UN-HABITAT AND THE GLOBAL LAND TOOL NETWORK LAND-BASED FINANCE LEARNING SERIES 4

Theme: Land -Based Finance: Policy Innovations and Implications for Leveraging Land for Building the Social Contract, Service Delivery, and Governance

REPORT ON SESSION 3

Subject: Linking Property Tax to Land Administration.

16TH SEPTEMBER 2024

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Introduction and Welcoming Remarks (Giulia Lavagna)

On 16th September 2024, the Land, Housing and Shelter Section of the United Nations Human Settlements Programme (UN-Habitat) and the Global Land Tool Network (GLTN) Secretariat, presented session three of its four Land-based Finance Learning Series, on the theme "Linking Property Tax to Land Administration". The session consisted of two presentations and a discussion session integrated with sidebar questions and comments. The session registered over 110 participants from different institutions. (see list of participants in Annex 1).

Giulia Lavagna thanked everyone for joining and moderated the session. Additionally, she mentioned that this session has two presentations followed by a facilitated discussion. She introduced the presenters for the first presentation.

Programme

	SERIES 4 SESSION 3: PROGRAMME	
	"Land -Based Finance: Policy Innovations and Implications for Leveraging Land for Building the Social Contract, Service Delivery, and Governance: The Land Question Underpinning the Affordable Housing Crisis." *Presentation: Linking Property Tax to Land Administration* 16 September 2024, 17h00-18h00 (Nairobi time / EAT)	
Moderator: Giulia Lavagna, UN-Habitat		
Time	**Topic / Activity**	**Process, Roles**
17h00	Welcome and opening remarks Purpose, agenda, and process	Moderator, Giulia Lavagna
17h05	Presentation 1: Achieving Mutual Benefits by Linking Land Administration and Property Tax Administration.	Dr Colette Nyirakamana & Dr Wilson Prichad Local Government Revenue Initiative (LoGRI) *All: questions and comments in meeting chat during presentation*
17h25	Presentation 2: Linking Property Tax to Land Administration, Land Tax issues in Cameroon.	Jean-Claude Mondo Head of the Tax Cadastre, Cameroon.
17h50	Facilitated Discussion	Dr. Titilola Akindeinde (facilitator), all
18h00	Concluding Observations	Moderator Giulia Lavagna

Part A: Presentation by Colette

Colette started by expressing how happy she was to see a good number of people. She gave a brief background of the framing of the topic of the presentation by mentioning that LoGRI focuses on developing strategies and supporting governments in lower-income countries to strengthen public tax systems. Through this work, LoGRI identified the success and value of public tax systems, and the importance of fostering effective collaboration between tax authorities and land administration.

She proceeded in giving an overview of the two presentations for the session. She highlighted that she and Wilson Prichard would lead the first part of the presentation. She mentioned that drawing on their research and practical experience from collaboration with governments, the first part of their presentation handled by her would highlight challenges faced by property tax authorities, land administration authorities and local governments in creating comprehensive and accurate property records. Wilson Prichard will continue in the second part of their presentation by proposing strategies to strengthen both land and property tax systems.

Colette added that Jean Claude from Cameroon would handle the second presentation for the day. Jean Claude will provide an overview of Cameroon's effort to link property tax with land administration, its challenges, and the progress made.

Colette stated that the overall presentations for the day will highlight the critical need to integrate policymaking between land and property taxation to create mutual benefit for both areas of government and propose strategies to strengthen land and property tax systems.

The first part of the presentation began with a background of the similarities between Land Administration and Property Taxation. She explained that both depend on collecting information about mapped properties and ensuring regular updates of the information. Although these two departments share similarities, they often struggle to collaborate effectively. Property tax departments have tended to be entirely dependent on cadastre offices, resulting in incomplete information on property taxation and a lack of autonomy. On the other hand, land administration departments have not been able to benefit from the local data collected and held by property tax authorities. Meanwhile, both departments have struggled with fragmented and uncoordinated national approaches to GIS mapping.

In continuation, Colette mentioned the challenges property tax authorities face in their efforts to register properties for tax purposes including;

1. The lack of a comprehensive map of all properties. A comprehensive map of all properties serves as the bedrock for an effective and fair property taxation system. Incomplete property maps result in tax evasion, and this creates inequitable systems and systems that lead to loss of trust among property owners.

2. "Cadastre first" or "titling first" approaches. Many lower income countries have traditionally followed the Cadastre first" or "titling first approaches which imply that properties must first undergo legal registration by national land authorities to qualify for

property taxation. However, in practice, this approach has rather created significant challenges for effective tax administration.

3. Incomplete and outdated national cadastres. In many lower-income countries, there are lengthy timelines and high costs associated with land titling and this deters property owners from registering their properties. The lack of incentives to keep cadastres current and challenges in data sharing affect the development of comprehensive national cadastres. Consequently, these challenges hinder efforts to establish equitable and efficient property tax systems.

Colette shared an example from a country where LoGRI is active. She presented a map showing properties in a city and noted that, according to the country's legislation, properties within city limits are subject to taxation. However, properties located outside these limits, often on customary lands, are exempt from property taxes. She showed that even within the city limits, some properties are tax-exempt. Among those subject to tax, there is limited data on properties, and others are not legally registered, further complicating tax collection. Consequently, only a few properties are taxed, creating a sense of unfairness among those who pay while the majority do not.

She then added that land administration authorities face the following challenges in registering property for tax purposes:
1. Lack of funding/incentives for effective mapping and registration.
2. Lack of cohesion due to fragmented property data collected by different government departments.
3. Poor regular record updates on properties, especially when new buildings are constructed, the land is subdivided, and/or properties change ownership through sale, lease or inheritance.

Colette concluded by saying that the challenges faced by both departments can be associated with broader issues, including how GIS mapping exercises are conducted. She highlighted that new GIS mapping technologies offer enormous potential for strengthening land administration. Importantly, a strong GIS-based map could be beneficial for many government activities. However, the issue arises when each GIS mapping initiative is tied to a specific project, purpose and funding. Coupled with limited coordination between the different projects, lack of data sharing and irregular updates of GIS data, there is usually fragmented GIS data and mapping systems. These challenges point out to broader questions that were addressed by Wilson Prichard in the second part of the presentation.

Part B: Presentation by Wilson Prichard.

Wilson Prichard presented the second part of the presentation, and introduced the following questions:

For land Administration:

- How can land administration strengthen incentives for investment in mapping and land registration activities?
- How can land administration support greater coherence of mapping and data collection about properties across government?
- How can land administration strengthen the updating of data over time, including through cross-government collaboration?

For property tax administration:
- What might be the most appropriate strategies for registering properties for property taxation in the context of lower-income countries?

For Governments and Donors:
- How can governments and donors adopt a more coordinated approach to GIS data collection, and mapping to reduce costs, increase the coherence of maps and resources across government, and improve updating over time?

Wilson then outlined key strategies for enhancing collaboration between Land Administration and Property Tax authorities to strengthen outcomes in both sectors. He noted that while the methods of collaboration vary depending on the context, some foundational pillars remain consistent and are relevant across different regions. He outlined the following three key strategies.

1. To enhance collaboration and efficiency across government departments, Wilson mentioned adopting a **cross-government approach** to mapping that focuses on creating high-quality, shared GIS base maps that can be used flexibly across departments, ensuring that various government agencies work from a common foundation. This shared approach simplifies data sharing, fosters collaboration, and improves decision-making. He noted that in many countries, different departments and donor-funded projects develop their own maps. While these maps may be similar, they often lack comprehensiveness, making data sharing challenging.

   Therefore, this cross-governmental approach will require a shared strategy and commitment to data sharing across governments. Since different projects and departments might have incentives to build their own maps, the cross-governmental approach can be challenging. Therefore, it will often require leadership from the most senior levels of government. This approach can increase efficiency by reducing duplication of GIS maps and can increase complementarity by ensuring that data is compatible across departments.

   Wilson added that with approved coordination between different government bodies in securing GIS base maps, there is a potential to rapidly improve the quality of property tax administration. This can be made possible because those new base maps can enable more rapid mapping of properties. To emphasize how simple the process of creating a new base map can be and how it can contribute to achieving comprehensiveness, Wilson cited an example from Zomba, Malawi, where a machine learning algorithm was used to rapidly outline all properties in the jurisdiction based on high-quality GIS maps.

2. The second key strategy is adopting a "**property tax first" approach** to registering properties for tax purposes. This allows properties to be taxed even if not yet formally registered and titled at the national level. One of the key pitfalls of property tax administration is attributed to reliance on cadaster first approaches where properties must first be mapped and titled by central government agencies before those properties can be taxed. This makes property taxes dependent on land administration undermining property taxation. This has a huge barrier to property taxation due to the following reasons:
   – It creates disincentives to registration because registration equals taxation.
   – It is administratively complex, costly and a slow process to property registration and titling
   – It also disempowers the local government since the process is done at the central government level.
   – It can be politically contentious and there is the risk of corruption.

3. Another strategy is **to leverage property tax data collected for tax purposes to strengthen land administration and titling.** This also means land administration outcomes can be improved through data sharing from the property tax system to the land administration system. A benefit of data sharing is that it encourages regular updates of data.

Key to the "property tax first" approach is combining a national approach to GIS mapping with a decentralized approach to property registration, specifically for tax purposes. This means that tax authorities are empowered to map properties within their jurisdiction for taxation without requiring formal land titling or national-level registration. This process involves GIS mapping and ground truthing to identify the types and characteristics of buildings and enables authorities to directly address bills and penalties to property owners.

This decentralized method can significantly accelerate the mapping process, increasing revenue collection and leading to comprehensive property registers. It also grants greater autonomy to tax authorities, allowing them to manage and update property records efficiently within their areas. Additionally, to emphasize the positive outcomes of decentralization with the availability of high-quality GIS maps, an example from work done in Freetown, Sierra Leone showcases that the city was able to map and value the entire city with about 150,000 properties in about six months, which cost $5 per property.

The presenter proceeded to discuss what the advantages are for land administration, in investing in building these national high-quality GIS maps, which are shared with other government departments and can be used in a decentralized manner. He mentioned three (3) advantages or benefits for land administration, as follows:

1. Centralized GIS mapping to ensure **data coherence across departments**: To prevent different departments and authorities from building their own maps, it is important that land administration takes the initiative to secure national GIS maps. When GIS maps are secured and shared by land administration authorities with different government

departments, it creates a foundation for consistency and coherence in decision-making across government bodies. This minimizes redundant mapping efforts, fosters alignment across government levels, and improves coordination.

2. Enhanced **incentives** for property owners and government investment: It creates stronger incentives for property owners who pay tax to register their property and on the other hand, there are incentives for the government to invest in securing GIS Maps. Land administration authorities struggle to secure the resources needed to build high-quality maps. However, if those maps are the foundation of effective revenue raising, it improves government efforts to secure high-quality GIS maps.

3. Regular **update of data** and consistency: Property tax authorities depend significantly on accurate data. By sharing information regularly with land administration authorities, they can improve and update both property tax records and national land registration data. This integration enhances data accuracy and allows both agencies to respond swiftly to property changes, enabling efficient updates and reinforcing the reliability of property-related data across government departments.

The presenter concluded the presentation by emphasizing that land administration and property tax departments have a lot in common but often have imperfect collaboration. This ineffective collaboration between the two departments is mainly due to a lack of data sharing.
In summary, to address how collaboration between the two departments can be improved, Wilson Prichard proposed enhancing collaboration by adopting a "property tax-first" approach, leveraging cross-governmental mapping initiatives, and establishing a robust data-sharing system that ensures that data from property tax authorities are shared back to land administration to strengthen land management systems.

After his presentation, Wilson Prichard thanked everyone for their attention and expressed his enthusiasm for the upcoming discussions.

 Presentation 2: Linking property tax with land administration "Cameroon's experience.

Giulia introduced the second presenter Jean Claude. Jean Claude commended the presenters and he thanked everyone for the opportunity to present efforts made by Cameroon to link property tax with land administration. Jean Claude started by presenting the outline of his presentation. He said that the first part of the presentation would focus on the context, the second on the objective, the third on the activities of the project and how to put in place the link between property taxation and land administration, and the 4th part, data to illustrathe te progress made.

Jean Claude pointed out that, like many other African countries, the responsibilities for land management and the collection of tax are divided between two different administrations/departments/ministries, each with its own priorities and approaches. He mentioned that in Cameroon, the land administration prioritizes registration and titling while the property tax administration focuses on taxation. Jean Claude highlighted that even though the technical and operational approaches between these departments differ, they all have a goal to gather comprehensive data on all landowners. However, they are faced with challenges arising

from the unavailability and inaccuracy of data on landownership information by the land authorities and the complexity involved in data sharing between the two departments.

He stated that the main objective of the project is to build an integrated land information system, enabling key stakeholders — including land administration, the housing and urban development department, and the Ministry of Finance — to share data, costs, and resources, as well as to collaborate on streamlining and improving the land registration process. He added that other objectives include collecting updated information on land, buildings and property owners and reducing the cost of title certificate registration.

After highlighting the objectives of Cameroon's effort to link property tax with land administration, he explained that one of the mechanisms put in place for the realization of these objectives is establishing a committee for easy coordination and communication amongst the stakeholders involved. The committee consists of key public actors responsible for the management and use of land information.

During the project a decision was made by all stakeholders to centralize data collection. Following the decision, the ministry in charge of land and survey was selected to collect and correct data from government departments related to land and property taxation. For this project, funding was obtained from several donors, including the African Development Bank (ADB).

He stated that, as part of the project, regular meetings were held to assess the project's progress and the effectiveness of the implemented mechanism in the collection of data. During the project, it became evident that the information gathered from stakeholders was primarily from property owners who had land certificates, which accounted for only 15% of all property owners. This revealed a significant gap, as 85% of property owners did not have their land registered with a land certificate, leaving a large portion of landownership unaccounted for in the system. As a result of this assessment, it was concluded that taxing only 15% of property owners will result in fiscal injustice and will exert pressure on only a few. Additionally, it will deter other property owners from registering their property to avoid being subjected to tax.

Therefore, an approach to gather more information was adopted. This approach included requesting information from service providers, utility companies (electricity, water supply, telephone network-CAMTEL) and traditional authorities. Even though some of the companies did not have complete data, collecting data from different companies and sources helped to fill in the gaps. In collecting the property information from these other sources, the legal tool used was the obligation of taxpayers to declare their property as outlined in fiscal law. Information was collected on the location of properties, the identity of owners and/or occupants of the building, their contacts, technical characteristics of the building, and information on water and electricity consumption. In parallel, a team was established to verify the data received to ensure an accurate information system is built and the right property taxes are issued to the correct taxpayers.

Jean Claude showed data on several notable results that were achieved after collecting data from other sources. He presented the following data:

1. Before the integration of the two departments and centralization of data, less than 20,000 landowners were recorded on the property tax file.
2. Following the implementation of the centralized approach, this number increased from 20,000 to 125,000.
3. With the introduction of data gathering from additional service providers, the tax base increased further from 125,000 to 740,000.

To conclude, Jean Claude stated that the goal is to have information on 2,000,000 property owners within the next two years, making them subject to paying property tax.

Key Questions and Discussions

Giulia commended Jean Claude Mondo for his presentation. She added that it was a very interesting presentation since it showed the application of the property-tax first approach presented by LoGRI during the first presentation. Giulia also acknowledged the ongoing conversation happening in the chat and encouraged more discussions. She handed over to Titilola to moderate the discussion session.

Esther Muiru raised concerns regarding women's land rights in the context of property taxation. She argued that a "tax first" approach may make landownership too tax-oriented, posing challenges for women to pay the tax. This situation could leave women vulnerable to manipulation and exploitation by land buyers with the financial means to cover the taxes. Esther questioned whether "tax first" should be the main incentive for land administration.

In response, Dr. Wilson Prichard clarified that the motivation behind the "property tax first" approach is not to tax every property immediately but to establish a system that helps in comprehensive taxation to close the tax gaps. The "property tax first" approach ensures that properties, even without legal registration or land titles, can still be taxed. In many countries, there are high-value properties without formal titles, which remain untaxed. Therefore, by allowing the taxation of properties based on their physical presence, regardless of their legal title, the system becomes more inclusive and comprehensive, helping to capture all taxable properties and improve land administration. However, the discussion on what to tax and what not to tax is ultimately determined by government decisions and policies. Governments may choose to subsidize taxes on properties located in informal settlements or for those owned by vulnerable populations and low-income earners, allowing them to retain a sense of legitimacy in land ownership. On the other hand, governments could exempt specific groups from tax based on principles like equity. Wilson acknowledge that her concerns are good and it is important that taxation should not lead to exploitation of certain groups.

Jean Claude contributed by noting that in Cameroon, property tax laws do not differentiate based on gender. However, in the case of property ownership through inheritance, the law allows for tax waivers on such properties. In addition to that, some mechanisms exist that allow for property taxes to be paid in instalments throughout the year, offering flexibility to property owners in managing their tax obligations.

During the discussion, comments and questions were raised in the chat about the challenges of mapping properties for tax purposes in areas where properties are in informal settings. Using India as an example, it was mentioned that many properties are in informal settlements and could be excluded from tax mapping efforts.

Titilola commented by explaining that mapping properties is not solely done for property tax purposes, but it is also done for many other purposes as required by different agencies. Wilson added that using GIS (Geographic Information Systems) to map properties provides a foundational tool for identifying physical structures within a region. Although GIS maps cannot inherently differentiate between formal and informal properties, ground truthing can be applied to gather more accurate data. He stated that GIS maps give comprehensive information about physical property and therefore it is a starting point for property taxation. However, the approach to property taxation depends heavily on the country's context and governmental policies. In some cases, policies may exclude certain properties from taxation based on factors like property size, location or other local regulations.

The following comments and questions in the chat box were not addressed due to time constraint. Here are the comments and questions with answers.

Comments:
1. All stakeholders should contribute according to their resources and objectives, utilizing common spatial infrastructure to maximize efficiencies, avoid duplication, and reduce redundant spending.
2. Local authorities require both revenues and the ability to provide services. A spatially enabled, common address list, linked to base mapping is essential for both purposes.
3. In informal settlements, it may be necessary to prioritize services over taxes. However, it's also noted that not all properties in informal areas are of low value, and not all residents have low incomes; therefore, these higher-value properties could be taxed first.
4. In many countries, both cadastral-first and property tax-first approaches exist. Land departments often prioritize titling, physical and legal cadastres, while tax/revenue departments focus on fiscal cadastres. The main challenge lies in linking the different cadastres (physical, fiscal, and legal).
5. While some countries maintain separate fiscal and legal cadastres, collaboration between the two is often lacking. In certain cases, legal restrictions require property taxation to be preceded by legal title, indicating a need for legal or procedural reform for expanded tax coverage.
6. Identifying the spatial unit could serve as a preliminary step toward owner identification, potentially offering a more efficient alternative to a cadastre-first approach.
7. Efforts in two Somali cities are ongoing to merge property taxation and land administration data, seeking a balanced approach to align both sides effectively.

Questions and Answers:
1. What are the minimum legal or normative frameworks required to initiate a property tax-first approach? This question is posed with reference to countries where minimal frameworks are currently available.

a. Key to the "property tax first" approach is combining a national approach to GIS mapping with a decentralized approach to property registration, specifically for tax purposes. This means that tax authorities are empowered, legally, to map properties within their jurisdiction for taxation without requiring formal land titling or national-level registration. Could more information be shared on the Cameroon example, particularly regarding the political economy, institutional dynamics, and the impact on revenue mobilization? Is there a written report or case study available that could provide additional detail?

2. Related to the second question, what are some best practices or insights from efforts to integrate property tax bases with land administration data in other contexts?

    a. All this is context-specific and hinges on effective collaboration and information sharing between tax departments and land administration departments.

Concluding Observations

Giulia thanked LoGRI and the presenters, Wilson, Colette and Jean Claude. She also thanked the participants and appreciated the large numbers and activeness in the chat. Giulia announced that the next session in November. Details will be confirmed through broadcast email.

ANNEXES
ANNEX 1: Attendance List

NAME	INSTITUTION
Jonathan Yakutiel, Giulia Lavagna, Eric Gachoka, Lina Yenpini	UN-Habitat/GLTN
Jean Claude Mondo	Head of the Tax Cadastre Cameroon
Duarte-Sanchez.	London School of Economics
Gaynor Paradza	Public Affairs Research Institute
Priyanka Shah, Colette Nyirakamana, Wilson Prichard, Titilola Akindeinde, Marie Mukazayire, Evan Trowbridge, Zameer Farooqi, Jane Muriuki.	LoGRI/ICTD
William McCluskey	Independent Consultant
Jane Katz	Independent expert
Louise Muller	City of Cape Town
Helen Rourke	Development Action Group
Adama SARR	Ingénieur Géomètre Topographe
Davis Peadar	Ulster University
Judith Middleton	GIZ
Esther Mwaura-Muiru	LANDESA
Roy Kelly	Duke Center for International Development (DCID)
Mohamed Samba Barrie	Bank of Sierre Leone
David Amborski	Toronto Metropolitan University
Aparna Das	Independent Expert
Serge Vuthegha	UCBC
Mabakeng, Menare	NUST
Kanneh Thomas	University of Illinois
Geoffrey Payne	Independent expert
Miredita Kosova, Abdullahi Mohamed, Jacqueline Macha, Avril Bundale, George Awino, Emmanuel Gbadebo Adeleke, Mouhammad Saiid, Alexander Kikenya, Mohammud Hufane, Jacques Mulakirwa, Michael Kinyanjui, Lars Christiansen, Wacela Macamo, Nikita Mwirigi, Christopher Rollo, Valentim Junior, Juyeon Maeng, Gustavo Brant, Julie Akoth Ocholla, Abdirahman Barkhadle, Camilla Almeida, Carolina Oliveira, Mariana Saraiva de Melo Pinheiro, Yi Nam Xu, Sammy Muinde, Renan Hanada, Zahid Nasim Khattak, Hellen Ndung'u, Marco Voltolina, Amr Elsayed, Thai Son Pham, Nagla Gamaleldeen, Jian Feng, Mary Mutinda, Marc Sanchez Benito, Ludovica Sodomaco, Marla Dava, Isa Bergh	UN-HABITAT

Lopes Da Costa, Christelle Lahoud, Omnia Moussa, Wasela Althereyed, Trang Nguyen, Rowaida Dweik, Heba Fekry, Kate Cotty, Julia de Faria, Jong Hee Paik, Ombretta Tempra, Inti Mesias Barrera, Selma Lucille Kerroux, Evandro Holz, Vivian Silva, Jorge Marques, Marian Wittenberg, Oleksandr TOMILIN, Eduardo Silva Azevedo, Zhenyi Zhang, Ahmed Abdulrahman, Frederic Saliez, Lennart Fleck, Evelyne Urvanulchaer, Divyam Batra, Yara Eissa, Yasmine Mostafa, Abdel Mounde, Maria Jose Palacio Ramirez, Nicolas Tamayo, Sandipan Sarangi, Carlos Labriola Sandler, Ali Adil Ihsan Ihsan, Dalton Kembo, Didier Komenan, Haregewoin Bekele, Moses Nnah Pius, Mai Wardeh, Roland Kielar, David Masai Mutisya, Edson Pereira, Giada Leone, Mohamoud Hussein, Ornella Nohra, Mohiadin Mohamud, ohood-molg, Tontie Binado, Eli Musiega, Norah Syokau, Fee Stehle, Abibata Bavug, Vivian Muchiri, Juliette Kpiebaareh, Aissatou Diallo, Afshin Kalantari, Iman Hassan, Alexandre Arcos Pujades, Thomas Stellmach	

SERIES 4 SESSION 3: PRESENTERS AND FACILITATORS

Name and Institution	Role and Topic	Brief Bio
Dr. Colette Nyirakamana Research Lead, LoGRI	Presenter	Dr. Colette Nyirakamana is Research Lead for the LoGRI program, and Senior Research Associate at the Munk School of Global Affairs and Public Policy at the University of Toronto. Prior to joining LoGRI, Colette worked as program lead of the African Property Tax Initiative(APTI) at the International Centre for Tax and Development, where she was in charge of supporting APTI-funded researchers, leading research projects, engaging with key stakeholders and advising governments in the design of property tax reform efforts. Her research focuses on local finances with particular emphasis on the administrative, institutional, and political factors that create favourable and unfavourable conditions for effective revenue mobilization. Dr. Nyirakamana holds a doctoral degree in Comparative Public Policy from McMaster University
Dr. Wilson Prichard LoGRI Chair, Associate Professor at the University of Toronto, Canada	Presenter	Dr.Wilson Prichard is an Associate Professor at the University of Toronto's Munk School of Global Affairs and Public Policy and Department of Political Science, a Research Fellow at the Institute of Development Studies, and Chair of the LoGRI program. His research focuses on the political economy of tax reform in lower-income countries and the relationship between taxation and citizen demands for improved governance in Sub-Saharan Africa. He is the authors of Taxation, Responsiveness and Accountability in Sub-Saharan Africa: The Dynamics of Tax Bargaining (Cambridge University Press, 2015), Taxing Africa: Coercion, Reform and Development (Zed Press, 2018) and Innovations in Tax Compliance: Building Trust, Navigating Politics and Tailoring Reform(World Bank, 2022), along with a range of academic articles
Jean-Claude Mondo, Head of the Tax Cadastre and Research Officer, Division of Studies, Planning and Tax Reforms, Directorate General of Taxes / Ministry of Finance	Presenter	After completing higher education in mathematics, Jean-Claude Mondo underwent training as a Tax Inspector at the National School of Administration and Magistracy in Yaoundé. He then held positions as a Manager, Tax Auditor for medium-sized enterprises, and Head of a Tax Centre before studying property and local taxes at the National School of Cadastre (now ENFIP) in Toulouse, France. Since then, he has specialized in property taxation, participated in numerous training courses, and implemented the "pre-filled declaration" mechanism for property tax in Cameroon. As a senior civil servant, he is the Head of Fiscal Cadastre at the DGI, and he also serves as a Research Officer in the division responsible for research and reforms. He concurrently engages in training and consulting activities for the fiscal and financial sectors of specific local governments regarding local tax collection and municipal asset management.

Local Government Revenue Initiative

An initiative of the ICTD, based at the Munk School of Global Affairs & Public Policy

Achieving Mutual Benefits by Linking Land Administration and Property Tax Administration

Dr. Colette Nyirakamana
Dr. Wilson Prichard
UN-Habitat Learning Series
September 16, 2024

PARTNERS

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Background

➤ Land administration and property taxation have many similarities: both begin from and depend upon, mapping all properties in a given area, collecting information about them, and putting in place systems to update that information regularly.

➤ However, in practice, collaboration between these two departments has often been ineffective:
  ➤ Property tax departments have tended to be entirely dependent on Cadaster offices, resulting in incomplete information on property taxation and a lack of autonomy
  ➤ Land administration departments have not been able to benefit from the local data collected and held by property tax authorities and have worried about fragmented and uncoordinated property mapping and data collection.

➤ Meanwhile, both departments have struggled with fragmented and uncoordinated national approaches to GIS mapping.

➤ **How can these two government functions coordinate more effectively together to improve both property taxation and land administration?**

The Challenge Facing Property Tax Administrators

➤ Building a comprehensive map of all properties is the foundation for effective and equitable property taxation.

➤ Historically, most property tax departments have depended on "cadaster first" or "titling first" approaches to property mapping, which require legal registration of the property by land authorities before it is eligible for property taxation.

➤ Yet, in most lower-income countries, national cadasters are incomplete and often outdated. This reflects long timelines and high costs of land titling, limited incentives for updating and data sharing challenges.

The Challenge Facing Property Tax Administrators

Legend:
- Included Properties
- Excluded Properties
- Customary Properties

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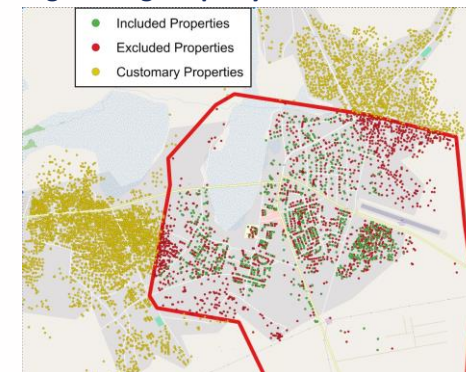
The Challenge Facing Land Administrators

> **Funding/Incentives**: Inadequate investment in, and priority to, effective mapping, registration and land administration.

> **Cohesion:** Land administrations wish to construct comprehensive and coordinated systems, but face fragmentation when departments pursue their own mapping and property data collection

> **Updating:** Once properties are titled keeping property records up to date can be challenging owing to weak reporting, incentives and resources for updating

The Challenge Facing Government and Donors

> New GIS mapping technologies offer enormous potential for strengthening land-based administration

> In principle, a strong GIS base map could feed into a wide range of government activities

> However, across countries we often see fragmented GIS mapping initiatives, often donor funded, each tied to a specific project and purpose, but with limited coordination, data sharing or plans for updating.

Key Questions

Land Administrations

> How can land administrations strengthen incentives for investment in mapping and land registration activities?

> How can land administrations support greater coherence of mapping and data collection about properties across government?

> How can land administrations strengthen updating of data over time, including through cross government collaboration?

Property Tax Administration

> What might be more appropriate strategies for registering properties for property taxation in the context of lower-income countries?

Governments and Donors

> How can governments and donors adopt a more coordinated approach to GIS data collection and mapping in order to reduce costs, increase coherence of maps and resources across government and improve updating over time?

A Cross-Government Approach

Outlining a Potential Strategy

➢ Adopt a cross-government approach to mapping, focused on securing high-quality GIS base maps that can then be flexibly used by different departments – thus offering a common foundation but case-specific strategies.

➢ Adopt a "property tax first" approach to registering properties for tax purposes, *which allows properties to be taxed, even if not yet formally registered and titled*, to unlock improved and more equitable tax performance.

➢ Leverage data from the property tax system to strengthen land administration and property titling while strengthening incentives for investments and updating over time.

A Cross-Government Approach to GIS Mapping

➢ Adopt a cross-government approach to mapping, focused on securing high-quality GIS base maps that can then be flexibly used by different departments.

➢ Governments are well positioned to take the initiative in pushing for such "joined up" approaches to GIS mapping across government by highlight complementarity.

➢ Requires a shared strategy and commitment to data sharing across government – which will often require leadership from the most senior levels of government

'Cadaster-First' vs 'Property Tax First' Approaches

➢ Yet, in most lower-income countries, national cadasters are highly incomplete and often out of date. "Cadaster-first" approaches have posed major barriers to property taxation and to effective decentralization.

  ➢ Administratively complex, costly and slow

  ➢ Politically contentious , esp. in areas of customary authority

  ➢ Disempowers local governments + relies on central -local collaboration.

  ➢ Creates disincentives to registration among owners if registration -> taxation

  ➢ Risks of corruption and politicization owing to greater system complexity

  ➡ **Constrained revenue potential, major inequities, undermines trust, weakens decentralization.**

'Cadaster-First' vs 'Property Tax First' Approaches

➢ **"Property tax first"** approaches offer a pragmatic alternative to rapidly build comprehensive property maps at low cost by *allowing all properties to be taxed even if not yet formally registered and titled*:
  • Map, address and measure properties using GIS and satellite imagery
  • Ground truthing to identify key building types and characteristics
  • Address bills to "the owner," with penalties levied on the property

➢ Potential to Dramatically Improve Outcomes
  • Rapid identification of properties and complete property registers
  • Expands revenue raising and decision making, autonomy of property tax authorities
  • For example, in Freetown, Sierra Leone, GIS mapping and valuation for ~150,000 properties in less than six months at a cost of ~$5 per property.

Zomba, Malawi.

Buildings outlined in yellow detected by Machine Learning (ML) algorithm.

Leveraging Collaboration to Improve Outcomes

Stronger links between land administration and property tax authorities can contribute to addressing many key challenges:

- **Incentives:** Strengthen incentives for land registration for taxpayers (who pay tax anyway) and governments (who have a revenue incentive for effective mapping)

- **Coherence:** Property tax authorities are increasingly seeking data to strengthen revenue mobilization, and this risks fragmentation. Building effective collaboration —based on common base maps but flexibility in registering properties for taxation —can create coherence and common property identifiers.

- **Updating:** Property tax authorities—especially when local governments are involved—have strong incentives for regular updating and are often closer to local communities to do so at low cost. Where property tax maps can be linked to land administration maps, those updates can be shared.

Conclusion

➢ Land administration and property tax departments have often had very imperfect collaboration.

➢ Dependence on "cadaster first" approaches to property taxation has been a major barrier to effective property taxation. In turn, opportunities to leverage property tax systems to strengthen land administration have been missed.

➢ Improved outcomes are possible through a strategy of (a) cross-government approaches to mapping, (b) property -tax first approaches to property taxation and (c) effective data sharing by land and tax authorities, major improvements are possible

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LINKING PROPERTY TAX WITH LAND ADMINISTRATION

Cameroon's experience

Jean-Claude Mondo
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DGT

Agenda

01 Land management Context

02 Main Objectives

03 Mechanism put in place

04 Some statistics to remember

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1. Land information management context

1. Concerning the structures

- **Two ministries with different priorities**
  - DGT..... Ministry of Finances (MINFI)
  - DCAD, DAF......Ministry of Domain, surveys and land affairs (MINDCAF)

- **Different technical bases**
  - **Nature of the information used**
    - Legal ownership ....(MINDCAF)
    - Factual situation ....(DGT)
  - **Assessment bases**
    - Market value, administrative value ....(DGT) ;
    - No specific information for MINDCAF

2. Concerning land policy

- Information available after request;
- Target = All the land owners.

3. At the operational level

- Availability of information on land
- Quality of the available information
- Complexity and method of the transmission process;

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2. Why link property tax to land administration
- Main objectives -

- Collect the information on land, building and owners ;

- Have all the information on the properties which have been the subject of survey work ;

- All the information on the establishment of land certificate ;

- Reduce the cost of collecting information ;

- Build an integrated land information system

DGT

03

The mechanism put in place

A. Linking property taxation to land administration

Linking solution

- Centralize the collection of information with a single actor
- Provision of available literal and technical information ;
- Build an information system in which each actor will have corresponding access to the data necessary to accomplish its mission

On the administrative level

- Creation of a committee comprising the main public actors in charge of the management or the use of land information ;
- Funding obtained from several donors (ADB, FSN, etc.) ;
- Regular meetings organised on the evolution of the project ;
- Progressive transmission of information to stakeholders.

B. Was the linkage a success for property taxation ?

What conclusions did we draw from the link with the Land administration?

- The informations received concerned only those that succeeded in having a land certificate (15%) ;
- No information concerned owners in the « National domain »
- We therefore lack information on approximatively 85% of land owners .

So the taxation administration note that the information received from land administration would lead to fiscal injustice in property taxation

C. Beyond linking solution with land administration

Where to find the information on lands or buildings

- Company in charge of electricity network and distribution ;
- Company responsable for providing potable water ;
- Company managing the landline telephone network (CAMTEL) ;
- Traditional rulers (for land in the national domain).

Tools used to collect the information

- Legal: the obligation of communication provided for by the fiscal law ;
- Transmission done via magnetic device
- Transmission on request, but the automatic transmission required by law is being developed.

C. Beyond linking the solution with land administration (2)

Information transmitted

- **Location of properties (location or geolocalisation)**;
- **Identity of the owners and/or occupants of the buildings and their contacts**;
- **Technical characteristics of the buildings** (when available).
- **Water or electricity consumption;**;

All this information needed to be reprocessed to transform them for taxation.

4. Some statistics to remember

Before the linkage process with land administration	• Files containing 20, 000 owners
With the link between land and taxation administrations	• Increase from 20,000 to 125,000 owners of property tax files
With the collection from companies	• Increase from 125,000 to 740,000 owners of reprocessed land files • objective : 2 000 000 owners (2 years)

Thank you!

Jean Claude MONDO