

Terra Institute, Ltd.

ANNUAL REPORT

**Fiscal Year
2008 - 2009**



TERRA INSTITUTE LTD.

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ACTIVITIES DURING THE FISCAL YEAR 2008 - 2009

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 (UA) 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.

During this fiscal year, the project began the application and registration process for the LLM and PhD students. Administrative and logistical elements were coordinated and operations put into place and were anticipated to be fully operational prior to the orientation. The orientation was carried out in October 2008 and both the Masters and PhD programs were scheduled to begin in November.

Three core courses were taught during the first sequence, including: Research methods and training on use of the internet databases; Legal Theory; and Economics for Lawyers: An Introduction to Economics for lawyers and law students.

These courses were followed up by courses that began the specializations for both the Master's and Doctoral level including: Administrative Law (Environmental); Constitutional Law (Federalism); Modern Political Theory; Public Policy; and Political Economy.

The doctoral students were scheduled to start their specialized courses during the fall semester of the 2009-2010 academic year.



*Students enrolled in the Political
Economy Class April 2009*

The Ethiopian Committee consisting of four key personnel from the JLSRI and Addis Ababa University visited the UA Campus from September 15th to the 23rd, 2008 to meet with the professors who would be teaching in Ethiopia, to discuss the administrative activities that will be running behind the scenes, and to meet those who will be carrying out these functions.

SUPPORT FOR THE SUSTAINABLE DEVELOPMENT OF THE INTERIOR – COLLECTIVE RIGHTS IN SURINAME

Mark Marquardt, PhD and member of Terra, carried out the activities of the “Land Rights Expert” under Terra’s subagreement with Buursink, a leading consultant in environmental management. The project provided specific services to the Amazon Conservation Team Suriname (ACT) /

Government of Suriname (GOS) with funding from the Inter-American Development Bank.



Maps are a prerequisite for fruitful multi-stakeholder discussions on land rights.

Specifically, the Expert conducted a “**Land rights, tenure and use study**” which included:

- A comprehensive study on “*Land rights, tenure and use in the Interior*” to identify and document land tenure regimes and land use by the indigenous communities in the Interior. The study will include information regarding customary law relating to land tenure and use, current land tenure regimes practiced by indigenous communities and changes in land rights and tenure in the interior over the last twenty years.
- Detailed recommendations for the legal framework necessary to support communal management and administration of traditional lands in the Interior. This activity was based on literature review, community maps, and consultations with tribal authorities and other stakeholders, and will be conducted in cooperation with the ACT local anthropologist and the ACT land use expert.

The second activity was to provide “**Support for traditional authorities**”, specifically:

- Describe and assess the historic and current legal basis for the role, duties and responsibilities traditional authorities in the national context based on literature review and consultations with tribal authorities and GOS.
- Provide detailed **recommendations** for the legal framework in the national context that will be required to formally recognize the rights, duties and responsibilities of indigenous traditional authorities as they

relate to land, natural resource management and national representation.

ASSESSMENT OF HILLSIDE INFORMAL SETTLEMENTS – OPTIONS AND STRATEGIES

Shelter For Life (SFL) is a non-governmental/non-profit organization located in Minnesota USA. SFL entered into an agreement with the United States Agency for International Development, Office of Foreign Disaster Assistance (USAID/OFDA) to build the management capacity of the Kabul Municipality. At the request of the Kabul Municipality, SFL has requested an amendment to the agreement, requesting an expansion of the program’s initial scope of work. The expansion of program scope includes an assessment of the informal Hillside settlement in Kabul city. Because of Terra’s past work in Afghanistan, SFL contacted Terra to join the team being assembled to carry out the assessment.

The objective of the assessment was to provide objective, non-biased and workable solutions to the problems of informal hillside settlements in Kabul. The assessment was to contain a comparison of the pros and cons of the different options and will put emphasis on the sustainability of each. This assessment was considered necessary as the informal settlements on hillsides pose special challenges in that it is very difficult to provide them with water, electricity, sewage, drainage, flood protection canals or adequate street access.



An informal hillside settlement in Kabul

Originally the draft proposal that was circulated included approximately 532 person days to be utilized by the specialists and local

personnel. Terra submitted a draft proposal with a budget of \$171,257 to SFL which in turn submitted it to the funding agency. Terra mobilized a team to Kabul, to begin the work under our subagreement. While in Kabul, it became clear to the team that the Mayor of Kabul and perhaps others had a dramatically different vision of what this project was to accomplish. Ultimately these new plans did not include technical assistance from the Terra team and our subagreement was terminated by SFL. All invoices for services rendered until the time of the termination were paid in full.

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

This land re-parceling project (Project) was completed in January 2009, is, to date, the largest land re-parceling / land consolidation pilot project in the Central and Eastern European region. It was a major challenge to implement the Project through a voluntary approach. The organizational challenge was also extraordinary with the inclusion of more than 6,000 landowners and land parcels in six pilot communities in the short (18 months) project period. In fact the entire project was completed in just 16 months.

In total 6,502 re-parceling agreements were signed by landowners in the six pilot communities.

The Mid-term Report (May 2008) noted that in average for all six pilot communities around half (49%) of all landowners would like to participate in the Project. In total, 40% of all identified landowners participated in the six pilots. The Project managers saw this as very satisfactory. In total 2,908 landowners

participated in the project through selling, purchasing, exchanging or leasing land parcels.

The level of participation in the three most successful pilot communities (Busauca, Bolduresti and Calmatui) was very satisfactory and much better than what was expected in the beginning. In all, in these three communities more landowners participated than what was expected based on landowner interviews in the first part of the project. The Project produced many very good examples of improved parcel structure in these communities through reduction of land fragmentation and enlargement of farm sizes.

In the other three pilot communities (Opaci, Baimaclia and Sadova), the results are substantially weaker than what could be expected before the beginning of the Project and even after the Mid-term Report.

In many areas of the pilot communities, the degree of fragmentation before the project was so severe that it hampered the development of a normal land market. In the many cases where the fragmentation has been reduced through the Project, a normal land market will begin to function in the future. It is the opinion of the Project manager that land re-parceling should not be implemented instead of normal land market development but as a supplement.

The pilot project built up the capacity at the national and local level and gained valuable experiences, thereby laying the foundation for continued land re-parceling activities in Moldova. World Bank and SIDA have, based on the request from the Government, decided to implement land re-parceling in 40 new project communities from the spring of 2009.

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 World Bank, USAID and the Millennium Challenge Corporation (MCC). Unsolicited proposals were also developed and circulated to potential funding sources including USAID.

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 developing countries. Discussions at the Board level have refocused Terra's strategies back to our roots in community development and the development of community action organizations. It has been noted that the need is still there for local solutions to local problems and the hope is that donors will come back to this policy approach and fund activities that will address these issues.

Terra's leadership also addressed the difficulties that Terra encounters when competing for projects with donor agencies and the difficulties we often face as subcontractors. It was agreed that Terra should conduct an analysis of the competitive bidding process, assess whether or not Terra's rates are competitive, and how to address the issue if they are not. This will be an ongoing process.

CONFERENCES AND SEMINARS

INTERNATIONAL PROPERTY RIGHTS INDEX (IPRI) - February 2009

In January 2009, President J. David Stanfield was invited to address the attendees at the launch of the International Property Rights Index. His speech at that event was well received and as a result he was asked to write the foreword to the IPRI's 2009 Report which was a study conducted by Anne Chandima Dedigama. This report can be found at http://www.internationalpropertyrightsindex.org/atr_Final1.pdf

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.

MOVING FORWARD

During this fiscal year Terra increased its membership and welcomed individuals from the United States, Canada, Sri Lanka and Afghanistan.

Terra's Board approved the creation of a job description for an Executive Director and subsequently interviewed a specific individual who met the criteria for the job and expressed deep interest in the position. As of the end of the fiscal year a transition was being discussed, a compensation review was conducted and it was anticipated that further discussions leading to negotiations would continue.

Terra's Board of Directors also finalized the Board of Directors Policy Manual and the Accounting Policies and Procedures Manual. Updates were also made to the Personnel Manual.

Terra's financial position continues to be strong, with reserves allowing the organization to survive through lean times.

For more information please visit Terra's website at: www.terrainstitute.org

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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
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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

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