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PROGRAMME OF WORK FOR 2010–2011

LAND ADMINISTRATION POLICIES

**REPORT ON THE WORKSHOP ON THE INFLUENCE OF LAND ADMINISTRATION  
ON BUSINESS AND PEOPLE**

Note by the secretariat

*Summary*

This workshop was part of the Working Party on Land Administration's programme of work for 2008–2009 (ECE/HBP/WP.7/2007/2, item 10.1.3). This report summarizes the main outcomes of the workshop and provides an overview of how the Working Party's work is contributing to the improvement of cadastre systems in the region as they relate to technological changes, the role of business in the upgrading of spatial data infrastructure and current challenges linked to the world financial crisis.

## I. BACKGROUND

1. This workshop was organized in the context of reforms by Croatia of its real estate registration system, which include changes in both the cadastre and the land registries.<sup>1</sup> The reforms are intended to have important consequences for the business sector and society in general. Other countries in the UNECE<sup>2</sup> region have faced or will face similar challenges when addressing these important issues.

2. The workshop coincided with the unravelling of the sub-prime crisis in the United States of America, which has had an impact on the financial stability of countries in the region. Most speakers made references to the significance of stability in the real estate market sector to broader economic affairs.

## II. SUMMARY OF THE DISCUSSION AND RECOMMENDATIONS

3. The workshop (“The Influence of Land Administration on Business and People in the UNECE Region”) was held on 2 and 3 October 2008 in Cavtat, Croatia. It was organized and hosted by the State Geodetic Administration of the Republic of Croatia, under the aegis of UNECE.

4. The workshop aimed:

- (a) To identify the challenges faced by UNECE countries regarding the modernization of registration systems and their impact on improving security of tenure in the region;
- (b) To outline ways in which business can cooperate with public institutions in the promotion of responsible registration;
- (c) To assess the impact of public-private partnerships on the welfare of consumers of cadastre and registration services.

5. The workshop was attended by representatives of and participants from the following UNECE member States: Armenia, Austria, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Denmark, Finland, France, Georgia, Germany, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Netherlands, Norway, Poland, Romania, Slovenia, Spain, Sweden, the former Yugoslav Republic of Macedonia, Turkey, United Kingdom of Great Britain and Northern Ireland and United States of America.

6. Representatives of the World Bank and the UNECE Real Estate Market Advisory Group were present, as were representatives of Eurogeographics.

8. The workshop was opened by Mr. Damir Pahić, Assistant Director, State Geodetic Administration, who welcomed participants on behalf of the Government of Croatia. Mr. Željko Bačić, Director-General, State Geodetic Administration of the Republic of Croatia, and Mr. Davor Mrduljaš, State Secretary, Ministry of Environmental Protection, Physical Planning and Construction, delivered opening statements. These were followed by remarks from the Secretary

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<sup>1</sup> The programme can be found in the workshop website: <http://wpla.uredjenazemlja.hr/programme.pdf>.

<sup>2</sup> United Nations Economic Commission for Europe.

to the UNECE Committee on Housing and Land Management and Mr. Peter Creuzer, Chairman of the Working Party's Bureau and Director-General, Agency for Geoinformation, Land Development and Real Estate, Germany. A keynote speech was given by Mr. Steven Williams (Fellow of the Royal Institute of Chartered Surveyors (FRICS) and Member of the Appraisal Institute (MAI)) on the topic of the "Challenges of providing effective administrative and regulatory leadership in today's global markets".

9. Workshop participants recognized that institutional reforms addressing transparency in land markets were essential to supporting efficient cadastre and registration services. They also assessed the extent to which the Working Party's recommendations were being taken into account in efforts to ensure security of tenure. Examples were provided from country case studies in the UNECE region.

10. Regarding fees and charges for cadastre and registration services, a draft study was presented with findings on best practices in the UNECE region. The report argued there was no "one-size-fits-all" solution to fees and charges problems that could be applied to all countries independently of their social contexts and legal institutions. Nonetheless, certain principles could be followed at the administrative and technical levels. These included encouraging the promotion of "one-stop shops" that could streamline bureaucratic procedures, encourage the use of e-documents and e-signatures, minimize documents' information and technical specifications and establish fees and charges according to societal needs. At the same time, it should be acknowledged that costs of obtaining information were never free. A study would be published and launched during the Working Party's sixth session.

11. Presenters also addressed issues concerning training needs and inter-agency cooperation. Limited technical knowledge and unwillingness to share information due to political reasons were underlined as constraints. Presenters also recommended outsourcing training management as a way to involve external stakeholders in sustainable land administration projects.

12. The workshop addressed technical issues as well, including innovations in the modernization of the cadastre systems of countries, e.g. the digitalization of maps and improvement of the data quality of cadastral systems. The Government of Austria had recently improved accessibility to digital information, enabling public access via the Internet to a wide variety of information including, inter alia, textual and graphical cadastral and land registration data, digital orthophotos, and cartographic and digital landscape data. Ensuring consistency of cartographic models and digital landscapes was a current challenge. The Government of Georgia had also been advancing e-technologies reforms, which would result in availability of online applications for cadastral maps and registration payment via the Internet. The Government of Czech Republic had also made available Internet-accessible reference parcel maps, and had recently introduced outputs for registration in the form of electronic files.

13. Regarding e-conveyancing, presentations described recent policy recommendations that had effectively simplified property registration in the UNECE region, eliminating duplication of costs. Other recent developments were the creation of databases of edicts and online auctions for foreclosures, which often required inter-institutional cooperation among State agencies. Finally, measures had been undertaken in the region to protect buyers from wrong-doing in terms of providing inaccurate information in the land registries, thus ensuring impartiality and compatibility of rights and public access to property deeds. Participants discussed the

possibilities of experimenting with market solutions and private insurance schemes for conveyancing, especially in the light of recent experience in the United States.

14. Other presentations illustrated the principle of financial autonomy for cadastre and registration systems, and references were made in the context of the sub-prime crisis to the necessity to build measures that could guarantee sustainable revenue sources for fiscal authorities in situations of reduced market activity.

15. Participants also reviewed a number of legal tools related to transparency. Experts emphasized the measures that needed to be taken by public authorities to level the playing field for actors and to create more efficient real estate markets characterized by transparency and public access to information. Other topics addressed included adequate land valuation, affordable insurance and clear foreclosure procedures.

16. A representative of Eurogeographics reported on that organization's vision statement, which emphasized increased cooperation in the building of national and European spatial data infrastructure. The representative referred to recent trends in cadastre and land registration systems in the region, such as improvements in data harmonization and interoperability, and summarized the main goals on the path to achievement of "spatially enabled" societies in the year 2012.

17. The Real Estate Market Advisory Group emphasized a series of issues dealing with improving efficiency in land markets, including security and development through registration, requirements for international standards in land valuation, risk management and cooperation between the public and private sectors. The Group emphasized the need for regulation of the real estate market to promote social and economic benefits, and announced that it was involved in the drafting of a set of basic guidelines to be shared with the international community.

18. The Advisory Group acknowledged that these guidelines should assess the different needs of countries according to the relative development of their land registration systems, differentiating those more advanced countries (where data preservation is most relevant) from those where the formation and value assessment of cadastres were still in the making. Participants were pleased by the successful conclusion of the first whole session organized by the Advisory Group in a Working Party workshop.

19. Regarding the question of risk assessment, participants acknowledged that the mitigation of market risks was essential to improving the efficiency of real estate markets. The lack of criteria in risk evaluation for real estate investors was underlined as a cause for the expansion of the sub-prime crisis. To illustrate that risk could be adequately measured, participants referred to a study conducted by the European Union that quantified the cost of conveyancing in 21 countries, weighting and classifying the costs of services of real estate agents, notaries and lawyers, as well as technical services and taxation.

20. Participants also brought up the challenge of corruption in land administration, which can be a product of bribery, fraud, nepotism or clientelism. They agreed that at its sixth session Working Party might address this issue as it pertains to property registration.

21. On the question of public-private partnerships and land administration, the former's importance could be enhanced by promoting social housing projects, which were relatively underdeveloped in transition countries. Social housing projects could be a key to increasing security of tenure. Because of the smaller amount of rental housing available, public-private partnerships appeared to be an alternative and/or complement to reform in condominium

legislation for countries facing refurbishment of housing stock problems. To be successful, however, certain financial preconditions were needed for affordable rents. These included cooperation with municipalities, the establishment of subsidies in the form of low-interest loans (or grants) for vulnerable sectors of the population and the availability of funding from international sources.

22. The workshop also highlighted that it was necessary to expand and identify innovative mechanisms to provide micro-credit to households, and that financial institutions should be reformed to accommodate these needs.

23. In the conclusion, participants mentioned that electronic technologies should be utilized to reduce administrative costs, increase transparency and meet the needs of the market without abandoning the regulatory roles of government. The necessity of increasing the awareness of inter-organizational needs so as to foster government and inter-agency cooperation was also emphasized.

24. To improve land administration in the future, a set of objectives needs to be pursued: (a) continued training to public servants; (b) strategic planning through target-setting; (c) setting of policy priorities; (d) facilitation of public-private sector synergies and multi-stakeholder cooperation; and (e) creation of quality controls for data provision. Finally, with reference to transition countries, recommendations need to move beyond property restitution to a new set of challenges: harmonization in cadastre and register data, improved information technology solutions, better taxation instruments and effective methods to combat corruption.

25. In summary, the workshop highlighted the benefits of good land administration from both technical and legal aspects. Not only will it contribute to more stable economies in the present context of financial instability, it will allow for more inclusive economic development in the long run.

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