



Land Administration Core Comparisons

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Land Equity International

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"Strategic Integration of Surveying Services"



"[L]and itself is not wealth, it is only the ingenuity of men and women in devising ways to properly administer and manage land as a productive resource that will create wealth"

(Kakujaha 2006)



Doing Business Indicators



Country	Property Indicators			Rankings	
	Procedures (number)	Time (days)	Cost (% value)	Registering Property	Ease of Doing Business Rank
Singapore	3	9	2.8	12	1
Thailand	2	2	6.3	18	18
China	3	32	3.1	21	93
Vietnam	4	67	1.2	34	104
Malaysia	5	144	2.4	66	25
Korea	7	11	6.3	67	23
Philippines	8	33	5.7	98	126
Cambodia	7	56	4.6	100	143
Indonesia	7	42	10.5	120	135
Lao PDR	9	135	4.2	148	159

Doing Business, 2006



LA Reform in SE Asia



Global Study of LA



- Concept paper prepared in 2002 by Lavadenz, Sanjak and Barnes
- In support of Land Policy Research Report on land policy
- Study emphasis is 'how to' rather than 'why to' undertake land administration reform
- This presentation based recently updated report:

www.landequity.com.au



Rationale



'...despite the significant resources being invested by the donor community for modernizing land administration infrastructure, there is little systematic discussion of the key elements of such a system and of what constitutes effectiveness within particular socioeconomic, cultural and temporal contexts.'

Lavadenz et al 2002



Background



Three phased approach:

- Detailed country case studies for 17 countries;
- Synthesis into four regional papers;
- Preparation of global paper:
 - identifying indicators; and
 - discussing future challenges

“Land Administration: Indicators of Success, Future Challenges”



Country Case Studies



Africa	Asia	Europe and Central Asia (EAC)	Latin America and the Caribbean (LAC)
Ghana Mozambique Namibia South Africa Uganda	Indonesia Karnataka (in India) Philippines Thailand	Armenia Kyrgyzstan Latvia Moldova	Bolivia El Salvador Peru Trinidad & Tobago



Framework to Assess Land Administration Efficiency and Effectiveness



Policy/Legal Framework for Land Administration

- Types of rights recognised formally
- Types of rights recognised informally
- % of country and population with formal rights
- Characteristics of population without formal rights
- Level of disputes over land
- Time taken to resolve land disputes
- Safeguards for vulnerable groups

Qualitative Indicators for Customary Tenure

- Legal recognition of customary rights
- Clarity in identity of customary authority
- Clarity in boundaries of customary authority
- Clarity in customary rights

Quantitative Indicators for Formal Land Administration System

- Security
- Clarity and simplicity
- Timeliness
- Fairness
- Accessibility
- Cost
- Sustainability



Indicators in Context



10 Indicators chosen were:

- **policy/context perspective:** percentage of country covered by formal rights recognition; level of disputes over land; time taken to resolve land disputes;
- **customer perspective:** time required to register a transfer; cost to register a transfer as a percentage of property value;
- **community acceptance/market activity perspective:** number of registered transactions/transfers as a percentage of registered parcels;
- **internal efficiency perspective:** number of staff days per registered transaction; annual running costs per registered parcel;
- **sustainability perspective:** ratio of revenue to expenditure



Summary of Indicators



	Formal rights coverage	Level of disputes	Dispute resolution time (days)	Time required to reg. transfer (days)	Transfer cost as % of property value	Land use transactions as % of reg. parcels	Land reg. transfers as % of reg. parcels	# of reg. staff days / reg. transaction	Ratio of annual running cost / reg. parcel	Ratio of revenue / expenditure
MEAN	100%	low	< 1 yr	>3 days	<5%	>15%	>5%	< 1	< \$5-\$10	> 1
Ghana	100%	low								
Mozambique	100%	low								
Namibia	80-90%	low				17.7%	6.4%		\$2.16	1.3
Uganda	72-15%	high	3.5 yr							
Indonesia	5%	high	1 yr	14	10.3%	3.2%	0.9	\$0.36		
Karnataka	2-25	high	20	13.1%	3.9%		0.56	\$0.16	20.7	
Philippines	100%	high	1000	10	0.2%	11.0%	3.7%	1.56	\$1.17	2.4
Thailand	100%	low			4.5%	3.2%	3.2%	0.7	\$2.10	1.1
Armenia	low	3 mths	15	1.6%	0.8%		10	\$48.00*	1.6	
Kyrgyzstan	low	1 day	10	5.0%	3.3%		0.8	\$17.00*	0.8	
Latvia	70.4%	low	8 mths	3	0.8-4%	7.7%		0.6	\$7.00*	0.6
Moldova	low	3 m	34	1.5%	4.0%			2.5	\$2.26*	
Bolivia	~20%	high				17.6%		1.20*	\$67.47*	
El Salvador	low	high				13.8%	3.9%	0.36		
Peru	low	high		4-7		3.2%		1.80*	\$2.70	
Trinidad & Tobago	low	high		30		3.2%		1.80*	\$2.70	

* Figure includes registration and cadastral functions
* only about 47% of Thailand is eligible for formal land rights. All of this has some sort of formal rights.



Regional Experience



- Institutional Arrangements
- Legislative Framework
- Systematic Registration to Formalise Rights
- Focussing on improved service delivery:
 - Streamlining procedures
 - Ensuring that transaction costs are not a barrier for participation



Regional Experience – Institutional



- General trend for a single land administration agency:
 - DOL in Thailand since 1943
 - BPN in Indonesia in 1988
 - DOL in Laos since 1990, NLMA in 2006
 - MLMUPC in Cambodia in 1999
 - MONRE in Vietnam in 2002
 - all states in Australia
- Other mechanisms (MOUs, data exchange standards, OSS, etc) but limited success



Regional Experience - Legislative



- Institutional reform is the foundation for legislative framework
 - in Thailand DOL in MOI in 1943, Land Code 1954
 - attempts for 'Land Code' in the Philippines
- Long timeframe for legislation
 - Indonesia: BAL - 12 years/revise PP10/60 3 years



Regional Experience - Legislative



- Land Code in Thailand provides clear basis for:
 - Recognition of rights in land
 - Allocation of public land
 - Systematic & sporadic registration of private rights
 - Cadastral surveys and registration of dealings
 - Administrative procedures to settle disputes and correct records
- Changes to Land Code fundamental for Land Titling Project



Regional Experience – Systematic Titling



	Armenia	Kyrgyzstan	Moldova	Indonesia	Thailand	El Salvador	Perú (urban)	Perú (rural)
Pre-Field					4.89			
1 Geodetic Network	-	-	5.66	-	-	-	0.39	-
2 Cartography	0.20	-	7.08	-	-	7.05	0.24	11.26
3 Completion of existing records	0.02	0.03	1.53	-	-	1.30	-	-
4 Publicity Campaign	0.02	0.31	0.55	-	-	1.94	0.42	-
5 Acquisition of Government equipment	0.68	0.91	-	-	-	1.50	-	-
Field					19.32			
6 Collection of claimant information	1.00	0.30	3.77	-	-	-	0.23	3.62
7 Boundary investigation, survey, marking	4.57	2.09	7.64	-	-	9.67	1.61	10.50
8 Conflict Mediation	-	-	-	-	-	0.05	0.08	-
Post-Field								
9 Quality control	0.12	0.14	0.94	-	-	-	0.05	10.00
10 Legal validation	1.00	0.15	-	-	-	-	-	0.56
11 Public display of field results	0.02	-	-	-	-	-	-	-
12 Conflict Resolution	-	-	-	-	-	-	0.02	-
13 Prepare land record	1.00	0.04	2.92	-	-	2.89	-	1.40
14 Prepare cadastral maps/plans	0.82	0.04	1.98	-	-	1.44	2.37	1.68
15 Cadastral/Registry database design	0.50	1.05	3.77	-	-	-	-	-
16 Data entry	0.10	0.03	0.19	-	-	-	-	-
17 Register property rights in registry	0.05	0.14	7.55	-	-	-	-	5.44
18 Issuance of titles to beneficiaries	-	0.01	0.94	-	-	-	-	1.95
19 Administration/management	3.25	5.30	1.89	-	-	3.89	7.27	9.29
20 Total per parcel cost	13.35	10.55	46.41	16.30	24.21	29.74	12.68	55.69
21 Amount paid by beneficiaries	-	-	-	-	2.55	-	-	-
Total Cost	13.35	10.55	46.41	16.30	21.66	29.74	12.68	55.69

Source: Global Study, LEI, 2003



Regional Experience – Systematic Titling



- Legal/participatory process – takes time
- Typical costs internationally \$10-50/title
 - LAMP I experience in Philippines ~\$60+/title
- Essential to have clear rules for rights in land
- Long-term, peaceful occupation vs documents
 - experience in Indonesia
- Administrative vs judicial approach
 - experience in Philippines under LAMP I



Ethiopia: Cost & Time Estimates



Methodology	Cost (US\$)		Survey time/speed (hours:minutes)	
	/parcel	/ha	/parcel	/ha
Hand-held GPS	4.98	9.27	00:19	00:34
Rope only	0.81	1.50	00:15	00:28
Rope and hand-held GPS	0.97	1.81	00:17	00:30
Tape and Compass	18.18	33.66	01:34	02:53
Tape and Compass and hand-held GPS	18.29	33.80	01:36	03:00
Total Stations	7.27	13.54	00:23	00:44
IKONAS satellite imagery	14.23	26.52	00:17	00:31

Source: Alemu 2006



'...in every country we investigated, we found that it is very nearly as difficult to stay legal as it is to become legal. Inevitably, migrants do not so much break the law as the law breaks them – and they opt out of the system.'

(de Soto 2000:21).



Registering Property in Philippines

Nature of Procedure (2006)	Proc #	Duration (days)	US\$ Cost
Preparation of the deed of sale and ratification by Notary Public	1	1	1,950.00
Obtain a certified true copy of latest tax declaration from the Assessor's Office of Manila	2	1	0.19
Payment of Documentary Stamp Tax and Capital Gains Tax at an authorized bank	3	1	975
Obtain tax clearance (or Certificate Authorizing Registration) from the Bureau of Internal Revenue	4	14	0
Obtain a certificate of updated payments of Real Estate Taxes from the Treasurer's Office of Manila	5	2	0.93
Payment of transfer tax at the Treasurer's Office of Manila	6	1	487.5
Apply with the Assessor's Office of Manila for the issuance of a new tax declaration over the building in the name of buyer	7	3	1.87
Apply for registration with the Register of Deeds of Manila	8	10	313.92
Totals:	8	33	\$3,729.41

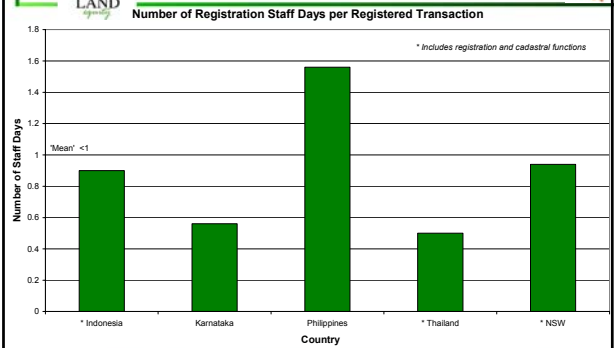
Source: Doing Business 2007



Registering Property in Thailand

Nature of Procedure (2006)	Proc #	Duration (days)	US\$ Cost
Obtain certified copies of companies' documents from the Ministry of Commerce	1	1	22.71
Parties submit application for registration at the Land Office	2	1	8,662.75
Totals:	2	2	\$8,685.46

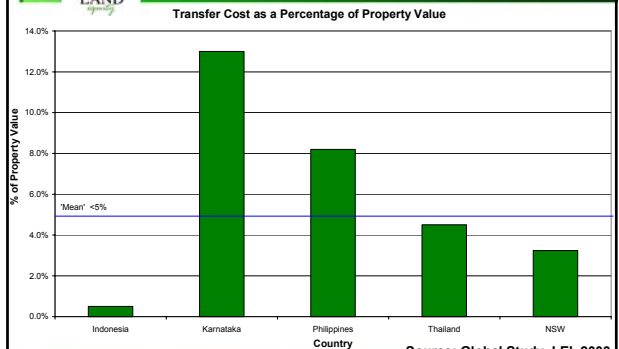
Source: Doing Business 2007



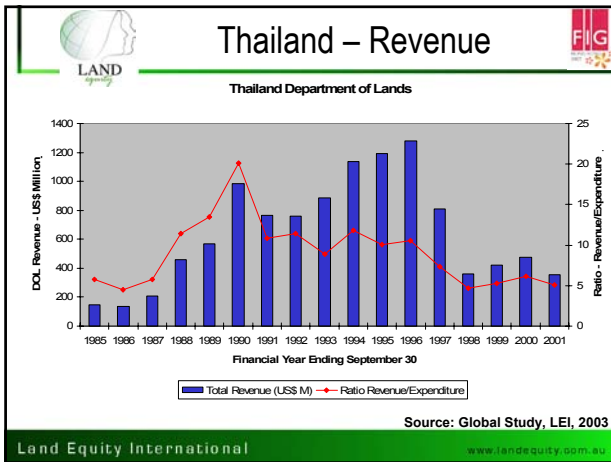
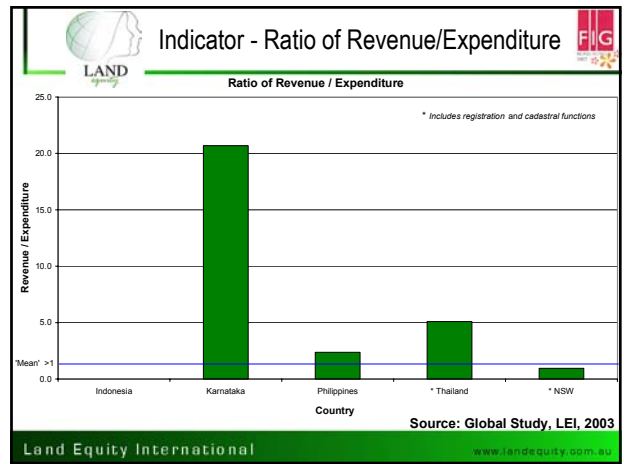
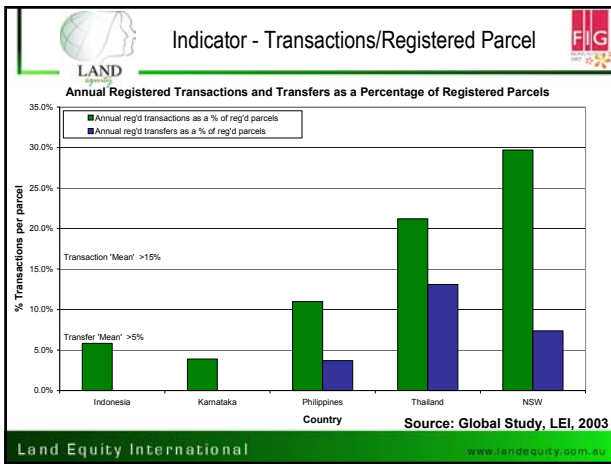
Source: Global Study, LEI, 2003



- Regulation for same day registration – current experience 1-2 hours
- Registration/survey in one office with all records
- The registration process in Thailand in a 'one-stop-shop'
 - Clear promise on time and cost
 - Processes displayed – emphasis on service delivery
 - Contract prepared in the land office
 - Fees and taxes collected for other agencies
- Manual procedures key – not computerisation



Source: Global Study, LEI, 2003



Comparison – Thailand/Philippines

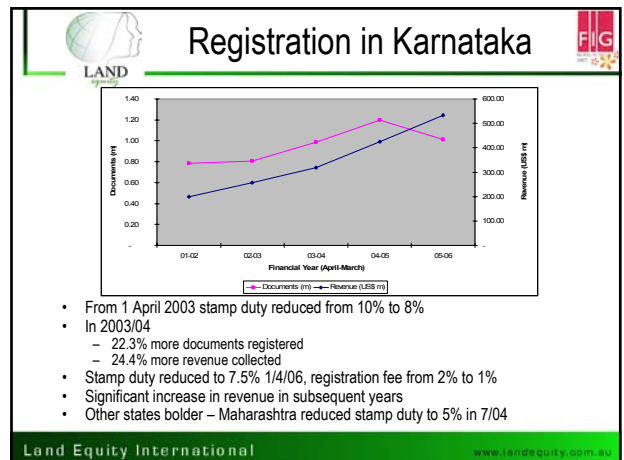
	Thailand 1985	Thailand 2001	Philippines 2001
No. of Titles	~ 4.6 million	~ 19 million	~ 10 million
No. of registered transfers / month	~ 80,000	~ 203,000	~ 30,000
Revenue from transfers / month	US\$12 million	US\$31 million	US\$18 million
Revenue per transfer	US\$150	US\$153	US\$600

¹ Data extrapolated from the table to show direct costing.

Source: Bloch, 2002

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- ### Transaction Costs
- Tax rates are important disincentives for participation
 - International experience suggests benchmark for transfer costs of < 5% of property value
 - High transfer costs lead to:
 - low participation
 - under-declaration of value (leading to difficulty with valuation)
 - Corruption
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Tax: Conclusion



- Other factors important – confidence, access, timeliness
- Taxes most effectively collected at registration – not as a prerequisite for registration
- Important policy implications for many countries



Conclusion



- Large investment requires a clear measures of efficiency and effectiveness
- Indicators derived from the study provide some clear measures
- Information also provides parameters for designing systems and projects:
 - Financial model (fee levels, transaction rates)
 - Cost effectiveness of proposed development



Conclusion



'It is important to note that there are no quick fixes to land tenure problems. Except in particularly favorable circumstances, improvements in this field can only be achieved in the long run.'

(Wachter and English 1992:17).