

# Catalyzing Innovation

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## ID: 308 ILMS - global land transfer and due diligence standard

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### Introduction – ILMS – the need for a basic Due Diligence Protocol

There is no clear and systematic approach to the provision of essential land information globally. It is estimated that approximately 70% of land in the world remains unregistered. Further, many land transactions take place within a weak legal and administrative regime that has inadequate and/or incomplete property information. This results in a high-risk environment for stakeholders, caused by an inability to verify all available evidence relating to a specific transaction. Often this increases the potential for dispute without any clear, transparent and accessible process for resolution. Consistent practice in reporting land and real property transactions globally will therefore bring significant benefits to both mature and emerging markets.

Due diligence takes different forms depending on its purpose, in the context of the transfer/acquisition of legitimate rights connected to land parcels using the ILMS format. Due diligence (diligence raisonnable (fr)) is a form of investigation or audit, based on the 8 ILMS components, and seeks to confirm all material facts with regards to a transaction or acquisition of a single or group of land/real estate parcels. In its wider meaning a 'due diligence' process is one that is considered reasonable for people to be expected to take in order to keep themselves or others and their property safe (OED 2019).

Land transfer as a process is inherently 'risky' – so how do we minimise that risk? How do we make sure that legitimate owners/stakeholders do not sign away rights over land that they didn't think they owned? How do we make sure that investors do not pay for rights which they think they are getting but you are not? How do we make sure that those affected by land acquisition are fairly compensated? Just who or what do we turn to for 'reassurance' and 'transparency'?

Large scale land acquisition issues are also top of the agenda for UN Habitat, UN FAO and the World Bank, especially since the adoption of the New Urban Agenda at Habitat III 2016 (an action-oriented document which is supposed to set global standards for achieving sustainable urban development) and the global implementation of the Sustainable Development Goals (SDGs). According to the World Bank, approximately 10–15 million people are displaced by development and infrastructure projects each year. With such large-scale displacement becoming increasingly common across much of the developing world, there is a need for a global standard that is transparent and robust.

### Conclusions

An independent Standard Setting Committee (SSC) was formed in January 2017 to develop global ILMS standards for land and real property due diligence reporting. The SSC includes technical experts from 18 countries and a combined expertise covering over 100 different markets. The SSC worked virtually while part of the SSC met in person at the World Bank Land and Poverty Conference in Washington DC (March 2017/18), FIG, CLGE, InterGeo and at several expert meetings. The ILMS consultation was carried out in 2 stages:

1. An open initial consultation (March – June 2018)
2. An exposure draft consultation (including translations of the draft into Arabic, French, German, Spanish to increase geographical market penetration and debate).

The combined consultations yielded several 100 downloads and over 50 in-depth commentaries.

ILMS contains the following 8 key components of the land process:

ILMS - Due Diligence Framework						
Property Address/Identifier:						
Component	Basis	Date	Documentary Support	Author status	Information Status (R/V/C)	
1	Tenure					
2	Parcel identification (Boundaries)					
3	Land area					
4	Land Use					
5	Services					
6	Building					
7	Land Valuation					
8	Sustainability					

### Acknowledgements

ILMS Coalition, ILMS Standards Setting Committee, ILMS partners  
To join the ILMS Coalition, contact [jkavanagh@rics.org](mailto:jkavanagh@rics.org)

### The ILMS Coalition and Standards Setting Committee

The International Land Measurement Standard (ILMS) is an international principle-based 'due diligence' standard for land and property information. The adoption of the Standard will reduce risk in land and real property reporting. The Coalition advocates that the adoption of ILMS promotes better land governance, robust conveyancing, secure lending and land registration. ILMS engenders global consistency by setting a standard for assembling land information which can be applied at a project, local, regional, state, national, or international level. ILMS is therefore both a standard and a due diligence framework to enable evidence-based assessment of land and property. ILMS is flexible and non-prescriptive, so that it can be adopted incrementally and/or partially in line with the fit-for-purpose principles such as those being globally adopted in the domain of land administration. It will also advance best practice. Beyond the due diligence, ILMS takes cognisance of existing rights such as communal rights, tribal rights and gender rights and considers the hierarchy of land rights within any land parcel.

The ILMS Coalition formed on 10th October 2016 at the UN FAO headquarters in Rome, Italy. The Coalition is a non-governmental, not-for-profit coalition of land professionals, from over 30 not-for-profit professional organisations. The Coalition aims to bring about consistency in land and real property transaction reporting standards worldwide. This is to be achieved through the creation and adoption of ILMS. In practice the ILMS may be adopted systematically, i.e. by governments putting in place functioning LIS or sporadically on a transaction driven basis. ILMS sets out a structure for describing and reporting relevant land information for due diligence purposes.

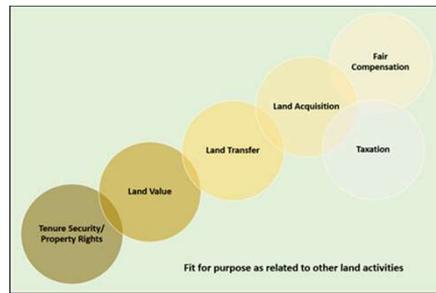


Fig 4. Land professionals work within a 'continuum' of land related processes from the establishment of tenure security to valuation, transfer (ILMS) and then into acquisition, compensation and taxation. Each process is reliant on the other but not necessarily sequentially. A land valuation and/or taxation receipt can be used to establish tenure security without the need for formalisation and titling.



Fig 2. This image shows the ILMS coalition at its inaugural meeting in Summer 2016 at UN FAO HQ, Rome.

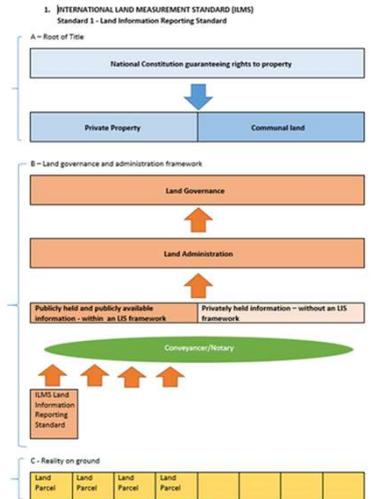


Fig 3. This graphic shows how the ILMS due diligence standard is a direct product of what a land professional finds when investigating the key land data elements for any given parcel. ILMS then enables the conveyance/transfer and can consist of publicly and privately available information.

### Land and resource issues across the world

Confidence through professional standards – November 2015

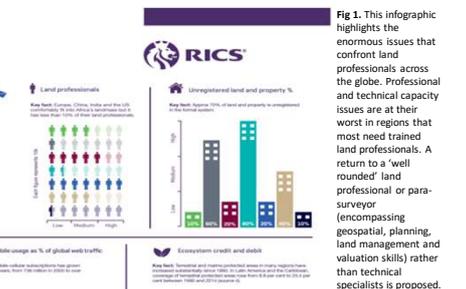
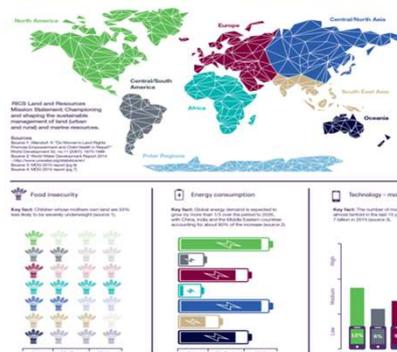


Fig 1. This infographic highlights the enormous issues that confront land professionals across the globe. Professional and technical capacity issues are at their worst in regions that most need trained land professionals. A return to a 'well rounded' land professional or para-surveyor (encompassing geospatial, planning, land management and valuation skills) rather than technical specialists is proposed.

### Governance Structure



The ILMS Coalition officers (image) are:

- Chair: James Kavanagh [jkavanagh@rics.org](mailto:jkavanagh@rics.org)  
 Vice Chair: Maurice Barbieri [maurice.barbieri@clge.eu](mailto:maurice.barbieri@clge.eu)  
 Sec Gen: Pedro J. Ortiz [pjortiz@gmail.com](mailto:pjortiz@gmail.com)  
 ILMS Standards Setting Committee SSC  
 Chair: Rob Mahoney [robmahoney@mahgeo.com](mailto:robmahoney@mahgeo.com)  
 Vice Chairs: Duncan Moss [Duncan.Moss@os.uk](mailto:Duncan.Moss@os.uk)  
 Thomas Jacubeit [jacubeit@jacubeit.de](mailto:jacubeit@jacubeit.de)  
 Exec Sec: Alexander Aronsohn [aaronsohn@rics.org](mailto:aaronsohn@rics.org)

The ILMS due diligence standard 1<sup>st</sup> ed in now complete and can be sourced at <https://ilmsc.org/>. ILMS is also available in several translated versions including Arabic, French, German, Spanish and English (UK). Various launch events are planned for 2019 including InterGeo & CLGE Istanbul Sept 2019.