

Development Policy and Its Influence on Cadastre Systems and Land Management

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Key words: international loans, World Bank, influence on cadastre systems, current cadastre projects, significance for countries, former experiences, consulting opportunities.

SUMMARY

A number of industrialized countries and international development banks finance development programs in countries with limited financial resources. Some of these programs deal with issues such as land management, cadastre systems and titling. In this document we provide an overview of national and multinational development policies as well as some aspects related to bank loans and other forms of development financing.

Development programs have far-reaching consequences for recipient countries. Thus it is vital that these programs be a success. There is simply too much at stake for the future of recipient countries to contemplate failure. A wide range of aspects need to be considered when such programs are implemented, one of which is the coordination process between the banks, country in question, consultants and third parties. To achieve optimum results, a clear course must be steered and all parties involved be fully committed to bringing the program to a successful conclusion.

ZUSAMMENFASSUNG

Die Internationalen Finanzinstitute finanzieren Entwicklungsprogramme in Ländern ohne genügend eigene Mittel. Einige dieser Programme betreffen Landmanagement, Kataster oder Besitzeinweisung von Landtiteln. Eine kurze Übersicht über die verschiedenen Banken und Entwicklungsbanken, die Kredite und die Ziele dieser Finanzierungen auch am Beispiel der Schweiz werden nachfolgend beschrieben.

Die Programme beeinflussen die Entwicklungen in den Nehmerländern stark. Es ist äusserst wichtig, dass die Programme erfolgreich abschliessen, zuviel steht für die Nehmerländer auf dem Spiel. Viele Aspekte müssen beachtet werden, u. a. die Koordination zwischen den Partnern. Um die bestmöglichen Resultate zu erreichen müssen die Prozesse definiert sein und der Wille zum Erfolg bei allen Beteiligten ausgeprägt sein.

RESUME

Les instituts financiers internationaux financent des programmes de développement dans les pays aux moyens limités. Certains de ces programmes concernent la gestion des terres, le cadastre et la propriété. Le bref aperçu suivant, incluant également la Suisse, décrit

différentes banques et banques de développement, les types de crédits et objectifs de ces financements.

Ces programmes ont une forte influence sur le développement des pays bénéficiaires. Il est donc primordial qu'ils aboutissent car pour les pays concernés, l'enjeu est considérable. De nombreux aspects doivent être pris en compte, en particulier la coordination entre les partenaires. Afin d'obtenir les meilleurs résultats possibles, il importe que les processus soient clairement définis et que toutes les parties concernées affichent la même détermination de mener ces projets à bien.

RESUMEN

Los Estados y los Bancos Internacionales financian programas para el desarrollo de países con recursos financieros limitados. Algunos de estos programas se ocupan de la gestión de tierras, la organización del catastro y la distribución de la propiedad. A continuación, se facilita una breve vista de conjunto de diversos bancos y bancos de desarrollo así como de tipos de créditos.

Los programas influyen fuertemente en el desarrollo de los países receptores. Es extraordinariamente importante que estos programas puedan llevarse a cabo con éxito, ya que es mucho lo que está en juego para los países receptores. Deben considerarse una gran cantidad de aspectos, uno de los cuales es la coordinación entre los diferentes socios. Para obtener los mejores resultados posibles, deben definirse los procesos y el deseo de alcanzar el éxito debe ser muy fuerte.

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1. GENERAL FRAMEWORK OF DEVELOPMENT POLICY AND FINANCING THEREOF

Development policy refers to the government measures aimed at promoting socio-economic progress in developing countries. The aim of development policy is to raise living standards in these countries by means of a transfer of know-how, technology and resources. Development policy can be financed either by private or public means. When financed by public means, it takes the form of bilateral intergovernmental or multilateral programs implemented or overseen by international organizations.

The biggest international promoters of development policy are:

- the World Bank group and its regional branches in Latin America, Africa, Asia and the Caribbean,
- the United Nations, in particular its Economic and Social Council (ECOSOC), and
- the International Monetary Fund (IMF).

Development aid is provided in the form of financial or trade aids as well as technical and personal co-operation.

- a) Financial aid or co-operation involves financial measures to overcome shortages in savings or foreign reserves. Here the aim is to finance investments and, more recently, also to finance operating and maintenance costs. Aid involving commodities and structural adjustments also fall under financial aid.
- b) Trade aid is aimed at improving the trade position of developing countries. This is achieved through commodity agreements (aim: to stabilize quantities and prices), long-term purchase and supply agreements (aim: to stabilize sales volumes), export quotas (aim: to stabilize offer on world market), tariff preferences (aim: lower import prices in industrialized nations) and the indexing of commodity prices (aim: to stabilize commodity prices).
- c) Technical and personal co-operation is aimed at increasing the productive capacity of people and institutes. This is done by sending out experts and trainers, granting scholarships for the training of indigenous skilled forces and supplying physical resources (laboratory devices, medical instruments, etc.).

These aids are offered as loans and credits for projects or programs at very favorable terms and conditions. For the poorest countries aid may also take the form of subsidies (gifts).

While project aid involves a single project, program aid normally concerns a package of different individual measures. For the latter the point of reference is, in contrast to a single project, a region or specific economic sector.

2. SWISS DEVELOPMENT POLICY

In Switzerland co-operation with developing countries is based on the guidelines of the OECD's Development Assistance Committee (DAC). The foremost industrialized nations of the world are all members of the DAC. The objective of the DAC is to make available and co-ordinate economic development means, as well as increase and improve these means.

In 2000, Switzerland made available some CHF1.5bn for public development aid (0.34% of Swiss GDP).

Swiss development aid is regulated by the Swiss Act on international development co-operation and humanitarian aid of March 19, 1976, by the application directives of the aforementioned law, and by a number of loan facilities. The two most important Swiss agencies responsible for the allocation and control of development aid are the Swiss Agency for Development and Cooperation (SDC) and the State Secretary for Economic Affairs (*seco*).

In 2000, the SDC managed some 75% of bilateral development aid. The Department follows a policy of concentration, meaning that they concentrate their help:

- a) on 16 countries in particular (Mozambique, Tanzania, Niger, Mali, Burkina Faso, Benin, Chad, India, Bangladesh, Nepal, Pakistan, Vietnam, Bhutan, Nicaragua, Peru and Ecuador), as well as
- b) two main regions (Central America and the Mekong basin). SDC aid is distributed in 8 sectors (agriculture, water, education, natural environment, health, finances, public administration and other sectors).

Seco managed some 17% of Swiss public development aid in 2000. Seco is active in the field of international co-operation. It enters into and implements bilateral economic and foreign trade agreements. Its aim is to support sustainable growth in partner countries, foster private initiative and private investment, and promote their integration into the global economy. The development measures of seco involves:

- a) Macro-economic assistance in the form of balance of payment assistance and reduction of debt;
- b) Mixed financing, part of which is granted by the Swiss government and the rest taking the form of a Swiss bank loan. The grant may make up as much as half of the total amount.
- c) Investment promotion, which focuses on SMEs in partner countries. The aim of investment promotion is to give SMEs better access to financial intermediaries such as risk capital funds, leasing, loan guarantors, etc.
- d) Financial assistance: here seco assists basic structural projects and programs (e.g. cadastral projects)

- e) A range of other bilateral co-operation instruments including, for example, trade promotion and the transfer of environmental technologies and know-how.

In 2000, Switzerland also awarded some CHF444 million in public development aid for multilateral development co-operation. This part of the national development co-operation budget is processed jointly by the SDC and seco. In 2000 some CHF330 million was given to the UN system and about CHF105 million to regional development banks (in particular the African Development Bank; note: the Interamerican Development Bank was awarded no aid in 2000) while the remainder went to international organizations such as the Agency for Cultural and Technical Co-operation (ACCT), the International Cotton Institute, the World Nature Conservation Trust and the International Center for Agriculture and Bio-Science.

3. EXISTING LAND MANAGEMENT, CADASTRE, TITLING AND REGISTRATION PROJECTS

3.1 Existing Projects and Programs

At present a number of LAND MANAGEMENT, CADASTRE, TITLING, and REGISTRATION projects or programs are in preparation, have been approved or are being implemented. A large number of activities and services involved by these projects and programs must still be sourced out to consultants or other service providers. Some projects also involve sectors like forestry, mining, agriculture, transport, water supply, the environment, urban development, and natural disaster management. Multidisciplinary projects and programs are obviously more complex and make extra demands on consultant teams.

Our research has revealed that some 40 countries are currently involved in Land Management, Cadastre, Titling and Registration projects and programs implemented bilaterally either by the World Bank or development banks.

At present these projects and programs focus on countries in Eastern Europe, Latin America, the Caribbean and, to a lesser extent, Asia as well as African States.

Obviously countries that are in a political or economic development phase face enormous pressure and the need to control, improve or settle more detailed aspects of their land management system in its most inclusive sense.

3.2 Form and Scope of Current Projects (select cases)

The importance of land management and, in particular, the official land register and cadastre systems in the following cases clearly illustrate why there is so much pressure on these newly industrializing nations. Again and again it shows that the economic, social and political aspects of land management and the land register are of crucial importance right from the moment the invitation to tender is made. Which is one of the reasons why Commission 1 published its "Guide for Professionals".

3.2.1 Indonesia (International Bank for Reconstruction and Development - IBRD)

The objective of this project is to promote equity and good governance. To do this the IBRD supports Indonesia's transition to decentralized land administration in a number of locations, assists with the allocation and registration of land rights by means of an improved land certification program, and strengthens the ability of local authorities to deliver services and develop a fair and transparent land administration policy.

3.2.2 Kyrgyzstan (World Bank)

This project involves institutional development. The practical issues dealt with are the establishing and development of a registration system through the provision of operational services, identifying and organizing of property into the registration system. Short-, medium- and long-term training is also provided.

3.2.3 Paraguay / Venezuela (IDB)

In Paraguay the aim is to identify the property rights of approx. 200,000 rural establishments, improve the national property management system through modernization, the protection of fragile areas and other means.

In Venezuela the project concerns the transfer of land from the Instituto Agrario Nacional (IAN) to subsistence and small-scale commercial farmers in rural and suburban areas.

4. SIGNIFICANCE OF A PROJECT OR PROGRAM FOR THE COUNTRIES AND CONSULTANTS (PROFESSIONALS)

4.1 Significance for the Countries

4.1.1 International Banks

The development, introduction and maintenance of a land management system, introduction of a land register(s), land reforms in the true sense of the word, and GIS used for technical implementation are far-reaching projects with an incredible effect on the development fundamentals of any country.

Land is of inestimable value. It serves as the basis for agriculture and the food industry, reservoir of commodities and most basic raw material of the tourist industry and many others. All sectors related to property of land will thus be influenced positively by the introduction of a well-organized and secure land policy. Security, in turn, is essential to investment, prosperity and peace. Even conservation of the environment can be performed only there where fear of the future or people's very existence do not constantly occupy the mind and behavior. Naturally the international banks have recognized these aspects long ago and base their dealings on it.

Banks are capable of evaluating programs, making available finance and setting conditions and requirements. But they too are subject to political events. They must therefore take into account considerations of all kinds that might go contrary to their development objectives.

The relevant countries must also ask themselves whether a program offered by the World Bank or development banks will really solve their problems or, on the contrary, serve a hidden agenda...or is pure eyewash. All UN programs are supposed to have a sustainable and positive effect. But this is often easier said than done.

Only knowledgeable and experienced consultants or groups can strike the balance between the exertion of interest, pressure, concepts and necessities on the one hand and political realities, economic possibilities, traditions, culture, society and the short-term struggle for existence on the other. Expert consultants also present the biggest chance for programs to stay within their guidelines and meet their objectives.

4.1.2 Bilateral Programs

Many countries enter into bilateral programs and projects of a very wide variety with each other. Despite the efforts of the DAC, such programs are frequently uncoordinated with international programs, with which they then overlap more often than not. A lack of coordination holds no advantages for the recipient countries. On the contrary, it will only lead to a duplication of interfaces and give rise to conflicts of interest; which sooner or later will create the need for yet more aid...

Bilateral projects mostly come into being on account of the interest of the donor country, while the receiving country really hopes to receive gifts. There is thus little incentive for coordination with other countries. With the selfishness involved in such relations it is unrealistic to expect that things could be otherwise.

The real pity of bilateral programs of this kind is that they are of almost no effect and do precious little to solve often very urgent national problems.

4.1.3 Summary

Financial backers and lenders are capable of influencing the development of a country to a significant degree. Whether this influence will be positive or negative depends on their nobleness of intent and the make-up of the project itself. Unsustainable projects carry a large risk, and could even trigger more problems than what they intend to solve.

Development results will depend mainly on the independence of the program. It is essential that the consultants co-operate with the relevant national decision-makers before and during implementation. A project cannot be forced down on the recipient country. The time and political framework must be ripe for it. Project progress will also depend on the commitment of the country and the individuals involved. The donors must genuinely seek the best interests of the country. There is no place for private interests and agendas.

It is important that international programs co-ordinate and integrate bilateral projects. This aspect is often overlooked, thereby limiting and even destroying the chances for long-term success. It is urgent that steps be taken toward co-ordination. The banks providing funds and loans must limit themselves to regulating, co-coordinating, monitoring and, should it prove necessary, punishing, even if controversial. Likewise, there is a need for more efficient involvement by the DAC.

4.2 Significance for Consultants (Professionals)

In a field where there are so many, often contradicting interests and where power, money and politics play such an important part, it is a gigantic undertaking to achieve sustainable results. To be honest, it can also prove extremely exhausting for consultants.

If land managers and consultants are to steer a clear course between all these interests and successfully implement a project, they need to have above-average political and technical know-how, high personal standards and, in particular, outstanding interpersonal skills.

For more information on the requirements consultants must meet, see “Guidelines for Consultants” at www.worldbank.org

Professional associations like the FIG can also positively influence the preparation of a program or project. They should make their own contribution to greater efficiency. Our contacts with the World Bank is of an excellent level. However, our association in the FIG and its development-related activities could perhaps become a little more transparent.

5. PROCEDURE

The homepage of the World Bank (www.worldbank.org) provides a clear overview of the procedural steps as well as “Guidelines for Consultants”. These steps include:

- The selection process
- Terms of reference (TOR)
- Cost estimate (budget)
- Advertising
- Short list of consultants
- Preparation and issuance of the request for proposals (RFP)
- Letter of invitation (LOI)
- Information to consultants (ITC)
- Contract
- Receipt of proposals
- Evaluation of proposals: consideration of quality and cost
- Evaluation of quality
- Evaluation of cost
- Combined quality and cost evaluation
- Negotiations and award of contract
- Rejection of all proposals, and re-invitation
- Confidentiality

Obviously this is a very long and formal process. And rightly so, because the recipient countries have much to lose. But the process being spelled out so meticulously, one may rightfully ask whether there is still a possibility for consultants to make any contribution. Personal experience has shown that queries addressed to the right services of the World Bank elicit no reaction nor response. This can mean only one thing...and even World Bank insiders confirm that it is very hard to make contact with the Bank.

As a result bilateral projects between countries (excluding the World Bank) are turning into the only possibilities where consultants can still get involved. It must also be said that coordinating efforts between projects financed by different sources are few and far between, and in general unsatisfactory.

In our opinion it makes sense that an exhaustive list of international programs be drawn up. Bilateral projects should be obliged to slot into the overall process, under the supervision of the international development banks.

6. PRACTICAL EXAMPLES AND EXPERIENCES

Costa Rica:

Credit: IDB Loan

Status of procedure: Expression of interest procedure

Tender submitted on September 16, 2002. E-mail query without response. Called in services of friend in Costa Rica: the tender has been received, but owing to big interest in 63 other projects, the procedure has been postponed. Since then no answers or news.

Guatemala:

Mixed credit of *seco* (Swiss State Secretary for Economic Affairs)

Preparation of Cadastre Project Guatemala

Tender submitted on September 28, 2002, based on a feasibility study by consultants

Award decision: November 26, 2002

Subsequent news: concurrently with this project the International Bank for Reconstruction and Development (IBRD) has a project entitled "Land Administration Guatemala", which is managed by its Petén Department. Germany, the Netherlands, Sweden and the US also have their own bilateral programs with Guatemala.

Result: Despite costly tenders and clear procurement processes even large organizations and respectable donors are in no position to adequately project the complexity of the task. One may rightly wonder whether the work done by the consultants in such an environment will result in forward-looking and sustainable solutions.

These remarks should not be construed as negative criticism. On the contrary, they show just how difficult the task of donors or consultants is, and that a successful, sustainable solution to the problems in recipient countries can in no way or manner be implemented from "outside".

7. OPPORTUNITIES AND RISKS / FINAL REMARKS

The industrialized nations, World Bank and international development banks have a moral obligation to open up generous development opportunities to countries that have limited financial means and/or know-how, and in particular to those countries where aid may support democratic processes.

But providing aid this is no simple process, as is clear from the processes and conflicts of interest related to it. This is why attempts at improvement prove successful only there where there is a very strong desire for improvement, precisely in the field of cadastral science and socio-economic development.

To avoid counter-productive effects, it is necessary to co-ordinate development aid and achieve results that do justice to expectations.

Education and training are the most important keys to success: they create an environment in which recipient countries can create their own internal development flows that contribute to social progress and, in the case of a land register, to security of tenure and justice. Finally, donor countries need to be transparent and have no hidden neocolonialistic agendas.

BIOGRAPHICAL NOTES

Michael R. Keller, 1959, graduated in 1984 from the Ecole Polytechnique Fédérale in Lausanne, of the Institute for Génie Rural et Géomètre. 1988 licensed surveyor. 1993 Exec. MBA HSG (University of St. Gallen). 1984 – 1988, Peru, Singapore, Qatar, petrol business and cadastral survey works. 1995 CEO and owner of IPG Keller AG, Kreuzlingen, Switzerland, third generation engineering business. Delegate to FIG Commission 1. Vice-chair Commission 1.

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