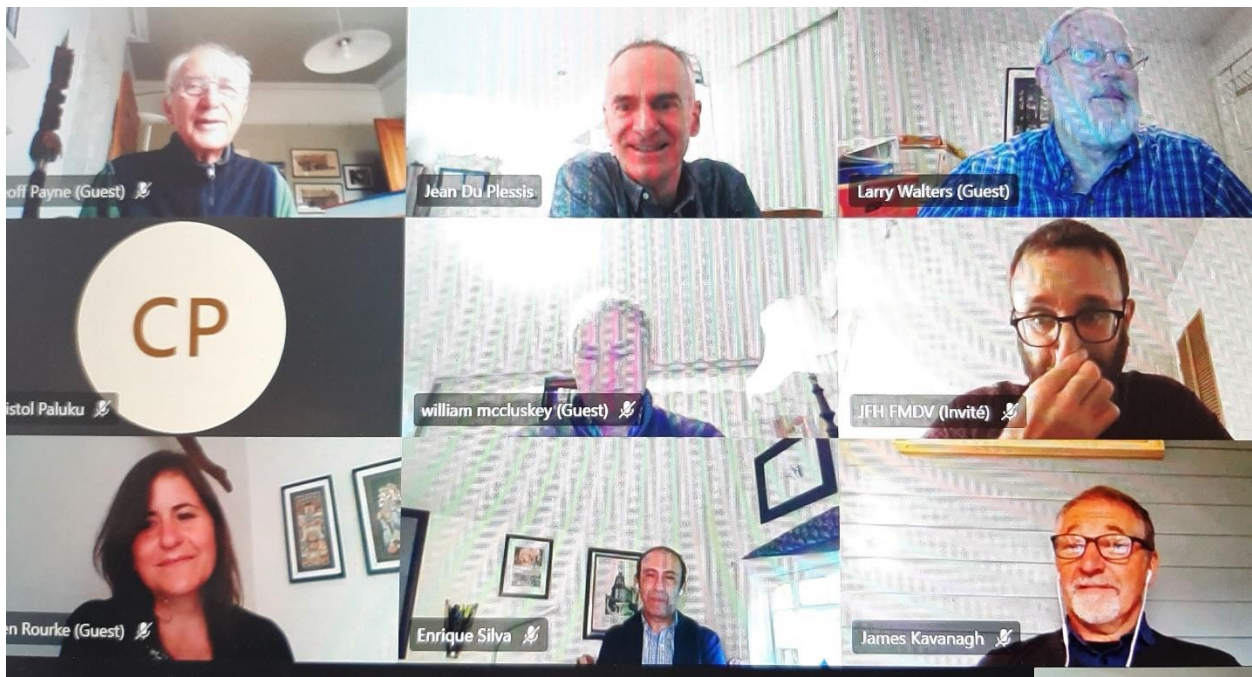


## REPORT ON SESSION 2:

# “Leveraging Land Initiatives by GLTN and UN-Habitat Partners: Purpose, Methods, Progress, and Lessons.”

**12 OCTOBER 2020**

GLTN AND UN-HABITAT LEARNING SERIES ON LEVERAGING LAND FOR DELIVERY OF SERVICES, BUILDING THE SOCIAL CONTRACT AND PROMOTING PEACE AND SECURITY



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## Introduction

On 12 October 2020, the Land, Housing and Shelter Section of UN-Habitat and the Global Land Tool Network (GLTN) Secretariat held the second of four learning sessions on the theme *Leveraging land for delivery of services, building the social contract and promoting peace and security*. The session titled *Leveraging Land Initiatives by GLTN and UN-Habitat Partners: Purpose, Methods, Progress, and Lessons* consisted of four presentations and facilitated discussion supplemented by sidebar questions and comments, followed by closing observations by the presenters and the discussant. The session was attended by 67 participants representing more than 15 institutions (see list of participants in Annex 1).

Before commencement of the session the moderator, Jean du Plessis, introduced the theme, purpose and learning objectives of the series (as given below), highlighting its importance in bringing together a network which can interact, share and collaborate on the issues of leveraging land for delivery of services, building the social contract and promoting peace and security. The sessions are intended to serve as first steps in a longer process of learning.

**Theme:** Leveraging land for delivery of services, building the social contract and promoting peace and security.

**Purpose:** To bring together partners, experts and implementers to learn about advances, good practice, innovations and challenges, and to create opportunities for collaboration.

**Learning objectives:**

1. To Increase knowledge of available land-based finance and land value capture tools, methods and approaches.
2. To enhance understanding of the social, economic and political challenges facing implementers.
3. To share case-specific information on ways of overcoming challenges and building good practice.
4. To formulate proposals for priority actions for improved impact.
5. To identify areas of potential collaboration.

Subject	Presenters	Date and time
1. <i>Leveraging land: Why, what, how?</i> <i>COMPLETED</i>	Larry Walters, Utah State Tax Commission, Rajul Awasthi, World Bank, Abigail Friendly, Utrecht University, Adi Kumar, Development Action Group	14 September 2020, 15h00 -17h00
2. <i>Leveraging Land Initiatives by GLTN and UN-Habitat Partners: Purpose, Methods, Progress, Lessons</i> <i>THIS REPORT</i>	Development Action Group, Lincoln Institute of Land Policy, RICS, Global Fund for Cities Development (FMDV)	12 October 2020, 15h00-17h00
3. <i>Strategies and Tools for Financing Affordable Housing and Participatory Slum Upgrading</i>	UN-Habitat Land, Housing and Shelter Section teams, independent specialist	9 November 2020, 15h00-17h00
4. <i>Leveraging Land For Peace, Security And Building The Social Contract</i>	UN-Habitat Somalia and Afghanistan country programmes, independent specialist	8 February 2021, 15h00-17h00

## Session 2 Programme

<b>SESSION 2: LEVERAGING LAND INITIATIVES BY GLTN PARTNERS:            PURPOSE, METHODS, PROGRESS, LESSONS            12 OCTOBER 2020, 15h00-17h00 (Nairobi time)</b>		
Moderator: Jean du Plessis, GLTN Secretariat, Land, Housing & Shelter Section, UN-Habitat Session discussant: Toril Pedersen, Norwegian Agency for Development Cooperation (Norad)		
Time	Topic / Activity	Process, Roles
15h00	Welcome remarks Agenda and process	- Robert Lewis-Lettington (3 min) - Moderator (7 min)
15h10	Presentation: <i>Effective due diligence for land professionals engaged in land and property valuation – implications for effective land-based financing</i>	James Kavanagh, Royal Institution of Chartered Surveyors - RICS (12 min) - All: questions and comments in meeting chat during presentation
15h22	Presentation: <i>Lincoln Institute’s work in land-based finance: Purpose, approach, example of success, lessons</i>	Enrique Silva, Lincoln Institute of Land Policy (12 min) - All: questions and comments in meeting chat during presentation
15h34	Presentation: <i>FMDV’s work in land-based finance: Purpose, approach, example of success, lessons</i>	Jean-François Habeau, Global Fund for Cities Development (FMDV) (12 min) - All: questions and comments in meeting chat during presentation
15h46	Presentation: <i>DAG’s work in land-based finance: Purpose, approach, example of success, lessons</i>	Helen Rourke, Development Action Group (12 min) - All: questions and comments in meeting chat during presentation
16h00	Key questions	Discussant, in dialogue with presenters (10 min)
16h10	Facilitated discussion	Moderator, all (30 min) - All: questions and comments in meeting chat during discussion
16h40	Concluding observations: <i>Key lessons, priority actions, areas of potential collaboration</i>	Speakers and discussant - All: final comments in meeting chat during discussion
17h00	Closing	Moderator

### Welcoming Remarks (Robert Lewis-Lettington, UN-Habitat)

Robert Lewis-Lettington, Chief of the Land, Housing and Shelter Section of UN-Habitat and Secretary of GLTN, welcomed the participants. He acknowledged the importance of Land-based Finance (LBF) for UN-Habitat. He remarked that the general question which always pervades him is how to pay for urban development; and particularly how to pay for a balanced and inclusive urban development. He observed

that LBF on its own will not solve the longstanding financing problems. However, he asserted that it is an important component of financing, both physically and in the socio-economic sense.

He said that the theme of the session, “purpose, approach, process, lessons”, raises fundamental questions to which there is need to have a deeper and more rounded conversation on the purpose of Land-based Finance, with a focus on the physical and social impacts that are intended to be achieved. In terms of approaches, he observed the need to assess different approaches, methods and tools, with the understanding that there is no single tool of Land-based Finance, or any uniform way of using those tools. Thus, it is important to look at a multiplicity of approaches and understand their advantages and disadvantages, and learn about ways they can be applied most effectively, depending on context.

Robert concluded that he looked forward to the discussion, which would help build on what has been achieved by partners and apply the knowledge shared. In this way, the learning series can strengthen a diverse community working on these issues. Finally, he thanked NORAD, SIDA, and others who have supported GLTN to make the learning series possible.

### Agenda and Process (Jean du Plessis, UN-Habitat)

Jean du Plessis as moderator thanked Robert for his remarks and his active support to the learning series. The intention behind the series is to help build a bottom-up network that can collaborate, sharing knowledge, tools and experience on Land-based Finance issues.

Jean informed participants that the proceedings were being recorded for reporting purposes. He explained the structure and facilitation approach of the session, which was deliberately limited to a maximum of two hours to avoid Webinar fatigue. Thus, he encouraged precision and conciseness during presentations and interventions. He hoped that would be the beginning of longer conversations, rather than the moment where everything has to be said. He promised strict time keeping presenters to maximize their time allocations to allow room for proper discussions.

To help maximise the learning process, the role of the discussant would include reviewing key questions and observations from the participants as shared in the chat facility, and to include a selection of those in her interaction with the speakers. He encouraged participants to make maximum use of the chat facility to ask questions, state their views and debate with others. After the open discussion slot, the speakers would have two minutes to sum up, and the discussant will share her impression and be requested to submit her notes for record.

Finally, Jean welcomed all participants and partners and expressed his delight at having on board all presenters from various institutions. He noted that all the speakers’ bios were given on the programme, so their introductions would be brief. He then introduced James Kavanagh from the Royal Institute of Chartered Surveyors as the first presenter.

## First presentation: Unregistered Land Valuation, Land Acquisition and Due Diligence (James Kavanagh, Royal Institution of Chartered Surveyors - RICS)

James Kavanagh introduced his presentation by highlighting challenges identified during the previous (first) learning session, reflecting nuances of and difficulties around valuation which need to be better understood by the wider land (UN and World Bank) community. His presentation would focus on ongoing work within GLTN including the partners' initiative between RICS and FIG Commission 9, and other projects such as the publication *Valuation of Unregistered Land – A Policy Guide*.<sup>1</sup>

James referred to the Land Matrix website's public database on land deals<sup>2</sup>, specifically highlighting the nature and size as well as patterns of large-scale land acquisitions globally. One can see that there is an enormous amount of land within that process of exchange and acquisition. The fundamental underlying challenges revolve around the question of value: how is it determined and measured, how does it take contextual factors into consideration, what basis of value is used (e.g. market value or other types), what are the appropriate kinds and levels of compensation when people are removed from their land (in term of payment or alternative land elsewhere). Many of the cases go to court and enormous amounts of funding is held up at land disputes globally and that comes down to a misunderstanding or non-information on tenure security or legitimate ownership and their connection to value.

The Voluntary Guidelines (VGGT) is a fundamental framework for actions taken from a due diligence and best practice point of view as land professionals. The concept of valuation and land acquisition within the VGGT were the most 'argued-over' sections of the document. Recently, RICS and other professional surveying organizations globally including umbrella bodies such as FIG are looking at how to put together a land measurement standard. Thus, looking at the fundamental building blocks and information required to enable effective transfer of property and land. This was connected to the LBF output and FIG land sustainable taxation elements.

These issues gravitate to the connectivity to valuation as such assets are valued using international standards such as the International Valuation Standards (IVS).<sup>3</sup> Both the professional confidence and levels of scrutiny of such standards still need to be held within this concept of a global understanding of ethics such as the Voluntary Guidelines. RICS has been working on a number of these international standards such as the one on property measurements, construction and land. About land, the focus is on the type of information that a functional land administration system needs to provide to enable a functioning land market. It is worth mentioning that it is often confusing how land markets are connected to political or certain kind of economic systems and how professional valuers read the market.

70% of land globally is held informally. Hence, it is not within a digital land administration/ registration system. There is not much work done in this area because of the difficulties presented. Nevertheless, people buy and sell property globally without regard to international standards. James alluded to RICS'

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<sup>1</sup> <https://gltn.net/download/valuation-of-unregistered-lands-a-policy-guide/?wpdmdl=12325&ind=0>

<sup>2</sup> <https://landmatrix.org/>

<sup>3</sup> <https://www.ivsc.org/standards/international-valuation-standards/IVS>

research which sought to create the connectivity between IVS and the different outputs -Valuation of Unregistered Land by GLTN, RICS research that focussed on Ghana, Indonesia and Peru and, and the Valuation of Land Tenure Rights by FAO. An expert working group was created (and is part of the GLTN partners' initiative) and is currently at the pre-consultation format.

A research on unregistered land found that many of the valuation methods presented in many publications were not in place practically. Hence, practitioners were using inappropriate methodologies. Also, valuation of unregistered land tends to be lower than registered land, partially due to tenure security issues. The basis of land value in this document is to move beyond the western concept of market value by looking at more pluralistic concepts of valuation not only market value but also use value, socio-economic, political, cultural and natural values.

To conclude, James observed that pluralism within land valuation is a challenging area but one that is needed to adapt land markets to local contexts. Going beyond market value. Hence, taking into consideration the weight of some socio-cultural values is something we need to get the grips with. Finally, he emphasised that valuation is a fundamental building block of LBF and the sharp edge for assessing valuation and local knowledge of people on the ground.

## Second presentation: Lincoln Institute and Land-based Financing: Purpose, Approach, Example of Success, Lessons (Enrique Silva, Lincoln Institute of Land Policy)

Enrique Silva said his presentation would focus on the Land Value Capture (LVC), which has been the core work of the Lincoln Institute, particularly in the past 25 years, since the institute launched its programme in Latin America. Over the course of these years most of the work involved tackling barriers (ignorance, ideology, interests, and inertia) to promoting LBF, particularly LVC.

To tackle these four challenges, the institute has been working to elevate the relevance of LVC by finding alternative forms of financing and to raise the awareness among local and national governments about how many opportunities are lost due to lack of mechanisms to recover the increments generated by public action. The approach argues for why LVC should be used, as a new source of revenue to finance critical infrastructure, while allowing for more equitable redistribution of costs and benefits of urbanisation. This can be done as most national constitutions and legal systems allow for some form of LVC, and its implementation is usually technically feasible. This is a constant effort to work through the ignorance and ideological barriers to promote LVC, particularly the sanctity of private property and how it limits public action. Much of the above-mentioned challenges can be tied to the opacity or complexity of the tools and legislation that try to promote and implement LVC. These challenges are inherently linked to land market dynamics and valuations, which the institute seeks to improve.

Most of the work done by the institute is in collecting and documenting instruments on LVC to demonstrate notable practices in LVC and LBF to primarily show an audience of public officials, who has been doing what and how successful they have been, from small cases to major national legislative cases. Through the work done, the institute has shown that, options are available to different jurisdictions to fit

multiple contexts, as well as placing LVC in the context of property tax and demonstrating ways in which they work together and that they are necessarily at odds with one another. One of the biggest achievements of the institute lately is highlighting, documenting and disseminating successful cases like the Sao Paulo, Brazil case. Currently, the institute just finished a professional development course showcasing and explaining the 30-year history in Brazil on LVC and how the city got to the basic FAR (Free Asset Ratio) and how that is used to leverage the raising of funds through the sale of development rights. The institute also has professional development courses currently on the 17<sup>th</sup> cycle of 40 hour/week courses reaching about 600 students. The institute is working to create communities of practice among planning directors in Latin America to get them to work with one another on understanding the relationship between planning, LBF and the opportunities that they have to leverage LVC. The institute has strengthened partnerships and has been thinking about new partnerships to elevate its work. The institute has gone beyond Latin America. In terms of success, there is a growing number of cities implementing LVC from North America to Latin America and to Europe.

Finally, the institute completed a Request for Research Proposal for its first global research campaign on approaches to LVC that provides a rich sense of the range and issues that local communities have been tackling in regards to LVC application. Moreover, the Institute has partnered with OECD in the development of a global land value capture compendium. The initiative will provide a sense of the range of LVC tools that are being applied, the context and the issues that arise. The Institute is also considering promoting the relevance of LVC in the US. This is mainly around the issues of *takings* and whether it is constitutional or not for local governments to the extent to which they can apply the sale of development rights to generate revenues for municipalities and also to mandate policies such as inclusionary housing.

To conclude, the question for Enrique is to what extent we tackle the four above-mentioned challenges in promoting LVC: ignorance, ideology, inertia, and interests. Finally, other than the importance of valuation, there needs to be consideration for COVID-19 and its impact on LVC and LBF.

### Third presentation: FMDV's Work in Land-based Finance: Purpose, Approach, Example of Success, and Lessons (Jean-François Habeau, Global Fund for Cities Development)

Jean-François Habeau introduced FMDV - a global network of cities dedicated to promote and develop solutions to finance and invest in urban development. In the past years FMDV worked with 1,500 local governments from more than 100 countries and recently launched activities around LBF, such as trainings by introducing the concept of LBF in collaboration with GLTN. In the year 2021 FMDV intends to organize a workshop in Uganda and will commence work in West Africa.

The presentation focused on FMDV's work around Community Land Trust (CLT- a non-profit organization that functions on a partnership-based governance structure between different stakeholders that acquire and manage land resources perpetually). CLT is based on three founding principles:

- Community organization – with a collaborative model
- Land ownership – with a collective ownership
- Trust operation – with perpetual control of assets



CLT is based on democratic management and is community driven. The principle is to withdraw land from a speculative market, through a dissociation of land and building ownership. This is to preserve affordability, maintenance, quality, and demographic targets. It is organized through dedicative mechanisms such as trust, long-term ground lease, allocation, etc. CLT are able to capture and redistribute land value and enable long term impact of public subsidies and access to home ownership for the lower- and middle-income classes.

FMDV has been engaged to promote the CLT model since 2015 within the Habitat III process which was integrated within the NUA as a tool to accelerate the financing models for affordable housing. This led to the launch of a 3M Euro programme *Sustainable Housing for Inclusive and Cohesive Cities* (SHICC) in Europe. SHICC is a three-year programme supported by the EU with an extension period running from September 2017 to September 2021. The programme is led by 6 inception partners and 4 new partners who joined as part of the extension. The CLT partners are from: London, Brussels, Lille, Gent, Germany, Ireland and Netherlands. The programme is based on three objectives:

- Recognition of the legitimacy of the model as a mainstream option for housing supply and urban renewal;
- Establishment of a favorable financial and legislative environment;
- The development of a structured CLT movement into Europe.

Some successful examples include communities in London and Brussels who achieved construction of housing. Additionally, the following project results were achieved:

- Strengthening of four pilot CLT programmes in London, Brussels, Gent, and Lille, which saw the building of housing in some of these cities and supported the operationalization of CLTs.
- An improvement of the financial environment through an FMDV-organized diagnostic phase, with a mapping of 600 resources of funding available for CLTs. FMDV developed 6 financial model case studies and compiled a financial guide, shedding light on 15 innovative instruments, and finally went through an operational phase facilitating pre-feasibility studies.
- Launched a Start-up Fund at EU level, which mobilized 100 technical experts to provide support to communities to formulate the programme, supporting 35 CLTs to organize and formulate their project.
- Capacity Building through organizing 6 peer-to-peer events which convened around 300 people, and saw the establishment of an online platform to share the resources.
- On a Long-term basis FMDV intends to develop 500 CLTs which represent 7000 homes for 21,000 people.

In terms of next steps for SHICC, FMDV will:

- Contribute to enlargement of the structuring of a European CLT network to reinforce the pilots, widen partnership, and formalize a collective entity at EU level.
- Continue local, national and European advocacy to upscale recognition of CLT as a LBF model for affordable and social housing. A European political conference is scheduled to be held on 4 December 2020 in Brussels.

- Undertake a feasibility study on the creation of funding mechanisms to support local communities that will have CLT projects for their housing. The study is currently under development and will seek to explore the market to find out ways of developing the pipeline of projects at EU level to connect the demand and supply sides in terms of investment.

In conclusion, FMDV believes that these models that were initiated in the US and now introduced in Europe could be explored in other regions, which could be a contribution of FMDV to the global efforts on LBF. FMDV is also interested to introduce the concept of LBF at a broader level with different partners (including those present in this session) during trainings or workshops to sensitize national and local stakeholders on what could be done through which models and the impacts of those models on financing urban development.

### Fourth presentation: DAG's Work in Land-based Finance: Purpose, Approach, Example of Success and Lessons (Helen Rourke, Development Action Group)

Helen Rourke introduced Development Action Group as a Cape Town based NGO, which has been working on LVC since 2006. The presentation showcased some lessons, reflections and country-level trends in the last 8 months as DAG scaled up national operations on LVC in South Africa. DAG regards LVC as both a concept and as tools whereby unearned value increments on private property resulting from 'community effort' are recouped by the public sector either through their conversion into public revenues or more directly through on-site land improvements for the benefit of the community.

DAG is interested in LVC for two reasons:

- South Africa is at a point in time where urban land management is at the centre of discussions around achieving equitable and sustainable cities.
- South Africa is facing a challenge on how best to finance infrastructure and investment-led growth considering the financial constraints. Direct national grants to municipalities for public infrastructure have been declining over the last six years and the trend is set to worsen in the post COVID era.

The right moment to galvanize the interest of LVC in South Africa was in 2017 when social movements started to grapple with the concept of LVC, particularly in the context of high-rise development in the city of Cape Town. The argument was that in the spatial land use management act of 2015, one of the requirements was spatial justice. Thus, any new development planning application that was set forward, particularly when developers were requesting additional development rights, demonstration of spatial justice was a pre-requisite. The question is how are they then leveraging this? This is not only a requirement for the private sector to provide additional units of affordable housing but in fact that this requirement is then something, which is conditioned at the point of planning application. As developers were coming into the municipal planning tribunal requesting additional FAR, departures, parking reductions those all had value which in this case social movements requested to condition these for the provision of inclusionary housing.

When DAG first convened a dialogue series with a group of LVC experts and civil society organizations in 2018, it was an opportune moment to start a much bigger conversation around an inclusionary housing policy for Cape Town, in which LVC could be leveraged as a basis. This resulted in the city of Cape Town signing off for the development of an inclusionary housing concept. Technical feasibility studies on the inclusionary housing policy are currently underway.

Then DAG was approached by the National Treasury City Support Programme to partner with Lincoln Institute to scale-up the work at national level. The main objective of the programme is to capacitate South African local governments particularly the metros to efficiently and effectively implement innovative LVC tools and strategies to enhance the much-needed revenue to increase delivery of social investment and achieve the spatial transformation agenda. DAG is currently working in 3 metros: Cape Town, Durban, and Johannesburg in the following programmatic areas:

- Evidence-based Research
- Technical Support
- Community of Practice
- Internship Programme

Over the last 3 years, DAG has witnessed a shift from using LVC simply to securing additional financial resources, to using LVC instruments in a strategic way to drive spatial transformation. DAG has also been very much aware of the need to institutionalize LVC to which political support, transversal alignment (need for an intersection between planning, finance, legal, and housing), and strengthening capabilities is critical. Moreover, the work is highly relational in building consensus around divergent stakeholders. This means getting activists, developers and officials around the same table (ex. Dialogue Series). Trust and maintaining good working relationships, momentum and interest is also equally important.

To conclude LVC can be very complex not only the instruments but the process and the strategies that are required to embed these require much support.

## Key Questions: Discussant, in dialogue with presenters (Toril-Iren Pedersen, NORAD)

The discussant, Toril-Iren Pedersen, acknowledged that the presentation topics were diverse and observed that during the presentations, thought-provoking comments, questions and discussions had been shared by participants in the chat-box. She clustered the questions and issues arising as follows:

She began by reflecting on the processes needed to achieve Land Value Capture, which is highly relational and requires political will. Particularly, participants had highlighted how different forms of valuations need to be considered, such as market, political, environmental, social, and cultural values to adapt valuation principles to specific contexts and needs. Furthermore, valuation using other attributes rather than merely market value and bringing different perspectives from land users, public and private actors to discuss different approaches to valuation is essential to promote effective use of LVC.

On these aspects James Kavanagh mentioned that understanding and putting into practice a pluralistic form of valuation is important. The context and other social/cultural/economic elements within which

unregistered land is held, and need to be taken into consideration in the land market. By so doing, it also allows people to be more engaged in the process. Land valuers or land professionals should be more engaged in the process and to understand such wider concepts and the pluralistic nature of valuation. These are still evolving areas where Westernized concepts and values of economics need to adapt to the context of emerging markets. He advocated the need for a broadening of the philosophy behind valuation and how it works.

Enrique Silva raised the importance of the relational aspects and partnerships needed to promote Land Value Capture by emphasizing the depth of relational LVC programmes. He mentioned that the dialogue series that Helen Rourke presented is not only relational in a locality but across jurisdictions and countries. The work in South Africa originated from a self-self-relationship to get people together. It was not only about getting the different interests from different levels together but also to document what was said so that there is an ongoing memory and history of the different issues and how those issues and interests evolve over time. For example, a project in San Juan, Puerto Rico on Community Land Trusts in an informal settlement started through an exchange between the CLT and community-based groups to discuss the degree to which CLTs can be applicable in the favelas. This dialogue was organized with key stakeholders and grassroots movements to identify synergies. This current learning series on Land-based Finance, is a first step towards building such relational aspects and getting the different interests to discuss these. Through such exchanges local government officials should be involved and need to have a sense that they have the support to take the leap if they want to adopt these initiatives.

Helen Rourke reiterated the relational aspects of promoting LVC with stakeholders, particularly local governments, in which there has been an obsession on identifying the “best tools” for LVC. The focus has, instead, been shifted from *the tool* to how value is created, captured and invested. DAG does that by identifying and looking at missed opportunities. On the property tax system and how it compares to LVC, LVC is different particularly as it involves leveraging the additional development rights awarded through the land use planning scheme. Cape Town is increasingly recognizing that those rights have value, the question therefore is whether the charge is an annual fee or an on/off-site contribution(s) for affordable housing.

Ono the challenge of keeping a strong leadership/management when there is a generational transfer within the CLTs, Jean-Francois Habeau undertook to enquire from his colleague following the programme. In the context of the Europe, CLTs are still in the first generational leadership cycle, except for the UK. To manage the generational transfer of leadership, CLT modalities need to be well designed to ensure strong transfer of power. He will provide a more comprehensive answer to that question by email.

## Open Discussion, Facilitated by the Moderator

The remarks and responses from this session are summarised below:

**Observation:** Should value capture be extended to other contexts where there is no market or where the markets are not formal? In most places people are still grappling with very basic challenges of introducing it in formal markets. Why then push this narrative to contexts with an absence of formal markets? Should the focus not first be on introducing LVC where land markets have been formalised and where the government have some sort of presence in leveraging land for collecting revenue?

**Discussion:** In some of the recent discussions, it has been acknowledged that in many situations the real action happens in areas of transition, particularly where rural becomes urban. This is for example a big issue in most cities in sub-Saharan Africa as there is often intersection between customary and statutory boundaries. It is not always clear what “formal” means in such contexts, yet there are ample opportunities for leveraging land to finance development.

As important actors in LVC processes, valuers in most developing countries prefer to work in urban settings. At the urban-rural interface where land is under customary jurisdiction or other non-statutory arrangement, it appears that opportunities are unavailable based on the contemporary approaches of LVC. This is because the idea and understanding of “value” does change at those boundaries. The value in rural areas may not entirely be a financial compensation issue but often transcends that to include inter alia, value in-kind. The question is: what tools or methodologies are available to incorporate such (rural/customary) regimes into LVC?

The extent to which commercial valuation of land and financial markets dominate urban development globally means that there is a massive need for Land Value *Sharing* (LVS). Currently, there is extensive LVC practice all over the world. In the UK, the private sector is doing very well in capturing value, but then using financial viability assessments to avoid social responsibility. In Ethiopia, the policy of the government when it needs land in the peri-urban area, is to approach the owner and simply offer to compensate them or provide them with alternative piece(s) of land. This method has generated resistance with massive protests and violence among the affected communities. As an alternative, land readjustment has been proposed so that the government could combine their commercial interest to capture maximum value, but at the same time to *share* the land with local landowners and in the process meet their cultural and emotional attachments to the land. Land readjustment is an example of a mechanism that can be used to meet both the financial need to capture value for the public sector for allocation in the public interest, as well as taking into consideration community needs and attachments within the wider frameworks of LVC.

**Observation:** The beauty of LVC is that one only charges the beneficiary of some public action when that beneficiary is monetizing that in the market. Before that, the value and what can be achieved is latent.

**Discussion:** There is need to adapt our Land-based Finance tool(s) or concept(s) to the local context/history and priorities. In Papua New-Guinea, for instance, 97% of land is communally owned and any attempt to use an LBF tool in that context has to take into consideration the local needs and their

interest to commercialize some of their land. That is where LBF instruments can be applied for LVC or LVS to sustain local values while leveraging land for revenue collection to provide services to the local population.

**Observation:** When considering the overall framework of financing for development, different tools will be appropriate for different realities. In some places LVC is the right way in sharing burdens and benefits. In some other contexts property taxes or different kinds of Land Based Taxes might be appropriate. The matching of a tool to context is vital. In more fragile situations, one will need to find ways of expediting the realization of benefits to the beneficiaries. Different versions of property tax can have a quick turn-around from producing income to the local governments and applying it back to services to the population. Using different kinds of financing tools that can both deliver income to the local government for redistribution as services and deliver on specific SDGs is essential. Finally, value is being captured at a rate everywhere in different ways. Only some of this is done via official channels. And there is no guarantee it will be in the public interest. Hence value increase does not necessarily translate to reaching the servicing process or the municipality for provision of basic services to the local population. The transactional process is therefore, missing. Ways should be found to make sure that public activity that causes value to rise must also translate to using that money to service what has been created.

**Margin comments:** During the discussion, additional margin questions and comments were made by the participants. Most of the comments acknowledged that land is an extremely important asset which can, and should, be used to generate revenue. Such revenue can, and should, be used to equitably distribute costs and benefits in the public interest, with context-specific adaptations as necessary between rural and urban contexts. The participants also noted two challenges to successful implementation of LBF and LVC:

- What happens when market value (in monetary terms) is out of sync with the actual value to the occupiers or owners?
- For Land-based Financing is it necessary to determine the market value or use-value of the land? Can other physical attributes of the land be used?

## Concluding Observations

**James Kavanagh:** The issue of valuation and its connectivity to land value taxation or capture is critical to understand. We need a broader understanding of Land Value Capture in terms of social and cultural value of land. Rural LVC should be adapted to the context of rural land and not replicated as though it is urban land.

**Enrique Silva/Martim Smolka:** Appreciated that the discussion evolved around the importance of context and meeting communities and local governments ‘where they are’. In order to understand the context, there is need to know where they (people, communities, system) are i.e., how LVC works is in different countries and jurisdictions and to be cognizant of what has been done and appreciating what might be needed without pre-determining what tools might be used. Continued partnership is going to be critical in achieving the LBF and LVC objectives. In addition, the main idea that we should keep in mind is that LVC applies when you market land, when someone realises a value that is publicly meaningful to be recovered. If that basic idea is not present, then it is not value capture.

Jean-Francois Habeau: The importance of having multi-level dialogues and mobilising local and central governments, while building capacity and introducing such concepts to governments and conditions of success is crucial to move forward in implementing Land-based Finance concepts and practices.

Helen Rourke: There is need to be mindful of how the concept of LVC is embedded into urban policy such that it is not only about tagging a set of tools. Firstly, one needs to think about what the state does when generating value and where the opportunities are to capture value and re-invest that value. The challenge has been the idea that one should reward the private property owner for the risk that they take. Hence, they become somewhat nervous of LVC. A process of dialogue and consensus building is required. Moreover, the issue of corruption and how to ensure accountability particularly when you are going to be capturing value to ensure that revenue collected does not get syphoned off to private bank accounts. Hence, one needs to ensure compliance monitoring. Those are quite simple administrative tools that should be put in place.

Toril-Iren Pedersen: The focus of the session was broader than LVC. Certain tools and/or processes of LVC are not always appropriate in all contexts. There is need to make sure that the government side also feels that it is leading the process and decisions, and has confidence in the system in place to have inclusive and participatory processes. Hence, there is need to promote an inclusive participatory ecosystem approach, whether for urban or rural development, that focusses on dialogue and capacity building throughout all relevant stakeholders. Capturing land value is a way to help government to take up their role and responsibility to ensure distribution of services. Looking at how different tools can work together based on context is an interesting focus to move forward on.

Upon request after the session, Toril, the discussant submitted the following additional observations from her notes:

- 1) The political economy: Land processes cannot be emphasised enough, and that it is difficult to use the same or similar tools on a small community intervention and on a large-scale land acquisition in spite of the core power imbalances being present in both. The processes that are successful are iterative, highly relational and require sufficient political will. Political will can be fostered in many ways and we should be creative and willing to take in observations and nudges from the environment we operate.
- 2) It is important to not be too obsessed with toolboxes: We need to use and cut & paste what we have. There is a need to find appropriate tools that can both generate revenues and deliver directly on SDGs (e.g. basic services or tenure security). This might be the only shortcut to strengthen the social contract and delivering stable communities.
- 3) Time and space are critical considerations. Time: what is the timeline for people to see the result of their “sacrifice” in terms of tax or LVC. Here, again it is about the political economy of any situation. Space: context specific approaches must be adapted.
- 4) Enabling environments: This should not be ignored in projects or programs. Investments in overall governance and systems strengthening is critical. Good public administration in non-land-related-institutions will also benefit the land sector.

## ANNEXES

### Annex 1. Attendance list



Name	Organization	Email Address
Lawrence Walters	Utah State Tax Commission	<a href="mailto:larrycwalters@gmail.com">larrycwalters@gmail.com</a>
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Annex 2. Presenters

**SESSION 2: PRESENTERS AND FACILITATORS**

Name and Institution*	Role and Topic	Brief Bio
<p>James Kavanagh, Royal Institution of Chartered Surveyors (RICS)</p> 	<p>Presenter: <i>Effective due diligence for land professionals engaged in land and property valuation – implications for effective land-based financing</i></p>	<p>James Kavanagh MRICS C.Geog is a Chartered Surveyor &amp; Chartered Geographer. James studied at DIT Dublin, Ireland and University of London, UK. With over 25 years’ experience in the global land and property sectors, spending several years working on mapping, surveying and formal/informal land rights issues for United Nations (UNRWA). James has broad experience of surveying in many countries around the world. James is Director Land &amp; Resources with Royal Institution of Chartered Surveyors (RICS). He is also engaged with geospatial technologies and their application within land administration, and has a particular interest in informal land and tenure security. James is chair of the International Land Standard (ILMS) Coalition, has produced multiple conference papers, journal article, and professional practice standards, and is working on further research and outputs on issues of valuation of unregistered, customary land issues, land acquisition and compensation, and the process of land and property rights formalisation.</p> <p>jkavanagh@rics.org</p>
<p>Enrique Silva, Lincoln Institute of Land Policy</p> 	<p>Presenter: <i>Lincoln Institute’s work in land-based finance: Purpose, approach, example of success, lessons</i></p>	<p>Enrique R. Silva is the Director of International Initiatives at the Lincoln Institute of Land Policy (LILP). He is responsible for the identification and oversight of existing and new initiatives that leverage the Institute’s resources and expand its presence globally. Silva also leads the Institute’s portfolio of projects and initiatives in Africa, as well as assisting in the development and management of projects on land policy and urbanization in Latin America. Silva collaborates on the development and management of initiatives that focus on a range of themes from land-based fiscal instruments, the fiscal and land policy dimensions of large-scale urban projects, to planning regimes and climate change adaptation. He is also working with South African national and local authorities on a range of activities promoting the use of land based financial tools to finance urban development and inclusionary housing projects. While at the Lincoln Institute, Silva has also taught a course on urban governance and the politics of planning at Harvard University’s Graduate School of Design. Prior to his arrival at LILP, Silva was an Assistant Professor of city planning and urban affairs and the Program Coordinator for the graduate programs in city planning and urban affairs at Boston University. Silva holds a PhD in City and Regional Planning from the University of California, Berkeley, a Master’s of Science in Planning from the University of Toronto, and a Bachelor of Arts in Political Science from Columbia University.</p>

<p>Jean-François Habeau, Global Fund for Cities Development (FMDV)</p> 	<p>Presenter: <i>FMDV's work in land-based finance: Purpose, approach, example of success, lessons</i></p>	<p>Jean-François Habeau, is the Executive Director of the Global Fund for Cities Development (FMDV), an International network of local governments providing solutions to finance and invest in a sustainable and integrated urban.</p> <p>With its 15 years of experience working with Central &amp; Local Governments from all over the world, he has an extensive expertise in local finance and local investment, including on project preparation, PPPs, Climate Finance and Smart technologies' impacts and has a strong experience in working with Public entities, donors and investors. Before joining FMDV, he has worked within Local Governments: at the City of Antananarivo for 4 years, running the Institute of Training and Studies of Antananarivo and was advisor of the mayor of the City of Antananarivo (currently the President of Republic) on urban projects and international affairs. He then join the Île-de-France Region for 2 years to contribute to the creation of FMDV.</p> <p>FMDV is the leading organisation providing financing solutions to Local Governments. Its operational activities consist in organizing appropriate environments and instruments on a regional, national or local scale for local finance and investments. It also facilitates the connection between Local Governments and financial and technical partners to ensure an integrated and sustainable development of their urban development. It also promotes and encourages innovative and inspiring solutions by organising workshops, International Conferences, trainings, publications and study tours.</p>
<p>Helen Rourke, Development Action Group (DAG)</p> 	<p>Presenter: <i>DAG's work in land-based finance: Purpose, approach, example of success, lessons</i></p>	<p>Helen is a Programme Manager at the Development Action Group – Cape Town based NGO. Helen has over seventeen years of experience in the urban development sector. Helen is the current project lead for a National Programme on Land Value Capture in partnership with the National Treasury Cities Support Programme and Lincoln Institute of Land Policy geared to providing technical support and training to metros. Over the last five years Helen has worked in partnership with the City of Cape Town and local civics around neighbourhood regeneration and social housing in the inner city which has resulted in the delivery of the first transitional housing project in Cape Town. Helen has extensive expertise in informal settlement upgrading and regularisation, including the coordination of the NUSP socio-technical assistance to the City of Cape Town for 32 informal settlements and pioneered the Hangberg Insitu upgrade in 2008.</p>
<p>Toril Pedersen, Norwegian Agency for Development Cooperation (Norad)</p>	<p>Discussant</p>	<p>Toril Iren Pedersen works as Senior Adviser for the Tax for Development (TfD) program within the Norwegian aid administration (Norad). Within the Tax for Development portfolio Toril has a particular focus on the social contract element of tax systems, property and land based taxes and the role of tax in fragile states. Toril Iren Pedersen has a degree in Human Geography from the University of Oslo and has worked for the UN for 13 years (UNDP, UN-Habitat, UNFPA) specializing on capacity development and equitable and effective systems for public administration. Prior to joining the Norwegian aid administration she</p>

		<p>worked with local and central governments in Uganda, Rwanda, Kenya and last worked for four years on a local government program in Somalia. She has also previously worked for the Global Land Tool Network (GLTN) focusing on gender, human rights, youth and conflict as it relates to land tools.</p>
<p>Robert Lewis-Lettington (UN-Habitat)</p> 	<p>Welcoming words</p>	<p>Robert Lewis-Lettington is Chief of the Land, Housing and Shelter Section at UN-Habitat. Robert has more than twenty years professional experience, primarily working in programme management, multilateral processes and in providing technical assistance in policy formulation and legislative processes to a variety of partners. With field experience in more than seventy countries, Robert’s specialist areas include land management, human rights and rule of law, urban development, legislative drafting, intellectual property rights and information management, digital governance, environment and natural resources and international trade. Robert holds a Juris Doctor degree in law from the College of William and Mary (USA), an MA (Hons) degree specialising in Architectural History from the University of St. Andrews (Scotland) and an MLitt (Dist.) degree in History specialising in land and population displacement from the University of the Highlands and Islands (Scotland).</p>
<p>Jean Du Plessis (UN-Habitat)</p> 	<p>Moderator</p>	<p>Jean du Plessis is a land specialist based in the Land, Housing and Shelter Section of UN-Habitat, Nairobi. He draws on more than 25 years of experience in the areas of land, housing, human rights, forced evictions and development. He has previously held positions in local, national and international NGOs, the South African government’s land restitution programme, and the UN Land and Property Unit in Timor-Leste. He has country experience in South Africa, Namibia, Zambia, Zimbabwe, Botswana, Rwanda, Ghana, Uganda, Kenya, Tanzania, Egypt, Palestine, Timor-Leste, Cambodia, Thailand, Indonesia, Haiti, Nepal and Iran; and has produced a variety of reports and publications on land-related issues. Jean has been with UN-Habitat since 2011, leading on the continuum of land rights, land-based finance, land readjustment and capacity development.</p>

Annex 3. Presentation slides

First presentation: *Effective due diligence for land professionals engaged in land and property valuation – implications for effective land-based financing* (James Kavanagh, Royal Institution of Chartered Surveyors)

**LAND-BASED FINANCE LEARNING SERIES**  
**Session 2: Leveraging land initiatives by GLTN and UN-Habitat partners: purpose, methods, progress, lessons**  
 Monday, 12 October 2020

**Unregistered land valuation, land acquisition and due diligence**

James Kavanagh  
 RICS Director Land, FIG Comm 9  
 jkavanagh@rics.org

**LAND ACQUISITION AND COMPENSATION**



**A GLOBAL DUE DILIGENCE FRAMEWORK**



- GLTN Land based financing output
- FIG Sustainable taxation

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**ILMS**

International standards – working together



**VALUATION OF UNREGISTERED LAND**





- Background – expert working group, GLTN partners initiative
- Current status
- Content – structure, competence, bases of value, what to look for, a checklist
- Land rights may have a market value of their economic capital, and a non-market value of their natural capital and sociocultural capital

Second presentation: *Lincoln Institute's work in land-based finance: Purpose, approach, example of success, lessons (Enrique Silva, Lincoln Institute of Land Policy)*




**The Lincoln Institute: Finding Answers in Land**

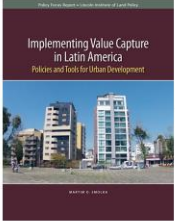
- 75 Years!
- **Mission:** to help solve global challenges through creative use, taxation, and stewardship of land
- Inform public dialogue and decisions about land policy
  - Research
  - Education/Training
  - Dissemination
- USA, LAC, China, E. Europe, S. Africa

**The Approach – Elevate Relevance of Land Value Capture**

Land Value Capture...*the recovery by the public sector of the land value increments (unearned income or plusvalias) generated on private property by public investments and by administrative norms and regulations.*





**Martim Smolka,**  
Director and Senior Fellow, LAC



**Make the Argument: Why Land Value Capture?**

**Should be done**

- New source of revenue to finance critical infrastructure
- More equitable redistribution of costs and benefits of urbanization

**Can be done**

- Most national constitutions and legal systems allow for some form of LVC
- Implementation is usually technically feasible

**Could be done much better**

- Key barriers: ignorance, ideology, inertia
- Better legislation that foster transparency and predictability
- Broader efforts to monitor land market dynamics and serve planning goals

**Document: Range of Well-Known Instruments**

- Special Assessments / Betterment Contributions
- Charges on Building Rights
- Certificates of Additional Construction Potential
- Transfer of Development Rights
- Inclusionary Housing
- Land readjustment
- Development Impact Fees / Exactions
- Property Tax / Land Value Tax



**Reform Design : Policy and Administration**

$$\text{Revenues } \$\$\$ = \text{Tax Base} * \text{Tax Rate} * \text{TLAR} * \text{CLR} * \text{CR} * \text{VR}$$

**Policy Variables:** Tax Base, Tax Rate, TLAR  
**Administrative Variables:** CLR, CR, VR

**TLAR: Tax Liability Assessment Ratio (billing)**  
**CLR: Collection Ratio (collecting, enforcing)**  
**CR: Coverage Ratio (property identification, cadastre)**  
**VR: Valuation Ratio (property valuation)**

**Taxpayer Service: (Liability Assessment, Collection, Coverage, and Valuation)**

**Critical to focus on Administration to realize revenue, equity, efficiency and accountability objectives.**

LINCOLN INSTITUTE OF LAND POLICY

Explain: Context Matters, Options Available



LINCOLN INSTITUTE OF LAND POLICY

Document & Disseminate: Sao Paulo, Brazil

- Air rights over “as of right” limits are public resource
- Balance benefits and burdens of urban development
- Neutralize inequities generated by differentiated zoning
- Compensate for added burden to services
- Basic development rights – Basic FAR



LINCOLN INSTITUTE OF LAND POLICY

LVC Activities and Outreach in LAC

PDCs- 17/40/600  
Dist.Ed. 15 / 2(7)

**Tech. Assist.**  
BH, BA, CDMX, Lima

LAC Planning Directors

Technical Manuals produced for the IADB and former Min of the Cities in Brazil

LINCOLN INSTITUTE OF LAND POLICY

Growing in Partnership

**Universities**

THE UNIVERSITY OF CHICAGO, PEKING UNIVERSITY, UNIVERSIDAD TORCUATO DI TELLA

**Research**

OECD, ATI AFRICAN TAX INSTITUTE, FUNDAÇÃO GETULIO VARGAS

**Foundations**

FORD FOUNDATION, THE KRESGE FOUNDATION, CHARLES FRENCH MOFF FOUNDATION

**Non-profits**

GROUND SOLUTIONS NETWORK, newcities

LINCOLN INSTITUTE OF LAND POLICY

Success...

**Growing # of cities Implementing**

LINCOLN INSTITUTE OF LAND POLICY

A Global Research Campaign on Approaches to Land Value Capture (2018)

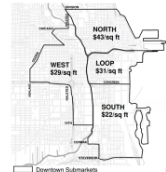


Lead Researcher	Organization	Project Title	Format	Region	Focus	
1	Agnès Bénédicte	World Resources Institute	Land Value Capture/Finance Service Program in Urban Redevelopment and Planned Urban Extension: Final and Cash Calculations	W. Paper	Asia/ Africa	India/ Ethiopia
2	Cynthia Goda	Universidad Torcuato Di Tella	Infrastructure Investment in Atlanta: Urban Growth Patterns, Benefits and Land Value Capture Instruments	W. Paper	South America	Argentina
3	David Ambrosio	Ryerson University	An Analysis of Public-Private Partnerships and Development as a Land Value Capture Tool in Toronto's Social Housing	W. Paper	North America	Canada
4	Nir Shalun	Technion	Implementing Value Capture in Israel: An examination of incentives and policies for urban renewal and infrastructure preparation	W. Paper	Asia	Israel
5	Josiah Fong/ Rachelle Herman	Parsons Brinckerhoff/ Technion	Value capture beyond roads: Understanding Funding, Social and urban development in China's Fajin River Delta	W. Paper	Asia	China
6	Stephan Bernhardt	Pappas	Land Value Capture in Africa: one-off payments from developers in African cities	W. Paper	Africa	Kenya/ South Africa
7	Sonia Guellor/ David Rouss	Université Paris Est Créteil/ CREA	Changing the Redistributive Power of Land Value Capture: Reformation of France	W. Paper	Europe	France
8	Apoll Gupta	New York University	Talavera Q Train: Value Capture of Public Infrastructure Projects	W. Paper	North America	USA
9	Kairo Santos	Federal University of the ABC Region	Strategies of the real estate market in the LVC instrument: an analysis of large urban redevelopment projects in São Paulo, Case of Otium Building Rights	Case Study	South America	Brazil
10	William Habiba	Development Action Group	Speculation, Investment and the Financing of Infrastructure in South Africa	Case Study	Africa	South Africa

**OECD – LILP Joint Initiative (2019)**

The screenshot shows the OECD website with a search bar and navigation menu. The main heading is "Building a Global Compendium on Land Value Capture". Below the heading, there is a sub-heading "Land Value Capture Tools are Used Around the World, Yet There has been little comprehensive and comparable documentation on how these tools are employed across different countries." and a section titled "Who's land value capture?".

**Working in our own backyard:  
Neighborhood Opportunity Bonus in Chicago, Illinois (USA)**



Land Cost per Square Foot of Bonus Floor Area

Source: City of Chicago

Year	Revenue (US\$)
2016	3,256,791
2017	8,191,532
2018	39,101,526
<b>Total</b>	<b>50,551,849</b>
<b>Committed as of May 2019</b>	<b>176,887,943</b>
<b>Total revenue + Commitments</b>	<b>227,439,793</b>

Revenue from Neighborhood Opportunity Bonus

**Quo vadis?: Value Capture Challenges & the Scale Up**

- Ignorance
- Ideology
- Inertia
- Interests
- LBFT and the Covid City?



Third presentation: FMDV's work in land-based finance: Purpose, approach, example of success, lessons (Jean-François Habeau, Global Fund for Cities Development)

**LAND-BASED FINANCE LEARNING SERIES**  
Session 1: "Leveraging land: Why, what, how?"  
Monday, 12 October 2020

**LAND-BASED FINANCE: APPROACH & LESSONS**

Jean-François Habeau  
FMDV, affiliation  
Montreal, France  
jhabeau@fmdv.net

**WHAT ARE COMMUNITY LAND TRUSTS**

- The CLTs are:
  - Non-profit organizations;
  - functioning on **partnership-based** governance;
  - that **acquire and manage** land resources **perpetually**;
  - through **mechanisms** ensuring the affordability and accessibility of the assets.
- Based on 3 founding principles:
  - Community engagement
  - Land ownership
  - Trust operation

**A SUSTAINABLE LAND MANAGEMENT MECHANISM**

- Democratic management (community driven)
- Withdrawing land from a **speculative market**
- Dissociation of land and building ownership**
- Preserves:** affordability, maintenance, quality, population target
- Through dedicated **mechanisms:** trust, long-term ground lease, allocation processes, resale formula

→ CLT enable:

- Capture and redistribution of land value
- Long-term impact of public subsidies
- Access to homeownership for the lower and middle income classes

**THE EUROPEAN SHICC PROGRAMME**

Sustainable Housing for Inclusive and Cohesive Cities (SHICC)

- 3 year Interreg program (Sept. 2017-Sept. 2020), 3M€ + 1 year extension
- Led by 6 partners + 4 new partners
- Around 3 objectives:
  - Recognition of the legitimacy of the model as a mainstream option for housing supply and urban renewal;
  - Establishment of a favourable financial and legislative environment;
  - The development of a structured CLT movement in Europe.

**SOMES SUCCESSFUL EXAMPLES**

**PROJECT RESULTS**

- Strengthening 4 pilot CLT
- Communication and awareness campaign
- Improvement of financial environment
- Capacity Building
- Implementation of Start-up Fund
- Long-term effects

→ 500 urban CLT, 7,000 homes, 21,000 people housed

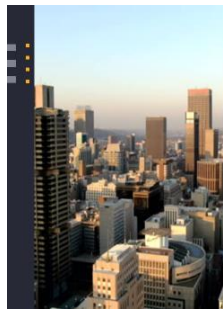
**NEXT STEPS**

Extension of the SHICC project to support a change of scale:

- Enlargement and structuring of a European CLT network:** CLT reinforcement of pilots, widening of the partnership, formalisation of a collective entity, transnational conference in June 2020, towards a new cooperation project?
- Continued of local, national and European advocacy:** inclusion of the model in local policies, official recognition of the model nationally, European political conference on 4 December in Brussels.
- Implementation of an appropriate funding mechanism:** establishment of a transnational investment platform for CLTs.

Finalist of the **REGIOSTARS** 2020 in the category Urban development Citizens engagement for cohesive European cities

Fourth presentation: DAG's work in land-based finance: Purpose, approach, example of success, lessons (Helen Rourke, Development Action Group)



## LAND VALUE CAPTURE – South Africa

"Leveraging Land Initiatives by GLTN Partners: Purpose, Methods, Progress, Lessons", taking place Monday 12 October



1



We are particular time in South Africa where **urban land management** is at centre of the discussions around achieving an **equitable and sustainable city**.

2



Equally is how **best to finance infrastructure investment led growth** considering growing fiscal constraints?

*"Direct national grants to municipalities for public infrastructure have been declining over the last six years"*

3

“ Land Value Capture is a concept (and tools) whereby unearned value increments on private property resulting from 'community effort' are recouped by the public sector either through their conversion into public revenues or more directly through on-site land improvements for the benefit of the community

The right moment to galvanise interest in LVC



Scaling up our work- partnerships

Partnership between:

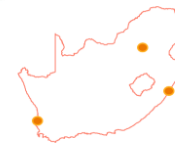


Four Key Areas:

- Evidence-based Research
- Technical Support
- Community of Practice
- Internship Programme

Goal

To build South African local government's (particularly the metros) capability to efficiently and effectively implement innovative LVC tools and strategies to enhance the much-needed revenue to increase delivery of social investment and/or achieving the spatial transformation agenda.



6

### Lessons learnt as the secretariat

- **Land Value capture is not new in SA** ~ seeing a shift from using LVC simply to secure additional financial resources, to using LVC instruments in a strategic way to **drive spatial transformation**
- **Embedding Land Value Capture Institutionally**
  - Political support
  - Transversal alignment (planning, finance, legal)
  - Strengthening capabilities (ex. Feasibility studies, M&E)
- **Highly relational**
  - Consensus building
  - Getting activists, developers and officials around the same table (ex. Dialogue Series)
  - Trust
  - Maintaining working relationship, momentum and interest
- **Tripartite partnership with CSP & LILP allowed for scaling-up**
- **Demand driven ~ not operating as consultants**

7



Thank You

8