IPS assists MCC in identifying binding constraints on access to land

To assist the Millennium Challenge Corporation (MCC), an independent US foreign aid agency fighting against global poverty, to identify the issues faced by investors with regard to access to commercially-viable land, the Institute of Policy Studies of Sri Lanka (IPS) recently held a roundtable discussion on land use policy in Sri Lanka, bringing together experts and stakeholders.

The five-year MCC project aims to identify why land is a binding constraint to investment and development and provide policy-oriented solutions to make land more accessible and available to investors.

As such, the four objectives MCC is trying to accomplish through consultations with stakeholders are finding the root causes of land as a binding constraint, gathering
information on bottlenecks faced by investors trying to access land for productive purposes and the benefit to the economy, identify the issues that need to be investigated and recognise interventions that the MCC can invest in to improve land accessibility in Sri Lanka.

Delivering the welcome address, IPS Executive Director Dr. Saman Kelegama revealed the social and economic concerns linked to the growing cost of land and in the inaccessibility to commercially-viable land.

“The chaotic status of the land market in Sri Lanka is a hurdle to livelihood development and economic progress,” he noted. He added that policy implementations to improve the situation were slow-paced.

IPS Research Fellow Dr. Athula Senaratne spoke about the evolution of land policy in Sri Lanka. He identified the growing scarcity of land, poorly functioning land markets and land degradation as key challenges that needed to be addressed through policy changes.

The Surveyor General of the Survey Department of Sri Lanka, Udaya Kantha, noted that with only 35%-40% of lands having a clear title, the land titling and registration process needed to improve while a better procedure for dispute resolution needed to be put in place.

The Deputy Director of the Land Use Policy Planning Department of the Ministry of Lands, B.A. Jayananda stressed the necessity to apply scientific land use planning methods when allocating lands for any type of investment.

A panel discussion and open discussion took place between the participants while a technical exercise on root cause analysis was conducted by MCC Economist Brad Cunningham. MCC Land Expert Steve Dobrilovic and MCC Country Team Leader Nilan Fernando also contributed to the discussion. A wide range of stakeholders and officials representing relevant organisations and departments participated in the event.