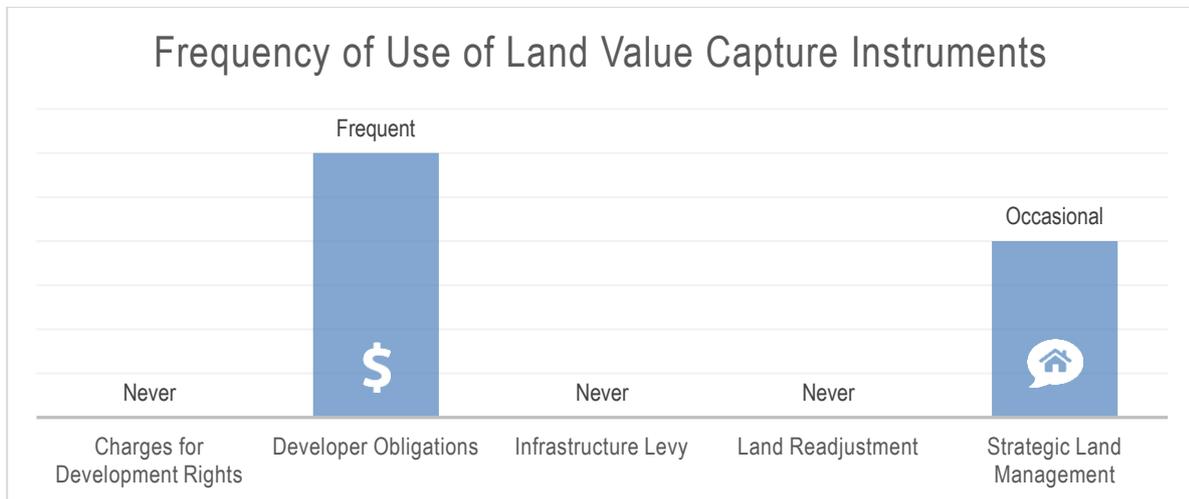


Namibia



There is very little land value capture in Namibia. The lack of a legal definition of land value capture in the country, along with strong decentralisation, has led to ad hoc applications of land value capture that may vastly differ in nature and enforcement among local governments. Public land leasing is practiced with a general goal of redistributing land post-independence in 1990 and generating revenue, although little revenue is generated in practice. Developer obligations are limited to endowment fees related to the subdivision and creation of new properties, and betterment charges related to the increased value of land due to government rezoning.

Main instruments

Instrument (OECD-Lincoln terminology)	Local name	National legal provision	Implementation	Use
Developer obligations	Endowment Fees	<i>Town Planning Ordinance 18/1954</i>	Local governments	Frequent
Strategic land management (public land lease)	Resettlement Leases Customary Leases	<i>The Credit Agreements Amendment Act, Act 3/2016</i> <i>Deeds Registries, Act 14/2015</i> <i>The Communal Land Reform Act 5/2002</i> <i>The Agricultural (Commercial) Land Reform Act 6/1995</i> <i>The Local Authorities Act 23/1992</i> <i>Rents Ordinance 13/1977</i>	National, local governments	Occasional



Enabling framework

Namibia is a unitary decentralised state with a two-tier system of subnational government: 14 regional councils and 57 local councils (OECD and UCLG, 2019^[1]). The decentralisation of the Namibia government began with the 1990 Constitution, with legislation such as The Regional Councils Act and the Local Authorities Act of 1992 serving as guiding documents for the powers, functions and duties of local government. Regional governments are responsible for a variety of land use-related functions, including planning, management of communal lands, land valuation and acquisition, and land surveying and mapping. Municipal governments hold certain urban and land use-planning responsibilities as well. There is no legal definition of land value capture in Namibia.



Developer obligations

While there is no legal basis for developer obligations in Namibia, developers may be charged for the approval or support of new land development. The government can levy obligations on developers when the development for which the approvals are issued has an impact on infrastructure. However, in practice the only development obligation applied in Namibia is an endowment fee that relates to the subdivision and creation of new properties.

Jurisdictions charge developers for development approvals whenever they have the right. Such obligations are calculated based on the cost incurred by the jurisdiction due to a development's impact on infrastructure, or the market value of the development. There are no conditions that exempt developers from development obligations. Any charges are paid in cash before or at the time that development receives approval.

Local government issues development approvals and receives revenues from obligations, without any need for approval from higher levels of government. Indeed, local governments have a high level of discretion when issuing approvals, establishing the amount and nature of charges, and re-investing collected funds. Developers rarely appeal against required charges for approvals.

Endowments are typically used for subdivision of land in Namibia. These endowment fees, which are somewhat similar to development charges, are generally levied at 7.5% based on the market value of the land. The transaction value of the land and the appraisal by a valuator should be within fifteen percent of one another.

While there are no charges for additional development rights in Namibia, developers may be charged for development rights when a property increases in value due to rezoning. Such charges are paid in cash, with the price determined by the increased value resulting from the rezoning. The betterment fee for is 25% of the increased value for residential rezoning, and 50% for industrial or commercial rezoning.



Strategic land management

Public land in Namibia is purportedly leased to generate public revenue, develop land, and execute agricultural land reforms. However, leasehold rights at the national level do not form a significant source of revenue for the government,



| 3

instead consisting principally of communal and agricultural resettlement leases. Customary land is held in trusts by the government and can be leased to community members for commercial purposes, however this is usually rural land for farming and rarely for urban development. It has been argued by Werner and Bayer (2016^[2]) that customary leasehold rights in resettled areas are a means to control land, rather than promote economic development.