

2. Land Administration & Land policy

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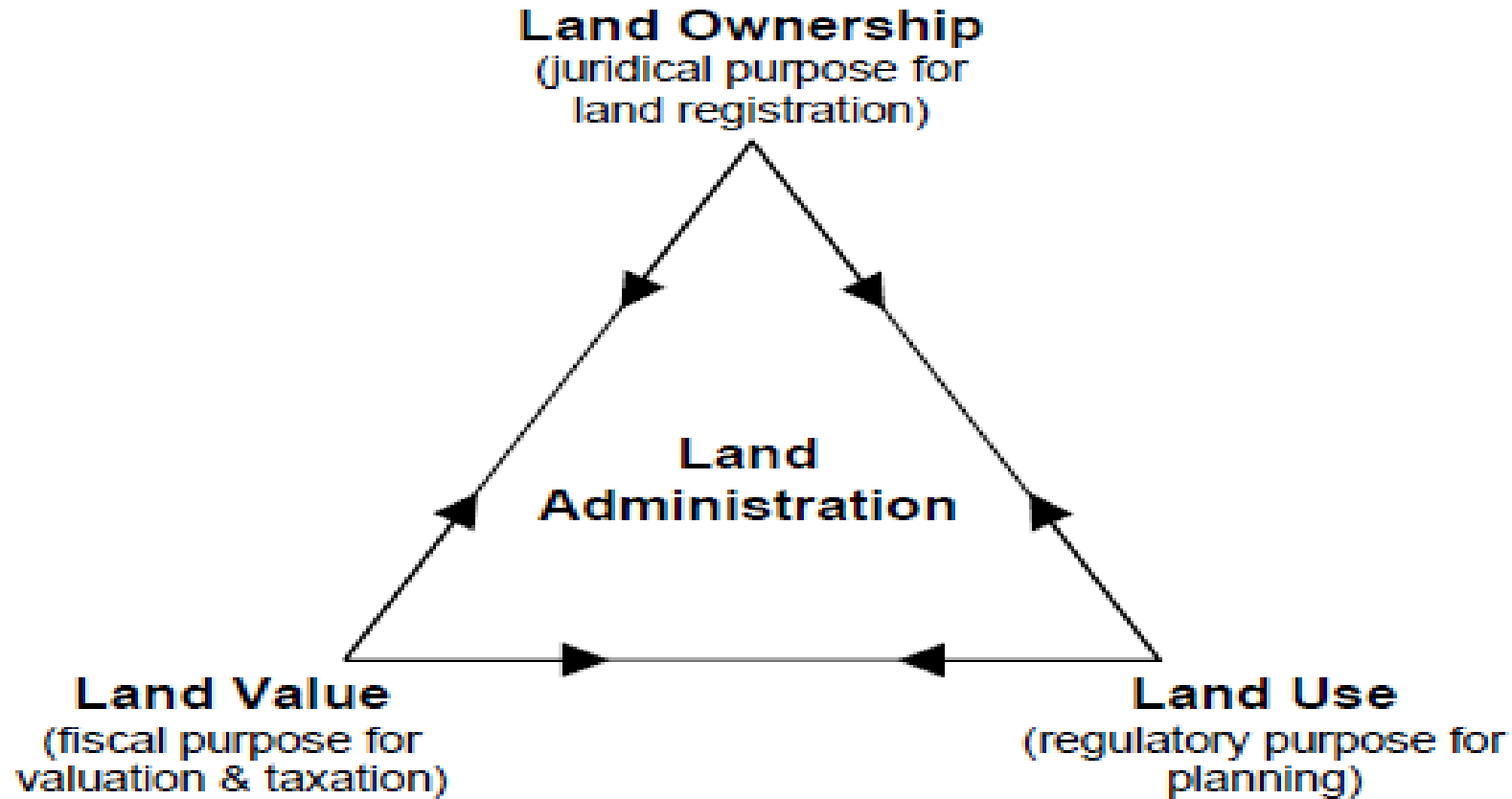
2.10 Land taxation

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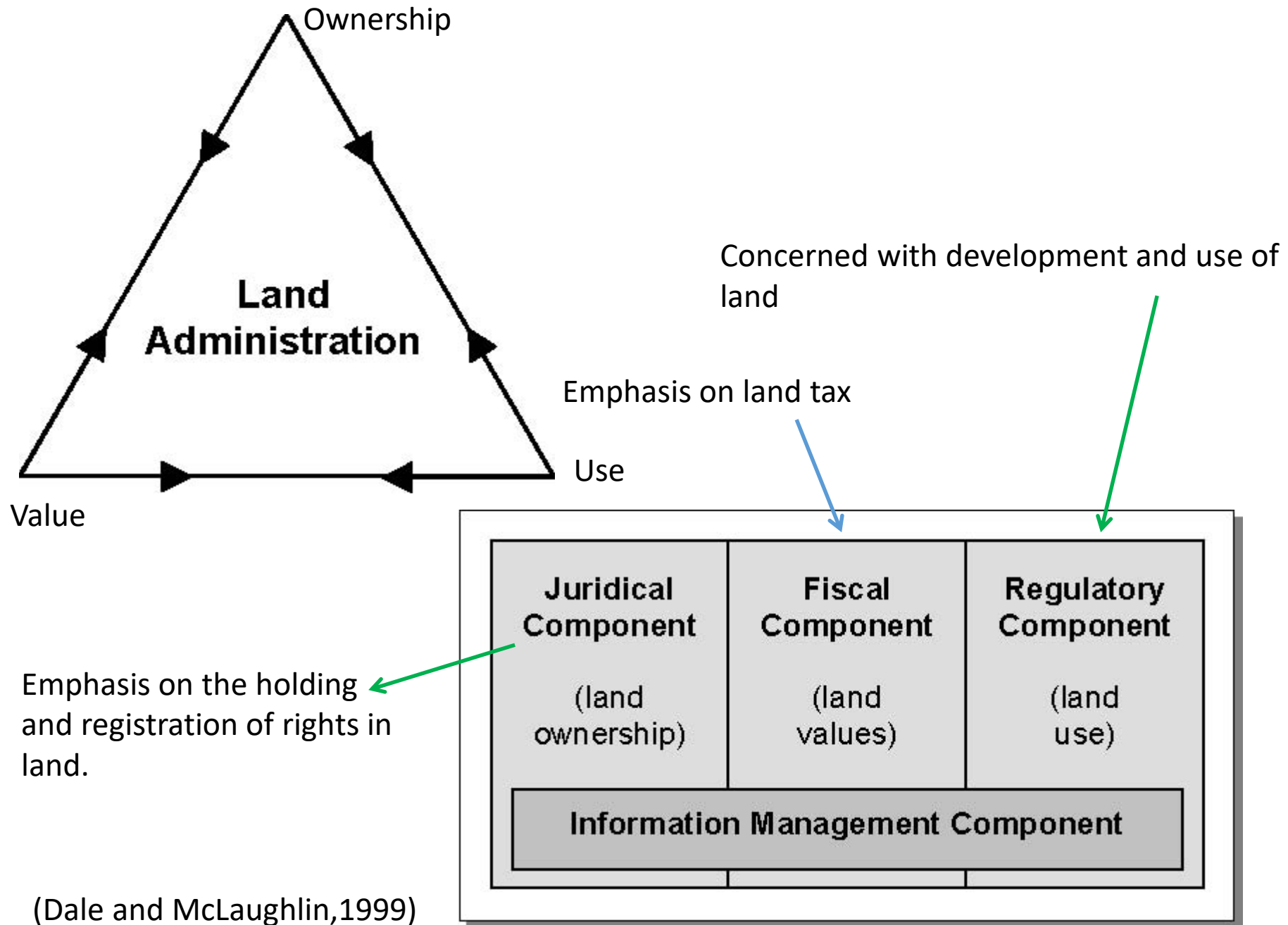
Defining Land Administration

- Land administration is the **process** of determining, recording & disseminating information about the ownership, value & use of land when implementing land management policy. (UN/ECE ,1996)
- **Process** of **regulating land and property development** and the use and conservation of the land, **gathering of revenue** from the land through **sales, leasing, and taxation** and the resolving of **conflicts concerning ownership** and use of the land. (Dale & McLaughlin, 1998)
- Land settlement(process of deciding which land are of state and which are of public and private), land survey, land registration, land valuation & assessment, land use control & management are **key activities**.
(UN/ECE ,1996)

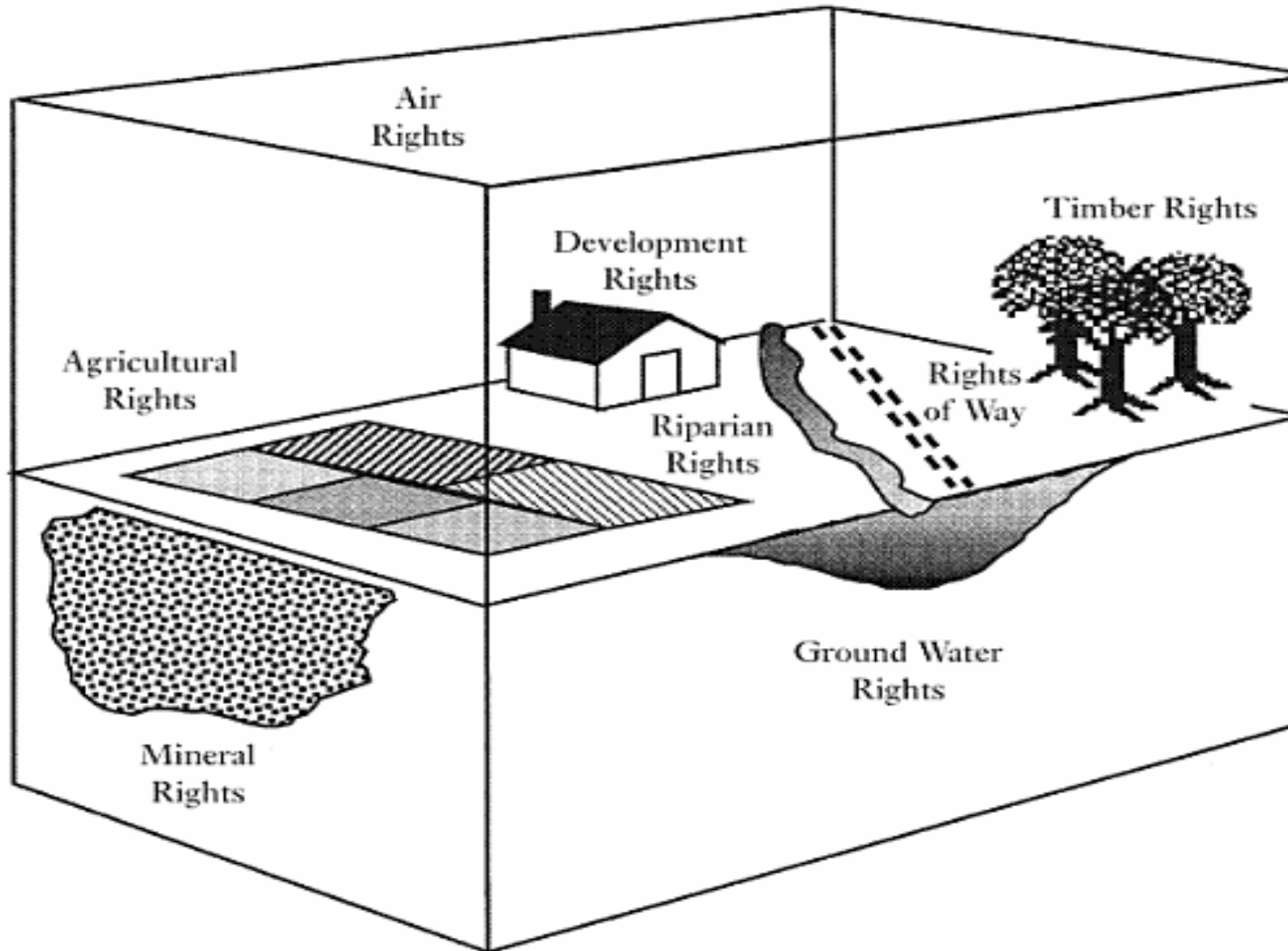
Key Attributes of Land Administration



(Dale and McLaughline)



Rights to be Addressed by Land Administration



- A riparian owner is the one who owns land along the bank of a river or lake or any other water body.
- And certain rights enjoyed connected to the land owned by a riparian owner, are called riparian rights
- Eg:
 - Right to use the bank or shore of a water bed
 - Access to and from the water
 - Building of structures
 - Swimming
 - Boating
 - Right to fishing
 - Right to navigation
 - Use of water
 - Protection from soil erosion
 - Drinking and for domestic purposes

Principles of Land Administration

1. Land Administration System (LAS)

- It is the infrastructure which facilitate the **implementation of land policies**, land management strategies
- It is the social, legal, economic and technical framework within which land managers and administrator must operate.
- Land Administrative System are concerned with mainly four administrative function of **Land Tenure, Land Value, Land use, and Land development**.

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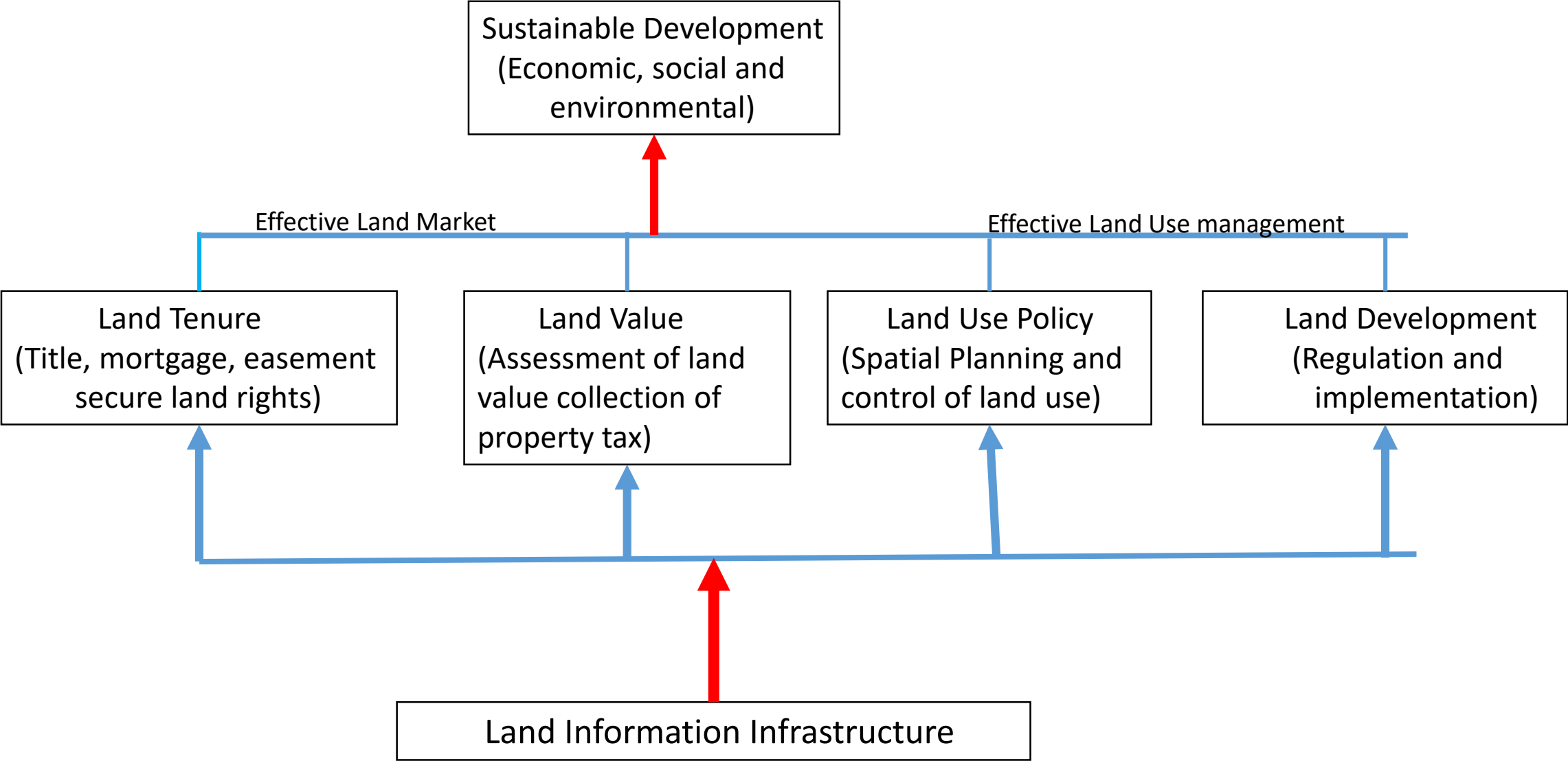


Fig : Effective Land administrative System

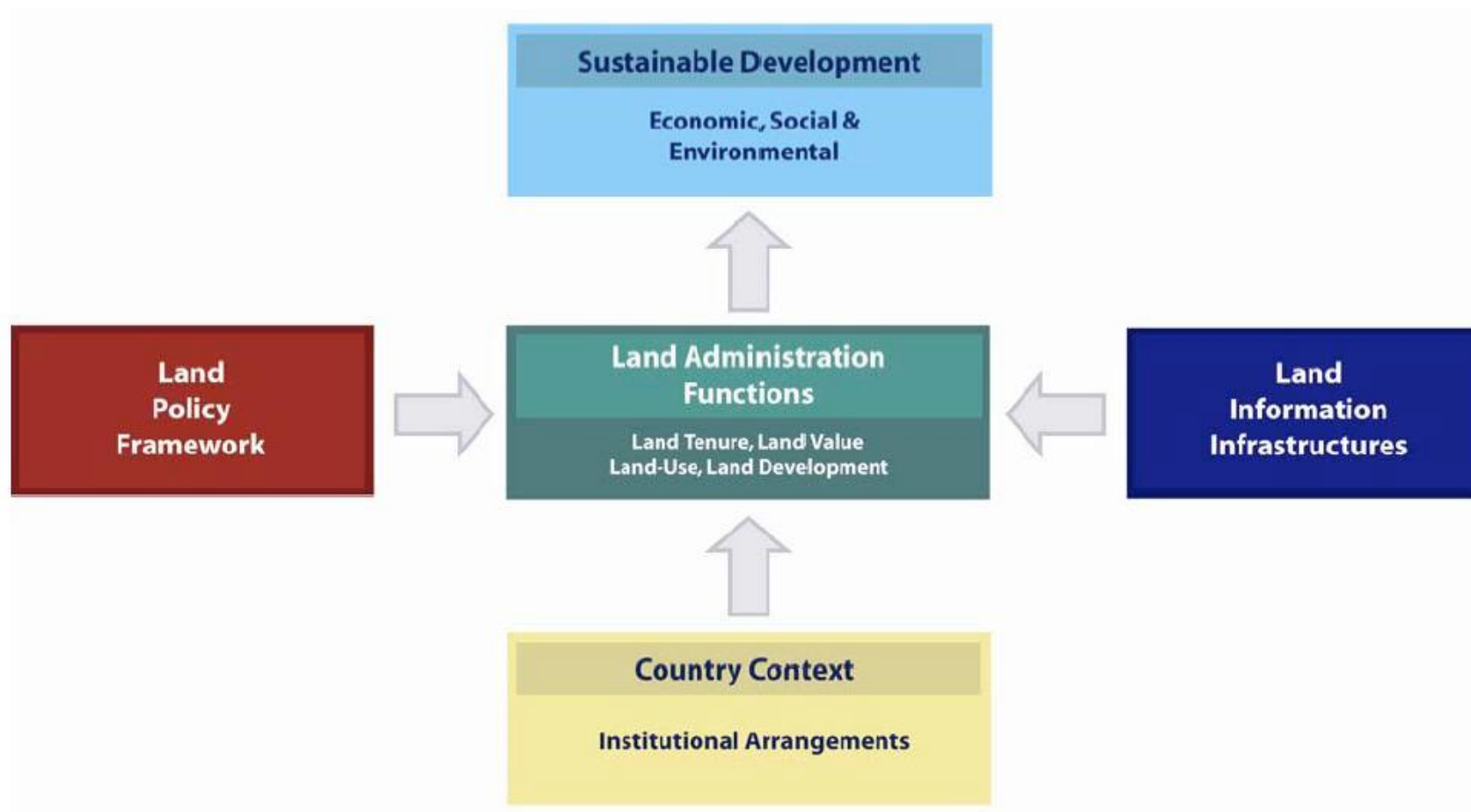
So what Good Land administrative system does????

1. Guarantee ownership and security of tenure
2. Support land and property taxation
3. Provide security for credit
4. Develop and monitor land markets
5. Protect State lands
6. Reduce land disputes
7. Facilitate land reform
8. Improve urban planning and infrastructure development
9. Support environmental management
10. Produce statistical data

Contd..

2. Land Management Paradigm (Model)

- conceptual framework for understanding and innovation in Land Administration



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3. People and Institutions

- Need of the people and institutions to meet the need transparently, effectively and efficiently

4. Rights, Restrictions and Responsibilities

- RRR of owners in terms of using land

5. Cadastre

- Core of any Land Administration System

6. Dynamism of LAS

- 4 dimension
 - a. Continual evolution of people-to-land relationships,
 - b. impact of Geo-ICT and globalization,
 - c. Information within the LAS
 - d. Change in the use of Land information.

7. Processes

- Processes of land administration system to manage change

8. Technology

- Opportunities offered by technology to improve efficiency and effectiveness of LAS

Principles of Land Administration

9. Spatial Data Infrastructure

10. Measures of Success

- measured by its ability to manage and administer land efficiently, effectively and at low cost

Land Rights

- Use Right
- Free Hold
- Right of Disposal
- Leasehold
- Mortgage
- Rent
- Share Cropping
- Tenancy etc..

[Freehold vs leasehold](#)

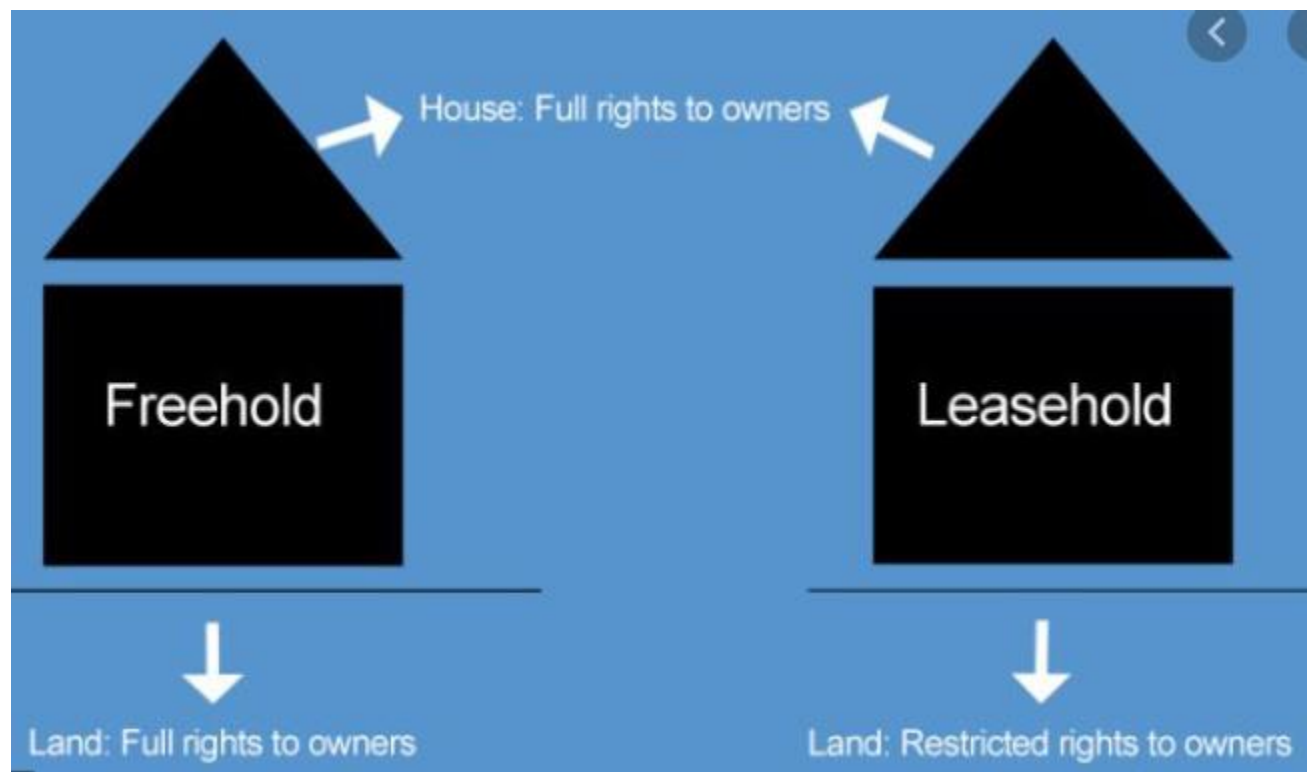


Use right

- Ownership and long-term leaseholds are the most important rights in land
- This right may be limited through public land-use regulations and restrictions, sectoral land-use provisions, and also various kinds of private land-use regulations such as easements and covenants
- Many land-use rights are therefore restrictions that control the possible future use of land.

Freehold vs. leasehold

Freehold	Leasehold
A free tenure, distinct from leasehold, in which the owner has the maximum rights permissible within the tenure system for indefinite duration	In leasehold, the owner has less right permissible in comparison to freehold Right is exercised for definite duration
When you have a freehold property, you will have full ownership of the building and the land it stands on.	A leasehold property is different, when you purchase the lease, which gives you exclusive right to occupy the property for the duration of the lease period (A lease is usually 99 years long but can be anything up to 999 years or even longer.) i.e Leasehold estates are for specific periods or periods that can be made specific (year to year).
	The property right created by a lease, which is a contract by a landlord (the lessor) giving exclusive possession to a tenant (the lessee) for an agreed amount of money for an agreed period of time.
The payment would be in bulk if the property is bought and after the transfer of ownership, there is no extra payment needed.	The payment at the time a property is leased would be extra if the lease period increases.
If a person has ownership over a property, he/she does not have to pay rents to anyone other than the tax-related to it.	For a leased property, there are different sorts of rents that are unavoidable such as ground rent, maintenance fees, and much more.



Contd...

❑ Leasehold (including rental arrangements)

- An owner (including the state) can allow a person or entity to have possession of land, an apartment, or even a room, for a specific time (fixed term) or a time that can be fixed (for life).
- The periods are variable, depending on the needs of the parties. The owner retains a reversion that entitles him or her to possession at the end of the term and, meanwhile, to rents or other services from the lessee.

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❑ Rent

- Rent refers to the mode of payment that is either done under Lease or under a small rental agreement between two parties
 - i.e. Landlord and Tenant for using a property for a small period.
- for short period of time
- involve regular payment for using the assests
- Flexible can be changed before the expiration of the agreement.
- extension depends on owners decision

Contd...



Fig : Sale by owner



Fig : Rent

What is Land Policy???

- Land management involves the implementation of fundamental policy decisions about the nature and extent of investments in the land
- It thus involves routine operational decisions made each day by land administrators such as surveyors, valuers, and land registrars.
- From an institutional perspective, land management includes the formulation of land policy, the legal framework, resource management, land administration arrangements, and land information management.

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“Land Policy consists of the complex legal and socio economic prescriptions that dictate how the land and the benefits from the land are to be allocated”

(page 47 Land Administration Guidelines, 1996)

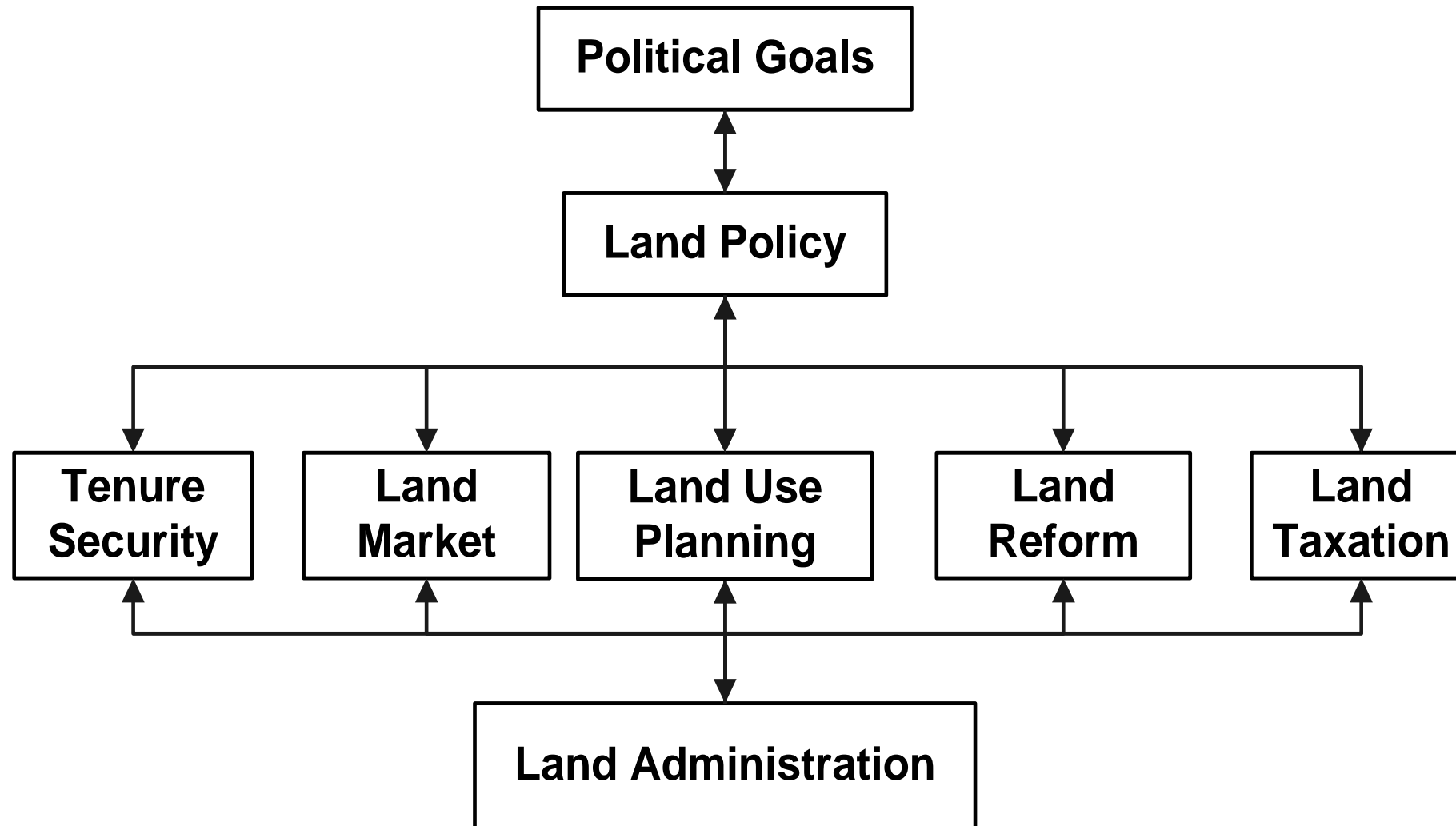
“The rules governing access to and the distribution of the benefits from one of the economy’s main assets”

(Page 178 Deininger 2003)

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- A balance must be struck between the exploitation, utilization and conservation of the land as a resource in order to obtain the necessary level of sustainable development for the survival of humankind.

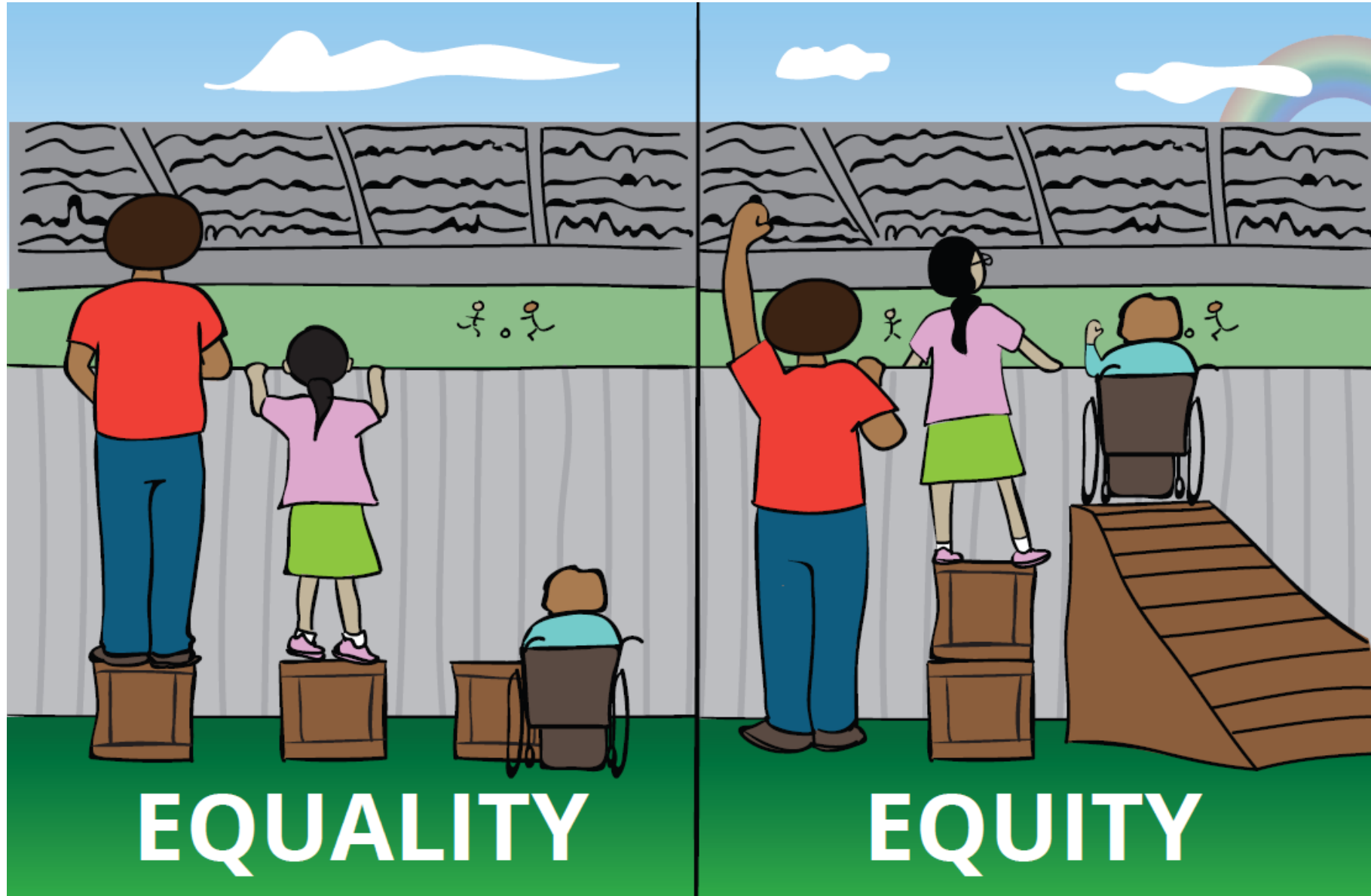
Land Policy in the Political Context



Need for a Land Policy?

- Land is a key-assets for the rural and urban people (especially economically poor people)
- Land provides a foundation for economic activity and the functioning of market- and non-market institutions (empowers households and government)
- Allocation of land and it's benefits influence economic growth and poverty eradication
- Control of land is a major source of political and economic power, so empowers the poor
- Systematic distortions of land and ethnicity leads to conflict and violence, so avoids social unrest
- Existence of multiple market-imperfections, so interventions necessary

???



Land Policy Principles

Land Policy Principles address the essential values, which the society seeks to promote and preserve. They include:

- a) Equitable access to land;
- b) Secure land ownership;
- c) Effective regulation of land development;
- d) Sustainable land use;
- e) Access to land information;
- f) Efficient land management;
- g) Vibrant or functional land markets; and
- h) Transparent and democratic administration of land.

SAVE TREE

Importance of land policy?

- Economic growth
 - investments, credit, productivity
- Poverty eradication
 - subsistence farming, market surplus, status
- Governance
 - democracy, decentralization, no conflicts, accountability
- Environmental Sustainability
 - effective land use, inclusion externalities, state land management

GEEP

Content of a land policy

- Increase property rights and legal security
- Market interventions for both sales- and rental markets
- Reduction transaction costs in the land market
- Reducing the scope of bureaucratic interventions
- Improving the climate for private investments
- Strengthening existing (local) institutions
- Ensure effective land use and bringing in line with social needs
- Help landless people through land redistribution

Nature of land policy

- Integration in broader development policy, because of its relation with other factor markets and regulatory frameworks
- Both short term improvements and structural adjustments, because of short term reduction of chronic poverty and long term growth
- Based on policy dialogue, because land is a highly political issue (cooperation from powerful vested interests)
- Backed by local capacity, because of warranting implementation

Land policy instrument

- Tenure security
- Land market
- Land use planning
- Land reform
- Land taxation

Land Reform

- Land reform is ‘the various processes involved in altering the pattern of land tenure’ (*determines who can use land, for how long and under what conditions.*) and land use of a specific area’ (Land Administration Guidelines, 1996, page 91).
- Land administration systems are to support those various processes and to register the status of land before, during and after the land reform process.
- Land reform involves the changing of laws, regulations or customs regarding land ownership

Types of land reform

- Land redistribution

‘Transferring larger **operational holdings** to those with little or no land ,such as wage laborers or the landless’



Fig : Land redistribution

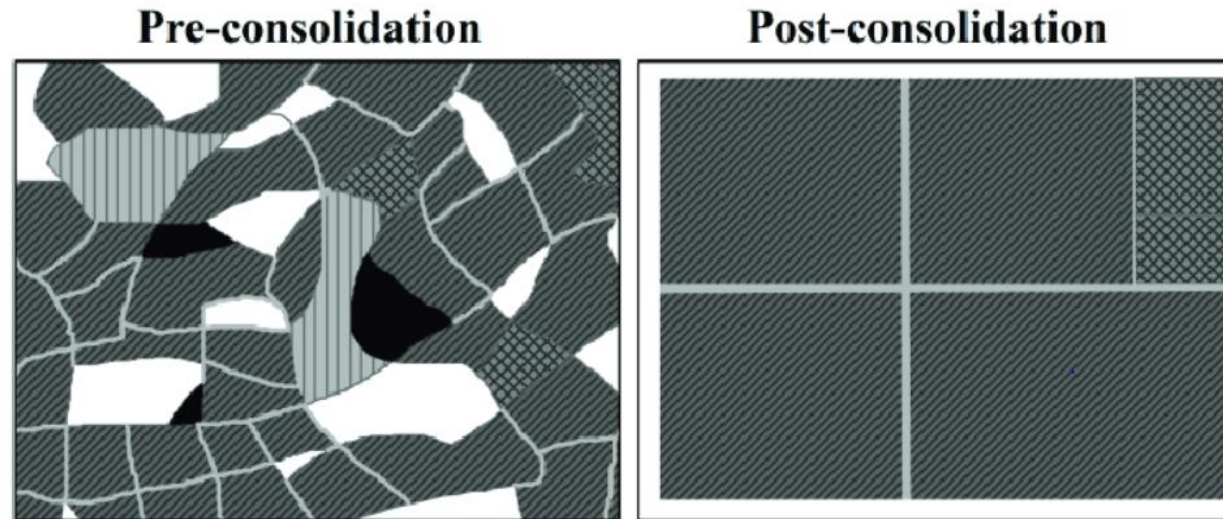
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- Land consolidation

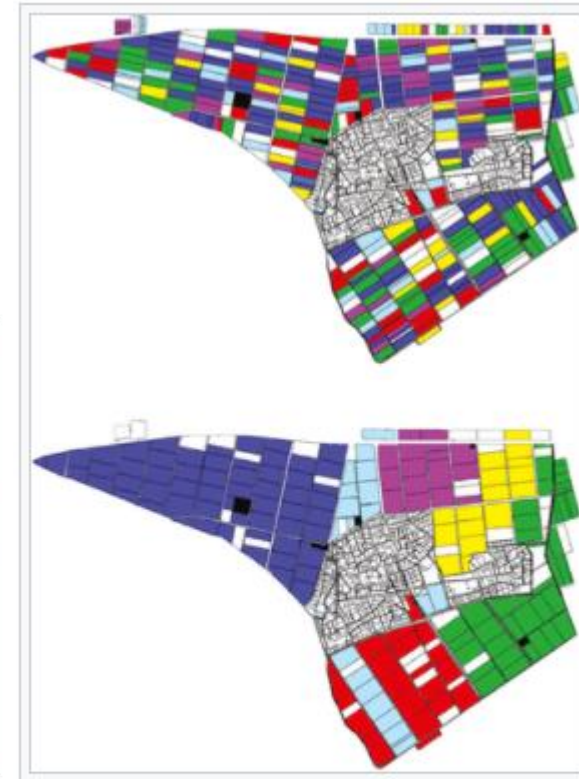
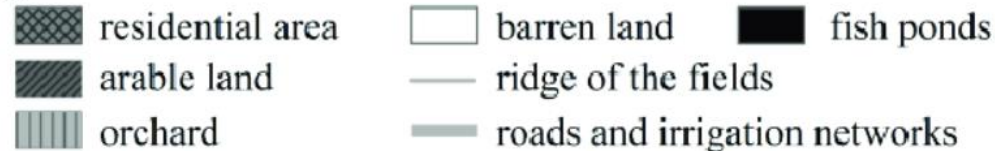
Land Consolidation is the re-allocation of farm land to make bigger farm units (Europe, Japan).



Land consolidation permits the more efficient use of mechanization, such as combine harvesters



Legend:



Map of a land consolidation process, with each color representing the holdings of different cultivators before (above image) and after (below image) the process

Fig :Land Consolidation

Types of Land reform

- **Land Restitution** is conversion of expropriated land back to former rightholders (central and eastern Europe, Southern Africa, Latin america).



Fig : Land restitution program in Paraguay



The people of Chengue celebrate their first fiestas patronales in more than 20 years. Photo: Nico Parkinson

Contd.....

- **Land tenure reform**

‘Reforming the terms on which an operational holdings is controlled and worked ,and is attentive to those aspects of tenure which are thought to affect incentives ,investment and efficiency’

- **Agrarian collectivization** is conversion of private farms into state farms (Mozambique, Angola, Ethiopia, central and eastern Europe).
- **Land Nationalization** is bringing land ownership under the State of President (some African countries, former central and eastern Europe, China, former Vietnam and Cambodia).
- **Land Fragmentation** is dividing larger portion of land into small parcel. It is the breaking up of areas of natural habitat(forest).

Land reform issue in Nepal

- Land rights advocacy and movement in Nepal defines land rights as establishment of the **rights of the actual tillers over the land**. Any person who possesses, or earns livelihood out of the land is entitled to acquire the ownership title over the land
- After the **downfall of Rana regime**, the concern was to bring back to **government** the **ownership the land unjustly distributed to elite families in the form of grants**
- **Forest Nationalization Act 1957**
- . Because of the exploitative policies of the state before 1950, a **large part of forest, mainly in Terai**, was given as grants to few families of the powerful groups

Contd...

- enactment of **Land Related Act 1964** and its implementation during the period of **Panchyaat System**

Table 3.1: Ceiling in land ownership as fixed in 1964.

Region	Agricultural lands	Residential lands	
		Urban areas	Rural areas
Terai and inner Terai regions (in bigha)	25	1	3
Kathmandu Valley (in Ropani)...	50	5	8
Hill regions (in Ropani)...	80	10	16

Table 3.2: Ceiling on tenancy as fixed in 1964

Region	Agricultural lands	Residential lands
Terai and inner Terai regions (in bigha)	4	–
Kathmandu Valley (in Ropani)...	10	
Hill regions (in Ropani)...	20	

Contd....

Table 3.3: Land obtained from land ceiling fixed by Land Act 1964.

Development Region	Districts	Acquired land (bigha)
Eastern	3	6322-1-15
Central	3	3185-2-1
Western	3	3518-11-8
Mid-western	3	31515-9-0
Far western	2	3263-19-16
Total	14	

Source: Hadbandi. CRSC (not dated)

- Until 1964, the **Zamindari system** of collecting the **land revenue** and allocating the land for cultivation was in practice. Under this system, the Zamindars (landlords) used to collect land revenue from other holders on behalf of the government. This system was also **abolished in 1964**.

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- Badal commission
- After abolishing the 'dual ownership' on land in 1996, government initiated 'land bank' policy, which is considered as 'market-led' land reform program, which aims to match 'willing sellers and willing buyers', and provides credit, payable in 15 years, to poor landless and marginal farmers to buy land. It was implemented since 2005. This was also supported by World Bank. But it was also not be able to address other fundamental land related problems such as tenancy rights of unregistered tenants or acquiring land above ceiling or land fragmentation, etc. After the 2006 political change, this program was formally stopped.

Other law associated to land affecting land reform

- Land Acquisition Act, 1977
 - acquiring private lands for the purpose of public use.
- Birta Abolition Act, 1959
 - abolished all individual rights on Birta forests and lands, and nationalized them without paying any compensation to the previous owners.
- Land Revenue Act, 1977
 - to collect effectively land revenues from the cultivable land
- Trust Corporation (Guthi) Act 1976
- Land Survey and Measurement Act, 1962
- Range Land(grasslands, shrublands, woodlands, wetlands) Nationalization Act, 1974
 - to nationalize the rangeland for the economic interest of the people of Nepal.

Contd....

- Agriculture Perspective Plan (1995-2015)
- Agricultural Policy 2004
- Note : also go through [Land Reform in Nepal by](#)

Land market

- What is a market? = any situation whether formal or informal where buyers and sellers are brought together to fix a price (based on demand and supply) at which goods and services can be exchanged.
- A market in rights to land
- Land Rights as a commodity

Which facilitators of the land market?

NPRBLV

- **Notary Public**: drawing up legal documents
- **Private conveyancers**: assisting buyers and sellers in making contract of sales
- **Real estate agents (*brokers*)**: bringing together supply and demand
- **Valuers, appraisers, assessors**: estimating the value of property
- **Banks**: providing credit
- **Land administrators**: providing land tenure security and land information

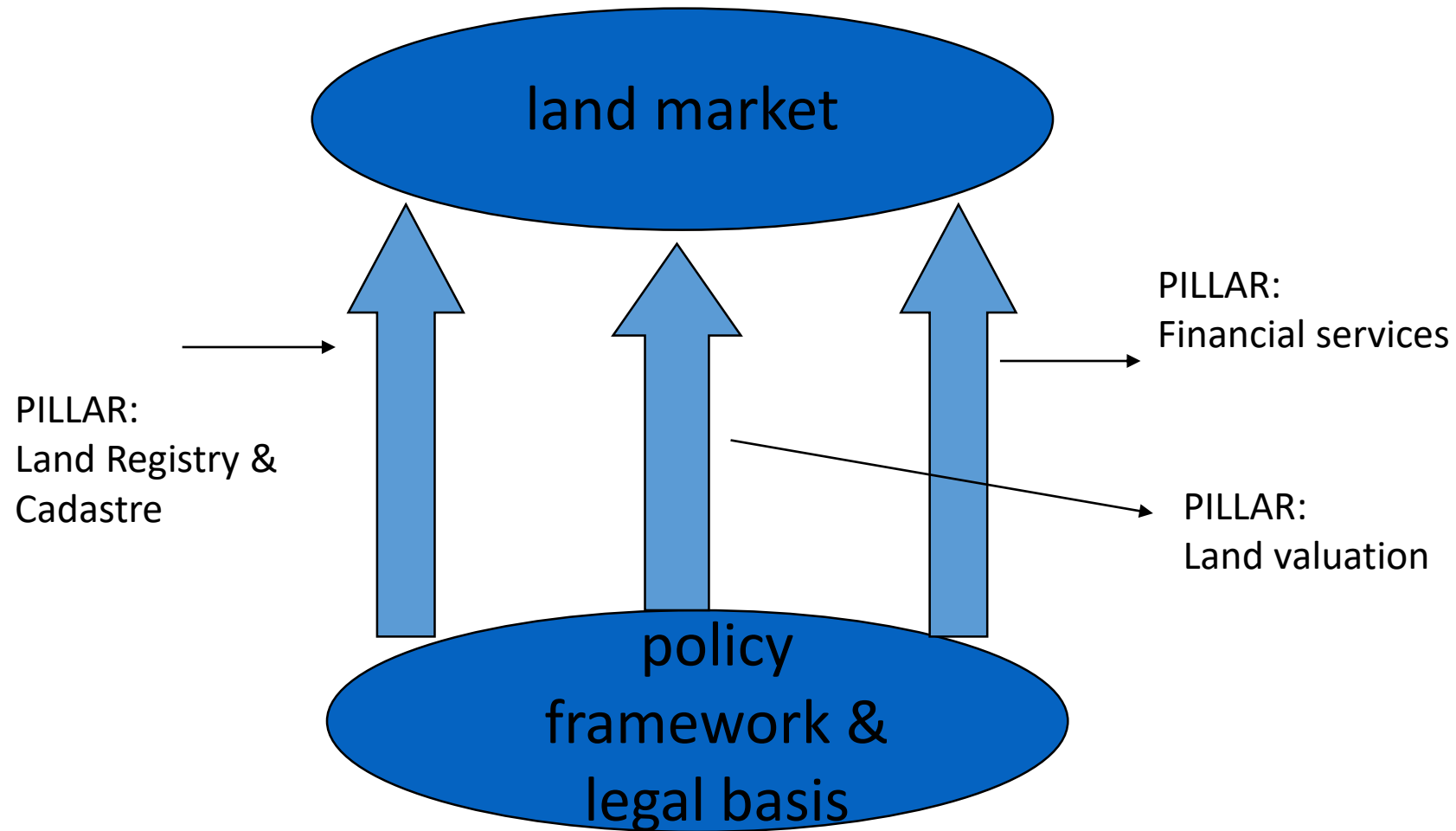
Which players in the land market?

- **Buyers and sellers:** supply and demand
- **Government**
 - market policy: restrictions, subsidy,
 - social housing: rental market
 - spatial planning: allocation
 - fiscal policy: taxation and tax deductibility
- **Housing corporations:** market rented houses
- **Real estate developers:** market property development

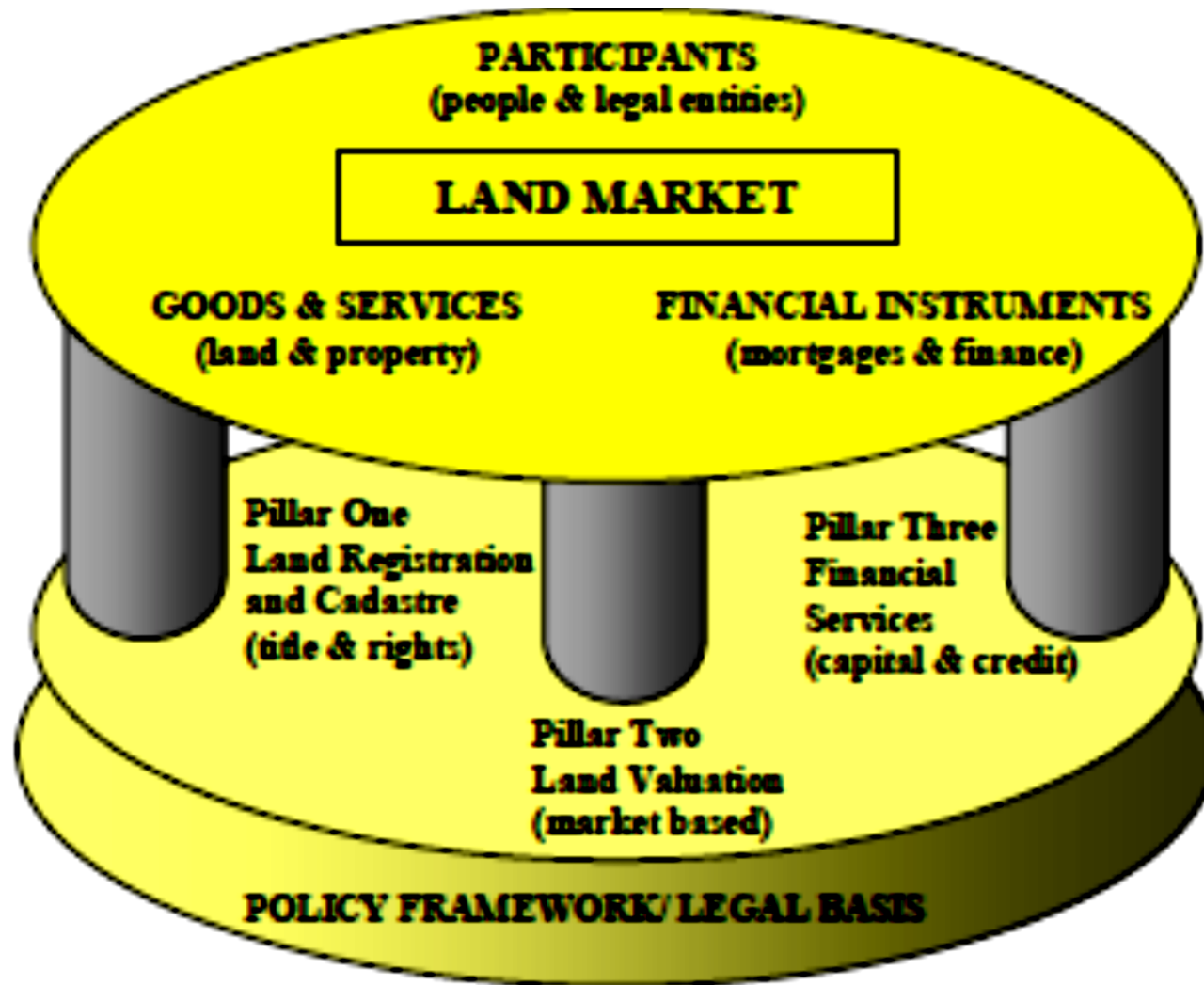
Land Market Imperfections

- Difficulty to prove evidence of ownership
- Unequal access to information
- High transaction costs
- Bureaucratic procedures
- Planning and public acquisition

Modelling the land market: three pillar model



Three Pillar Model



Three pillars of the land market

- Connection land and people (by land administration systems)
- Connection land and value (by estimating value of the asset)
- Connection money and people (by financial services)

The link between the land market and land administration

- Land administration one out of three pillars of the land market
 - sound legal basis for ownership and trading of property rights
 - legal structures in place, including inheritance
 - recording and registration systems are soundly implemented
 - land and buildings can be traded and leased easily
 - quality of land information data is good
- Land administration contributes to the other two pillars
 - supports valuation pillar (comparing market prices)
 - supports financial services pillar (securing mortgages, and taxation)