

The management of state and public sector land

Why is

The management of state and public sector land

important?

These lands are valuable assets but sometimes the State...

- doesn't know what land is state land -- or where the state land is...
- doesn't know which state agency is supposed to manage the land...
- doesn't use state land effectively and efficiently...
- doesn't know the true cost of using the land...

The management of state and public sector land

*What is the
state and public
sector?*

*What is state and
public sector
land?*

Central state
Regional governments
Local governments / municipalities

*What is the
state and public
sector?*

Government ministries
Independent government
agencies / parastatals
Public – Private
partnerships

The management of state and public sector land

*What is the
state and public
sector?*

*What is state and
public sector
land?

**(and buildings, etc)*

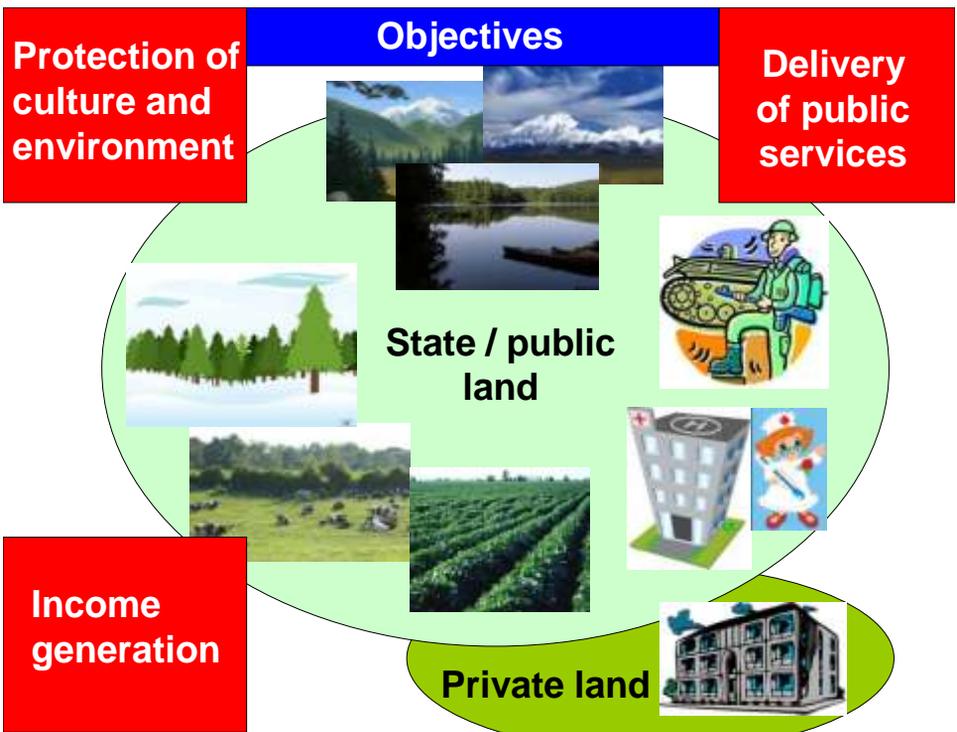
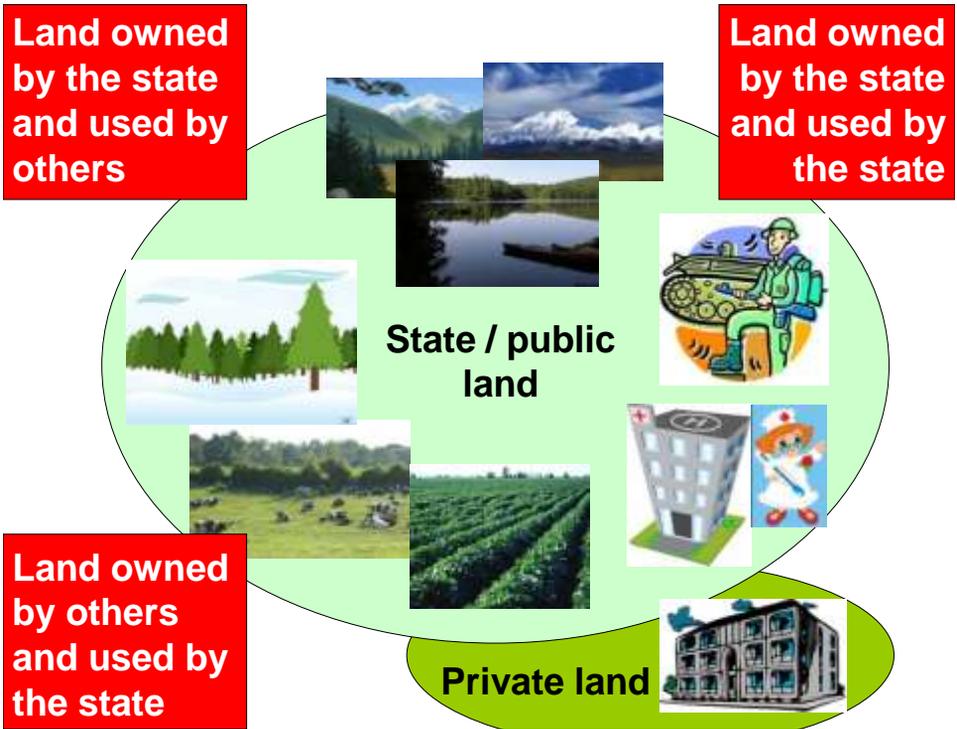
There is state land and state land...

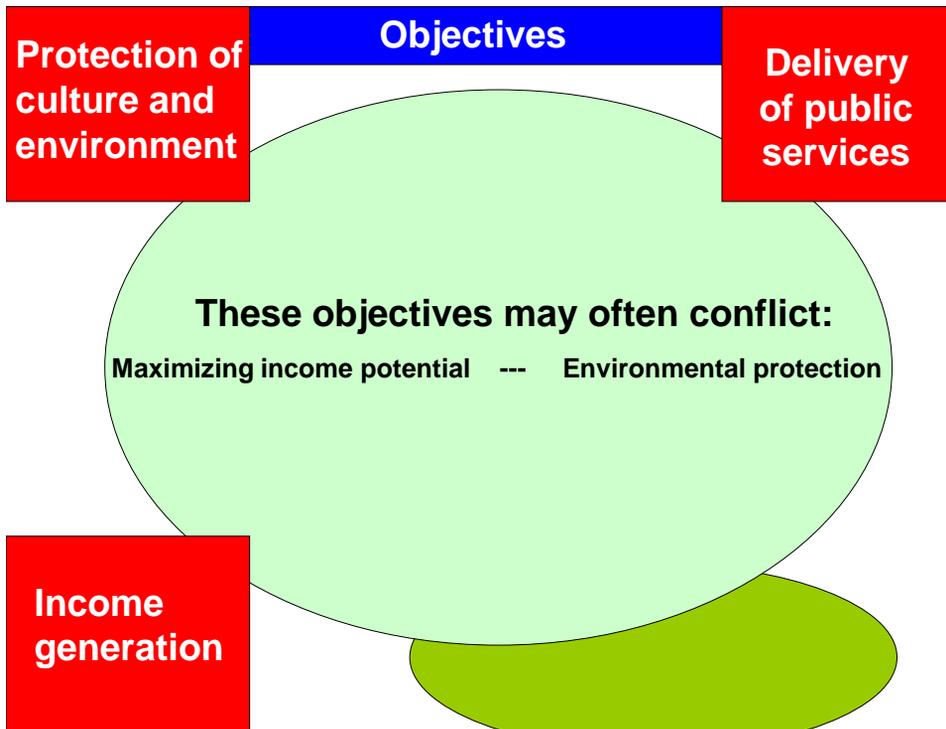
- In some countries the state is the owner of all land:

Land is used in
social
collectives

People have
individual /
household rights
to use the land

- In other countries most land is privately owned –
but the state may be the single biggest owner and
user of land.





The need for a strategy

- The objectives of state land differ – and require different policies and approaches.
- Most countries lack a coherent strategy.
 - What is the state trying to achieve?
 - What role should land play in it?

When the purpose of having state land is understood, it is possible to have:

- strategies for acquiring, keeping, and disposing land;
- policies and processes for implementation.

The need for an asset management plan

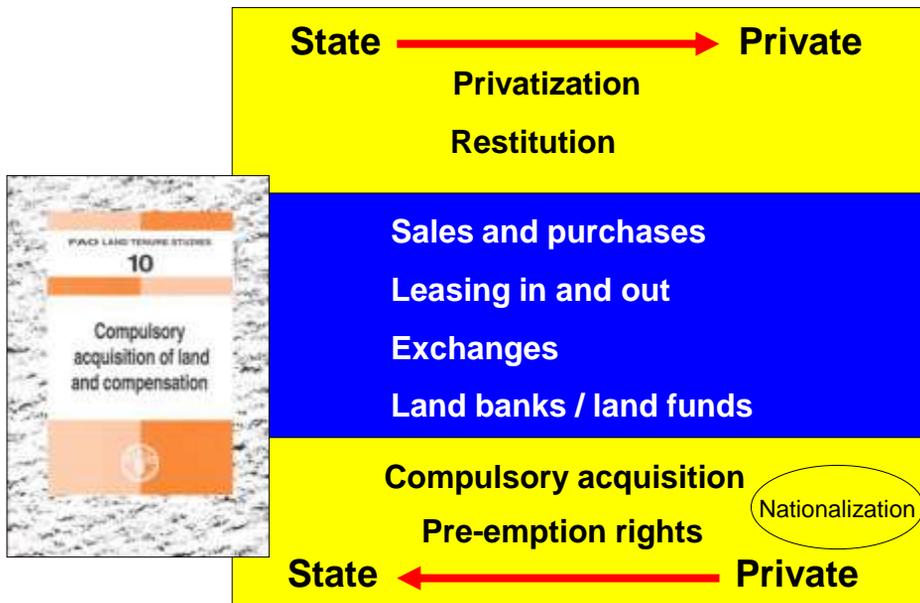
- Possession of state land is not an end in itself – but a means to an objective.
- State land is a dynamic resource – it is not static.

Obvious example: the transition to market economies and the privatization and/or restitution of land –
The policies which led states to acquire land for the collectivization of agriculture were changed.

The asset management plan should be dynamic:

- Monitored – what works or doesn't; what new policies?
- Regularly revised

Moving land across the boundary between state and private...



**Policy for
acquiring land**

**Policy for
disposing of
land**

**Policy for
keeping land**

**Policy for
acquiring land
as and when
needed**

Leasing land:

- **To have flexibility when circumstances are changing.**
- **To shift risks of ownership to the private sector.**

**How should land be acquired:
should it be owned or leased?**

Owning land:

- **The property is unique.**
- **To exercise management control over the property.**
- **When it gives best value for society.**

Policy for disposing of land

How should the state dispose of land in a fair and equitable manner?

Transferring land:

- **What to do with surplus property? (docks, military bases, schools, etc.)**
Conversion to alternative uses (residential, commercial) and sold or leased?

- What investments are needed in the property assets so they can deliver the quality of services required?
- How to protect the property assets from encroachment and land invasions (illegal privatization).

Policy for keeping land

Good policies and
good management approaches require
good information

- **Decisions should be based on facts and objective analysis.**
 - Openness and transparency in data.
- **Good records of the property assets are needed.**
 - What land, where is it, what is on the land, what is it worth, what is it used for.

New policies and
new management approaches require
new information

Some of the countries that have recently introduced public sector accrual accounting (at the central level and /or at sub-central levels):

Czech Republic, Denmark, Estonia, Finland, France, Germany, Italy, Latvia, Lithuania, Romania, Spain, Sweden, Switzerland, United Kingdom, EC Commission...

Accounting for state land

Cash accounting:

- **Revenue and expenditure accounts**
(track income when received and expenditure when paid out).

Accrual accounting:

- **Revenue and expenditure accounts**
(track income and expenditure when due).
- **Balance sheet**
(list of assets and liabilities)

Accounting for state land

- The economic cost of the assets (including capital tied up in them) should be determined.

- **The full costs of holding assets should be identified.**
(costs apportioned over life of the asset through depreciation or amortization).

- **State lands (and buildings, etc) should be valued for the balance sheet (usually market value).**

- **When the value of the land is calculated, it is possible to determine if its use offers best value for money.**

- Decisions can then be made on what to do with the land.

Accrual accounting:

- **Revenue and expenditure accounts**
(track income and expenditure when due).
- **Balance sheet**
(list of assets and liabilities)

Governance is an important factor

- State land is often an area of conflict between different groups.
- How the state manages the land is important:



Inefficient,
ineffective,
corrupt...

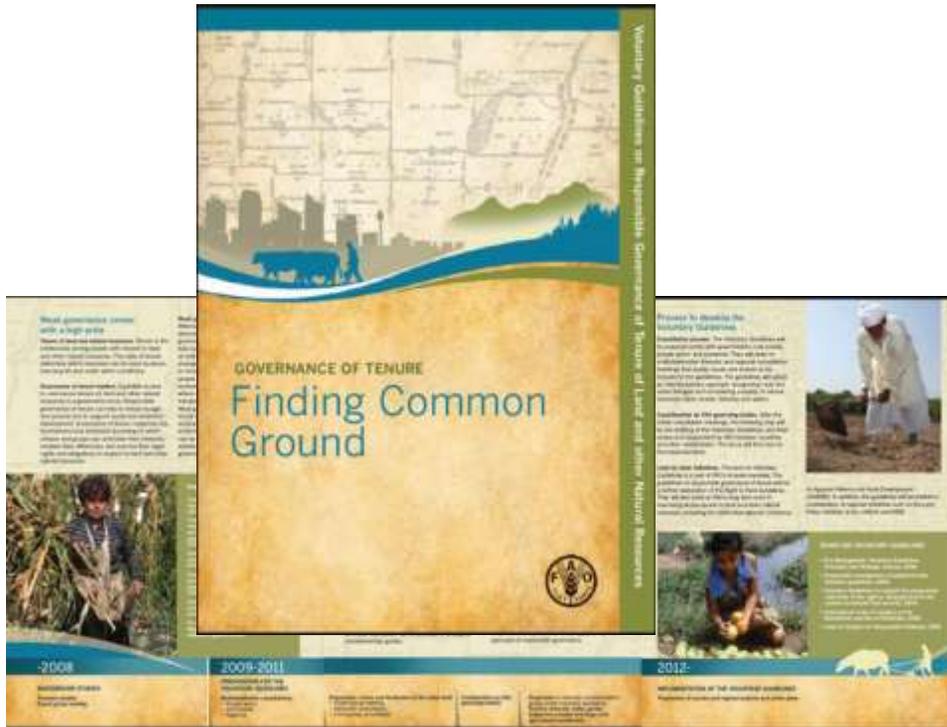


Efficient,
effective,
clean...

For example, how are decisions made to sell state land?

The management of state land
will be addressed in the

**Voluntary Guidelines on the
Responsible Governance of Tenure of
Land and Other Natural Resources**



Food and Agriculture Organization of the United Nations

Land Tenure

EVENTS

UPCOMING EVENTS:

- **European regional consultation in Bucharest, Romania (22-24 March 2010)** co-organized with **GTZ** and **National Agency for Cadastre and Land Registration, Romania**.
 - **European Assessment**
 - **List of participants**
 - **Programme**

PAST EVENTS:

- Near East and North Africa Consultation in Beirut, Lebanon (20-21 Nov 2009) co-organized with FAO Regional Office for Latin America and the Caribbean and the Agrarian Development Ministry of Beirut
- Latin America Consultation in Brasilia, Brazil (20-21 Nov 2009) co-organized by FAO Regional Office for Latin America and the Caribbean and the Agrarian Development Ministry of Brazil
- **European regional consultation in Bucharest, Romania (22-24 March 2010)** co-organized with **GTZ** and **National Agency for Cadastre and Land Registration, Romania**.
 - **European Assessment**
 - **List of participants**
 - **Programme**
- Africa regional consultation in London, United Kingdom (23-24 January 2010) co-organized with **ICD**
 - **African Sector Review**
 - **List of participants**
 - **Programme**
- Asian regional consultation in Hanoi, Viet Nam (23-24 October 2009) co-organized with **UN-Habitat** and **IFAD** (in parallel with **IFAD**)
 - **Asian Sector Review**
 - **List of participants**
 - **Programme**

FAO is also preparing new guidelines on

DRAFT (2 June 2010)
FAO LAND TENURE STUDIES

The management and governance of state and public sector land

At this workshop, we would like you to identify the needs for information on the management of state and public sector land.

- What questions do you have regarding the management of state and public land?
- What information do you need?
- What information should go in the new guidelines?