

Request for Expressions of Interest In Operationalizing Land Markets Recommendations of the 2010 State of the African Cities Report

Date first published: 15 April 2012

Deadline for Submission of EOI: 30 November 2012

Summary

The United Cities and Local Governments of Africa (UCLGA), and the United Nations Human Settlements Programme, (UN-Habitat), in partnership with Urban LandMark¹, would like to implement the land market recommendations outlined in the 2010 State of African Cities Report (SoACR) published by UN-Habitat. This is a call to local authorities to express their interest in piloting the relevant urban land management and urban land markets-related recommendations included in the report.

Background of this Initiative

After reviewing urban land issues in the five sub-regions of Africa, the SoACR 2010 concluded that: "formal urban markets, by their very operations and rules, prevent access to land by the majority of city dwellers all over Africa. As a result, informal markets fill this exclusion gap and this is where the overwhelming majority of African urban land transactions take place nowadays". The report found that land markets are: deeply embedded in historical socio-political processes; complicated by the existence of overlapping legal systems and customary and neo-customary practices; and, influenced by the state of national and regional economies. As such, any land interventions need to take cognisance of the multiple variables that shape it.

Attempts to reform the land market system often ignore customary and informal social contracts around land and land-use, and frequently try to impose a 'modern' system despite the realities on the ground. If examined through an economic lens, the 'formal' and 'informal' land markets are, in reality, part of a single market system comprised of parallel and overlapping sub-markets that are not necessarily mutually supportive. Despite the fact that most African countries do not always formally register or record transactions in the informal markets, local practices of recognition are often considered legitimate by the people involved. In many places, people feel relatively secure even if they do not have a formal state-registered and recorded land document such as a title deed.

As our cities continue to grow, increasing demand on land is resulting in uncontrolled urban sprawl and putting pressure on the existing mechanisms through which land is acquired. Yet both the formal and informal land supply systems in their current form remain inadequate if we want to create socially inclusive, politically stable and environmentally sustainable cities. For most urban dwellers, entry into the formal system is prohibitive because of time delays, excessive development charges and rent seeking behaviour. These barriers to entry lead many low-income actors to access land in the informal system. But while this has fewer barriers to entry, actors in this market remain insecure and vulnerable to evictions because they are not recognised by the formal system. Within the context of climate change, urban food insecurity, and increasing household vulnerability, the reform of land the market system is becoming critical to addressing the political, social and environmental challenges facing Africa's cities in the twenty-first century.

¹ The Urban Land Markets Programme, a UK AID supported initiative.

Key Recommendations of the Report to be considered in the EoI

While local realities tend to be fairly unique and/or country-specific, there are some generally applicable principles and actions outlined in the report which represent good practice in all situations.

The SoACR 2010 recommends that governments should seek the most effective entry points for a review and overhaul of their formal urban land administration systems, their often unresponsive institutions, excessive delays, cumbersome land transaction administration and associated inappropriate administrative practices. Stigmatising informal urban land markets as inappropriate, illegal, illegitimate or undesirable negates the existing systems on the ground which ordinary urban dwellers use to access, register, and manage land.

Formal land markets can learn from their informal counterparts. Any assessments and subsequent policy interventions should put formal markets in a position to gradually embrace some informal practices with a view to relieving overburdened public land administration. Local and national governments should also rationalise fee structures, improve recordation and registration systems, and gradually phase out the debilitating legal and procedural dual systems in urban land markets (as explained in individual regional chapters of the SoACR2010 report).

For background information, we recommend that municipalities use the 2010 State of African Cities report as a resource. Section III of the report, *The Geography of Urban Land Markets*, provides regional backgrounds, and the recommendations that this EoI seeks to implement. We urge municipalities to read about other Africa sub-regions, to gain a broader understanding of the urban land themes and issues facing other parts of the continent. The report can be downloaded in French and English, free of charge, from the UN-HABITAT website at: <http://www.unhabitat.org/pmss/listItemDetails.aspx?publicationID=3034>.

This call for land administration and market reform is consistent with the original 1996 Istanbul Declaration which committed all United Nations Member States at the conference to "...work to expand the supply of affordable housing by enabling markets to perform efficiently and in a socially and environmentally responsible manner, enhancing access to land and credit and assisting those who are unable to participate in housing markets."

Key Interventions for the EoI

This proposal is extended to local governments or municipalities, inviting them to express interest in taking forward-looking actions in the following areas:

- a) putting in place key prerequisites to expand urban land markets by, for example, developing ways for insecure tenure rights to be **incrementally upgraded**, working with communities who will record their own land claims and transactions and putting in place principles and values such as fairness, equity and transparency in the land administration system to make it more accessible to the majority of (often poor) urban residents.
- b) developing innovative urban land markets support tools, such as land readjustment mechanisms, land pooling, land swapping, land banking, improved land and property taxation, better land records providing enhanced access to information about available land and land values, and developing innovative value capture interventions for municipalities.

Later phases will build on the successes of the first pilot projects and may include:

- a) amending policies and regulatory frameworks to enable urban land and housing markets to function better at the municipal level by, for example, reducing costs associated with land rights and tenure recordation and registration, recording of sales and transactions, speeding up approval processes, making land information more accessible to urban residents, etc.;
- b) improving technical and information support by developing innovative and more cost effective ways of surveying land, mapping, registering and recording *de facto* land uses and property claims and rights; and
- c) capacity development and learning, including training, knowledge generation and management, and building peer learning networks with the aim of enhancing access to knowledge by officials on how various regulatory and financial tools impact the informal and formal dimensions of the urban land market.

Clear proposals, based on recommendations from the 2010 report, should be submitted, specifying what would be most relevant to the needs of the applicant (municipality) and what the municipality intends to do to address these issues. The suggested format would be a proposal for a pilot project at the municipal or neighbourhood level which would explore and test some of the approaches, tools or principles described above.

The intention is to provide the opportunity for local authorities who successfully implement the pilot project to report on their achievements, lessons learned and the problems encountered at the AfriCities Conference in December 2012. The local authorities are expected to describe the approaches they have developed at the local level and suggest how these pilots can be scaled-up to country and regional level and applied across many more municipalities. They should also reflect on what local and/or national legal adjustments are required to facilitate further interventions of the same kind.

Who should apply?

The selection of participating municipalities will be based on the following criteria:

1. The applicant (local government/municipality) should be a member municipality of the UCLGA, where there is the potential opportunity and political will to undertake and explore these types of reform.
2. Participating cities must have benefited from, or subject to current or future interventions of Cities Alliance or Slum Dwellers International.
3. Qualifying municipalities need to have a population size of 200,000 or less.
4. The candidate municipalities have experienced economic growth rate that compares to the average national growth in the last year.
5. The candidate municipalities can demonstrate how they have addressed the challenges of slum formation in their areas of jurisdiction.
6. The candidate municipalities are willing to engage with private sector actors and market instruments in order to improve access to the urban land market.

Benefits to participating municipalities

1. Participating municipalities will receive the requisite financial support for implementing this project. UN-Habitat, UCLGA and Urban LandMark will seek donor funding to cover the costs of implementation. Depending on the specific needs of municipalities, the funding may finance human resources, training, or capital expenditure.

In addition to the financial benefits, the project will:

2. Develop tools and procedures to facilitate improved land management for municipalities;

- 3 Design tools to engage with the private sectors in ways that can improve the management of slum areas and expand municipalities' tax revenues
- 4 Provide ways for streamlining and integrating existing land tools in order to be more effective
- 5 Increase municipalities' tax bases by developing accurate and systematic land registers and transaction fees.
- 6 This project aims to increase communication between formal and informal land actors. In doing this, municipalities can reduce their workloads by working together with communities around land registration, documenting transactions and so on.

Components of the EoI

The EoI should contain, but not necessarily be limited, to the following:

1. A description of the department/s to be responsible for the project;
2. list of people involved and brief biographies of each (qualifications, positions and responsibilities within municipality);
3. list of any supporting organisations who would be involved (e.g. NGOs, CBOs, private sector partners) and responsible persons from each partner organisation;
4. indication of the staff time and other in-kind services that the municipality can contribute as a counterpart contribution (if any) and expected funding short-falls for UN-HABITAT/UCLGA to seek external donor contributions;
5. description of the types of tools or approaches to be developed, and any preparatory or foundation work that may already have been initiated;
6. a brief problem statement of why this tool or approach is needed in your context, with any evidence that can be given in support (e.g. number of people without secure tenure, or area of land without registered land rights etc.);
7. description of the administrative level in which the new approach or tools are to be tested (whether municipal level, or city precincts, or neighbourhoods); and
8. a statement of key risks associated with the initiative, and what mitigating actions might be anticipated to address the risks.

The EoI should be between 500-900 words and submitted on or before 30 November 2012. Municipalities that meet criteria and submit successful applications will be shortlisted for a second phase. The Secretariat will then invite shortlisted Municipalities to prepare a full proposal. EoI applications received after the deadline will not be considered.

More detailed information can be obtained from the UCLGA secretariat at secretariat@uclga.org

Expressions of interest must be delivered no later than 30 November 2012 to UCLGA Secretariat at secretariat@uclga.org with a copy to Lusungu Kayani at Lusungu.Kayani@unhabitat.org. Please limit your email size to less than 5MB which is the maximum size of emails which can be received at this inbox. Please note that this EoI notice does not constitute sollicitation. UCLGA reserves the right to change or cancel this call at any time in the EoI process.

Reading Resources

UN-HABITAT (2010) *State of African Cities 2010: Governance, Inequality and Urban Land Markets*. United Nations Human Settlements Programme: Nairobi.

Urban Land Mark & UN-HABITAT (2009) *Urban Land Markets in Africa: Economic concepts and tools for engaging in Africa*. Urban Land Mark & UNHABITAT: Pretoria and Nairobi.