



# Good Governance in Land Administration

by Tony Burns

Land Administration Workshop:  
Knowledge Sharing for the Future  
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# Acknowledgement

- Land Equity is undertaking a study into good governance in land administration for the World Bank
- The Task Team Leader for this work is Klaus Deininger
- The World Bank is working with a range of international organizations including FAO, UN-Habitat, UNDP and a range of bilateral donors



# Rationale for Study

- Increased attention on governance in economic development
- Vital role of government in fostering markets/ addressing market failures
- Empirical evidence linking governance (rule of law) to economic development



# What is Governance?

- No universally accepted definition of governance
  - *“most definitions emphasis the importance of a capable state that is accountable to citizens and operating under the rule of law”* Kaufman and Kraay (2008:2)
- Difference perspectives of governance:
  - Social decision making processes – principles of participation, equity and fairness
  - Behaviour of political decision makers – principles of transparency and accountability
  - Outcomes, or extent government serves citizens’ needs – principles of legitimacy, rule of law, efficiency & effectiveness



# Assessment of Governance

- Governance can be hard to measure
- Wide array of measures developed:
  - Based on factual data on rules/aspects (Polity IV, Doing Business)
  - Expert opinions (ICRG, TI, IFAD)
- Provides useful measures, but have limitations



# Governance Indicators

- Some well established indices:
  - Weberian Comparative Study (1970-1990)
  - Global Competitive Index (1979-2005)
  - Corruption Perception Index (1995-present)
  - World Governance Assessment (1996-2000, 2001-2006)
  - Freedom House (1972-present)
  - Afrobarometer (1999-2003)
  - Global Integrity Index (2003-2004, 2006)
  - Bertelsmann Transformation Index (2003, 2006)



# Need for Land Administration

- Land is an important factor of production and supply is fixed
- Property rights can be provided more cost-effectively on a collective basis – secure property rights system is a public good
- Security of tenure is important on social grounds
- Land and land use can give rise to significant externalities
- Land information informs the market and informs decisions about externalities



# Challenges in Governance in LA

- Land and land uses are often complicated and rapidly evolving
- Often there is customary tenure
- Defining and enforcing a broad-based security of tenure can be difficult
- The social and cultural importance of land adds further complications
- Land administration is particularly susceptible to corruption and rent-seeking



# Land Governance is an Issue

- Governance is an issue in the land sector:
  - High profile corruption cases in the land sector (Kenya, Indonesia, China, Tanzania, Cambodia)
  - TI survey in South Asia in 2002 – land 2<sup>nd</sup> most prone to corruption in Pakistan, 3<sup>rd</sup> in India, Bangladesh and Sri Lanka
  - FAO study on Governance in Land Sector (2007)
  - Not just a developing country issue (e.g. van der Molen 2007)
- Rents from land are large and increasing
- Ways to capture rents are manifold (land grabbing, development controls, petty corruption, etc.)
- Implications serious, inequitable, hurt economic performance



# Governance Indicators

- Some land indices:
  - Real estate transparency index (Jones Lang LaSalle)
  - IFAD access to land indicator
  - Doing Business Property Registration
  - International Property Rights Index (de Soto Institute)
  - Urban Governance Index (UNHabitat)
  - ILC access to common property index
  - Global Corruption Barometer (land indicator in 2008)
  - Forced evictions (COHRE)
  - Legal and Institutional Framework Index (Global Urban Observatory Group)
- Useful, but limited in ability to track changes in time or identify specific policy interventions



# Doing Business 2008

Economy	Procedures (number)	Duration (days)	Cost (% of property value)	Ease of Doing Business Rank	Registering Property
Australia	5	5	4.9	9	27
Fiji	3	48	12	36	77
Hong Kong, China	5	54	5	4	58
Kiribati	5	513	0.1	73	60
New Zealand	2	2	0.1	2	1
Palau	5	14	0.4	82	14
Papua New Guinea	4	72	5.1	84	64
Samoa	5	147	1.8	61	58
Seychelles	4	33	7	90	50
Singapore	3	9	2.8	1	13
Solomon Islands	10	297	4.9	79	162
Tonga	4	108	10.2	47	106
Trinidad and Tobago	8	162	7	67	157
Vanuatu	2	188	11	62	111

Source: [www.doingbusiness.org](http://www.doingbusiness.org)



# Registering Property

## Kiribati

### Registration Requirements:

No:	Procedure	Time to complete:	Cost to complete:
1	<a href="#">Acquire proof of previous ownership and claims at the Land Court</a>	1 day	no cost
2	<a href="#">Property is mapped and any changes made on the property are considered for tax calculation</a>	38 days	US\$ 30
3	<a href="#">Both parties appear at the Land Court Magistrate where a ruling is made on the transfer</a>	18 days + 90 days for appeals	US\$ 3
4	<a href="#">Review of the case for transfer</a>	365 days	no cost
5	<a href="#">Land Court issues a certificate of ownership at the end of waiting period</a>	1 day	US\$ 1

## New Zealand

No:	Procedure	Time to	Cost to complete:
1	<a href="#">Obtain a Land Information Memorandum</a>	1 day	\$ 220 - \$ 250 for personal attendance at local council offices
2	<a href="#">Register title through Land Information New Zealand</a>	1 day	NZ\$21 registration fee (for online registration) plus NZ\$1,500 for conveyancer

Source: [www.doingbusiness.org](http://www.doingbusiness.org)



# Study Objectives

The study will:

- (i) establish a conceptual framework for good governance in land administration
- (ii) apply this framework to specific country cases (Burkina Faso, Indonesia, Kyrgyz Republic, Peru, Tanzania)
- (iii) aim to translate case study results and the conceptual framework into a set of indicators that could be regularly monitored within country and at a more global level



# Current Status

- Inception study completed Dec. 2007
- Draft Conceptual Framework – 14 Jan 2008
- e-Discussion on GLTN – 21 Jan to 1 Feb 2008
- Country case coordinator workshop in Washington 16-17 Feb 2008
- Revised Conceptual Framework February - August



# Conceptual Framework

## Strategy for Good Governance in Land Administration

(Key issues, underlying causes, political economy, possible policy interventions)



## Institutional Level Objectives for Good Governance in Land Administration

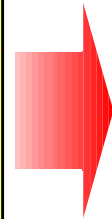
(Country land policy context)

(Indicators)



### Economic rationale for State formalization of property rights

1. Tenure security provided more efficiently and equitably
2. Mitigation of externalities arising from land uses
3. Land information has public good characteristics

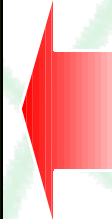


### State effectively provides:

1. Tenure security
2. Mitigation for externalities arising from land uses
3. Land information

and

4. Decisions are made in a socially legitimate manner
5. Agents for the State exercise authority appropriately



### Good Governance Principles

(Legitimacy, Accountability, Effectiveness, Participation, Fairness)



# Conceptual Framework

This framework is applied to six institutional levels in order to develop a framework to assess good governance in land administration:

- A. Legislation and policymaking process
- B. Land management and land use planning
- C. Management of public land
- D. Dispute resolution
- E. Registration and information services
- F. Taxation



## A. Legislation and policymaking process

- I. Legally defined property rights accord with actual practice, are enforceable and can be transacted and there is broad community understanding of rights and associated processes
- II. There are clear and unambiguous institutional roles for land administration
- III. The process of formulating land policies and property rights reforms is inclusive and takes into account the interests of the full spectrum of land users



## B. Land use planning and land management

- I. Restrictions on land use are justified by externalities
- II. Enforcement of land use regulations is effective, consistent, and follows clear and transparent processes
- III. Where decisions concerning land use planning and zoning meaningfully impact multiple parties, the interests of all are taken into account fairly



## C. Management of public land

- I. Where land is state owned, ownership is justified by externality or public good concerns and public land managed in the public interest
- II. Disposition of rights to state-owned land follows clear procedures that accord with public interest and associated revenue is accounted for
- III. Acquisition of state-owned land is justified by externality or public good concerns, fairly compensates all those whose rights are interfered with, and follows clear and transparent processes



## D. Dispute Resolution

I. Disputes are resolved fairly and effectively by a process that is accessible to all

- Administrative responsibilities to resolve different types of disputes are clearly defined
- Disputes are heard and resolved expeditiously
- All segments of society have access to dispute resolution mechanisms
- Decisions are made impartially and in accordance with the law
- Decisions can be appealed
- Decisions are enforced



## E. Registration and information services

- I. Information available to land users is reliable, sufficient, and accessible at reasonable cost
- II. Service provision and maintenance of records is cost effective, consistent, and follows clear and transparent processes



## F. Taxation

- I. Land taxes do not distort economic incentives or spur informality
- II. Land and property tax collection and valuation procedures are carried out efficiently, transparently, and equitably



# Development of Indicators

- Conceptual framework is being finalized and will be peer-reviewed
- Indicators are being developed:
  - Policy context indicators
  - Quantitative indicators
- Methodology being developed based on:
  - Administrative data (census, registry, court, etc)
  - Customer surveys
  - Semi-structured interviews
  - Expert panels



# Indicators: Registration & information Services

## Land Policy Contextual Questions

Policy in place to enable access to records without having to prove an interest in the property

Clear statement of institutional roles and responsibilities for land administration functions

No overlap in the systems to register/record rights in land

Service standards and a clear schedule of fees available and displayed in land offices

Updated SOPs/manuals available and in use in land offices

An effective system to correct information in the land registry/records systems

## Quantitative Indicators

Average time taken to produce certified extract from records in response to a request (if available).

Average cost to obtain a certified extract from the registry (if available)

Customer perception of corruption in the land sector.

Customer perception of quality of services.

Total official fees and taxes (measured separately) for the registration of a transfer as a % of property value

Ratio of revenue to expenditure for the provision of land administration services (national, state or municipality levels).



# Work Plan

- Finalize Conceptual Framework (with indicators) and questionnaires – end August
- Test in Peru – September
- Revise methodology – October
- Data gathering Burkina Faso, Indonesia, Kyrgyz Republic and Tanzania – Nov-Dec
- Country Case Study reports – December
- Draft synthesis report – Jan-Feb 2009



# Conclusion

'...land registration is only a means to an end. It is not an end in itself. Much time, money and effort can be wasted if that elementary truth is forgotten.'

(S Rowton Simpson, 1976:3).