



‘More Revenue Mobilization by Strengthening Land Administration in Kampala’

LAND AND POVERTY CONFERENCE:

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Jennifer Semakula Musisi PhD (h.c)
Executive Director, KCCA

Together we can transform Kampala city

Profile of Kampala City:

Kampala is the administrative and commercial city of Uganda, East Africa

City Population:

Resident popn is est. at **1.5 million** while day population est. at **4 million**.

5.2%

The current urban population growth rate

60%

The city's contribution to Uganda's GDP.

10 Million

Projected population by 2040 (source: KPDP).

Land Administration and ownership in Kampala

- Kampala has complicated land tenure systems
- Land is held under customary, freehold, leasehold and mailo tenure systems
- There is a high prevalence of informal land transactions
- Parts of Kampala are poorly planned negatively impacting on property values, expansion of infrastructure and hence attracting low revenue from property taxes.

.....Land Administration and ownership in Kampala

- High urban migration that is ahead of planning resulting into informal settlements
- Land Tenure systems that encourage informality
- Kampala lacks formal systems for fair assessment of leasehold premium and ground rent charges
- Large pieces of land are owned by different institutions

Why Land Administration In Kampala

Good land administration practices promote infrastructure development, formal property titling, enable a well-functioning land market and raise Government revenues

Strengthening Land Administration in Kampala will:

- Lower compensation costs
- Streamline City physical planning and development
- Enable efficient infrastructure development
- Boost economic trade
- Curb the rampant land evictions
- **More revenue Mobilisation**

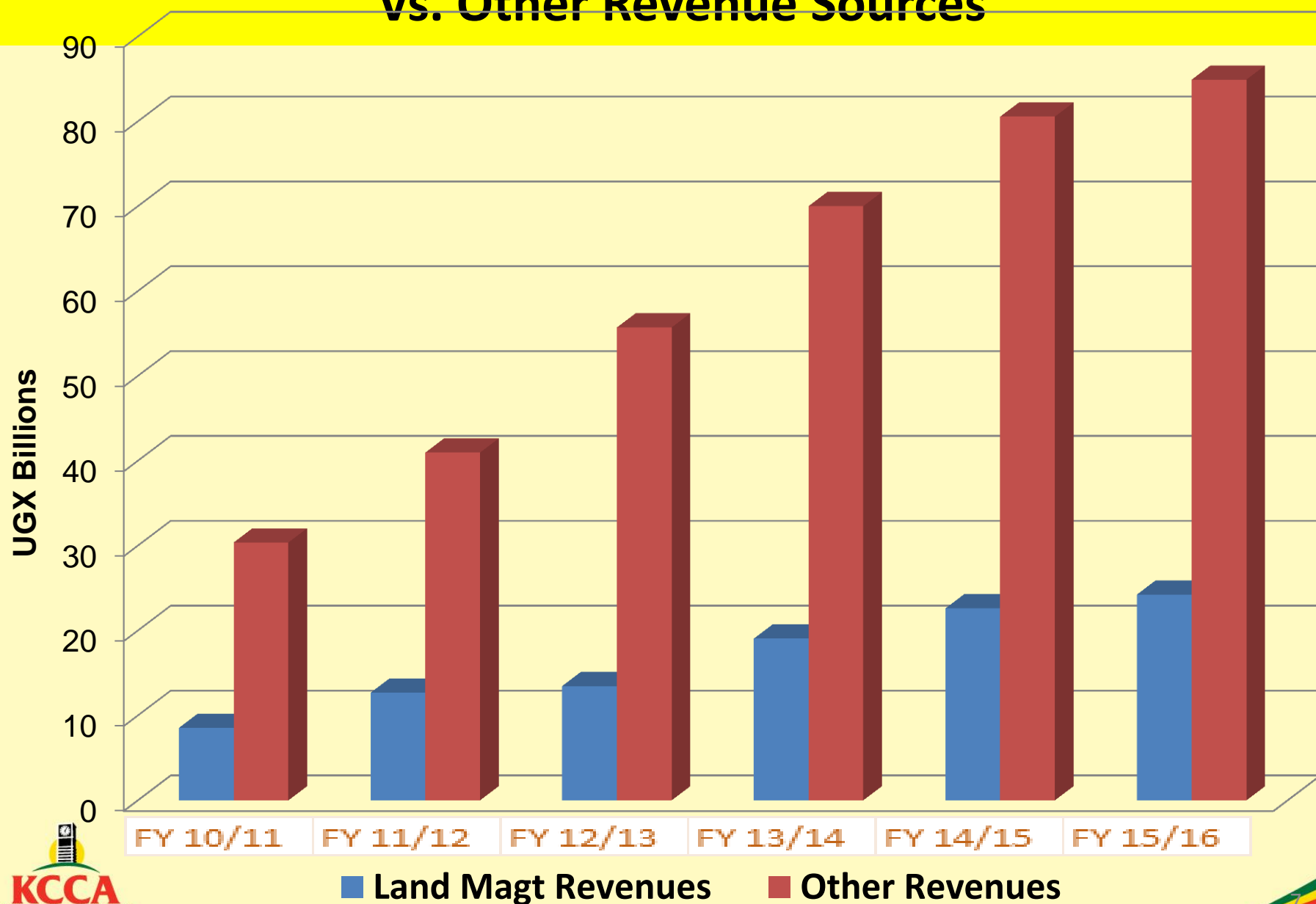
KCCA Land Administration & Transaction Services

- Land Registration
- Surveying And Mapping Services/Cartography
- Land Subdivision/Mutation Surveys
- Statement of Search
- GIS Services

Revenues Collected

- Annual Ground Rent
- Land Premiums
- Land transaction Fees

Performance of revenue collections from land transactions Vs. Other Revenue Sources



Initiatives being implemented by KCCA to Strengthen Land Administration for Increased Revenue Mobilisation

1. Mass Property Valuation

- Properties in Kampala were last revalued 2005 (over 10 years)
- The rapid changes in land use patterns in the city has made the previous valuation rolls obsolete which erodes the revenue potential from property Rates

KCCA with funding from the World Bank under the Second Kampala Institutional and Infrastructure Development Project (KIIDP II) is currently implementing two self reinforcing projects

- a) Computer Aided Mass Property Valuation(CAMV).**
- b) City Address Model (CAM)**

Two Dimensional project

Address Model

A system for:

- Naming all roads and streets,
- Assigning numbers to all houses, and
- Ease navigation and promote economic activities e.g. tourism

Valuation

An automated system for:

- Maintaining property data,
- Valuing property,
- Ensuring tax equity through uniform valuations

Expected Benefits

Automation of property rates management shall

- grow the property register from 120,000 to 250,000
- grow rates revenue from **USD 6.0 million** to **USD 17.0 million** per annum
- enhance KCCA's capacity to regularly update the property rates register through annual supplementary property valuations
- Support enforcement activities
- A more navigable City

2. Roll out of the GIS System

- Roll out will increase capability to address expanded KCCA data needs including the development of an urban land use database at plot, village and parish levels, linking urban services management with revenue functions more effectively.
- The Model will enable KCCA to monitor infrastructure investments on the ground and support local revenue mobilization.
- The GIS will support the city address system, cadaster, and updating of valuation roles for property taxation.

3. Automating of the Land Registry

With support from the World Bank undertaken deliberate efforts to automate the Land registry and land registration process

4. Automating Revenue Collection

In 2011, KCCA inherited a revenue system which was fraught with many gaps and inefficiencies and characterized by;

- Low levels of automation (highly manual systems)
- High levels of cash collection
- Outsourced collection of key revenue sources
- Multiple billing and collection centers

Introduced an **Online Revenue Collection System**



- Eradicated all cash payments
- Expanded to cover land transaction and Physical Plan related services in 2016

5. Smart Permit Project

- **Migration from Manual to Digital Development Permits**
- **Automate Processes** from submission to issuance of permits including tracking of activities, document management, among others.
- **Enhance the interface with other systems** e.g. e-CITIE, CAM/CAM-V and open to new plug ins
- **Streamline procedures** & criteria in the development applications and building control process.
- **Expedite decisions, eliminate client queues,** assure integrity of documents, overcome shortage of storage space

6. Client Care Reception Area

- Constructed a Client Care Reception Area specifically for clients coming to carry out land transactions and other Physical Planning related services.



7. Improved Client Care

- Use of the Instant SMS Mobile platform to ease communication to our clients
- Trained our Staff on customer care
- Simplified the documentation process
- Encouraged transparency in document processing
- These efforts have resulted into a significant increase in number of clients handled from an average of 3,500 per quarter in FY 2013/14 to over 5,000 in FY 2016/17
- Improved voluntary compliance amongst land owners to formalize land transactions

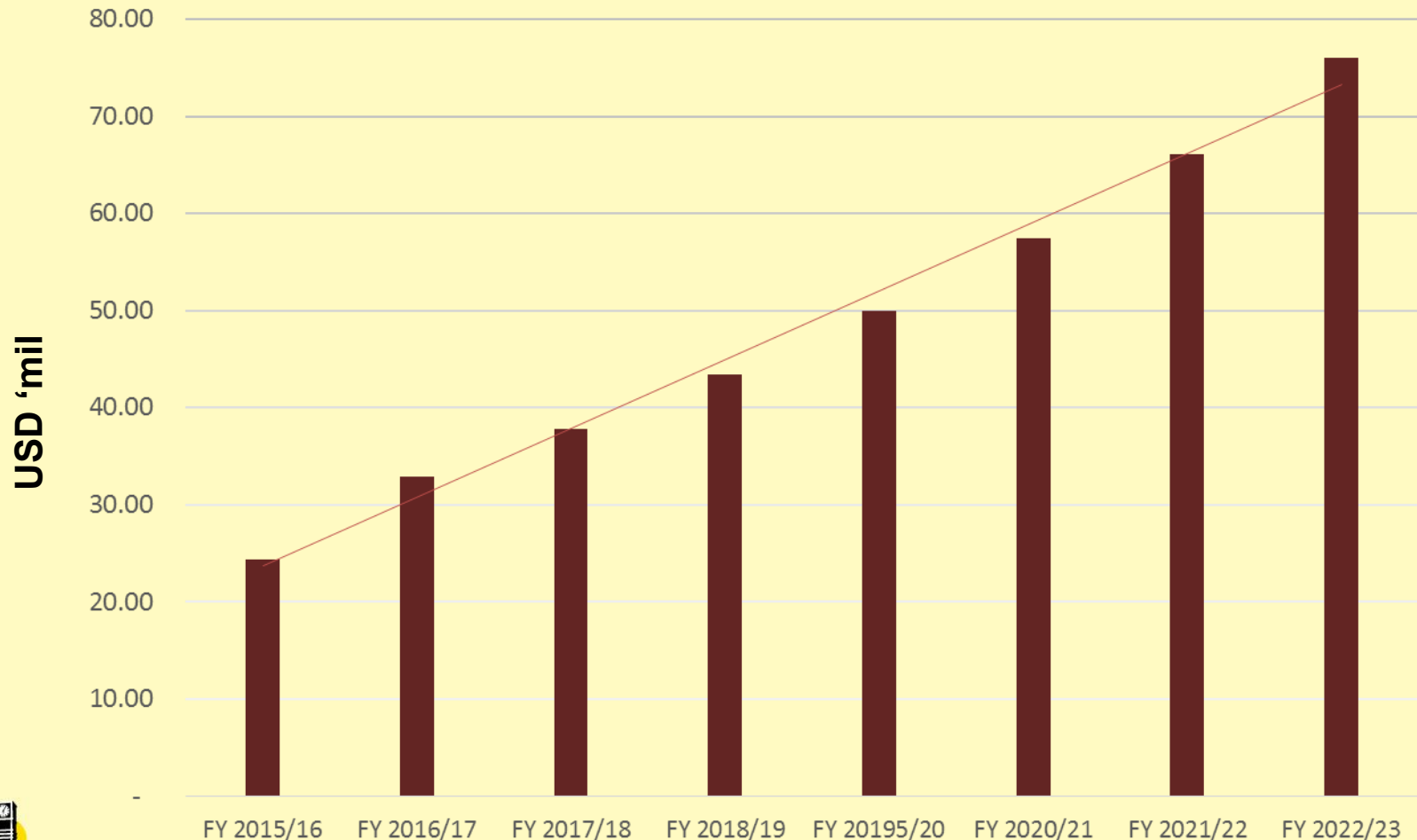
8. Working with strategic partners to strengthen land management in the City

- **Buganda Land Board**
- **Kampala District Land Board**
- **Uganda Land Commission**
- **Ministry of Lands**
- **Religious Organisations**
- **Other Government agencies**

These entities own or are in charge of big land pieces around the City

Projected Incomes

Implementation of the different strategies, KCCA projects to grow its revenues from US\$ 24m to USS 76m by FY2022/23



Challenges

Current Challenges

- a) **Exemption of owner occupied properties;** approx. USD 1.3m is not collected yet they enjoy all City services
- b) **Weak Property rates recovery mechanisms** – Litigation is the current recovery measure encumbered with delays in handling such matters through court
- c) **Tax exemptions** -Government owned properties
- d) **Existing mailo land tenure system:** informal land transactions, rampant land conflicts and evictions, poorly planned neighbourhoods.
- e) **Unclear city boundaries** - The territorial boundaries for Kampala city are not clearly demarcated. This hampers developing control for borderline areas and undermines revenue collection.

Recommendation for More Revenue collection from land administration functions

- **adopting low-cost** but fit for purpose **land administration tools**,
- **improving access to land information** through web-based interfaces,
- guarding against corruption in land administration
- **establishing the necessary legal framework** and enforcement mechanisms,
- **enhancing the land ownership rights** of women and minority groups including foreign nationals so as to attract direct investment in the real estate sector,
- **enhancing land ownership** rights in informal settlements,
- **reviewing the land policy to** provide for leasehold as the urban land tenure
- **reviewing the evidently low rates of leasehold premium**, ground rent charges with due consideration of local conditions and international best practices

Contact us:



http://

www.kcca.go.ug



info@kcca.go.ug



[facebook/kccaug](https://facebook.com/kccaug)



[t@KCCAUG](https://twitter.com/t@KCCAUG)

Tel. +256-794-660-136

