

Development of case studies on Land Value Capture instruments in sub-Saharan Africa



Mozambique, and Maputo in particular, is poised for fast-paced growth, with increasing levels of urbanisation and economic activity being concentrated in cities. It is anticipated that by 2045, 50% of the country's GDP will be produced in urban areas. This influx of economic activity and people will require massive infrastructure development, which cannot be financed by the fiscus alone. Innovative financing methods, such as Land Value Capture (LVC) are required to produce additional revenue from which urban development can be financed. The World Bank commissioned HR&A Advisors, PDG and Broll Maputo to advise the Maputo Municipal Council in the implementation of LVC instruments in Maputo.

PDG has conducted several research projects that investigate the design and implementation of LVC instruments in sub-Saharan Africa. Our role on this project was to provide advice and case study examples of LVC best practices in the region, including the use of Development Charges and Inclusionary Housing Policies in the City of Johannesburg, South Africa; Special Ratings Areas in the City of Cape Town, South Africa; Development Charges and In-Kind Contributions in Nairobi, Kenya; and Public Land Auctions in Addis Ababa, Ethiopia.

The research found that the prerequisites necessary for the implementation of LVC instruments vary in sophistication. Maputo and Mozambique have a relatively sophisticated legal framework, but there are opportunities within this framework to shape clear guidance around LVC instruments. Some instruments are more sophisticated and will rely on a comprehensive cadastral system, which is only



The Baixa suburb of Maputo's CBD will be the location for the LVC intervention

about 20% complete in Maputo. Other options include in-kind contributions towards infrastructure, a revision of the Direito de Uso e Aproveitamento da Terra (DUAT) system and the implementation of a formula-based, consistently applied, Development Charge.

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MLVC PROJECT:

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