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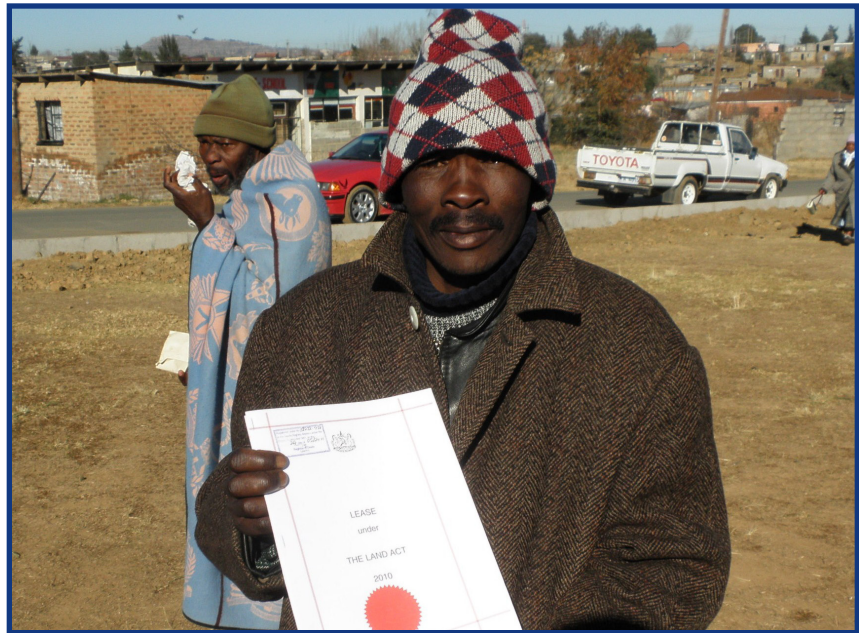
MCC in Action

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Policy Reforms in Land Administration Stimulate Private Sector Investment

Tens of thousands of people live on unregistered land plots in unplanned settlements around Maseru, the capital of Lesotho. These settlements are often characterized by lack of access to basic services and insecure tenure—which can minimize the investment people make in their property and limit their access to mortgage credit.

The Millennium Challenge Corporation's (MCC) five-year, \$363 million compact with Lesotho is helping reform the country's land sector by registering and surveying urban land parcels, which should ultimately strengthen the country's land market and stimulate private sector investment. The compact's Private Sector Development Project aims to increase private sector economic activity through land reform, improve access to credit, reduce transaction costs, and increase the participation of women in the formal economy. The project is expected to benefit almost 370,000 people over 20 years.



Beneficiaries receive leases in Khubetsoana, a village inside of Maseru.

In the past, formal procedures to access land were difficult to navigate, forcing many citizens to occupy land or purchase it informally to construct housing. Between 50,000 and 75,000 such households live around Maseru, and the compact's Land Reform Activity is helping the Government of Lesotho regularize these land holdings and issue a formal leasehold title to the occupants. Basotho can use this land title as collateral to access credit and other services.

The project gathered information on more than 5,000 plots of land and issued 3,333 leases to occupants under a pilot title regularization activity that concluded last year. In April 2012, a contractor began work on regularizing and titling 46,000 land plots, which will continue over the next 18 months. The Basotho government aims to regularize another 5,000 parcels by September 2012.

Women's Land Rights

MCC is supporting the expansion of women's economic rights through legal reform, including the harmonization of laws (including the new Land Act) with the 2006 Legal Capacity of Married Persons Act, which removed the minority status of married women. The compact also provides training and public outreach to ensure awareness of these new rights, creating the conditions for joint titling, an important step forward for gender equality and economic development.

Reforming key policies

To ensure sustainability of the project, MCC is supporting the improvement of the legal and regulatory framework for land administration. The Government of Lesotho recently passed a new Land Act and implementing regulations to improve tenure security, provide market-value compensation in case of expropriation and establish the legal basis for land regularization and titling of land in informal settlements. MCC is supporting the drafting and passage of the Sectional Title Act and regulations for condominiums to be legally titled in Lesotho for the first time.

The compact is also helping improve the performance of the Land Administration Authority, a state-owned body established in August 2011, to implement changes in land laws and to improve procedures related to issuing leases, land registration and real estate transactions. Improvements include staff training, equipment, vehicles, and the development of an automated system to prepare and issue leasehold titles, register rights to real estate, process transactions, and collect ground rents.