

Terra Institute, Ltd.

ANNUAL REPORT

**Fiscal Year
2007 - 2008**



TERRA INSTITUTE LTD.

1406 Hwy. 18-151E • Mt. Horeb, WI 53572 USA

ph: (608) 437-8716 • fx: (608) 437-8801

contact@terrainstitute.org

www.terrainstitute.org

Terra Institute, Ltd.

MISSION STATEMENT



***The mission* of Terra Institute, Ltd.
is to design, implement, and evaluate
the most effective strategies to promote
equitable and secure access to land
and the sustainable use of the
earth's resources.**

ACTIVITIES DURING THE FISCAL YEAR 2007-2008

Terra Institute focuses on issues concerning urban and rural land use and policies, environmental protection, land law and natural resource management. In its thirty plus years of existence it has undertaken research, technical assistance and training projects relating to land use, land law and land registration in over fifteen countries. During this past fiscal year the Institute continued its international and domestic activities in Afghanistan, Africa, Eastern Europe, the Caribbean, and in the United States.

PROJECTS

ETHIOPIAN GRADUATE PROGRAMS IN LAW FOR TEACHING AND RESEARCH CAPACITY BUILDING (US\$1,669,693)

In April 2008, Terra entered into a subcontract with the University of Alabama in Tuscaloosa, AL (UA). Under this agreement Terra will provide technical and administrative support to the UA and the Ethiopian Justice and Legal System Research Institute during the life of this five-year project.



Abdulmalik Abubaker, Faculty of Law Dire Dawa University College (Ethiopia) and Dr. Norman Singer, Faculty of Law University of Alabama

The key tasks of this five year project will include: producing a preliminary study on the needs and priorities, designing LL.M and LL.D curricula and academic programs, organizing the programs, conducting an LL.M program for 40 (forty) students and an LL.D program for 18 (eighteen) students, setting up procedures, processes and structures including the administration and financial system regarding the academic programs, organizing required teaching resources (books, databases and others), assigning the required academic staff and researchers for the program and following up processes, performance and achievements until such systems and procedures are fully operational to the level of acceptable standards, mentoring counterparts for capacity building towards future graduate programs in law, and managing the program jointly with Ethiopian counterparts.

TURKS AND CAICOS ISLANDS – CROWN LAND IMPLEMENTATION CONSULTANCY (US\$107,577)

As a result of the recommendations of Terra's 2005 study, The Turks and Caicos Islands Government (TCIG) approved a new Crown Land Policy in November 2006 which states 21 key principles and actions related to Crown land. Under this new project, funded by the TCIG, the objective was to take the required technical, institutional and legal steps to fully implement this Policy through the Ministry of Natural Resource, Planning and Environment. Terra Institute, Ltd. was chosen by the Ministry to carry out this Crown Land Implementation Consultancy which was designed to assist the TCIG through the Ministry of Natural Resources, to complete the design, development and initiation of urgent aspects of a Turks and Caicos Crown Land Management Project which is intended to finance and guide the full implementation of the Crown Land Policy over an estimated two year period of time.

This project was carried out by a team of five specialists with significant experience in the institutional, technical and legal aspects of development and implementation of land policies. This team approach allowed for the various disciplines required to be covered and also provided for exchange of ideas between land and property specialists that will result in a more comprehensive product for the Ministry of Natural Resources.

Cadastral and GPS Seminars were held on October 16, 2007 and were attended by Ministry staff, Lands and Surveys staff and private surveyors. The Crown Legal and Administrative Procedures Seminar was held on October 17, 2007. Both meetings were conducted at government offices on Grand Turk, Turks and Caicos Islands.



Terra's cadastral specialist Dr. Grenville Barnes working alongside a TCIG Lands and Surveys employee.

In their Final Report that was delivered to the Ministry of Natural Resources in February 2008, the team included the following:

- A comprehensive Institutional Report on the establishment of a Crown Land Unit/Department;
- A comprehensive technical and legal analysis of existing land legislation and Crown Land Policy which included legal notes and drafting instructions to support the drafting of the Crown Land Ordinance;
- A Technical and Administrative Manual for the Management of Crown Lands; and
- Recommendations from the consulting team that will lay the groundwork for the Ministry of Natural Resources to develop the Crown Land Management Project and a Crown Land Management Project Document so that the TCIG may eventually finance and fully implement the Crown Land Policy over the next few years.

POST-KATRINA NATURAL DISASTER CASE STUDY (US \$30,304)

The product of this ten-week consultancy, December 2007 through February 2008 was a case study conducted by Dr. J. David Stanfield documenting how land issues were addressed following a sudden-onset natural disaster, Hurricane Katrina, which flooded New Orleans, USA in 2005. UN-HABITAT, with support from the Food and Agriculture Organization (FAO) and the United Nations Development Programme (UNDP), is developing a set of clear, simple guidelines for addressing land issues in the aftermath of natural disasters, based on seven case studies of natural disasters worldwide, such as the 2004 Indian Ocean tsunami and the 2005 Pakistan earthquake. The guidelines will be supported by a toolkit of proven tools and methodologies to support implementation in the field.

While extensive resources have been mobilized to deal with the land issues exposed by this disaster, the case study makes the point that the issues involved are directly comparable to those faced by other citizens and government agencies in other countries dealing with other kinds of natural disasters. Of particular importance in the Katrina case and other cases is the influence of politics on the recovery. In the Katrina case, the political forces favoring the privatization of public services and the reliance on private markets for guiding investment decisions, in a context of historic racial tensions, resulted in dramatic failures to meet those displaced and damaged by the hurricane, particularly the poorer segments of society.



Hurricane Katrina devastated the City of New Orleans, LA in August 2005

LAND USE POLICY AND ADMINISTRATION PROJECT (LUPAP) – BAHAMAS (US\$184,253)

The primary objectives of the Land Policy activity funded by IDB was to develop comprehensive land policy guidelines and inform the development of a national land policy by completing an expert analysis of five overriding land policy issues and completing a local and national-level participatory dialog process. The activities undertaken to define the Land Policy Guidelines comprised expert studies, analysis, stakeholder consultations and the presentation of Land Policy options. Guided by the issues as defined by the Policy Advisory Committee (PAC), the study team conducted eight (8) expert studies.

The Land Policy Manager, Dr. Allan Williams, was supported by a team of topical specialists, in particular the Land Institutions Specialist, the Land Tenure and Generational Land Specialist, the Land Use and Development Specialist, the Land Law Specialist, the Land Economist, and the Socio-Environmental Specialist. Each specialist produced an The Land Issues Reports (LIR) that addressed the current land policy climate in the Bahamas and provided land policy options for each of the issues.



Community control over a particular piece of land became formalized by the Commonage Act of 1896 into the commonages which still exist today on the island of Eleuthera.

This process was accompanied by “Stakeholder Consultations” at which some of the options developed in the expert studies were discussed with stakeholders. Ten (10) Town meetings (and a meeting with the Select Parliamentary Committee on Commonage and Generational Land) were held during the period of November, 2006 through October, 2007.

The findings and recommendations set out in the LIR’s and the policy options were presented to stakeholders at a National Consultation held at the Atlantis Resort Conference Centre, Paradise Island, on 15th November 2007.

The Land Policy Manager then combined the options into a comprehensive Land Policy Options Guidelines Report. This final report provides the guidelines for the project’s response to the land policy issues identified above. It also seeks to establish a foundation for a National Land Policy for The Bahamas.

SECOND RURAL INVESTMENT SERVICES PROJECT (RISPII) – MOLDOVA (US\$556,190)

This World Bank project awarded in June of 2007 was mostly completed during fiscal year 2007-2008. The project consisted of facilitating the efficient functioning of land markets in six pilot locations by implementing village voluntary land re-parceling based an international best practice. Terra’s David Egiashvili, the Land Management Expert, completed six missions to Moldova and one final mission is tentatively scheduled for January 2009. The objectives in the pilot villages were to test the demand for and feasibility of land re-parceling, with small landowners as the primary target group; to use this pilot experience as a basis for designing a national-level approach, including

techniques, resource requirements, and legislative framework; and to assess the impact of re-parceling at the local level on land markets, agricultural production, and equity.

Six different sites representing different regions with different agricultural and land market conditions were selected. Landowner participation in the pilot projects was strictly voluntary and land re-parceling focused on improvement of individual land holdings, not on creation of larger farms. In addition, measures were taken to ensure no adverse environmental impacts.

Project objectives once met will enable the Government of Moldova to continue to foster post-privatization growth in the agricultural sector by improving access of new private farmers and rural businesses to what they need to succeed – legal ownership status, knowledge, know-how and financing. The project also continued to implement policy, legal and regulatory reforms, institutional capacity-building, technical assistance and investment support. The project also gradually transferred responsibilities to the appropriate government agencies, building capacity of these agencies to ensure long-term institutional development and sustainability.

The first land re-parceling agreement signed by a landowner in Calmatui, Moldova (April 2008).



CAPACITY BUILDING FOR LAND POLICY AND ADMINISTRATION REFORM IN AFGHANISTAN (US\$820,800)

Terra’s technical assistance under the subcontract with Scanagri/NIRAS (Sweden) was completed in August of 2007. This Asian Development Bank funded project provided technical assistance to the Afghan Government in formulating a national land policy and in building a related institutional structure for land administration.

The final outputs of the project were:

Output 1: Devise and test a method of community consultation for reaching agreements about legitimate users of pastures and forest land.

Output 2: Assess institutional structures and technical capacity for land administration in Afghanistan.

Output 3: Draft an Action Plan for rural land administration reform in Afghanistan to provide guidance and structure on how to approach the complex issue of introducing institutional change and to arrive at feasible solutions for the land problems of the country.

Output 4: Strengthen the national land policy.

Output 5: Recommend amendments to the legal framework for land policy and land administration in Afghanistan.



An Afghani landowner, his family and his flock.

Building upon its past work in Afghanistan, the Team was able to coordinate closely with past and current related work being undertaken by other aid agencies such as USAID, the World Bank, the Afghanistan Research Evaluation Unit, and the Asian Development Bank in modernizing land policy and administration in Afghanistan.

PROJECT DEVELOPMENT

The Project Development Review Committee continued to actively participate in the vetting of potential projects. The Committee assessed the viability of potential projects in accordance with Terra's mission, the technical capacity of the Institute to carry out the proposed terms of reference and the availability of reliable partners, as needed. This year Terra prepared proposals funded by the Inter-American Development Bank, the Asian Development Bank, World Bank, the Turks and Caicos Islands Government, and the Millennium Challenge Corporation (MCC).

Unsolicited proposals were also developed and circulated to potential funding sources including USAID.

Collaboration with local companies and non-governmental organizations is always a cornerstone of Terra projects. In that spirit, Terra associated with several international organizations and small businesses to prepare project proposals. In Yemen, Terra associated with Hydrotech (Jordan) and the Scientific Council for Systems and Applied Sciences (SCSAS). In Indonesia Terra solicited the support of several local specialists. In anticipation of an RFP which was to be issued by the MCC in Mozambique, Terra personnel traveled to Maputo to lay the groundwork for a partnership with the Rural Organization for Mutual Support (ORAM) and other local and regional entities.

Project development activities during this year focused on consultancy and capacity building services in the areas of strengthening land management, upgrading informal settlements, enhancing legal and administrative frameworks for land projects and training courses for land administrative personnel in development countries.

PROFESSIONAL DEVELOPMENT

IRS FORM 990 UPDATE

In April 2008, Terra's Accountant Sandra Stanfield took part in this seminar. For the first time since 1979 the Internal Revenue Service has made significant revisions to the form 990. These changes were made to enhance transparency, promote tax compliance and minimize the burden of filing. Attendees were given an overview of the new forms, reasons for the changes and tips on responding to questions regarding disclosures, policies and accountability for a 501(c)3 organization.

BOARD OF DIRECTORS 101

This introductory workshop was designed for Boards of Directors, Executive Directors and Administrators who are responsible for the governance of a non-profit organization. Key topics discussed included: key functions of a board including rights and responsibilities, Duty of Care and Loyalty, audit committees and new tax compliance requirements. Directors Dean Massey, Jim Bockheim and Brenda Haskins attended this May 2008 seminar. Also in attendance was Lynn Burns, Administrative Director.

INTERNATIONAL VISITORS TRAINING PROGRAMS

Terra also conducts training programs for foreign visitors to the United States. Topics include land tenure issues, natural resource management, environmental protection, rural and urban land use controls, business organization, privatization of state-owned enterprises, economics of agriculture, and best farming practices. Terra Institute wishes to continue and expand upon the concept of international exchange programs.

In June of 2008 Terra funded an educational visit to Wisconsin (WI) for Afghanistan's Deputy Minister of Agriculture Engineer Mohammad Sharif Sharif and Engineer Mohammad Yasin Safar. During their ten-day visit, the visitors were shown many aspects of agriculture, land administration, and land policy, with visits to and presentations by educators and specialists at the University of WI – Madison; Town, County, State, Tribal and Federal governmental offices, non-governmental organizations; and family farms in Southern WI. The participants traveled over 1,000 miles on these site visits around the state and observed many ways in which local community members participate in the administration and management of land and water resources. They were able to see how local, state, and federal agencies as well as the property owners/users interact in maintaining records of land use and in devising and implementing programs for sustainable uses of land in an urbanizing environment.

One of the highlights of their visit was a public lecture by Deputy Minister Sharif and Eng. Safar describing Afghan agriculture and land issues and their experiences developing procedures for community-based management of rangelands.

*Eng. Sharif (l)
and Deputy
Minister Sharif
(r) make a
presentation on
rural life in
Afghanistan to
an audience in
Southern WI*



Terra has conducted several study tours and training programs throughout the years. Past programs have been designed for land professionals from Albania, the Caribbean, Kyrgyzstan, the Republic of Georgia and Vietnam.

CONFERENCES AND SEMINARS

INTERNATIONAL CONFERENCE ON THE REAL ESTATE DEVELOPMENT IN ALBANIA – MAY 2008

Terra member and President of ikubINFO Business Advisory of Tirana, Albania, Romeo Sherko was the primary organizer of this international conference held at the International Hotel in Tirana, Albania May 13th and 14th of 2008. The purpose of the conference was to discuss current issues in real estate development in Albania. Speakers were members of the Albanian government and other state bodies and entities, representatives of international organizations and professional associations, legal, financial and development experts and representatives of investors, banks, and investment funds. They spoke on trends, business strategies, options, tendencies, and opportunities, making recommendations for improvements in legal, financial, environmental, and infrastructural aspects in today's real estate market.

Another Terra Member, J. David Stanfield was invited to speak on the subject of the Albanian Immovable Property Registration System: Yesterday, Today, and Tomorrow. David Stanfield presented a paper titled "*The Evolution of Immovable Property Registration in Albania*" written in conjunction with Sonila Jazoj, Vice Chief Registrar of the Albanian Immovable Property Registration System. Ms. Jazoj worked with Terra personnel during the Institute's Land Administration Management Program and the Land Legislation and Policy Project. This paper can be seen on Terra's website www.terrainstitute.org

RESEARCH SUPPORT

As mandated by its mission statement and its status as a 501(c)(3) non-profit organization, research and educational assistance are integral components of Terra's activities. To that end, Terra members presented papers at international and domestic symposiums and conferences. Terra has also made available several research papers and project documents on the website at www.terrainstitute.org. These documents have been produced during studies that were undertaken during the course of this year's projects as well as recent and past projects.

Terra has also donated many project documents, research papers and reports to the Steenbock Library at the University of Wisconsin – Madison.

Terra Institute, Ltd.**

STATEMENT OF FINANCIAL POSITION - June 30, 2008

ASSETS

Current Assets

Cash	\$	261,886
Certificates of Deposit		131,249
Accounts Receivable		55,982
Prepaid Expenses		
Furniture and equipment - net		479
TOTAL ASSETS	\$	449,596

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$	6,703
Accrued payroll and taxes		320
Unearned revenue		40,863
Line of Credit		5
Total Current Liabilities		47,891

Net Assets

Unrestricted		
Board Designated Net Assets		401,795
Undesignated Net Assets		
Total Net Assets		401,795

TOTAL LIABILITIES AND NET ASSETS	\$	449,596.00
---	-----------	-------------------

STATEMENT OF ACTIVITIES - for the year ended June 30, 2008

UNRESTRICTED NET ASSETS

SUPPORT AND REVENUE

Grants and Contracts	\$	228,227
Interest Income		14,471
Fiscal Agent Fees		6,955
Total Support and Revenue		249,653

EXPENSES

Salaries		73,972
Payroll Taxes		5,892
Employee Benefits		16,218
Professional Fees		123,225
General Office		5,007
Rent		8,400
Marketing and Communications		3,625
Insurance		1,537
Travel and Meetings		63,357
Other		1,569
Total Expenses		302,802

Change in Net Assets		-53,149
Net Assets at Beginning of Year		454,854
Net Assets at End of Year	\$	401,705

***All information is based on audited financial statements. A full and complete audit is on file and available on request.*

TERRA INSTITUTE, LTD. BOARD OF DIRECTORS

James Bockheim, Ph.D.
Regional Planner and Professor of Soil Science
University of WI – Madison

William Chatterton
Legal Specialist and Attorney
Madison, WI

Warren Gaskill
Sustainable Development Specialist and Founder & Senior Partner
Rapid Improvement Associates, LLC
Black Earth, WI

Marci Katz
Certified Public Accountant and Senior Consultant
Madison, WI

Brenda Haskins
Land Tenure Legal Specialist and Attorney
Madison, WI

Dean T. Massey
Legal Specialist and Economist
Madison, WI

Norman J. Singer
Law Professor and Professor of Anthropology
University of Alabama, Tuscaloosa, AL

J. David Stanfield, Ph.D.
Principal Founder
Land Tenure Specialist and Senior Scientist Emeritus
Land Tenure Center
University of WI – Madison

Joe Thome
Emeritus Professor of Law
University of WI – Madison

Michael Waidelich
Senior Planner – City of Madison
Madison, WI