

4. Transfer of public buildings to private ownership

Description

Many IDPs in the Balkans and Caucasus were housed in collective centres following their displacement, which in some cases were public buildings such as schools, kindergartens and health facilities. Some states have opted to transfer ownership to IDPs via privatisation as a means of providing those who wished to integrate locally with permanent housing. The privatisation of collective centres has been welcomed by IDPs in former Soviet countries, in part because it mirrored processes in the broader transition from a socialist to a market-based economy, under which the ownership of public housing that companies allocated to their employees was transferred to its occupants. It has allowed IDPs, who had previously been unable to benefit from the privatisation process, to become homeowners. Ownership has been a key symbol of the political and economic transition in former socialist countries such as Georgia.

Case study 1: Collective centre renovation and transfer of ownership (Georgia)

Overview

IDPs living in protracted displacement since the early 1990s were the target beneficiaries for this initiative. They originate from Abkhazia and South Ossetia, areas that have been and are still largely impossible to return to because of unresolved conflict. The government generally neglected their plight over two decades. Around half of the 260,000 IDPs were housed in collective centres, where temporary refuge became long-term residence for those who could not secure other accommodation on their own.

In a significant shift in policy, Georgia adopted a state strategy for IDPs in 2007 that embraced measures to facilitate their local integration as well as support for their return. Implementation was delayed, however, by the brief 2008 war with Russia over South Ossetia, which caused a new wave of displacement. The newly displaced were prioritised for assistance, but acknowledging that return would not be possible in the near future for any IDPs, those who fled in the early 1990s were soon included under the state strategy.

Programme design

The 2007 state strategy for IDPs had two goals, to create the conditions for their dignified and safe return, and to support their local integration. Implementation was planned in three phases, during which all IDPs in need would receive a durable housing solution that also provided opportunities for sustainable socio-economic integration. The first phase incorporated steps towards the closure of collective centres, and included the following commitment: “The state will assist IDPs, in cases when they consent, to privatize the state-owned collective centres, which are not of special importance for the state, at acceptable prices.”

In February 2009, the government initiated the voluntary transfer of ownership of collective centre units to IDPs. The Ministry of Internally Displaced People from the Occupied Territories, Refugees and Accommodation (still known by its former acronym MRA) led implementation, which included the following steps:

1. The identification of state-owned centres suitable for permanent living, or which could be made suitable by cost-effective renovation, to offer to IDPs as long-term housing solutions
2. The publication of a list of the centres identified for privatisation
3. The identification and profiling of IDPs living in the centres identified
4. The measurement of living spaces to delineate the size of future apartments for private ownership
5. The making of concrete offers to eligible IDPs in which the symbolic cost of ownership transfer of one Georgian lari (\$0.46) is assumed by the government
6. The return of the purchase - or privatisation - agreement to the Ministry for Economy and Sustainable Development for signing on behalf of the state
7. The registration of the beneficiary's ownership of their living space with the National Agency of the Public Registry (NAPR), which issues deeds
8. The acquisition by the beneficiary of full rights and obligations related to the property, including the option to sell it. The owner is obliged to accommodate family members

A steering committee coordinates joint efforts by the government and international organisations to implement the action plan for the state strategy for IDPs. It is made up of representatives from MRA, the Ministry of Labour,

Snapshot	
Practice	Renovation and transfer of ownership of collective centres to IDPs (Georgia, 2009 to present)
Main actors	<ol style="list-style-type: none"> 1. Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees 2. Ministry of Labour, Healthcare and Social Affairs 3. Ministry of Justice 4. Ministry of Finance 5. Municipal development funds 6. UNHCR, UN resident coordinator, World Bank, EU, USAID, SDC, NRC and the Georgian Young Lawyer's Association (GYLA) 7. Civil Registry Agency (CRA) 8. National Agency of the Public Registry (NAPR)
Context	<ol style="list-style-type: none"> 1. More than 130,000 IDPs living in more than 1,600 collective centres since the early 1990s. 2. Most IDPs remained in the centres for more than 25 years, because their prospects for return were limited, they could not secure housing on their own and the government did not facilitate their local integration. 3. Living conditions in the centres worsened over time and they became overcrowded, unsanitary and dilapidated. Only 540 were structurally sound as of 2009. 4. Lack of public housing stock as a result of mass privatisation after the fall of the Soviet Union. 5. 4. The government's 2007 national strategy on IDPs and its implementation plan call for measures to facilitate local integration
Target group	IDPs displaced in early 1990s from Abkhazia and South Ossetia and living in collective centres
Summary	In a significant policy shift, the government initiated the voluntary transfer of collective centre units to IDPs' ownership in February 2009 in line with its 2007 state strategy. IDPs were offered free private and individual ownership of renovated spaces according to the size of their families. They acquired full rights and obligations related to the property, including the right to sell. All adult family members had to sign the privatisation agreement to ensure equitable ownership. The state undertook all necessary steps for the registration of ownership rights and ensured the issuing and delivery of title deeds.
Strengths <i>(Key elements of right to adequate housing and key programmatic elements from matrix appear in bold)</i>	<p>By the end of 2013, more than 16,300 displaced families had been granted private ownership of the collective centre space in which they had been living, guaranteeing them tenure security. Habitability was improved in terms of space and living conditions.</p> <p>Given that beneficiaries did not have to move, they kept their longstanding relationships with their local communities. Their location needs are met and there is no disruption of their access to goods, services and livelihood opportunities.</p> <p>The practice is culturally appropriate because property ownership is the preferred form of tenure security in Georgia.</p> <p>Sustainability is ensured through the formation of condominiums, which are eligible for funding to maintain, improve and repair common space.</p>
Key challenge(s)	<p>The standard of renovation was not always satisfactory, affecting the habitability of the individual units and common space. The complaint mechanism was unclear and some IDPs refused to sign their purchase agreements.</p> <p>Some centres were not renovated and IDPs received ownership of space that was not habitable. Around 10,000 families were still waiting for their title deeds as of the end of 2014. As such they have been unable to form condominiums and apply for infrastructure improvement schemes. IDPs lacked information or received conflicting information about the process and were not consulted in the development of the programme.</p> <p>The government has not addressed the needs of the most vulnerable IDPs first, focussing instead on the buildings that were the easiest to privatise.</p>
Factors for potential replicability	<p>Private property ownership is culturally appropriate</p> <p>IDPs live in public buildings because there is not enough available housing stock to meet their needs</p> <p>Political will to accept and facilitate IDPs' local integration and settlement elsewhere is in place</p>

Healthcare and Social Affairs, the Ministry of Justice (MoJ), the Ministry of Finance, the Municipal Development Fund (MDF), UNHCR, the UN resident coordinator, DRC, the World Bank, an EU delegation, USAID, SDC and the Georgian Young Lawyers' Association (GYLA) on behalf of local civil society. The Ministry of Economy and Sustainable Development (MoESD), the Civil Registry Agency (CRA) and NAPR are also involved in the process.

MRA established and facilitates a working group on privatisation to monitor the process with support from UNHCR and others. It began its work in March 2009 and DRC supported MRA significantly in 2011 and 2012. The working group shares information on good practices and concerns identified during monitoring, and makes suggestions for improvement with the aim of enabling IDPs to make informed decisions. It also produces annual privatisation reports. The process has evolved as new standards and operating procedures have been adopted.

Around 540 of Georgia's 1,600 collective centres were deemed structurally safe for residence and suitable for privatisation with or without renovation.¹ Others were in dire condition and destined for evacuation and closure, some as a matter of urgency. IDPs living in centres that were due to be closed were offered alternative housing solutions. IDPs are offered privatised space in two categories of centres, those owned by the state and those the state has bought from private owners.

The privatisation process involves centres of all sizes, from those accommodating as few as two families to others that host almost 1,000. Space is reallocated based on family size and some units are renovated in the process. Those in Tbilisi were only renovated later, after it was acknowledged that the living units in provided as "durable housing" were in fact in desperate need of repair.² Beneficiaries receive title deeds and are free to rent, mortgage or sell their property as they wish.

The Municipal Development Fund oversees the renovation of the centres. Work may include repair of the roof, sanitation system and electricity and gas supplies, and interior decoration, and should be carried out to standards established in 2009.³ Beneficiaries are free to establish condominiums with other residents to carry out the joint maintenance, management and development of shared spaces. They are also entitled to apply to the municipality for assistance with maintenance and repairs.

Privatisation is voluntary and all adult family members must sign the agreement. Until 2013, only heads of household had to sign. None of the people covered, be it as signatories or listed in the agreement, are allowed to own or have use of any other living space on the basis of their status as IDPs. Nor are they eligible for any oth-

er state housing assistance other than the recovery of their property in their places of origin in the event return becomes possible.⁴ Those who choose not to privatise their collective centre space are free to continue living in it, are protected from forced eviction and will be eligible for other housing solutions later in the implementation of the state strategy.

The state undertakes all of the necessary steps for the registration of ownership rights and ensures that the public registry extracts are issued to the new owners. It also pays a symbolic price for the process, and under an amendment introduced to Article 168(i) of the Tax Code of Georgia in 2009, IDPs are exempt from paying income tax on a property acquired for a symbolic price through privatisation. Property tax in Georgia is only payable by households whose income exceeds 40,000 lari (\$18,400).

International and local organisations have monitored the privatisation process since its inception and have conducted numerous information sharing campaigns with IDPs. They were provided with brochures on the criteria for process and a template of the purchase agreement. They were able to ask questions of the organisations involved, and had access to an MRA hotline. NRC, DRC and local NGOs conducted awareness raising and training on the formation of condominiums and the management of common property. Local NGOs provided legal counselling and assistance, and support in mobilising finance and seeking external funding to address their repair needs.

Legal framework

Despite the lack of a national housing strategy in Georgia, the existing legal and policy framework has supported privatisation and has evolved as it progresses. Important acts and documents include the action plan for the state strategy on IDPs for 2009 to 2012, decree no. 62 on "privatisation through direct sale of state-owned property of the Tbilisi self-governing entity" and a new law on IDPs adopted in 2014. The new law anchors the durable housing solutions provided for in the state strategy and establishes a legal remedy for IDPs should they consider themselves entitled to the durable housing schemes in place. A law on condominiums was also in place when the transfers of ownership began.

Impacts and challenges

The renovation and transfer of ownership of collective centre space to IDPs is still ongoing. As of the end of 2013, 16,328 families had signed privatisation agreements for their living space in the centres or other housing offered to those leaving centres that were to be closed.⁵ The figure represents around 20 per cent of the 89,000 displaced families in Georgia, not all of whom live in collective centres. The initiative improved IDPs' tenure security and living conditions while maintaining their access

to services. It is culturally appropriate because property ownership is the preferred form of tenure security in Georgia, though the condominium system is relatively new.

The programme has also encountered many challenges. Some IDPs' privatised space was neither big enough or in good enough condition to be considered a durable housing solution, and the renovation of sewage and solid waste management systems, gas and electricity supplies and flooded basements has not always been up to standard.⁶ Many IDPs in Tbilisi have taken ownership of living space that does not even meet the criteria for habitability. Those who had complaints were often unclear about who they should address them to.⁷

After its initiation in 2009, privatisation almost came to a halt in 2010 and 2011, which created a large backlog. With thousands of families on waiting lists, the government stepped up the process in 2012 with around 8,255 families receiving ownership in the run-up to October elections. The process was not transparent, however, making it difficult to assess its impact. There were also delays in the issuing of title deeds, which meant that the new owners were not able benefit from infrastructure improvement schemes offered by their municipality to condominiums. Around 10,000 families were still waiting for their title deeds as of the end of 2014.⁸

The action plan for the state strategy on IDPs included various types of information sharing activities with IDPs and all plans for the collective centres were made public. IDPs tended, however, not to be consulted or involved in the process, and the exact purpose, conditions and consequences of privatisation were in many cases not properly explained. More efforts are needed to communicate with IDPs properly about the privatisation process to avoid disappointments and grievances.

The government has not proceeded with privatisation based on detailed assessment of the needs of the IDPs living in collective centres. No survey of IDPs' wishes and needs was done to inform the process, the result being that the most vulnerable were not treated as a priority.

The privatisation process is unfinished in around 400 former centres, resulting in "mixed buildings" in which some residents live in privatised space and others do not. The state still partially owns the building, but there are no mechanisms for its participation in condominiums, which prevents new owners from managing and maintaining their shared spaces.

Conclusion

The renovation and transfer of ownership of living space in collective centres is a commendable initiative that has

significant potential for providing IDPs who wish integrate locally with adequate housing. It is also an example of a government accepting and facilitating local integration after a long period of insisting that return was IDPs' only option. A combination of political will, the initiative being based on a policy framework, significant international funds and the active involvement of donors and international organisations have been key to its success in allowing IDPs to maintain the lives they had established over many years in their places of refuge.

Notes

1. Government of Georgia, December 2010
2. Privatisation working group, Annual privatisation report 2009, 10 April 2010
3. Standards for Rehabilitation, Conversion or Construction Works for Durable Housing for IDPs
4. Privatisation working group, Annual privatisation report 2009, 10 April 2010
5. Privatisation working group, Annual Privatization Report January-December 2012; Transfer of Ownership of IDP Living Units, April 2013
6. UNHCR, Participatory assessment, December 2011; EUMM monitoring, 2010
7. *Ibid*; Privatisation working group, Analysis of the transfer of ownership process, February to June 2009
8. IDMC correspondence with MRA, 17 February 2015