Pilot Land Reforms in Nigeria: Think Big, Start Small, Move Fast! …but Where Do We Start?

When it comes to strategy, the Chinese have a saying: “Think big, start small, but move fast.” This has been our guiding philosophy for the pilot land reforms of the World Bank-DFID1 Subnational Investment Climate Program (ICP) in Nigeria. The challenge was to find a “small” reform entry point from which to “move fast” on this sensitive and difficult topic, which is more complicated than it might appear. After some research, the ICP team found that the most effective and efficient entry point was the mapping and streamlining of land procedures. Over the last four years, the team worked on implementing this approach in four Nigerian states (Cross River, Kaduna, Kano, and Lagos). This SmartLesson shares some of our experiences in finding practical solutions for the successful implementation of streamlining activities at the subnational level.

Background

Nigeria has long struggled with the challenging issue of land reform (see Box 1), but without significant success. The issue is complex. It’s not just about land; it’s also about someone’s right to build assets and pass them on to future generations. This makes the process of land reform long and difficult, and it gives reforms the power to effect dramatic shifts in the balance of winners and losers in a society.

When the World Bank–DFID Subnational Investment Climate Program in Nigeria was launched in 2006, land access and site development quickly became one of the top reform priority areas, along with tax policy and administration. Consultations with private sector associations in the four pilot states (Cross River, Kaduna, Kano, and Lagos) revealed that the primary land market (government land acquisition) was problematic and the secondary market was inefficient. The central issue was the Land Use Act of 1978. (See Box 2.)

Because the ICP piloted land reforms at the subnational level, it was not feasible to attempt an overhaul of the Land Use Act. In fact, the project’s main goal was to use the improvements of land administration systems and procedures under the Land Use Act to set the reform wheels in motion and advocate for a national dialogue on land-policy reform.

In order to achieve this goal, it was necessary to adopt an appropriate tactic - Think Big, Start Small, Move Fast. However the challenge was “where to start”.

Box 1: The Challenge of Land Reform

Land reform is a sensitive topic—especially in the developing world, where customary land tenure overlaps with statutory land tenure, and barriers to land titling prevent large sections of the population from benefiting from full ownership rights.

In urban areas, where demand for land is increasing, the prohibitive cost of property registration has created dysfunctional land markets dominated by informal transactions. The result is a growing number of large illegal settlements—“ticking time bombs” from the legal and urban-planning points of view. And policymakers seldom choose to fully address them.

Dysfunctional land markets affect not only investment flows but also access to finance and to affordable housing for the most vulnerable populations.

1 Department for International Development (United Kingdom), the government department responsible for promoting development and the reduction of poverty.
In Nigeria, for the mapping and streamlining subcomponent, a team of four local consultants covered different states. They had world-class expertise and a good rapport with the states’ counterparts. And once the local team understood the methodology introduced by the international consultant, they customized it to suit the local context and moved quickly to implement it over several months.

2) To transfer ownership, get your government counterpart involved in the mapping process.

It is easier for the process owners to experience the constraints investors face when they are standing on the other side of the counter. As they participate in the data collection, they can see the range of difficulties and gain a comprehensive view of the approval process. The result is greater momentum for change, which is necessary during the solution design and implementation stage.

In October 2008, we launched the mapping of four key land procedures in Kano. These procedures dealt with:

- the direct grant (government land acquisition)
- assignment of the Certificate of Occupancy
- mortgage of the Certificate of Occupancy, and
- conversion of the customary title to Certificate of Occupancy.

Initially, an international expert conducted the mapping, using Microsoft Visio software. The results—a detailed flowchart and a report with streamlining recommendations—were presented at a workshop attended by the senior officials from the Ministry of Lands and Physical Planning. However, there was a buy-in issue. Although they were grateful for the report, they didn’t understand the need for the mapping. One official said, “We already know we can do better. Why can’t the Bank provide us with the technology [computers and networking capability] to automate all these processes?” Consequently, the counterparts didn’t adopt any of the report’s recommendations. The approach was not working.

In February 2009, we relaunched a mapping exercise, but this time the government counterparts were involved in the data collection. The team successfully organized a closed-door meeting with all department heads and completed the mapping of all four procedures. The results were astonishing—with numbers going up to 196 working days and 54 steps, for example, for the conversion of a customary title to a Certificate of Occupancy. The directors were shocked when they saw the details of their own work.

3) Identify the barriers that limit the motivation for reform—and adapt the mapping methodology.

Flexibility in the mapping approach is necessary—the “cookie cutter” approach should be the exception, not the rule. However, in practice it can be difficult not to follow a proven...
approach or methodology. The need is not always to redefine the mapping approach; sometimes we just need to recognize early on when it deviates from the expected outcome and make the necessary design changes in the approach or methodology to quickly get the mapping back on track.

For example, the Doing Business Report and similar diagnostic reports had conducted extensive studies of the regulatory cost of doing business in Lagos State. So, we already knew that Lagos State, the economic hub of Nigeria, had a difficult investment climate, especially when it came to land access and site development.

It is important to note that, by 2007, the state government had already made headway with some remarkable initiatives, such as computerization of the land registry and the online records search. In fact, the Lands Bureau would routinely cite its own client survey results as evidence of improved performance. However, consultations with the private sector revealed many constraints that still needed to be addressed. When we proposed the standard mapping approach to the Technical Committee, we encountered resistance; they just handed us more copies of their client-satisfaction survey results.

Ultimately, in 2008 we refocused our approach and methodology. We scaled down the scope of the mapping to the mortgage registration procedure, given the low transaction volume, and added a statistical component to the mapping with a file review. The team, working in collaboration with the IFC Housing Finance team, conducted the standard mapping and also reviewed 52 random mortgage consent...
files from 2005 to 2008 to better understand the severity and nature of the bottlenecks. This approach enabled the team to provide fact-based evidence to support the private sector grievances and to identify the bottlenecks. The research revealed that, on average, it took 240 days to deliver a mortgage consent with an average of 16 steps—far from the government’s 30-day target.

It is not surprising that the government preferred a closed-door meeting to discuss the study’s results! But from that point on, the government renewed its focus on simplifying all land-related procedures and requested our assistance in mapping the development-permit approval procedure. Without this necessary shift in our approach, the government would not have fully grasped the severity and nature of the land procedures bottlenecks.

4) Let the counterparts drive the solution design process.

The process of formulating and implementing reform closely resembles that of selecting economic winners and losers, or of shifting the balance of economic power. Since most politicians are in the business of getting reelected, they don’t place high priority on implementing necessary but difficult long-term reforms with dividends that might not be enjoyed during their tenure. Worse, some of our reports’ recommendations may be unpopular in the short term and therefore bring negative publicity to senior government officials. That’s why it is important for the client to be in the driver’s seat during the solution design stage.

Best practices are always preferable, but avoid letting “perfect” become the enemy of “good,” especially in very low-capacity countries or difficult political environments. More important than achieving “perfect,” the client should own the reform process by designing the reforms and implementing them. We can provide a menu of reform options for consideration, however, and when the client proposes a different approach we can discuss the eventual impact of that proposal to test its rationale.

One key example was in Kano State, where the team attached a list of recommendations to the first mapping report. The government didn’t implement any of these recommendations. However, after the more inclusive second mapping, senior state government officials started to propose their own simplification strategies—steps to be eliminated, staff to be added, staff to be delegated authority. The team worked with the counterparts to evaluate the impact of each proposal to ensure reform effectiveness. The same approach was also successful in Kaduna and Cross River.

5) Build a mechanism for monitoring and evaluation into the mapping and streamlining exercise.

Once the reforms are launched, it is important to routinely monitor their implementation. A built-in monitoring and evaluation (M&E) component is a good way to continually refine the reform process. Client-satisfaction surveys and benchmarking studies such as the *Doing Business Report* are obviously excellent M&E tools. However, depending on the resources or timeline, extensive M&E may not always be possible.

One simple and cost-effective M&E tool is a periodic file review to see how the implementation of the simplification strategies is progressing. In our case, we agreed with the clients to complete a six-month file review after the launch of the reforms and assess their performance. The file review consisted of analyzing the approval process for random applications that were processed after the launch of the reform, documenting the outcomes of the reform, and identifying any persisting bottlenecks.

For example, in May 2009 Kaduna was the first state to announce simplification strategies, but the first M&E file review revealed a clear gap between the government’s announced targets and the collected data. In fact, the Ministry was undergoing a reorganization, with entirely new senior management who didn’t understand the commitment made by their predecessors. The file review
enabled the team to quickly provide the M&E information needed to engage with the new ministerial team. By April 2010, the implementation was under way, and the team assessed significant improvements in the approval procedures.

The M&E component also will help the agencies move toward standardization of reengineered processes—by documenting them in detail—while providing performance data.

6) Incorporate a peer learning component.

The ICP Peer Learning component—which created a platform for peer learning on Investment Climate issues—allowed for frequent exchanges between Kano and Kaduna states. This was especially helpful after the new management took office at the Kaduna State Ministry of Lands.

Both counterpart teams have since conducted field visits to learn from the other or to provide guidance on some technical or institutional issues they have previously faced.

For subnational projects, we highly recommend the peer learning model that provided the platform for the government counterpart teams to know each other and discuss land-policy and land-administration issues. This model efficiently fosters knowledge transfer on national best practices.

One of the main discussion topics during the first peer learning workshop was outsourcing. Three of the four states have attempted to outsource the digitization of their land registry, and the failed initial experiences of Kano and Kaduna states showed clearly that outsourcing such big projects can work only when the government has enough capacity to manage the contractors. This was an important discussion for Cross River State, which had just embarked on a request for proposals for its Geographic Information System and needed to review the issues associated with outsourcing such a big task and supervising the selected contractor.

Conclusion

The ICP pilot team found the work in Nigeria fascinating—the topic is emotional and sensitive, the objectives were challenging, and, most important, the wheels of reform have been set in motion. We hope the reform effort will keep on moving the dialogue toward an overhaul of the Land Use Act. As a bonus, local expertise is now ready to scale up the mapping and streamlining approach without our direct involvement, so that other states may also benefit.