

Land Titling Costs: Evidence from Literature and Cases Using FFP

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Key words: Low cost technology

SUMMARY

The necessity to improve Land Administration has been proposed in many different forum's and in literature in general for many years [p.e. De Soto (2003), Deininger (2003), Reydon (2017), Williamson (2010)]. Some, like Fernandes (2017), inspired by Payne (2007), have even been able to show, from a large literature review, that better land administration has strong impacts on economic development, on: its economic side (increase in productivity, in investment and in credit obtaining), the gender equality side and on the environment (better soil use and less deforestation). The role of Land Administration in its many aspects, from geodetical, legal, financial, gender, environment and humanitarian has got more attention recently by the VGGT/FAO been signed by many countries in 2012, by its role in the SDG approval at the UN conference in 2015 and by the recent document from IPCC that stated clearly that good land administration plays a very important role in diminishing climate change and its impacts.

But the advances in Land Administration, in the developing world, the region that mostly needs it, is still very slow. The many aspects of Land Administration requires a very integrated and long term actions from many different stakeholders in the country, from institutional reforms, reaching legal rearrangements, and in the long term it accomplishes economic, social and environmental improvements in the countries. But mostly the needs and difficulties are exacerbated, as many stakeholders state that good Land administration is very costly, as they look at countries that have solved already. Surely if everything is done technically in a very perfect way it will be very costly and will take much time. But as the solution are mostly linked to the need that new institutional settings and legislation are created so that the stakeholders (public and private) adapt themselves to exchange of information the cost is rather low. For that to happen the biggest need is the trust and confidence between all the stakeholders that all information will be shared and there won't be any kind of misuse of the information.

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FIG e-Working Week 2021
Smart Surveyors for Land and Water Management - Challenges in a New Reality
Virtually in the Netherlands, 21–25 June 2021

The main aim of this article is to show how the Fit for Purpose (FFP) method can solve, with low costs and simple methods, and so diminishing the time spend to one of the most difficult aspects of Land Administration requirements in the developing countries: the titling of the informal landholders.

For that the article will start with a revision on Land Administration showing why land titling is one of its main problems. So one of the main problems to have an adequate Land Administration System is that many properties in the undeveloped world are not officially registered. Deininger (2017), based on a sample of countries estimated that in average 70 % of the properties around the world are not formally registered.

The main problem is that the existing legal settings make the costs and the time needed to register all informal rural and urban settlements. So the article will, based on existing literature on costs and time requirements of titling, show witch are the main categories of costs associated to the process of titling informal settlements.

Again, based on a literature review, the next item will show some existing estimations of the costs and time to title informal landholders in different countries. Surely the reasons for such different costs are linked to the legal countries characteristics and its procedures of titling, that will be highlighted. In this item the COFLAS estimation of costs related to availability of information and to precision will be showed. This estimation gives good parameters to evaluate the methods that policies of regularization can base for its budget.

The next item will start quantifying the amount of informal landholders existing in the rural area of Brazil, based on Sparoveck (2019), that will need to go through an process of titling. After that the cost of titling will be estimated, based on some Brazilian traditional titling experiences, mostly with rural small owners. In this item there will also be showed the experience of Terra Nova a non for profit company that has been able to regularize a large amount of households in the Brazilian slums.

The fifth item will start presenting the Fit for Purpose main characteristics showing that it can, in general, reduce significantly costs and time for titling, as it uses all available information and has as principle the idea that is better to have all titled with a lower precision that have a smaller are with high precision. Fit for Purpose experiences in different parts of the world from Kadaster International show that it is possible to lower well the costs and its possible to reduce the time for titling small landowners.

The conclusions of the articles aims to wrap up what was presented along the article and make it

clear that it is possible to reduce significantly the costs and the time spend in titling landholders. But at the same time it wants to stress that pandora box to solve all titling problems does not exist. The titling is an important part of the Land Administration System but as the whole of it needs the participation of all stakeholders and needs institutional and legal changes to happen to all the informal land sector.

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