Land Policy:
Securing Rights to Reduce Poverty and Promote Rural Growth

SYNOPSIS
Modern, efficient and transparent land administration systems are important in reducing poverty, and promoting growth and sustainable development. Security of property rights is central to preserving livelihoods, maintaining social stability, and increasing incentives for investment and for sustainable, productive land use. Making land rights transferable allows the landless to access land through sales and rental markets or through public transfers, and further increases investment incentives. Since the late 1960s, the World Bank has provided financing, technical help and training to strengthen national land administration laws, policies and investment programs.

Challenge
Uncertainty about land ownership and occupancy rights not only complicates development planning for governments. It can also increase vulnerability, especially of poor and marginalized groups. Moreover, it undermines incentives to take actions that are essential to improving incomes and conserving scarce resources over the longer term. Many countries face a common set of challenges, for which country-specific solutions need to be developed: (i) incomplete or outdated legal and regulatory frameworks; (ii) dispersion of responsibilities across different institutions; (iii) outdated technology that makes land demarcation, regularization and titling a lengthy and expensive process; (iv) poor integration of relevant databases, within and between countries; (v) uncertain financial sustainability of data systems; (vi) a need to adjust ‘best practice’ solutions to specific local ethnic, cultural and legal traditions; and (vii) inadequate mechanisms to ensure transparency, good governance, citizen participation and recourse in the various phases of land administration, from demarcation to titling and enforcement. Also, to get the best results from modernizing land administration systems, governments often need to make related investments. For example, providing legal clarity about the boundaries of indigenous lands and protected areas has to be accompanied by strengthened monitoring and enforcement, and changing incentives for investment at the local level; likewise, providing land titles can improve small farmers’ and entrepreneurs’ incentives to invest, but credit programs also have to be available and accessible to them.

In addition, the continued increase in food prices and cultivation of lands for bio-fuel uses has prompted a sharp increase in commercial pressure on cropland, grasslands, forested areas and water resources in both developed and emerging countries.

Two principles of land tenure policy stand out in the quest for growth and poverty reduction:
- The importance of tenure security. Security of property rights (whether through titling or customary use) and the ability to draw on local or national authorities to enforce those rights are central to preserving livelihoods, maintaining social stability, and increasing incentives for investment and for sustainable productive land use.
- Land access and transferability of rights. Making land rights transferable allows the landless to
access land through sales and rental markets or through public transfers, and further increases investment incentives.

**Approach**

The International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA) have invested in strengthening land policies and administration systems in member countries for over four decades. The earliest programs in the late 1960s focused on land demarcation and titling in specific geographic areas, usually as part of broader land settlement or rural development programs. In the nine states of northeast Brazil, IBRD supported demarcation and titling of over half a million hectares under several rural development projects. By the mid-1980s, the focus began to shift from securing rights in particular areas to modernizing land administration systems at the national level. One of the first and most ambitious of such efforts was the Thailand Land Titling Program. Since the mid-1990s, the World Bank has scaled up support significantly to help 19 countries of East Europe and the former Soviet Union and several Southeast Asian countries make the transition from state ownership of property and land under command economies to private ownership under market-based economies. Elsewhere, the World Bank has continued to support both modernization of land administration systems at the national level, and targeted help to specific problem areas, such as undocumented squatter settlements, indigenous lands, coastal marine zones and other environmentally sensitive areas of national or global importance. The World Bank's sister organization, the International Finance Corp. (IFC), has also had a catalytic impact in many countries through its Doing Business surveys, which monitor the ease of registering a property and encourage countries to adopt reforms that make the process more transparent and efficient.

The current World Bank approach emphasizes policy dialogue, research, investment and operational support for the resolution of land tenure issues. The World Bank also facilitates the sharing of best practices across countries and regions.

### IDA Results

Some highlights of results achieved in IDA supported projects mentioned above are as follows:

- **Armenia**: 2.5 million privately-owned land parcels and buildings were surveyed and about 1 million property records were stored in a central database.
- **Bolivia**: 2.8 million ha of land were surveyed and titled.
- **Indonesia**: 222,628 land title certificates were distributed to land owners, out of which 63,181 were given to women either individually or as joint owners with their spouses.
- **Kyrgyz Republic**: 2.4 million immovable property objects were registered.
- **Nicaragua**: 1 million hectares of indigenous and ethnic community lands in the country’s Atlantic coastal region was demarcated, titled and registered.
- **Sri Lanka**: 31,200 houses in the North East region were reconstructed allowing the return of displaced populations and the regularization of land titles to targeted beneficiaries.

In addition to project-specific support, the World Bank continues to use its technical expertise to work with governments to strengthen their land administration institutions and assess the overall land policy framework. A 2011 report, *Rising Global Interest in Farmland: Can it Yield Sustainable and Equitable Benefits?*, is a recent example of the commitment to informing debate and understanding of agro-investment trends and their impact on economic growth and poverty reduction.

### Results

The following examples illustrate the kinds of results achieved through IBRD and IDA support for modernization of land administration programs over the past 40 years:

**Making land tenure more secure and improving access to credit.**

- **In Thailand**, a series of three IBRD-financed land titling projects during 1985-2001 helped the government produce over 5 million title deeds, directly benefitting an estimated 20 million people (approximately one-third of the national population at the time). As one of
IBRD’s first such comprehensive efforts on a national scale, the Thailand experience has been the object of considerable research and aspects of the program have served as a model for land administration programs throughout the world. Research findings confirm the importance of secure land tenure for improving access to credit and as incentives to invest. They also emphasize the importance of having such complementary credit programs be available and accessible, in order to achieve these results.

**In Bolivia** the Land Administration Project (fiscal year 1995) helped update the 1952 land reform law, establish a new tenure regime for indigenous people and modernize the land administration system. As a result, 2.8 million hectares (ha) of land were surveyed and titled.

**In the Kyrgyz Republic**, the Land and Real Estate Registration Project (FY00) supported the development of markets for land and real estate and also to improve their use. This is being achieved by introducing a reliable and well-functioning system for the registration of rights and the creation of “Gosregister”, the state agency which established the legal and administrative basis for registration of land and real estate. By 2007, over 2.4 million immovable property objects have been registered; sales, leases and mortgages have grown, as have tax income and other economic benefits. About 45,000 mortgages valued at US$1.1 billion equivalent were registered in 2007.

**In Armenia**, the Title Registration Project (FY99) promoted private sector development by implementing a transparent, parcel-based, easily accessible and reliable registration system for land and other immovable property. Almost all of the country's 2.5 million privately-owned land parcels and buildings were surveyed, and about 1 million property records were stored in a central database.

**In Bosnia and Herzegovina** the Land Registration Project (FY07), assisted in the development and adoption of new service standards in order to help improve services, transparency, speed and accuracy of registrations. Registration took many months prior to commencement of the project in 2007, but now 80 percent of all transactions are resolved in five days or less and mortgages are registered within a day in 16 of the 47 courts, including Sarajevo.

**Improving post-disaster recovery.**

- **In Indonesia**, under the Reconstruction of Aceh Land Administration Project (FY05), IDA supported post-Tsunami recovery efforts in Aceh through rapid community mapping, and land registration and titling. The project also introduced the concept of joint titling and gender recording. A total of 222,628 land title certificates were distributed to land owners after the tsunami, out of which 63,181 were given to women either individually or as joint owners with their spouses.

**Protecting indigenous and environmentally sensitive lands.**

- **In Colombia** under the Natural Resources Management Program (FY94), IBRD helped 58 Afro-Colombian and indigenous community councils gain title to 2.4 million ha of land for households comprising over 100,000 people.

- **In Nicaragua** under the Land Administration Project (FY02), IDA helped to demarcate, title, and register 1 million ha of indigenous and ethnic community lands in the country’s Atlantic coastal region, and prepare territorial management plans with participation of the communities, their leaders and authorities, to guide future development efforts.

**Supporting peace and conflict mitigation:**

- As one of the factors underlying 30 years of civil war in Guatemala, land issues featured prominently in the 1996 Peace Accords. Lack of secure tenure rights fueled conflicts and hindered investment, especially in rural areas. Through the Land Administration Project that began in 1999, IBRD has helped to demarcate about 720,000 hectares of rural lands (2,980 properties titled and registered) and 67,000 urban parcels (28,750 of which received registered titles, and 40% of which are female heads of household), covering most lands in the Department of El Petén. 79 percent of land conflicts were resolved through a participatory mediation process which was piloted under the project. A Second Land Administration Project that begun in 2007 is now extending these
activities to several other Departments in the country.

Similarly, in Sri Lanka the North East Housing Reconstruction Program (FY05) assisted in the reconstruction of 31,200 houses in the North East region over a four-year period. This has facilitated the return of displaced populations in the northeast, and the regularization of land titles to targeted beneficiaries.

Demonstrating the viability of community-based approaches:

In Honduras the Access to Land Pilot Project (FY01) demonstrated the financial viability of community-based land reform with private financing of land acquisition. By the end of the project, 990 families acquired 2,400 ha, 97 percent of farmers were able to pay back loans, and farmer incomes doubled in four years.

In Malawi the Community Based Rural Land Development Project (FY04) built on the new land policy adopted by the country in 2002 with IDA support. By May 2010, 15,000 poor families had access to land. Gross margins per hectare have risen ten-fold for hybrid maize from the pre-relocation baseline.

Bank Contribution

Since 1990, the World Bank has supported 76 projects with land administration as a major theme in 48 countries with total assistance amounting to some US$3.6 billion. In addition, some 228 projects in 78 countries addressed land policy issues as a secondary theme. In some cases projects focused solely on land issues; in others, land issues were one of several components of broader investment programs. Some projects financed specific investments, while others supported policy and institutional reforms.

The World Bank’s strong analytical capacity and intellectual leadership has allowed operations to draw on cutting-edge research to show the importance of land issues for overall economic development. It has also helped countries formulate and build consensus around national strategies to deal with land in a prioritized and well-sequenced manner.

Partners

The World Bank has partnered with regional development banks, UN organizations, bilateral donors, national and local governments, and civil society organizations, in an effort to advance knowledge and support the modernization of national land policy and administration systems. It has also encouraged considerable ‘South-South’ cooperation among developing countries themselves, often making it possible for government officials and technical staff involved in successful land administration projects to share their experiences with peers in other countries. Examples of partnerships on land policy and administration in which the World Bank has engaged have included the Global Environment Facility, the UN-Habitat-Global Land Tool Network, and the G7 Pilot Program to Preserve the Brazilian Amazon. It also collaborates closely with professional associations such as the International Federation of Surveyors, private foundations such as the Bill and Melinda Gates Foundation, and several multi-donor trust funds for post-conflict and post-disaster recovery. The World Bank hosted the 2010 Annual Conference on Land Policy and Administration, and maintains an external Land Policy and Administration webpage. The World Bank also participates in the Global Donor Platform for Rural Development which supports an active cross-country research program on contemporary land policy and administration issues.

Moving Forward

Land and property often account for between one-half to three quarters of national wealth. From this perspective, clarifying land ownership and occupation, and the distribution and value of land resources, as well as designing appropriate laws, regulations and institutions, are very important for growth, poverty reduction, and sustainable development. A supportive legal framework and effective arrangements for land administration are as important to the development process as are sound laws, regulations and institutional arrangements for labor and capital. As climate change, food price volatility, and other factors place increasing pressure on scarce natural resources, countries are facing the need to accelerate efforts to modernize land
administration systems to secure land rights; ensure that they have accurate data on land resources, occupation and ownership; and that this information is organized in ways that can be easily updated and shared across institutions involved in development, post-conflict and post-disaster planning. For these reasons, the last three World Development Reports (2008, 2009, and 2010) have consistently advocated stepped-up support for land policies and institutions.

Work in the area is increasingly addressing governance challenges, including instruments such as global performance standards and user surveys, in parallel with further analytical work. The World Bank is joining forces with partners to seek lower-cost land administration technologies and services (e.g., in land surveying, titling, registration, alternative conflict resolution mechanisms) to ensure the coverage and sustainability of its work in the poorest areas.

The World Bank will continue to work with countries on diagnosis, policy dialogue, operational and financial support in an effort to establish land administration systems that help protect the rights of the poor, induce better national resource management, increase investment, and help shift towards a more diversified economic structure.

LEARN MORE

– Land Tenure Policy and Administration
  – http://go.worldbank.org/2S3OYC6NS0
– Kyrgyz Republic: Land and Real Estate Registration Project
  – http://go.worldbank.org/GRLNCM7720
– Global Donor Platform for Rural Development
  – (www.platform.org),

IFC Doing Business surveys

– http://www.doingbusiness.org/rankings