

COUNTRY ECONOMIC MEMORANDUM

for São Tomé and Príncipe

Background Notes

Note #7 – What are the bottlenecks on land governance¹ and how to remove them to support tourism and agriculture development?

Ivonne Moreno Horta *
Camilo Pardo

I. Introduction

1. **This note explores land governance-related constraints holding back the growth potential of the agriculture and tourism sectors in the Democratic Republic of São Tomé and Príncipe (STP).** The absence of a proper land information system and a weak land governance framework are identified as the major constraints to rural development and tourism. This note provides insights, identifies the most salient weaknesses, and presents recommendations to address these issues. The first section describes the history of land tenure in the country. The second section focuses on the positive impacts that the establishment of a land information system can have for rural development and the tourism sectors and describes the institutions in charge of land management and related legislation. The fourth section identifies the main inefficiencies in land administration affecting economic growth. The final sections outline the activities currently in execution to address such issues and present policy recommendations.

II. Land tenure has evolved in STP and today is a mix of private holding and usufruct of public land.

2. **São Tomé and Príncipe has experienced different land tenure structures since independence in 1975, but still facing challenges ahead for economic development.** When the country achieved its independence from Portugal, land was concentrated in the hands of the Portuguese, and the agricultural sector was based on a cocoa monoculture plantation system. By the time the Portuguese left, the *Roças* - as plantations are known - occupied over 90 per cent of the land, produced over 95 percent of the cocoa, and accounted for nearly 99 percent of the exports².

¹ Given the scope of the document the terms land governance, land management, and land administration systems are used interchangeably to denote the existing set of rules and institutions to gather, record and disseminate information about rights to land, its value, location, and potential uses, used to design and implement land management initiatives.

* Senior Land Administration Specialist at World Bank Social, Urban, Rural and Resilience Global Practice and consultant respectively.

² Siebert, Gérard (2016) São Tomé and Príncipe 1975-2015: politics and economy in a former plantation colony. *Estudos Ibero-Americanos*, Vol. 42, Nº. 3, pgs. 987-1012.

3. **After independence, STP became a one-party state with a centrally planned economy and the privately held plantation system was replaced by a network of state-owned agricultural enterprises.**

The abolition of the plantation system had been one of the main claims of the pro-independent, Marxist, *Movimento de Libertação de São Tomé e Príncipe* and land was nationalized a few months after independence³. Guided by the tenets of a planned economy, agricultural production – still based on the cocoa monoculture - was organized around a network of state-owned agricultural enterprises, which was hoped to provide enough revenue to develop other sectors of the economy. However, the lack of incentives along with a mixture of mismanagement, corruption, and low investment resulted in the collapse of the system. By 1984, annual cocoa production had dropped to 3,400 from 25,000 tons recorded at the year of independence. Cocoa production however, still represented more than 90 percent of agricultural exports⁴.

4. **A mixed model was then tested and the São-Tomean government outsourced the management of some of the public enterprises to private managers.** The central objective was to increase returns through higher productivity. Although overall cocoa production increased to 4,560 tons in 1988⁵, falling international cocoa prices foiled the efforts. Given the disappointing results, STP became the first of the lusophone countries in Africa to announce the abolition of the one-party system and to begin a peaceful transition towards a democratic market economy in 1989.

5. **One of the key reforms of the democratic transition in the 1990s was the privatization of agriculture.** Through the execution of a large-scale agrarian reform project, the government sought to transform the plantation economy into a new agrarian structure dominated by small- and medium-sized farmers. Although distributive efforts were successful, and more than two thirds of plantation lands were distributed to small landholders who currently hold them on a usufruct base⁶, the reform did not increase national exports revenue and neither contribute to diversify agricultural exports. By 2002 cocoa still represented 90.2 percent of exports and production reached 3,462 tons⁷, a figure lower than before the transition. On its part, production from subsistence agriculture has continuously increased over time.

6. **The agrarian reform had an important effect on population migration patterns.** The lack of productivity in the agrarian sector, tied to its dependence on external shocks accelerated rural migration into urban areas. Rural population has steadily declined from 55 percent in 2002 to 28 percent in 2017. This massive human migration has pressured demand for land in cities, particularly in the capital city of São Tomé, and resulted in important levels of insecure tenure of urban dwellers of lower income.⁸

³ Eyzaguirre, Pablo B. (1989) The Independence of Sao Tome E Principe and Agrarian Reform. *Journal of Modern African Studies*, Vol. 27, No. 4, pp. 671-678

⁴ Op. Cit. Siebert, p. 1002.

⁵ Ibid.

⁶ Seibert, Gerhard (2006). *Comrades, Clients and Cousins. Colonialism, Socialism and Democratization in São Tomé and Príncipe*. Leiden & Boston: Brill.

⁷ Ibid. p. 354.

⁸ Siebert, Gérard (2016) São Tomé and Príncipe 1975-2015: politics and economy in a former plantation colony. *Estudos Ibero-Americanos*, Vol. 42, Nº. 3. Pg. 1003; Cacoba A., Júlio Daniel (2017). *Redesenhar O Tecido Urbano Do*

7. **Current land property regime recognizes different types of rights over land, being usufruct the most common for rural land.** Most rural land is privately exploited under usufructs distributed by the government, who maintains ownership. This land was distributed through long-term concession contracts, granted as part of the execution of the agrarian reform of the 1990s. The Ministry of Agriculture and Rural Development (MARD) is responsible for the administration of these rural lands. Individuals can gain access to rural land either through a formal request of a new concession to the MARD or through the transfer of existing concessions, as long as the MARD authorizes it.
8. **Private property over rural land is also recognized.** Transactions involving private land follow standard procedures in terms of willingness to participate in the exchange and previous agreement by the parties on the conditions of the deal. Formal transfer of ownership occurs after a deed is signed by the parties involved and registered in the country's Real Estate Registry. Given the lack of a functioning cadaster system, there are gaps in the inventory of privately held rural land.
9. **Urban land is mainly private.** Responsibility for the administration of urban land rests on the Ministry of Infrastructure, Natural Resources, and the Environment (MINRE). Private property is granted upon the existence of infrastructure - or the intention to construct - over the land. Transactions of private urban land follow the same standard procedures for the transfer of private rural land outlined above.
10. **Foreign individuals or corporate entities can access land under certain limitations, however the existing legal framework dealing with foreign investment should be strengthened.** The existing legal framework on property ownership allows foreign individuals to be beneficiaries of concession contracts when the use and exploitation of the land is provided for investment projects authorized by the MARD and in accordance with the legislation in force⁹. Commercial companies with an adequate financial structure can also benefit from public land, provided that the intended use is not alien to its legal purpose.¹⁰ An investment law approved in 2016¹¹ also allows foreign investment in land -through the acquisition of concession contracts- and lists these investments as susceptible to receive tax incentives.
11. **Notwithstanding these broad provisions, the legal framework regulating foreign investment can also be improved.** For example, although foreign capital can access land through concession contracts, the extension of land these can cover is not clear, nor is it the length of time they can last. Clear information is also lacking in terms of the rights protecting current holders and of investments on land held informally. Two legal initiatives are being discussed in order to clarify this -a bill updating the Property Ownership Law and another updating the Cadastre Law, therefore, it is expected a sound analysis regarding certainties to incentive social and environmentally responsible investments.

12. **Ultimately, history suggests that land issues in the country are not marked by conflicts for access as is the case in most developing rural economies** The São-Tomean government faces important challenges to implement an evidence-based rural development strategy that would diversify agricultural production, increase productivity, and close the urban and rural divide. The absence of an adequate land management system has lagged efficient land use to promote social and economic development in other sectors such as tourism, which can have an enormous positive impact on the São-Tomean economy. Therefore, the establishment of a functioning land information system and the strengthening of the country's land governance framework are key to improve the socio-economic development of the island state.

III. Land Governance and sustainable development

13. **The establishment of a functioning land governance system is a precondition for sustainable socio-economic development.** Based on land information infrastructures (property registry and cadastres), land administration systems gather and manage personal, legal, and geographical information about land tenure with the aim of promoting sustainable economic development through two main channels: (i) enabling the emergence of efficient land markets and (ii) promoting sustainable land use management.

IIIa. Formal, clear and enforceable property rights are needed for efficient land markets, which are key for agriculture and tourism development

14. **The agriculture and tourism sectors in STP are important potential drivers for social and economic development.** Agricultural land represents one half of the country's total land, but it employs 24 percent of the working population and its output represents 5.1 percent of the Gross Domestic Product in the country¹². On its part, tourism is the primary source of foreign exchange and represents an enormous potential for income and employment generation. Efficient land markets -fostered by functioning land administration institutions- have the potential to increase agricultural production while facilitating its diversification, incentivize investment in tourism, and consequently increase returns in both sectors.

15. **Clear and enforceable property rights are the core element of land governance systems and efficient land markets.** Formal property rights are associated to higher levels of economic development by creating the enabling conditions for markets and the efficient allocation of resources. Formal property rights also foster an environment for new investments, facilitate access to credit, improve fiscal capacity and efficiency of the state, and help tackle corruption which leads to higher levels of legitimacy. A brief description of each causal mechanism follows.

16. **Land governance systems, with formal property rights at the core, enable the emergence of land markets.** The existence of formal property rights and related public and freely accessible information fosters the emergence of land markets, which facilitate the transactions of land via lease or sale. Markets facilitate the mobility of land plots and ultimately achieve the allocation of the resource to

¹² Data from the 2012 census and 2017 GDP.

those most eager to put it to use. Additionally, functioning land markets reduce the amount of unused land and thereby increase productivity¹³.

17. **Formal property rights foster productivity through investment**¹⁴. In the rural sector, levels of productivity are highly dependent on levels of investment. Therefore, land tenure informality refrain from investing (capital, work, time, etc.) in the land. Higher investment rates in the agricultural sector should turn into *–inter alia–* innovation in the form of planting techniques, machinery, seeds or irrigation services. Altogether these investments should result in a more efficient production function, an increase in rural employment, and a more diversified agricultural sector.

18. **Investment in tourism projects is also heavily dependent on the certainty of enforceable property rights.** Secure property rights will foster stable and productive investment by reducing the uncertainty people face regarding the return on their investments and will ensure investors that their investment can be sold or passed along to their inheritors. Higher investment rates in tourism projects will result, among other things, in the improved infrastructure for tourism-related services and other leisure related options.

19. **Formal property rights to land facilitate access to credit.** To the extent that easily transferable land rights may be used as collateral, their availability will reduce the cost of accessing credit for rural entrepreneurs, thus increasing returns but also contributing to innovation and the development of financial systems¹⁵. In the case of the tourism sector, access to credit is tied to increase in investments and the consequent improvement in services provision for client in terms of facilities and human capital, which altogether will have positive effects on revenue.

20. **Fiscal capacity and efficiency of states are enhanced by the existence of formal property titles.** Land administration systems provide governments with legal and geographical information about land and its attributes. This information is used by government for valuation purposes, which permits the design of efficient and equitable fiscal policies. In the agricultural sector, taxation responsibilities are set according to the use of land, particularly its yielding capacity, whereas in urban contexts taxation varies according to the type of use, primarily whether it is commercial or as dwelling. Ultimately, the absence of accurate information about land and a functioning governance framework impedes tax collection and

¹³ Everest-Phillips (2008); Besley and Ghatak (2009); Deininger, K., D. A. Ali, and T. Alemu. (2009)

¹⁴ See *inter alia*: Everest-Phillips (2008). The Myth of ‘Secure Property Rights’: Good Economics as Bad History and its Impact on International Development. *SPIRU Working Paper 23*. London: Overseas Development Institute Working Paper. Besley and Ghatak (2009). Property rights and economic development. In: D. Rodrik and M. Rosenzweig, eds., *Handbook of Development Economics*. Elsevier, pp.4525–4595. Acemoglu, D., Johnson, S. and Robinson, J.A., 2005. Institutions as a Fundamental Cause of Long-Run Growth. In: P. Aghion and S.N. Durlauf, eds., *Handbook of Economic Growth*, 1A ed. Elsevier B.V., pp.385–472. Deininger et. al., 2008; Deininger, K., D. A. Ali, and T. Alemu. (2009). Impacts of Land Certification on Tenure Security, Investment, and Land Markets: Evidence from Ethiopia. *Discussion Paper Series 09-11*. Gothenburg: Environment for Development (EfD). Deininger, K., D. A. Ali, S. Holden, and J. Zevenbergen. 2007 “Rural Land Certification in Ethiopia: Process, Initial Impact, and Implications for Other African Countries.” World Bank Policy Research Working Paper 4218. Washington, DC: The World Bank.

¹⁵ Deininger, Klaus; Harris Selod, and Anthony Burns (2012). The Land Governance Assessment Framework Identifying and Monitoring Good Practice in the Land Sector. World Bank, Washington DC.

consequently wards off governments from an essential source of revenue to promote social and economic development.

21. **Finally, establishing and maintaining a functioning land governance system positively impacts accountability and legitimacy.** By defining and managing the rights to access land, systems of land governance have a strong impact in the daily lives of citizens. Making the processes through which rights are allocated and the information about such rights publicly available increases the possibility for efficient accountability and therefore the confidence of the citizens in the system.

IIIb. Land use planning is key to ensure the best use of land for tourism and agricultural development.

22. **Land administration institutions serve a central role in promoting sustainable land use planning for economic development.** Land can be used for a myriad of economic purposes ranging from agriculture and environmental conservation, to urban or industrial sites, and tourism. Assessing these different potential uses and selecting those that will prove to be the most socially and economically productive, while safeguarding the resource for the future is the essence of land use planning efforts. This subsection reviews the importance of land governance systems for sustainable land use by the tourism and agricultural sectors.

23. **Access to land is a primary requirement for tourism development.** In a country with a limited size such as STP, a boost in the tourism sector can place great pressure on traditional landownership. Therefore, the need to improve security of rights through a proper land management system is key. A functioning land information system is also essential for the development of tourism infrastructure and facilities, as well as for associated businesses and services. In turn, foreign investments in tourism ventures will be greatly dependent upon the availability of land-related information, the existence of a functioning land market, and the possibility of land to be used as collateral.

24. **The development of the tourism sector in a small island country as STP is likely to increase the demand for land.** In such a context, formal and enforceable land rights become a central element of any development initiative. Information produced by land information systems will not only allow government agencies to protect the property of its citizens from potential seizures, as it would be clear who owns what and where, but to accurately establish an inventory of the different potential uses of land in order to avoid land use-related conflicts¹⁶.

25. **Building, renewing or expanding infrastructure for tourism promotion will be more efficient and effective if supported by accurate land information.** Updated cadastre systems are the source of information about the geographical location of land and its attributes. , For example, cadasters are needed for estimating demand for services and necessary infrastructure (e.g. facilities, roads, water, sewerage, electricity, Internet, telephone, etc.) in a particular region. This information is also valuable for prioritizing public expenditure.

¹⁶ Pleumarom, Anita (2012) *The Politics of Tourism, Poverty Reduction and Sustainable Development*. Third World Network. Penang, Malaysia.

26. **Land use planning is fundamental for environmental protection and therefore essential for the development of sustainable tourism.** In essence, environmentally conscious land use planning allows for the extraction of financial gains, while safeguarding the integrity of areas of high environmental value. Land planning is considered as “the single most effective measure to protect biodiversity within a tourist destination,” as it allows the zoning of land to be designated as protected areas and therefore “regulate the location, intensity and type of tourism development in accordance with ecological carrying capacities.”¹⁷ Given the vitality of ecosystems and their corresponding continuous transformation, to be most effective land planning should be implemented continuously and from an early stage of destination development.

27. **On its part, land use planning in agriculture permits a more productive use of the resource, while safeguarding its fertility for future generations.** In agricultural contexts, land use planning is correlated to higher levels of productivity. Causal mechanisms explaining such relationship include: the identification and selection of the most efficient use of land depending on the types of soil, decisions on the most efficient use of the resource in terms of models of agriculture, the improvement of fiscal efficiency, and the promotion of sustainable uses of land that will guarantee its productivity through time and mitigate the effects of climate change.

28. **Rates of production by hectare increase when the appropriate combination of economic activity and soil potential is selected.** One of the attributes on land surveyed by land information systems is the quality of the soil, which should determine the most efficient type of exploitation (crops, pastures, livestock, etc.) to be pursued. The type of soil and the degree of fertility also determine the type of crops that will produce higher yields by hectare. By analyzing this information, governments have the possibility to establish zoning policies to improve agricultural productivity and to protect the soil from detrimental uses.

29. **Land information systems are the base for the design of national agricultural models.** Having an updated inventory of land along with information about its productive potential, governments can also establish zoning policies to define the country’s agricultural production structure. For example, national and local administration can decide on how much land should be destined to family agriculture production and how much for agribusiness initiatives.

30. **Agricultural production will also be impacted as functioning land governance systems act as disincentives for unused land.** As mentioned above, the availability of land information allows governments to design efficient fiscal policies. Based on this information, a functioning land governance framework will increase the capacity of governments to collect taxes and consequently production becomes necessary for the holder in order to be able to pay his/her taxes.

31. **Land information plays a central role in climate change mitigation.** Policy decisions based on information provided by land information system can mitigate the effects of climate change by reducing deforestation and carbon emissions, efficiently managing nonrenewable resources, and preventing or

¹⁷ Styles, D.; H. Schönberger; J.L. Galvez Martos (2013). *JRC Scientific and Policy Report on Best Environmental Management Practice in the Tourism Sector*. European, Joint Research Centre, Institute for Prospective Technological Studies. Available at: <http://ec.europa.eu/environment/emas/pdf/other/TourismBEMP.pdf>

managing disasters are also. Based on this information, governments can decide on their systems of environmentally protected areas, strategies for forest management, or decisions as to where to allow the construction of new housing developments.

32. **Finally, public policies achieve higher levels of efficiency if based on evidence provided by land information systems.** Land administration systems produce key information for policymaker's decisions, which should allow governments to seek more efficient results. Whether it is the decision of where to focus the supply of essential inputs for agriculture development such as water or electricity, or the design of a strategy to update networks of public services for tourism initiatives, or road infrastructure to facilitate access to markets and the delivery of inputs to agricultural production centers, or improve infrastructure to incentivize tourism, all will be achieved more efficiently if taken after the detailed analysis of information produced by land administration systems.

IIIc. Land governance mandates in STP are spread among several– institutions

33. **Land administration mandates are distributed among different government agencies within different ministries.** The main participating agencies are: (i) the General Directorate for Registries and Notaries (GDRN) under the Ministry of Justice and Human Rights, which oversees notary records along with the different registries for Civil, Real Estate, Vehicle, and Commercial registries; (ii) the Directorate of Geographical and Cadastral Services (DGCS) under the Ministry of Infrastructure and Natural Resources and the Environment (MIRNE), which oversees the management of the geographical cadastre; (iii) the Ministry of Agriculture and Rural Development in charge of land management and the development of the rural sector; (iv) the Ministry of Planning, Finance, and the Blue Economy, which fulfills general fiscal responsibilities through its Tax Directorate and manages state property through its Directorate of State Assets; and (v) the National Statistics Office (NSO) under the Ministry of Planning, Finance and the Blue Economy, which consolidates and disseminates statistics for the productive sectors in the country.

34. **GDRN has administrative and financial autonomy, national jurisdiction, and its core mission is to direct, guide, and coordinate the services of all registries including the Real Estate Registry.** GDRN is also responsible for the Civil Registry (status and nationality), the Vehicle Registry, the Commercial Registry, and the notary records. Decree No. 43/09 created the General Directorate and its mandate includes the following activities¹⁸:

- Formulating and implementing policies and measures for the registries, notary publics, and for the identification of people,
- Ensuring the effective and efficient provision of quality public services of registers, notaries and the identification of people.
- Collecting, processing and disseminating legislation, documentation, and relevant technical and legal information.
- Conducting studies on measures and technical standards for the performance of services; and

¹⁸ São Tomé e Príncipe, Plano Estratégico dos Registos e Notariado 2017-2019.

- Optimize the management of available resources.

35. **The Directorate of Geographical and Cadastral Services (DGCS) is under the MIRNE, which oversees the management of the geographical cadastre and is in charge of the execution of the cadastral and mapping policies.** In that sense, based on the cadastral information it produces through its mapping and geodetic department, it ensures the implementation of the policy on land use planning in urban and rural contexts, and it leads the maintenance of the geodetic control network.

36. **The Ministry of Agriculture and Rural Development (MARD) is responsible for the organization of the rural cadastre¹⁹.** MARD is also responsible for designing, implementing, and evaluating policies on agriculture, livestock, forestry, and rural development MARD is also responsible for the management of rural state land granted to individuals through concession contracts and as such is the government agency that grants or denies access to rural land both to individual or firms.

37. **The Tax Directorate is a stakeholder in the land governance process since it assesses and collects property tax.** The directorate is responsible for carrying out the tax policy and the tax administration of the state, it manages a central register of taxpayers, and exercises an audit function over all sources of revenue per the national legislation. Its Tax Management and Collection Department monitors the evolution and collection of tax revenues through the general registry of taxpayers²⁰.

38. **The National Statistics Office (NSO) is a part of the land governance process as it acts as the repository of all statistical information in the country.** The NSO is also is under the Ministry of Planning, Finance, and the Blue Economy. Its purpose is to provide public administration agencies, private enterprises, organizations, media, researchers, and the public with statistical information on economic, social, demographic, cultural, and environmental matters. The NSO produces and publishes official statistics from the National Statistics System. In order to do so it defines, collects, processes, analyzes, and disseminates official statistical data of national interest.

39. **The Directorate of State Property (DSP) is under the Ministry of Planning, Finance, and the Blue Economy and manages of all of the State's assets.** The DSP legally represents the state in contracts for the purchase or sale of movable and real estate property. Within the DSP, the Internal Inventory and Registry Department oversees a general inventory of all property owned by the state and updates the valuation of such property.

Table 1 - Governing Legislation

Institution	Mandate	Related legislation
Directorate of Notary and Registries	Direct, guide and coordinate: <ul style="list-style-type: none"> - Civil Registry - Real Estate Registry - Vehicle Registry - Commercial Registry - Notary records 	Decree No. 43/09
Directorate of Geographical and	Execute the cadastral and mapping policies	Lei Organica do Ministério das Infraestruturas, Recursos

¹⁹ Decreto Lei n.º 1/2015, Organic Law of Government

²⁰ Decreto Lei n.º 27 / 2005. Aprova o Estatuto Orgânico da Direcção dos Imposto.

Cadastral Services		Naturais e Meio Ambiente
Ministry of Agriculture and Rural Development	Design, implement and evaluate agricultural and rural development policy	Legislative Decree No. 1/2015
Tax Directorate	Carry out the tax policy and the fiscal administration of the State.	Legislative Decree No. 27/2005
National Statistics Department	Produce and publicize statistical information relating to the economic, social, demographic, cultural, and environmental domains in the country	Law 5/98 on the National Statistical System Decree No. 12/2018 Legislative Decree No. 22/2011 on the National Statistics System
Directorate of State Patrimony	Management of state-owned property	Decree No. 31/2009

IV. Efficient and sustainable land administration is hindered by a weak land governance system

40. **The absence of a functioning land information system is identified as the major constraint for the government to perform sustainable land governance operations.** The possibility to record, store, and manage information related to land is essential for any land governance effort²¹. It is based on accurate and updated land information that governments can assign and protect land rights, value and tax property, manage the use of the resource, and implement dispute resolution mechanisms, all of which are essential objectives of sustainable land governance.

41. **The lack of an updated land information system also acts as a disincentive for private investment.** The uncertainty about ownership and enforcement of contracts produced by informal land tenure along with the impossibility to use land as collateral to access the credit market are the main barriers for investment in the agricultural and tourism sectors. Additionally, the lack of information about land act as a barrier to the emergence of functioning land markets, disincentivizing private investment in any sector requiring the acquisition of land.

42. **Land information systems (property registry and cadastre) are deficient and outdated.** Property registries in STP follow the *folio real* system²², are paper-based, and require manual bookkeeping. This method increases the risk of human error and generates risks in terms of security, transparency/corruption, and legal certainty. Given the physical filing of registries and the lack of a unique identification number, the information does not interoperate with other databases like the tax or cadastre registry.

²¹ See: Food and Agriculture Organization of The United Nations (FAO) (2012). Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security. Rome and; Deininger, Klaus; Harris Selod, and Anthony Burns (2012). The Land Governance Assessment Framework Identifying and Monitoring Good Practice in the Land Sector. World Bank, Washington DC.

²² Folio Real systems record information on the land as opposed to personal systems which record information about the owner.

43. **Cadastral management is poor and the information is outdated.** Geographical information of parcels is generated, stored, and managed manually like in the case of the Property Registry. The geodetic control network (a reference system of fixed geographical coordinates, upon which all geographical information contained in cadastre systems is based) is not dense enough, which limits the accuracy of the information produced.

44. **Cadastre functions are distributed between two governmental agencies reducing the efficiency in data production processes.** Responsibilities over the production, storage, and management of cadastral information are shared by the Directorate of Geographical and Cadastral Services, and the Ministry of Agriculture and Rural Development. This distribution of the same mandate increases the risks of applying non-harmonized standards by different agencies, which in turn jeopardize the accuracy and consistency of the information.

45. **The absence of a unique identification number for parcels prevents the existence of an integrated information system.** Without a common identifier, data sources cannot connect to each other, which precludes the ownership information of a parcel produced by the property registry to be integrated with its geographical location produced by the cadastre, rendering all land management efforts inefficient. The lack of interoperability among all these sources of information results in data fragmentation, increased transaction costs, prevents economies of scale and altogether affects the quality of information to inform policy formulation.

46. **The lack of formal titles still affects a vast proportion of the country.** Although the GDRN has put in place an ambitious plan for the period between 2017 and 2019, and considerable improvements have been made in this front, clear and formal property titles are inexistent in vast areas of the country (especially rural ones). As previously mentioned, this situation limits tax revenue, hinders economic activity due to the low investment levels in informal lands (from local and foreign investors), and creates a situation in which land cannot be used as collateral for credit.

47. **The existing legal framework governing land access increases transaction costs and consequently affects investments.** The fact that rural property cannot be exchanged freely but requires a governmental authorization acts as an unnecessary obstacle to the execution of projects requiring rural land acquisitions. In a similar line, the lack of a comprehensive policy regulating investment for land acquisition by foreign individuals or commercial companies creates a legal gap that generates uncertainty and consequently keeps investments away.

48. **Women's rights to property can be enhanced through legal changes.** In many cases women are unaware of their land property rights or do not have the necessary documents or evidence to enforce their land rights. Although existing legislation requires the declaration of both members in a couple, the challenge lies in maintaining the protection of women's rights even in cases of de-facto marital unions. In this sense, the Community of Portuguese-Speaking Countries (of which STP is a member) intends to propose non-discriminatory public policies and laws on land rights that recognize and protect the rights of women.

V. Activities currently in execution will facilitate the development of the rural and tourism sectors

49. **The Sao Tomean Government recognizes the absence of a proper land administration system as a limitation to its rural development and tourism initiatives.** In order to address this situation a set of actions in the technical, legal, and institutional realms is currently in execution, aiming to positively impact rural and tourism sectors.

50. **For example, addressing one of the most salient technical issues, the lack of digitized information, the government recently decided to implement a digital Registry and Notary Information System (SIRN)** based on the existing Integrated System of Records Management (*Sistema Integrado de Gestão de Assentos – SIGA*) and the Electronic Firms Registry Platform (*Plataforma de Registo Electrónico de Empresas - GUE NET*). These efforts will improve efficiency of the entire operation by producing an updated information system for property registration.

51. **Along with the above, and addressing the lack of inter-operability of information systems through a unique identification number, another prominent technical issue,** the Government agreed for the SIRN being interoperable with the data produced by the: i) Directorate of Geographical and Cadastral Services (*Direcção dos Servicos Geográficos e Cadastrais*); ii) Directorate of Tax Administration (*Direcção dos Impostos*); and (iii) Directorate of Land Transport (*Direcção dos Transportes Terrestres*). The design of this system will include a unique, centralized, and integrated cadastre-register identification number in order to avoid data duplication and to support policy decisions. Terms of reference are currently being developed for an assessment of internal procedures, specifications for hardware acquisition, and the classification and digitization of land titles, mortgages, and property transactions. Additionally, to the digitalization of paper records it will be important to strength the progressive inclusion of non-formal land tenure rights into the property registration system.

52. **In terms of the legal framework, a number of regulations were identified as outdated or inefficient to produce the changes sought and therefore their amendment is underway.** These include among others, the Land Registry and Notary Codes which require a regulatory decree to enable joint titling, registration of property, and a binding effect to the Inter-Institutional Committee of Registry and Cadastre. This amendment should be made through an administrative act and also be reflected in the GDRN's Procedures Manual.

53. **The legal framework governing women's rights to land should play an important role in any development strategy.** Close correlations between women's land rights and improvements in food security, health indicators, and family welfare have been empirically recorded worldwide. Having this in mind the GDRN agreed to formulate new regulation for the implementation of the Land Registry and Notary laws, with a particular emphasis on facilitating joint titling and registration of property rights for both members of a couple. Emphasis will be given to protecting women's land rights in cases where they are in de facto marital unions. Along with this, it has been agreed that data on registration of rights will be recorded in a gender-disaggregated manner and reported as part of the regular M&E framework.

54. **Strengthening of institutional capacities.** Building human technical capacities to operate a land governance system is central to achieving its full potential in terms of development promotion. In this sense, the GDRN is planning a comprehensive training plan that includes topics like the 2017 Declaration of Brasilia of Ministers of Justice of the Community of Portuguese Speaking Countries; the content and

scope of the Land Registry and Notary Codes and; the future regulatory instruments of the Land and Registry Codes.

VI. Policy recommendations to promote the efficient and sustainable development of the rural and tourism sectors.

55. **A comprehensive approach to design and implement a land administration system is the central recommendation.** Supported on land information structures, such as the property registry and the cadastre, land administration systems provide governments with the necessary tools to define and assign property rights to land as well as its value. Based on this, land markets should emerge and act as efficient allocating mechanisms, promote investment, and allow for the design and execution of fiscal policies. Also based on information provided by the property registry and the cadastre, governments define regulations for land use according to their priorities. Altogether, these policies should create the basis for sustainable socio-economic development by establishing clear rules and providing accurate information to those involved.

56. **The absence of functioning land information systems and a weak land governance framework are the major constraints to rural development and tourism.** Major growth will be fostered by improvements in the existing institutional framework governing the management of land in the country, by producing, maintaining and, offering clear land tenure information for the state, for its citizens, or for investors. Therefore, a comprehensive approach to design and implement a land administration system addressing (i) technical, (ii) legal and, (iii) institutional issues is recommended.

59. **In terms of technical issues the government should consider the creation of a cadastre parcel-based land information system.** Creating a parcel-based system and ensuring that cadastral processes are integrated with land rights information –stored in the property registry- through a unique identification number will create the basis for the needed Land Administration System. The creation of this system entails updating and digitizing geographical and legal information about land and should consequently eliminate all manual bookkeeping. Central to this process is the densification of the geodetic control network in the country.

60. **The legal framework governing land acquisition and foreign investment should be analyzed to undertake current development challenges.** Allowing private ownership of rural land (or the free exchange of concession contracts), existing government agencies can transfer capacity and resources from the management of concession contracts to the actual management of land as a primary resource for sustainable socio-economic development as detailed above. In the case of foreign investment for land acquisition, an explicit regulatory framework detailing the processes for investors and the rights of current owners is lacking and should therefore be approved if investment is thought to drive development in the sectors under study. Current discussions on the bills on Land Property Ownership and Cadastre, as outlined above, are a good opportunity to strengthen the legal framework.

61. **Improving and strengthening the existing institutional structure governing land-related issues must positively impact STP land governance.** This should include a revision of roles and responsibilities of involved agencies, their institutional mandates and internal processes aiming to avoid gaps and the duplication of efforts, this should also be aligned with a special focus on the strengthening of human,

technical, and financial capacity of agencies that will be responsible for the functioning of the land administration system.