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 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,
### Practice Replicability Potential

<table>
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<tr>
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<th>Replicability Potential</th>
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<tr>
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<td>5. The government's 2007 national strategy on IDPs and its implementation plan call for measures to facilitate local integration.</td>
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### Context

**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. Adult family members had to sign the privatization 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**

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. 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. The practice is **culturally appropriate** because property ownership is the preferred form of tenure security in Georgia. **Sustainability** is ensured through the formation of condominiums, which are eligible for funding to maintain, improve and repair common space.

### Key Challenges

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. 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. The government has not addressed the needs of the most vulnerable IDPs first, focussing instead on the buildings that were the easiest to privatise.

## Housing programs and policies that support durable solutions for urban IDPs

### Local NGOs

- **Municipal development funds**
- **4. The government's 2007 national strategy on IDPs and its implementation plan call for measures to facilitate local integration.**
- **5. Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and needs**
- **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, the UN resident coordinator, World Bank, EU, USAID, SDC, NRC and the Georgian Young Lawyers' Association (GYLA)**
- **7. Civil Registry Agency (CRA)**
- **8. National Agency of the Public Registry (NAPR)**

### Context

**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 privatization after the fall of the Soviet Union.**

**5. 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.**

### Impacts and challenges

**The renovation and transfer of ownership of collective centre space to IDPs is still ongoing. As of the end of 2015, 16,528 families had signed privatization agreements for their living space in the centers or other housing offered to those leaving centres that were to be closed.**

The figure represents around 20 per cent of the 80,000 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 basic services. **Legal framework**

Despite the lack of a national housing strategy in Georgia, the existing legal and policy framework has supported privatization and has evolved as it progresses. Important legal and documentation supports the strategy on IDPs for 2009 to 2012, decree no. 62 on “privatization through direct sale of state-owned property of the Tbilisi self-governing entity” and a new law on IDPs adopted in 2009. 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.
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.12 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.

5. Rental support grants

Description

Rental support grants are a form of cash-based assistance widely used as a way of supporting IDPs during humanitarian emergencies caused by natural hazards and conflict. There is an increasing tendency among humanitarians to favour cash-based interventions, particularly in urban areas, where the economy is also mostly cash-based and banking systems and markets are more dynamic. Such schemes have several advantages. They are an efficient way to cover a wide range of needs, they empower beneficiaries to prioritise their own spending1 and they stimulate urban markets. They also reach large numbers of beneficiaries, support existing housing options and give households more flexibility and mobility in choosing their housing options.

In the aftermath of hurricane Katrina in 2005, the American Red Cross allocated more than $1.5 billion in cash-based assistance, including for temporary rental support.2 Urban areas such as New Orleans and Port-au-Prince, Haiti, have populations with different types of housing patterns and needs, and as such they require a more flexible range of solutions. The difference in terms of access to humanitarian assistance between land or property-owners and non-owners is vast in an urban landscape that has been ravaged by a natural hazard. The reconstruction of homes and infrastructure is an important priority, but there is now consensus that the needs of displaced tenants as a category of vulnerable residents have been long overlooked.

The rapid influx of IDPs into a city often creates a shortfall in the availability of affordable and adequate housing. Those who rented their accommodation before their displacement are likely to want to establish a similar set-up as part of their durable solution. Tenants, like property-owners, however, often suffer income losses during their displacement, which makes it harder to secure another rental property. As such, rental support grants are essentially a way to make up for lost income. Despite their straightforward nature, the organisation, monitoring and programming required for such initiatives can be complex, particularly when many conditions are placed on their disbursement.

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 Privatisation 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. IDM consultation correspondence with MRA, 17 February 2015

Donors have also been hesitant in the past to hand out cash, even in the form of vouchers or debit cards, because of concerns about duplication, corruption and the overall sense that money as a fungible asset cannot be monitored and controlled effectively. There are often irregularities in the implementation of cash grants, but they are outweighed by the benefits and point only to the need for better safeguards. Unconditional cash grants give beneficiaries maximum freedom to set their own priorities, while conditional ones try to ensure that the money is spent on a targeted good such as education or rent.

Rental support grants address the needs of the most vulnerable populations who do not own property in land-poor urban areas. If they are implemented with basic housing safety and adequacy standards as conditions, they can also encourage providers to improve units and attract residents who are cash-rich. The inflationary effect of cash grants has been cited as a concern, but as the “keep the change” programme in Haiti illustrates, this can be mitigated by creating competition between landlords to ensure they offer competitive prices. Essentially, the programme encourages beneficiaries to negotiate their rent down with landlords by letting them keep the difference.

For programme designers, this means understanding that as subsidies, rental support programmes operate in a market with different absorption and inflation rates. As such, it is important to understand and monitor the market, in order to track and make any necessary alterations to the programme’s scale or speed.

Rental support grants are a useful method to help IDPs cover their rental costs in a time of crisis until they can take over this responsibility themselves. However rental support grants need to be associated to other measures to have a long-term effect and contribute to durable solutions. The Graduation approach described in box one below shows how cash assistance can be combined to other measures to empower IDPs and reinforce their self-reliance.