



Principles and Lessons Learnt from Land Administration PPP Modelling: A Private Sector Perspective

Dezhi Yu

August 2019

Setting the Scene

Secure land tenure and property rights are essential to enhancing food security, contending with climate change, preventing conflict, enabling investment and economic growth, and other development goals.

As the leading firm in managing large scale land projects in developing countries, DAI has been advocating for public-private partnerships (PPPs) in land administration

- PPPs have a long history of being used effectively for infrastructure projects and more recently are being used in the context of services
- Despite a few notable successes in developed economies, PPPs for land administration services have not been widely adopted in developing countries
- In a development context, a PPP approach could provide a sustainable model for completing land tenure reforms nationwide

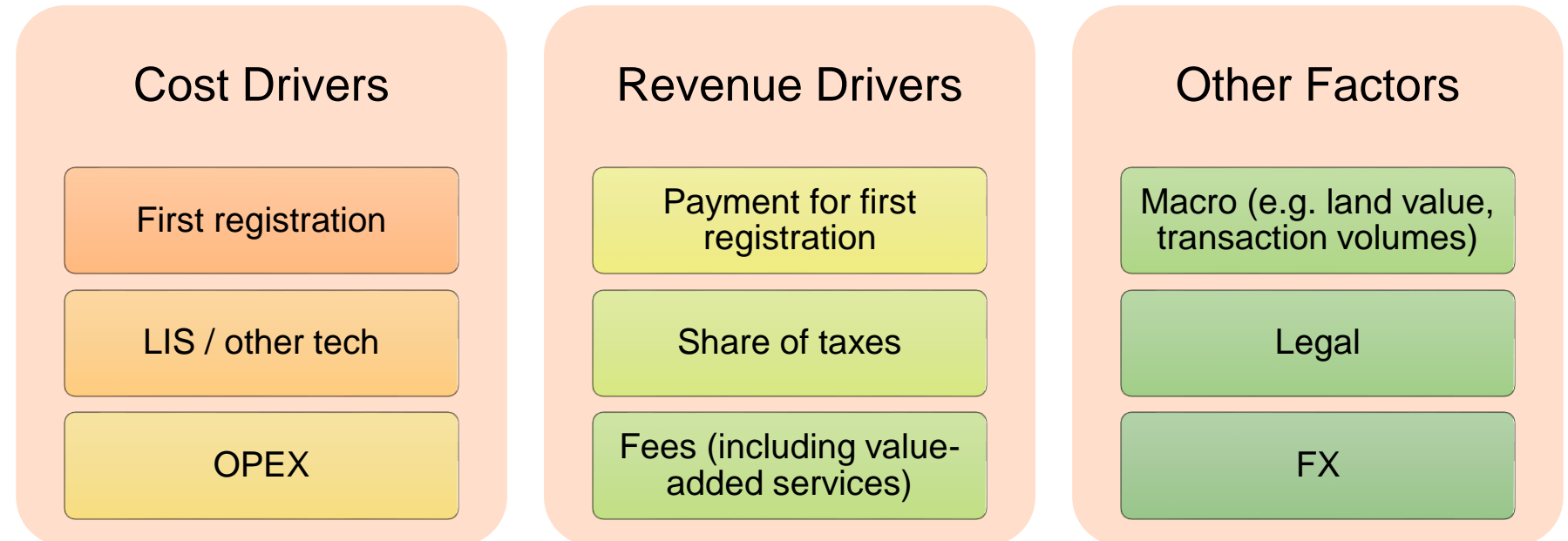
Business Case for a Land Administration PPP

A win-win situation for government and private sector in a land administration PPP

- DAI will bid for a concession from the government to upgrade and manage land administration across the country. The concession will immediately begin increasing revenues by:
 - Registering properties and widening the base
 - Raising fee levels to market rates by dramatically improving the customer service experience
 - Improving tax collection (depending on land tenure system)
- The concession's core customers will be property owners, who need to buy, sell, lease, mortgage, inherit, or otherwise transact on land. A second tier of customers for value added services will include banks, property developers, engineering companies, other branches of government (e.g. spatial planning authorities), and others, who will have a demand for a variety of services offered by the concession

Key Considerations for Financial Modelling

What are cost drivers? What are revenue drivers? What factors need to be taken into account?



Data availability and credibility are key challenges for project feasibility studies

Lessons Learnt from Financial Modelling

A land administration PPP could work, but for private sector actors...

- Choice of tech specs / scope of work matter in estimating costs
- Workload for first registration can be divided into stages, i.e. start with the most profitable markets (likely urban area)
- Countries with less developed property markets should be open to sharing tax revenues with private operators to compensate upfront costs and risks:
 - Smooth coordination and communication among government ministries is crucial
 - A robust land administration system has various beneficiaries and far-reaching impact
- All stakeholders must play for the long game:
 - Patient capital or blended finance could help
 - Trust in legal framework and business-friendly environment are required

DAI's Track Record

Despite many challenges in developing the concept, DAI is well positioned for a land administration PPP.

- DAI is the only private firm to have completed property regularization at the national scale (in Rwanda), and have extensive experience managing the policy, political economy, and community relations aspects of land in developing countries
- Our experience has allowed us to test new approaches, scale locally appropriate technologies, and mainstream poor, women and marginalized groups into every aspect of program development
- We don't simply assume land tenure will lead to economic growth but actively work with land holders to increase access to credit and improve opportunities for rental land and land service providers



Shaping a more livable world.