

FUNDING AND IMPLEMENTATION OPTIONS FOR SYSTEMATIC LAND TITLING AND REGISTRATION IN NIGERIA

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Introduction

- Land is a fundamental resource for addressing political, economic, social and environmental needs of the people
- An important tool in ensuring that land addresses these broad objectives is a land administration system (LAS).
- LAS includes “the administration of land rights, land use regulations, and land valuation and taxation”.
- Land registration is the process of official recording of rights in the land through deeds or title (on properties).

Introduction ...

- There is a major cost in establishing Systematic Land Titling and Registration (SLTR) and there are limited opportunities to cover this major cost in developing countries, particularly Nigeria
- There are always many areas where investment is required, but funds and resources available are limited.
- Thus, government needs to prioritize investments, while seeking supports from development partners.
- This work analyses implementation and funding options for SLTR in Nigeria.

Objectives of Land Registration and Titling Reform

The objectives of the land registration reform according to Debrundashvili (2007) are:

- Provision of security of ownership and tenure rights
- Creation of a unified, modern, customer-oriented, transparent, corruption free public registry system through comprehensive institutional, financial, technological and legislative reform;
- Capacity building of personnel;
- Coordination of donor organization activities;
- Computerization of the processes according to modern standard

Objectives of Land Registration and Titling Reform

- Six areas are involved in the development strategy for the land registration reform: **institutional, legislative, technological, administrative, financial, and donor coordination areas.**
- For the land registration system in Nigeria, government should introduce a framework for:
 - transparency, service standards, capacity building and development of a human resource policy, systems and processes, **secure financing**, establish audits, make effective use of information technology and communications.

Approaches in completing Systematic Registration

Definition of land parcel

- Key decisions that have a major impact on costs relate to the type of boundaries, the type of monuments and the survey methodology.
- The most cost-effective and efficient process for defining land parcels in a major program for systematic registration (FIG/World Bank, 2014), is based on the following four principles:
 - General boundaries rather than fixed boundaries
 - Aerial imagery rather than field survey
 - Accuracy relates to purpose rather than technical standards; and
 - Opportunities for updating, upgrading and improvement can be implemented over time.

Approaches in completing Systematic Registration ...

Spatial Framework

- The execution of SLTR requires that there is clear definition of the spatial extent over which rights are recorded.
- A key means of providing an unambiguous definition of the spatial extent of recorded rights is to georeference the existing spatial framework by surveying or mapping demarcated boundaries with reference to a geodetic reference frame.
- The recent development of GNSS has significantly reduced the cost and effort required to establish either a geodetic reference frame or a geodetic datum that is not mathematically connected to the ITRF (International Terrestrial Reference Frame).

Approaches in completing Systematic Registration ...

Spatial Framework ...

- In considering the requirements for a spatial framework two key technologies were reviewed by Byamugisha (2013):
 - continuously operating GNSS reference stations (CORS)
 - large scale image maps produced from geo-referenced, ortho-rectified high resolution satellite imagery or aerial photography.

Approaches in completing Systematic Registration ...

Physical Infrastructure and Staff Requirements

- There will be challenges in establishing new offices, linked to a range of factors including, available funds, the availability of first registration data and ICT systems and the availability of staff.
- A phased installation plan will almost certainly be needed. This plan may involve aspects such as separating the front-office, or interface with clients, from the back-office or the processing of applications for services and activities such as record management and ICT.
- Good ICT infrastructure enables a radical change in how Land services are provided.
- The decision on how Land services are provided will not only influence the requirements for offices but also the staff requirements.

Approaches in completing Systematic Registration ...

Physical Infrastructure and Staff Requirements ..,

- The staff requirements for Land service delivery will depend on a number of factors which may include:
- (a) the **role and responsibilities** of the various actors including the central agencies, local government, the private sector and even the local community.
- (b) the nature and complexity of the Land services **processes and procedures** and the tasks that are expected of staff assigned to Land service delivery;
- (c) the level of **completeness and comprehensiveness** of the Land services records;
- (d) the level of **land market activity**, and
- (e) **productivity** which among other things is a function of capacity, competence and systems.

Where people are well trained and systems are enabling then more work can be undertaken with less staff.

Approaches in completing Systematic Registration ...

ICT component

- Investment in ICT as part of Land Administration System reform has significant potential for Land service delivery, particularly in terms of
 - improved transparency,
 - efficiency and
 - accessibility of Land Administration System data for decision makers
- There are a number of different approaches that have been adopted in developing ICT systems, including:
 - (a) The initial development of a project-based Land Administration System ICT software developed by staff in the agency providing Land services and/or technical advisers to the agency and/or local ICT companies (using proprietary or open source software);

Approaches in completing Systematic Registration ...

ICT component

- (b) The specification of comprehensive Land services ICT software to be developed and implemented by a government ICT organisation (using proprietary or open source software);

- (c) The customisation and extension of open-source Land services ICT software to support Land services processes and functions in a specific LA organisation or jurisdiction;

Approaches in completing Systematic Registration ...

Capacity development

- UNDP defines ‘capacity development’ (CD) as ‘the sustainable creation, utilization, and retention of that capacity, in order to reduce poverty, enhance self reliance and improve people’s lives’.
- In relation to land administration, then organizational capacity development refers to process whereby a department or ministry for example, is able to create, strengthen and maintain the necessary systems to undertake their work effectively and transparently.

Approaches in completing Systematic Registration ...

Capacity development

- SLTR is considered as part of organizational and institutional reforms that should be under the responsibility of the federal Government of Nigeria.
- Developing capacities for implementation of SLTR is the scope of Government agencies.
- The scope of capacity development ranges from enhancing group skills and motivating individuals to deliver - to enabling organizations (and indeed societies) to improve service delivery and thus make systems more transparent.

FUNDING OPTIONS

- Traditionally, land agencies in developing countries get funding from the Treasury (Ministries of Finance) and these funds are largely allocated to recurrent expenditures (salaries and consumables).
- Most capital expenditures for the land sector in developing countries have been financed from international development resources made available either through grants or concessional loans.
- Governments in many developing countries do make funds available to the land sector as it is a sector that can generate revenue.

FUNDING OPTIONS

- There is a range of strategies that can be adopted in financing SLTR. The options include:
 - (a) Full funding by government as a public service,
 - (b) Setting fees and charges to fully or partially recover the cost of providing SLTR services and therefore transferring the cost of providing SLTR services from government to users of SLTR services,
 - (c) Transferring core parts of SLTR delivery to others such as local government or private sector service providers (lawyers, notaries, private surveyors) that have the ability to recover costs through user charges; and
 - (d) Separating the regulatory and service provision SLTR functions and outsourcing the service provision function to the private sector under some form of public-private-partnership.

‘Funding by Government’ Option

- The full funding by government of Land administration services is the traditional approach that has been adopted in many countries, particularly in developing countries.
- This approach does not encourage innovation or the adoption of more efficient approaches.
- In developing countries the reliance on often unpredictable government budget allocation can make provision of effective and reliable Land administration services difficult or impossible.

‘Full or Partial Self Financing’ option

- A policy on land-related taxes, fees and charges is important, particularly where the policy of full or partial cost-recovery is adopted.
- High fees and charges, or a perception of high fees and charges for Land services can have a significant impact on participation in the formal LAS.
- Policies of cost-recovery are typically set to recover cost overall based on some forward predication of the level of services to be provided

'Full or Partial Self Financing' option

- The level of services to be provided will vary depending on a range of factors including, *the general status of the economy, land market activity and in rural areas seasonal variations in the demand for services.*
- In some countries with policies of cost-recovery for Land service delivery there is an acceptance that some Land services such as state land management, maintenance of the geodetic network and the provision of mapping or core datasets constitute a public good.
- In these countries a certain level of government funding is provided to support these public good activities with the expectation that the fees and charges on other Land services recover costs for these services. **This is a policy of partial cost-recovery.**

Private Sector Service Suppliers

- In many countries, government has reduced its cost in providing Land services by delegating some of the requirements to private sector service suppliers such as notaries and private surveyors.
- While this can reduce the cost to government, it can mean significant additional costs to the person seeking Land services over and above the official fees and charges from the agency providing Land services

Public-Private Partnership

- Törhönen et al (2012) reviewed the limited experience of public-private partnerships in funding Land services.
- They noted that there were some experiences in using public-private partnerships to finance the provision of LAS services in a range of jurisdictions including *Ontario in Canada, Maharashtra in India, South Korea, the Philippines, USA and Australia.*

Public-Private Partnership

- They concluded that any government considering a public-private partnership to finance the development of a Land service with broad geographic cover should carefully consider:
 - 1) The feasibility of including systematic registration in any public-private partnership, particularly addressing the incentives for the private party in providing services to all sectors of society,
 - 2) The appropriate allocation of risk such that the private party can be secure in making the necessary long-term investments yet still carry the key commercial risks.

Public-Private Partnership

- 3) The need for clear measurable indicators for service, cost and access to be agreed up-front and regularly monitored during implementation,
- 4) The need for government to be able to manage and monitor the performance of the private operator to ensure both quality and fairness in services,
- 5) The need for the private party to be very familiar with the social and political sensitivities in providing Land services so that services are provided in a manner that builds public trust, and
- 6) The need to ensure that any contracting for a public-private partnership is conducted in an open, transparent manner that is free from corruption.

Conclusion and Recommendations

- The systematic option of Land Titling and registration in Nigeria needs to be planned for long-term as Land administration service reform typically involves significant effort of many years.
- Nigeria needs to consider a range of funding options, often seeking development partner support for the initial investment in establishing systems and records, while ensuring the availability of adequate funds to operate and maintain the systems.
- The options for financing SLTR in Nigeria can rely on: public finance, users of the system through self-financing arrangements, local government or private sector service suppliers, or public-private partnership.
- However decisions on financing can impact on the use of Land service data and information for broader benefits to government and society.

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