

TC Document

I. Basic Information for TC

▪ Country/Region:	REGIONAL
▪ TC Name:	Connecting Communities and Catalyzing Investments: Land Titling for Urban and Rural Areas
▪ TC Number:	RG-T4516
▪ Team Leader/Members:	Schloeter, Luis (CSD/HUD) Team Leader; Chevalier, Ophelie (CSD/CSD) Alternate Team Leader; Leyva Munoz, Cesar (CSD/CSD) Alternate Team Leader; Restrepo Michelle (CSD/HUD); Kirkagacli, Romina Emanuela (VPC/FMP); Perez Moreno Silvia (CSD/HUD); Avila, Francy Dianela (CSD/HUD); Barreda, Gisella (CSD/CSD); Diaz Gill Virginia Maria (LEG/SGO); Hernandez Yader Antonio (CSD/HUD); De Barros Torres Gabriel (CSD/HUD).
▪ Taxonomy:	Research and Dissemination
▪ Operation Supported by the TC:	.
▪ Date of TC Abstract authorization:	March 27, 2024
▪ Beneficiary:	BRAZIL, ARGENTINA, BARBADOS, BAHAMAS, BELIZE, BOLIVIA, CHILE, COLOMBIA, COSTA RICA, DOMINICAN REPUBLIC, ECUADOR, EL SALVADOR, GUATEMALA, GUYANA, HAITI, HONDURAS, JAMAICA, MEXICO, NICARAGUA, PERU, PANAMA, PARAGUAY, SURINAME, TRINIDAD AND TOBAGO, URUGUAY, VENEZUELA
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Sustainability (W2A)
▪ IDB Funding Requested:	US\$250,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	24 months
▪ Required start date:	September 1, 2024
▪ Types of consultants:	Individual consultants and Consulting firms
▪ Prepared by Unit:	CSD/HUD-Housing & Urban Development
▪ Unit of Disbursement Responsibility:	CSD/HUD-Housing & Urban Development
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2024-2030:	Environmental sustainability; Gender equality; Social inclusion and equality

II. Objectives and Justification of the TC

- 1.1 **Objective.** This technical cooperation (TC) aims to support the development of a comprehensive programmatic strategy focused on securing land and property rights in Latin American and Caribbean (LAC) countries.
- 2.2 **Background.** Insecure property rights, broadly defined as the lack of legal assurance that land rights will be recognized and protected, pose a pervasive issue in LAC. Over 90 million people, more than 20% of adults, feel insecure about their homeownership. Perceptions of land tenure security vary widely across countries in the region. Paraguay has the lowest perceived uncertainty at 13%, while Guatemala has the highest at 33%. Due to their large populations, Brazil and Mexico have the

most significant numbers of people feeling insecure about land tenure, with 36.6 million and 13.4 million individuals, respectively.¹

- 2.3 Land tenure insecurity has far-reaching and complex consequences.** Economically, it is a significant deterrent to investments in land and property. When individuals lack confidence in the security of their land rights, they are less inclined to invest in improvements, such as building structures, planting crops, or adopting sustainable land management practices, due to the fear of potential eviction or loss of their land.² This insecurity stifles economic development and productivity, creating economic growth barriers. For example, in Peru, property titling increased property values by an average of 23%, showcasing the economic value of formalized property rights.³
- 2.4 Land tenure insecurity perpetuates poverty and exacerbates inequality.** Individuals without secure land rights are often marginalized from formal credit markets since land is commonly used as collateral for loans.⁴ This exclusion limits their access to essential financial services for entrepreneurial activities and other economic opportunities.⁵ For instance, in Brazil, property titling significantly boosted household income, reducing poverty in titling areas compared to non-titling areas.⁶ Moreover, insecure land tenure can restrict access to government services and social protection programs, further entrenching individuals and communities in a cycle of poverty.
- 2.5 Land tenure insecurity also disproportionately affects women in LAC, aggravating existing gender inequalities.** Despite the region's progress on gender equality, women often face significant barriers to securing land and housing rights due to cultural norms, legal limitations, and discriminatory practices. These barriers leave women vulnerable to poverty and economic insecurity. International research has shown that securing land titles can empower women by enhancing their access to credit and decision-making processes, ultimately contributing to greater economic stability and equality.⁷ Additionally, it is important to consider the size and quality of land titled to women as these lands tend to be significantly smaller compared to those owned by men and often suffer from poor soil quality.⁸
- 2.6 Finally, insecure land tenure significantly hampers governments' ability to design and manage effective land-use plans by affecting property rights and escalating land ownership disputes.** This can adversely affect productivity and undermine climate change mitigation objectives. Inadequate land-use planning

¹ Ribadeneira Sarmiento, M., Berning, C., & Childress, M. (2023). Land tenure security in Latin America: A post-pandemic land rights agenda. [Prindex](#).

² Deininger, K., & Feder, G. (2009). Land Registration, Governance, and Development: Evidence and Implications for Policy

³ Field, E., & Torero, M. (2006). Do property titles increase credit access? *World Bank Economic Review*, 20(3), 441-455.

⁴ World Bank. (2003). Land Policies for Growth and Poverty Reduction. The World Bank and Oxford University Press.

⁵ Inter-American Development Bank. (2014). [Land regularization and administration projects: A comparative evaluation](#).

⁶ De Soto, H. (2000). *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. Basic Books.

⁷ Chantarat, S., & Barrett, C. B., & Lyman, T. R. (2009). The impact of property rights reform on women's welfare: Evidence from Thailand. *World Development*, 37(7), 1279-1293.

⁸ Borrás, S., Franco, J., Kay, C., & Spoor, M. (2014). Acaparamiento de tierras en América Latina y el Caribe.

hinders the creation of optimal conditions for fostering agglomeration economies, which are crucial for economic growth and innovation through the concentration of businesses and industries that benefit from shared infrastructure, labor markets, and knowledge spillovers⁹.

- 2.7 **Conversely, secure land tenure, critical for effective land use planning, is essential for climate change mitigation and adaptation and enhancing resilience to natural disasters.** Improved land governance in urban areas enables more effective planning, such as higher density and mixed-use development, promoting climate-friendly real estate development and transportation systems. This approach contributes to climate change mitigation by reducing greenhouse gas emissions. Additionally, robust land-use planning is a strategic adaptation measure that designates high-risk areas as non-development zones, reducing cities' vulnerability to climate-related hazards.
- 2.8 **Rationale and Justification.** Insecure land tenure remains a significant constraint to development in LAC despite widespread recognition of its impact. Several underlying factors, including legal and bureaucratic obstacles and outdated land registries, contribute to this persistent issue.
- 2.9 **Legal and administrative processes for obtaining and verifying land titles are often complex, lengthy, and costly.** These bureaucratic hurdles can be especially challenging for low-income individuals who lack the resources to navigate such red tape.¹⁰ The complexity of these processes deters many from seeking formal land titles, perpetuating a cycle of insecurity and informal land tenure. Moreover, the high costs associated with land titling processes further exclude marginalized communities, exacerbating existing inequalities and limiting their access to secure land rights.
- 2.10 **Many countries in LAC have outdated and poorly maintained land registries.** These registries often suffer from inconsistencies and inaccuracies that make it difficult for individuals to prove ownership, leading to frequent disputes. The lack of modern, digitalized systems exacerbates this problem, resulting in inconsistent and unreliable records¹¹ Consequently, landowners face significant challenges in establishing transparent and secure land rights, which undermine their ability to invest in and develop their properties effectively.
- 2.11 **Therefore, institutional and legal reforms and modern technology implementation are crucial for developing an efficient and comprehensive land administration system in LAC countries.** Such a system would offer numerous benefits beyond land tenure security, including reducing frictions in land markets, improving tax collection, and enhancing land-use planning.¹²
- 2.12 To help LAC countries overcome these barriers, this TC will support the development of a comprehensive programmatic strategy for securing land and property rights. This strategy will be grounded in international best practices, incorporating new

⁹ Chang-Tai Hsieh and Enrico Moretti, "Housing Constraints and Spatial Misallocation," *American Economic Journal: Macroeconomics* 11, no. 2 (April 2019).

¹⁰ Rajack, R. and Frojmovic, M., 2016 [Housing and Land Markets in Trinidad and Tobago: Inputs to the IDB's Country Challenges Document for Trinidad and Tobago](#). Washington, DC: Inter-American Development Bank. [Accessed 25 May 2021].

¹¹ Food and Agriculture Organization. (2016). [Improving land tenure security for investment in Latin America and the Caribbean](#). Food and Agriculture Organization.

¹² Ibid.

technological developments such as artificial intelligence and innovative approaches to land titling, including the fit-for-purpose methodology. Additionally, the TC will fund a pilot project for a pre-cadastral land titling initiative to assist governments in creating official parcel databases cost-efficiently. This initiative will seek to deploy cutting-edge technologies to enhance land registries.

- 2.13 **Strategic Alignment.** The proposal is consistent with the IDB Group Institutional Strategy Transforming for Scale and Impact (GN-3159-11), and it is aligned with the objectives to (i) Reduce Poverty and Inequality, as property and land titling help lift beneficiaries out of poverty; (ii) Address Climate Change, through the impact land titling can have on land use, and effective mitigation and adaptation measures; and (iii) Bolster Sustainable Regional Growth, through enhanced planning and investments as a result of policies on property and land titling. The operation is also aligned with the operational focus areas of (i) Biodiversity, Natural Capital, and Climate Action; (ii) Gender Equality and Inclusion of Diverse Population Groups; and (iii) Institutional Capacity, Rule of Law, and Citizen Security. Likewise, it supports the Agriculture Sector Framework (GN-2709-10), the Housing and Urban Development Sector Framework (GN-2732-11), and the Gender and Diversity Sector Framework (GN-2800-13) in terms of the instrumental role of land titling in developing the sectors and in including vulnerable groups to the formal framework. Additionally, this technical cooperation is aligned with the Ordinary Capital Strategic Development Program (OC SDP), Window 2: Priority Area 2: Climate change and environmental sustainability (W2A) (GN-2819-14) supporting the improvement of land administration the three cross-cutting issues: (i) accelerating progress on gender, equality, and diversity; (ii) climate change and environmental sustainability; and (iii) institutional capacity and the rule of law.
- 2.14 **Beneficiaries.** Primary beneficiaries include national and sub-national governments across LAC, alongside members of the IDB Group. By bridging the public and private sectors, property and land titling emerge as catalysts for bolstering social capital and facilitating access to private markets.
- 2.15 Beneficiary countries will be selected and prioritized based on the following criteria: (i) countries with a strong interest in addressing land and property titling; (ii) countries currently developing or reforming titling programs; and (iii) countries where recent or ongoing Bank operations in titling have a complementary focus.

III. Description of Components and Budget

- 3.1 **Component 1. Comprehensive Programmatic Strategy for Securing Land and Property Rights in LAC (US\$100.000).** This component aims to thoroughly assess the various institutional, legal, and technological challenges that impede efficient land registration in selected countries and provide actionable recommendations to address them. The primary focus will be identifying and analyzing the key barriers in the following areas:
- 3.2 **Institutional Processes.** Evaluate the existing institutional frameworks governing land registration processes, focusing on efficiency, transparency, and accountability. It will also examine the level of coordination between different governmental bodies involved in land administration, identifying areas where improved inter-institutional collaboration could enhance overall system performance. By mapping these institutional frameworks, the assessment aims to pinpoint bottlenecks and inefficiencies that hinder the effective management of land registration processes.

- 3.3 **Legal Aspects.** Analyze the existing legal frameworks governing land tenure and land rights, assessing their effectiveness and the adequacy of compliance and enforcement mechanisms. It will also investigate the frequency and nature of land disputes and the efficiency of the mechanisms in place for their resolution. Special attention will be given to the issues surrounding informal settlements, where residents often lack formal recognition of their land rights, leading to heightened vulnerability and frequent conflicts. Additionally, the assessment will examine gender-specific barriers to land tenure, ensuring that the legal frameworks promote equitable access to land rights for women and marginalized groups. By reviewing these legal aspects, the assessment aims to uncover legal inconsistencies and barriers that could be addressed to strengthen the legal foundation of land tenure systems. Through this comprehensive diagnostic, the component seeks to provide a solid basis for developing interventions that address the identified barriers, ultimately improving the efficiency and reliability of land tenure systems in the selected countries.
- 3.4 **Land Administration Systems.** The analysis will delve into the current land registration systems, scrutinizing their structure, functionality, and user-friendliness. This section will evaluate the integration of modern technology within the registration process, such as digital databases, geographic information systems (GIS), and blockchain. Additionally, it will review data collection, storage, and management methods to ensure they meet standards of accuracy, security, and accessibility. Special emphasis will be placed on assessing advanced data collection techniques, such as the use of drones and satellite imagery, which can provide high-resolution and up-to-date spatial data. These technologies have the potential to significantly improve the precision and efficiency of land mapping and registration processes. The goal is to identify technological gaps and recommend improvements that streamline land registration operations, enhance data reliability, and leverage cutting-edge tools to create a more robust and effective land registration system.
- 3.5 **Component 2. Pilot Project for a Pre-Cadastral Land Titling Initiative (US\$150.000).** This component will fund a pilot project for a pre-cadastral land titling initiative to establish a model for creating accurate and comprehensive land parcel databases in select LAC countries. The pilot will collect and integrate geometric and socio-economic data into a digital, updatable database using advanced technologies such as aerial photography, satellite imagery, and GIS. Focusing on specific areas within these countries, the project will test rapid data collection, integration, and the creation of a web-accessible platform for land management. By streamlining land registration and enhancing data transparency and accuracy, this initiative seeks to demonstrate the feasibility and benefits of this approach, paving the way for broader implementation and improved land tenure security across the region.
- 3.6 The pilot will focus on specific areas within beneficiary countries, employing rapid data collection and integration methods. Key activities will include:
- 3.6.1 **Data Collection:** Utilizing aerial photography and satellite imagery to capture detailed geometric data, while gathering socio-economic information through community participation and surveys.
 - 3.6.2 **Data Integration:** Combining geometric and socio-economic data into a cohesive, digital database that can be updated regularly.
 - 3.6.3 **Technology Implementation:** Deploying GIS and other advanced technologies to manage and analyze the data efficiently.

- 3.7 The primary goal of this initiative is to streamline land registration processes, improve data transparency and accuracy, and demonstrate the feasibility and benefits of this approach. By doing so, the project aims to pave the way for broader implementation across the region, ultimately leading to improved land tenure security and better land management practices. Additionally, the project will provide valuable insights and lessons that can inform future efforts and policy recommendations, ensuring that the benefits of this initiative can be extended to other countries facing similar challenges.
- 3.8 The cadaster solution is expected to provide government authorities with an accurate geometric visualization of the current occupation status of land parcels on the ground. It will also develop a temporary collection of information about those who claim ownership of the parcels to facilitate land registration. This will produce a parcel database, forming the basis for a formal registration process.
- 3.9 The total amount of funding requested is US\$250,000 and the funding source is the Ordinary Capital Strategic Development Program (OC SDP), Window 2: Priority Area 2: Climate change and environmental sustainability (W2A). There will be no counterpart financing and the disbursement and execution period will be 24 months.

Indicative Budget (US\$)

Component	IDB/W2A
Component 1: Comprehensive Programmatic Strategy for securing Land and Property Rights in LAC.	100.000
Component 2: Pilot Project for a Pre-Cadastral Land Titling Initiative.	150.000
TOTAL	250.000

IV. Executing Agency and Execution Structure

- 4.1 The Bank will execute the TC through the Housing and Urban Development Division (CSD/HUD). This execution mechanism is justified due to: (i) the added value that the Bank provides through its knowledge of land management and planning; and (ii) the need to promote and facilitate knowledge transfer between beneficiary countries and the Bank. The data management resulting from carrying out this consultancy will be carried out in accordance with the Bank's Personal Data Privacy Policy (GN-3030). Any knowledge product generated within the framework of this technical cooperation will be the property of the Bank and may be made available to the public under a creative commons license. However, upon request of the beneficiaries, the intellectual property of said products may also be licensed and/or transferred to the beneficiaries through specific agreements.
- 4.2 The Bank will hire individual consultants and consulting firms in accordance with the Complementary Workforce Policy (AM-650), and the Policy on Institutional Acquisitions (GN-2303-33).

V. Major issues

- 5.1 No significant issues have been identified.

VI. Exceptions to Bank policy

- 6.1 There are no exceptions to Bank policy.

VII. Environmental and Social Aspects

- 7.1 This Technical Cooperation is not intended to finance pre-feasibility or feasibility studies of specific investment projects or environmental and social studies associated with them; therefore, this TC does not have applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).

Required Annexes:

[Results Matrix_37864.pdf](#)

[Terms of Reference_90168.pdf](#)

[Procurement Plan_85536.pdf](#)