. In some cases, investors do not offer enough information for the required assessment of investments, and

contractual obligations are publicly disclosed but not easily assessed. The current concession register has an insignificant number of entries.

Contracts are usually not publicly available, and the monitoring of compliance to concessionaire warranties is lacking. Even though regulations stipulate sanctions for breaches of contract, these are rarely enforced in practice. The development of the payment control process, applicable to all sectors, along with the publication of all information on allocated parcels of public land, and the sanctioning of non-compliance with contractual obligations, are all priority actions which need to be taken.

Public Provision of Land Information: Registry and Cadastre

Incomplete and outdated entries are assessed as the biggest drawback of the land management system. Registers which are not up-to-date make it difficult to obtain information on the relevant spatial status data, and thereby to render appropriate decisions on priority activities within the land policy. Even though all private land is visible on the cadastre map, the legal relations governing them and registered in the land register often do not correspond to the actual situation. Public land is in a poor state, with many parcels still being registered as socially-owned. This incompleteness can also be seen in the fact that the cadastral map does not include the maritime domain or other legal regimes, even though regulations make it possible to do so. Public utilities infrastructure, registered as easement, is sporadically entered in the land register, and a separated register, the Utility Cadastre, does not come close to fulfilling its intended role. The registration of condominium ownership for new buildings has been completed, but there are cases of older, more complex pieces of real properties where this has not been done.

Mechanisms of the recognition of rights, such as the formalisation of a property uncontested for a long time, and the use of unwritten evidence, have been allowed in court proceedings. First entry fees are not high and do not entail informal payments. However, in the case of outdated entries, the recognition of rights can be a long and complex process.

Cost-effectiveness and sustainability of the land management system services are questionable because their organizational format is still the same as at the time of their inception. Even though all data is electronic and should be consolidated in 2016 under the Joint Information System, the business, the number of offices and employees are still from the analogue era. The next step is to develop the JIS as a multi-purpose system, by integrating land information with other registers. Fees have been established in a transparent manner, service standards have been publicly disclosed, and informal payments are discouraged.

The efficiency of the land registry and land interest system requires system modernization which can be achieved by structural changes and functional mergers. This implies a consolidation of the cadastre and the land register, and if possible of other key registers, into a single governing institution. It should be aimed at market business which can be achieved by a quicker introduction of electronic business operations and by the recognition of electronic documents, and the groundwork for this has already been laid (the e-Citizens system).

The introduction of tax on all real properties would reflect well on the update of the register data. Apart from replacing the current utility charges, it would also contribute to a more regular reporting of land changes. The current outdated entries in the cadastre and in the land registry, have no effect on the majority of citizens and they are not motivated to change the situation. By introducing the principle that ownership entitles responsibility, not just rights, also such positions would change. Previous attempts to make the reporting of changes on the land a legal obligation have yielded no results.

Land valuation and taxation

The process of real property valuation is stipulated according to sectors, and it differs from land type to land type involved, causing inadequate implementation in practice and leading to litigation. Real property is taxed by taxing income from certain types of real property, the acquisition of real property and the ownership tax imposed on some types of real property.

There is no tax on all real properties. In addition to tax, utility charges are paid for housing and office facilities, which can be equated to taxation. Collecting utility charges is the responsibility and the income of local self-government units and the accounting is based on surface area. Insufficient capacities are the cause of low collection rates.

Exemptions are covered by regulations, and all taxpayers have their own personal identification number (OIB). Estimated taxes are collected, and collection costs are low. Value lists are not publicly disclosed which needs to be change in the future.

Although the current real property taxes and fees have components partially associated with market value assessment, there is no mass valuation system based on the monitoring of the real property market and market prices. The establishment of mass valuation of real property based on market prices is a priority. A corresponding act was passed in 2015 but its implementation has still not begun. The act introduces new comprehensive administrative procedures and new registers which in practice have not proven to be efficient so far. It would be more convenient to upgrade the existing registers with the mass valuation system.

Dispute Resolution

For the resolution of land disputes in the Republic of Croatia there are clearly stipulated, transparent and objective mechanisms, or clearly defined jurisdictions between courts competent for dispute resolution and other bodies (administrative bodies) that decide in specific types of dispute in connection to real property, i.e. proposals for entry into the land register. In cases when an administrative body is competent for dispute resolution in the first instance, the protection is provided for in the first-instance administrative courts as the courts with full jurisdiction. The right to appeal is ensured, and the proceedings are conducted in due time. There is the possibility of informal dispute resolution, but it is insufficiently encouraged.

There is a significant number of land disputes as well as a large number of long-standing disputes in the system. However, a large part of these disputes are due to land register harmonisation. There is a faster and simpler land register correction procedure for the land register harmonisation but it is rarely used and it should be promoted more when appropriate, instead of resorting to litigation.

Institutional Arrangements and Policies

All branches of the government, the legislative, the judicial and the executive, are responsible for the land and the associated land-related policies in the Republic of Croatia, each within their own powers and competences. Land policy development, implementation and arbitration have been set up. There is a great number of institutions responsible for land and different land-related policies, but each one of them within their own scope of competence, and there is very little coordination. The scope of activities and competence of the public administration bodies are clearly regulated by law and there is no vertical and horizontal competence overlapping. Problems appear when there are different interpretations of land types or outdated entries of land types in the land registers. Almost every public administration body maintains its own land/real property databases, which are mostly not connected to the cadastre/land registry. Institutions should use the data from key registers and exchange it more, instead of collecting and keeping multiple pieces of information.

There is no comprehensive land policy for all sectors. Elements of land policy can be found across individual sector regulations. They have been developed in a participatory manner and they aim to establish equality as well as take into account the environment, but in a sector-oriented manner.

Land institutions frequently report on the implementation of their land policy and these reports are publicly available. Reporting is present, but it differs from one sector to another, which makes it difficult to compare due to non-standardised approaches to reporting and the methodologies used.

There is no land governance strategy or a comprehensive land policy, and individual sector

activities are not coordinated. It is necessary to develop a land governance strategy which will include all sectors, and align sector land policy according to it.

Coastal Zone Management

Sea fishing rights have been legally recognised and combinations with other types of activities are regulated by law. Fish stock capacities are being estimated and harvesting licences are aligned with EU regulations.

Specific maritime spatial plans are not being developed. The development process for maritime spatial planning has been integrated into general spatial planning. The use of the sea is defined by county spatial plans which steer coastal urban development. Pressure to expand construction areas is the same as on land and clearly visible here. Unrealistically planned construction zones will need to be reduced in size.

Spatial plans are developed and changed publicly. Difficulties in obtaining licences for the use of the sea are caused by the fact that the maritime domain has not been properly registered in the cadastre and the land registry, and outdated entries are clearly evident for coastal areas, which makes land identification for permit issue a lengthy process. The use of the maritime domain requires a concession, the procedure for which is regulated by law, but the investors must prepare the documentation for the area by themselves.

A particular challenge for the future spatial planning will be to integrate the previously illegal construction legalized in 2012. There is a lack of development programs based on sustainable development that would serve as the basis for spatial planning development, which is a necessary prerequisite for the sustainable use of maritime resources.

Policy analysis and recommendations

Summary

Land governance in the Republic of Croatia is functioning but it is divided into sectors and burdened with past legacies which can be seen mostly from outdated cadastre and land register entries. Land policies and land management are fragmented between institutions with weak coordination, a lack of common activities and insufficient data exchange. A long-term lack of maintenance of the cadastre and land registry, and their outdated status, have caused many institutions to keep and maintain their own registers. These registers have not fulfilled their purpose, they are mostly incomplete and less up-to-date than the cadastre/land registry. Since they mostly contain data that should be officially registered in the cadastre/land registry, this means users feel even more uncertain. The lack of land information of good quality is one of the reasons why a large amount of land, especially state-owned land, is not operational.

Land management improvement is required according to almost all LGAF modules. **Updating the cadastre and land registry entries** with the actual situation is the number one priority. The estimated mismatch of around 50% of entries is a burden for any future land governance activities. Supplementing key registers with data which will ensure monitoring of the actual situation for all sectors is a prerequisite for any serious analyses of the state of land resources which will serve as the basis for future planning. **Public land management** needs to be improved by activating inactive land parcels. In order to achieve this, **agricultural land needs to be consolidated**. Excessive fragmentation of the governance framework requires a **functional merger of institutions** and the **development of a comprehensive strategy** for the land sector.

Analysis and priority-based recommendations

The most important recommendation derived from the implementation of the LGAF is to finish the cadastre/land registry data update with the actual situation information Since all data is electronic, soon to be part of the Joint Information System, it serves as a good basis for this process. Outdated information from the socialist period is being updated through many projects. Cadastral changes are the best form of renewal, but this is a long process which cannot be achieved soon. The possibility of individual updates is not promoted even though it

has yielded good results in other countries. It is obligatory to register all land changes in the cadastre, but not in the land registry. By introducing mandatory registration of every transaction we could accelerate the update process. Public land is the least up-to-date sector. The registration of all types of state property and legal regimes should be intensified, thus enabling a quicker activation of land. Special measures need to be put in place in order to oblige competent institutions to update their cadastre and land registry data, and this should be a priority in cases where social ownership is still registered.

The management and maintenance of land data should be improved by upgrading the JIS and interoperability should be ensured in order for all sectors to have access to information. Since the late 19th century, all land parcels have been registered in the cadastre and land registry of the Republic of Croatia. Only this information is insufficient for efficient land governance today. Data on public utilities infrastructure, which is being inefficiently kept in the Utility Cadastre, needs to be integrated into the cadastre, i.e. implemented in the Joint Information System, and there is need of technically more advanced maintenance of complex real property data (with apartments and office space). Information on real property value is also important, not just for tax purposes. The Joint Information System needs to become the centre of maintenance and management of official land data by physically integrating or logically linking the existing registers. A clear, single management structure needs to be put in place, and all factors of land governance must become a part of it. By combining this with other factors of the national infrastructure of spatial information, we will create a synergy of development possibilities for the user-oriented geo-portals that will be based on official data, which has not been the case so far.

Reforming institutions, by reducing their number, along with their adjustment to e-business, must be implemented. The key land and land tenure registers, the cadastre and land registry, are all within the competence of different institutions, which causes uncoordinated approaches. On a technical level, there are attempts to overcome difficulties by implementing the JIS, but the management structure is ineffective. The land data maintenance (the cadastre, land register and other registers) needs to be joined in one institution which will have an efficient management structure. This institution also needs to be in charge of other registers, most of which are redundant. This will reduce costs at all levels and enable self-financing for the registers. A reduction in the number of institutions granting land consents would help the economy and accelerate obtaining of permits. Human resources for land management are unevenly distributed, which can also be solved by unifying institutions into a single institution and by internal redistribution. Data from land governance services need to be included in the basic e-business service for citizens, e-Građani/e-Citizens, run by the public authorities. The e-Građani/e-Citizens platform includes a One Stop Shop of the Joint Information System, but for the time being with low functionality. It is especially recommended to encourage data exchange between institutions in charge of land governance by establishing a data exchange system and coordinating bodies to discourage keeping of special separate registers.

The integrity of the land governance system needs to be improved by developing a strategy which will include all sectors. The majority of land governance activities in the Republic of Croatia are carried out across the sectors. Many sectors have good results, but due to weak inter-sector cooperation, they do not contribute to common goals. Umbrella institutions are lacking, as well as basic documentation which would serve as the basis for coordinated planning of individual activities. This comprehensive strategy should serve as the basis for sector strategies and for the definition of a comprehensive land and housing policy. These need to be based on reliable official land data.

Spatial planning, of the land and sea, should be based on a comprehensive strategy and development programs which were made by taking into account sustainability and environmental protection. Land development planning has a long tradition and is well developed. The currently valid generation of all spatial plans has been made recently and their changes are soon to follow. To develop a new generation of spatial plans, we must ensure quality and reliable data on the spatial situation, which would accelerate permit issue. The

prescribed benchmarks need to be applied through the use of development programs which need to be made beforehand.

Inactive land and real property, especially under state authority, needs to be activated by improving the land management system. The many legal regimes restrict owners in use and management. The number and scope of restrictions is too great and often achieves the opposite effect. Instead of having the resource preserved, the use of such resource is abandoned and it is left to deteriorate. We need to review the justification of ownership limitations by way of legal regimes and protected areas, and reduce limitations where possible. Competent institutions must cooperate better in cases of overlapping. Much of the arable land is uncultivated due to the unfavourable ownership structure which discourages its use. Land allocation procedures are clear but competent institutions need to ensure that interested investors have all the data on available resources. Family farms and investors are in need of land, but they get it slowly. It is also necessary to ensure monitoring of the use, the compliance of contractual obligations, and the collection of charges for public land use.

The suggested activities need to be implemented in the legislation which should be reviewed in terms of segmentation. The comprehensive land governance legislative framework is fragmented, it contains many detailed regulations, but it rarely defines state-of-the-art technologies and procedures in the electronic environment. It should be upgraded in that context. A detailed analysis of cross-sectoral regulatory overlap can help remove excessive segmentation and over-standardisation. Land types for all sectors should be unified, in order to ease the identification of types in the regulations and in practice. Misdemeanour sanctions and oversight inspection have been regulated in detail but sometimes there is a lack of resources for their implementation, thus it is necessary to re-examine this with the aim to improve implementation. The maintenance and management of land data, the registers and the competent institution can be organized more efficiently under one legal act. Also, an umbrella institution should be established for land management.

A review of property duties and the introduction of real property tax are also needed. The existing duties and real property tax do not stimulate the use of property because as a rule, only real property in use is taxed. There are no obligations for real property use and investment in real property is often considered a type of "savings". The introduction of real property tax, which need not be significant, should replace the current duties and stimulate the use of land. Furthermore, the introduction of tax on all real property would produce a positive effect on the process of updating the cadastre and the land registry, and on the development of the real property mass valuation system.

1. Introduction

The Republic of Croatia is a Central-European and a Mediterranean country, an EU member state with the population of 4,284,889 according to the 2011 census and its territory covers 8.8 million hectares, one third of which is water. Out of the 8.8 million hectares of its total area, 4.3 million hectares have the common good status, 3.0 million hectares are state-owned, 0.013 million hectares are owned by the regional/local self-government units and 2.6 million hectares are privately owned. Croatia's natural growth rate of the population is negative and amounts to – 0,22%. 3.9% of the workforce is employed in the primary sector (agriculture, forestry and fisheries), 26.2% of the workforce is employed in the secondary sector (industry, construction, mining) and 69.9% of the workforce is employed in the tertiary sector (services). Croatia belongs to the countries with a high gross domestic product.

Growth of the real property market in the developing countries and economic needs for land necessary for development have caused significant pressure on the land governance system in the Republic of Croatia. Radical changes to the legislation after the country's independence have posed new demands on the cadastre and the land registry as the key parts of the land governance system. Due to their outdated entries, they represent an obstacle to the market and the real property market development on account of their outdated entries. Since 2003, the Government of the Republic of Croatia, through the Ministry of Justice and the State Geodetic Administration, has been implementing a program for their improvement, known as Organized Land (*Uređena zemlja*).

Projects which are to contribute to the development and modernization of the land administration are being implemented within the aforementioned program. The use of adequate technologies and development of business procedures should ensure an efficient functioning of the system and updating of the recorded data. The implementation of the Real Property Registration and Cadastre Joint Information System (JIS) has ensured a high degree of cooperation with the aim of stronger correlation and better exchange of real property data.

Even though certain results have already been achieved, the land administration system is still not at the desired level. Therefore, upon the initial installation and data migration, the system is constantly being improved so as to support the land governance. In addition to issues related to land administration, in order to improve the land sector, a wider context of the land governance has to be taken into account, so the World Bank has initiated implementation of the Land Governance Assessment Framework (LGAF) in the Republic of Croatia.

2. Methodology

The Land Governance Assessment Framework is a diagnostic tool for the evaluation of status of the land governance at the state level. Participation of a wide range of reliable local experts and a comprehensive understanding of the assessment objective form the basis for a successful implementation. Moreover, the assessment is based on data and facts collected during the preparation process.

The Land Governance Assessment Framework helps compare individual countries' programs with the global good practice in certain areas important for good land governance, especially with regard to the manner of defining rights over land and the acquisition and transfer of those rights, the manner of implementing public control over the use, management and taxation of the land, the manner of defining state-owned land and the manner of its management by the state, the manner in which a land becomes state-owned and the manner of selling such land and of managing and accessing land information, dispute resolution and responsibilities of officials, as well as procedures related to land investments.

LGAF helps establish a consensus on priority activities within the land policy, which are to be carried out regarding land governance. LGAF also helps establish structure and procedures of continuous monitoring of the land governance improvement over time.

The World Bank and partner institutions have developed LGAF as a diagnostic tool for the assessment of the legal framework, policies and practices regarding land governance in individual countries by way of evaluating 117 benchmarks grouped into 27 indicators and 9 modules.

Local experts implement the LGAF during a short period of time, i.e. during a few months, using the existing official data, surveys, results of their own investigations and other information.

A Country Coordinator coordinates the implementation and chooses expert investigators competent for certain modules. In the introductory phase the Country Coordinator establishes contact with the most important state institutions and provides contact details of a person providing data and information necessary for implementation. The Country Coordinator manages land typology development and overview of institutions as the basis for further activities.

On the basis of their own findings, land typology and institutions overview, experts and investigators prepare status reports on the modules as a material for panel discussions, using previously collected data of various institutions dealing with land governance.

The final assessments of individual benchmarks are presented at panel discussions hosting 4-10 experts. In order for the experts to prepare for the panel, the Country Coordinator provides them with the LGAF Implementation Manual (the part relating to the panel – definitions), the Land Typology and Institutions Overview, the Status Report, which are all prepared by expert investigators, as well as a form of the evaluation table. Prior to each panel discussion, the participants present their own assessments and submit them to the coordinator.

Following the presentation of each individual benchmark by expert investigators and their proposed assessment, the panel is opened for discussion and the participant harmonize the final assessment of the benchmarks. Following the discussion on individual benchmarks, the participants discuss the panel findings and present their suggestions for future land policies.

3. The Implementation of LGAF

The Faculty of Geodesy of the University of Zagreb was entrusted with LGAF implementation in the Republic of Croatia, under the coordination of Prof. Miodrag Roić. The implementation began in February 2015. A draft final report was completed in October 2015. The Country Coordinator had organized and monitored translation of all LGAF documents into Croatian, and the translations were then distributed to all LGAF participants.

A consultation interview was conducted with the Director-General of the State Geodetic Administration, who has appointed his deputy, Mr. Vladimir Majetić, as the contact person of the LGAF project team. The initial presentation of LGAF to government officials in charge of land governance, as the key participant, was conducted in the World Bank Office in Zagreb on 22 April 2015.

The presentation was held by the Country Coordinator, with the participation of expert investigators and David Eigashvili, the WB LGAF Coordinator. The collection of data required for assessment was explained in detail to contact persons of competent institutions, which has resulted in a timely delivery of quality data used for the assessment. Following the assessment, the draft final report was prepared in coordination with expert investigators.

This implementation phase does not include technical validation and policy dialogue workshops.

3.1 General Data and Information

The Republic of Croatia is a Central-European and a Mediterranean country, bordering with Slovenia, Hungary, Serbia, Montenegro, Bosnia and Herzegovina and Italy (sea border). According to the 2011 census, it has the population of 4,284,889, out of which 90.42% are Croats, 7.68% are minorities and 1.90% other nations. Croatia's population is shrinking i.e. it has a negative population rate of -0.2% (2005 – 10) due to its negative natural population growth rate (-0.22% in 2011).

Life expectancy is 72.9 years for men and 79.6 for women (2009). 3.9% of the workforce are employed in the primary sector (agriculture, forestry and fisheries), 26.2% of the workforce are employed in the secondary sector (industry, construction, mining) and 69.9% of the workforce are employed in the tertiary sector (services) (2009).

With the GDP of USD 13.020, the Republic of Croatia belongs to the countries with a high gross domestic product (the Atlas method for 2013). The economy has a negative GDP growth rate and has been in recession since 2009. A quarterly growth in GDP was realized for the first time in 2015, indicating a possible end of the recession. The Croatian territory covers 87,661 km² in total, out of which 56,594 km² is mainland. Croatia disposes over 31,067 km² of the Adriatic Sea surface.

Croatia is predominantly a lowland country. Lowlands (terrain below 200 m of absolute altitude) cover 53.4% of the territory, hills (200 to 500 m of absolute altitude) cover 25.6% of the territory, while mountains (above 500 m of absolute altitude) cover 21.0 % of the Croatian territory. Its horse-shoe shape indicates the importance of the Pannonian and the littoral part, which are mainly interconnected by the carst mountainous area. The Croatian coast is 5835.3 km long, out of which 1,777.3 km (30.5% of the total coast) is land coast and 4,058.0 km (69.5%) is insular coast. Such indented coastline is globally known as the Dalmatian coast (islands, shoreline and mountains run parallel). Croatia has 718 islands and islets, 389 cliffs (always above sea level) and 78 reefs (below, at the level with or, during low tide, above sea level). Around 50 islands are permanently inhabited, with the population of 120,625.

Most of Croatia has a moderate continental climate, the mountainous areas (Velebit, Risnjak, Snježnik) have the mountain climate, whereas the coast and the hinterland have the Mediterranean climate. The Northern Adriatic (Istria, the Croatian Littoral) and the wider Dalmatian Hinterland (Zagora) have the transitional sub-Mediterranean climate. The Croatian plant life is characterised by great biological diversity or biodiversity, phytogeographical

distinctiveness and phytogeographical diversity, which represent the impact of the today's ecological circumstances and consequences of changes throughout the geological history.

During 1990-s the Croatian socialist and half-market economy was transformed into the system based on private ownership and open market economy. This transition has been slowed down and made more difficult since August 1991 because of the Greater-Serbian aggression and adjustments of the economic policy to the defence needs. The Constitution of the Republic of Croatia was adopted and entered into force on 22 December 1990. Major amendments to the Constitution followed on 9 November 2000, on 28 March 2001 and in 2010. The Constitutional amendments of 2000 replaced the semi-presidential system with the parliamentary system. The Croatian political system is based on the principle of separation of powers into legislative, executive and judiciary powers. It is guaranteed by the Constitution that the people elect their political representatives by vote and direct election. The right to local and regional self-government is also guaranteed.

On 1 July 2013 Croatia became the 28th full Member State of the European Union.

Geographical position of Zagreb, Rijeka, Split and Osijek, their size and the existence of various central institutions are the basis for regional division of Croatia into the Zagreb, Osijek, Rijeka and Split macro-regions. On the administrative level, Croatia is divided into 20 counties and the City of Zagreb (bearing a special status), 127 towns and 429 municipalities. Local self-government units are municipalities and towns, and they perform activities regarding direct fulfilment of citizens' needs in the area of spatial and urban development of communities, housing, utility activities, social care, primary healthcare, childcare, education and primary education, culture etc. Counties are units of regional state administration and local self-government, and they perform activities of regional importance.

3.2 LGAF Adjustment

The applicability of LGAF has been analysed in the preparatory stage of the LGAF implementation, with regard to specific characteristics of the Republic of Croatia. The significance of the maritime areas for Croatia was identified, as well as the lack of benchmarks relating to specific characteristics of those areas, and it was agreed to prepare an additional module – coastal zone management. Benchmarks for assessing the fisheries, which is an integral part of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests (VGGT), are especially lacking, and this module will contribute to harmonizing LGAF with VGGT. Benchmarks for the development and fisheries have been developed in the said module and, subsequently, assessed using the standard LGAF methodology.

Definition analysis has shown that these, too, can fully apply in the Republic of Croatia. The lack of definition of the “common good“ legal regime has been observed. Land with this status is public land. However, it is different form public land in as much as it cannot be subject to ownership rights, so a new term and definition have been proposed:

<i>Term</i>	<i>Definition</i>
<i>Common good</i>	Lands which, according to their characteristics, cannot be subject to ownership rights and other property rights, but are rather used by everyone, and cannot be subject to ownership right (title etc.). The state takes care of those areas, is liable for them and manages them mainly through concessions.

A preliminary overview of the benchmarks has established that all of them can apply in the Republic of Croatia. However, it was concluded at the panel discussion during the panel 1 that the benchmark: Indigenous rights to land and forest are prescribed and protected in practice (LGI1, D3) is not relevant and it has remained unassessed.

3.3 Expert Investigators

Once the Country Coordinator had carried out a detailed analysis of the LGAF documentation, expert investigators were selected and asked to participate in the drafting of the study. A local expert was identified according to the specificities of each module, as a person with the most knowledge and experience in that field (Table 1).

Experts independent of political structures were selected in order to make the assessments independent from the political influence. The selected experts are renowned in their respective fields and have been investigating and publishing papers for a longer period of time.

Table 1 Expert investigators per module

	Module	Expert Investigator
1	Land Tenure Recognition	Prof. Tatjana Josipović, DSc
2	Rights to Forest and Common Lands and Rural Land Use Regulations	
3	Urban Land Use, Planning and Development	Assist. Prof. Silvio Bašić, DSc
4	Public Land Management	Blaženka Mičević, MSc
5	Allocation of Large Tracts of Land to Investors	
6	Public Provision of Land Information: Registry and Cadastre	Ivan Novak
7	Land Valuation and Taxation	Assist. Prof. Hrvoje Tomić, DSc
8	Dispute Resolution	Damir Kontrec
9	Institutional Arrangements and Policies	
10	Coastal Zone Management	Ivica Trumbić, MSc

All expert investigators have carefully studied the LGAF documentation and have given consent for their participation. On 17 February 2015 a workshop was held with the selected expert investigators at the Faculty of Geodesy, where discussions were held on document translations, definitions and land typology, as well as the overview of institutions. David Eigashvili, World Bank consultant, has also participated in the workshop, providing assistance to local experts regarding LGAF and answering questions.

In the days following the workshop, the World Bank Coordinator presented the modules in more detail to each expert investigator in individual meetings held with them. In the workshop week, the World Bank Coordinator and the Country Coordinator held a highly useful meeting with the Deputy Director-General of the State Geodetic Administration (Vladimir Majetić). For the preparation of reports for the panels, expert investigators have used the collected data and have subsequently held interviews with relevant stakeholders in the land governance system.

3.4 Panels

Panel experts have been selected on the basis of the Country Coordinator experience and in agreement with individual expert investigators. Experts proposed by the WB Coordinator and the World Bank Office in the RC have also been invited. Representatives of various stakeholders in the land governance system (state administration, regional and local self-government, state-owned companies, civil society associations, private sector and universities) have also been invited to participate in the panel.

10 experts were invited per each panel. Between June and August 2015, 10 panel meetings were held in the World Bank office in Zagreb. David Eigashvili, the World Bank Coordinator, was present at the first three panel meetings.

Turnout for panel discussions was good (Table 2) and, on average, 6-7 experts participated in the discussion and assessment. The participants' general impression was that some benchmarks are mostly focused on less developed countries, to which Croatia also belongs. Therefore, the strictness when assessing individual benchmarks should be considered in the context of the total development of the assessed country.

The representatives of different groups have all contributed to insightful discussions. Views and opinions were sometimes very different. Well-argued discussions have achieved consensus on assessments.

3.5 Land Types

The Croatian territory (Figure 1) can be divided according to ownership rights (Figure 2). Out of the c. 8.8 million hectares of its total area, 4.3 million hectares have the common good status, 3.0 million hectares are state-owned, 0.013 million hectares are owned by the regional/local self-government units and 2.6 million hectares are privately owned. The population predominantly lives in real property located on privately-owned land.



Figure 1. Lands of the Republic of Croatia

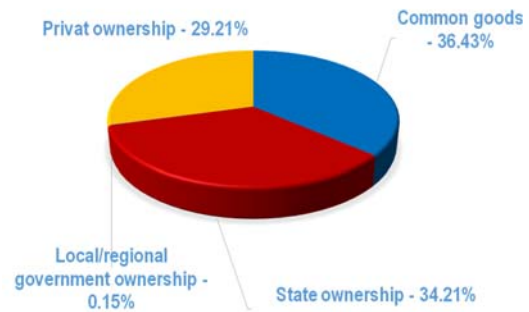


Figure 2. Basic division of lands according to ownership rights

According to the LGAF classification, urban areas cover 2.2 million hectares, with the population of around 3.0 million. Rural areas cover around 3.5 million hectares, with the population of 1.3 million (Figure 3).

Some of special legal regimes cover a significant area of the RC. Water areas cover 7.0 million hectares, agricultural land covers 2.7 million hectares, protected areas cover 0.7 million hectares, protected coastal zone covers 0.8 million hectares, forests and community forests cover 2.7 million hectares, hunting grounds cover 2.2 million hectares and fishing zones cover 5.5 million hectares (Figure 4). It is evident from the above that many legal regimes overlap, which sometimes causes difficulties in determining management capacities.

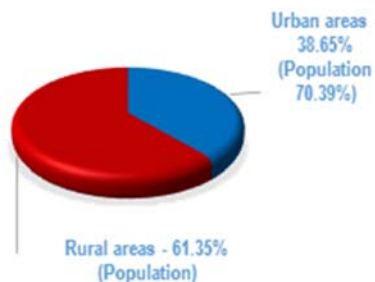


Figure 3. Relationship between urban and rural areas and population

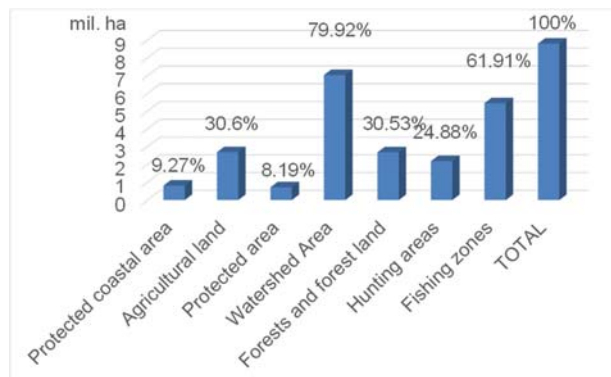


Figure 4. Lands covered by special legal regimes

4. Land Governance Assessment

This chapter describes the assessment of land governance status in Croatia, organized per modules, indicators and benchmarks.

4.1 Land Tenure Recognition

The fundamental regulation governing real property rights is the Constitution of the Republic of Croatia. The Constitution is followed by general legislation in the field of law of obligations and property law, as well as many special regulations for individual types of real property or contractual relationships. Court decisions do not have the power of precedent like in Anglo-American legal systems. However, court decisions represent an important source for interpretation of legal provisions governing real property rights, particularly in cases when legal provisions are unclear, incomplete or contain certain legal standards whose interpretation requires the definition of specific benchmarks applicable to individual disputes in practice.

The regulation of real property relations in the Republic of Croatia, including rural land relations, is based on a principal rule that legal relations are regulated by general and special laws, while former regulations, case law and legal theory are considered as additional sources for the regulation of such relations. The customary law in the Republic of Croatia may not be considered as a separate source of law for regulating real property rights.

Contract and property rights on rural land are regulated by laws in compliance with the Constitution of the Republic of Croatia and subordinate acts adopted on the basis thereof. Ownership is considered a constitutional right within the framework of economic, social and cultural constitutional rights, and a title has been declared one of the highest values of the constitutional order of the Republic of Croatia.

The Croatian property law belongs to the family of continental European legal orders developed mostly under the influence of Austrian and German law. In the Croatian property law, there is no system of property rights characteristic for common law orders. In line with the principle of *numerus clausus*, all property rights are prescribed by law.

After the Republic of Croatia gained its independence and introduced the market economy, the regulation of land rights has experienced radical changes. During the period Croatia was a part of the socialist legal order, land rights have undergone significant changes in both content and structure. Ownership was based on the concept of collectivism. The regulation of property rights was segmented. On the one hand, two very different general forms of property law were established – social ownership and private ownership. On the other hand, a number of specific property rights were established for particular types of land, such as construction land, agricultural land and forest land. Many things, in particular real properties, were under social ownership (e.g. construction land, agricultural land, forests, buildings, flats and the like).

The most important steps in the reform of land rights were the final abolition of social ownership and its transformation into private ownership, as well as the return to traditional principles on which property laws in continental Europe are based (the principle of *superficies solo cedit*, principle of protection of trust in legal transactions, principle of social obligations arising from ownership rights, etc.). Social ownership underwent transformation immediately after Croatia gained its independence, and transformation from social into private ownership was carried out on different legal grounds.

The process of transformation included restitution, whereby property that had been nationalized and confiscated was returned to its former owners. The process of transformation formally ended with the adoption of the Law on Ownership and Other Property Rights (hereinafter: the LO). This Law re-established the legal unity of real property for all real property under the former social ownership for which it was abandoned.

In fact, the Law on Ownership and Other Property Rights explicitly prescribes that a real property consists of the land parcel, including everything that is reasonably permanently affixed to it on the surface or below it. Anything that is erected on, above or below the surface, and

the purpose of which is to remain there permanently, or anything that is built into the real property, added to it or built onto it, or joined to the real property in any other way, is part of such real property until it is separated from it. In that way the legislator eliminated doubts and different interpretations of the definition of real property in case law and commercial practice, and real property transactions have become significantly easier. The subject of legal transactions may be only a single real property because all that is permanently connected with any land, whether on or underneath its surface, shares its legal destiny.

The abolition of social ownership and establishment of a legal system based on only one type of ownership (private ownership) and a return to the principle of unity of real property required special regulation to provide for the transition of existing social ownership to the new property law system.

The regulation of that transition presented one of the most complex tasks in the property law reform for which, because of specific rights on socially owned property, no corresponding model could be found in foreign legal orders. It was necessary to establish a transitory system with maximum recognition of the principles of acquired subjective rights over socially owned property, which required very detailed regulation of the transitional system. Rights over socially owned property were transformed into the right of ownership whereby their holder is known.

However, despite the fact that transformation was carried out *ex lege*, such an approach could not remove all problems that existed in the functioning of the land register system. In many cases, land registers were not harmonised with the actual legal status of real property. This was mostly a result of total marginalization of the role of the land registers during the socialist period. Any legal disposition of real property was at that time mostly performed without registration in the land register, which was in practice tolerated by the courts which recognized the legal effects of such disposition.

In the meantime major changes in the legal status of real property due to the transformation of social ownership occurred. These changes also needed to be registered in the land register. The unconditional application of the rules on protecting trust immediately after the entry into force of the LO could have resulted in losing the already acquired rights that were, for various (more or less justified) reasons, not registered or registered incorrectly in the land register. Consequently, the legislator decided to postpone application of the rules on protecting trust in the land register and allow holders of rights on real property to register their rights. The postponement of the protection of trust surely cannot be viewed as a measure corresponding with the establishment of efficient real property transactions adjusted to the needs of market economy. This is unfortunately necessary but it requires further research on unregistered rights for every transaction.

LGI 1: Continuum of rights guaranteed by regulations

The basic feature of regulating real property rights in Croatia is the multitude of regulations governing those rights. At this moment, numerous regulations governing real property rights, which are of different level, different scope and different level of generality, coexist in the Croatian legal order. Therefore, in each specific case when it is required to regulate a specific legal relationship involving real property in practice, it is important to identify in what segment general regulations and in what segment special regulations apply. On the other hand, in some cases a particular legal relationship related to rural land will fall under the scope of several special regulations, so in each specific case it is necessary to establish in what way and in what segment a particular special regulation is applied and what is the mutual relationship between several special regulations.

The principle of non-discrimination on any grounds applies with regard to acquiring, exercising and protecting rights on real property. The only exceptions are certain restrictions for foreigners acquiring ownership over particular types of real property. In principle, foreign natural and legal persons are equal to domestic persons in their position as holders of property rights. Foreigners may be owners of movable property and holders of all limited property rights on immovable and movable property under the same conditions as domestic persons. The only

difference for domestic holders of property rights is related to acquiring ownership of real property. In addition to general conditions for acquisition that must also be met by domestic persons when acquiring real property, citizens and legal persons from non-EU Member States must fulfil particular special conditions – reciprocity and approval of the Minister of Justice.

Ownership may be restricted or rescinded only subject to compensation of the market value. In addition, ownership may exceptionally be restricted by law in order to protect the interests and safety of the Republic of Croatia, nature, human environment and health, whereby each restriction must be proportional with the needs for limitation in each particular case. Such restrictions are predominantly used for protection of real property and other things that enjoy special protection of the Republic of Croatia. In fact, the Constitution proclaims that the sea, seashore, islands, waters, air space, mineral resources and other natural assets, as well as land, forests, flora and fauna, other components of the natural environment, real property and items of particular cultural, historical, economic or ecological significance may be specified by law to be of interest to the Republic of Croatia and enjoy its special protection. In such cases a special law regulates the manner in which any assets of interest to the Republic of Croatia may be used and exploited, while owners are entitled to compensation regulated by law for any restrictions of ownership.

Nevertheless, with regard to the possibility for certain things to be the subject matter of the right of ownership, the LO differentiates between things (chattels, real property) that can be the subject matter of the right of ownership and the so-called common things/goods for which it is explicitly prescribed that they cannot be subject to ownership or any other property rights of any person. Common goods are things which in view of their natural characteristics cannot be in the control of any natural person or legal entity individually, although they can serve for common purposes i.e. for everyone's use, such as the air and water in rivers, lakes and the sea, as well as the seashore. Unless provided otherwise by a separate law, the Republic of Croatia takes care, administers and is responsible for common goods. The economic use of real property classified as common goods is regulated by concessions on individual common goods governed by separate laws. Based on a concession, the concessionaire may own buildings and other structures erected on a common thing, but only for the duration of the concession concerned.

In the Croatian law, real property owned by public law bodies are called common goods. The Republic of Croatia and other public law bodies are, as holders of the right of ownership on common goods, equal to private owners, unless provided otherwise by law. Disposition, administration and use of real property in public ownership is regulated by special laws (e.g. on agricultural land, forests, water, etc.).

Considering the specific use of a particular real property, with regard to different legal relations it is possible that several different special regulations apply simultaneously to that real property. A whole series of real property legal regimes is regulated by special regulations, such as the Agricultural Land Act, the Water Act, the Forestry Act, the Nature Protection Act, the Islands Act, the Environmental Protection Act, the Hunting Act, the Mining Act, the Act on the Protection and Preservation of Cultural Goods, the Roads Act, the Act on Lease and Sale of Business Premises, the Apartment Lease Act etc.

The coexistence between those special regulations and the general legislation on property law (LO) is governed by the principle *lex specialis derogat lex generali*. For real property rights for which a special law prescribes a specific legal regime, the provisions of the LO on property rights, their protection, exercise and termination apply subordinately, if and to the extent that the special law does not provide otherwise and unless contrary to such special legislation. If a special law prescribes something specific for a particular type of land, the provisions of that special law apply.

Regulations relating to legal governance of rural land apply to the entire population of the Republic of Croatia, i.e. to all land owners, and they represent the basis for the protection of those rights for all holders of rights on rural land. At a normative or practical level, there are no

discriminations on any grounds regarding the protection of rights on urban or rural land. Personal scope of regulations on the rights on land is in no way restricted only to a certain population, to certain groups of population or only to groups of population living on a certain area.

Legal land relations in the Republic of Croatia are not governed by customary law. The Republic of Croatia does not recognize special rules governing rights of indigenous people on land and forests. All rules apply to all owners and there are not special rules governing rights on land with regard to certain groups.

LGI 2: Respect and enforcement of rights

Procedures for individualization of tenure are governed by laws clearly prescribing the manner of establishing the content of certain right. The procedure of entering data into public registers is also explicitly prescribed in a transparent manner. Person authorized to initialize the procedure is clearly prescribed, as well as documents required for the entry, procedure of public bodies carrying out the entry and legal remedies for the protection in such procedures. The law makes a clear distinction of competencies for carrying out individual entries into different public registers. Possible problems arising in practice when carrying out individual entries are the consequence of outdated data in the land register and the cadastre, as well as of incomplete documentation serving as the basis for the entries. However, in cases when the documentation does not fulfil all the formal prerequisites for carrying out a regular procedure (e.g. for an individual correction procedure), rights can be entered in a specially regulated procedure by using special procedural rules.

All lands covered by the ownership regime are entered in the cadastre, and land registers have not been established for only 220 cadastre municipalities (around 5% of the area). However, data on owners are often not harmonized in the land register with the actual legal status. Entry of common good lands has only recently begun and a small number of those lands has been entered in the cadastre. Attempts of a systematic entry have not yielded any results and entries are being carried out in individual cases of awarding concessions.

Real property ownership cannot be acquired on the basis of an invalid purchase and sales agreement because validity of the purchase and sales agreement is the only prerequisite for acquiring ownership on the basis of a legal transaction. Rules have been established in such a way so as to minimize the possibility of concluding illegal sales and purchases or leases and, in case of an invalid agreement, there are mechanisms in place for pronouncing such agreements void or cancelling them, and the number of illegal sales/leases is low.

There is no sex discrimination in the Republic of Croatia for the acquisition of ownership or any other land right. Such discrimination is prohibited by the Constitution of the Republic of Croatia, Land tenure does not depend on the title holder. Titles are entered for the benefit of the title holder, regardless of their age, sex, gender, ethnicity, religion etc. Data on sex of the registered persons are not entered in the cadastre and land register, and it is not possible to give the exact information on entries.

Furthermore, the land tenure regulation is characterized by high segmentation of legislation, that is, the existence of a whole series of special laws governing specific legal regimes for individual types of land. The basic reason for that is the legislator's decision to designate a large number of real properties as properties of interest to the Republic of Croatia and to regulate a special legal regime for them, from which specific obligations and limitations of ownership arise for owners of such real property. However, in some cases in practice it is a problem to establish which of the special regimes is relevant and for which segment of tenure.

Pursuant to the above, it would be useful to establish an optimal relation between general and special regulations regarding real property in order to solve problems arising due to segmentation of legal regimes regarding real property rights. It would also be useful to consider ways of reforming rules for the harmonization of land register status with the actual legal status of real property resulting from the transformation of social ownership and establishment of

legal unity of real property.

In this regard it would be useful to separately regulate prerequisites for entries in cases when entries are carried out on the basis of old *clausula intabulandi* not meeting all general and special prerequisites regulated by land register legislation in force. Those prerequisites should be regulated in such a way so as to prescribe special procedural rules for the court to act upon in order to establish the appropriateness of *clausula intabulandi* for the entry in order to speed up the procedure.

4.1.1 Findings and recommendations

Findings	Recommendation
Segmentation of land regulations	Reduce the number of acts dealing with land
Slow entry of transformed social ownership	Accelerate the procedures and introduce a conciliation possibility for parties in the process, especially the state and local self-government units
All land is entered in the cadastre/land register, but the status often does not correspond to the actual situation	Enable a faster registration of the actual situation using adequate procedures
Special legal regimes often overlap, which is slowing down the decision-making due to the involvement of several institutions and inaccessibility of legal regimes data	Encourage the entry of legal regimes into the cadastre pursuant to regulations and consider the justification of pronouncing legal regimes
There are too many legal restrictions of ownership rights – legal regimes	Deprive restrictions of ownership rights to a reasonable level

4.2 Rights to Forest and Common Lands; Rural Land Use Regulations

LGI 1: Rights to forest and common lands

The legal regime of forests and forest land is governed by the Forestry Act, and the provisions of the LO apply subsidiary to legal regulation of forests and forest land. Special regulation of forests and forest land is based on the rule that forests are goods of interest to the Republic of Croatia, which enjoy its special protection. Consequently, for the exercise of forest and forest land rights, special restrictions with regard to the exercise of these rights have been established and obligations have been imposed on forest owners to act in a certain way with a view of protecting and preserving forests and forest land. As to state-owned forests, there is a clear tendency to preserve the areas of forest land by virtue of a general prohibition of alienation of state-owned forest land, i.e. change of use of forest land into building land.

Forests and forest land can be state-owned and privately-owned. Following the transformation of ownership, forests and forest lands which were socially-owned have become the ownership of the Republic of Croatia. The Croatian legal system does not regulate certain special group rights on forest land because they do not exist.

The Agricultural Land Act regulates the right to common pastures. A common pasture is leased to interested tenderers, natural and legal persons who are cattle owners and entered in the Registry of Farms, as well as to cooperatives organized for the purpose of common grazing on common pastures, whose members are cattle owners and entered in the Registry of Farms. Each selected tenderer leases an unspecified portion of the common pasture, the surface area of which is proportional to the livestock units in their ownership i.e. to conditional livestock units owned by cooperative members.

Privately-owned forests and forest land are managed by their owners, under conditions and in the manner laid down in the Forestry Act. State-owned forests and forest land are managed by the company Hrvatske šume d.o.o. established by the Republic of Croatia. The owners manage pursuant to a forest management program adopted by Hrvatske šume d.o.o. Out of the total area of 2,688.687 hectares, 78.4% are state-owned forests and 21.6% are private forests.

Under the Agricultural Land Act, agricultural land is considered to include arable land, gardens, meadows, pastures, orchards, olive groves, vineyards, fish-ponds, reed beds and marshlands, as well as other land that can be brought into agricultural use at an economically justifiable cost. Foreign persons may not acquire ownership of a unit of agricultural land, except by inheritance. The prohibition of acquisition imposed on foreign natural and legal persons from the EU Member States is valid for a period of 7 years following the accession of the Republic of Croatia to the EU. By transformation, previously socially-owned agricultural land has become state-owned land. Change in the use of agricultural land is made in accordance with the documents on land use planning. A one-off fee for the change of use of agricultural land is charged for the decrease in the value and area of agricultural land, where its amount depends on the value of reallocated agricultural land.

Protected areas of nature, i.e. strict nature reserves, national parks, special nature reserves, nature parks, regional parks, nature monuments, important landscapes, forest parks, park landscaping monuments, are of interest to the Republic of Croatia and are beneficiaries of its special protection, as prescribed by the Nature Protection Act. Protected areas are managed by public entities which may grant concession approvals for a period of up to five years to legal and natural persons for economic utilization of natural resources or exercising other activities.

Domestic legal and natural persons can acquire ownership of real property in protected areas under the conditions prescribed by the law. For each protected area of nature, the Nature Protection Act expressly lays down the obligations and restrictions imposed on the owner with regard to the economic utilization of real property, possession and use. The restriction level depends on the category of the protected area. The owners are entitled to a compensation for restrictions to which they are subjected. In the case of sale of privately-owned real property

located within protected areas, the Republic of Croatia, i.e. the county or the City of Zagreb shall have a right of pre-emption. For the purpose of economic utilization of natural resources in protected areas, a concession may be established. There are in total 417 protected areas of different categories in the Republic of Croatia (the largest part of the protected area are nature parks – 4.56% of the state territory). Protected areas cover 8.58% of the territory of the Republic of Croatia, i.e. 12.25% of the inland territory and 1.94% of the territorial sea.

Mineral resources are owned by the Republic of Croatia and are considered to be goods of interest to the Republic of Croatia which enjoy its special protection. This rule applies also to cases in which a unit of land holding mineral resources is privately-owned. The exploitation of mineral resources requires a concession for the economic utilization of common or other goods.

Even though land types are defined by regulations, there is significant overlapping in legal regulations and practice depending on the property type, especially with regard to certain types of forest and agricultural land. Each separate regulation regarding a certain land type also contains special rules on misdemeanour liability for those who breach the obligations regarding land use, inspections and similar. Examples of illegal construction and other forms of regulations breach exist in practice.

Different rights on land and natural resources, methods of exercising these rights and possible restrictions are explicitly regulated by laws governing special legal regimes on lands. With regard to all those rights, laws regulate their correlation and compensation to which their holders are entitled in case of restricted exercising of their rights due to rights of other holders on the same land. Private owners of forests believe that they are very much restricted by special legal regimes, e.g. water resources, without being compensated for that, and by the condition for establishing hunting grounds, for which they need 1000 hectares at least, whereas the EU allows 100-500 hectares.

Different rights on certain lands are explicitly regulated by special regulations and may coexist. In case a certain right is restricted, its holder is entitled to compensation. However, there are inconsistencies with regard to, for example, right to forest products (mushrooms, game etc.). Game feeds on products (acorn), and the sale of such products may generate income, but the forest owner does not have the right to own game.

The existence of special rights with regard to mining is regulated by the Mining Act, which clearly establishes ownership rights on ores and the manner of their exploitation, regardless of the fact that land is privately owned. The Mining Act establishes in a transparent way the procedure of granting mining concessions, bearing into mind possible restrictions of ownership rights of land owners.

The Republic of Croatia does not have common land or indigenous people. Joint ownership of land is individualized, and common pastures are no longer in joint ownership, but rather in the ownership of the state, which leases them. The need for the registration of joint rights in the cadastre plan is small, but possibilities exist.

For the purpose of protecting of certain lands as goods of special interest to the Republic of Croatia, special regulations provide for special restrictions with regard to ownership and obligations of owners with regard to possession, use and disposition. There are certain restrictions which can hardly be justified since they cause harm to humans and their benefits are disputable.

LG1 2: Efficiency and fairness of regulations on the use of rural land

Disposition of privately-owned rural land is, in general, not restricted. Possible restrictions have been reduced to the fact that, for the benefit of the Republic of Croatia, a regional and local self-government unit has the legal right of pre-emption (e.g. for certain protected parts of nature, for cultural goods), that is, that prior to selling the land it has to be offered under the same conditions for sale to the Republic of Croatia and to other holders of the pre-emption right. The pre-emption process can be slow so it is, in a way, slowing down the sale and

purchase process.

Procedures of rural land governance are explicitly regulated by law and are based on the principle of transparency and the interested public's participation in the plan adoption process. The State and bodies of local and regional self-government units are required to regularly inform the public of the spatial status, enable and promote the public's participation by developing social cohesion and strengthening awareness of the need for spatial protection and managing participation (collecting and organizing proposals, obtaining expert opinions on public attitudes, media intermediation etc.). Regulations regarding forest lands are mostly being implemented, whereas the state of agricultural lands needs to be improved. There is no systematic change in land use outside of construction areas, with the exception of the change prescribed by general land use plans.

Management of the various types of rural land (agricultural, forest land) differs greatly. Management plans for state-owned forest land are being followed, whereas there are mostly no management plans for other land types. On 26 May 2015, the European Commission approved the Rural Development Program of the Republic of Croatia for the period 2014 – 2020, the value of which amounts to around EUR 2.4 billion. The Program defines 16 measures with the aim of increasing competitiveness of the Croatian agriculture, forestry and processing industry, as well as improving living and working conditions in rural areas in general.

Rights on forest and other rural land have been regulated by regulations, special restrictions regarding ownership have been prescribed, as well as special obligations of owners and competencies of public authorities. As to rural land, the provisions of the special act on spatial planning also apply accordingly, where some of the special regulations also contain special rules on the change of use of land. In practice sometimes there are problems in identifying the land type, in particular since, with regard to the data on the land type, the data in the cadastre differ from those in the land register, and there are also differences between the actual use of the land and the one entered in public registries.

Disposition of land is made difficult in practice due to inconsistencies between the status in the land register and the actual legal status of real property, especially because changes occurred during transformation of social ownership have not been entered, and the entered land use does not correspond to the actual usage.

4.2.1 Findings and recommendations

Findings	Recommendation
Difficulties in identifying land types in regulations and in practice, overlapping of agricultural and forest	Harmonize regulations and application in practice
Excessive regulation of misdemeanours which are not sanctioned in practice	Revision of misdemeanour liabilities and inspections
The lack of a national strategy regarding rural development, the same for both agriculture and forestry	Adopt a rural development strategy
Numerous restrictions on ownership rights, serving no public goals	Harmonize restrictions with public goals
There are too many legal restrictions of ownership rights	Decrease the restrictions of ownership rights to a reasonable measure and consider the granting of fail compensation
All land is entered in the cadastre/land register, but the status often does not correspond to the actual situation	Enable a faster registration of the actual situation using adequate procedures

4.3 Urban Land Use, Planning and Development

The Republic of Croatia has a long tradition of physical and environmental planning. After several individual examples of regulations dating back to the second half of the 18th century, urban development plans started being made ever since the end of the 19th century and since the 1960s the planning of wider areas (regions) has developed. The origin of the present land use planning system can be found in the achievements of the previous system dating from the period 1945 - 1991.

Before 1990, land use plans used to be based on long-term (20-30-year long) and medium-term (10-15-year long) community development plans which were institutionally defined and have turned into physical plans. Usually, these plans have reflected the wish to take complete control over physical and facilities planning, which would assumingly occur within the next 10, 20 or more years. Therefore, in a certain way they laid the foundations for physical planning and, since they were mutually well coordinated and connected, it was difficult to adjust them when necessary due to changing needs of citizen and the economy.

In the period between 1967 and 1977, in cooperation with the UN, Croatia carried out physical and environmental planning of the Adriatic region and its immediate hinterland, and by 1974 it developed land use plans for the country's greater parts, as well as the first land use plan of the Republic of Croatia, which were only partially implemented. The wish to have complete control and the difficulty to adjust to population and economy needs caused the population, the economy and even the public authorities to fail at sticking to and carrying out the plans, which resulted in mass illegal construction.

The benchmarks according to which a settlement is defined as a city, more precisely, the specific structure of a settlement having city-like characteristics have been significantly changed on the territory since 1992, so the Republic of Croatia today counts 128 cities, while in the past only Zagreb and Split had such a status. Apart from uneven population density, the Republic of Croatia has been facing a continuous population decline and population concentration on the coast.

Monocentric orientation of the area is evident, with Zagreb as the main centre which is one of the macro regional centres according to the broadness of its gravitational area. Other macro regional centres, namely Split, Rijeka and Osijek, are significantly smaller in relation to Zagreb. The Zagreb or the central macro region, where 62% of the total capital is concentrated, take up approximately 35% of the territory and about 47% of the population. The Split macro region encompasses 26% of the area and 20% of the population. The Rijeka or the West macro region comprises 18% of the territory and 13% of the population, and the Osijek or the East macro region 21% of the territory and 20% of the population.

The applicable legal framework has been effective since the beginning of 2014. Its provisions completely negated the provisions of the Physical Planning and Building Act from 2007, and ordinances, competences and procedures were also changed.

Today, the land use planning system in the Republic of Croatia comprises entities (depending on the planning level they are as follows: the Croatian Parliament and the Government of the Republic of Croatia, the Ministry and administrative bodies, representative bodies of local and regional self-government units, state administration bodies, institutes and other legal persons registered for carrying out expert tasks of physical and land use planning, the Committee for Architectural Excellence), documents (plans on strategic and implementing level), documentation (location, building and use permits) and procedures (analysis of the situation, determination of the conditions and the manner of drafting, adopting and implementing of land use documents and development of construction land).

Land use planning is based on the principles of integral approach to land use planning, giving consideration to scientifically proven facts, spatial sustainability of development and excellence in construction, achievement and protection of public and individual interests, horizontal integration in the protection of space, vertical integration and publicness and free access to

data and documents important for land use planning. Land use plans have the power and legal nature of subordinate legislation.

There are two types of plans, differing in nature: strategic and implementing. Implementing land use plans are made in three stages: land use plans on the government level (the State Plan for Spatial Development, the Land Use Plan for Special-Features Areas – relates to national parks and nature parks determined by a special law and to areas determined by the State Plan for Spatial Development, Urban Development Plans of State Significance – mandatory if so determined by the State Plan for Spatial Development), land use plans on the regional level (Land Use Plan of the County and of the City of Zagreb, Urban Development Plans of County Significance) and land use plans on the local level (Land Use Plan of the City or Municipality, General Urban Plan and Urban Development Plan) (Figure 5).

SPATIAL DEVELOPMENT AND SPATIAL PLANNING				
OVERVIEW OF THE SPATIAL PLANNING SYSTEM				
COMPETENCE	TYPE OF DOCUMENT			
	SPATIAL PLANS		URBAN PLANS	
THE STATE - plans are adopted by the PARLIAMENT OF THE REPUBLIC OF CROATIA	STRATEGIES OF SPATIAL DEVELOPMENT OF THE REPUBLIC OF CROATIA			
	THE NATIONAL PLAN FOR SPATIAL DEVELOPMENT	NATIONAL PARK SPATIAL PLAN, NATURE PARK SPATIAL PLAN, SPATIAL PLAN FOR AREAS WITH SPECIAL FEATURES		
THE STATE - plans are adopted by the GOVERNMENT OF THE REPUBLIC OF CROATIA				URBAN DEVELOPMENT PLAN
THE COUNTY - plans are adopted by the County Assembly	SPATIAL PLAN FOR THE COUNTY			URBAN DEVELOPMENT PLAN
THE CITY OF ZAGREB* - plans are adopted by the Zagreb City Assembly	SPATIAL PLAN FOR THE CITY OF ZAGREB		GENERAL URBAN PLAN	URBAN DEVELOPMENT PLAN
THE CITY - plans are adopted by the CITY COUNCIL	SPATIAL PLAN FOR THE CITY		GENERAL URBAN PLAN	URBAN DEVELOPMENT PLAN
THE MUNICIPALITY - plans are adopted by the MUNICIPAL COUNCIL	SPATIAL DEVELOPMENT PLAN FOR THE MUNICIPALITY			URBAN DEVELOPMENT PLAN

* The City of Zagreb holds the administrative status of a county.

Figure 5. Spatial planning competence

Special (sectoral) acts regulate different areas of land use planning and use of land. The provisions of these acts largely determine the final appearance of the plans. Particularly sensitive and important issue is the question of their interconnectivity and coordination which relate to the areas of the protection of the environment and nature, tourism, culture, sport,

health care, regional development, agriculture, forestry and water protection, the utility services sector, maritime affairs, transport and infrastructure, energy and mining, internal affairs and defence. Generally, each of the areas has several regulations (acts, regulations, ordinances etc.).

All projects in space have to comply with the provisions of land use plans and relevant legislation. Provisions of land use plans determine what and to which extent can be built, and provisions of the acts determine the conditions which constructions have to comply with – in terms of security, environmental impact, energy efficiency etc.

Numerous institutions are included in the planning of the use and development of urban land. The manner of participation of these institutions in the procedure of drafting of plans is prescribed by the Physical Planning Act and the plans are submitted to them for opinion. The institutions are included according to a plan's significance and should any excluded institution determine that it should participate in the process of plan drafting, it can voice its opinion in public discussions. When in the city of Zagreb opinions from public law bodies are requested in the procedure of preparing, for example, amendments to the City of Zagreb Master Plan, there are over 120 bodies with the powers granted by the public law on the list.

Despite a wide-ranging scope of the legislative framework, frequent amendments cause inadequate realization and implementation. Especially noteworthy is the legacy of a significant number of illegal constructions on one's own land. To rectify this, a special act has been adopted enabling faster and easier legalization of illegal construction built until 21 June 2011. The construction of social housing often takes place with no specific political stronghold.

The land use planning system is characterized by the legacy of the previous system, primarily inflexibility, and as such it is not suited to the changeable requirements in the present. Mechanisms are lacking which will guarantee land use plans made in accordance with the actual needs and the implementation of the plans within the agreed time limits.

The system of obtaining different permits (location, building) and particularly special construction requirements is not fully transparent, it is based on unaligned regulations and is subject to their hierarchically uncoordinated interpretation (implementation). The proposed system of obtaining building permits, classification of construction works into groups (which are not compliant with the provisions of special regulations based on which opinions, certificates etc. are issued), unprofessional interventions in the main design through changes in the terminology and unclear procedures do not contribute to efficient implementation of the Act.

LGI 1: Limitations of rights

Restrictions in terms of ownership and the possibility of sale and purchase transactions of urban land are insignificant. They do exist, however, in the case of protected cultural goods, where in the case of a purchase, the real property must first be offered to the state/LSGU as they have the right of pre-emption. Where a real property needs to be acquired for public purposes, the real property is first attempted to be acquired by determining its market price and then through negotiation with the owner. When the price asked for a real property is unreasonably high and no agreement can be reached, the property undergoes an expropriation procedure.

There are restrictions to the right on land in urban areas as regards the manner of use etc., for instance in areas of alluvial land, landslides, protected areas etc. In urban areas there is a difference between the conditions as found and as planned. Very often there are buildings even in locations with restrictions as to their use. Most often such buildings are the legacy of the previous periods. There are many regulations largely serving public purposes, but their implementation is partial often due to a lack of financial resources. For instance, the City of Zagreb allocates annually HRK 20 million to HRK 25 million for the rehabilitation of landslides, which is not sufficient.

LGI 2: Transparency of land use limitations

The system of planning used today is transparent and information is publicly available; however, the decision makers' lack of understanding of the complexity of the planning process sometimes enables realization of partial interests. In addition, the present system of planning also carries the additional burden of the significance of ownership relationships, resulting in more difficult implementation of plans. In the past twenty years, no efficient system for the implementation of land use plans has been set up, such as the one that had existed before and which would, in an appropriate manner, enable the realization of the plans, taking into account the obligations arising from the found property relations within the area covered by the plans.

LGI 3: Efficiency of drafting urban land use plans

The planning process can tackle the issue of rights on land of those involved in the plan in accordance with internationally recognized standards, but the process of implementation of plans cannot. There are no statistical/planning forms for monitoring the realization (construction) on re-zoned land and re-zoning requests are often made for speculative purposes involving the value of the land.

There are no mechanisms requiring contractors to invest in the lower-end real property market. The Government has launched some initiatives, but the private sector is not included. Despite a lacking wholesome approach to the housing policy, the Act on Subsidized Residential Construction has helped build several thousands of apartments across the country. The Act regulates the implementation of state-subsidised housing construction, but it does not oblige the state to make any serious sociological, demographic, economic or other analyses which could be used to define the needs, housing structure and housing typologies. The payment ability of citizens poses additional problems, having fallen in the past 5 to 10 years. As a result, some of the apartments built have remained unsold and, to solve this problem, the authorities have attempted in the past several years to introduce a system of rents as a possible means of helping the most vulnerable household categories.

In major cities, urban spatial expansion is efficiently channelled by means of a hierarchy of general/detailed spatial plans (MA, UDP, IUDP and DDP) which are regularly updated. However, projects are often realized ad-hoc, with no systematic land preparation. Desired programs are selected from a land use plan, and the planned public content and the necessary infrastructure are then realized.

The problems shared by all cities are the zones "skipped" by development in the past 50 years as the cities expanded to then undeveloped land, challenging the efficiency of infrastructure and its uniform distribution. The advantage of such excessive expansion is the development of the main infrastructure sufficient for the realization of different possible scenarios in space. The danger of such a manner of city governance lies in unbalanced development, problems in the public transportation system and other infrastructure.

According to data provided by real property agents, there are presently approximately 10,000 to 12,000 unsold apartments in the largest city, hardly promising in terms of increased demand. In addition, as regards population growth, in the last twenty years the Republic of Croatia has had a negative natural population growth rate, and the rising number of city inhabitants is due to population migration to the cities. The investment boom lost its momentum in 2010, and currently the offer of real property for sale by far exceeds the actual demand. This does not refer only to land parcels, but to apartments as well.

LGI 4: Speed and predictability of enforcement of restricted land uses

The procedure for obtaining a building permit is not complicated provided all the previous consents have been obtained, in which case it only involves the invitation of parties to the procedure of issuing a building permit (owners and holders of property rights on the real property which directly borders the real property for which the building permit is being issued). Over-regulation of specific conditions, together with the discretionary rights of civil servants

and non-alignment of the legislative framework i.e. the application of different regulations may make the obtaining of building permits more difficult.

Building permits are issued by large cities (with population exceeding 35,000) and centre cities of counties. Smaller cities are often faced with a lack of professional staff or work overload of a competent administrative body.

LGI 5: Forms of tenure regulation in urban areas

The Republic of Croatia has no problems with informal housing (residence on another's land). The problem is the legalization of buildings constructed without permits on private land and the registration of rights which exist in practice. The procedure of ownership registration can be instigated only after a building is entered in the land register and the cadastre. Formalization of dwelling is supported by the Act on Procedures Concerning Illegally Built Buildings which has enabled legalization of buildings and the creation of preconditions for formalization. However, the Act does not offer solutions for resolving unclear property relations.

Common parts of real properties in the context of condominiums are prescribed and clear provisions are in place on the establishment of the measures for management and maintenance of the common parts, which are implemented in practice.

Even though, according to the overall assessment of the World Bank *Doing Business 2016*, the Republic of Croatia takes the 40th place, it takes the 129th place in the area of building permit obtaining, which suggests potential for considerable improvements in this sector.

4.3.1 Findings and recommendations

Findings	Recommendation
All land is entered in the cadastre/land register, but the status often does not correspond to the actual situation	Enable a faster registration of the actual situation using adequate procedures
The monitoring of the situation on land is insufficient	Set up a spatial monitoring system, develop analytical functions in land data storage systems, connect storages
Actual, relevant quantification data on the economy and demography for the purposes of land use planning are lacking	Ensure the necessary data
There is no housing policy in place and no policies regarding land management, such as the land policy	Adopt a housing policy
Unjustified expansion of building areas, slow re-zoning of land	Revise the existing capacities, i.e. examine the needs for building areas
Poor communication between different stakeholders (formal and professional) in the procedures of land use plans drafting	Improve communication with a special emphasis on improved communication between professionals
Insufficient standardization of data between land governance sectors	Implementation of the INSPIRE Directive and other relevant standards
Terminological inconsistency in the area of land governance.	Draw up an adequate glossary of terms and definitions and their translations
Periodic deep-rooted changes in the system of land use planning and construction pose problems in the implementation of regulations on all levels (unaligned legislative framework, lack of coordination in meeting the interests of all users of space, lack of transparency and inconsistency in the implementation of regulations)	Revise the existing legislative framework, promote communication between participants in the procedure of drafting and adopting of regulations

4.4 Public Land Management

LGI 1: Identification of public land and clear management

In the Republic of Croatia, public land is considered to be common good and land owned by the state or by local and regional self-government units. Of the total of 8.8 million ha, 4.3 million ha have a status of common good, 3.0 million ha is state-owned land, while regional and local self-government units own 0.013 million ha of land, all totalling 71% of the land. Approximately one half of that goes to the sea and the coastal region.

The responsibility for public land management is mainly shared by the Agricultural Land Agency, which is responsible for agricultural land, Croatian Forests which manage forests, and the independent State Property Management Administration which is responsible for other - urban areas. Generally, public land is leased or given in concession and is only sold in exceptional cases.

For each type of public land, an adequate level of authority has been delegated as responsible for its management. The ownership of public land mostly serves public purposes, but the management of this land is made difficult mainly due to backlogs in the cadastre and land registry. The competent authorities often have no data on the land for which they are responsible. Public land management by competent institutions is not adequate because of the fact that public land is partly neglected and uncultivated, not entered in the registers, its property relations are not regulated and information on such land is not publicly available. The registration of the maritime domain is done sporadically and so far only a negligible number of these domains have been registered.

Some information on public land is available to the public through web pages and browsers of the competent institutions. The information on public land can also be obtained through the institutions responsible for the cadastre and land register. The entered information on individual types of public land (land used by the military, security services etc.) is not available to the public in accordance with the regulations.

There are certain limitations to the execution of obligations relating to land management imposed by lack of financial and/or human resources. Key information on public land allocation (location and surface area of the allocated land, the parties involved and financial terms of the allocation) is publicly available, but is only partially recorded in the cadastre and the land register.

LGI 2: Justification and time-efficiency of acquisition procedure

Expropriation, as the institute of the public law whereby the public authority, by means of an authoritative act based on law, for the purpose of achieving an indisputable public interest, may be used to take away private land. It intervenes into an individual's right of ownership and implies the obligation of the government to pay compensation. It is resorted to when all other avenues aimed to reconcile the public and private interests have been exhausted.

A property may be expropriated when this is necessary for the construction of a building or construction works in the interests of the Republic of Croatia; when it is estimated that the use of the property, which is planned to be proposed for expropriation, will bring greater benefits than those reaped by its current use; for the purpose of constructing a building or construction works related to economic infrastructure, cemeteries and other municipal infrastructure construction, health care, education, cultural and sport facilities, industrial, energy, water supply, transport and electronic communication facilities, buildings for the Croatian judicial system, the military and the police and research and exploitation of mineral resources and other natural assets; when this is necessary for the purpose of construction of other buildings or performing other construction works determined by regulations of the Government of the Republic of Croatia as being of state and regional significance; for the purpose of implementing strategic projects declared as strategic investment projects by the Government of the Republic of Croatia. A decision that a construction of a building or performance of construction works is

in the interest of the Republic of Croatia is issued by the Government of the Republic of Croatia upon proposal of the expropriation beneficiary.

Before submitting a proposal for expropriation, the expropriation beneficiary is obligated to apply for the proof of the condition and value of the real property for which expropriation is proposed (the finding and opinion of an expert or assessment of an assessor). The value of the real property is expressed in money based on the explanation of the finding and opinion of the authorised expert or assessor. The assessment is made on the basis of a special regulation in the area of land use planning governing the manner of assessment of the value of real property, the manner of collecting data and their evaluation and the methods of real property assessment. Where servitude is established, the finding and the opinion of an expert or assessor's assessment must contain an assessment of the value of limitation to the right of ownership relative to the whole or a part of the real property.

A centralized list of expropriated real property should be kept in the Register of Expropriated Real Property, which falls within the sphere of competence of the Ministry of Justice. The Register should contain data on the manner of determining the interests of the Republic of Croatia, purpose of expropriation, type of expropriation, cadastral parcels, cadastral municipalities in which the real property is located, the form and amount of compensation and data on the parties, but the Register has not been set up yet.

In the Republic of Croatia, expropriation is used for purposes of public interest and most of the land of private investors has been acquired by direct negotiations. There are no cases of expropriation for private interests.

Following its expropriation, the land is made to serve its intended purpose on time, although the expropriation procedure may be a lengthy process as a result of preventive action taken by the expropriated parties.

LGI 3: Transparency and fairness of acquisition procedure

A real property owner is entitled to compensation for carrying out preparatory activities to be paid by the expropriation beneficiary on whose request an authorisation was granted for carrying out preparatory activities. The compensation for a completely expropriated real property is generally determined by granting ownership over another appropriate real property, whose value reflects the market value of the real property that is being expropriated in the same municipality or town, which provides the owner of the expropriated real property with the same living conditions and conditions for use that he/she had in using the real property that is being expropriated. If the real property owner does not accept another appropriate real property or the expropriation beneficiary cannot ensure such real property, the compensation is determined to be paid in money in the amount of the market value of the real property. Generally, compensations are paid within 15 days from the date when the decision becomes final.

An appeal may be lodged against the decision of the authority of the first instance on the proposal for expropriation. The Ministry of Justice decides on the appeal. An administrative dispute may be initiated against the decision issued by the Ministry. The manner for submitting complaints is prescribed by the Act and is easily accessible. The number of complaints regarding expropriations in the past three years stood at 1560 and the number of complaints resolved is 712 i.e. 45.64 %. According to data of Administrative Courts in Zagreb, Rijeka and Osijek, the number of administrative disputes initiated against the decisions of the Ministry was 401, of which 279 or 70 % were resolved.

4.4.1 Findings and recommendations

Findings	Recommendation
Absence of individual sectoral strategies	Develop the missing sectoral strategies and align them
Data on expropriated land is neither public nor transparent	Make public the data on expropriated land
Complex management due to a vast number of special legal regimes	Disclose full information on legal regimes in the cadastre and land register
Difficulties in identifying the type of land in regulations and in practice	Align regulations and their application in practice Standardize types of use, utilization and purpose of real property
Review justification of the number and surface area of protected areas	Examine the appropriateness of awarding protection status
Underutilization of public land, agricultural, urban and maritime domain	Step up efforts towards leasing of the state-owned agricultural land, promote public land management Offer common land for concession
Inadequate efficacy of institutions' capacities	Improve efficacy of the institutions responsible for public land management
All land is entered in the cadastre/land register, but the status often does not correspond to the actual situation	Enable a faster registration of the actual situation using adequate procedures

4.5 Allocation of Large Tracts of Land to Investors

The Act on Strategic Investment Projects of the Republic of Croatia regulates the benchmarks and application procedure for strategic investment projects, the process of assessment, selection, preparation and implementation of strategic projects, the disposition of property owned by the Republic of Croatia for the purpose of implementation of strategic projects, granting concessions related to the implementation of strategic projects and issuing administrative acts related to the implementation of strategic projects.

The Act on Management and Disposal of Assets Owned by the Republic of Croatia regulates the management and disposition of assets owned by the Republic of Croatia, establishes the forms of state assets, the principles of state asset management, state asset management documents, the manner and requirements for management and disposition of government-owned stocks and shares in companies, the manner and requirements for the management and disposition of state-owned property, the scope of activities and powers of the State Property Management Administration with regard to the management and disposition of state property. The forms and the manner of disposition of property owned by the Republic of Croatia which fall within the sphere of competence of the State Property Management Administration and the purchase of property on behalf of the Republic of Croatia are governed by the Regulation on the Disposition of Real Property owned by the Republic of Croatia.

Until 10 April 2013, agricultural land in state ownership was disposed of in accordance with the Program of Disposition of State-Owned Agricultural Land adopted by municipal or city councils, or the City Assembly of the City of Zagreb, subject to approval from the Agricultural Land Agency. Local self-government units, i.e. the City of Zagreb, could not dispose of the state-owned agricultural land prior to the adoption of the Program. After that date, the competence for the disposition of this type of land was transferred to the Agricultural Land Agency.

According to the programs of the local self-government units, 552,504 ha of the state-owned agricultural land were available for disposition in the Republic of Croatia. Out of that, disposition contracts were concluded for 48% (263,307 ha), while 52% (289,196 ha) of the state-owned agricultural land is not used. A total of 117,217 ha were disposed of through lease, 62,784 ha through sale, and 88,071 ha through concessions and long-term lease. These data cover all forms of disposition in the period between 2001 and September 2013, according to the data submitted to the Ministry of Agriculture by regional/local self-government units. Considering the fact that regional/local self-government units did not comply with the obligation to deliver concluded contracts to the Ministry of Agriculture, the exact number or the surface of state-owned disposed land is not known.

In 2014 a database of state-owned agricultural land was set up, which, in addition to cadastral data on the state-owned agricultural land and available data on disposition, also contains data of the PAAFRD on notified supports to state-owned land in LPIS. A total of 601,000 cadastral parcels comprising 738,000 ha of the state-owned agricultural land have been entered into the database.

According to the ALA database, the surface area of allocated public land accounts for 42.5% (318,352 ha) of the total surface of state-owned agricultural land. These data include the disposition over the state-owned land in the following manner: through sale, lease, long-term lease and concessions in the period between 2001 and 2014. Out of that, 255,567 were allocated for lease. The surface area of agricultural land allocated through public bidding procedures in 2014 equals 5,173 ha in 174 production and technological units.

A significant share in the real property portfolio owned by the Republic of Croatia refers to the construction land representing a huge potential for investments and the realization of economic growth of the country. A significant part of that portfolio has been registered to the Republic of Croatia. However, since specific status checks and checks of other facts, on which undisputed acquisition of ownership rights is based, precede the entry of ownership, this is an ongoing process with active involvement of the state attorney office and courts, as well as administrative

bodies throughout the Republic of Croatia.

The inventory of the real property owned by the Republic of Croatia, including building land, has been published in the State-Owned Property Register that is available on the SAMA official website. There are no data accessible to the public on the number of leases, sales and other forms of the disposition of the state land managed by the SPMA.

LGI 1: Allocation of public land for private use follows a clear, competitive process with payments collected

Most of the construction land is allocated through public bidding procedures except gifts and direct negotiations, and that exclusively if the building parcel share in state ownership accounts for a maximum of 20%. In the past three years, agricultural land was allocated by direct negotiations only in the case of temporary allocations of maximum 5 years. All decisions on the disposition of state-owned land are publicly available.

The amount of fees collected from lease/concessions for public land in 2014, including the total concession payments according to the available Register of Concessions for 2014 stands at HRK 205,700,958.12. Since the records on collections from lease and sales agreements fell within the sphere of competence of local self-government units, the exact percentage of collections from lease/concessions of public land is not known, but it is estimated that the collection of fees is regular in 70% to 90% of agreements. The setting up of central records on the collection from all lease agreements and other forms of disposition of state-owned land is under way.

Investor status plays no role in land allocation. Land is rather allocated at market prices. State-owned land in the area of local self-government units is, for the purpose of meeting the needs of the citizens and development, allocated to the ownership of these units. Such land allocation to local self-government units is sometimes viewed as illegitimate market support and, as such, could become the subject of EU monitoring.

Allocation of agricultural land into non-agricultural land is carried out in accordance with land use documents and other regulations. The competent office of the state administration in a county or the administrative body of the City of Zagreb responsible for agriculture is obliged to keep records on agricultural land re-zoning. The records are not accessible to the public and it is, therefore, not easy to determine the benefits of land re-zoning.

In the case of the Republic of Croatia, one could say that there is no significant share of the poor or marginalized groups that would be interested in land. There are certain support measures in place for the young and family-run farms. There is no systematic policy of allocating the state land to the poor or marginalized groups.

LGI 2: Private investment strategy

There is a lot of unutilized state-owned land in the Republic of Croatia which meets the needs of large investors. Within institutions, there are clear policies and prescribed procedures in place for identification of land available to investors. However, there is no systematic assessment of the possibilities of all state-owned land available to investors and such assessments are made on a "need only" basis and for the land for which there is interest. The compensations prescribed are sometimes too high, which is deterring investors.

There is a policy in place (prescribed by law) which considers the benefits on the national level in the selection of investments and this policy is respected. Each institution has a prescribed procedure for the allocation of public land and the benchmarks that have to be met. On the level of strategic projects, there is a clearly prescribed procedure and the benchmarks that have to be met for a project to be declared strategic, but there are no options of distribution of benefits on the local level. The inclusion of local self-government in project selection sometimes implies the promotion of local, particular interests which impede investments.

The key institutions for the allocation of land to investors (ALA and SPMA) are clearly identified and their spheres of competence are clearly defined, but the procedure may be too

complicated for investors and deter their investments. The inclusion of other institutions is prescribed by many acts, depending on the type of land, which requires a large number of approvals.

The coordination between the two institutions (ALA and SPMA) in resolving the issues of overlapping in land zoning and the manner of disposition of state land is efficient, but there is no prescribed policy governing the coordination between different government departments which would ensure that the decisions on land zoning and rights on the land are well coordinated between all the competent institutions.

The institutions do not share with each other the official data on the level of connecting databases, but there is mutual coordination of the work of institutions, which has been professionally established on the level of exchange of experiences and information. There is no officially appointed coordinating body or person. ALA is responsible for the disposition of state-owned agricultural land (state-owned agricultural land outside the borders of construction areas in entirety and the land within the borders of construction areas with limitations). SPMA is fully responsible for the disposition of the state-owned building land within the construction areas and with limitations for the disposition of the enclaves of building state-owned land outside the borders of building land. The Agency for Investments and Competitiveness, in light of its business activity, seeks support from ALA and SPMA in the measures for improving competitiveness of the Croatian economy, with a special emphasis on the promotion of investments of legal persons.

The monitoring of the compliance with the agreed business plan is being conducted to a certain extent. The agricultural inspection of the Ministry of Agriculture acts only upon reported cases, checking the use of state-owned agricultural land, whether the land is being used or has been subleased, whether the economic program which is a constituent part of the lease agreement is being implemented and checks any unauthorized assumption of possession of state-owned agricultural land. When necessary, remedial actions are taken. Only some of the monitoring results are accessible to the public.

Protective measures which are partly compliant with the best international practice are taken in the situations where public land is owned by a local self-government unit or has been notified for a strategic investment and has a direct impact on local community. Environmental impact assessment, the assessment on the community etc. are not conducted in the cases of disposition of state-owned agricultural land as they are not prescribed.

There is no resettlement policy and so far there has been no need for such systematic policies in the Republic of Croatia given the absence of any such large scale investments that would require that.

LGI 3: Implementation policy is efficient, consistent and transparent

Investors are obliged to provide the requested documentation in connection with complaints regarding the procedures of land allocation. In some procedures, the documentation contains economic plans (investor's business plans) and evidence on meeting the technical sustainability requirements. The documentation is not sufficient for effective identification of project risks before the project is launched. In cases of non-compliance with the enclosed economic plan, there is a contractual obligation to terminate a lease agreement.

The documents submitted with the application for allocation for the disposition of state land are examined in accordance with uniform benchmarks prescribed by law and subordinate legislation. The reply on the selection of the most favourable bidder is obtained within 6 days from the day of bid submission, and the institutions respect this time limit. The procedure of approval of a strategic project takes more than 6 months from the date of notification of the strategic project until the date when a decision is adopted by the Government of the Republic of Croatia that the project is of strategic importance for the Republic of Croatia.

Rights holders can freely and directly negotiate with investors, but the possibilities for obtaining relevant information are limited. The contractual provisions are not accessible to the public

even in the case of state-owned land. Most of the contractual agreements do not include information on the distribution of benefits with rights holders.

LGI 4: Contracts including public land are public and accessible

Information on spatial scope and the duration of the approved leases/concessions is currently not easily accessible to citizens in general, thus preventing the determination of overall utilization of the state-owned land and the possibilities for planning further investments. The data are currently made available to competent government institutions on their request, but they do not make them available to private parties on a regular basis, but only for briefing purposes and when required. Information on spatial scope and the duration of the approved concessions are also made available to parties on their request, in accordance with the Act on the Right of Access to Information. Presently, there is no publicly available information on the amount of state-owned land available for disposition in an individual local/regional self-government unit, their surfaces and intended purposes.

Guarantee compliance by lessees of the state-owned agricultural land is insufficiently monitored, independent monitoring of investor guarantee compliance is scarce and the mechanisms for fast and efficient compliance are not easily accessible to the relevant communities. Unit recently, the records on collection of all types of dispositions have been the responsibility of local self-government units and it was not possible to get full information on the balance of collections under lease or sale agreements for state-owned land.

The Concessions Register, which is being set up by the Ministry of Finance, should provide an overview of all concession-related payments, but it will not provide information to concession givers about unsettled concession payments due to be paid by concession holders.

There are methods for dealing with the breach of contractual obligations that provide the possibility of reaching a timely and fair decision, but they are insufficiently implemented. A lease agreement is terminated if the leased agricultural land ceases to be agricultural due to re-zoning or if the land is used in a manner contrary to the provisions of the agreement or law.

4.5.1 Findings and recommendations

Findings	Recommendation
Procedures for the allocation of public land are complex	Review the procedures for the allocation of leases/concessions
Underdeveloped system for monitoring collection of payments for public land use	Develop procedures for collection control, common for all sectors
Data on allocated public land are only partly published	Publish all data on the allocated public land
Failure to comply with contractual obligations is mainly sanctioned in accordance with the procedures	Increase efficiency in sanctioning non-compliance with contractual obligations
There are no (sufficient) large tracts of land	Implement measures for land consolidation
All land is entered in the cadastre/land register, but the status often does not correspond to the actual situation	Enable a faster registration of the actual situation using adequate procedures

4.6 Public Provision of Land Information: Registry and Cadastre

The Croatian system for the registration of real property and real property rights is based on two registers – the cadastre and the land registry. In the cadastre, real property is described according to its technical characteristics. Real property cadastral data (cadastral parcels) are the basis for the establishment, renewal, management, and maintenance of land registers. In the land register, the data on cadastral parcel title and encumbrance holders are added to the data on cadastral parcels established in the respective cadastre.

In Croatia, the largest part of the land register and cadastral system was built during the Austro-Hungarian rule, and part of this heritage includes also its maintenance by two institutions: The tradition has survived until today. Instead of having a single organizational structure, Croatia has opted to build the Real Property Registration and Cadastre Joint Information System (JIS) and the maintenance of its data by the existing institutions, but with clearly divided competences. Land register employees are responsible for legal changes (title and other real rights), while cadastre is responsible for technical data. All data are in electronic form, and the migration to JIS, that should be completed by the end of 2016, is under way.

Further development of the JIS is under way, which should allow for communication with citizens and other interested entities through the One Stop Shop service for all data contained in the JIS, as well as further development of the e-Citizen service, which will provide not only access to land information, but also access to corresponding documents without a need for a visit to official institutions.

Before the current legislation was adopted, meaning after the independence, the land register procedures in the Republic of Croatia were based on Austro-Hungarian General Civil Code, Land Office from 1855 and Land Registration Act and other Land Registration legislation from 1931 (the Kingdom of Yugoslavia). Property law, and thereby Land Registration Law as well, were subject to social ownership and planned economy, as well as to suppression of individual, that is, private ownership and simultaneous expansion of social ownership.

Real property rights were not, as a rule, registered in the land register, while the registration of changes to social ownership in terms of the right to administration, use and disposal did not actually provide any freedom of entering into legal transactions nor any adequate legal protection or status, leading, thus, to an increasing neglect of the land register role and inconsistency both with actual situation and cadastre registration. The fundamental cadastre function, which primary purpose was tax rather than legal, significantly contributed to such a situation.

From the Croatian independence until today, Property law and registrations connected therewith have undergone large changes. The largest ones consisted in the abolishment of social ownership, company privatization and transformation, denationalization, tenant purchase and final legislative adoption, primarily the adoption of the Land Registration Act, the Land Registration Rules of Procedure and Law on State Survey and Real Property Cadastre, including numerous amendments and respective by-laws.

The cadastre is a register of land parcels, buildings, and other structures permanently affixed to the land or laying under its surface, as well as of special legal regimes on the land, while the actual real property situation relevant for legal transactions is recorded with the land register. The cadastre is managed by the regional cadastral offices of the State Geodetic Administration with its branch offices (county centres and cities) and the City Office for Cadastre and Geodetic Affairs of the City of Zagreb, while the land register is managed by land register departments of municipal courts. Tasks of cadastre and land register maintenance are performed by cadastral offices (114) and land registry offices of the Municipal Courts (109). They are located in larger towns, mainly the seats of former municipalities. Cadastral offices have around 1100 employees, and land registry offices around 1000 employees. The number of offices and employees is relatively high compared to the size of the state. As a part of public administration and justice rationalization, the number of municipal, land register departments and cadastral

offices has been reduced.

Croatia has developed a system enabling easy access to, and transparency of, land information in electronic form, but, despite being official in the land register and cadastre systems that manage it, the information is neither reliable enough nor updated.

LGI 1: Land tenure recognition mechanisms

The need for the formalization of uncontested land possession enjoyed by the poor in Croatia is very little. The land register and cadastre system has been in place since the 18th century and encroachment cases have been rare. There is no first registration requirement, for such registration already exists, only the requirement of proof of ownership transfer or acquisition eligibility, which is a formal procedure defined by the legislation in force.

Each party may exercise its right to the registration of land rights through a single correction procedure, where, if it fails to provide all necessary and unambiguous documentation proving such right, it may indicate that there is a justified reason for registration. In such case, the proof may be indirect as well, but the judge will decide whether it is to be accepted or not. In absence of documentation or a justified reason for registration, a right recognition claim may be filed. In the evidence producing process, the party is asked to provide a proof of its real property right, where written documents are more important than any other form of proof, although other forms are also possible (e.g. witness statements).

Ownership right may be acquired through adverse possession. Adverse possession is the original way of real property ownership acquisition by independent possession thereof, i.e. continuous possession during certain period of time, provided that the one who acquires the ownership must be capable of being the owner of such thing. Adverse possession may be ordinary, if the possession is qualified - lawful, true and fair, and extraordinary, if the possession is at least fair, which depends also on the time required for acquiring the right of ownership in this manner.

The deadline for ordinary adverse possession of real property owned by the Republic of Croatia, counties and local self-government and government units and equally-treated legal entities, as well as ordinary adverse possession of things owned by the Church and other legal entities that do not seek gain but engage in charity or other activities directed at the common good, is 20 years, while the deadline of extraordinary adverse possession is 40 years. Regarding real property that used to be state-owned and that is now owned by the Republic of Croatia or LSGU, adverse possession deadlines are not counted from 6 April 1941 to 8 October 1991.

There is no procedural difference between the first registration and ordinary ownership change (sales and purchase). Differences can be found only in part referring to the tax paid at the time of ownership transfer, which, in principle, depends on the real property value assessed by the Tax Administration. In the event of cadastre parcel division, a parcelling study must be made, which increases the costs of transfer of the existing cadastre parcels.

LGI 2: Completeness of land registries

In the 19th century, a cadastre plan, based on which the land register was established, was made for the entire territory of the Republic of Croatia according to a graphical land survey. In the socialist period, the cadastral map was updated with respect to approximately 25% of the territory, but the land register information mainly remained unchanged and the register was kept based on previous data. Such situation causes the lack of connection between the cadastral parcels on the cadastral map and those in the land register.

From the moment of establishment and implementation of the land register, property rights and encumbrances (either in favour of the real property or a person) may be registered in the principal land register files. Encumbrances most often include liens (mortgage) and easement. The registration of encumbrances and other land register entries were neglected during socialist times; therefore, the land register had not been updated in this sense either.

Public law restrictions may be registered with the property register of the land register file and, when they refer to all lands of a cadastral municipality, they can be seen on the cover of the principal land register. In practice, public law restrictions were quite often registered only on the cover of the principal register, containing a note that they relate to all land register files. Therefore, they were not entered in every land register file. In addition, the registration of the spatial scope of legal regimes has been recently introduced into the Real Property Cadastre, as well. However, very few legal regimes have been registered so far.

All land register and cadastre information is managed and kept in electronic form, allowing for a timely data access. Nevertheless, the opening hours of certain offices working with the public, as well as some excerpts (e.g. historical excerpt) are not enough to obtain all excerpts in one day. Unofficial information on current cadastre and land register situation may be accessed on-line free of charge, but in order to obtain actual documents, one must go to the competent office. It is planned that, by migrating to JIS, official electronic documents will be issued through the e-Citizen system 365/24/7.

Cadastre and land register are public registers and everybody may access the information contained therein or ask for an official document concerning the situation of such registers without having to prove any legal interest or eligibility, but subject to personal data protection legislation. The information may be accessed only based on the enquiry related to a single land (cadastral parcel), not to a person's name, unless a legal interest can be proven.

LGI 3: Reliability of land registry data

Long-time independent management of cadastre and land registry systems, which were autonomous and partly influenced by the governing politics (former Yugoslavia), has led to considerable data inconsistencies concerning the same real property. Data are not managed in a harmonized fashion any longer, and the consequences are outdated data. This has led to the loss of confidence in the institutions and to an increase in the possibility of misuse.

A poor consistency between cadastre, land register and several other registers based on the same land identifier reduces the integrity of registered rights and increases the transfer costs. Furthermore, less than 30% of people have their Personal ID Number (OIB) entered in the land register, which makes the identification of registered persons more difficult.

The Register of Deposited Contracts allows for a temporary registration of purchased apartments under tenant purchase scheme that were located in the buildings which were registered neither with the cadastre nor the land register after the independence and the privatization of state-owned apartments. The elements of the Register of Deposited Contracts are the same as the elements of the land register. It is not well-connected with the principal land register because indicating the cadastre parcel next to the apartment address is optional. There is an intention to connect the Register of Deposited Contracts with the land register. RDC files are translated into corresponding land register sub-files in accordance with a stipulated procedure. RDC still exists and it is managed as a separate register since the registration transfer is very slow. Due to a poor connection with the principal land register, RDC is unreliable and misuse thereof is possible.

The failure to report changes occurred on site to the cadastre and the land register in the socialist period has had especially adverse effect on the freshness of registration data compared to on-site situation. Many studies and projects have shown that data freshness is hardly above 50%. This is due to different circumstances: the cadastre plan situation does not match the actual one or the person registered is not the right-holder any more.

LGI 4: Cost-effectiveness and sustainability of land management system

Cadastre and land register fees represent the state budget income and they are not recorded as separate income. Also, the expenses are financed both from the state budget and other sources. It has been estimated that the income is much lower than the expenses because, among other things, the separation of these two institutions. As a rule, budget funds usually get reduced and so do the capital investment funds. On the other hand, earmarked EU funds

may be used to directly finance the progress, but they are not sufficiently utilized.

LGI 5: Fees are determined in a transparent manner.

All service fees and charges are public and stipulated by law. Receipts are issued for all payments, but introducing non-cash methods of payment (cards, services) and increasing the availability of on-line official document issuing services should be stimulated.

When detected, cases of unlawful or corruptive conduct are processed quickly and transparently. Since there aren't many cases of this kind, major or systematic detection actions are not being undertaken. What can be noted, though, is the difference in the professionalism of the personnel, its readiness to assist the client, its courtesy and flexibility.

The Ministry of Justice has been publishing a quite detailed statistical report on the work of land register departments and individual statistics for each department on a monthly basis for several years now. Certain performance and promptness standards and measures according to which the departments are categorized have been implemented, as well. Since slow processing and a constantly high level of unresolved cases have been a burden for the land register as well as a source of many speculations on facilitation, this practice has helped to significantly reduce the backlog and increase the transparency of work and mutual comparison against known parameters. Such report is not published for SGA.

4.6.1 Findings and recommendations

Findings	Recommendation
All private land is entered in the cadastre/land register, but the status often does not correspond to the actual situation	Enable a faster registration of the actual situation using adequate procedures, impose taxes on all real property
Cadastre/land register institutional organization is inadequate	Cadastre/land register and, possibly, other key registers should be placed under a single administrative institution-agency
The situation of interests on the land registered with the cadastre and the land register is incomplete	Define legal regime registration procedures and supplement them with public utilities infrastructure and address system Impose the obligation of registration with the land register and encourage improvement of record data, both by the clients and <i>ex officio</i>
Lack of harmonization between cadastre, land register and administrative organisation	Speed up the establishment of the Real Property Cadastre and EDP Land Register Align cadastre municipalities indicated in the cadastre/land register with the settlements
Existing legislation has been written for the books, forms and analogue recording	Modernize legislation, especially the implementing one, in the way that electronic data form is accepted as official

4.7 Land Valuation and Taxation

The taxation of real property in the Croatian tax system is carried out through taxation of income incurred from real property acquisition taxation and real property ownership taxation. Periodical taxation of real property ownership includes only one, relatively small, category of real property – holiday home tax. The tax amount is determined by a decision of the competent local self-government unit, and it may total from HRK 5.00 to 15.00 per square meter of usable surface area, depending on the location, age, infrastructure condition or other circumstances relevant to the real property use.

The income tax, that is, the profit tax on property and property rights is paid by natural persons or legal entities accruing income from real property rent or lease. The tax base, that is income, is the difference between rental/lease income and expenditures determined as a lump sum. The expenditures are recognized in the amount of 30% of the incurred rental/lease income. The income tax rate amounts to 12%. The Tax Administration is authorized to estimate the rental/lease market value, that is, the real property income and to determine the amount of real property income – for cases in which it estimates that the rental/lease amount was not reported in the market amount.

The transfer tax is paid by the person acquiring the real property, if such acquisition does not include payment of the Value Added Tax. Acquisition of real property means buying and selling, exchange, inheritance, gift, contribution and exclusion of real property to and from the company respectively, acquisition by adverse possession, acquisition of real property in the liquidation or bankruptcy procedure, acquisition pursuant to a ruling by a court or a decision by other body and other manners of acquisition of real property from other parties. The tax base is the market value of the real property at the time of tax liability occurrence, and the tax rate amounts to 5%. Where the real property transfer was not reported in accordance with the market value of the real property, the Tax Administration is authorized to estimate and determine the market value thereof.

The estimate is made by the Tax Administration officer in accordance with the comparative data on the market value trends for similar real property from approximately equivalent territory and at approximately the same time. TA has been storing transaction information for such purposes in its internal data base for quite some time now. If the comparative data are insufficient, the market value is appraised by an expert appointed by TA.

The utility fee is not deemed a tax, but as a user fee it includes certain features of a periodic real property ownership tax. The utility fee is paid by owners or users of: residential premises, business premises, garages, construction land serving the purpose of business activities and undeveloped construction land. The utility fee is paid for real property within the construction area of the settlement as well as residential and business premises outside the construction area where at least the following utility activities are conducted: maintenance of public areas, maintenance of unclassified roads and public lighting, and those fitted at least with access roads, facilities for the supply of electricity and water in accordance with local conditions and that are a part of the infrastructure system of the local self-government unit.

The utility fee constitutes the budgetary revenue of the local self-government unit. The method of utility fee calculation is set forth in the Utilities Act. The utilization of utility fee funds is earmarked for the financing of utility activities and, according to the decision of the LSGU representative body, they may be used for the purpose of school, health and social facility maintenance.

LGI 1: Transparency of valuation

There was no legislation in the field of real property value appraisal until the adoption of the Real Property Valuation Regulation in 2014. The Regulation was later replaced by the Real Property Valuation Act regulating fundamental issues concerning the real property value appraisal and providing definitions of basic appraisal-related terms. Furthermore, it specifies the methods of real property appraisal and the selection of method, the method of data

collection and the persons certified for real property appraisal.

Prior to the adoption of the Real Property Valuation Regulation, pursuant to the Local and Regional Self-Government Act, some local self-government units adopted their own Decisions on the Real Property Market Valuation. Thus, in 2012, the City Assembly of the City of Zagreb adopted the Decision on the Real Property Market Value Appraisal, whereby, in addition to specifying the basic terms and principles for appraisal of the real property market value, the Auxiliary Data Register was established and specified.

LGI 2: Efficiency of collection

The Act regulates common exemptions from payment of the transfer tax and accordingly the foregoing tax is not paid by the following: The Republic of Croatia, local and regional self-government units, governmental bodies, institutions the sole founder of which is the Republic of Croatia or the local and regional self-government unit, endowments and foundations and any legal persons the sole founder of which is the Republic of Croatia, Red Cross and similar humanitarian organizations established pursuant to special legislation; diplomatic or consular offices of foreign countries under the condition of reciprocity and international organizations that are exempt from paying the transfer tax pursuant to international agreements; persons who acquire the real property in the procedure of restitution of confiscated property and real property consolidation; displaced persons and refugees who acquire real property through exchange of their real property in another country; citizens who purchase a residential building or an apartment (including the land) to which they used to have tenancy rights or with consent of the holder of tenancy rights pursuant to legislation regulating the sale of apartments for which there are tenancy rights; protected tenants who purchase a residential building or an apartment in which they are residing pursuant to a rental agreement; the spouse, offspring and ancestors, adopted children and adoptive parents who acquire the real property in relationship to the life-long support beneficiary in accordance with the life-long support agreement; persons who acquire specific portions of a real property through dissolution of co-ownership or division of the joint real property ownership; citizens who acquire their first apartment or house in accordance with the concluded purchase agreement, whereby they resolve their own housing issue; citizens who, in accordance with the concluded sale and purchase agreement, acquire the land within the construction area amounting to the surface area below 600 m² where they will build a house to resolve their own housing issue.

In addition, there are relieves applying to holiday home tax: inability to use holiday home due to war destruction and natural disasters, age and state of disrepair; inability to use holiday home while accommodating displaced persons and refugees; where resorts owned by local and regional self-government units used for accommodation of children below 15 years of age; a decision by the municipality or the town/city regulating other exemptions due to economic and social reasons. Some exemptions are further defined by law, for example, maximum usable surface area to be exempt from the transfer tax for the purpose of solving housing issues with regard to the number of family members. It may be concluded that the exemptions are based on fairness. Necessary documentation for exemptions and relieves is published and available to the public. Proving the right to exemption or relief requires substantial documentation.

A more intense development of the Croatian real property market began by the end of 90s when a large number of properties became private. The lack of laws and other regulations concerning the methodology and inconsistencies of spatial data registration systems is becoming an increasing issue for the domestic real property market. Cases of inconsistency of cadastre and land register data are very often, which, when added to unsolved ownership problems and a relatively slow registration procedure, significantly hinder the functioning of the real property market.

In addition to the surface area of the cadastral parcel, the mass agricultural land valuation system – cadastral classification, introduced in the 19th century, was the only element of the agricultural land valuation in the Republic of Croatia. This system data management saw its

end in 2001. Today, the valuation system of the agricultural land owned by the Republic of Croatia is set forth in the Ordinance on Determination of the Market Price for the Sale of Agricultural Land by Direct Contracting.

Although the tax bases are based on the market value (transfer tax, income tax from property and property rights), which is in line with the tax fairness principle, for the purpose of tax determination, the tax Administration uses the information system containing significant differences in estimated values determined by the system and market values determined according to different intended uses of real property.

The Tax Administration value lists are updated according to the transactions effected in a determined period of time, which, when the market activity is low, provide data of a relatively poor quality ("The estimate is made by the Tax Administration officer in accordance with the comparative data on the market value trends for similar real property from approximately equivalent territory and at approximately the same time"). This increases the number of appeals against the Decision determining the tax base and tax transfer, which affects the tax collection efficacy and the increase in the collection costs.

Previously described procedure of real property market value determination by using the comparative method and real property market data bases will enable official valuers to access data contained in the collection of sales and purchase contracts. This applies exclusively for the purpose of real property appraisal studies. There is no disclosure policy regarding such data. The City of Zagreb i.e. the Real Property Appraisal Office plans to publish the plan of approximate values of the construction land for the City of Zagreb area. It was planned for September 2014, but it has not been implemented yet.

The Ministry of Finance - Tax Administration issues personal identification numbers (OIB) for tax and other purposes. The current number of active taxpayers is 4,007,695, 3,806,206 being natural persons and 201.489 legal entities. There are no reliable data on recorded taxpayers in the holiday home tax and utility fee calculation systems, which are partly managed within the internal LSGU systems. There is no data freshness assessments related to such systems or a single policy regarding data update. Some LSGUs have capacities for a periodic on-site check of real property data, while the others entrust these tasks to independent contractors.

In order to improve unsatisfactory utility fee data for payers, on 30 June 2015 the Government of the Republic of Croatia adopted the Decision on recording all real property on the local self-government unit territory and on updating of utility fee data for payers.

It is impossible for the valuation to encompass real property built contrary to or without a building permit or other permit for construction, which is neither registered nor recorded in the data management systems intended for utility fee collection purposes. Incomplete data differing from the on-site situation can often be found in the register. Such data mainly refer to building extensions or non-recorded auxiliary buildings.

According to Income and State Budget Income Plan data obtained from the official Ministry of Finance Annual Reports for 2004 - 2013 and Total County, City and Municipal Budget Report for 2010 - 2013, the percentage of transfer tax collection is high.

Although the current real property taxes and fees have components partially associated with market valuation, there is no mass valuation system based on monitoring of the real property market and market prices.

4.7.1 Findings and recommendations

Findings	Recommendation
Available valuation data are insufficient	Introduce a mass real property valuation system
Insufficiently trained human resources and insufficient training offer	Improve valuer training
Value lists mostly remain unpublished	Publish value lists
All land is entered in the cadastre/land register, but the status often does not correspond to the actual situation	Enable a faster registration of the actual situation using adequate procedures

4.8 Dispute Resolution

For the resolution of land disputes in the Republic of Croatia there are clearly stipulated, transparent and objective mechanisms, in other words there are clearly defined jurisdictions between courts competent for dispute resolution and other bodies (administrative bodies) that decide in specific types of dispute in connection to the real property, i.e. when deciding on the proposals for the registration into the land register. In cases when an administrative body is competent for dispute resolution in the first instance, the protection is provided for in the first-instance administrative courts as the courts with full jurisdiction.

It is also possible to resolve land disputes through alternative methods, in the conciliation proceedings before various bodies such as, for example, the Croatian Chamber of Economy, the Croatian Chamber of Trades and Crafts, the Croatian Banking Association, the Croatian Mediation Association etc. Mediation is a voluntary procedure, proposed by one of the interested parties, and the other party may or may not accept it; however, if it is accepted and if the dispute is settled amicably in the course of proceedings, the procedure ends with a settlement that is enforceable. Although such dispute resolution is cheaper for the parties, it is rarely implemented in practice considering the fact that citizens are in general used to resolving disputes before a court, and not some other bodies. It is also possible to resolve real property-related disputes by means of arbitration, and the Permanent Arbitration Court is established at the Croatian Chamber of Economy.

Disputes can also be amicably settled before a competent state attorney's office. Where the Republic of Croatia would be a plaintiff or a defendant, such mediation proceedings must be conducted. Unlike mediation and arbitration proceedings, the number of disputes resolved amicably before the competent state attorney's office is on the rise every single year.

LGI 1: Distribution of responsibilities

Disputes are resolved in the first instance by municipal courts, of which there is a total of 24, and which provide court protection. There are 108 land registry departments in municipal courts across the entire territory of the Republic of Croatia, and these departments decide on proposals for the registration into the land registry. Any appeal to a second instance county court against the ruling of a municipal court is permitted, and as of 1 July 2015 only three of the total of 22 county courts are competent for land registry cases, while all second instance courts remain competent for other real property-related disputes. All dispute resolution mechanisms are available to the public, and the network of first instance municipal courts, or currently their permanent attendances, operate directly in local self-government units.

Commercial courts can also decide on disputes between legal entities and between legal entities and craftsmen, when such disputes are related to their business activities and relate to real property. Commercial courts have jurisdiction over the disputes in which the party is a person in respect of which bankruptcy proceedings have been opened, regardless of the character of the other party. If a commercial court of first instance (there are currently eight such courts) adjudicates in those disputes, the High Commercial Court of the Republic of Croatia decides on appeals in the second instance. Parties may ask for protection before the Supreme Court of the Republic of Croatia by lodging legal remedies, namely by filing a motion for revision.

Regarding the procedures for the restitution of property confiscated during the Yugoslav communist rule and regarding the expropriation procedure, decisions are rendered by first instance administrative bodies. There is one first-instance administrative body in each county, while the Ministry of Justice has jurisdiction in the second instance. In case the party is discontent with the decision rendered by the Ministry of Justice, the protection can be sought after in an administrative court. At the moment, there are four first-instance administrative courts in the Republic of Croatia (Zagreb, Split, Rijeka and Osijek), and the High Administrative Court of the Republic of Croatia deciding on legal remedies against the decisions of administrative courts. Administrative bodies and administrative courts apply the provisions of

the General Administrative Procedure Act and the Act on Administrative Disputes.

Notaries acting as court commissioners conduct probate proceedings. Jurisdiction over probate proceedings is related to permanent or temporary residence of the testator, or to the seat of a notary. If, during the probate proceedings, a dispute arises over the facts on which the inheritance right depends, over that which comprises the inheritance property or over the validity of the will, notaries halt the proceedings and remand the case to the court which assigned him/her the conducting of the probate hearing. Further proceedings are carried out before a probate court. Notaries handle probate proceedings only in the absence of dispute between heirs.

In the Republic of Croatia there are no informal systems of dispute resolution in place in terms of village councils and peace councils, whose decisions would then be valid on a specific territory (in the specific local community). Former informal systems were completely replaced by a formal system.

LGI 2: Proportion of land in unresolved disputes is low and declining.

In 2014 municipal courts started to work on the total of 140,935 new civil cases. Out of that number, there were in total 17,560 or 12.45% proprietary cases. Proprietary cases include deletion claims, vindicatory actions, claims for the protection of easement, for trespassing, for the establishment of the right of ownership on real property and chattels, and for the performance (prohibition of harassment, restoration to the previous condition, and similar). During 2014 all municipal courts resolved in total 157,801 civil cases, of which 21,121 were proprietary cases, and based on that it can be concluded that proprietary cases accounted for the total of 13.38% in the structure of resolved cases. At the end of 2014, there were 167,288 unresolved civil cases, of which 32,391 were proprietary cases or 19.36% of the total number of unresolved cases.

At the same time, in 2014 land registration courts received in total 438,089 new cases; in the total 434,210 cases were resolved, and 39,262 land registration cases remained unresolved, which in comparison with the end of 2013 accounts for 3,548 cases less (at the end of 2013 there were in total 42,810 unresolved cases). In land registration cases there is a considerable reduction in the number of appeals in comparison to the earlier period, before amending the Land Registration Act in 2013. By introducing an objection as a legal remedy, the pressure on second-instance courts, resulting from land registration cases, was alleviated to a considerable extent. In the 6-months period, from 1 November 2014 to 1 April 2015, in total 2,183 objections were filed in all land registration courts, and only 458 appeals.

Decisions by second-instance courts, excluding the County Court in Zagreb and County Court in Split where there are certain backlogs, are rendered within appropriate time limits. Most cases are resolved within one year from the day of their receipt by the judges chamber, while those time limits are longer when it comes to courts with heavier workloads.

In the last three years the total of 1560 appeals were lodged against the first-instance rulings regarding expropriation procedures, of which 712 were resolved, which means that more than 54% of lodged appeals remained unresolved, while the total of 401 complaints were filed in expropriation procedures with administrative courts in Zagreb, Rijeka and Osijek, of which 279 complaints were resolved within three years.

Typical land disputes in civil procedures, especially in the coastal area, are the so-called formal claims, which are used to put order to outdated real property registers. Courts in Slavonia and Northern Croatia started working on 10-20 of such cases in 2014, while, for example, the court in Krk received 610 cases, the one in Split 873, the one in Supetar 175 and the one in Stari Grad 252 cases etc. In such cases the person claiming to have acquired real property ownership in a manner provided by the law sues the owners registered in the land register for recognition of ownership rights and sufferance of entry into the land register, that is for the issuance of *clausula intabulandi*. The problem in such proceedings is on the passive side, that is, determining the defendants in such cases, whereby very often the registered owners are

deceased and their heirs have to be determined or such persons are given temporary representatives. The defendant side may comprise more than ten defendants, and the data on those persons in the land register is often incomplete and their addresses or some specific marks so as to accurately identify those persons are missing. Precisely for this reason do these cases take some time for the proceedings to initiate, because the exact addresses of defendants must be obtained, information from the police acquired, and similar. Due to this, it often takes even more than five years to resolve such cases.

Protection is available to individuals and legal entities, and the right to appeal is provided for in every individual case. At the end of 2014, the proprietary cases account for almost 20% of the total unresolved civil cases, which means that they also represent a considerable burden for the system when it comes to old unresolved cases.

4.8.1 Findings and recommendations

Findings	Recommendation
A significant share of proprietary cases	Introduce an informal dispute resolution system, for example representatives in the procedures of establishment, renewal of amendment to land registers, prevent unskilled persons from making submissions
State of play with regards to dispute resolution differs from one Croatian region to another	Harmonize procedures through additional personnel training, resolve the status in the land register through a land register rather than civil procedure
All land is entered in the cadastre/land register, but the status often does not correspond to the actual situation	Enable a faster registration of the actual situation using adequate procedures

4.9 Institutional Arrangements and Policies

All branches of the government, the legislative, the judicial and the executive, are responsible for land and the associated land-related policies in the Republic of Croatia, each one of them within their own powers and competence. There is a great number of institutions responsible for land and different land-related policies, but each one of them within their own scope of competence, and there is very little coordination. The scope of activities and competence of the public administration bodies are clearly regulated by law and formally they should not be mutually overlapping.

There are certain overlaps between some segments, particularly with regard to maintenance of different real property registers (PPIS, LPIS), partially also caused by the fact that the land register and cadastre fail to indicate the updated real property status, the procedures of new cadastral surveys and the resulting land register renewal are long-term and expensive, and the cooperation between the Ministry of Justice and the State Geodetic Administration is insufficient. In such cases other state bodies or agencies want to quickly establish their own databases on the land of their concern, failing to take into consideration the role of fundamental real property registers (land register and cadastre).

Within the judicial power, there is a clear distinction between the competence of the first instance and second instance courts, as well as of the Supreme Court, but the land register is maintained by the first instance municipal courts. However, the technical and substantive assumptions for the operation of courts are provided by the Ministry of Justice, and the efficiency of the entire system often depends on the activities and work of the Ministry of Justice. There are situations in which the administrative bodies i.e. the first instance administrative courts and the Higher Administrative Court also render decisions in some types of disputes (the proceedings which concern expropriation, determination of fees and restitution of confiscated property). The Civil, Commercial and Administrative Law Directorate within the Ministry of Justice is competent for such activities.

In the context of agricultural land, in addition to the Ministry of Agriculture, which is responsible for agricultural land, forests and forest land, water region and fishing region, there is also a special Agricultural Land Agency, in charge of administration and disposal of agricultural land owned by the Republic of Croatia. A special issue in this area is the quantity of such land, given the fact that in 1991 all socially-owned agricultural land became the ownership of the Republic of Croatia by law. The role of the Paying Agency for Agriculture, Fisheries and Rural Development is also important for agricultural land, which Agency is concerned with cultivated agricultural land and payment of incentives in accordance with the European Common Agricultural Policy.

The Ministry of Construction and Physical Planning, as well as the Croatian Institute for Spatial Development and the Institutes for Physical Planning at the level of cities and counties are in charge of physical planning. Their activities are linked to construction land and other types of land, seeing as physical plans are developed for whole territories of spatial units.

The Ministry of Environmental and Nature Protection is in charge of nature protection through the Nature Protection Directorate, which is responsible for protected areas (national parks, nature parks etc.) as well as through the Environmental Protection Agency, which establishes, develops, maintains and coordinates an integrated environmental protection information system. Furthermore, there is also the State Institute for Nature Protection as well as the Environmental Protection and Energy Efficiency Fund in that field. Of the total territory of the Republic of Croatia, the protected areas account for 8.195% in total, and the Ministry of Environmental and Nature Protection maintains a special Protected Areas Register. Such register also considerably overlaps with the cadastre i.e. with the land register.

The Ministry of Culture is in charge of cultural goods and keeps the Register of Cultural Goods where the data mostly overlaps with the data in the cadastre i.e. the land register.

The Ministry of Finance exercises supervision over concessions and public-private

partnerships, conducts tax policy, regulates the tax system and maintains a Concession Register. The Tax Administration maintains the Register of Taxpayers and has a very important role in determination and allocation of the personal tax identification number.

The Ministry of Maritime Affairs, Transport and Infrastructure has a role in the delineation of the maritime domain boundary, whereas the Ministry of Economy is concerned with investments and especially with strategic projects and public-private partnership projects.

The State Assets Management Administration drafts the state property management and disposal strategy, adopts the State Property Management Plan, is responsible for administration and disposal of residential buildings and maintenance of a special State-Owned Property Register. A large portion of the territory of the Republic of Croatia is owned by the Republic of Croatia, the complexes of agricultural land, forests and forest land, the land unconverted in the transformation and privatization process, the land unrestituted to previous owners in the process of restitution of confiscated property etc. Although the competent state bodies have an obligation to register the Republic of Croatia in the land register for all real property in its ownership, there is also a special State-Owned Property Register, the data of which overlap with the data of the cadastre and the land register.

Until 28 October 2015, public administration bodies reported the total of 1,015,444 pieces of real property to the State-Owned Property Register. Out of that, 376,936 pieces of real property are exclusively state-owned. State-owned property is mostly agricultural land (604,608) and forests and forest land (307,081).

The local self-government units adopt physical plans, manage land in their ownership and collect the utility fee, a contribution which is then used for land governance. At every county level there is a County Institute for Physical Planning, which often provides the service of physical plan development for the local self-government unit in their territory. At the county level, there are public administration offices concerned with conducting the restitution procedures for the property confiscated during the Yugoslav communist rule, that is carrying out (complete and incomplete) expropriation procedure, determining the ownership right regarding the land on tourist and other construction land, the value of which was not appraised during the procedure of transformation and privatization of the previously socially-owned enterprises.

Publicly-owned enterprises, such as Hrvatske šume d.o.o. (Croatian Forests Ltd.) administer specific types of state-owned land, which enterprise is responsible for forest and forest land administration, as well as for state-owned hunting grounds. Hrvatske autoceste d.o.o. manages highways, state roads, local roads and county roads, HŽ-Infrastruktura d.o.o. manages the railway infrastructure, and Hrvatske vode d.o.o. manages public water resources.

Apart from the state-owned institutions, attorneys-at-law also deal with land and provide legal counsel, draft land-related deeds, as well as claims and other petitions in legal disputes, acting as authorized representatives of the parties before the court. Notaries public draft and issue public deeds on legal affairs, declarations and facts, certify signatures on private deeds, receive documents, money and other valuables into custody, issue writs of execution in accordance with authentic deeds and conduct probate proceedings as court commissioners.

The Croatian Association of Court Expert Witnesses and Valuers gathers members which provide their expert testimony in the proceedings before the court i.e. make appraisals of the value of real property at the request of the court. Chartered geodetic engineers design geodetic surveys and other studies for the cadastre, while real property brokerage is conducted by licensed brokers organized under the Association of Real Property Brokers within the Croatian Chamber of Economy. The association "Manager" gathers managers of residential buildings, which have an important role in the procedure of integration of the land register with the register of deposited contracts.

The State Geodetic Administration designs, renews and maintains the surveys and the real property (land) cadastre. In the process, the land use data maintained by the SGA are not

harmonized with the needs of other institutions, which is also one of the reasons why other institutions establish their own registers, special data bases.

The systematic negligence in the land registries in the period of socialism and the fact that the cadastre was more updated due to the collection of taxes resulted in variation in the foregoing registers. Although the law regulates that the land registers are based on the cadastral survey data i.e. that the data on owners in the cadastre are the data adopted from the land register, and not the original cadastral data.

In the Republic of Croatia real property agreements (deeds on legal transactions) may be drafted both by notaries and attorneys-at-law. In this process, any deed drafted by a notary has its number in the Register of Notaries, whereas the deeds drafted by the attorneys-at-law often have no mark indicating that the deed was drafted by an attorney-at-law. Since the right to draft land deeds is not restricted to attorneys-at-law and notaries, there is still a large “grey zone” in which different pseudo-notaries draft real property deeds, whose lack of competency or knowledge also results in disputes.

Any legally capable person is entitled to submit a proposal for registration, which often implies that insufficiently qualified persons submit such proposals and, consequently, their proposals are often refused or rejected. In addition, there are overlaps in jurisdiction between the lawyers and notaries public when it comes to document composition, and party representation in land court proceedings, where notaries public have the right to represent parties in cases arising from the same documents that they compiled. In this context, it is important to mention that the number of notaries is restricted and accurately regulated by law, whereas the number of attorneys-at-law is unrestricted. It is only important that the person who wants to be an attorney-at-law complies with the statutory conditions and pays the adequate fee to be registered in the Bar Association.

The real property which is a common good as a rule is not registered in the land register i.e. it is registered where concessions are established on such land. In this regard, in general a maritime domain is not registered in the land register and, in the same way, the marine cadastral parcels are not registered in the cadastre.

For certain pieces of real property which became state-owned property it is disputable whether they are owned by the Republic of Croatia or by the local self-government unit, particularly in cases which concern the real property on the boundary between construction land and agricultural land, the real property registered in the land register as socially-owned or common national property, without any title holder registered for the socially-owned real property. In urban areas, there is still a considerable number of unregistered buildings, that is, even if the buildings are registered, there is no registration of ownership of the special part of the real property in accordance with the provisions of the Act on Ownership, nor are the register of deposited contracts and the land register integrated.

The registration of roads in the land register, whether of public roads owned by the Republic of Croatia or of unclassified roads owned by self-government units (municipalities or towns/cities) mostly was not done in the past. The 2011 Roads Act regulates simpler registration rules, with the aim of registering the genuine real property status.

LGI 1: Clear competences and practice

From an administrative viewpoint, there is no overlapping of different levels of administration and government. In that sense, the competence of the first instance bodies and second instance – appellate bodies is clearly regulated, within the framework of the administration as well as judiciary. In case of adoption of land use plans, the competent bodies of the self-government unit adopt the land use plan, but those same bodies are also involved in its implementation, and politics sometimes influence adoption of land use plans.

There is a horizontal overlapping of ministries and agencies, especially with regards to maintenance of different land registers, which represents a financial burden for the state with different redundant records and information systems. The reason for the establishment of such

special registries, along with the existing fundamental real property registers (land registers and cadastre) is the unreadiness of such registers to provide data required by particular ministries and agencies on certain types of real property (e.g. protected and cultural goods etc.)

Land information is easily accessible, often completely free of charge or at a reasonable price. There are differences in data standards, which sometimes cause difficulties. The implementation of the European Union INSPIRE guidelines is under way. These cover the issues in question and it is expected that their implementation will have a positive effect on the availability of public information in general.

Different public institutions administer land-related issues in different ways, and there are no effective mechanisms for coordination of their actions. Despite the normative framework being detailed and harmonized, different interpretation and procedures are found in different institutions. A large number of cadastral surveys remain to be completed even though considerable funds have been invested. The fact that this problem remains unsolved points to insufficient coordination or lack thereof between the State Geodetic Administration and the Ministry of Justice.

The renewal of cadastral and land register data by means of cadastral surveys began some 20 years ago. Approximately 300 projects of cadastral surveys have been initiated, and only about 150 have been completed. The final result is brought into question by the length of project implementation, as projects sometimes last for more than 5 years. With time, data becomes outdated as life continues on regardless of the surveys and land register renewal.

On the one hand, establishment of different databases in particular institutions with regard to the real property in the interest of these particular institutions shows that neither the cadastre nor the land register can provide the data which these institutions need, which on the other hand may point to the lack of a wider land policy and non-existence of a vision of the purpose and role of different real property registers.

LGI 2: Equity and non-discrimination in the decision-making process

There is no unified land policy in the Republic of Croatia, and decisions are made depending on the need or the sector, usually without consultation with those affected by these decisions. For example, there is no unified strategy of development of the land register and cadastral system, regardless of the fact that a Joint Information System is currently being developed.

There is no comprehensive land policy, but certain elements can be found in certain regulations and other documents, and there are elements of dedication to ecology. However, frequent changes in regulations make long-term activities difficult. In those parts where there is a land policy, its implementation can be assessed as satisfying.

Official land institutions frequently report on the implementation of their land policy and these reports are publicly available. Reporting is present, but it differs from one sector to another, which makes it difficult to compare due to unharmonized approaches to reporting and the methodologies used.

There are certain measures and activities oriented towards provision of more affordable housing (subsidised housing schemes), but there is no significant need for such policies in the Republic of Croatia since there are no poor or marginalized groups which would benefit from this.

Future risks are taken into account in certain segments, for example in land use planning. However, there is no comprehensive policy based on the analysis of future risks.

4.9.1 Findings and Recommendations

Findings	Recommendation
Almost every public administration body maintains its own land/real property databases, which are mostly not connected to the cadastre/land register.	Restructure various registers and abolish the redundant ones, foster data exchange between institutions
Common goods, as well as other legal regimes, are not registered in the cadastre/legal register	Speed up/foster registration of common goods and legal regimes
There is no land governance strategy, land is governed in an uncoordinated manner through sector policies	Adopt a land governance strategy which will cover all sectors

4.10 Coastal Zone Management

Croatian coast is 6,278 km long, of which 31% is on the mainland and 69% on the islands. In the Adriatic coastal zone, there are 790 settlements with about 1,050,000 inhabitants, 370,000 apartments and 190,000 secondary homes, around one hundred spatially detached tourist zones with about 430,000 beds, few dozen industrial zones and about one hundred big harbours or marinas with 17,000 berths. According to the situation as recorded in 2000, cities/town, settlements and other urbanised areas occupy about 850 km or 15% of the total length of the maritime coastline.

Until 1960, when all types of intensive construction began in the Adriatic region, about 120-150 km of the Adriatic coastline was used in total. This means that in the last 40-odd years the construction activities "used up" 5 times more space, most commonly best quality coastal space, than built and used by any previous generation. The developmental strains on the coast continued to grow to an immeasurable extent, posing a real threat of irreversible destruction in this zone which belonged, and fortunately still belongs, to a relatively well-preserved part of the European continent.

According to the land use plans in force, additional ca. 800 km were planned for further expansion of cities/towns and settlements along the coastline, and consequently, the urban part of the coast might expand to about 1,650 km, and the size of the urban area by about 65,500 ha. Of the above-mentioned numbers, the tourist zones would take up about 600 km of the coast and 15,300 ha of space. The 2013 Physical Planning Act imposes clear limitations to the expansion of construction land that is an obligation of its reduction in compliance with the given benchmarks.

In accordance with such benchmarks, a new generation of land use plans is developed which shall comply with the stipulated benchmarks and reduce the planned areas to the realistic scope. The Physical Planning Act defines the Protected Coastal Zone (PCZ) as a zone of special state concern and lays down significant limitations to the construction in such zone. The PCZ includes the continental belt and islands 1,000 m in width from the coastline and the maritime belt 300 m in width from the coastline. In its continental part, the PCZ covers 4,369 km² (the mainland - 1,401 km², the islands - 3,238 km²).

Illegal construction, particularly in the coastal zone, is an ongoing land governance issue in Croatia. In 2012 legalisation of illegally constructed buildings was allowed with a serious intention to prevent future illegal construction. Of 274,679 applications for legalisation in maritime counties, in terms of the number of applications per linear kilometre of the coastline the County of Istria is in the forefront with 83 applications per kilometre, followed by the County of Zadar with 71 applications per km, and the County of Split-Dalmatia with 66 applications per km. The average number of applications for the entire coast is 44 applications per km.

Despite the expected decline in the total number of inhabitants in the Republic of Croatia, it is estimated that the number of urban population in the coastal zone will significantly increase, from 794,000 in 2000 to 929,000 inhabitants in 2025. In the same period, the total number of tourists on the Croatian coast will double in 2025 in comparison with the number in 2000, from 6 million to 12 million tourists annually.

To date no coastal zone management strategies, programmes and plans have been drawn up, if their definition according to the ICZM Mediterranean Protocol is taken into account, although some initiatives have been undertaken. The Šibenik-Knin County Coastal Plan is being drafted with the focus on adaptation to climate change and variability. The Dubrovnik-Neretva County has adopted the ICZM guidelines and this County seems to be implementing serious spatial protection and development measures for the coastal zone, also including significant quality improvement in the built environment. Drafting of the Integrated Marine Environment and Coastal Zone Protection Strategy of the Republic of Croatia is also undergoing. The strategy aims to develop a framework to introduce the ICZM as a compulsory coastal and marine ecosystems management system.

LGI 1: Marine use right for the purpose of fisheries

There are no special regulations concerning management of the coastal zone as a whole, but there are regulations concerning specific coastal zone issues, but they are not fully mutually aligned. The integrated coastal zone management in the Republic of Croatia has not been formally legally regulated, and for the time being there is a lack of the institutional framework for the development and implementation of formal strategies and policies. However, a majority of the Protocol principles, as well as a majority of its instruments, are present and applied to a greater or lesser extent. They can be found in a number of laws and other legal acts, as well as in strategies, plans and programmes pertaining to the coastal zone from different aspects. Several ministries have been involved in resolving individual coastal zone-related issues: Ministry of Environmental and Nature Protection, Ministry of Construction and Physical Planning, Ministry of Tourism, Ministry of Maritime Affairs, Transport and Infrastructure, Ministry of Culture, Ministry of Regional Development and European Union Funds, Ministry of Agriculture and Ministry of Economy.

Coastal zone management is burdened with specific, but also general difficulties making the efficient land governance impossible. Out-of-date cadastres and land registers aggravate efficient land policy enforcement, allow manipulation with construction land and obstruct investment implementation. As a result of long-standing coastal and island depopulation, it is difficult to access real land owners, which additionally aggravates regulation of property rights issues. In the largest section of the coast the maritime domain has not been determined and registered. It is practically exclusively determined upon request of potential investors or of the local self-government units.

The tax policy fails to encourage registration of actual land-property relations, and the instruments for construction land governance (municipal development, provision of public areas, etc.) are not elaborated to a required extent, which aggravates quality governance over newly urbanised parts of the coast. Regulatory compliance control fails to ensure full application of environmental and nature protection standards and benchmarks.

LGI 2: Efficiency of the process of drafting land use plans in coastal zones

Land use plans are often developed without clear programmes and as a rule include intentions and interests often not considered from all aspects. The purpose of areas for industrial activities and other functions is commonly not preceded by adequate development strategies, or appraisal of carrying capacity, which could create balance between developmental needs and admissible environmental burden. The planned sizes of construction land and detached tourist zones in the coastal zone often exceed the needs and the capacities of the local community in terms of its demographic, labour and social potential.

Unrealistic expectations of land owners and equal treatment of the right of ownership and the right of construction (ownership over purpose) result in the planning process which often begins with the land owner and his/her intentions instead of with a planning process led by planning intentions concerning the integrated settlement development. This is also connected with the problem of (in) capacity of local communities to develop a model of sustainable local development. Local self-government units often trivialise plan development and reduce it to "delineation of requests for an increase in the construction land", which is more prominent in the coastal zone due to the high value of construction land.

LGI 3: Efficiency of the process of marine use planning

There is no separate system of developing and adopting spatial plans for marine areas. Such areas are planned under County Land Use Plans, which allow public expression of opinions and suggestions. Mariculture zones are included in County Land Use Plans and the interests of different sectors are aligned in the process of their adoption.

The territorial use rights for fisheries are legally recognised, but there is a problem of fishing without a license, and a problem with "small", occasional fishermen. The aquaculture sector is in its initial stage of development. Such areas are reserved under plans, but the investments

are scarce.

Despite a lack of specific maritime spatial plans, the existing County Land Use Plans partially also define the marine purpose. The co-existence of the fishing and trading rights is possible under the law and complied with in practice, but dispute resolution mechanisms are often inadequate. There are individual conflicts over the use e.g. between mariculture and tourism, and their resolution leads to disputes as a result of inadequate dispute resolution mechanisms.

In urban coastal zones, although urban development depends on the hierarchy of county/town/municipal/detailed plans for the use of space, in practice the development is only partially in compliance with available construction land and depends on infrastructure availability, whereby the plans are only partially implemented. The available size of construction land approved under the plans exceeds the actual demand for space several times and there are no efficient land consolidation instruments.

The process of urban planning and adequate institutions are partially capable to cope with an increased demand for construction land in urban coastal zones. The recent legalisation and rigorous actions against new illegal construction give hope that the number of illegal facilities will considerably decrease.

The requests for marine use permits are clear, direct, available, but not consistently applied in the framework of a transparent procedure. Since integrated coastal zone management is only in its initial stage of development, a special procedure has not been developed yet. Rare approved in compliance with determinants under the County Land use Plans which fail to cover the marine space systematically but use the ad hoc basis pursuant to the regulations of specific sectors. The time required for obtaining the license depends largely on the type of use and the number of sectors/institutions competent for issuing individual consents.

The hierarchy of land use and temporal plans for the use of marine areas is defined under the law and enforced in practice, but in terms of planning, greater respect for load-bearing marine capacity is required. Marine area is under considerable impact of mainland activities and it is an important integrator of development in the marine and the continental part of the coastal zone. Although currently there is a lack of special marine use plans, the purpose of marine areas defined under county plans is partially in compliance with territorial strategies and plans.

4.10.1 Findings and recommendations

Findings	Recommendation
The maritime domain is largely unregistered in the Cadastre and Land Register	Accelerate/encourage registration of the maritime domain
A lack of adequately standardized data concerning marine areas	Stimulate standardization of official data and update the existing official information systems
A lack of development programs based on sustainable development as a basis for land use plans development	Draft development programs and new plans taking into account realistic needs and potentials for sustainable development
Overregulated professional activities	Review legislation and repeal unnecessary provisions
Insufficient coordination between competent institutions	Improve coordination between institutions competent for maritime areas
All land is entered in the cadastre/land register, but the status often does not correspond to the actual situation	Enable a faster registration of the actual situation using adequate procedures

5. Policy analysis and recommendations

The land governance assessment in the Republic of Croatia was by the implementation of LGAF. The assessment indicated that land governance is developed differently across sectors. Some indicators were assessed as successful whereas others show a potential for improvement. Generally speaking, some areas may deliver good performance, but even good examples, on account of incompliances, sometimes fail to give satisfactory results.

5.1.1 Land governance strategy and policies

Land governance is disunited. The integrity of the land governance system needs to be improved by developing a strategy which will include all sectors. The majority of land governance activities are carried out across sectors. Many sectors achieve good results. However, the coordination of activities across sectors is insufficient due to the lack of basic umbrella documents on the basis of which particular activities could be planned. This particularly concerns the integrated land governance strategy which should be drafted. In compliance with such strategy, the current sectoral strategies should be updated and the ones which are missing should be drafted. All sectors should cooperate to define the integrated land and housing policy, which will be included in adequate legislation and other documentation.

Land development planning and determination of purpose is technically well-developed. Since Croatia gained its independence, a generation of all land use plans for the entire territory of the Republic of Croatia has been drafted. The analysis of the implemented generation of land use plans and drafting of a new generation of land use plans are undergoing. For such purpose, benchmarks have been adopted under legislation, but a majority of areas still lack development programmes as a basic planning parameter. A large number of small local self-government units do not have adequate resources to plan sustainable development, for which purpose they often also lack spatial data. It is necessary to establish land use planning, both continental and marine, based on a strategy and sustainable development programmes.

5.1.2 Land and tenure registration

The registered entries in the cadastre and the land register do not match the reality. It is necessary to intensify updating of information in the cadastre/land register with the actual situation. At the end of the 19th century the Republic of Croatia had the basic factors in the land governance system (cadastre and land register) established for all continental land. The changes in the social and political system had an impact on their development, and initially fully aligned management and maintenance were undermined in the period of Socialism. In the period of Socialism, the cadastre was a fundamental instrument for collecting agricultural income tax paid by the actual beneficiary, irrespective of him/her being the owner or not. The Government treated the private freehold as something undesirable that is as something to be phased out, so that everything could become socially owned. Consequently, the land register was neglected. It was obligatory to register all land changes in the cadastre, whereas any registration in the land register was on voluntary basis. Moreover, there were many circumstances discouraging such registration. To avoid paying a high real property excise tax rate (up to 70%), many failed to request registration in the land register.

More than 70% of the areas are demarcated in the cadastral map resulting from a graphical surveying method in the 19th century, and the accuracy of locations in that plan is inadequate for current needs. The agricultural income tax is not collected anymore and as a result the information in the cadastre is out-of-date, that is has not been updated for the last 20 years. Therefore, it is necessary to intensify activities and to introduce measures to update the information in the cadastre and in the land register in accordance with the reality.

An increasing number of industrial activities are carried out in maritime areas and at sea itself. Such areas are not delineated in the cadastral map and registered in the land register although recently adopted legislation makes provisions in this regard. Such areas are in the common land regime and may not be subject to the right of ownership, but their registration is necessary

due to transparent and clear allocation of concessions increasingly requested in such areas.

In addition to private land rights, land characteristics (e.g. value) are also determined by public limitations determined under legal regimes. The Republic of Croatia has a number of legal regimes rarely determined for a cadastral parcel, but more commonly for areas (national park, protected area...) in maps or coordinates. Determination of marginal cadastral parcels they concern very often causes difficulties. The maritime domain and other legal regimes are not registered in registers for the time being, and their systematic registration should be accelerated.

In addition to legal regimes, the registers seldom include registration of public municipal infrastructure and legal relations between the land owner and the infrastructure situated on such land. The current Utility Cadastre registers only technical characteristics without any legal relations, and the registration of corresponding encumbrance is only sporadically required in the land register.

A temporary solution (Book of Deposited Contracts) makes registration of special parts of real property possible. The transfer of registration from the Book of Deposited Contracts to the land register is carried out very slowly and such process should be accelerated.

Pursuant to the Acts on Transformation and Privatisation of the Socially Owned Property, adopted after the Republic of Croatia gained its independence, the holder of the right of ownership was determined for a lot of land. The registration of such fact was not carried out systematically in the registers, but it was up to the right holders to file an application for such registration. A lot of such real property is still registered as socially-owned in the Land Register. It especially concerns the real property which became state-owned. For such reason, the protection of confidence in the land register was postponed several times to date. This situation creates uncertainty in the real property market and it is necessary to finalise the registrations resulting from the transformation of social ownership in the cadastre and land register as soon as possible.

The boundaries of cadastral municipalities, as well as the boundaries of settlements, were delineated and marked in the field 200 years ago. They were always used to establish area units of higher levels (city/town, municipality, district, county) the composition of which included the entire settlements whereby their boundaries were clear and unambiguous. Meanwhile, the development changed the area considerably and the boundaries of cadastral municipalities, in many cases, are not taken into consideration as the boundaries between territorial units of higher hierarchical level. This aggravates administrative activities, determination of competence and does not allow the use of cadastral data for the analysis of situation in territorial units of higher levels. Therefore, the hierarchy of territorial units should be aligned.

The Republic of Croatia does not have a tax on all real properties. There is a real property excise tax and levies which concern specific real property. The taxes and levies are calculated using different methodologies depending on the purpose and there is no single evaluation system that could be used for multiple purposes. More efficient determination of levies, but also the support for the introduction of the real property tax, announced quite a while ago, is possible if the national system of large-scale real property valuation is introduced.

The outdated registrations in the cadastre and land register, but also a lack of coordination in the land governance system have resulted in the establishment of many real property registers. They mostly include one piece of information, whereas other information is taken from the cadastre or the land register. Managing and maintaining such registers is unnecessary dissipation of resources and thus restructuring and abolishing of redundant registers are proposed.

5.1.3 Spatial data control

The available data on the spatial situation is insufficient for planning and land management needs. The current spatial information systems (JIS) need to be combined and supplemented

with the necessary content. Many activities concerning land governance require knowledge about spatial data. They can be found in current registers or by carrying out ad-hoc activities to collect the data. Outdated information in current registers and their specialisation and separation do not allow easy performance of the spatial data analysis. To improve the usability of information, it is necessary to standardise methodology, terminology and data collection and cross-sectoral exchange and reporting to build an efficient spatial data control system. While many digitalization projects concerning the cadastre and the land register have been implemented, getting a response from competent institutions to simple analytical inquiries is impossible (e.g. how many cadastral parcels of arable land are registered, how much of social ownership is registered, etc.) APPRRR, from the ARKOD system, responds quickly and reliably to similar inquiries.

The availability of information in the public sector is provided under legislation. The services are largely established which allow prompt and easy access to such information. For specific land information, e.g. expropriation, valuation rolls, concessions and leases of public land, the services do not exist or are still undergoing. The fundamental online platform e-Građani/e-Citizens was established with a minimum number of services. It represents a good basis for further development of services for citizens and it is recommended to include the services concerning land governance data into this platform.

The e-Građani/e-Citizens platform includes a One Stop Shop of the Joint Information System, but for the time being with low functionality. It is especially recommended to encourage data exchange between institutions in charge of land governance by establishing a data exchange system and coordinating bodies to discourage keeping of special separate registers.

5.1.4 Land resources management

There are many inactive pieces of land/real property in the Republic of Croatia. Inactive land/real property, especially those under state authority, should be activated by improving the land management system. The socialist system had a number of policies resulting in land fragmentation. Today there are more than 14 million of cadastral parcels in Croatia. Many of them are so small that they are inconvenient for any agricultural production. This situation has been known for a long time, but adequate measures are carried out slowly. Individual attempts at land consolidation failed to produce more significant results to date. In 2015 the Land Consolidation Act was adopted, but a lot of effort should be invested for it to take hold and to start showing results. In the context of land consolidation, special attention should be paid to take into account both the economic benefits and sustainable development.

There is a lot of uncultivated agricultural land, not only as a result of fragmentation. The ownership structure is inadequate, many cadastral parcels are co-owned, and the registration is not updated. Such situation concerning the registered land rights discourages its use. The corrective registration procedures are clear, but very often time-consuming and it is necessary to find simpler procedures to activate the use of land, in which process the introduction of incentive measures is also recommended.

The sectoral approach to defining the types of land resulted in a number of classification standards which are not always compatible. The same land is classified differently, and it is thus necessary to standardise the types of land and to simplify identification of types in legislation and practice.

There are many legal regimes in the Republic of Croatia. They limit owners in use and management. With the aim of preserving resources, their introduction is imperative. There is an impression that their number and the scope of restrictions are too large, and that often the opposite effect is produced. Instead of having the resource preserved, the use of such resource is abandoned and it is left to deteriorate. Therefore, the justification of limitation to ownership under legal regimes and protected areas should be reviewed and more efficient management in cases of the overlapping land tenure allowed.

There are considerable, still unused, areas of public land. Granting concessions and lease

have recently intensified. The allocation of such land was not followed by the development of a use control system which sometimes leads to non-compliance with the contractual obligations. The development of a control system for the public land use collection and more severe sanctions against incompliance with contractual obligations may improve the use of public land. Although misdemeanour sanctions and inspections are regulated, sometimes there are no resources for their implementation. It is necessary to review them with the aim of improving their implementation.

5.1.5 Regulations and institutions

Legislation is segmented and too extensive, and too many institutions are involved in land management activities. Legislation needs to be simplified, the number of institutions reduced and they should be adapted for e-business. The land governance legislative framework is very comprehensive and detailed, but rarely defines state-of-the art technologies and procedures in the electronic environment. It should be upgraded in that context. A detailed analysis of cross-sectoral regulatory overlap can help remove excessive segmentation and over-standardisation.

The key land and rights registers, the cadastre and land register fall within the scope of different institutions, which causes uncoordinated approaches. At the technical level, the difficulties are resolved through the introduction of the Joint Information System (JIS). Further integration of maintenance of the key land data (cadastre and land register) along with the creation of a more efficient governance structure should be a priority. This could reduce the costs and make the registers focus on self-financing.

A reduction in the number of institutions granting land consents would help the economy and accelerate obtaining of permits. In many areas cross-institutional cooperation is at an impressive level. For those areas which are still lagging behind, better cooperation should be provided. It is also possible to improve cooperation between public administration and the educational system. Uneven development in the Republic of Croatia can also be seen in the context of human resources responsible for land governance and it is necessary to allow training to everyone and to provide equal distribution of adequately educated human resources in the entire Republic of Croatia.

6. Conclusions

The implementation of LGAF in the Republic of Croatia contributed to the identification of its status and enabled the defining of priorities for conducting improvement activities in the area of land governance. The joint conclusion of all participants is that the fact that the entries in the cadastre and land register are not updated makes it difficult to formulate land policy and implement it in practice. The status of land governance in the Republic of Croatia can be assessed as good, but improvements are possible; therefore, the following is suggested:

a. Update the registration status of land and tenure in registers:

- Align the status in cadastre and land registers with the actual status
- Register maritime domain and other legal regimes
- Complete the registration of rights resulting from "social ownership"
- Align the hierarchy of territorial units (technical and normative)
- Develop a system of mass valuation of real property
- Restructure various land registers and abolish the ones that are redundant.

b. Work on land governance strategy and policies:

- Develop a comprehensive land governance strategy that will cover all sectors
- Develop sectoral strategies based on a comprehensive strategy
- Define land and housing policy
- Base spatial planning, both on land and sea, on the strategy and sustainable development programmes, taking into account sustainable development.

c. Develop the monitoring of spatial status:

- Improve the system for spatial status monitoring, standardize methodology, terminology and data collection as well as the exchange and reporting between the sectors
- Publish the information on status (expropriation, value lists, public land concessions and leases...)
- Encourage data exchange between institutions and services.

d. Improve land resource management:

- Expand the lands by joining them together
- Simplify the procedures for activating land use, introduce incentive measures
- Standardize types of land and simplify the identification of types both in regulations and in practice
- Review the justification of ownership limitations by way of legal regimes and protected areas, enable a more efficient management in cases of overlapping
- Develop a system for monitoring the charging of public land use and increase the sanctioning of the breach of contractual obligations
- Review the effectiveness of misdemeanour sanctions and inspections.

e. Align the regulations and institutions:

- Improve the legal framework by implementing modern technologies and eliminate the high segmentation of regulations and excessive standardization
- Unite the keeping of key land data (cadastre and land register) and create a more effective management structure with greater focus on self-financing
- Reduce the number of institutions that issue consents for lands
- Ensure better cooperation between the administration, professions and competent institutions
- Ensure balanced distribution of educated and quality staff across the Republic of Croatia and enable professional training.

7. Further steps

During 2015, six phases of the LGAF implementation were carried out in the Republic of Croatia. During the preparation phase, the national coordinator examined the LGAF and adjusted the indicators and measures to the national context, and identified the data sources necessary for assessment. He also planned the resources and found appropriate expert investigators and panel participants. He developed land interest typology and the overview of institutions in cooperation with expert investigators.

During the second phase, expert investigators prepared status reports for each module. They prepared the reports by collecting qualitative and quantitative status data and by expert analysis. They preliminarily assessed the benchmarks and suggested the grades. Based on the status reports, reports for panel discussions were made during the third implementation phase.

During the fourth phase, 10 panel discussions were held with the national coordinator taking part along with recognised experts from the panel area, and they agreed on the benchmarks assessment. Panel discussions were documented in the memoranda made for each panel.

During the fifth phase, the national coordinator drafted a detailed LGAF report for the Republic of Croatia. The report contained a table of benchmarks assessment and proposals of future policies derived from previous implementation phases. After a review and suggestions from the World Bank, the national coordinator amended the report and prepared it for the next phase.

Pursuant to the LGAF methodology, these are: the fifth phase: the technical validation workshop, and the sixth phase: the policy dialogue workshop. The technical validation workshop will review the results and suggested policies and where necessary amend the proposals. The policy dialogue will result in an action plan which will be agreed on following the discussion on policy application.

The national coordinator will prepare a single-day workshop on technical validation. This involves the definition of the list of participants in cooperation with the World Bank, the provision of logistics for the proper implementation of the workshop, and the delivery of materials to the participants. Around 50 participants will be invited to the workshops. Part of the participants will be experts who took part in the panel discussions, and they will be joined by public and other experts from the land sector. Work will be conducted according to the following preliminary agenda:

Time	Activity	Leader/speaker
8.00 -9.00.	Arrival of participants/registration	Organiser
9.00 -9.15.	Welcome and introduction	Government representative and World Bank representative
9.15 - 9.45	LGAF in General Implementation of LGAF in Croatia	Miodrag Roić – LGAF national coordinator
9.45 - 12.30	Presentation of LGAF finds per module	Leader - national coordinator
9.45 -10.10.	Land Tenure Recognition / Rights to Forest and Common Lands and Rural Land Use Regulations	Expert Investigator
10.10 - 10.35.	Urban Land Use, Planning and Development/ The valuation and taxation of land	Expert Investigator
10.35 -	Coffee break	

10.55.		
10.55 - 11.20.	Public Land Management/ Allocation of Extensive Parcels of Land to Investors	Expert Investigator
11.20 - 11.45.	Public Provision of Land Information: Land Registry and Cadastre	Expert Investigator
11.45 - 12.10.	Dispute Resolution/Institutional Arrangements and Policies	Expert Investigator
12.10 - 12.30.	Coastal Zone Management	Expert Investigator
12.30 - 13.45.	Lunch	Organiser
13.45 - 15.15.	Group discussions/ overview of results per module (5 groups)	5 leaders and recording clerks
15.15 - 16.00.	Coffee break and group photo	Organiser
16.00 -1645.	Presentation of work per group	Group leaders
16.45 - 17.00.	Discussion	National coordinator/participants
17.00 - 17.15.	Conclusions and proposals for future steps	National coordinator, World Bank representative
17.15 - 17.30.	Closure	Government representative

The half-day workshop on policy dialogue will have key policy makers who will discuss the findings and proposals of future policy. It will be organised a day after the technical validation workshop. Workshop participants will be policy makers from appropriate levels of the ministry, the program, parliament groups in charge of land policy questions, etc. The national coordinator will, in cooperation with state administration and the World Bank, suggest a list of participants and deliver in advance the concluding report to participants, with proposals for future policies, in electronic and printed format. The policy dialogue workshop will be scheduled according to the following preliminary agenda:

Time	Activity	Leader/speaker
8.00 -9.00.	Arrival of the participants and registration	Organiser
9.00 -9.10.	Welcome and opening	Government representative
9.10 -9.30.	Introductory presentation	Workshop leader/World Bank
9.30 -9.45.	LGAF in General and its Implementation in Croatia	National coordinator
9.45 -10.15.	Coffee break	
10.15 -11.45.	Presentation on future policy proposals based on priorities	National coordinator and panel leader
11.45 -12.15.	Discussions and conclusions on priorities	National coordinator/World Bank representative
12.15 -12.30.	Next activities	Government representative
12.30	Closure	Government representative
	Lunch	

A record will be made of the workshops and the conclusions will be part of the final LGAF report for the Republic of Croatia.

After the workshops, participants will be able to additionally submit their suggestions in

written format within 15 days. Suggestions can be submitted by e-mail to the national coordinator or entered online in the intranet project which was established in the previous implementation phases.

Workshops can be held in the Zagreb World Bank office or in some other more suitable rented space.

Since the government of the Republic of Croatia is currently still being formed, and it is not expected that it will assume duty before the end of January, I suggest that the workshops are held in late March or afterwards, depending on the availability of the World Bank representative who will take part in the work.

References

Land regulations

1. Constitution of the Republic of Croatia (OG 56/90, 135/97, 8/98, 113/00, 124/00, 28/01, 41/01, 55/01, 76/10, 85/10, 05/14)
2. Arbitration Act (OG 88/01)
3. Roads Act (OG 84/11, 22/13, 54/13, 148/13, 92/14)
4. Law on State Survey and Real Property Cadastre (OG 16/07, 124/10)
5. Building Act (OG 153/13)
6. Construction Products Act (OG 76/13, 30/14)
7. Act on the Expropriation and Determination of Compensation (OG 74/14)
8. Agricultural Land Redistribution Act (51/15)
9. Act on the Chamber of Architects and the Chamber of Civil Engineers and Physical Planning (OG 78/15)
10. Utilities Act (26/03, 36/95, 70/97, 128/99, 57/00, 129/00, 59/01, 82/04, 178/04, 38/09, 79/09, 49/11, 144/12, 147/14)
11. Local and Regional Self-Government Act (OG 33/01, 60/01, 129/05, 109/07, 125/08, 36/09, 36/09, 150/11, 144/12, 19/13)
12. Hunting Act (OG 140/05, 75/09, 153/09, 14/14)
13. Conciliation Act (OG 18/11)
14. Marine Fisheries Act (OG 81/13, 14/14, 152/14)
15. National Spatial Data Infrastructure Act (OG 56/13)
16. Apartment Lease Act (OG 91/96, 48/98, 66/98, 22/06)
17. Act on Restitution of Property Expropriated During Yugoslav Communist Rule (OG 92/96, 39/99, 42/99, 92/99, 43/00, 131/00, 27/01, 34/01, 65/01, 118/01, 80/02, 81/02),
18. Settlements Act (OG 54/88)
19. Inheritance Act (OG 48/03, 163/03, 35/05, 127/13, 33/15)
20. Geodetic Activity Act (OG 152/08, 56/13)
21. General Administrative Procedure Act (OG 47/09)
22. Islands Act (OG 34/99, 149/99, 32/02, 33/06)
23. Act on Navigation and Inland Ports (OG 109/07 and 132/07)
24. Act on the Areas and Seats of Courts (OG 128/14)
25. Agriculture Act (OG 30/15)
26. Agricultural Land Act (OG 39/13, 48/15)
27. Maritime Domain and Seaports Act (OG 158/03, 100/04, 123/11, 141/06, 38/09)
28. Profit Tax Act (OG 177/14).
29. Income Tax Act (OG 177/14).
30. Real Property Transfer Tax Act (OG 69/97)
31. Act on Tasks and Activities of Physical Planning and Building (OG 78/15)
32. Act on Procedures Concerning Illegally Built Buildings (OG 86/12, 143/13)
33. Agriculture and Rural Development Support Act (OG 80/13)
34. Act on the Right of Access to Information (OG 25/13)
35. Act on the Right of Access to Information (OG 25/13)
36. Real Property Valuation Act (OG 78/15)
37. Physical Planning Act (OG 153/13)
38. Regional Development Act (OG 153/09)
39. Mining Act (OG 56/13, 14/14)
40. Act on Strategic Investment Projects of the Republic of Croatia (OG 133/13, 152/14)
41. Courts Act (OG 28/13, 33/15, 82/15)
42. State Administration System Act (OG 150/11 and 12/13)
43. Forestry Act (OG 140/05, 82/06, 129/08, 80/10, 124/10, 25/12, 68/12, 148/13, 94/14)
44. Companies Act (OG 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13)
45. Act on the Management and Disposal of Assets Owned by the Republic of Croatia (OG 94/13)
46. Administrative Fees Act (OG 8/96, 80/13)
47. Administrative Disputes Act (OG 20/10, 143/12, 152/14)

48. Law on Ownership and Other Real Rights (OG 91/96, 68/98, 137/99, 22/00, 73/00, 129/00, 114/01, 79/06, 141/06, 146/08, 38/09, 153/09, 143/12, 152/14).
49. Water Act (OG 153/09, 63/11, 130/11, 56/13, 14/14)
50. Lease and Sale of Business Premises Act (OG 91/96, 124/97, 174/04 and 38/09)
51. Act on the Protection and Preservation of Cultural Goods (OG 69/99, 151/03, 157/03, 100/04, 87/09, 88/10, 61/11, 25/12, 136/12, 157/13, 152/14)
52. Nature Protection Act (OG 80/13)
53. Land Register Act (OG 91/96, 68/98, 137/99, 114/01, 100/04, 107/07, 152/08, 126/10, 55/13, 60/13)
54. Railways Act (OG 94/13, 148/13)
55. Ordinance on the Establishment and Keeping of the Register of Deposited Contracts (OG 42/91)
56. Ordinance on the Internal Structure and Maintenance of Land Registers and the Execution of Other Tasks in Court Land Registry Departments. Land Register Rules of Procedure (OG 81/97, 109/02, 123/02, 153/02, 14/05, 60/10 and 55/13)
57. Ordinance on Topographical Surveying and Development of State Maps (OG 109/08)
58. Ordinance on the Content, Organisation and Manner of Keeping the Database of Public Roads and Structures Thereon (OG 56/15)
59. Ordinance on the Contents and Required Spatial Indicators in Reports on the Spatial Status (OG 48/14 and 19/15)
60. Ordinance on the Contents and the Manner of Conducting the National Inventory of Forest Resources (OG 53/06 and 137/08)
61. Ordinance on the Vineyards Register, Mandatory Statements, Supporting Documents, Records of Stocks and Production Potential (OG 48/14)
62. Ordinance on the Implementation of Direct Payments and IACS Measures for Rural Development (OG 145/12)
63. Ordinance on the Licence for Conducting Commercial Fishing at Sea and the Licence Register (OG 130/13, 99/14, 127/14, 37/15 i 46/15)
64. Ordinance on Connecting the Land Register with the Register of Deposited Contracts (OG 121/13)
65. Ordinance on Connecting the Land Register with the Register of Deposited Contracts and the Registration of Ownership of the Special Part of the Real Property (OG 60/10)
66. Ordinance on the Tendering Procedure for the Selection of the Economically Most Advantageous Tenderer at the Public Call for Granting the Lease of Agricultural Land owned by the Republic of Croatia and Fish-Pond Lease (OG 120/13, 98/15)
67. Ordinance on the Initial Lease Amount for the Lease of Agricultural Land owned by the Republic of Croatia and Fish-Pond Lease, and the Water Fee for Fish-Ponds (OG 107/13)
68. Ordinance on the Manner of Keeping the Register of Common Pastures Owned by the Republic of Croatia (OG 18/14)
69. Ordinance on the Manner of Keeping the Records on the Change of Use of Agricultural Land (OG 149/13)
70. Ordinance on the Manner of Establishing the Volume of a Building for the Purposes of Calculating the Utility Contribution (OG 136/06, 135/10, 14/11, 55/12)
71. Ordinance on the Manner of Designation of the Names of Settlements, Streets and Squares and the Numerical Marking of Buildings (OG 4/90, 91/11)
72. Ordinance on the Methodology for Monitoring of the Status of Agricultural Land (OG 43/14)
73. Ordinance on the Methodology for Determining the Market Price for the Sale of Agricultural Land owned by the Republic of Croatia by Direct Contracting (OG 141/13)
74. Ordinance on the Methods of Real Property Value Appraisal (OG 79/14)
75. Ordinance on the Use of Road Land and Performance of Supporting Activities on a Public Road (OG 78/14)
76. Ordinance on Cadastral Measurements and Technical Revision (OG 147/08)
77. Ordinance on Land Cadastre Act (OG 84/07, 148/09)
78. Ordinance on the Register of Territorial Units (OG 37/08)
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80. Regulation on the Disposition of Real Property Owned by the Republic of Croatia (OG 127/13)
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88. Decision on the establishment and appointment of the Steering Working Group for the management of JIS
89. Decision on the classification of public roads (OG 66/15)
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91. Decision on the amount of fee for the establishment of rights of easement and building rights on a public road (OG 87/14)
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Institutions that provided the information:

- Ministry of Justice
- State Geodetic Administration
- Tax Administration
- Agricultural Land Agency
- Paying Agency for Agriculture, Fisheries and Rural Development
- Ministry of Construction and Physical Planning
- State Property Management Administration
- Administrative Courts in Zagreb, Split, Rijeka and Osijek
- Ministry of Public Administration
- Ministry of Agriculture
- Croatian Institute for Spatial Development
- Ministry of Environmental and Nature Protection
- Environmental Protection Agency
- Ministry of Culture
- Ministry of Maritime Affairs, Transport and Infrastructure
- Ministry of Regional Development and EU Funds

Table 1: Scorecard

REPUBLIC OF CROATIA – Land Governance Assessment Framework

Panel-LGI-Dim				Panel	Assessment			
					A	B	C	D
PANEL 1: Land Tenure Recognition								
<i>LGI 1: Continuum of rights guaranteed by regulations</i>								
1	1	1	Individual legal tenure in rural land are prescribed and protected in practice.		x			
1	1	2	Legal tenure based on customary law are prescribed and protected in practice.		x			
1	1	3	Rights of indigenous population regarding the land and forests are prescribed and protected in practice.		n/a			
1	1	4	Legal tenure in urban land are prescribed and protected in practice.		x			
<i>LGI 2: Respect and enforcement of rights</i>								
1	2	1	There are attainable possibilities for individualization of tenure.		x			
1	2	2	Private land in rural areas is entered and shown in the cadastral map.		x			
1	2	3	Private land in urban areas is entered and depicted in the cadastral map.		x			
1	2	4	The number of illegal sales of land is low.		x			
1	2	5	The number of illegally contracted leases is low.		x			
1	2	6	The land rights exercised by women pursuant to the relevant regulations are registered.		x			
1	2	7	The land rights exercised by women are the same as the land rights exercised by men.		x			
PANEL 2: Rights to Forest and Common Lands and Rural Land Use Regulations								
<i>LGI 1: Rights to forest and common lands</i>								
2	1	1	Forest and common lands are clearly defined by law, and the responsibility for their use is clearly stipulated.				x	
2	1	2	Rural common rights are formally stipulated and can be enforced.				x	
2	1	3	Rights to key natural resources in the land (including fisheries) prescribed and protected in practice.			x		
2	1	4	Different rights on common land and rights on natural resources in that land can legally coexist.			x		
2	1	5	Different rights on a parcel of land and rights to its resources (e.g. trees) can legally coexist.			x		
2	1	6	Different rights on land and rights to mining or other resources under the Earth's surface on the same parcel of land can legally coexist.			x		
2	1	7	There are possibilities for entry and depiction of communal rights in the cadastral map.				x	
2	1	8	Demarcation of common land boundaries		x			
<i>LGI 2: Efficiency and fairness of rural land use regulations</i>								
2	2	1	Limitations with regard to the use of rural land are justified and are implemented.				x	
2	2	2	Limitations with regard to the possibility of purchase and sale of rural land efficiently serve the objectives of public policy.		x			
2	2	3	Rural land use plans are drawn up/amended by way of a public procedure, and the incurred costs are shared.		x			
2	2	4	Rural lands with changed purpose are quickly brought to use.				x	
2	2	5	New zoning of rural land is performed by way of a public procedure that protects existing rights.			x		
2	2	6	The protected rural land (forests, pastures, swamps, national parks etc.) management plans correspond to the actual use.				x	
PANEL 3: Urban Land Use, Planning and Development								
<i>LGI 1: Limitations of rights</i>								
3	1	1	Limitations with regard to ownership and the possibility of purchase and sale of urban land efficiently serve the objectives of public policy.			x		
3	1	2	Limitations with regard to the use of urban land (disaster risk) efficiently serve the objectives of public policy.			x		
<i>LGI 2: Transparency of land use limitations</i>								
3	2	1	The process of urban spatial expansion/infrastructure development is transparent and takes the existing rights into consideration.			x		
3	2	2	The changes in urban land use plans are based on a clear public procedure and input from all stakeholders.		x			
3	2	3	Approved applications for changes in the purpose of urban land are immediately implemented with regard to these parcels of land.					x

<i>LGI 3: Efficiency of drafting urban land use plans</i>							
3	3	1	Policy that ensures cheap housing and services is in place and is implemented progressively.			x	
3	3	2	Land use planning effectively controls urban spatial expansion in the largest city.			x	
3	3	3	Land use planning effectively controls urban development in the next four largest cities.			x	
3	3	4	Planning procedures are able to cope with urban growth.	x			
<i>LGI 4: Speed and predictability of enforcement of restricted land uses</i>							
3	4	1	The issuance of building permits for a residential dwelling is appropriate, affordable and harmonized.			x	
3	4	2	Building permit for a residential dwelling can be obtained in a short time period and at low cost.			x	
<i>LGI 5: Forms of tenure regulation in urban areas</i>							
3	5	1	Formalization of urban residential housing is feasible and affordable.	x			
3	5	2	In cities with informal tenure, there is a sustainable strategy for the safety of tenure, infrastructure and residential housing.	x			
3	5	3	The tenant ownership regime allows efficient management and registration of urban real property.	x			
PANEL 4: Public Land Management							
<i>LGI 1: Identification of public land and clear management</i>							
4	1	1	The benchmarks for public land ownership are clearly defined and assigned to the appropriate level of government.			x	
4	1	2	All public lands are registered.			x	
4	1	3	Public land information is publicly accessible.			x	
4	1	4	The management responsibility for different types of public land is unambiguously assigned.			x	
4	1	5	Responsible public institutions have sufficient resources to perform their land management obligations.				x
4	1	6	All important information on allocation of public land to private users is publicly accessible.			x	
<i>LGI 2: Justification and time-efficiency of acquisition procedure</i>							
4	2	1	A minimal amount of expropriated land is used for private purposes.	x			
4	2	2	The expropriated land is transferred to its destined purpose in a timely manner.	x			
4	2	3	The threat of land expropriation does not cause resistance from private parties.			x	
<i>LGI 3: Transparency and fairness of acquisition procedure</i>							
4	3	1	Compensation is provided for the acquisition of all rights regardless of the registration status.			x	
4	3	2	The change in land purpose resulting in a selective loss of land rights is compensated.	x			
4	3	3	Compensation is promptly paid to the owners.	x			
4	3	4	Independent avenues for complaint against expropriation exist and are accessible by those affected.	x			
4	3	5	Complaints against expropriation decisions are handled within a reasonable time frame.				x
PANEL 5: Allocation of Large Tracts of Land to Investors							
<i>LGI 1: Allocation of public land for private use follows a clear, competitive process with payments collected</i>							
5	1	1	Public land allocation follows an open and transparent process.			x	
5	1	2	Public lease collection is implemented.				x
5	1	3	Public land allocation is carried out at market prices, except in cases where such allocation is a means of achieving fairness.			x	
5	1	4	The public captures benefits arising from changes in permitted land use.				x
5	1	5	The policy of improving equality in the access to the resources by the poor and their use is in place and is efficiently implemented and monitored.			x	
<i>LGI 2: Private investment strategy</i>							
5	2	1	Land that is made available to investors is identified in a transparent and public process, in agreement with right holders				x
5	2	2	Investments are selected in an open procedure based on economic, social, cultural and environmental impact.	x			
5	2	3	Public institutions for allocation of land to investors are clearly identified and are regularly monitored.			x	
5	2	4	Public bodies competent for the allocation of land to investors share information and coordinate in order to reduce and resolve overlapping (including below the Earth's surface)			x	
5	2	5	The compliance with contractual obligations is regularly monitored and, where necessary, corrective actions are performed.				x
5	2	6	Safeguards efficiently reduce the risk of adverse effects of big land investments.	x			
5	2	7	The area for relocation is clearly limited, but there are ways how to control it in accordance with the best practice.				x

<i>LGI 3: Implementation policy is efficient, consistent and transparent</i>							
5	3	1	Investors provide sufficient information that allow a strict assessment of proposed investments.			x	
5	3	2	Acceptance of investment plans is carried out in a clear procedure with reasonable deadlines.		x		
5	3	3	There are free and direct negotiations between right holders and investors with full access to relevant information.		x		
5	3	4	Contractual provisions regarding profit sharing are available to the public.			x	
<i>LGI 4: Contracts including public land are public and accessible</i>							
5	4	1	Information on the spatial scope and the duration of granted concessions are publicly accessible.		x		
5	4	2	The concession holder's compliance with guarantees is monitored and efficiently and consistently implemented.			x	
5	4	3	There are methods for dealing with non-compliance that provide the possibility of reaching a timely and fair decisions.		x		
PANEL 6: Provision of Public Information on Land: Registry and Cadastre							
<i>LGI 1: Land tenure recognition mechanisms</i>							
6	1	1	Land possession by the poor can be formalized in accordance with local regulations in an efficient and transparent procedure.		x		
6	1	2	Non-documentary forms of evidence are efficiently used as assistance in establishing rights.		x		
6	1	3	There is formal recognition of long-term, unchallenged possession.	x			
6	1	4	First-time registration includes safeguards and is not restricted by payment of high fees.		x		
6	1	5	First-time registration does not entail significant informal fees.	x			
<i>LGI 2: Completeness of land registries</i>							
6	2	1	Total cost of registering real property transfer is low.	x			
6	2	2	Information in the list are linked to cadastral map that reflects the current status.			x	
6	2	3	All relevant encumbrances are recorded.			x	
6	2	4	All relevant public restrictions or charges are recorded.			x	
6	2	5	There is a timely response to a request for access to land registry data.	x			
6	2	6	Land registries are searchable.			x	
6	2	7	Land information is easily accessible.	x			
<i>LGI 3: Reliability of land registry data</i>							
6	3	1	Information in public land registries are harmonized in order to ensure the integrity of rights and reduce transfer costs.				x
6	3	2	Land registry information are up-to-date and reflect the actual state in the field.			x	
<i>LGI 4: Cost-effectiveness and sustainability of land management system</i>							
6	4	1	Land registries are financially sustainable through collection of fees for financing their operation.				x
6	4	2	Land management investments meet the needs by way of quality service requirements.			x	
<i>LGI 5: Fees are determined in a transparent manner.</i>							
6	5	1	Fees are reasonable, their amount is known and all payments are shown.	x			
6	5	2	Informal payments are discouraged.		x		
6	5	3	Service standards are published and are regularly monitored.		x		
PANEL 7: Land Valuation and Taxation							
<i>LGI 1: Transparency of valuation</i>							
7	1	1	Clear process of real property valuation.			x	
7	1	2	Valuation rolls are publicly accessible.				x
<i>LGI 2: Efficiency of collection</i>							
7	2	1	Exemptions to the payment of real property taxes are justified and transparent.	x			
7	2	2	All real property holders liable to pay real property tax are listed on the tax roll.	x			
7	2	3	Assessed real property taxes are collected.	x			
7	2	4	Receipts from real property taxes exceed the costs of collection.	x			
PANEL 8: Dispute Resolution							
<i>LGI 1: Distribution of responsibilities</i>							
8	1	1	There is a clear assignment of responsibility for dispute resolution.	x			
8	1	2	Dispute resolution mechanisms are publicly accessible.	x			

8	1	3	Mutually accepted agreements reached by informal dispute resolution systems are encouraged.				x
8	1	4	There is an available, accessible and timely process for appealing disputed rulings.		x		
<i>LGI 2: Proportion of land in unresolved disputes is low and declining.</i>							
8	2	1	Land disputes constitute an insignificant proportion of cases in the formal legal system.		x		
8	2	2	Disputes in the formal system are resolved in a timely manner.		x		
8	2	3	The number of long-standing (>5 years) land disputes is insignificant.			x	
PANEL 9: Institutional Arrangements and Policies							
<i>LGI 1: Clear competences and practice</i>							
9	1	1	Land policy formulation, implementation and arbitration are separated in order to avoid the conflict of interests.		x		
9	1	2	Responsibilities of ministries and land agencies do not overlap (horizontal overlap).		x		
9	1	3	There is no administrative (vertical) overlap	x			
9	1	4	Public authorities share information on rights and land use; key facts are regularly reported and they are publicly accessible.		x		
9	1	5	The overlapping of rights (based on land interest typology) is minimal and does not cause disagreements or disputes.			x	
9	1	6	The lack of designation of institutional competences (based on institutional review) does not cause problems.				x
<i>LGI 2: Equity and non-discrimination in the decision-making process</i>							
9	2	1	Land policies and regulations are developed in a participatory manner that involves all relevant stakeholders.			x	
9	2	2	Equality and reduction of poverty are objectives of land policies; progress in that direction is publicly monitored.			x	
9	2	3	Ecology and environmental protection are objectives of land policies; progress in that direction is publicly monitored.			x	
9	2	4	Land policy implementation is calculated, in accordance with gains and appropriately financed.			x	
9	2	5	Regular and public reporting on the progress in policy implementation is in place.			x	
9	2	6	Land policies help to improve the use of land by the poor and those who have suffered injustice.			x	
9	2	7	Land policies proactively and efficiently reduce the future disaster risk.				x
PANEL 10: Coastal Zone Management							
<i>LGI 1: Marine use right for the purpose of fisheries</i>							
10	1	1	Marine use right for the purpose of fisheries enjoys legal recognition and is protected in practice.		x		
10	1	2	Mixed marine use in particular zones (e.g. fisheries, tourism and transport) can legally exist.		x		
10	1	3	License to use the marine area may be obtained at affordable cost following a detailed and transparent assessment of compatibility with the existing marine plans, including environmental impact assessment and taking into consideration the opinions and interests of all stakeholders		x		
<i>LGI 2: Efficiency of the process of drafting land use plans in coastal zones</i>							
10	2	1	Land use planning effectively controls coastal urban development		x		
10	2	2	Planning procedures are able to cope with coastal urban growth.		x		
<i>LGI 3: Efficiency of the process of marine use planning</i>							
10	3	1	Marine use plans are drawn up/amended by way of a public procedure	x			
10	3	2	License for sea area use can be obtained in a short time period		x		
10	3	3	Designation of mariculture zones in marine use plans is ensured and includes measures for avoiding conflicts with neighbouring purposes (e.g. tourism), and the opinions and interests of stakeholders are taken into consideration	x			
10	3	4	Marine use plans efficiently set out the spatial and time allocation of marine use and ensures sustainable use of marine resources		x		
10	3	5	Use planning process must ensure coherence between marine and coastal strategies and plans		x		

Table 2 List of panel participants

	Panel	Panel participant
1	Land tenure recognition (29 June)	<ol style="list-style-type: none"> Ivica Anaković, Ministry of Justice Željka Pilipović, attorney-at-law, representative of the Croatian Bar Association Ingrid Jurcan Lakičević, attorney-at-law, Vukić i partneri d.o.o. Marinko Bosiljevac, State Geodetic Administration Josip Bienenfeld, Ministry of Construction and Physical Planning
2	Rights to forest and common lands and rural land use Regulations (30 June)	<ol style="list-style-type: none"> Tajana Radić, Croatian Chamber of Agriculture Ksenija Grgurić Kontić, Croatian Forests Ltd, Delnice Forest Administration Damir Delač, Croatian Forestry Society Jasna Molc, Croatian Forests Ltd Sabina Čanjevac, Ministry of Justice Zdenko Bogović, Croatian Union of Private Forest Owners' Associations
3	Urban land use, planning and development (2 July)	<ol style="list-style-type: none"> Srećko Pegan, Faculty of Architecture of the University of Zagreb Irena Matković, Croatian Institute for Spatial Development Ivona Jerković, Grgurević i partneri d.o.o. Tea Horvat, LOG-URBIS d.o.o. Darko Šiško, City Office of Strategic Planning Ljerka Marić, State Geodetic Administration Josip Bienenfeld, Ministry of Construction and Physical Planning, partially
4	Public land management (6 July)	<ol style="list-style-type: none"> Sonja Marohnić Horvat, Union of the Association of Towns in the Republic of Croatia Miroslav Kovač, Union Association of Family-Run Farms in Croatia "Život" Toni Raić, Baby Beef Breeders Association Nikola Čopić, entrepreneur Jakov Pavičić, Vetkop d.o.o. Antonio Šuštić, State Geodetic Administration Zlata Hrvoj Šipek, State Attorney's Office Alen Čičak, State Property Management Administration Lidija Majcan Horvat, Ministry of Construction and Physical Planning Ivica Anaković, Ministry of Justice
5	Allocation of large tracts of land to investors (8 July)	<ol style="list-style-type: none"> Sani Ljubunčić, Ministry of Entrepreneurship and Crafts Žaklina Čolaković, Ministry of Justice Violeta Ajhner Bolfan, Paying Agency for Agriculture, Fisheries and Rural Development Dario Perešin, Paying Agency for Agriculture, Fisheries and Rural Development Andrej Bolfek, Bolfek Law Office Melida Ivković, Agency for Investments and Competitiveness Snježana Španjol, Ministry of Agriculture Mladen Pejnović, State Property Management Administration
6	Public provision of land information: Registry and cadastre (13 July)	<ol style="list-style-type: none"> Antonio Šuštić, State Geodetic Administration Jelena Jurišić, Ericsson Nikola Tesla d.d. Irena Džunić, City of Zagreb Ana Marija Končić, Municipal Civil Court in Zagreb, Permanent Office in Sesvete Damir Pahić, Zavod za fotogrametriju d.d. Sanja Vurin, Implementation Unit for the Integrated Land Administration System (//SZA) Project Ivica Anaković, Ministry of Justice
7	Land valuation and taxation (10 July)	<ol style="list-style-type: none"> Branimir Majčica, City of Zagreb Darko Štefančić, Croatian Chamber of Economy/PBZ Real Property Siniša Mastelić Ivić, Faculty of Geodesy of the University of Zagreb Vladimir Majetić, State Geodetic Administration Vladimir Lasić, Croatian Association of Valuers
8	Dispute resolution (14 July)	<ol style="list-style-type: none"> Nada Rendić Gregurić, Ministry of Justice Ivica Anaković, Ministry of Justice Josip Šurjak, Croatian Bar Association Jozo Jurčević, State Attorney's Office of the Republic of Croatia Jadranka Liović Merkaš, Municipal Civil Court in Zagreb Stjepan Šaškor, Croatian Notaries Chamber
9	Institutional arrangements and policies (25 August)	<ol style="list-style-type: none"> Silvio Bašić, University of Zagreb, Faculty of Civil Engineering Tajana Josipović, University of Zagreb, Faculty of Law Damir Kontrec, Supreme Court of the Republic of Croatia Blaženka Mičević, Agricultural Land Agency Ivan Novak, Aksiom d.o.o. Hrvoje Tomić, University of Zagreb, Faculty of Geodesy Ivica Trumbić, independent consultant
10	Coastal Zone Management (24 August)	<ol style="list-style-type: none"> Gojko Berlenji, GISPLAN d.o.o. Maja Madiraca, URBOS d.o.o. Ines Merčep, Ministry of Construction and Physical Planning Dagmar Šurmanović, Croatian Waters Ltd.

Table 3 Policy matrix - discussion proposal for the technical validation workshop

This suggestion comes from panel discussions.

NOTE: All panels have come to the same conclusion: an outdated cadastre and land registry (16) and too many restrictions of ownership rights (legal regimes) in many of them.

	Findings	Recommendation	Competent institution	Monitoring indicator
Panel 1 recommendations				
1	Land regulations are overly fragmented, the existing legislation has been written for books, forms and the analogue format	Reduce the number of acts dealing with land Modernize legislation, especially the implementing one, in the way that electronic data form is accepted as official	All institutions of the land sector (Ministry of Justice, the State Geodetic Administration, Ministry of Finance, the Agricultural Land Agency, Paying Agency for Agriculture, Fisheries and Rural Development, Ministry of Construction and Physical Planning, State Property Management Administration, Ministry of Public Administration, Ministry of Agriculture, Ministry of Environmental and Nature Protection, Ministry of Culture, Ministry of Maritime Affairs, Transport and Infrastructure, Ministry of Regional Development and EU funds ...)	The number of acts dealing with land
2	Slow entry of transformed social ownership	Accelerate the procedures and introduce a conciliation possibility for parties in the process, especially the state and local self-government units Oblige public land managers to produce registration documents for the cadastre and land register, and ensure funds Make the Land Database certificate a condition for having land/real property at one's disposal.	State property managers: Ministry of Justice, the State Geodetic Administration, Ministry of Finance, the Agricultural Land Agency, State Property Management Administration , local self-government units	The number of cadastral parcels registered as part of "social ownership"

3	There are too many legal restrictions of ownership rights (legal regimes) which sometimes serve no public goal, while the overlaps slow down the decision making process due to the involvement of numerous institutions. The justification for the number and surface area of protected areas is questionable.	Restrictions of ownership rights should be reduced to a reasonable level and aligned with public goals by re-examining the justification of every legal regime or protected area, and restrictions should be reduced. Amend regulations and procedures for the entry of legal regimes into the cadastre and land register so that institutions responsible for a particular legal regime commit to reporting changes in the cadastre/land register. Consider providing fair compensation for restrictions.	Institution responsible for a particular legal regime, Ministry of Justice, State Geodetic Administration	Number of legal regime restrictions
Panel 2 recommendations				
4	Difficulties in identifying land types in regulations and in practice, overlapping of agricultural and forest	Harmonize regulations and application in practice Standardize types of use, utilization and purpose of real property	Umbrella institution in charge of land governance, Ministry of Justice, the State Geodetic Administration	A drafted common glossary and land typology for all sectors
5	Excessive regulation of misdemeanours which are not sanctioned in practice	Revision of misdemeanour liabilities and inspections	Ministry of Justice and competent ministries	Number of misdemeanours
6	The lack of a national strategy regarding rural development, the same for both agriculture and forestry	Adopt a rural development strategy	Umbrella institution in charge of land governance, Ministry of Rural Development and Ministry of Agriculture	Adopted strategy
Panel 3 recommendations				
7	Monitoring of the land situation is inadequate, real relevant economic and demographic data for spatial planning is lacking. Insufficient standardization of terminology and data between land governance sectors	Set up a spatial monitoring system within the JIS, develop analytical functions in land data storage systems, connect storages Ensure the interoperability of the JIS and other information systems Draw up an adequate glossary of terms and definitions and their translations Implementation of the INSPIRE Directive and other relevant standards	The institution in charge of the JIS and the National Spatial Data Infrastructure (NIPP) Council, the central government body in charge of e-Croatia operations, Central Bureau of Statistics, public authorities and professional NGOs	Number of linked systems, number of analytic functions

8	Unjustified expansion of building areas, slow re-zoning of land	Revise the existing capacities, i.e. examine the needs for building areas that are not put to use	Ministry of Construction and Physical Planning and the local units of self-government	Surface area of building areas
9	Frequent fundamental changes of the spatial regulation and construction system cause problems in the implementation and non-transparency in the procedure. Poor communication between different stakeholders (formal and professional) in the procedures of the drafting of land use plans and over-regulation of expert operations.	Stabilise the legal framework in the long term, improve communication between stakeholders in the procedures of drafting and adoption of regulations, and the communication between the administration and the private sector	Ministry of Construction and Physical Planning, professional organisations and units of local self-government	Number of common administration and private sector workshops
Panel 4 recommendations				
10	Underutilization of public land, agricultural, urban and maritime domain	An umbrella institution needs to be designated for the purposes of land governance Available public land needs to be publicly disclosed and offered for lease/concession	Government and competent institutions	Surface area of allocated public land
11	Data on expropriated land is neither public nor transparent	Publicly disclose structural data on expropriated land within the framework of official registers and information systems	Institution in charge of the JIS, state offices in the counties	Number of published expropriations
12	Inadequate efficacy of institutions' capacities	Improve efficacy of the institutions responsible for public land management Combine institutions for land management Conduct relevant staff training	a government and an umbrella institution for land governance	Conducted training
Panel 5 recommendations				
13	There are no (sufficient) large tracts of land	Implement measures for land consolidation Enable individual consolidation under favourable conditions	Umbrella institution for land governance, the Agricultural Land Agency, units of local self-government	Number of conducted consolidations
14	Procedures for the allocation of	Review the procedures for the allocation of	Umbrella institution for land governance and competent	Amended

	public land are complex	leases/concessions	institutions	procedures
15	Data on allocated public land has been partially published, and the monitoring of the collection of payments for the use of public land is inadequate	<p>Publish data on allocated public land and the conditions under which they were allocated</p> <p>Develop procedures for collection control, common for all sectors</p> <p>Increase efficiency in sanctioning non-compliance with contractual obligations</p>	The umbrella institution for land governance and the institution in charge of the JIS, the central government body in charge of e-Croatia operations, Agricultural Land Agency, State Property Management Administration	Developed payment and agreement monitoring procedures
Panel 6 recommendations				
16	All land is entered in the cadastre/land register, but the status often does not correspond to the actual situation	<p>Enable a faster registration of actual situations using land registry procedures instead of court proceedings</p> <p>Implement the possibility of individual updating (individual implementation and individual re-design)</p> <p>Introduce the obligation to register every transaction in the land register</p> <p>Oblige competent institutions to update their public land entries</p>	Ministry of Justice, State Geodetic Administration, the institution in charge of the JIS	Percentage of outdated entries
17	Cadastre/land register institutional organization is inadequate	<p>Cadastre/land register and, possibly, other key registers should be placed under a single administrative institution-agency</p> <p>Establish a single and clear management structure</p>	The government	Institutions combined
18	The situation of interests on the land registered with the cadastre and the land register is incomplete	<p>Define procedures of legal regime registration</p> <p>Amend with public communal infrastructure and the address system and integrate in the JIS</p> <p>Transfer maintenance of data on special parts of real property from the Register of Deeds to the Land Database</p> <p>Amend with data on real property value from sales agreements</p> <p>Ensure the interoperability with other factors of the</p>	Ministry of Justice, State Geodetic Administration, institution in charge of the JIS and ministries	Registered legal regimes, public communal infrastructure and special parts of real property

		NIPP by establishing an exchange service		
19	Lack of harmonization between cadastre, land register and administrative organisation	Speed up the establishment of the Real Property Cadastre and EDP Land Register Integrate the Register of Spatial Units in the JIS Align the borders of cadastral municipalities in the cadastre/land register with settlement borders and other spatial units of higher level	Ministry of Justice, State Geodetic Administration, institution in charge of the JIS, Ministry of Public Administration	Aligned borders of spatial units
Panel 7 recommendations				
20	Taxation is sectoral and unsystematic, value lists are usually not published	Introduce tax on all real property based on market value Publish value lists	Institution in charge of the JIS, central government body in charge of e-Croatia operations, Ministry of Finance and units of local self-government	Published lists
21	Available land data is insufficient for valuation	Introduce a mass real property valuation system	Ministry of Finance, institution in charge of the JIS	Mass real property valuation system established
22	Insufficiently trained human resources and insufficient training offer	Improve valuer training	Ministry of Finance and professional organisations	Assessor training conducted
Panel 8 recommendations				
23	A significant share of proprietary cases in the legal system	Enable a faster registration of actual situations using land registration procedures instead of court proceedings ("formal" lawsuits) Introduce the possibility of informal dispute resolution in proceedings involving establishment, renewal and amendment of land registers Prevent unskilled persons from submitting applications	Ministry of Justice	Share of proprietary cases
24	State of play with regards to dispute resolution differs from one Croatian region to another	Align procedures with additional staff education and re-organisation	Ministry of Justice	Uniform speed of dispute resolution

Panel 9 recommendations				
25	Land governance is spread across the sectors, there are too many institutions involved. There is no comprehensive strategy or policy	<p>Establish an umbrella institution for land governance by combining the current ones into a single institution</p> <p>Adopt a land governance strategy which will cover all sectors and develop the missing sector strategies</p> <p>Define land and housing policy</p>	The government	Land governance strategy adopted
26	Almost every public administration body maintains its own land/real property database, which are mostly not linked to the cadastre/land register.	<p>Restructure various registers and abolish the redundant ones, foster data exchange between institutions</p> <p>Remove redundant registers/databases</p> <p>Ensure the interoperability of key land registers</p>	Institution in charge of the JIS, central government body in charge of e-Croatia operations, Ministry of Justice, State Geodetic Administration, Ministry of Public Administration	Number of institutional users of the JIS
Panel 10 recommendations				
27	A lack of adequately standardized data concerning marine areas and the fishing industry	Stimulate standardization of official data and update existing official registers/information systems	Central government body in charge of e-Croatia operations, institution in charge of the JIS, Ministry of Construction and Physical Planning, Ministry of Maritime Affairs, Transport and Infrastructure	Available data on marine areas
28	A lack of development programs based on sustainable development as the basis for the development of maritime spatial planning	Draft development programs and new plans taking into account realistic needs and potentials for sustainable development	Ministry of Regional Development and EU funds, units of regional and local self-government	Development programs for marine areas created
29	Insufficient coordination between competent institutions, jurisdictions usually start/end at coastlines	<p>Improve coordination between institutions competent for land and marine areas</p> <p>Provide integrated management of the marine area</p>	Ministry of Maritime Affairs, Transport and Infrastructure, Ministry of Construction and Physical Planning, Ministry of Regional Development, Ministry of Agriculture, Ministry of Environmental and Nature Protection	Coordination bodies established