



CSO POSITION PAPER ON THE LANDS, HOUSING AND URBAN DEVELOPMENT SECTOR BUDGET FY2018/19

*The paper is based on the analysis of the FY 2018/19 Ministerial Policy
Statement for the Lands, Housing and Urban Development Sector
FY2018/19*



**Developed by the Civil Society Budget Advocacy Group and Submitted to
the Parliament Committee on the Infrastructure on 12th April 2018**

1.0. Background

Civil Society Organizations under their umbrella organization, Civil Society Budget Advocacy Group (CSBAG) have been engaging the budget process at local and national level aiming at ensuring that this central process that determines resource mobilization, allocation and utilization, responds to the actual and felt needs of the people and in return, translates into development at macro and micro level.

The views and opinions expressed in this paper are a result of the analysis of the Ministerial Policy Statement (MPS) FY 2018/19 in comparison with CSOs analysis of the NBFY FY 2018/19, the budget committee report, the Auditor General Report and experiences of the participating organizations in the Lands, Housing and Urban Development sector.

1.1 Acknowledgements

The generation of this paper has been a rigorous participatory process involving various civil society organizations under the leadership of Food Rights Alliance (FRA), including; OXFAM, Eastern and Southern Africa Farmers' Forum (ESAFF), Action Aid Uganda, Participatory Ecological Land Use Management (PELUM), Uganda Land Alliance (ULA), Uganda Agri-Business Alliance, Landnet, UCOBAC with technical stewardship of CSBAG secretariat and financial support from OXFAM. Additionally, we acknowledge the input and guidance from the Ministry of Lands Housing and Urban Development (MoLHUD) whom we have consulted from time to time in the process of developing this position paper.

We wish to thank the Government of Uganda through the respective organs along the budget process that have created space for Non-State Actors (NSAs) to actively engage in this process as well as the adoption of these prepositions from time to time. Unlike the NBFY FY 2018/19 that never had details to facilitate our engagement and analysis, we are glad that the MPS 2018/19 has by and large provided details and breakdowns in some insistence.

2.0. Introduction

The Lands, Housing and Urban Development Sector consists of 3 sub-sectors; Lands, Housing and Urban Development. This paper however mainly focuses on the land sub-sector.

Land in Uganda is a critical factor of production and an essential pillar of human existence to both private and national development. Uganda covers a total surface area of 241,550.7 sq.km of which land, open water and wetlands cover 200,523.2sq. kms (83), 6,527.4 sq. kms (15.3%) and 4,500 sq. kms (1.9%) respectively¹.

According to the Food and Agriculture Organization (FAO), 80% of the total area is arable although only 20% is productively utilized.² Uganda records one of the highest urbanization growth rates of 3.5% per year suggesting increased scramble for land for settlement, industrialization, agriculture and commercial infrastructure. The demographic composition of Uganda further indicates that over 75% of the total population is dependent on agriculture and solely deriving a livelihood from the close relationship they have with the land and its resources.³

At the national development spectrum, investment in infrastructure, energy and industrialization, all are dependent on land and its resources. Therefore, the future of this country rests on the continued development and viability of land and its resources, through effective governance and administration in national planning and development.

The land subsector consists of 4 subprograms including land management, land administration, surveys and mapping, land registration and land sector reform. Broadly, the sub-sector aims at;

- Creating an inclusive, pro-poor policy and legal framework for the land sector and putting land

¹ Uganda Bureau of Statistics, 2016 Statistical Abstract

² FAO Corporate Document Repository, 2012

³ Uganda Bureau of Statistics, 2016 Statistical Abstract

resources to sustainable productive use;

- Improving livelihoods of the poor through a more equitable distribution of land access and ownership, and greater tenure security for vulnerable groups;
- Increasing availability, accessibility, affordability and use of land information for planning and implementing development programs;
- Establishing and maintaining transparent, accountable and easily accessible institutions and systems for decentralized delivery of land services.

3.0. Compliance with the Second National Development Plan II

Although there's consistency with a minimal growth margin (UGX 150.053bn in FY2016/17, UGX151.550bn in FY2017/18 and projected to be UGX 152.384 in FY2018/19) with a billion increase every year, the allocation is not only meagre but also below the NDPII costing of 197.5bn. This meagre resource allocation is not only constraining the sector but as well

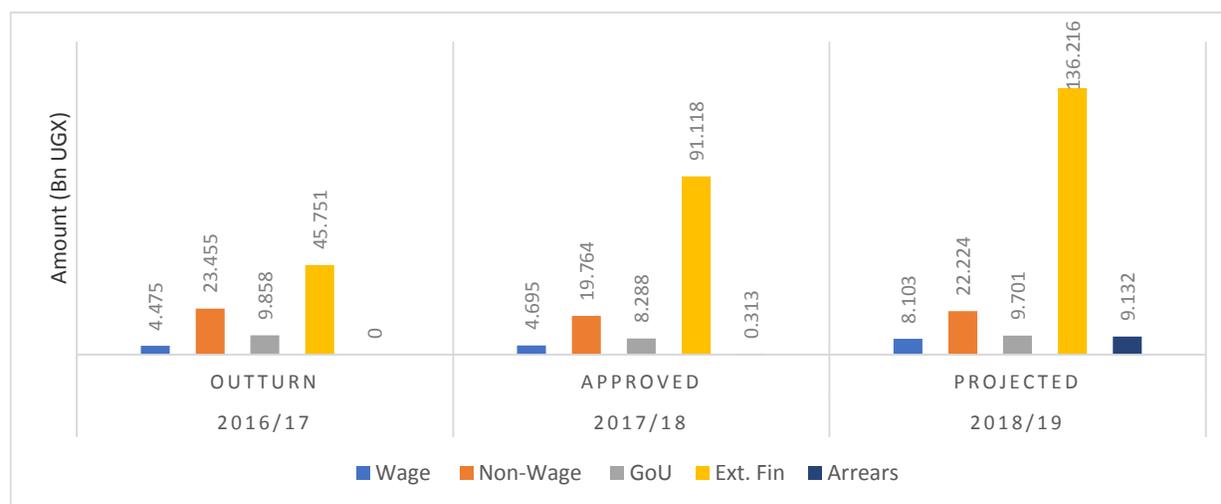
curtailing other sectors which primarily depend on the land.

We, therefore, implore the government to allocate more funds to the tune of at least UGX 220bn to the sector for the FY 2018/19. This is premised on grounds that the sector generates its own revenue with the capacity to generate more revenue once well facilitated. For instance, a countryside district such as Soroti recorded over 100M revenue from land services in the FY2016/17. In addition, the ministry is proposing to undertake costly interventions such as development, harmonization and expeditious implementation of the various policies and laws and strengthening the institutional capacity to deliver required administrative and management functions at both national and sub-national levels. Proposed extra allocation can be facilitated by the NTR generated by sector local land administration institutions.

4.0. Sector Budget Trends and Performance

In this section, we highlight the sector budget allocation trends and performance; with both financial and physical output aspects.

Figure 1: Budget allocation and performance of the Lands, Housing and Urban Development sector



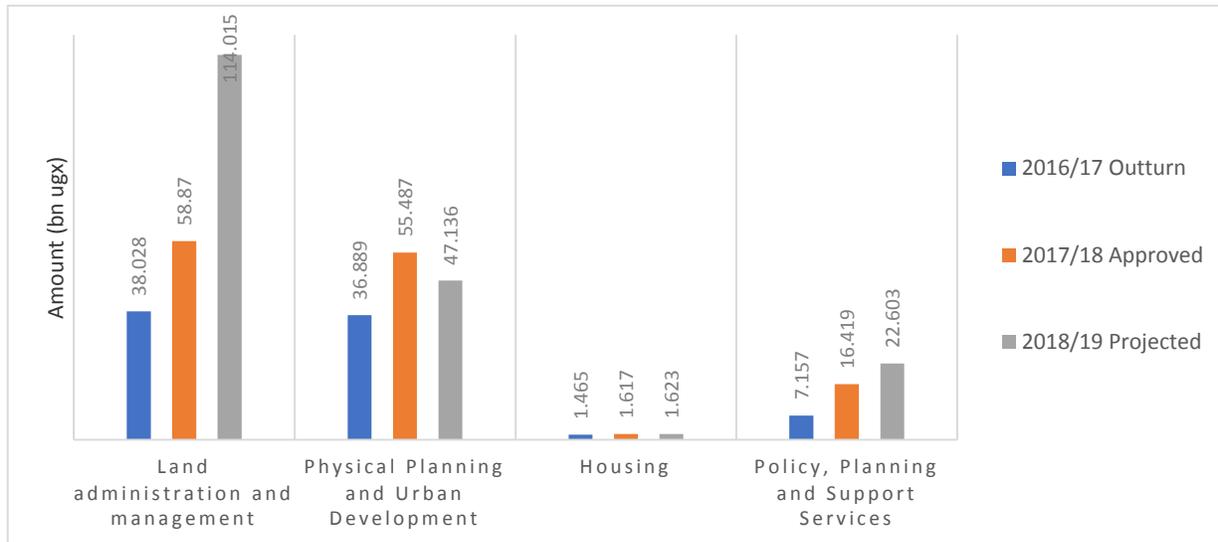
Source: MPS, 2018/19

Sector dependency on External Funding

The graph above exhibits a consistent dependence of the sector to external funding, whereas there’s projected an increase in the amount of GOU contribution to the sector, external funding exhibits more significant increase in funding the sector. This is contrary to

government’s commitment to prioritising the land sector as a core sector for transforming the economy. In addition, it renders the sector more vulnerable, unresponsive to the needs of the sector as donor funding is restricted geographically, targeted outputs and time.

Figure 2: Breakdown of allocation to Lands, Housing and Urban Development



Source: MPS, 2018/19

Whereas the lands subsector is projected to take up the largest proportion of the FY 2018/19 budget, analysis of the MPS reveals that approximately 99bn of the proposed allocation of 114bn is funds for a single project i.e. CEDP leaving only about 15bn to support the other services of the subsector such as land administration, surveys and mapping, land registration,

land sector reforms and office of the director land administration. Further, the graph reflects insignificance of the housing subsector in terms of budget allocations over the years. There’s need therefore to rethink the relevance of this sector and the commitment government demonstrates in supporting its functions.

Table 1: Budget allocation and performance of the Lands Subsector

	2016/17	2017/18	2018/19
	Outturn	Approved	Projected
Office of Director Land Management	0.04	0.05	0.07
Land administration and management	0.51	2.37	2.03
Surveys and mapping	1.00	0.92	3.28
Land registration	0.39	0.35	0.42
Land sector reform coordination unit	13.20	9.83	9.88
Competitiveness and Enterprise Development Project (CEDP)	22.89	45.35	98.35
Total Land Budget	38.03	58.87	114.02

Source: MPS, 2018/19

The Land Sector Reform Coordination Unit is receiving the second highest allocation after the CEDP project projected at 9.83bn. The MPS however, remains vague in terms of which actual legal and policy reforms shall be undertaken during the year. Instead of a statement **“Finalize the development of national/ sector policies and coordinate the implementation of the same policy”** is what is written against the budget allocation.

We recommend that parliament tasks MOLHUD to define in explicit terms the policy and legal reforms (Bills and policies) to be tabled during the financial year 2018/19.

5.0. Summary of Key Budgetary Issues in the Lands Sub Sector and Recommendations

5.1. Inadequate budgetary allocation for land rights sensitization in FY 2018/19

The complexities associated with land are largely due to the limited knowledge and appreciation of the existing policies, laws and their associated regulations and procedure.

We commend **the** government for the identification of public awareness and sensitization of land rights as one of the performance outcomes under land administration and management and setting a target of 40%. The MPS for FY 2018/19 highlights the need to increase the percentage level of awareness on the provisions in the National Land Policy. This

is, however, an insignificant proportion of the whole population of Uganda, especially given increasing emerging issues such as migrations, refugees, climate change, social, economic and political integrations, land fragmentation, local and FDI investment, gender and land use which greatly affect land.

In addition, the proposed sensitization is only restricted to the National Land Policy and therefore disregards the other land laws and regulations which are key in strengthening tenure security, guiding public and private investment and aid lawful transactions and land acquisitions. Although there're numerous initiatives by NSAs, undertaking sensitization and awareness creation, they have remained uncoordinated and unregulated causing distortion and misrepresentation of legal and policy provisions necessitating government through the ministry to hold the center and provide leadership.

Recommendation

- At least UGX 4bn should be allocated for sensitization and awareness creation including coordination of this function. These resources should be secured from the local land administration institutions' generated revenue.
- The ministry of lands by a statutory instrument should undertake coordination and regulation of sensitization and awareness activities by both state and non-state actors.

5.2. Inability to reallocate sufficient resources generated by the land sector to the provision of land services

The land sector is among the sectors of the economy with demonstrated capacity to fund its interventions with own generated resources and the excesses of it for other sectors if adequate planning and enabling mechanisms are put in place. It's evident that the sector generates significant revenue from the transaction of its services but remains constrained by resources. For example the land administration institution in Amuria district by November 2017 had spent a whole calendar year without meeting frustrating applications and transactions worth an estimate of 98M. The costs however required by this institution to transact business was about seven million. Failure of this institution to deliver services frustrates not only the already failed applicants but scares away the potential ones thus curtailing development and transformation.

In our opinion, the return on investment in the lands sector is more than 100% and therefore parliament and MOLHUD in the coming FY should determine a mechanism for facilitating this social development.

Recommendation

- Parliament should task MOLHUD to present revenue projections expected in the FY2018/19 from transactions at the local land administration institutions upon which they should seek appropriation and the balance of it be remitted to the consolidated fund.

5.3. Weak Land Valuation Function

Government is currently undertaking many infrastructure projects that require land acquisition and this creates the need to provide resources to the Office of the Chief Government Valuer to deliver on its mandate. We commend government for the increased projection in allocation to the surveys and mapping vote function in FY 2018/19 to manage regulation of the valuation function which will not only bring harmony among the investors and host communities, landowners and those that intend to own the land but also bring order to the volatile compensation rates for all practitioners. We are concerned however

that there is no absolute legal instrument to facilitate this function mandate to deliver, with limited institutional, financial and human capacity. Additionally, the country has no Valuation Databank to guide public and private valuations.

Recommendations

- Parliament should task MOLHUD to prioritize the development of an explicit legal instrument that gives a mandate to the Chief government valuer and the functions therein as one of the instruments to be developed and approved in FY2018/19.
- MOLHUD should revise the proposed budget allocations and include provisions for the development of the valuation databank as well as the human and institutional capacity for land valuation. This will aid the reorganization of the valuation function.

5.4 Inadequate staffing and tooling of local land administration structures

These institutions support the delivery of land services at the district and regional levels and raise Non-tax revenue from the various land transactions. The technical function of these land administration institutions (District Land Offices, District Land Boards and Area Land Committees) is ideally supposed to be part of the structure of the Ministry of Lands, with their administrative operations as part of the local government structures. However, there is evidenced de-linkage between these institutions and the mother ministry, constraining their operations and delivery of land services.

In the forthcoming year, Government is targeting to establish 21 Ministerial Zonal Offices (MZOs) and has so far established 13 offices to bring land services closer to the people, mitigate land disputes and eliminate fraudulent land transactions. However, the existing MZOs are not in a position to meet their operational costs yet they generate much revenue from land administration processes. The Ministry has procured office and ICT equipment for 6 MZO's on top of the 7 equipped in FY 2017/18, and the MPS remains silent on the operational costs.

Recommendation

- Facilitate the operations of the MZOs through allocating a budget commensurate to the established MZOs each year from UGX 9.8bn allocated since FY2016/17 while they were only 6 MZOs to at least UGX 36bn for the 21 MZOs proposed to be established all over the country by the end of the FY2018/19.

5.5 Inadequate funding for land dispute resolution structures

The Ministry has sector outcomes focused on reducing land disputes which are on the rise as evidenced by the Justice Law and Order Sector Case Backlog Census, 2017, where land matters ranked second after criminal cases in the backlog. However, the Ministry's projections for dispute resolution is too low with a target of 12 households in FY 2018/19 a decline from the baseline of 15 households.

Recommendation

- The government should provide a budgetary allocation for the re-establishment and operationalization of the Land Tribunals as stipulated by National Land Policy.

5.6 Inadequate Legal Framework to deliver land services

We commend Government for the enactment of the National Land Policy (NLP), 2013 and the progress so far made in its implementation. The NLP Implementation Action Plan 2015 recognizes the inadequacy of the legal framework to fully support its implementation and deliver land services to the people of Uganda. Aware that MoLHUD has set to review and amend all relevant laws and regulations including the Survey and Mapping Bill, Land Information and Infrastructure Bill, Registration of Titles Amendment Bill, Surveyors and Registration Bill, Land Acquisition Amendment Bill and Uganda Land Commission Bill; the BFP FY 2018/19 under Programme Area 1, Land Administration and management sets out to create an inclusive and pro-poor policy and legal framework for the land sector as its

first objective among the five set to be achieved in the year. However, the sub-sector doesn't set any performance indicator or target against this objective despite the lined legislations for enactment and review.

Recommendation

- The Ministry should set indicators with specific targets on the creation of an inclusive and pro-poor policy and legal framework for the land sector. Government through MoLHUD during the FY 18/19 should focus on the implementation of the Land Policy and the review of the Land Acquisition Act, 1965 in order to expeditiously respond to the concerns of land acquisition and development; and the enactment of the Uganda Land Commission Bill to streamline the operations of the Land Fund.

5.7 Absence of a National Physical Development Plan

We commend Government for passing the Physical Planning Act, 2010 which declared the whole country a planning zone. However, we are concerned that seven years down the line, there is no National Physical Development Plan to guide physical planning among various state agencies and development by public and private actors as physical planning is crosscutting in various sectors. This has resulted in conflicting and unharmonized physical plans developed and implemented by different MDAs and unguided establishments of development initiatives by state and non-state actors.

Aware that the process of developing this plan has started in the ministry, the pace seems to be slower compared to the development advancement and trajectories in the country, leading to development being ahead of planning. Analysis of MPS 2018/19, does not explicitly reflect this process and the resources planned to be spent to ensure its conclusion.

Recommendation

- Parliament should task MOLHUD to reflect this process of developing the physical development plan in the budget of FY2018/19 with clear targets along with its completion roadmap.

Conclusion

We commend the GOU for its consistent allocation to the sector, however, we note with great concern that this allocation trend is below the NDP II costing of UGX 197.5bn. The sector is still grappling with critical policy, laws and institutional challenges.

We therefore implore government to further allocate more funds to the tune of at least UGX 220bn to the sector in the FY2018/19 as the sector plans to address more costly investment priorities such as development,

harmonization and expeditious implementation of the various policies and laws and strengthening the institutional capacity to deliver required administrative and management functions at both national and sub-national levels. Proposed extra allocation can be generated from the NTR collected by sector local land administration institutions to facilitate the sector deliver on the land-based developing needs of the country.

FOR MORE INFORMATION CONTACT

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