



LESSONS LEARNED FROM PILOT FEE-FOR-SERVICE CUSTOMARY LAND DOCUMENTATION IN ZAMBIA

The United States Agency for International Development (USAID) has been supporting first-time customary land documentation in Zambia’s Eastern Province since 2014, first with the Tenure and Global Climate Change program (TGCC) from 2014 to 2018, and now through the Integrated Land and Resource Governance program (ILRG). ILRG is working to identify opportunities to sustainably scale customary land documentation and administration processes as a way to support Zambia on its Journey to Self-Reliance.

ILRG has supported two local partners, the Petauke District Land Alliance (PDLA) and the Chipata District Land Alliance (CDLA) to test a fee-for-service model for first-time land documentation in selected chiefdoms in Eastern Province, following the land documentation methodology developed under TGCC. It is intended that the results of the tested model pave the way for these organizations, and other civil society organizations to provide beneficial, needed services to local communities without being entirely reliant on donor or government funding.

Although the fee-for-service model is still in its initial pilot, ILRG and its partners have already captured some important lessons learned which are useful not only for the project, PDLA, and CDLA, but also potentially for other organizations considering offering land documentation under a fee-for-service model.

CHIPATA DISTRICT LAND ALLIANCE

BACKGROUND

PDLA has provided land documentation services since 2016, initially with funding from TGCC and now under a grant from ILRG which was awarded in 2019. PDLA chose to begin piloting its fee-for-service documentation activities in the North Nyamphande settlement scheme in Nyamphande Chiefdom for several reasons:

- Chief Nyamphande has been a strong supporter of land documentation initiatives and there was strong local demand for documentation which incorporates spatial data;
- The settlement scheme contains 510 farm parcels with an average size of 10 hectares, which PDLA thought would be feasible to document;
- Land boundaries within the scheme are relatively clear and undisputed, meaning that land documentation could be rolled out more efficiently than in an area with high levels of disputes;
- The area is partially managed by the Ministry of Agriculture (MoA), giving PDLA a clear opportunity to partner on rolling out activities; and
- The area contained no parcels with statutorily recognized leasehold titles, and land certificates had for the most part not been used aside from a few originally distributed by the chief (which lacked spatial information) and a few “letters of allocation” from the MoA.

PDLA hosted a series of meetings with Chief Nyamphande, indunas, village headmen, and community members, to discuss the fees that should be charged for land documentation. Based on feedback from these stakeholders, PDLA initially proposed a fee of 200 kwacha (US\$11). The MoA requested that it be paid half the fee per parcel in exchange for a role in settling any disputes; Chief Nyamphande then requested that he receive the funds instead, since disputes in the chiefdom must be resolved with his oversight and since he would need to give consent, sign all the documents, and be involved in overall management of the documents. The MoA then withdrew their request. Following these discussions, a fee of 300 kwacha (US\$16.50) per parcel was agreed, regardless of parcel size, with 100 kwacha (US\$5.50) going to the chief and the rest to PDLA. PDLA’s model allows community members to pay in installments, with no set deadline for full payment; however, a household does not receive its certificate until the full 300 kwacha has been paid.

PDLA mapped and documented all 510 parcels; to date, 261 parcel holders have paid their fees in full. Ninety of those parcels (34 percent) were documented solely in women’s names. PDLA is in the process of collecting the remaining payments from the other 249 parcel holders. Although close to half of parcel holders have not yet fully paid the fees, PDLA noted that community members consider the fee reasonable and the organization has not encountered much resistance.

In addition to documenting the 510 farms in the settlement scheme, PDLA is now moving forward with the documentation process on 1,500 other parcels within Nyamphande Chiefdom. The goal is to document all the parcels in the chiefdom over the coming months, although the organization’s ability to do so may be affected by the Coronavirus Disease 2019 (COVID-19) pandemic.

CDLA has been helping chiefs and villages document customary land since 2014. Under its ILRG grant, CDLA is testing the fee-for-service model in Mafuta Chiefdom. Before implementing the model, CDLA held a series of meetings with Chief Mafuta, headpersons, and communities to raise awareness. To determine the appropriate fees, CDLA held community dialogues with a variety of stakeholders to better understand local willingness to pay. Based on these meetings, CDLA established fees of 50 kwacha (US\$2.75) for village parcels and 100 kwacha (US\$5.50) for farm parcels. It was agreed with Chief Mafuta that he would receive 20 percent of the village parcel fees and 30 percent of the farm parcel fees, meaning that CDLA receives 40 kwacha (US\$2.20) for village parcels and 70 kwacha

(US\$3.85) for farm parcels. Chief Mafuta also formed a Treasury Committee to collect the documentation fees; however, the committee proved to be somewhat dysfunctional. CDLA subsequently developed a system of fee collection through “community champions,” who were identified to work with CDLA staff and village land committees to collect fees and maintain payment records, which are then turned over to CDLA.

Thus far, a total of 119 households have signed up for CDLA’s fee-for-service customary land documentation. Forty-six of the households have paid their fees in full, while 73 have paid part of the fee. CDLA has collected 8,090 kwacha (US\$445) and is working to collect the remaining 2,780 kwacha (US\$153) due. CDLA is also thinking through how best to scale up the model and have additional households buy in.

KEY CHALLENGES

ESTABLISHING FEES THAT BOTH GARNER LOCAL SUPPORT AND ENSURE COST RECOVERY. Both PDLA and CDLA approached the establishment of fees cautiously, focusing on obtaining community acceptance and buy-in rather than cost recovery. Many community members were aware that under TGCC, the land documentation was offered for free in other chiefdoms, which further complicated setting the fees. Additionally, as both PDLA and CDLA are non-profit organizations, they were concerned with being careful in their messaging to ensure that communities did not feel the organizations were making profit from these services. While both organizations say their current fees are too low to cover costs, they see these fees as preliminary and may consider adjusting the fees over time, based on lessons learned from the pilot.

PDLA and CDLA estimate their actual cost per parcel to be US\$25 to US\$35 (ILRG’s internal estimate is that the cost could be as low as US\$15 for an organization that has the infrastructure, equipment, and trained staff in place, and up to US\$40 for an organization which does not). However, the per parcel fee that each organization collects under the current pilot is less than half that. Additionally, these estimated costs only include the costs that have been borne directly by the organizations themselves; historically, TGCC and IIRG directly covered costs like data hosting and high-level IT support, which are thus not accounted for in these estimates.

Neither organization has established standards or criteria for assessing local willingness to pay; a more rigorous analysis may be useful in determining whether or how to increase fees. Previous work under TGCC carried out a willingness to pay survey with farmers in a resettlement area where farms were on average ~5 hectares and they found a willingness to pay US\$140 per certificate, albeit for farmers with relatively greater means. Both organizations have so far set standard fees, regardless of the size or type of parcel, but larger parcels generally require more time and resources to demarcate, and in some cases households thought that paying fees to document small parcels was a waste of money. Different fee levels depending on parcel size and type may need to be considered, both to improve cost recovery and to increase interest in documenting smaller parcels. Finally, fees are set with the consent of the chief at the start of the process; different chiefs may approve different fee levels and request different percentages of the fees, making it difficult to be certain of the degree of cost recovery that is feasible.

FEE COLLECTION. Both organizations are using a model with flexible payment plans, allowing households to make payments by installment over an extended period. The work is done upfront, but land documents are not delivered until payments are made in full. Where payments are made over multiple installments, this may require the organization to make multiple trips to a community to collect fee, which increases transport and labor costs. Delays in payment also constrain the ability of the organizations to scale up and expand services to other chiefdoms.

COMBATTING PRICE MISINFORMATION AND OTHER INTERFERENCE IN THE PROCESS.

PDLA has encountered some issues with local traditional and government authorities misleading households on the fees associated with customary land documentation. In some cases, customary authorities who were serving as intermediaries between PDLA and households asked households to pay fees higher than the agreed PDLA fee, saying that the chief's signature on the certificate was dependent on payment of the higher price. In addition, government officials tried to interfere with fee collection and collect fees themselves. These issues were resolved with intervention from the chief but pointed to the need for continued communication, consultation, and outreach throughout the process. PDLA and CDLA may need to consider additional mechanisms that can be put in place in future to avoid further interference.

ALLAYING COMMUNITY CONCERNS AROUND TAXES. In some communities, there was a misperception that documentation would trigger land taxes for households. This required PDLA to spend significant time and effort explaining that participation would not lead to new taxes being levied; however, some skepticism lingers.

LEGAL RECOGNITION OF LAND DOCUMENTS. More discussions need to take place to develop appropriate approaches to ensuring land documents are legally recognized by government agencies and financial institutions so that communities can obtain access to credit, public services, and other benefits associated with legally recognized land rights. Courts often do not understand the concept of customary land certificates, meaning that more awareness of judicial actors is needed to ensure legal recognition of customary certificates. Pockets of experiences are emerging however, where courts are accepting customary certificates as evidence, and certificates are being used as proof of residence and access to land in other contexts.

KEY LESSONS

STRONG RELATIONSHIPS WITH TRADITIONAL LEADERS AND COMMUNITY

GOVERNANCE STRUCTURES ARE CRITICAL. The willingness of chiefs to implement a fee-for-service model in their chiefdoms, combined with collaboration with community governance structures, was key to early success in generating community demand and interest in land documentation services. Strong interpersonal relationships between PDLA and CDLA staff and village headpersons and other local stakeholders helps ensure commitment, transparency, and accountability. Relationship building and training for village headpersons and community governance structures can help spread awareness and create demand for services. This requires a significant investment of time but can help mitigate the risk of confusion and misunderstanding. Village land committees can also help manage and organize the land documents produced.

SIGNIFICANT DEMAND FOR LAND DOCUMENTATION SERVICES EXISTS. Initially, not all community members saw the value in paying for land documentation services; with sensitization around the importance and potential benefits of land certificates, greater interest was generated. Most community members expressed willingness to pay the fees imposed under the pilot to document their land rights. Feedback in community consultations indicated that the demand was primarily driven by the desire for increased tenure security. Many community members expressed fear that pressure on land and resources from investors could lead to their dispossession, especially if their rights are undocumented.

MORE TIME NEEDS TO BE INVESTED IN STRATEGIZING AND DEVELOPING SOLUTIONS FOR ESTABLISHING A SUSTAINABLE FEE-FOR-SERVICE MODEL. While both organizations are working to refine their pricing and fee collection process, there are currently no set standards; fees vary from chiefdom to chiefdom depending on consent from traditional leaders. More consideration of cost recovery, cost effectiveness, and sustainability is required. Neither PDLA nor CDLA has thought

through what fees to charge for modifying documents (for example, when land rights are transferred through inheritance upon the death of a community member, or where an individual marries and wishes to add their spouse to the land certificate). More research and analysis may be needed to assess household willingness and ability to pay and whether fees can be increased to come closer to cover the total cost of the service. In addition, the organizations need to consider whether the process can be streamlined and how delays in activities and fee collection can be reduced. ILRG has engaged a consultant with expertise in social enterprise to help think through some of these questions.

TARGETING OF LOCATIONS AND ADEQUATE SCALE IS NECESSARY FOR A FEE-FOR-SERVICE MODEL TO SUCCEED. Service providers need to be able to mobilize teams for many weeks, and thus need to ensure that there will be hundreds (if not thousands) of paying clients. While demand exists for documentation across the country, the need for it to protect households varies, as do the costs of providing the service. Extremely rural areas often present high logistical costs associated with documentation, and often include the poorest individuals who can least afford to pay. It is therefore unlikely that these areas will be prioritized by fee-for-service providers. In contrast, while in peri-urban customary areas near towns there is high demand and a greater ability to pay, many of these areas are already subject to tensions and conflicts that dramatically increase the price of service delivery. It is most likely that service providers will largely focus on a middle area of accessible agricultural land in close proximity to urban centers, where development and tenure pressures are expected, but may not be immediately present. Securing tenure in high pressure or active conflict areas, or in rural communities, will likely continue to require outside subsidization.

WAYS FORWARD

Unless and until organizations like PDLA and CDLA are able to align the revenues from land documentation services with the costs of providing such services, donor and/or government financial support will continue to be needed. Further experimentation with a fee-for-service model should include consideration of both first-time documentation and of ongoing service to update certificates when needed, both because updating certificates keeps them valuable for community members and because the potential of first-time documentation as an organizational funding stream decreases with each chiefdom where documentation is completed. PDLA and CDLA need to consider whether it is feasible to lower their costs, whether from streamlining the process or reconsidering their current organizational staffing models, to help bring revenues and costs more in line. ILRG recently engaged a short-term consultant with experience in social enterprise in Zambia to help evaluate the fee-for-service model for PDLA and CDLA and identify options and priorities for moving it forward.

Lessons from other land documentation service providers operating in Zambia may also help inform the refinement of the model. For example, Medeem, which takes a private sector-led approach to land rights documentation in Zambia, has also faced challenges in fee collection and lost time and resources by waiting for payments or having to make multiple trips to a community to collect fees in person. Medeem now requires half of the fee to be paid upfront, with the remaining half to be paid upon completion of the land documentation process. Medeem has also established fees which increase incrementally based on parcel size, which PDLA and CDLA could consider as a way to increase cost recovery.

PDLA and CDLA may also want to consider establishing more partnerships and private sector and government entities, which can help defray initial costs. PDLA, for example, is currently considering establishing partnerships with the Zambia National Farmers Union and other commodity-based associations to help scale up activities.

PDLA's and CDLA's efforts are also still limited by a lack of guidelines or criteria for how customary land documentation should be implemented in Zambia. Uniform guidelines or criteria for establishing land documentation fees that cover that cost of using low-cost techniques will be particularly important

when Zambia's National Land Policy is adopted. While this is beyond the immediate purview of the organizations, ILRG and USAID can work to push such guidelines forward.

CONCLUSIONS

With the support of USAID, PDLA and CDLA are piloting a fee-for-service model for customary land documentation and administration. If an effective model that ensures cost recovery for the organizations can be established, it can reduce their reliance on donor or government funding and ensure their long-term sustainability as organizations providing valuable services and tangible benefits to local communities. PDLA and CDLA are still early in the piloting process and finalizing a model is likely to be a long-term undertaking; however, if they are successful, it could provide a valuable model for other organizations not only in Zambia but also in other areas where community and household land rights are not currently documented.

SUGGESTED CITATION

Hall, M., & Tagliarino, N. (2020). *Lessons learned from pilot fee-for-service customary land documentation in Zambia*. Washington, DC: USAID Integrated Land and Resource Governance Task Order under the Strengthening Tenure and Resource Rights II (STARR II) IDIQ.