

Operationalising Land Value Capture

Operationalising Land Value Capture Through Land Readjustment: Lessons from Kigali, Rwanda

Rwanda has constructed one of the most comprehensive land governance frameworks in sub-Saharan Africa, completing near-universal land registration by 2013 and establishing a legal architecture that encompasses a range of land value capture instruments. Yet the distance between legal provision and practical delivery has proved considerable, and the country's urban housing deficit continues to deepen. It is within this gap that land readjustment has emerged as one of the most promising instruments for unlocking privately held land for infrastructure and housing without requiring the government to purchase it outright.



Picture of Kigali, Rwanda

1. Overview and Purpose

Rwanda has constructed one of the most comprehensive land governance frameworks in sub-Saharan Africa, completing near-universal land registration by 2013 and establishing a legal architecture that encompasses a range of land value capture instruments. Yet the distance between legal provision and practical delivery has proved considerable, and the country's urban housing deficit continues to deepen. It is within this gap that land readjustment has emerged as one of the most promising instruments for unlocking privately held land for infrastructure and housing without requiring the government to purchase it outright.

Kigali's experience with land readjustment stretches back to 2014, when Nunga became the first formal pilot, demonstrating that fragmented peri-urban land could be reorganised through a participatory process to deliver regularised plots, road access, and basic infrastructure whilst allowing existing landowners to retain a stake in their land. Importantly, communities had already begun to employ the instrument informally before formal policy caught up, giving the subsequent regulatory response a firmer grounding in practice. The Land Readjustment Instructions introduced in 2025 translate this accumulated experience into a consistent, scalable framework. Rwanda's journey illustrates operationalising land value capture lies in building the implementation rules and institutional capacity that turn policy intent into equitable delivery on the ground.

2. Context and Challenge

Before the mid-2000s, the governance of land in Rwanda was characterised by an unresolved tension between customary practice and statutory regulation, with neither system providing reliable, consistent coverage. The majority of landholders, particularly in rural and peri-urban areas, had no formally documented rights to their land. Boundaries were often undefined, records were incomplete or held in paper form, and the absence of a coherent registration system contributed to widespread insecurity, frequent disputes, and limited transparency in how land was managed and transferred. For urban authorities seeking to plan, invest, and mobilise finance, this represented a fundamental constraint.

The Government of Rwanda's response was the *Land Tenure Regularisation Programme*, launched in 2009, which set out to demarcate, adjudicate, and register land rights across the entire country through a participatory, low-cost methodology¹. The results were striking in their scale and speed: more than ten million parcels were registered by 2013, achieving coverage that most comparable countries have not approached. Land records were progressively digitised and consolidated into the Land Administration Information System, a national digital platform recording ownership, transactions, and leases. The mandatory registration of joint spousal ownership was a particularly significant element, substantially strengthening women's land rights across the country.

For cities like Kigali, the programme laid the data and legal foundations on which more sophisticated urban finance instruments could subsequently be built. This included land value capture instruments, which were embedded within its legal and planning framework. For example, the Kigali City Master Plan includes provisions for density bonuses and inclusionary zoning to support the city in addressing affordable housing provision². Therefore, on paper, the conditions for a functioning land-based financing system were in place. In practice, however, progress beyond property taxation proved slow and uneven, held back by gaps in operational guidance, limited institutional capacity at the local level, and the absence of clear rules on financing, valuation, and compensation.

¹ Hoza Ngoga, T. (2019) [A quick, cost-effective approach to land tenure regularisation: the case of Rwanda](#). London: International Growth Centre.

² Haas, A.R.N. (2025) [Land Value Capture and Affordable Housing: The Case of Rwanda](#). Kigali: GIZ

3. Approach and Experience

To begin bridging the gap between legislative provision and practical delivery, the Rwandan Government's attention was drawn first to land readjustment, not because it was the most fully developed instrument in the toolkit, but because communities had already begun to employ it organically at a small scale. In Kigali's expanding peri-urban areas, landowners had begun to coordinate informally, pooling and replotting their land to regularise boundaries, improve access, and obtain construction permits. These arrangements were ad hoc and without legal backing, but they demonstrated genuine community appetite for the instrument and generated practical knowledge that would later inform formal policy. The policy question therefore became how to understand, support, and scale what was already happening rather than how to introduce something entirely new.

Land readjustment is a land management approach in which landowners within a defined area collectively pool their plots, which are then replanned, serviced with infrastructure, and redistributed back in regularised, legally titled form (see Figure 1). It is, at its core, a land value capture instrument: plot regularisation combined with the provision of roads, drainage, and public spaces generates a significant uplift in land value, and it is this publicly created value increase that finances the process. Rather than capturing that uplift through taxation or levies after the fact, land readjustment captures it in kind, with landowners contributing a portion of their land area in lieu of cash. As a smaller, serviced plot is worth more than the larger, unserviced plot that preceded it, owners can accept a reduced area whilst still emerging with a net gain in asset value. The mechanism allows for local infrastructure delivery to proceed without the government acquiring land outright, making it particularly well-suited to contexts where public land is scarce and compulsory purchase is costly or contested.

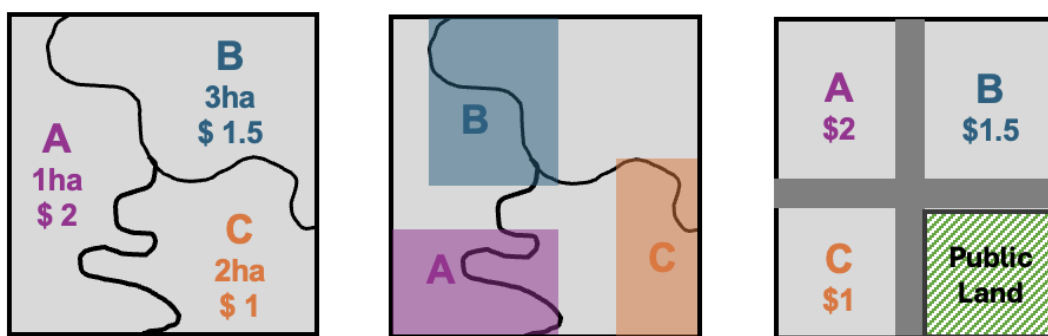


Figure 1: Three landowners (A, B, and C) hold irregularly shaped, unserviced plots of differing sizes and values. Through the readjustment process, the plots are pooled, replanned, and redistributed as regular, legally titled parcels served by roads and shared infrastructure. Each owner receives a smaller but more valuable plot, with the remaining land set aside for public use. The value uplift generated by servicing finances the process, meaning no public expenditure is required to deliver the infrastructure.

Nunga, in the Gahanga Sector of Kicukiro District, became the first formally designated pilot when it was launched in 2014 by the City of Kigali and the Ministry of Infrastructure³. The site covered approximately sixty-two hectares of fragmented agricultural and semi-informal land. The project proved largely self-financing, with land redistribution structured to cover implementation costs without a dedicated public budget and was substantially completed within two years.

³ Mugisha, J. et al (2025) [Fostering Neighbourhood Social–Ecological Resilience Through Land Readjustment in Rapidly Urbanising Cities in Sub-Saharan Africa: The Case of Nunga in Kigali, Rwanda](#). *Urban Science* 9(5)

The Nunga experience was instructive in both its achievements and its shortcomings. It confirmed that land readjustment could deliver spatial formalisation and basic infrastructure on privately held peri-urban land, and it generated the evidence base for subsequent expansion. However, the process fell short of international standards in its treatment of compensation and cost-sharing, raising fairness concerns for owners with smaller or less well-positioned plots. A further tension, observed across multiple sites in the years that followed, was the tendency for landowners to prioritise maximising their private plot area over contributing sufficient land for roads, public spaces, and affordable housing, a structural challenge that community goodwill alone could not resolve.

The model nonetheless expanded considerably. Rwanda has upgraded more than ten thousand hectares through community-led participatory readjustment, with over six thousand hectares in Kigali alone, including established areas such as Muyange and Karembure in Kicukiro District. This accumulation of experience progressively sharpened understanding of where the absence of specific operational rules was generating inconsistency, inequity, and missed opportunities for public value capture.

It was this body of experience that directly informed the Land Readjustment Instructions introduced in October 2025. The Instructions establish a structured application process requiring landowners to form a committee, submit a project concept note and site delineation map, and secure commitment from owners representing at least seventy percent of individual plots and ninety percent of the total site area. Planning requirements include allocating thirty percent of land for public purposes, a minimum plot size of three hundred square metres, and road widths of between nine and twelve metres. Fairness provisions allow landowners with substandard plots to purchase additional land or receive monetary compensation, and pre-qualified consultants are required to support planning, contribution calculations, and post-readjustment valuation. Grounded in the practical lessons of Nunga and the pilots that followed rather than in abstract regulatory principles, the Instructions carry a stronger prospect of consistent and equitable implementation than any previous legal provision in this area has managed to achieve.

4. Insights and Lessons – what worked well

- Rwanda's investment in comprehensive land registration through the Land Tenure Regularisation Programme has proved to be the foundational precondition for their current work around land value capture.
- The organic emergence of community-led readjustment in Kigali before formal rules existed demonstrated genuine demand, generated practical knowledge, which provided a starting point for policy development that was far more grounded than a purely top-down design process would have been.
- The Nunga pilot's broadly successful delivery within two years, and without dedicated public funding, validated the instrument's viability in the Rwandan context and created the political and institutional momentum needed to support wider expansion. At the same time, its shortcomings in compensation, cost-sharing, and public land allocation were equally valuable, surfacing the implementation challenges that subsequent policy work would need to address.
- Rwanda's broader governance environment, characterised by institutional trust, consistent policy enforcement, and a functioning national cadastre, created enabling conditions for community mobilisation.

5. Insights and Lessons – challenges and constraints

- A wide gap persisted for many years between the legal recognition of land readjustment within the planning framework and its consistent, equitable delivery in practice.
- The tension between private plot maximisation and public land contribution has been a persistent structural challenge. Without strong rules and sustained community engagement, landowners' rational self-interest tends to crowd out the public land allocations on which infrastructure delivery and affordable housing provision depend.
- The connection between land readjustment and the delivery of affordable housing has remained underdeveloped. Rising post-readjustment land values are a sign of success by one measure, but they can, without protective measures, also price lower-income residents out of areas where in situ upgrading was intended to benefit them

6. Key Lessons and Transferable Insights

- Where communities have already begun to organise around an instrument, organic practice provides a stronger foundation for policy design than top-down legal innovation, and the role of government is most effective when it codifies, supports, and provides accountability structures for what is already happening.
- Legal frameworks are necessary but not sufficient: Rwanda's experience demonstrated that embedding land readjustment within a master plan did not produce consistent or equitable delivery, and that operational rules covering compensation, cost-sharing, valuation, and public land allocation are essential to bridge the gap between policy intention and practice.
- The value gains that make land readjustment financially attractive will tend to accrue to existing landowners and incoming investors unless explicit protective measures are built into the design from the outset to safeguard the interests of lower-income and vulnerable groups.
- Scaling a participatory instrument requires sustained investment in local implementation capacity. The quality of district-level sensitisation, technical assistance, and consultant support is not a secondary consideration; it is central to whether the instrument works consistently and fairly across diverse urban contexts.

This Case Study was prepared by Dr Astrid R.N. Haas, Urban Expert Economist, [UrbanAsti Limited](#), by way of contribution to the work of the CSCC Urban Finance Action Group, March 2026.



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