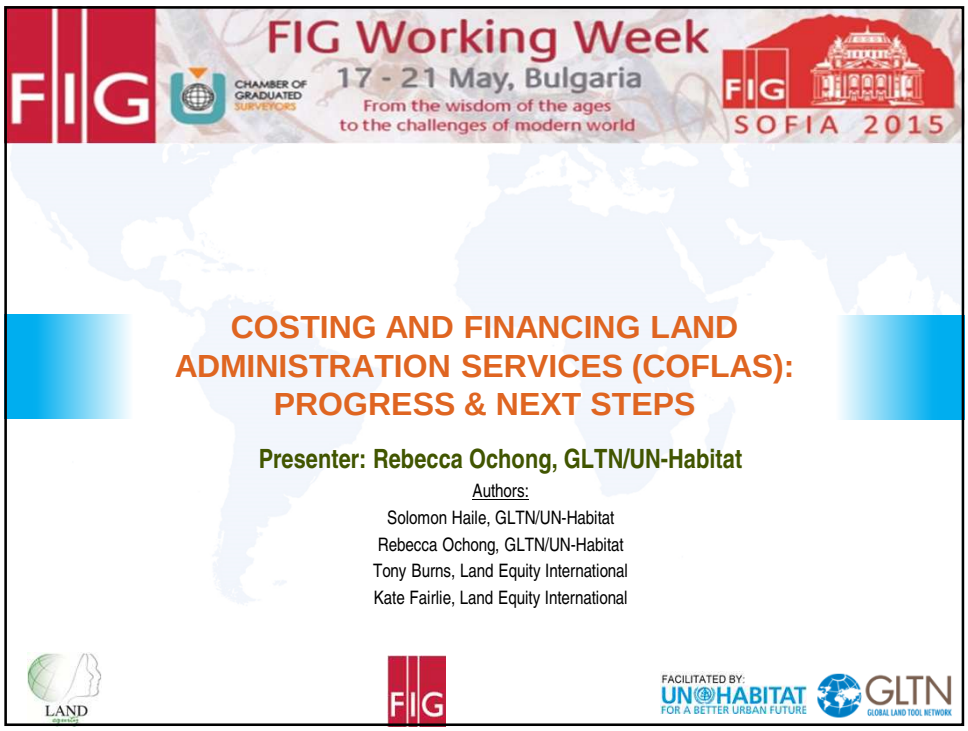
FIG Working Week
17 - 21 May, Bulgaria
From the wisdom of the ages
to the challenges of modern world
CHAMBER OF GRADUATED SURVEYORS
FIG SOFIA 2015
COSTING AND FINANCING LAND ADMINISTRATION SERVICES (COFLAS): PROGRESS & NEXT STEPS
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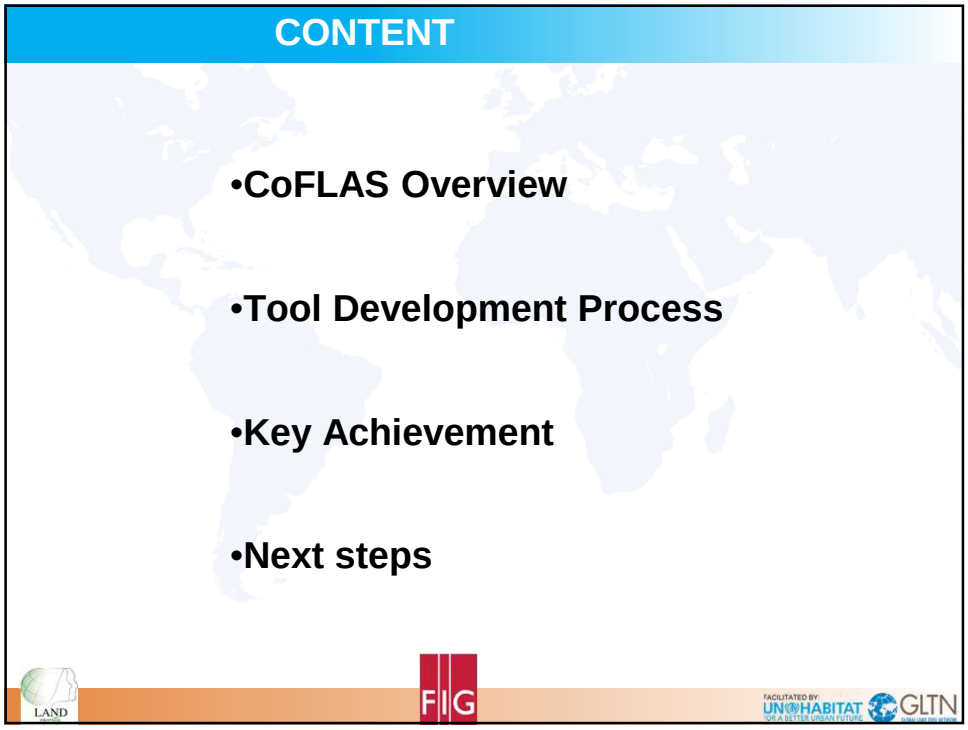
CONTENT
•CoFLAS Overview
•Tool Development Process
•Key Achievement
•Next steps
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WHY COFLAS?

- Need for building a **'Business Case**' for Land Administration Services (LAS) through an **appropriate costing and financing** tool particularly in developing countries
  - o LAS mainly funded from treasury most of which goes to fund re-current expenditure
  - o Demand for better services at reduced cost – 'Do more for less'
- Diminishing development assistance to fund capital costs
  - o Recurring financial crisis
  - o Shifting focus to other priorities like food security, infrastructure, water, sanitation, education, health, etc

OPPORTUNITIES

- '**Modernising Budgetary Approach of Land Agencies**'
  - Rethinking fundamentally how to do work in order to rationalize use of treasury resources and seek additional funding
    - ➢ New technologies
    - ➢ Innovative thinking in land administration e.g. **Continuum of Land Rights, Fit-for-purpose land administration**, etc
- Look at cost implications of key decisions in establishing and operating a LAS
- Challenges and opportunities basis upon which CoFLAS is built on

WHAT DO WE KNOW?

- All well established LAS have evolved over long periods (simple systems with limited cover > sophisticated systems with wide cover)
- Policy-makers aiming for 'modern' systems in shorter timeframe
- LAS reform projects long timeframe, large investment
- Governments and Development Partners need to prioritise their investments

WHAT DO WE KNOW?

- All well established LAS have evolved over long periods (simple systems with limited cover > sophisticated systems with wide cover)
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COFLAS: Towards a Definition

A set of guidelines and tabular framework that allows for exploring, identifying and prioritizing land administration service (LAS) delivery options based on costs of developing and running the services, financial resources available to pay for them, as well as other considerations such as human capacity and strategic decisions like service coverage.

The tabular costing structure built in the tool assists government staff to prepare and assess LAS reform proposals whilst at the same time taking into consideration the variation in approaches that would have an impact on the cost and viability of the reform.

STATED OBJECTIVES FOR COFLAS

- Develop a useful and practical methodology (tool) whereby the **costing** and **financing** of land administration services in **developing countries** can be **reformed and modernized** with a view to enabling the agencies provide **cost effective**, **efficient, sustainable** and **affordable** services.

- The methodology, where appropriate and through **incremental process**, ought to lead to some kind of **cost recovery**, but without **compromising quality of services** provided and **limiting access to services especially of the poor and vulnerable**

PRIMARY TARGET USERS

- Land sector staff in preparing proposals for LAS reform
- Land sector policy makers in assessing/proposing a case for land reform
- Key government agencies in reviewing LAS reform proposals and ensuring value for money

GLTN PARTNERS & OTHERS INVOLVED IN COFLAS

COFLAS: DEVELOPMENT PROCESS

- Preliminary investigation by Lantmäteriat in 2011
- Desk and literature review early in 2013
- Preliminary discussions with DG/SGs in Abuja in May 2013
- EGM in Rotterdam in May 2013
  questionnaires and country case studies
- Piloting and refinement of questionnaires > data gathering
- EGM in Sweden in October 2013 > Clarification of scope
- Preparation and review of draft report in May/June 2014
- Presentation in FIG 2014 > DG/SG presentations, GLTN session
- Validation workshop in Bangkok October 2014
- Presentation in 2015 World Bank Land & Poverty Conference
- Pilots and refining of tool

INFORMATION FOR DESIGN OF COFLAS

- Literature review, desk survey of project experience
- Detailed questionnaire prepared and tested
- Data gathered from a range of countries:
  - Albania
  - Denmark
  - Georgia
  - Lesotho
  - Netherlands
  - New Zealand
  - Norway
  - Peru
  - Sweden
  - Thailand

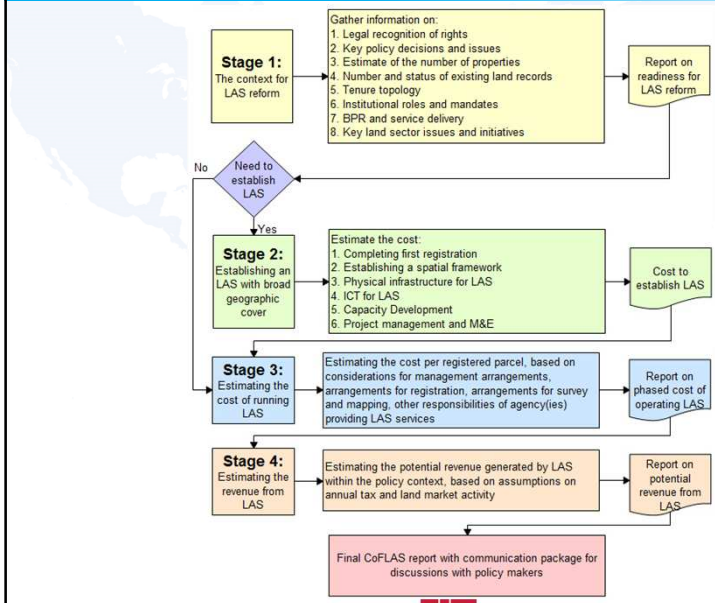
EARLY CHALLENGES

- **Different needs for Developed/Developing LAS**
  - Do we look at getting critical mass (eg Ethiopia, Rwanda, etc)
  - Do we restrict the tool to approaches appropriate to developing countries
- **Definition of 'land administration services', or 'land services'**
- **Definition of 'land revenue'**
  - Annual property/land taxes (ground rent, lease payments, school levies, LGA rates, utility fees (water, sewerage, etc.) etc)
  - Transaction fees and taxes (fees, stamp duty, capital gains tax, etc.)
  - Other revenue (permits/approvals, sale of maps/data, GRN/CORS revenue, fees for registration of professionals, etc.)
  - Sale of state land (including urbanisation)

EARLY CHALLENGES

- **Defining costs**
  - Different levels of government (central/state/LGA)
  - Mixed responsibilities
  - Routine (recurrent)/Project (development)
  - Cost/expenditure categories
- **Sharing of revenue**
  - Levels of government
  - Private service providers
- **Evolving modes of service delivery**
  - Public service
  - Government trading enterprise
  - Mixed public/private service
  - PPP (eg Ontario, India)

COFLAS IMPLENTATION STAGES



KEY ACHIEVEMENT

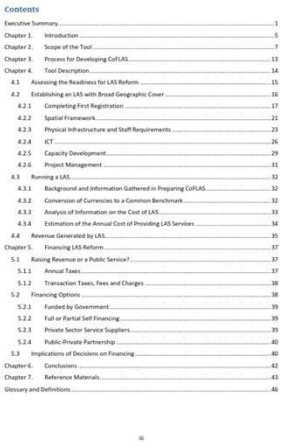
First version of the CoFLAS tool developed and validated by land industry

Report prepared for the Global Land Tool Network (GLTN)

Costing and Financing of Land Administration Services (CoFLAS) in Developing Countries

Land Equity International

15 October 2014



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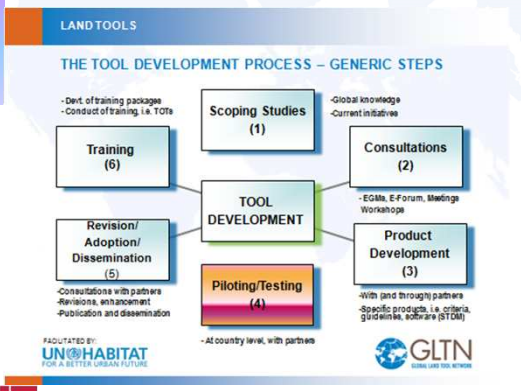
NEXT STEPS

- Pilot CoFLAS in Tanzania & Lesotho
- Identification of other pilot activities
- Tool refinement based on pilot experience



COSTING AND FINANCING LAND ADMINISTRATION SERVICES (COFLAS)

NEED TO KNOW MORE?

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