

# CONSULTATION WITH STAKEHOLDERS AND FIT-FOR-PURPOSE THINKING

## Implementing Land Administration Solutions in Ethiopia



The government of Ethiopia has demonstrated clear political will to advance the urban land rights agendas, but has struggled to sustain successful pilots. In a recent Technical Assistance project, a World Bank team including consultants from Land Equity International worked closely with the Ministry of Urban Development and Housing to evaluate

the urban cadastral context.

A recent Technical Assistance project to evaluate the urban cadastral context in Ethiopia closely mirrored the approach set out by the UN-Habitat and Global Land Tool Network publication called *Fit-For-Purpose Land Administration – Guiding Principles for Country Implementation*. Fundamentally, the fit-for-purpose land administration concept seeks to apply spatial, legal and institutional methodologies that meet the purpose of providing secure tenure for all, whilst recognising current political and institutional constraints. The fit-for-purpose mindset is one that actively focuses on purpose, seeks flexibility and plans for incremental improvement over time. As the authors' second publication on fit-for-purpose

land administration, this guiding principles document is not prescriptive, but provides seven steps – or categories – that provide a pathway to implementing fit-for-purpose land administration. These steps offer a framework for discussion of the project.

### Country context

The first step is analysis of the country context. Two schematics (see Figures 1 and 2) have been developed depicting the current status of the country context and spatial/legal/institutional frameworks of Ethiopia (solid red line), and the likely improvement that could be obtained with the preliminary interventions identified (dotted green line). Whilst these schematics could be improved for more universal application and could more closely mirror the fit-for-purpose framework, they do provide a summary and depiction of interventions likely to generate the greatest progress in a first iteration of activities.

Significant political willingness for land administration reform exists in Ethiopia. Past land reform and registration pilots have, however, largely failed. One reason for a lack of progress is the decentralisation of land administration functions: cities, rather than the national-level Ministry of Urban Development and Housing (MoUDH), are largely responsible for the actual implementation (and funding) of land regularisation and registration, making it difficult to fund, sustain and standardise efforts. A further complicating factor is the separation of rights-creation and registration activities, which are managed by separate institutions. And finally, there is no existing National Land Policy – although the Urban Land Development and Management Policy and Strategy forms a strong basis for such a document as well as potential to provide clarity around key aspects of the legal reform to support local implementation.

There is promise, however; whilst the rural and urban land sectors are separated in Ethiopia, the success in implementing fit-for-purpose principles of the rural registration projects to date provides lessons and impetus for the urban sector.

## Frameworks

The second step is the analysis of existing spatial/legal/institutional frameworks. In contrast to typical discussions around fit-for-purpose land administration, the urban case of Ethiopia is less focused around the use of systematic registration, visual boundaries from imagery and participatory land adjudication. These practices have largely been adopted, with some level of standard piloting still required, and hence are not the main limiting factor. Instead, the core benefit of fit-for-purpose thinking lies in *institutional* reform with pragmatic decision-making relating to staffing, office setup and process standardisation.

Whilst there is presently significant overlap and conflict between institutional roles at sub-city through to national levels, pragmatically there is limited room for reform in the short term due to stakeholder pushback and the many historical causal factors. Greater rewards in terms of progress are likely to be seen in the computerisation of records, service provision interventions and implementation of a National Spatial Data Infrastructure (NSDI) policy. Some steps have already been taken towards these, with a land information system (the Cadastre and Real Property Registration System – CRPRS) currently being developed, but greater stakeholder engagement was highlighted as an immediate need to ensure alignment between this system and the existing legal and institutional structures.

The devolved nature of land governance and responsibilities can instead be addressed by the development of a set of standard operating procedures and clear project management. Weak project management to date was identified as perhaps the most significant limiting factor to immediate and sustained progress in reform.

## Country-specific strategy

The third step is developing a country-specific fit-for-purpose strategy for land administration. There is a lack of an existing, comprehensive legal cadastre for urban land in Ethiopia, coupled with rapid urbanisation and high levels of informal housing. This particularly limits local government's capacity to implement urban plans, enforce regulations and identify underutilised land that could contribute to alleviating the formal housing shortage. The lack of a comprehensive and accessible urban legal cadastre also hinders collateralised lending for development and equitable and efficient property tax assessment and collection that could contribute to municipal revenue and fund improved service delivery (see Figure 3). A country-specific fit-for-purpose strategy for land administration must hence address the above drivers, as well as align with existing urban policies and plans, such as Ethiopia's second Growth and Transformation Plan.

As a result of the World Bank Technical Assistance work, a draft project design has now been developed in close cooperation with stakeholders. The overarching programme objective of the draft project design is to establish a legal cadastre to secure tenure for all in a system that focuses on good governance, the facilitation of investment and the operation of the real-estate market.

## Designing country-specific frameworks

As a fourth step the country-specific fit-for-purpose spatial/legal/institutional frameworks are designed. Clearly the objective above is an ambitious one, the realisation of which would take a decade or more. A phased project approach was therefore designed, along fit-for-purpose principles, which built on the existing initiatives within government. The first project will develop and test the systems, processes and procedures, make the essential changes to the policy and legal frameworks and implement the legal cadastre in Addis Ababa and 23 major cities in the regions. The government already has in place the core components for this; what the project design adds is improved guidance on the project structure and management, capacity development, service provision and development of standardisation procedures.

The second and any subsequent projects will build on the results of the first project and extend the legal cadastre to all other urban centres throughout Ethiopia, ultimately achieving national coverage.

The following components were designed for the first project:

- strengthening and expanding the legal cadastre in Addis Ababa City Administration, including resolving the backlog, strengthening the involved Complaints Office and implementing an improved systematic adjudication and registration (SAR) process
- improving the capacity to implement SAR in the 23 cities, including strengthening the rights-creating institutions, undertaking file management (see Figure 4) and preparing a plan for regularisation
- strengthening the quality and services from the urban legal cadastre generally, including raising public awareness
- managing the project and establishing and implementing a monitoring and evaluation system.

## Capacity development

Step number five is capacity development. As can be expected, substantial capacity development is needed to achieve the aims of the first project. However, the authors suggest that previously undertaken needs assessments have grossly overstated the human resource needs, particularly with the ambitious plans to digitise and computerise records and implement a sophisticated information and communications technology (ICT) system to provide efficient service delivery. Ethiopia continues to promote technical and vocational education and training in the land sector, which underpins future capacity. It is estimated that a maximum of just a thousand members of staff will be necessary to provide legal cadastre services in the 23 cities and Addis Ababa.

## Country-specific manuals

Step number six is about country-specific instruction manuals. With project management being a core limiting factor, and with the potential for significant gains in the computerisation of the records (Figure 5) and service provision, the development of instruction manuals (including the standard operating procedures mentioned above) form a core part of the proposed first project. These should be accompanied by end-user training, the adoption of a service charter and clear mechanisms for monitoring (and, where possible, incentivising) efficiency. It is estimated that staffing can likely be halved if computerisation and standard procedures can be effectively implemented.

## Economic benefit analysis

In the final step, the Costing and Financing of Land Administration Services (CoFLAS) tool –developed in conjunction with UN-Habitat and the Global Land Tool Network – has been used to estimate the potential annual operating costs and possible revenues based on staffing and resource estimates. It is suggested that the legal cadastre should be able to operate under a self-financing arrangement if fees for transfer are set at around 0.5-1% of the property value. Naturally this figure assumes that the costs of regularisation and first registration are separately covered, and it requires a strong and sustained public awareness campaign to ensure continued uptake of land services. Nevertheless, this shows a strong basis – and incentive – for implementing a fit-for-purpose approach to land administration.

## Concluding remarks

There is a complex institutional environment for land administration in Ethiopia. Separate institutions and systems exist for urban and rural land administration, coinciding with a federal system where urban land services are provided at city level by regional governments under the oversight and guidance of federal authorities. Significant effort has been undertaken to develop the policy and legislative framework for urban land administration, but these initiatives have yet to evolve into efficient, cost-effective processes and systems that can be scaled up. Through close consultation with stakeholders and fit-for-purpose thinking, a strategy has been developed to address this.

### Further reading

Fairlie, K., Burns, T., Zhang, Y., Adlington, G., Tamrat, I., Shibeshi, G., McDowell, A., Kebede, S., Zelul, A. (2017) Establishing a Legal Cadastre for Good Governance in Ethiopia: Identifying Bottlenecks and Steps Towards Scale-up, Conference Paper, Annual World Bank Land and Poverty Conference 2017, Washington D.C., USA

GLTN/UN-HABITAT (2015): Costing and Financing of Land Administration Services (CoFLAS) in Developing Countries. Nairobi. <http://gltn.net/index.php/land-tools/gltn-land-tools/costing-and-financing-of-land-administration-services-coflas>

GLTN/UN-HABITAT (2016) *Fit-For-Purpose Land Administration – Guiding Principles for Country Implementation*. UN-HABITAT/GLTN, Nairobi, Kenya. Available at: <http://www.gltn.net/index.php/publications/publications/publications-list/download/2-gltn-documents/2332-fit-for-purpose-land-administration-guiding-principles-for-country-implementation>