Could the private sector support SDGs?
Analysing the Land PPPs in the Latin American region

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Today three general strategies drive LAS best practice:

- **Responsible private sector participation**
  - McMichael 2015

- **Fit-for-purpose**
  - Lemmen, Van Oosterom et al. 2015

- **Community mapping and crowdsourcing methodologies**
  - Dejonckheere, Lindquist-Grantz et al. 2018
3 SDGs directly address land tenure

<table>
<thead>
<tr>
<th>Goal</th>
<th>Target</th>
<th>Indicator</th>
<th>Relation to LTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDG1: No poverty</td>
<td>1.4</td>
<td>1.4.2</td>
<td>Indicator 1.4.2 directly mentions secure tenure rights in adults and vulnerable groups as a key element to achieve SDG1. This indicator covers both urban and rural land.</td>
</tr>
<tr>
<td>SDG2: Zero hunger</td>
<td>2.3</td>
<td>n/a</td>
<td>Target 2.3 has a direct mentioned to equal access to land, a concept directly related to LTS. However, no indicator is proposed for measuring this access.</td>
</tr>
<tr>
<td>SDG5: Gender Equality</td>
<td>5.a</td>
<td>5.a.1</td>
<td>This target and corresponding indicator tracks the participation of women in land ownership, measured based on the LTS.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5.a.2</td>
<td>This indicator assesses the legal framework of countries to determine the level of equality related to land for women.</td>
</tr>
</tbody>
</table>
Some countries have used the private sector in meeting the LAS related SDGs.
Could land PPPs accelerate addressing land issues in LA?
As in other sectors, private sector involvement in land reform projects varies.

- Public
- Outsourcing
- Service Contracts
- Management, Contracts
- Concessions and Leasing
- Joint Ventures
- Full Privatisation
Even though worldwide there are many roles for the private sector in land administration...

<table>
<thead>
<tr>
<th>Government role</th>
<th>Full responsibility</th>
<th>Manages contracts</th>
<th>Delegates responsibilities</th>
<th>Overseen a concessionaire</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Private Sector Functions</strong></td>
<td>Surveying services</td>
<td>Provide legal and cadastral services</td>
<td>Custodian of information</td>
<td>Takes market risk</td>
</tr>
<tr>
<td></td>
<td>Supplier of IT equipment</td>
<td>Provides notary services and other certifications</td>
<td>Running ITC and front-office facilities</td>
<td>Drive innovation and investment to meet given KPIs</td>
</tr>
</tbody>
</table>

**Examples**
- Netherlands
- Thailand
- New Zealand
- Indonesia
- Dubai DLD
- Switzerland
- Philippines
- Canada
experiences have shown that key LAS functions are retained by the government
A preliminary risk analysis has been conducted.

**Benefits**

- Improve services
- Reduce time to register transaction
- Reduce corruption

- Increase financing of land administration
- Accelerate modernization programs
- Increase customer satisfaction
- Access to digital land data

- Market expansion and sustainability
- Long term business models
- New revenue streams

**Risk Analysis**

- **Citizens**
  - Risk identification
  - Mitigation

- **Government**
  - Risk Identification
  - Mitigation

- **Private Sector**
  - Risk Identification
  - Mitigation
For the citizens, the main risk is increases in transaction costs. The table below outlines the risk identification and mitigation strategies:

<table>
<thead>
<tr>
<th>Risk Identification</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased costs in land transactions</td>
<td>Market analysis and Value for Money (VfM) considerations as part of the PPP design</td>
</tr>
<tr>
<td>Limited community value on registering land</td>
<td>Introduce a communications and engagement component in the scope of the PPP contract</td>
</tr>
<tr>
<td>The land registration system is incomplete or lacks integrity</td>
<td>Include broadening land registration as part of the scope of the private sector in PPP contract</td>
</tr>
<tr>
<td>Excessive focus on technology/digitization rather than service delivery and public awareness</td>
<td>Tying payments under PPP contract to performance in service delivery using RBF techniques</td>
</tr>
<tr>
<td>Data privacy</td>
<td>Include data privacy and customer helpdesk requirement in PPP contract</td>
</tr>
<tr>
<td>The subsequent increase in title theft/fraud</td>
<td>Integrate performance standards in private sector obligations in PPP contract</td>
</tr>
</tbody>
</table>
Access to data and long-term sustainability are key risks for governments in land PPPs.

Government

- Will government have full access to digital data?
- What will happen to existing land registration staff?
- What if Private sector went bankruptcy?
- Who is responsible in case of cyber security?
- Limited PPP experiences
- No clear definition of roles and responsibilities

Risk identification

Mitigation

- Ensure contractual arrangements include data access
- Provide options for institutional reform and introduce training or change management for affected government staff
- Consider the participation of international financiers (e.g. IFC) to ensure financial sustainability
- Provide for clear KPIs for data security and contractual commitment to latest legislation and international regulations
- Ensure international advisors knowledge transfer
- Clarify all roles and responsibilities as part of the contract negotiation
In most land PPPs, revenues of the operator depends on the property market performance.
Dubai has created registration trustee offices

- In October 2012, the Dubai Land Department started licensing companies to act in its behalf and use its system for property registration, among other services.
- The parties have to present themselves at one of the registration trustee's office with an standard contract.
- Once the documentation is submitted, the trustee proceeds to register the new owner on the Dubai Land Department. The offices have access to the Land Department system and registration is completed on the spot within a couple of hours.
- Registration fee (processing):
  - AED 2,000 ~ USD550 (If the registered/transferred property value less than AED 500,000)
  - AED 4,000 ~ USD1100 (If the registered/transferred property value equal or more than AED 500,000)
## Could be Dubai model help others meet SDGs?

<table>
<thead>
<tr>
<th>Goal</th>
<th>Target Indicator</th>
<th>Relation to LTS</th>
<th>Ideas for SDGs</th>
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</thead>
<tbody>
<tr>
<td>SDG2:</td>
<td>2.3</td>
<td>n/a Target 2.3 equal access to land, a concept directly related to LTS.</td>
<td>Cross-subsides</td>
</tr>
<tr>
<td>Zero</td>
<td></td>
<td></td>
<td>Other sectors of the LAS (crop registration, mortgages)</td>
</tr>
<tr>
<td>hunger</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SDG5:</td>
<td>5.a.2</td>
<td>legal framework level of equality related to land for women</td>
<td>limited relevance</td>
</tr>
<tr>
<td>Gender</td>
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<tr>
<td>Equality</td>
<td></td>
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</tbody>
</table>
Three main strategies are proposed for directing land PPPs towards SDGs:

Strategy 1: involve the private sector in the area where it can best perform

Strategy 2: cross-service approaches

Strategy 3: Work with the trusted part of the private sector