

LIFT's study on formal registration of land transactions in Ethiopia

The UK Aid funded Land Investment for Transformation (LIFT) programme is working with the Government of Ethiopia to deliver second level land certificates (SLLC) to smallholder farmers and to improve the functioning of its rural land registry, the rural land administration system (RLAS). For Ethiopia's RLAS to stay up to date, farmers are required to formally register subsequent land transactions with local authorities. To better understand how far landholders are following the required formal practices, LIFT carried out a large-scale survey interviewing 9,600 landholders across Amhara, Oromia, the Southern Nations, Nationalities, and People's Region (SNNPR) and Tigray.

Background

Alongside the SLLC process, LIFT is supporting the Government of Ethiopia in the implementation of an RLAS in LIFT programme woredas (districts) that will sustain the certification process and ensure farmers' long-term security of landholding. The project is supporting the development and roll-out of a new rural land administration information system, which will enable

land transactions to be digitally recorded, monitored and reported. This includes clarifying and reinforcing the procedures for land administration, and training land administration personnel in the effective and transparent deployment of these procedures.

Sporadic land transactions following SLLC are supposed to be registered with land authorities, as is the original issuance of the SLLC. These formally registered transactions are processed, vetted and approved or, in certain cases, not approved by woreda land authorities, working with kebele-level (ward-level) land authorities. Transaction types have been categorised in the land database into various categories, as shown below.

Categorisation of land transactions according to the land database

Land transactions with transfer of rights	Inheritance
	Gifting
	Exchange
	Marriage
	Divorce
Land transactions with limitation/restriction of rights	Renting
	Sharecropping
	Credit
Changes in spatial configuration of the parcel	Consolidation
	Boundary correction
	Replacement certificate
	Corrected certificate

LIFT's large-scale land transactions study

To better understand how far landholders are formally registering subsequent land transactions, or are following informal practices, LIFT conducted a large-scale survey sampling 9,600 households across Amhara, Oromia, SNNPR and Tigray. A mixed methods approach was applied, using both quantitative and qualitative research methods to explore factors influencing the likelihood that a land transaction would be formally registered. All households that had conducted a land transaction since the SLLC process began were then interviewed and it was established whether these were either formally registered or informally dealt with. Socio-economic and

demographic characteristics of these households were captured, as well as the distance to the next road or woreda town.

We also asked about how the registration process was conducted and whether there were any incentives or barriers to completing the process, through focus group discussions (FGDs) and key informant interviews. Kebele- and woreda-level authorities, including woreda land administration office staff, kebele land administration committee members and kebele administrators, provided further information on the registration process.

LIFT facilitates high rates of certificate uptake.

As part of the survey, SLLC collection was investigated for each household. The results were encouraging: 92.1% of landholders had collected their certificate, meaning that most landholders receive their certificate once it has been issued.

Research findings

- **Landholders registered 31.6% of all land transactions when excluding sharecropping.** Aside from transactions to secure credit where formal registration is mandatory, inherited land was most likely to be registered, with 39% of transactions being formalised.
- **Land transactions are frequently conducted.** On average nearly half of the respondents (47.5%) had conducted a transaction in the 2 years since the implementation of SLLC. This includes both formal and informal transactions.
- **Transactions for sharecropping were the most common.** The survey found that 30.4% of households engaged in sharecropping. However, sharecropping arrangements were mainly informal (99.2%), regardless of whether they were short or long term. Additionally, transactions are **mainly conducted between family members or neighbours where trust is high**. This was especially true in SNNPR, where 80% of transactions were within the household. A few transactions were overseen by conflict mediators, elders or others.

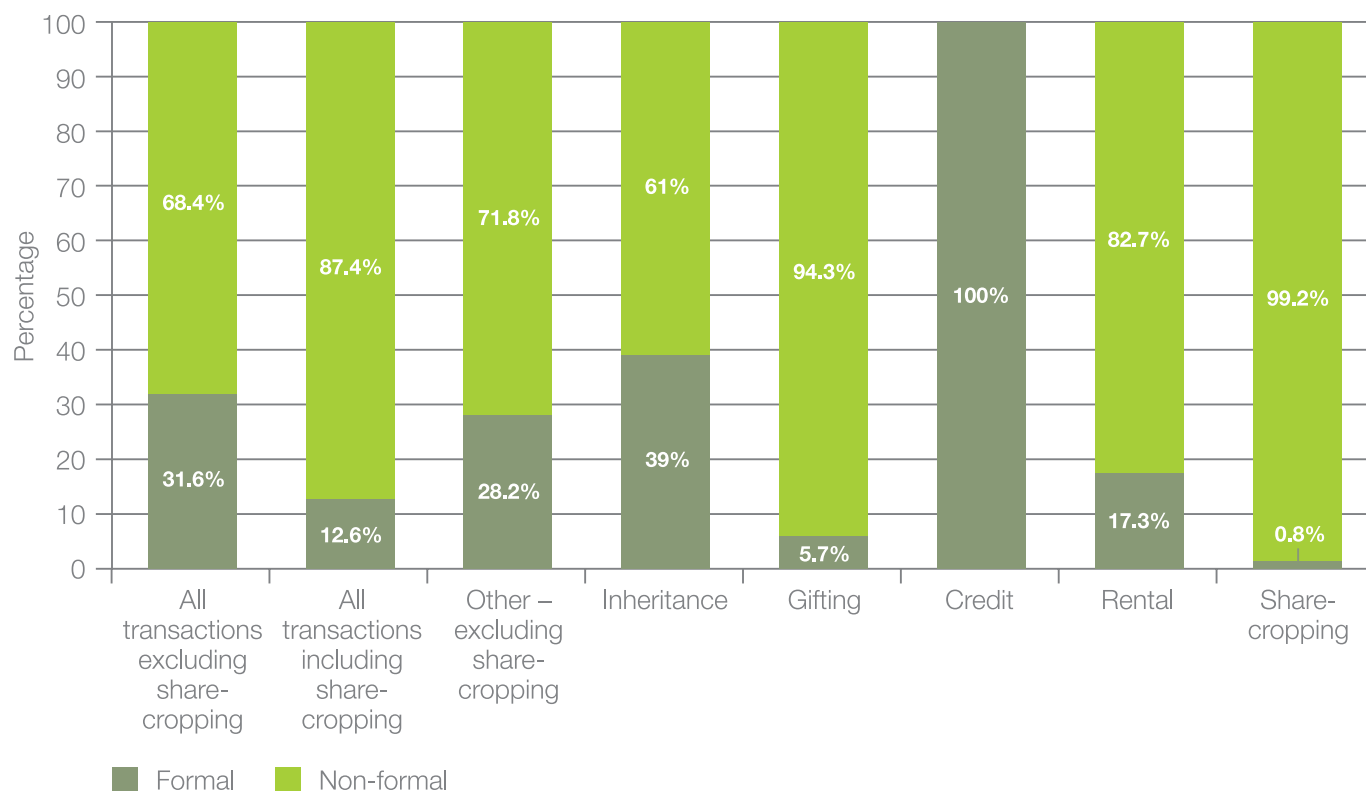


Figure 1. Percentage of land transactions which are formally registered in RLAS in programme woredas

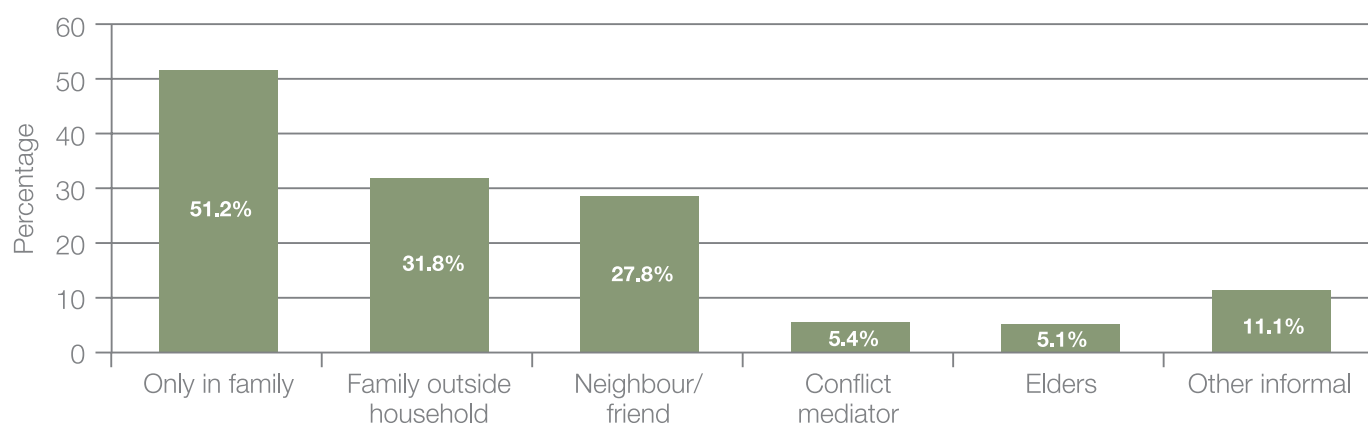


Figure 2. Actors engaged in informal transactions

■ **LIFT's market systems component, the Economic Empowerment Unit (EEU), incentivises landholders to keep their SLLC up to date.**

Transactions, particularly rental transactions, are much more likely to be formalised in areas where

EEU interventions are available than in areas where EEU interventions are not available. This confirms LIFT's theory of change assumption that the EEU component incentivises landholders to use the formal system. This is a result of the valuable

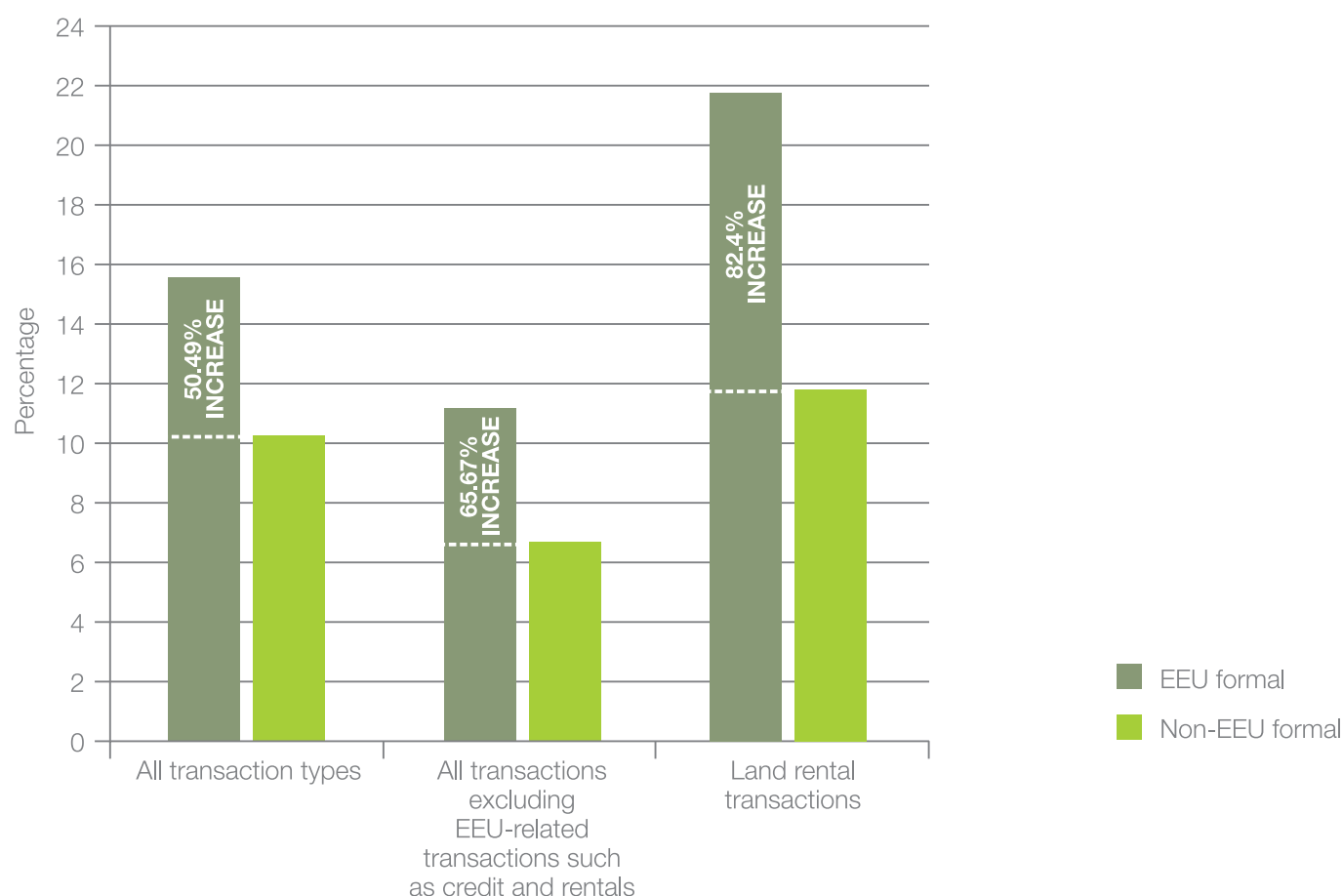


Figure 3. Land transactions formally registered in RLAS

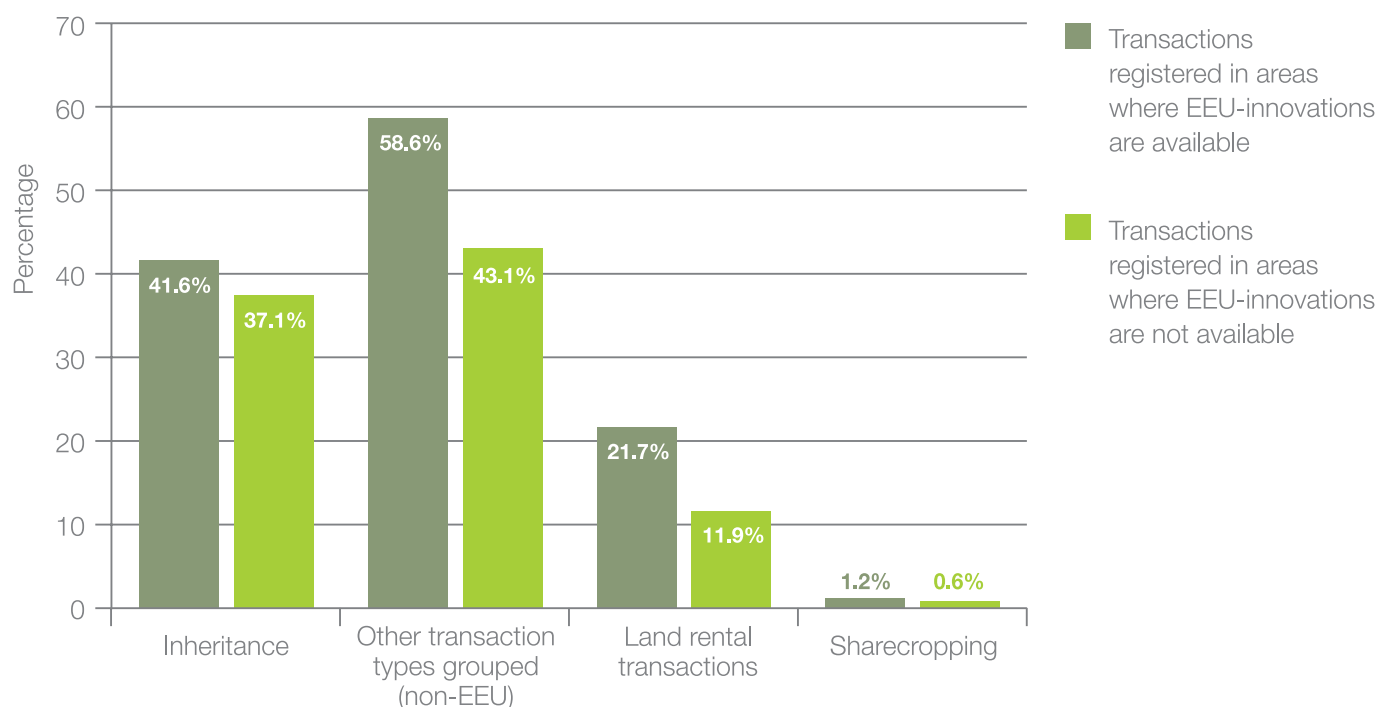


Figure 4. Percentage of land transactions that have been formally registered in RLAS

applications of the SLLC offered through EEU innovations, such as the SLLC-linked loan and a more secure land rental contract.

It was found that landholders in EEU locations are roughly 50% more likely to formalise a land transaction. Rental transactions, in particular, were formalised nearly twice as often in EEU than in non-EEU locations (21.7% versus 11.9%).

It is clear that the possibility of accessing EEU products, such as SLLC-linked loans or formal land rental contracts, provides an incentive for formalising land transactions. This is true regardless of whether the transaction was EEU related, such as credit and rental, or unrelated, such as inheritance.

- **Landholders are much more likely to formally register transactions when they live near to the woreda centre or have good transport access to roads** compared with landholders living in remote locations. Landholders are considered to be near to the woreda centre if they live within 20 km or are directly connected to it by an all-weather road. Those in this category were 50% more likely to formally register a land transaction than those living in more remote or poorly accessible areas.

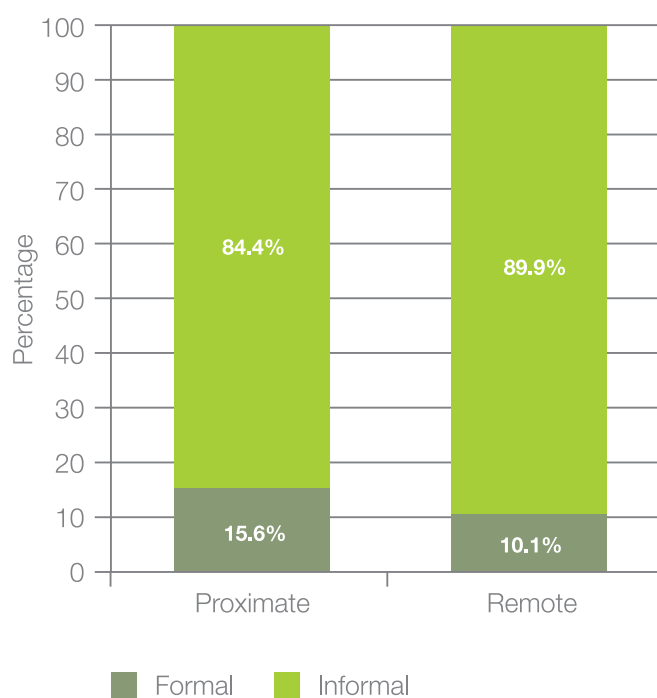


Figure 5. Formal and informal transactions according to proximity to woreda centre

- **Awareness raising around formal transactions during the SLLC process is effective but needs to extend its reach.** Those who were aware of the process were significantly more likely to formally register their transactions. Still, there is room to further improve uptake of formal registration by increasing awareness of the benefits among households.

Impact on women's decision-making

SLLC has sought to strengthen the role of women in decision-making. FGDs suggest that SLLC is indeed making a difference. Wives believed their involvement in decision-making had increased, particularly on whether to engage in a transaction and on specific details of the transaction.

In male-headed households the husband and wife traditionally share certification; other family members are not involved in the arrangement, even if they are directly affected. Women in these households are more likely to be involved when the transaction is formal. However in about 30% of formal transactions and 40% of informal transactions, the woman is still not involved in decision-making. In female-headed households, male family members sometimes took a more prominent role, while mostly the female head made decisions on her own.

“In particular women and the elderly had problems in the past; they did not know their boundaries. After SLLC, the map showed them, it worked well for poor people even those who did not know about SLLC (FGD participant, Tigray Regional State).”

Women in female-headed households particularly noted a change, commenting on increased rights and security. This allowed them to make riskier transactions with those outside their social circle.



Figure 6. Awareness of formal registration processes through SLLC and uptake rates



“Before SLLC women landholders were highly harassed and abused by some land rentees, but now they can go anywhere and they are highly secure and benefit more than the previous system (FGD participants, Amhara Regional State).”

Recommendations

Although our findings are encouraging, there is still much room for improvement. Gains could be lost without more focus on the RLAS process. The following issues should be addressed to improve uptake and efficiency of RLAS.

Improve connectivity

Although the percentage of applicants receiving their land certificates was high, transport to the kebele was a main barrier to collection. Woreda key informants also stated that this was a key issue in accessing kebele authorities, which prevented the timely processing of applications. While there are no quick fixes, the situation might be alleviated by ensuring woreda staff have access to vehicles and fuel. LIFT's new intervention, the mobile back-office centres (MBOCs), will address this through registration drives and awareness-raising campaigns in more remote locations.

Improve outreach and education

A lack of awareness about SLLC and RLAS, particularly in more remote areas, lowered the number of land transactions being formally registered. Even when landowners knew about the service, they often did not understand how to complete the application forms. Investing in the MBOCs should help to overcome both of these issues. LIFT's recently updated RLAS public awareness campaign aims to expand RLAS awareness raising activities and increase its emphasis during the SLLC process.

Improve personnel capacity and retention

Lack of training and a high turnover of staff reduced the efficiency of woreda authorities. This was exacerbated by a lack of office space and equipment and by poor maintenance, as well as poor communications and internet access. In addition, staff are poorly paid and overstretched. All of these are symptomatic of a lack of funding. Better paid and trained staff are more likely to be retained. More support is needed for RLAS operations.

Maintain inclusivity

There is a continued need to strengthen women's role in decision-making and more vulnerable households. Rolling-out of the formal system to include these households is essential, since the benefits of increased security of tenure provided through formal land registration will be felt most strongly here. LIFT is addressing this through an intensified roll-out of their Social Development Officers, who ensure that women and vulnerable households are not left out.



About the Research Summary series

This series summarises key research by the UK Department for International Development-funded Land Investment for Transformation (LIFT) programme. LIFT aims to improve the incomes of the rural poor in Ethiopia by securing the land rights of households through Second Level Land Certification (SLLC); improving Rural Land Administration Systems (RLAS); and increasing productivity by leveraging SLLC through a 'making markets work for the poor' (M4P) approach, in Oromia, Amhara, the Southern Nations, Nationalities, and People's Region (SNNPR) and Tigray regions.

Email: info@liftethiopia.com | **Web:** liftethiopia.com