



FIG Working Week 2024

19-24 May

Accra, Ghana

Your World, Our World:
Resilient Environment
and Sustainable
Resource Management
for All

**14:30 – 16:00 Damba 1, La Palm TS11H: Valuation of Unregistered Land – Next Stages for Non-Market Value, Expropriation and Extractive Industries Commission: FIG, RICS, IVSC, CASLE, FGF, UN GLTN
Chair: Mr. James Kavanagh, United Kingdom Rapporteur: Dr. Michael McDermott, Australia**

James Kavanagh (United Kingdom): Unregistered Land Valuation (UN GLTN manual) - Fair Compensation for a Just Transformation (12442)

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Content

1. Introduction and context
2. Land valuation – unregistered land
3. Extractive industries – valuation and tenure issues
4. Case studies

‘There is no such thing as an investment without property rights that are negotiable and transferable.’ – De Soto



“Land, unlike investments or employment that are time or contract bound, can support the livelihood of many people for generations. Land is also inextricably bonded to peoples’ identities and existence, thus a part of their social and cultural rights.” (ibid.)

Sustainable Development Goals (SDGs) 2030



- 1,2,5,11,15,16 are directly related to Land issues
- New Urban Agenda & Rapid Urbanisation

[Photos de couverture]

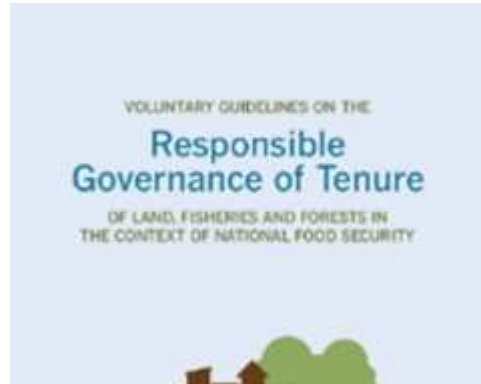


ÉVALUATION DES FONCIERS NON ENREGISTRÉS MANUEL PRATIQUE

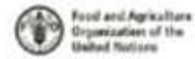
UN MONDE DANS LEQUEL CHACUN JOUIT DE DROITS FONCIERS SECURISÉS



Valuation of unregistered land - manual



Valuation of Unregistered Lands



Food and Agriculture Organization of the United Nations

Due diligence, tenure and agricultural investment

A guide on the legal aspects of private sector law on the acquisition of



Research



Food and Agriculture Organization of the United Nations

Valuing

A handbook of guidelines to assist investors in the context of



Food and Agriculture Organization of the United Nations

ILMS

International Land Measurement Standard: Due Diligence for Land and Real Property Surveying

International Land Measurement Standard Condition



11



VALUATION OF UNREGISTERED LAND A PRACTICE MANUAL

A world in which everyone enjoys secure tenure rights



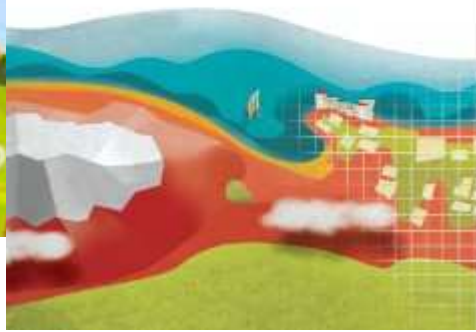
rics.org/research



Valuing Unregistered Land

rics.org/research

Creating a system to record tenure rights and first registration



VALUATION OF UNREGISTERED LANDS A Policy Guide

SECURING LAND AND PROPERTY RIGHTS FOR ALL



Connection with IVS's critical

Changes to IVS's Jan 2022:

- ✓ Core Principles of Valuation Standard Setting
- ✓ Change perceived focus from Urban to all be inclusive
- ✓ Recognition that value may be held in informal tenure

Applying IVS's in the Manual: -

- ✓ Legitimacy within legal & regulatory frameworks
- ✓ Consistency in approach by adopting the framework

Valuers are not policy makers



Holding Real Property

- Real property interests might be defined formally or informally, registered or unregistered
- **IVS 400 para 20.1:**

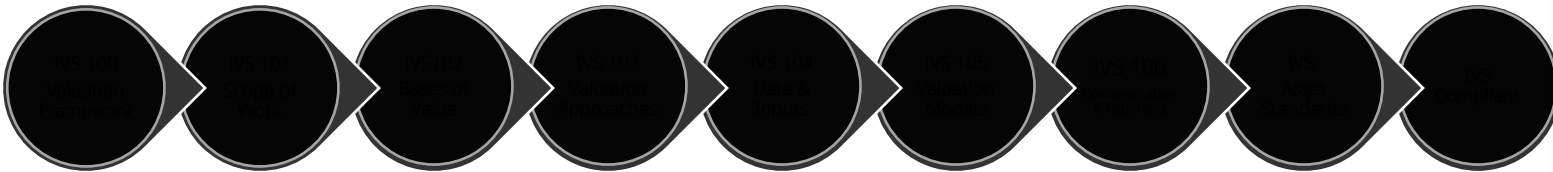
“Property interests are normally defined by state or the law of individual jurisdictions and are often regulated by national or local legislation. In some instances, legitimate individual, communal/community and/or collective rights over land and buildings are held in an informal, traditional, undocumented and unregistered manner. Before undertaking a valuation of a real property interest, a valuer must understand the relevant legal framework that affects the interest being valued.”



IVSC

IVS Valuation Process

- Applies to all asset classes.
- Describes key processes to which we believe we need to have standards.
- Clarifies the connection between the IVS General Standards and Asset Standards.
- Provides flexibility for inclusion of additional Asset Standards.



INTERNATIONAL VALUATION STANDARDS

EXPOSURE DRAFT FOR CONSULTATION

IVSC
INTERNATIONAL VALUATION
STANDARDS COUNCIL

Manual for the Valuation of Unregistered Land

- **IVS's – Economic concept:**

Economic trigger point the indicative number where a transaction would take place subject to the hypothetical conditions – all approaches trying to identify the trigger point.

- Market approach
- Income approach
- Cost approach

- **Concepts:**

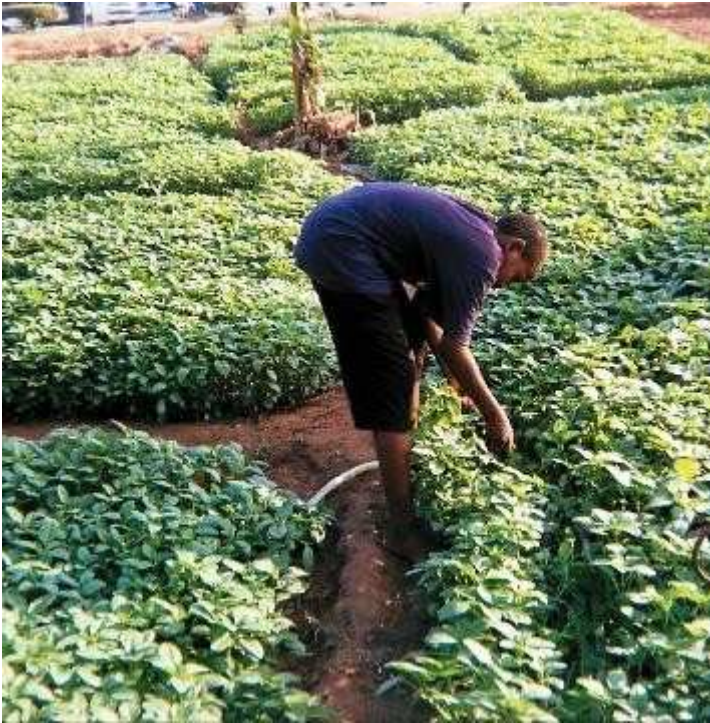
- Reasonably efficient operator
- Modern equivalence
- Equivalent benefit

- **Safeguard Standard 5 (WB):**

- Encourages negotiated settlement
- Starting point for negotiated settlement
- Fairness to taxpayer?

Manual for the Valuation of Unregistered Land

“Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion” (IVS 2021)



- A community obtains benefits from legitimate individual and communal rights over their land, including the right to fish, raise livestock, grow and harvest crops, collect wild foods, fuel wood, timber and thatching grass.
- These rights allow collection of products needed for subsistence and livelihood, and often generate additional income by selling surplus to the market.
- Rights that generate sales can be valued using the *comparison approach* and rights that generate income can be valued using the *income approach*.
- It may also be possible to estimate the market value of some products that are consumed ‘internally’ within the community.
- The value of some benefits, though, cannot be estimated using market value approaches. For example, some produce, herbs for example, may be medicinal and not traded in a market, so there is no price evidence.

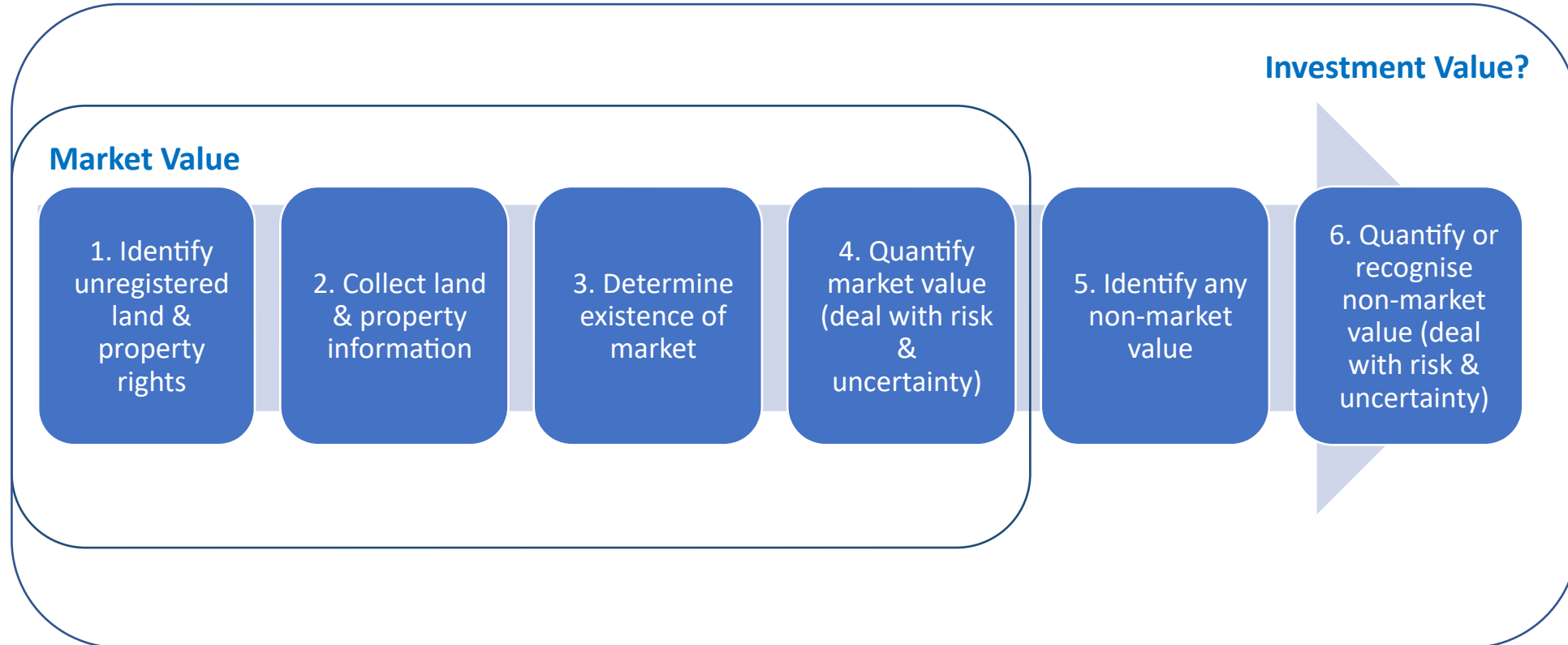
Concepts of Property Value

- Value refers to the importance people place on the benefits that are derived from holding real property
- Economic values:
 - Use values (direct and indirect) and non-use values
 - Markets facilitate exchange and so people's preferences (values) are revealed. Hence, the focus on **market value**
 - Markets are good at revealing direct use values but not so good at revealing indirect use values and option values, and terrible at revealing non-use values
- Socio-cultural values
- Ecological values
- Plurality of values: disparity between market value and 'accounting' value. Difference = **non-market value**

Methods of Estimating Non-Market Value

- Are values **revealed** in some way: transfers, exchanges, leases, licenses, etc. If so, what is the medium of exchange, the numeraire?
- If not, can stakeholders be persuaded to **state** their preferences in some way, either to acquire (willingness to pay for) or relinquish (willingness to accept the loss of) real property?
- Can the different concepts of value be reduced to one **metric** or will several be needed?
- How will **risk** and **uncertainty** associated with holding and using real property be handled in a valuation?

A Role for Valuers?



Valuation: Standards, Skills, Capacity, Information and IT...



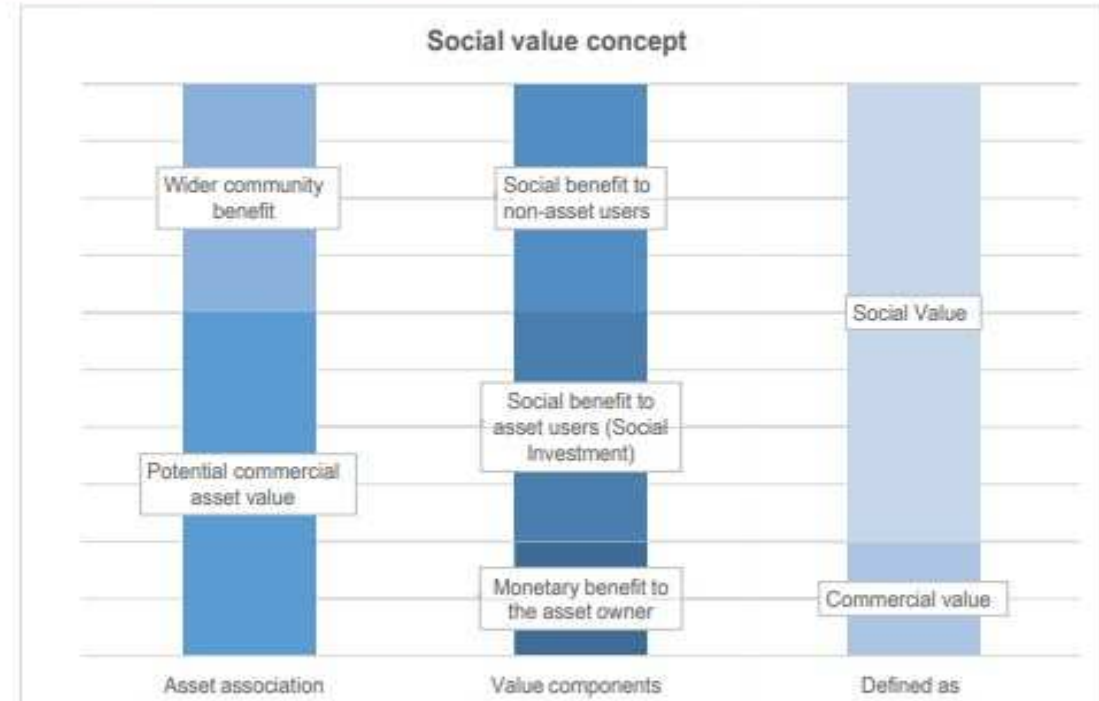
Development of carbon markets and impact on valuations and rural stakeholders – forthcoming practice information paper

- Overview of carbon markets and their complexity
- Examination of soil carbon sequestration projects
- How to approach valuation challenges
- Considerations for all stakeholders – land managers and landowners / banks / valuers etc.

Manual for the Valuation of Unregistered Land

IVSC Perspective Paper – Estimating Social Value

1. Monetary benefit to the asset owner
2. Social benefit to asset users
3. Social benefit to non-asset users



Acquisition and compensation

- ▶ The Principle of Equivalence is recognized in many International laws that compensating for market value alone is not enough to satisfy the Principle of Equivalence. The principle of equivalence stipulates that individuals who have their property taken should not be in a worse position after the taking than they were before.
- ▶ Different forms of compensation for land acquisition, include:
 - Special value to the owner
 - Costs for the disturbance involved in the taking
 - Injurious affection or severance reducing the value of any land not taken
 - Allowance called “solatium”:
 - provided as a solace for intangible losses
 - not reducible to monetary terms
 - monetary compensation is the best that can be done at the time
- ▶ **Section 16 UN FAO VGGT**
- ▶ **World Bank Environment, Social Guidance 5**
- ▶ **Valuation of unregistered land – UN manual**



Acquisition and compensation

BUI Dam - Ghana

- ▶ Resettlement, compensation and livelihood restitution

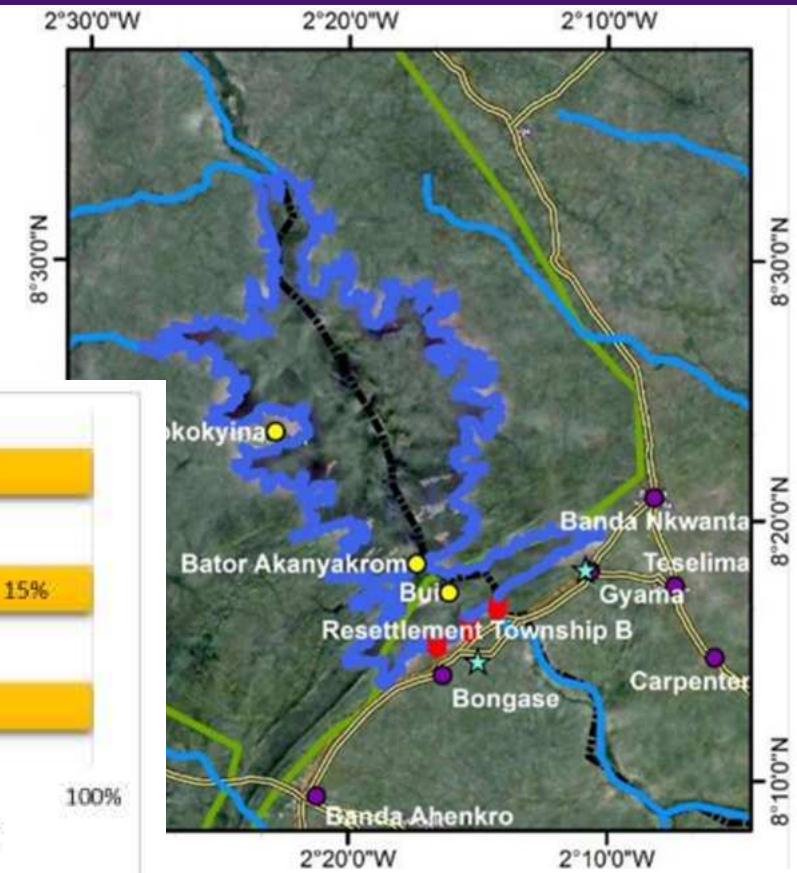
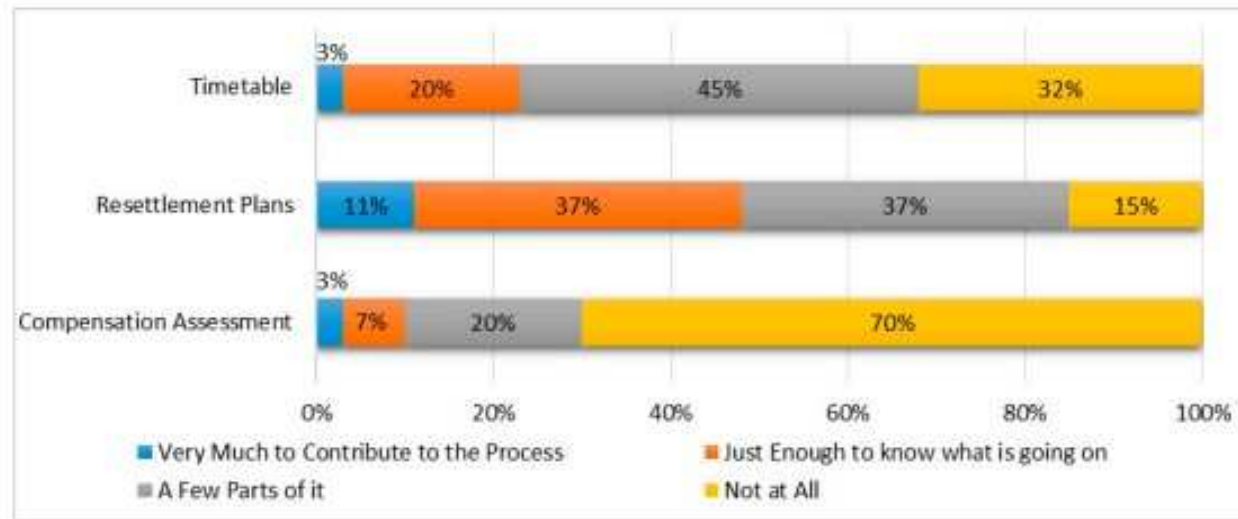


Figure 4. How clear were the explanations of these aspects of the compulsory land acquisition and resettlement process? (n = 38).

LSLA and transparency

Global land rush 2.0

THIS BEAUTIFUL LAND: CORRUPTION, DISCRIMINATION AND LAND RIGHTS IN SUB-SAHARAN AFRICA

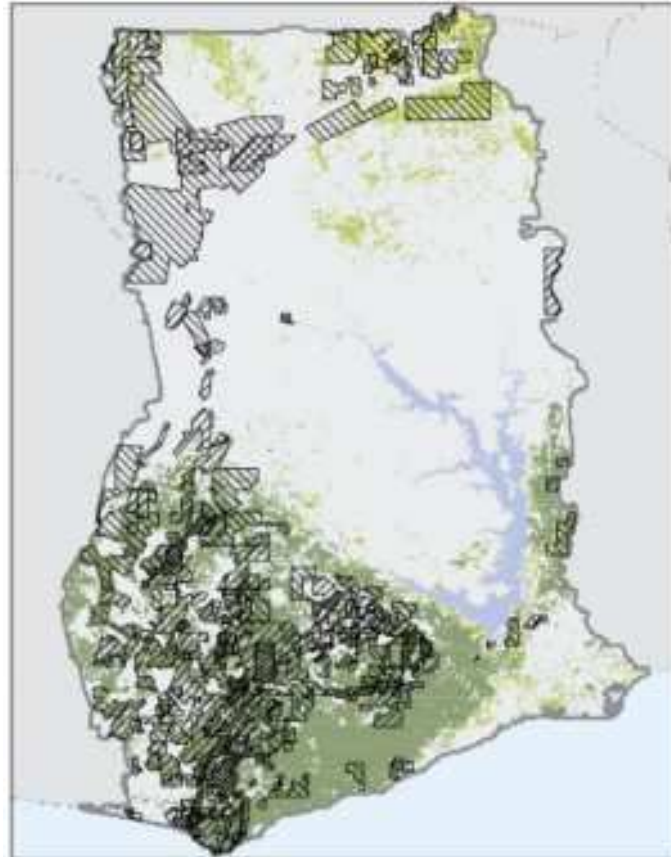
Our new report explores the links between discrimination and corruption in the land sector



[This beautiful land: Corruption, discrimination... - Transparency.org](#)

- ▶ A 2021 report on large-scale land acquisitions, for example, revealed that many developed countries disclose only limited data and are failing on transparency. In G20 countries, less than 20 per cent of deals disclose the operating company, only 15 per cent reveal the land's exact location, and less than **10 per cent share financial details like purchase price (valuation)** or leasing fees. This lack of transparency can facilitate corruption and lead to the dispossession of those who rely on the land for their survival.

Land tenure and extractive industries






-  Reconnaissance licenses
-  Prospecting licenses
-  Mining leases

Fig. 6. Spatial overlap of mineral concessions and agricultural land cover in Ghana

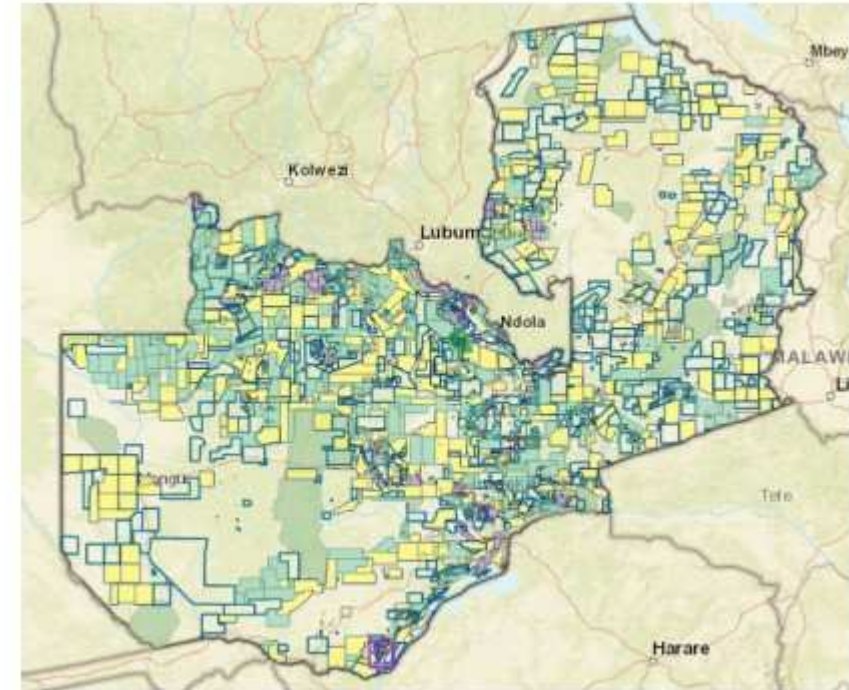


Fig. 1. Spatial Dimension map of mining concessions and applications in Zambia. Yellow denotes exploration concession; Purple denotes mining license; Blue denotes application in progress.

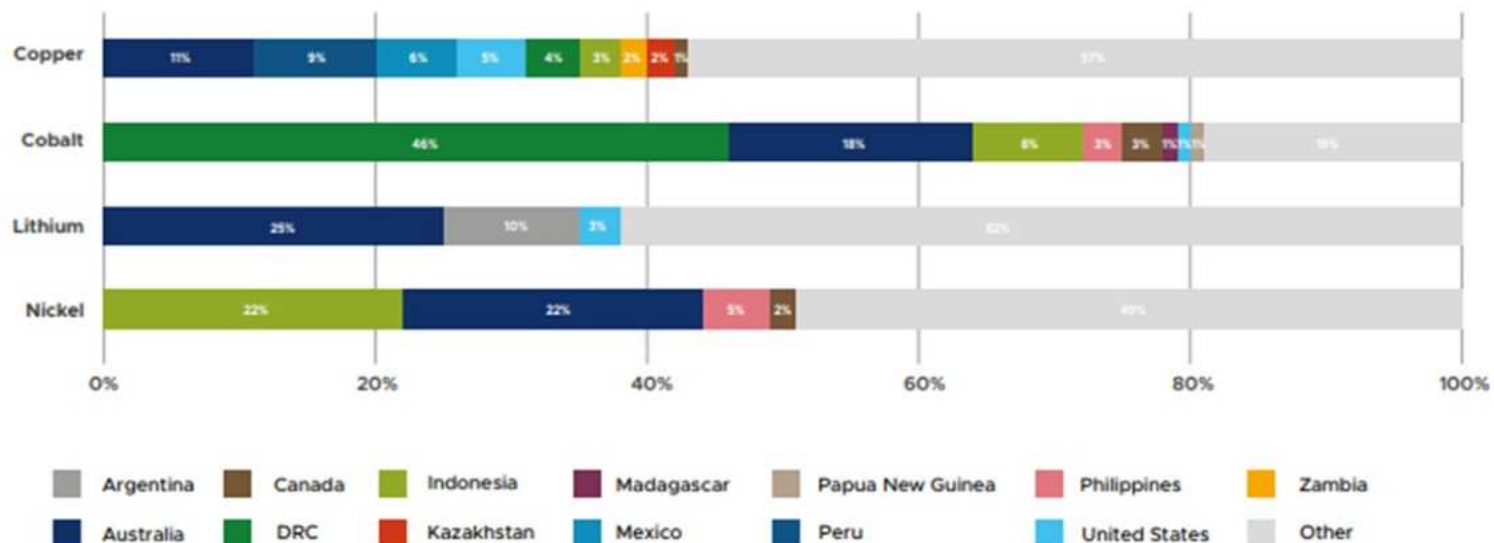
<https://core.ac.uk/download/pdf/82802458.pdf>

- Pulling the rug out from under: The land tenure dynamics of mining concessions in sub-Saharan Africa - James Mitchell

Manual for the Valuation of Unregistered Land

Critical minerals – transition to a low carbon economy

GLOBAL RESERVES OF CRITICAL MINERALS
EITI IMPLEMENTING AND SUPPORTING COUNTRIES



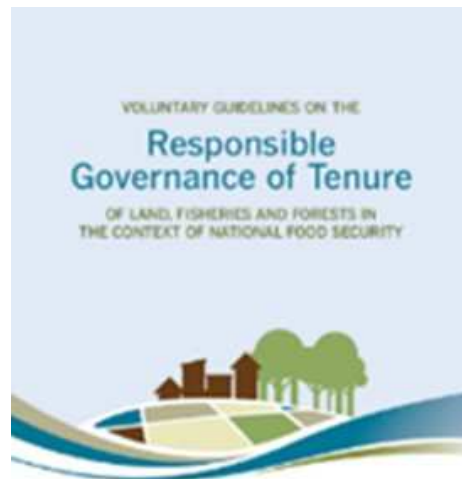
ESTIMATED CRITICAL MINERAL RESERVES IN GHANA
BY VOLUME (THOUSAND TONNES)



Extractive industries

Transparency, valuation and stakeholder participation

- ▶ promoting transparency in extractive industries and land governance is vital for sustainable development and equitable resource distribution.



The global standard for the
good governance of oil, gas
and mineral resources



INTERNATIONAL MINERAL VALUATION COMMITTEE (IMVAL)

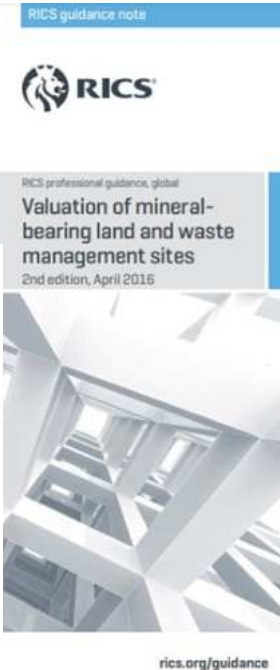
HOME ABOUT US REVISIONS STATEMENTS CONTACT US

IMVAL Template, 4th Edition, April 2021

Fourth Version, April 2021, A4
Fourth Version April 2021, A4
Fourth Version April 2021, Letter



THE FOLLOWING STANDARDS



Case studies – Uganda – public participation



- ▶ The Tirinyi– Kamonkoli Road Project
- ▶ Malaba-Kampala standard gauge railway in Eastern Uganda
- ▶ Rural Electrification Project in Wakiso, Gomba, Butambala, Luweero and Mityana Districts





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Your World, Our World:
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SUSTAINABLE DEVELOPMENT **GOALS**

International Federation of Surveyors supports the Sustainable Development Goals

Commission 9

Valuation

Serving Society for the Benefit of People and Planet



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Thank You

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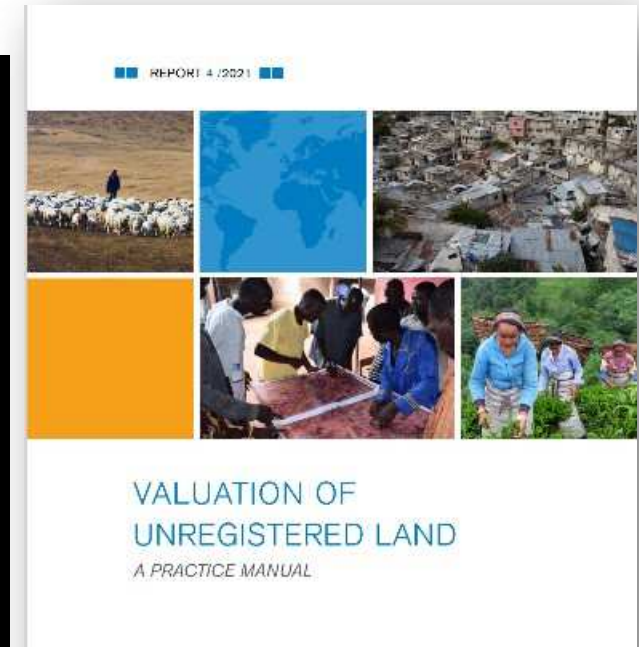
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Download the manual:

[Valuation of Unregistered Land – A Practice Manual –
Global Land Tool Network \(gltn.net\)](#)



RAPPORT 4 /2021

[Photos de couverture]

ÉVALUATION DES FONCIERS NON ENREGISTRÉS
MANUEL PRATIQUE

UN MONDE DANS LEQUEL CHACUN JOUIT DE DROITS FONCIERS SECURISÉS