

# **Study on Formal and Informal Land Transactions in LIFT Programme Woredas**

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## Acronyms

DAI	Development Alternatives Incorporated
DFID	Department for International Development (of the United Kingdom)
EETSP	External Evaluation Technical Service Provider
EEU	Economic Empowerment Unit (of the LIFT Programme)
GoE	Government of Ethiopia
GESI	Gender and Social Inclusion
ITSP	Internal Technical Service Provider
KLAC	Kebele Land Administration Committee
LIFT	Land Investment for Transformation Programme
M4P	Making Markets Work for the Poor
M&E	Monitoring and Evaluation
M&E and ToC	Monitoring and Evaluation and Theory of Change
MEL	Monitoring, Evaluation and Learning
MoA	Ministry of Agriculture
NRLAIS	National Rural Land Administration Information System
RLAS	Rural Land Administration System
RLAUD	Rural Land Administration and Use Directorate
SIAPAC	Social Impact Assessment and Policy Analysis Corporation
SLLC	Second Level Land Certification
SNNPR	Southern Nations, Nationalities and People's Regional State
ToC	Theory of Change
WLAO	Woreda Land Administration Office. Generic term. In Amhara, it is known as the Woreda Environmental Protection, Land Administration and Use Office. In Oromia, it is known as the Woreda Rural Land and Environmental Protection Office. In SNNP, it is known as the Woreda Land Administration, Use and Environmental Protection Core Process. In Tigray, it is known as the Woreda Environmental Protection and Use Office

## Glossary of Transaction Terms

Term	Definition
Adjudication	Process of final and authoritative determination of the existing rights and claims of people on a parcel or land
Boundary Correction	Update to a boundary demarcation due to correcting a mistake, or due to the boundary changing arising from natural causes
Cadastre	Representation of land parcels on a large-scale map in a spatial database with a parcel identifier
Certificate Correction	Correction of a certificate due to error(s)
Certificate Replacement	Securing a duplicate, without changes, of the original second level land certificate
Consolidation	Consolidation of land refers to merging a household-held parcel with another household-held parcel that is contiguous with the original parcel
Credit	Credit as it relates to land transactions refers to using the land certificate as collateral for a loan. This can be individual credit through a micro-finance agency (most commonly), but can also apply to a private lender or group lending
Demarcation	Marking of the boundaries of a parcel
Divorce	Divorce with regard to land refers to removing a prior spouse from a land holding after divorce, reflecting this on the certificate
Encumbrances	Right or interest that exists in someone other than the land holder and restricts the transfer of the rights on land
Exchange	Exchange of one parcel for another with a family member or non-family member
Expropriation	Government expropriation of a land holding, or part of a land holding, for the public interest
Gifting	Giving a parcel, or part of a parcel, to a family member not in exchange for any other parcel
Inheritance	Inheritance of land in Ethiopia refers to a situation where a landholder on one of the parcels has died, and this land is to be handed over to another holder
Land Administration	The process of recording and disseminating information about the right on, value and use of land and its associated resources when implementing land management policies
Land Governance	The process by which decisions are made regarding access to and use of land, the manner in which those decisions are implemented, and the way that conflicting interests in land are reconciled
Land Information System	A system, normally computerised, that supports the collection, storage, retrieval, dissemination and use of land-related information
Land Management	The process of planning and managing land, aiming to integrate ecological with social, economic and legal principles in the management of land for urban and rural development purposes
Land Register	Parcel-based digital database
Land Registrar	Officer that has the responsibility and authority to register land transactions and issue land certificates on behalf of the state
Land Registration	The process of registration of rights on land and of keeping and maintaining land records through registration of transactions on land
Land Transaction	Transaction on land initiated by the land holder(s) of a parcel. It can either be transfer of land rights or restrictions on these (encumbrances) or changes in parcel or personal data without impacting on the rights on the land itself
Marriage	Marriage with regard to land refers to bringing a spouse on to a land holding after marriage, and reflecting this on the certificate
Parcel	A continuous area of land belonging to a defined holder or holders (individual, joint, communal, government)
Reallocation	If Government deems that a land holder is not using or protecting land for a number of years, and following a warning, the state can take the land right holding back and allocate it to a landless person
Renting Out	Renting out a parcel or part of a parcel for cash payment. Can also refer to ending a renting out agreement
Servitude	A servitude, or easement, is a restriction on the right of a land holder on a parcel of land. This is often done to allow the right of third parties to enter/pass through the land holding.

Term		Definition
		The most common are rights of way for holders of adjacent land-locked parcels, and rights concerning flowing water/irrigation channels
Sharecropping Out		Sharecropping out a parcel or part of a parcel for payment in kind. Can also refer to ending a sharecropping out agreement
Sporadic Registration	Land	Registration of rights on one parcel of land, separately from the other in the area. This is generally landholder initiated, in a voluntary manner, but may include state-directed actions
Systematic Registration	Land	Registration of rights on all parcels of land in a defined area, generally compulsory and government-initiated

\* Definitions obtained from LIFT (2017). RLAS Manual Version 2, Land Investment for Transformation (LIFT), DAI in association with NIRAS, Nathan Associates, and GIRDC, Addis Ababa, Ethiopia.

This glossary concentrates specifically on issues relevant to land transactions and comes from the RLAS Manual noted above. In some cases, the definition has been refined or abbreviated for purposes of clarity and understanding in the context of this report. It is not meant to denote official definitions.

## Executive Summary

The primary purpose of this study is to establish a statistically representable estimate of the percentage of rural land transactions that have been formally registered with the rural land administration system by landholders across RLAS operational woredas. Through a quantitative survey, 9,600 landholding households were interviewed across Amhara, Oromia, Tigray, and SNNPR. Further, reasons for why landholders do or do not formally register land transaction will be probed through qualitative research. The secondary purpose of this study is to evaluate the effectiveness of the Model Office project, which is being piloted in the last implementation year of LIFT. Two groups were defined for the sampling approach of the quantitative survey:

**Group 1 - RLAS woredas that have been operational for at least 12 months (41 woredas):** We created a representative sample across all operational RLAS woredas to produce an estimate for the percentage of land transactions that have been formally registered in RLAS (Outcome 1).

**Group 2 - Model woredas (8 woredas):** We have sampled across all 8 model woredas to be able to compare the progress in model woredas both over time and with operational RLAS woredas (group 1) to tease-out the impact of the model office project. Note that the evaluation of the effectiveness of the Model Office project will only be undertaken once the follow-up survey was conducted in April/May 2020. This report therefore does not include Group 2 in its analysis and focusses on Group 1 instead.

This study follows a **mixed methods approach**, applying both quantitative and qualitative research methods. To establish an estimate of the percentage of formally registered transactions (Outcome 1), a **quantitative survey** was undertaken. Here, all households in a given enumeration area were listed, and households that had conducted at least one land transactions since the SLLC process, were further interviewed. Additional modules were administered to understand whether transactions were formally registered or informally dealt with, as well as to establish demographics and socio-economic characteristics of these households. The quantitative survey also probed how the formal or informal process was conducted and probed incentives or disincentives related to the following the formal process.

Follow-up **qualitative research** (FGDs and KIIs) was conducted with groups of landholders that have transacted formally or informally, disaggregated by heads of female-headed households. FGDs with landholders yielded insights into important attitudes about land registration. FGDs also teased-out the perceived benefits and costs associated with transacting formally or informally, building on the findings of the by LIFT procured qualitative study on informal transactions. Further, qualitative data collection through key informant interviews (KIIs) with kebele and woreda-level actors provided insights on what happens as part of the registration process, including interviews with woreda land administration office (WLAO) staff, kebele land administration committee (KLAC) members, and Kebele administrators.

An overview of key findings is summarised below.

### Formal and Informal Land Transactions

**Key Finding 1: 31.6% of all land transactions were formally registered by landholders,<sup>1</sup> with inheritance being the most likely to be formally registered with 39% of transactions registered.** Aside from those cases where transactions had to be formally registered, the highest percentage of registered transactions was for inheritance, at 39%. While the number of cases was too small to yield percentages, of the 47 cases of boundary corrections, 31 were formally registered. Gifting was only formally registered in 5.7% of all cases, likely due to many cases of gifting occurring within the immediate or extended family.

**Key finding 2: The need to conduct a land transaction occurs frequently, with nearly half of all eligible households engaging in at least one transaction since SLLC (during an avg. time span of 2yrs since SLLC).** A high 47.5% of all households engaged in at least one transaction, be it formal or informal, on at least one parcel since SLLC certification had been completed in an area. This includes sharecropping, which by far was the most common transaction with 30.4% of all interviewed households engaging in this transaction.

**Key finding 3: Rental transactions but also other land transactions are significantly more often formalised in EEU locations when compared to non-EEU locations.** A direct, positive effect on formalising rental transaction can also be found. In EEU areas, formalisation of rental transactions nearly

<sup>1</sup> Excluding sharecropping



twice as likely as in non-EEU locations (21.7% in EEU locations vs. 11.9% in non-EEU locations), providing evidence for a strong impact of EEU interventions on land rental formalisation. Further, strong evidence for an EEU demonstration effect can be found, where the prospect of accessing EEU products, such as the SLLC-linked loan or the formal land rental contract, set positive incentives to transact formally more often in general (including for other transaction types such as inheritance). This held both for EEU-related transaction, such as credit and rental, but also for non-EEU-related transactions, such as inheritance. Overall the differences are strongly pronounced, with landholders in EEU locations being roughly 50% more likely to formalise any land transaction.

**Key finding 4: Landholders are much more likely to formally register transactions in locations closer to the woreda centre or an all-weather road as compared to landholders living in remote locations.** A clear difference between remote and non-remote locations can be found. Landholding households in proximate locations were 50% more likely to have registered a transaction, at 15.6% versus 10.1%. These findings are statistically significant and show that landholders in more remote locations follow informal practices much more frequently than landholders in locations proximate to a woreda centre or an all-weather road. Higher transaction costs and weaker awareness outreach come-out as some of the main reasons for this from the qualitative research. The recently introduced **Mobile Back-Office Centre (MBOC) intervention** looks to address these barriers by providing awareness raising and registration services closer to households living in more remote locations.

**Key Finding 5: Sharecropping was the most common transaction and was usually not registered.** Focusing on sharecropping only, less than 1% (0.8%) were formally registered, holding for short-term and long-term sharecropping. Given that formal registration of sharecropping is not yet embedded in regional land law, this finding is, as such, not surprising and in-line with qualitative findings from this study and the previous study conducted for LIFT by the Ethiopian Economic Association (EEA) in 2018.

**Key finding 6: Most transaction that were not formally registered, especially sharecropping, are conducted engaging with family members or neighbours, where trust is high.** Over half of all households engaged only in informal transactions did not approach anyone for assistance in the transaction, and instead relied only on household members or members of other households living in the same compound. The remaining transactions involved other family members outside the household or friends and neighbours. Only a minority went further to conflict mediators (5.4%), elders (5.1%), or others (11.1%) in discussing a land transaction.

### Socio-Economic Characteristics of Households That Do or Do Not Formally Register

**Key Finding 7: Female-headed households are as likely to formally register transactions as male-headed households, when excluding sharecropping.** When including sharecropping, rates of formal registration were higher for male-headed households than female-headed households, with male-headed households at double the rates (15.3% versus 7.8%). The lower rates for female-headed households is due in part to them having been more likely to have engaged in sharecropping, where rates of formal registration are almost zero (0.5% for female-headed households). Therefore, when excluding sharecropping from the weighted average, the picture changes drastically, and formal registration is higher for female-headed households, at 33.5%, compared to 31.6% for male-headed households. This aligns with qualitative findings highlighted below, which are pointing at increased tenure security for females and a sense of increased empowerment.

**Key finding 7: More vulnerable households are less likely to formally register but would benefit most from a formal system.** Non-poor households are more likely to have formally registered a transaction than 'very poor' households. Benefits from the SLLC process for vulnerable households were noted in the qualitative research, including maps being helpful in clarifying boundaries for illiterate and indications of empowerment for females. Still further intervention needs to focus on actively involving more vulnerable households, as benefits from a formal system are largest for these. Note that **LIFT's Social Development Officer (SDO) intervention** and the **Mobile Back-Office Centres (MBOCs)** are aiming at involving vulnerable groups more, and separate research on the effectiveness of these interventions is available separately.

### Findings Relating to SLLC and RLAS Processes

**Key finding 8: Certificate collection rates are high.** Certificate collection rates were high, at 92.1%, meaning that once a certificate was issued by the authorities, it makes its way to the landholder.

**Key Finding 9: Most landholders are frustrated with the number of visits to Kebele or Woreda offices required, the overall length of the process and a lack of clarity on requirements.** Lack of clarity, length of process, clear directions, and distance and repeated trips required were all commonly-identified disincentives for those who had formally registered a transaction. Most spoke to the need to make the process clear as a means of incentivising formal registration. Just under one-third (28.6%) of the landholders had to visit the land authorities more than 5 times. The **Woreda Land Administration Model Office (WLAMO) project** will be looking to address inefficiencies relating to service provision of RLAS. A follow-up survey in 2020 will evaluate the effectiveness of this project.

**Key finding 10: Awareness raising around formal transactions during SLLC process is effective but needs to extend its reach.** Those who had heard about the need to register sporadic transactions during SLLC were significantly more likely to have formally registered a transaction. This held across transaction types. This confirms that awareness raising regarding formal registration processes during the SLLC process have a high likelihood of being effective. LIFT's recently updated **RLAS PAC strategy** aims at expanding RLAS awareness raising activities and increases its emphasis during the SLLC process

## Introduction

This report presents findings from a survey of over 9,600 households across 49 woredas in the Land Investment for Transformation (LIFT) Programme Area that are reached by Second Level Land Certification (SLLC) and which have been supported to provide Rural Land Administration Services (RLAS). The **main aim** is to inform LIFT Programme Logframe Outcome Indicator 1 which establishes the proportion of all land transactions which are formally registered<sup>2</sup> in the RLAS system, and the proportion which are not formally registered.

Quantitative findings form the basis for this report, while qualitative follow-on field investigations employing focus group discussions with land holders and one-on-one interviews with land service providers and kebele and woreda levels were carried out to deepen an understanding of key findings and are integrated herein.

## Rationale for the Transactions Study and Key Research Questions

Evidence from previous small-scale quantitative and more expansive qualitative field investigations<sup>3</sup> suggest that many land transactions are still not entering the RLAS system. The quantitative study found that many of the constraints were supply driven, that is, that the delivery of services that would enable registration of transactions were lacking, while the qualitative investigations highlighted a range of demand constraints. Both studies pointed to the need to offer incentives to register, reducing the opportunity costs of doing so, and raising the costs associated with the non-registration of land transactions.

The 2019 baseline survey and assessment and the 2020 follow-on study are intended to inform an understanding of the efficacy of the Rural Land Administration Services in coping with and incentivising the formal registration of land transactions, as well as inform an understanding of the demand constraints affecting formal registration.

More specifically, the transactions study considers the following research questions:

### *Landholder's Awareness, Knowledge, Practices and Perceptions Around Formal and Informal Land Transactions*

1. Outcome 1
  - a. What percentage of land transactions are formally registered in RLAS in programme woredas in which RLAS is operational by different transaction types?
  - b. What percentage of land holders conduct formal land transactions, disaggregated by transaction type?
  - c. What percentage of land holders conduct informal land transactions, disaggregated by transaction type?
2. What is landholder knowledge and awareness of the regulatory and process requirements for formal land transactions for different types of transactions?
3. What do landholders perceive as the main costs and benefits associated with formal and informal practices (for different transaction types)?
4. What are the different informal practices and which kind of actors are facilitating these? What are the incentives provided for informal facilitators (economic/social)?
5. What is the evidence that EEU-like interventions (land rental & credit) set positive incentives for landholders to register land transactions formally and collect their SLLC?
6. Do landholders view and understand formal and informal transactions differently since SLLC was introduced? If yes, why and how?
7. Do those GoE staff interviewed, at both front office (kebele) and back office (woreda), know of the requirements for formal land rental transactions?

<sup>2</sup> Outcome Indicator 1 reads as follows: "Percentage of land transactions which are formally registered in RLAS in programme woredas in which RLAS is operational, disaggregated as follows: 1A male-headed households rental, loan and all other transactions; 1B female private individual rightsholder rental, loan and all other transactions"

<sup>3</sup> For the former, see LIFT Programme (2017). Internal Technical Service Provider Customer Satisfaction Survey Report, prepared by the LIFT Programme M&E Team of DAI for DFID/Ethiopia, Addis Ababa, Ethiopia. For the latter, see EEA/EEPR (2018). Study on Improving the Formal Registration of Land Transactions, prepared by the Ethiopian Economic Association/Ethiopian Economic Policy Research Institute for the DAI/HTSPE Ltd. LIFT Programme, Addis Ababa, Ethiopia.

## Demographic, Social and Economic Characteristics of Landholders that Transact Formally or Informally

8. What are the basic demographic and socio-economic profiles of landholders that mainly transact land using the formal system compared to landholders that mainly transact using the informal system?
9. How does proximity to the woreda capital city influence the proportion of land transactions formally registered?

### Gender and Social Inclusion

10. What constraints, if any, do vulnerable groups, such as FHH, FMHH, people living with disabilities, or elderly, face in terms of formalising land transactions, disaggregated by different transaction types as possible?

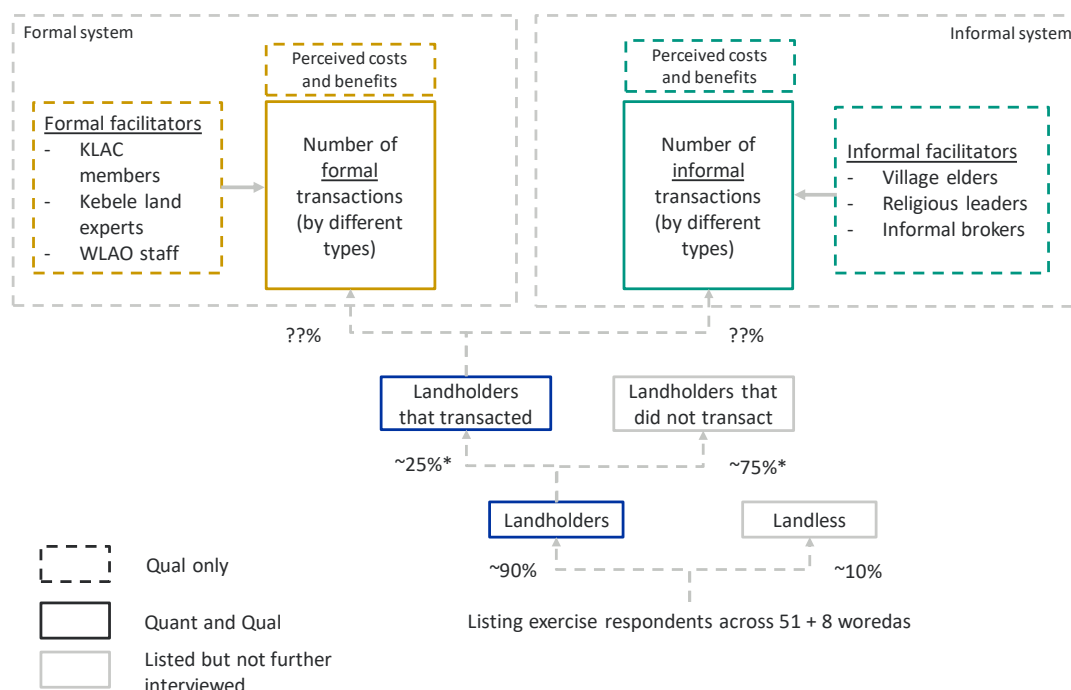
## Methodology

### Mixed Methods Approach

The RLAS transaction study is following a mixed methods approach. Through a quantitative survey with landholders that is representative across operational RLAS woredas, we are looking to estimate the percentage of land holders that transact either formally or informally. For this, a large-scale listing exercise will be conducted to identify households that have transacted either formally or informally since SLLC was introduced. This will allow to estimate the relative size of both the formal and informal land transaction market. Two quantitative surveys will be conducted, one in 2019 and one in 2020, covering two distinct sampling frames (51 operational RLAS woredas and 8 model woredas). The section on quantitative research below outlines how a representative sample across all operational RLAS woredas and the 8 model woredas will be drawn.

In addition to this, qualitative follow-up research will be conducted with a sub-set of landholders that were interviewed as part of the quantitative survey. The qualitative research will include focus group discussions (FGDs) with homogeneous groups of women or men, disaggregated by those that have formally or informally transacted. This will allow to drill-in on quantitative findings and probe in particular what the perceived costs and benefits associated with informal and formal transactions are for different groups.

**Figure 1: Map of respondent groups and facilitators included in quantitative and qualitative research**



We will also conduct key informant interview (KIIs) with different actors and facilitators involved in the either the formal and informal land sector. For the formal sector, this will include kebele-level land administration staff, such as KLAC members and Kebele land experts, as well as with woreda land officials. For the informal sector, this will include different actors who facilitate informal transactions, such as village elders, religious leaders or informal brokers. As such, the quantitative survey will form the sampling frame for the qualitative

research with landholders, which in turn will be used to probe why landholders prefer to transact informally or formally, including the perceived benefits and costs associated with the two systems. Figure 1 above depicts the different respondent groups and actors that the study will identify and interview.

In the remainder of this section, the quantitative survey is elaborated, including explaining how the sections of the questionnaire worked, followed by a discussion of core approaches and topics for qualitative fieldwork.

### Quantitative Research

The quantitative data collection exercise involved a series of steps to ensure both the statistical generalizability of the findings to the relevant woreda groupings in the LIFT Programme Area (reached by both SLLC and RLAS), and the identification of a comparison group to test the efficacy of planned intensive treatment actions in a subset of these woreda from mid-2019 (model woreda intervention). A total of 49 woreda were identified that had been reached with RLAS services for at least twelve months before the survey, of which eight fell into the 'model woreda' sub-programme, and 41 of which did not.

### Evaluation of the Model Woreda Intervention

The sample frame was divided into two strata, one cover 8 'model' woreda where intensive efforts will be made between now and 2020 in strengthen RLAS service provision and reach (model woredas), and 41 non-model woredas which are defined as operational RLAS woredas. Sampling from two distinct intervention groups will allow the comparison of 2019 and 2020 data to assess the efficacy of the model woreda programme in particular.

The SIAPAC Statistician constructed two sample frames based on the 41 and 8 woreda groupings, respectively, with all kebeles in these woreda listed along with their population of households from the 2006 census. The 8 woredas were oversampled compared to the 41, to ensure that data could be compared between 2019 and 2020. The sample size was calculated at 3,600 for the 8 woreda sample frame and 6,200 for the 41 woreda sample frame. Dataset merging could not take place. Only two woredas in Amhara met the inclusion criteria, so Amhara appears in the 8 woredas sample frame but not in the 41 woredas sample frame.

The total number of interviews conducted per regional state by model and non-model woredas is indicated in the following table:

**Table 1: Number of Interviews by Regional State by Model or Non-Model Woredas**

Response	Amhara	Oromia	SNNP	Tigray	Total
Non-Model Woredas (41)	0	2811	2116	1473	6400
Model Woredas (8)	960	1152	704	384	3200

Because the woredas reached by RLAS, which fell into this sample frame, were also focus regions for the EEU, a large share of these interviews were conducted in woredas reached by the EEU. This allowed analysis of EEU-reached woredas and comparison with woredas that were not reached by EEU. Findings for the grouped 49 woreda are presented in the following table (unweighted numbers, weighted percentages):

**Table 2: Number of Interviews by Regional State by EEU-Reached Woredas**

Response	Amhara		Oromia		SNNP		Tigray	
	#	%	#	%	#	%	#	%
EEU-reached Woredas	960	100.0	2938	73.6	1536	56.2	960	49.9
Non-EEU-reached Woredas	0	0.0	1025	26.4	1284	43.8	897	50.1

### Analysis of the EEU Demonstration Effect

While the sampling design did not stratify by EEU and non-EEU areas, random sampling in the 41 woreda identified a sufficient number of EEU-reached locations to make statistically significant comparisons between EEU-reach and the percentage of formalised land transactions. The analysis can therefore discuss the EEU demonstration for formalising other transactions that are not directly impacted on by EEU interventions.

In the absence of more up-to-date census data, the field teams undertook a three-step process to conduct sampling: 1) consultations are kebele level to establish expected population size (number of households) and their distribution within the kebele; 2) careful review of kebele-level maps, and marking off sets of 50 households, establishing through this process clusters for interviews; and 3) random selection of clusters. Upon arrival at the cluster from a 'runner' guide from the kebele, the teams demarcated the boundaries of the



cluster and enumerated all households using a “Pre-Listing Sheet”. Households were classified as either eligible for interview (held land for rural production, had been through second level land certification and had a certificate for at least one property) or not eligible (all other households). For the latter group, the reasons for their non-eligibility were noted on the pre-listing sheet. A detailed write-up of sampling and field identification processes are available upon request.

A medium-length quantitative questionnaire was developed through a series of consultations with LIFT Programme personnel during the period April/May 2019. The questionnaire went through a series of revisions to be issued as Version 22 following development of internal drafts, a Pre-Training Draft, a Training Draft, training revisions, and Final Draft versions, in both Word and Computer-Assisted Technology versions, with each carefully reviewed and signed off within the LIFT Programme Team. The questionnaire was the subject of two pre-tests and two weeks of training before being approved for field implementation. Copies of the final Word and CAPI versions of the questionnaire are available upon request. The questionnaire was structured as follows:

- **Administration** – location data
- **Ethical protocol and agreement to be interviewed**
- **Module 1: Household parcel data** - # of parcels, # of parcel SLLC certified, SLLC certificates issued and collected, reasons for non-collection, expropriation, reallocation, or servitude loss of land
- **Module 2: Formal and informal transactions by type** – information on land transactions undertaken by each type of transaction
- **Module 3: Respondents that transacted formally** – transaction selected for interview, certificate holdership, who household engaged with, who in household managed transaction and who else was involved, reasons for registering the transaction, knowledge of need for registration and source of knowledge, transaction process, socio-economic status of households, attitudinal statements, incentives and disincentives
- **Module 4: Respondents that only transacted informally** reasons for registering the transaction, knowledge of need for registration and source of knowledge, perceptions of risk in the transaction, transaction process, demographics and socio-economic status of households engaged in the transaction, attitudinal statements, incentives and disincentives

For married household heads, spouses were present for at least part of the interview in 60.1% of all instances.

### **Qualitative Research**

As part of data triangulation, focus group discussions were held with those who had engaged in formal and informal transactions, while group or single key informant interviews were held with formal land actors at kebele and woreda levels (KLAC members, Kebele Experts, WLAO staff, WLAO land head).

#### **Focus Group Discussions (FGDs) with Landholders**

A LIFT-sponsored qualitative assessment of transactions and registration that took place in 2018 found that there were particular barriers facing more disadvantaged households in registering land transactions. In addition, a few landholders went to informal intermediaries either believing that they were registering their transactions or did so to avoid the formal land authorities. Further, awareness of the steps to take to register a transaction were sometimes not well understood.

For these reasons, small group discussions took place following a review of initial findings from the quantitative fieldwork. Separate female and male group discussions were held covering the same questions, which allows to tease-out similarities and differences in the analysis. Further, interview locations were divided in remote and non-remote Kebeles to account for the different challenges that populations in more remote areas might face. Table 3 below summarises the number of FGD participants by regional state, gender and remoteness.

**Table 3: FGDs by Gender of Group and by Remoteness (# of attendees)**

Response	Merged	Amhara	Oromia	SNNP	Tigray
Females	83	21	36	13	13
Males	84	26	16	16	26
Remote	64	22	30	0	12
Non-Remote	101	25	22	29	25
Total	165	47	52	29	37

\* Kebeles were classified into remote and non-remote, with the former within 20kms of the woreda capital and/or proximate to a main road

The FGD instrument included discussion of the following:

- **Transactions history** – purpose of transaction, reasons deciding to register or not register a transaction, experiences with the transaction process, who the household engaged with during the transaction, engagement in SLLC and the effects of this on knowledge and attitudes about transactions.
- **Transactions attitudes and behaviours** – including links with the SLLC process and decisions on registration or non-registration, factors that prevent registration of transactions, expropriation and impacts on perceptions of the formal land registration process, risks of not registering a transaction, incentives and disincentives, risks and means to reduce risks, levels of understanding of registration processes and perceived problems with the process, gendered effects

#### **Key informant interviews (KIIs) with Kebele and Woreda-Level Actors**

Along with the FGDs, qualitative interviews took place with relevant land authorities at kebele and woreda level. The KIIs were usually administered to groups of kebele officials at the same time, also holding for woreda level interviews. At woreda level, the focus was on how the sporadic land registration worked and what problems it faced, how the system linking kebele actions with woreda actions worked and did not work, incentivising registration of transactions, and recommendations on how to improve the sporadic registration process. At kebele level, the focus was on factors behind registration and non-registration, trends in registration, effects of public outreach, means to improve outreach, the registration process itself, engagement with the woreda authorities, and ways to incentivise the registration of transactions. The distribution of KIIs in the study is indicated in the following table:

**Table 4: KIIs by Regional State and Remoteness**

Response	Merged	Amhara	Oromia	SNNP	Tigray
Females	2	2	0	0	0
Males	24	4	7	6	7
Remote	6	2	3	0	1
Non-Remote	20	4	4	6	6

\* Kebeles were classified into remote and non-remote, with the former within 20kms of the woreda capital and/or proximate to a main road

The tools used for these qualitative discussions are available upon request. Qualitative interviews took place across the two strata but are presented as a single set of data as the issues considered with consistent across all 49 woredas.

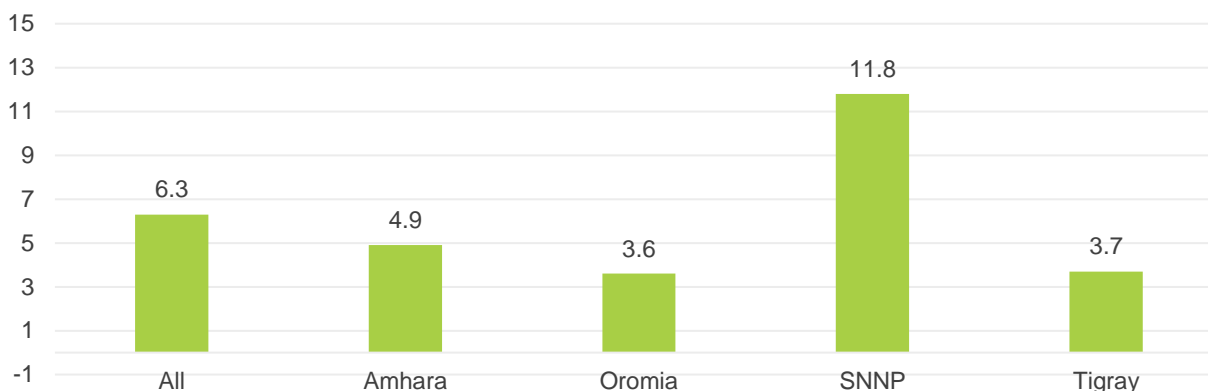
#### **Gender Split of Sample, Landless, and SLLC Outreach**

A total of 80.6% of household heads in sampled households were male, and 19.4% were female. Of married male household heads, 6.2% had more than one wife, and 93.8% had a single wife. Education levels were low for most household heads, with almost all having no education or only partial primary.

A listing sheet preceded the questionnaire, with a total of 15,629 households listed. Of these, 1,833 households did not hold any parcels. With weighting, 6.3% of all households did not hold any rural land (that is, were landless)<sup>4</sup>, 0.4% were abandoned, and 6.2% were not available at the time of the survey. Landlessness varied across regional state, as shown in the following figure:

<sup>4</sup> This figure assumes that those who were not available for interview held land, comprising 6.6% of all households, held land.

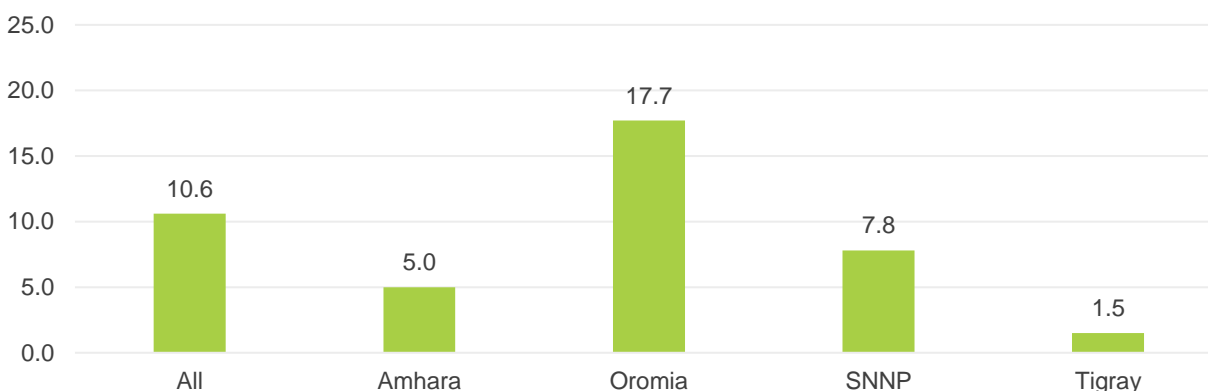
**Figure 2: Landlessness by Regional State**



Overall 6.3% were landless across the 49 woredas, with the figure highest in SNNP at 11.8%, and lowest in Oromia and Tigray (3.6% and 3.7% respectively), with Amhara at 4.9%.

A total of 10.6% held land but did not hold *any* SLLC certificates, varying across regional state as follows:

**Figure 3: Households with Land but No SLLC Certificates for Any Parcels were issued<sup>5</sup> (by Regional State)**



The percentage of households that held rural land but did not receive any SLLC certificates varied across regional state, and was highest in Oromia at 17.7%, followed at a much lower rate in SNNP at 7.8%. Only 1.5% of households in Tigray did not hold certificates. Note that the respective listing question asked did not aim at confirming whether the household was part of the demarcation process, but rather whether the households is aware that at least one SLLC had been issued and is ready for collection (to include households that did not yet collect their SLLC but are aware that it exists).

Reasons for why households did not have at least one SLLC can vary, but could include that the SLLC was indeed issued, but the household is not made aware of this. Reasons for why this might be the case will be further interrogated as part of the upcoming SLLC outcome survey.

## Formal and Informal Transactions

### Parcel Certification and Certificate Collection

The mean number of parcels held by landholding households was 3.5, with the median at 3. One-in-five held only a single parcel.

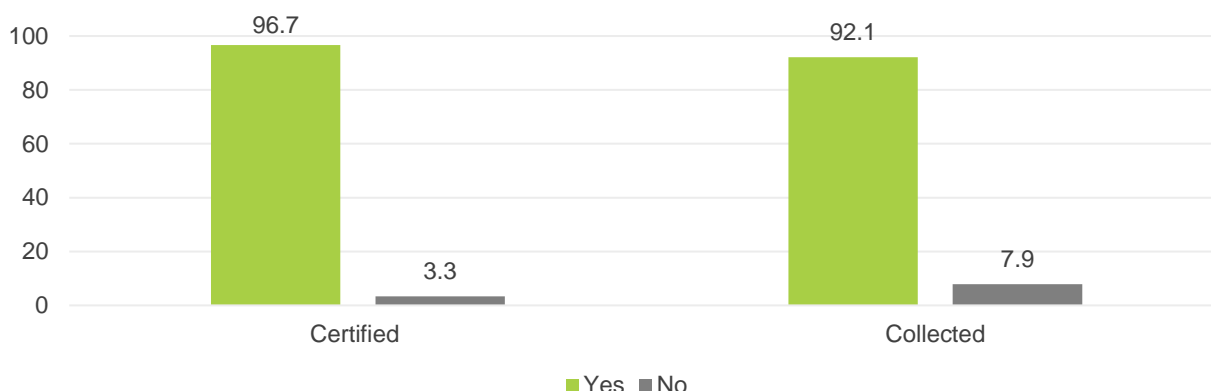
The proportion of these parcels SLLC certified, and the proportion of those where the SLLC certificates had been collected, is indicated in the following figure. In part this is intended to inform Outcome 3 in the LIFT

<sup>5</sup> The listing question was formulated as follows: Has at least one second level land certificate been issued for at least one parcel? You do not need to have the certificate(s) here, we just need to know whether you are aware has at least one certificate been issued? [Enum: Explain that SLLC includes a plan of the parcel while FLC has no plan attached] [If they have received a claim receipt to at least one parcel, they are eligible]



Logframe, but it should be remembered that landholding households that hold no SLLC certificates were not included in this survey, as this survey is focused on transactions after certification<sup>6</sup>.

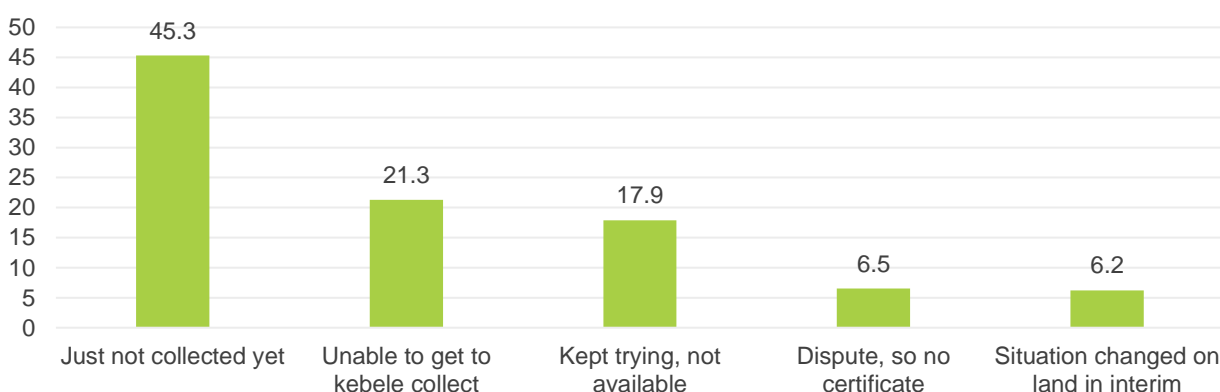
**Figure 4: Certification and Collection (for landholding households with at least one SLLC certified parcel)**



Findings highlight that the vast majority of parcels were SLLC certified (96.7%), and that of these most were collected by the landholder (92.1%).

For those who did not collect, most had not yet gone to the kebele to collect but had heard that certificates were available, while in a minority of cases they had tried to collect from the kebele but found that the certificate(s) was not there. Once the certificates reached the kebele, therefore, they were collected. The main responses are indicated in the following figure:

**Figure 5: Reasons for Non-Collection of Certificates (for those who held at least one SLLC certificate)**



### **Key Finding: Certificate Collection Rates are High**

Certificate collection rates were high, at 92.1%, meaning that once a certificate was issued by the authorities, it makes its way to the landholder. For the 7.9% not collected, most respondents indicated they had simply not gotten to the kebele to collect yet (45.3%). For about one-fifth (21.3%) transport was an issue as they indicated that they were struggling to get to the Kebele to collect the certificate. Just under one-fifth (17.9%) indicated they had attempted to collect, but the certificate was not available. 6.5% of the parcels were currently still in dispute, which is why a certificate could not be produced yet.

Most of the respondents had either simply not yet collected or were unable to get to the kebele/woreda to do so. One-in-five had tried (21.3%) to collect but the certificate was not available for collection, indicating some confusion around when and where to collect the SLLC. A similar percentage (17.9%) tried to repeatedly collect the SLLC but did not find the SLLC available yet. 6.5% of the parcels were currently still in dispute, which is why a certificate could not be produced yet. For those households that held parcels that had not been certified, in almost all cases only a single parcel was not certified, holding for those with between 1-4 parcels and for those who held 4+.

<sup>6</sup> This calculation excludes the 10.6% of all landholding households that held no SLLC certificates.

## Percentage of Transactions Formalised (Outcome Indicator 1)

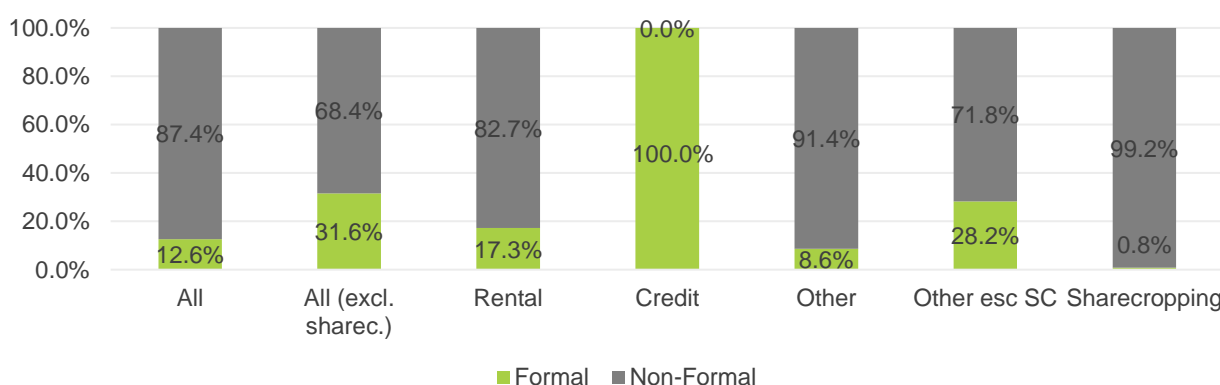
Outcome Indicator 1 reads as follows: *Outcome 1A: Percentage of land transactions which are formally registered in RLAS in programme woredas in which RLAS is operational, disaggregated by a) Rental, b) Loan, and c) All other transactions*

To calculate the percentages for the total and the disaggregated transaction types, weighted averages of percentage of formalised transactions were calculated.<sup>7</sup> Figure 6 below shows the total and disaggregated percentages for formalised transactions when compared to informal practices. A more detailed breakdown is provided in Table 6 below, which also disaggregated by gender of household head.

Note that it is suggested that sharecropping is not included in the weighted average to report on Outcome 1 for the following reasons:

- **Sharecropping is not formally required to be formally registered by regional land proclamations:** While LIFT's EEU component has been piloting the formalisation of land rental transactions including sharecropping, this practice is still not widely approved by regional governments.
- **Sharecropping carries a large weight in the average and thereby dilutes formalisation of other transaction types:** Sharecropping is by far the most common transaction type with 30.6% of all interviewed households engaging in it. The second most frequent transaction types are gifting and rent (both at 6.8% of all households), with all other transaction types occurring only at below 3% of households (since SLLC).

**Figure 6: Outcome 1 - Percentage of land transactions which are formally registered in RLAS in programme woredas**



For all transactions undertaken in the sampled areas in the 41 woreda sample frame, only **31.6% were formally registered**. The percentage significantly changes when including sharecropping transactions, which almost all are informally handled. As mentioned above, sharecropping is the most common transaction, with 30.4% of all households engaging in sharecropping since SLLC. The weight this transaction carries in the average is therefore very high. As highlighted in Table 5 below, including sharecropping changes the weighted averages for the percentage of formally registered transactions drastically. Given the points outlined above, figures excluding sharecropping show a more accurate representation of formalisation across different transaction types.

**Table 5: Outcome 1 - 2019 milestone compared to actuals with and without including sharecropping**

Outcome Indicator 1	2019 Milestone	Actuals (including sharecropping)	Actuals (excluding sharecropping)	Difference
All transaction types	30%	12.6%	31.6%	+19 Percentage Points
Rental	20%	17.3%	17.3%	No difference
Credit	95%	100%	100%	No difference
Other transactions	30%	8.6%	28.2%	+19.6 Percentage Points

<sup>7</sup> This means that Amhara findings are excluded from this table. For Amhara, only 2 Woredas were sampled to represent the overall 5 eligible RLAS operational Woredas. These were the 2 Model Woredas, which are included in a separate sampling frame for the before/after comparison to evaluate the effectiveness of the model woreda intervention.

Table 6 below shows a more detailed breakdown by gender of household head. When including sharecropping, rates of formal registration are higher for male-headed households than female-headed households, with male-headed households at double the rates (15.3% versus 7.8%). The lower rates for female-headed households is due in part to them having been more likely to have engaged in sharecropping, where rates of formal registration are almost zero (0.5% for female-headed households). When excluding sharecropping, male and female headed households have a similar likelihood of formally registering a transaction (31.1% and 33.5% respectively).

For rental transactions, the figures were higher, at 17.3% registered and 82.7% not registered. Credit, on the other hand, requires formal processes, yielding 100% registration<sup>8</sup>.

**Table 6: Detailed overview of percentage of land transactions which are formally registered in RLAS**

Response	#		%	
	Formal	Informal	Formal	Informal
<b>Outcome 1 - All Transaction Types (grouped together, excluding sharecropping)</b>				
Proportion of transactions that are formally registered or not formally registered among all transactions (male-headed households)	348	754	31.1	68.9
Proportion of transactions that are formally registered or not formally registered among all transactions (female-headed households)	94	187	33.5	66.5
Proportion of transactions that are formally registered or not formally registered among all transactions (all households)	443	940	31.60%	68.4
<b>All Types of Transactions (grouped together, including sharecropping)</b>				
Proportion of transactions that are formally registered or not formally registered among all transactions (male-headed households)	361	1911	15.3	84.7
Proportion of transactions that are formally registered or not formally registered among all transactions (female-headed households)	99	1140	7.8	92.2
Proportion of transactions that are formally registered or not formally registered among all transactions (all households)	460	3051	12.6%	87.4
<b>Outcome 1 - Rental Transactions</b>				
Proportion of transactions that are formally registered or not formally registered among all transactions (male-headed households)	46	239	16.0	84.0
Proportion of transactions that are formally registered or not formally registered among all transactions (female-headed households) NOTE: only 79 cases so cannot measure percentages	17	62	Na	na
Proportion of transactions that are formally registered or not formally registered among all transactions (all households)	63	300	17.3%	82.7
<b>Outcome 1 - Credit Transactions</b>				
Proportion of transactions that are formally registered or not formally registered among all transactions (male-headed households)	116	0	100.0	0.0
Proportion of transactions that are formally registered or not formally registered among all transactions (female-headed households) NOTE: only 12 cases so cannot measure percentages	12	0	Na	na
Proportion of transactions that are formally registered or not formally registered among all transactions (all households)	128	0	100.0%	0.0
<b>Outcome 1 - Other Transactions (excluding rental, credit and sharecropping)</b>				
Proportion of transactions that are formally registered or not formally registered among all transactions (male-headed households)	186	515	26.3	73.7
Proportion of transactions that are formally registered or not formally registered among all transactions (female-headed households)	66	125	34.9	65.1
Proportion of transactions that are formally registered or not formally registered among all transactions (all households)	252	640	28.2%	71.8

<sup>8</sup> It has been assumed that there might be cases where credit was secured through non-formal channels not requiring registration. While this most certainly occurs, it was not found to have occurred in those cases where the land certificate was used as collateral (which is how the question was worded).

## Transactions by Transaction Types

Sporadic land transactions following SLLC are supposed to be registered with land authorities, as is the original issuance of the SLLC certificate. These formally registered transactions are processed, vetted and approved or, in certain cases, not approved by woreda land authorities, working with kebele-level land authorities. Transaction types have been categorised in the land database into various categories, the following of which were included in this Transaction Survey:

- **Inheritance** – where a landholder on one of a parcel has died
- **Credit** – where a land certificate is used as collateral for securing credit
- **Gifting** – where part or all of a parcel is given to a family member (most commonly) or non-family member (less commonly)
- **Exchange** – trading one parcel for another with a non-family member (most commonly) or family member (less common)
- **Marriage** – person(s) on a land certificate change due to marriage
- **Divorce** – person(s) on a land certificate change due to divorce
- **Renting** – renting out part or all of a parcel for financial compensation
- **Sharecropping** – sharecropping out part or all of a parcel for compensation in kind
- **Consolidation** – when parcels are physically joined to form a new single parcel
- **Correction of a Boundary** – due to an update to a boundary demarcation (including a mistake), or a boundary changes due to natural phenomena
- **Replacement of a Certificate** – securing a duplicate of an original certificate
- **Correction of a Certificate** – fixing errors in a certificate

Of these, using a land certificate to secure credit, certificate replacement, and certificate correction necessarily have to involve the official land authorities. For the remainder, it is up to the household to apply to register the transaction, as it does not automatically go to these authorities. There are regional state level variations in what requires registration and what does not, and regulations on transactions that reduce the size of a parcel to what is considered a 'non-viable' level.

A high **47.5% of all households engaged in at least one transaction, be it formal or informal, on at least one parcel since SLLC certification** had been completed in an area. In most cases only a single transaction had taken place (79%), although in 21% of all households two or more transactions had been recorded.

**Figure 7: Percentage of Households Engaged in either formal or informal transactions since SLLC**

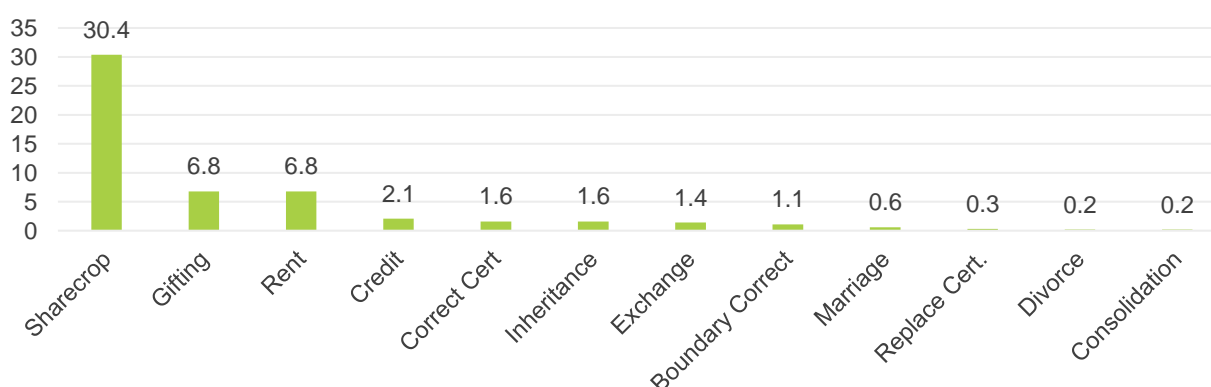


Figure 7 to the left disaggregates the 47.5% by the percentage of households who have engaged in any transaction, be it formal or informal, by type since SLLC was completed. It can be found that sharecropping transactions are by far the most common type of transaction. Female-headed households were significantly more likely to have engaged in sharecropping than male-headed households, at 52.7% versus 23.7% (chi-square significant at the .1 level;  $p=.000$ ). This was followed by some distance by renting out and gifting land, at 6.8% for each. Renting out was, surprisingly, slightly more common for male-headed households than female-headed households (7.1% for MHH, 6.1% for FHH; chi-square significant at the .1 level;  $p=.000$ ). This also held for gifting, which was more common for male-headed than female-headed households (7.4% for MHH, 4.7% for FHH;  $p=.000$ ). Credit was next most common, but only affected 2.1% of all households.

Those households that had undergone SLLC earlier were, surprisingly, *less* likely to have undertaken a transaction, at 44.4% versus 51.9% for the Ethiopian calendar years 2007-2009 versus 2010-2011, respectively (chi-square significant at the .1 level weighted). The reasons for this are not evident. One possibility is that it could be related to more intensive community engagement in the SLLC process in later years, as well as greater public attention to the need to formally register transactions when carrying out SLLC and in post-SLLC kebele official engagement with community members.

**Quote from FGD:** *‘People are now more likely to register decisions relevant to inheritance, such as gifting land to children, because otherwise there are many family disputes’. FGD in Oromia*

The number of parcels affected within a single household varied by transaction type. In the case of divorce (57.6%), inheritance (41.4%), and gifting (34.5%), not surprisingly multiple parcels were affected. Certificate correction, perhaps surprisingly, also affected multiple parcels in 25.9% of all cases. Perhaps less expected is that sharecropping affected multiple parcels in almost half of all cases (47.6%), also holding for 26.6% of rental transactions. Consolidation, almost by definition, only affected a single parcel, and in almost all cases this held for boundary correction and certificate replacement. Exchange largely affected only a single parcel (82.8% of all cases).

A summary of transactions by type, covering those formally registered and those not formally registered, is indicated in the following table<sup>9</sup>. It should be noted that, for some transactions, the numbers were too small to present separately. In these cases, the findings have been grouped together and a ‘formally registered’ percentage calculated. This is also shown in the table below:

**Table 7: Formal Registration of Transactions by Transaction Type**

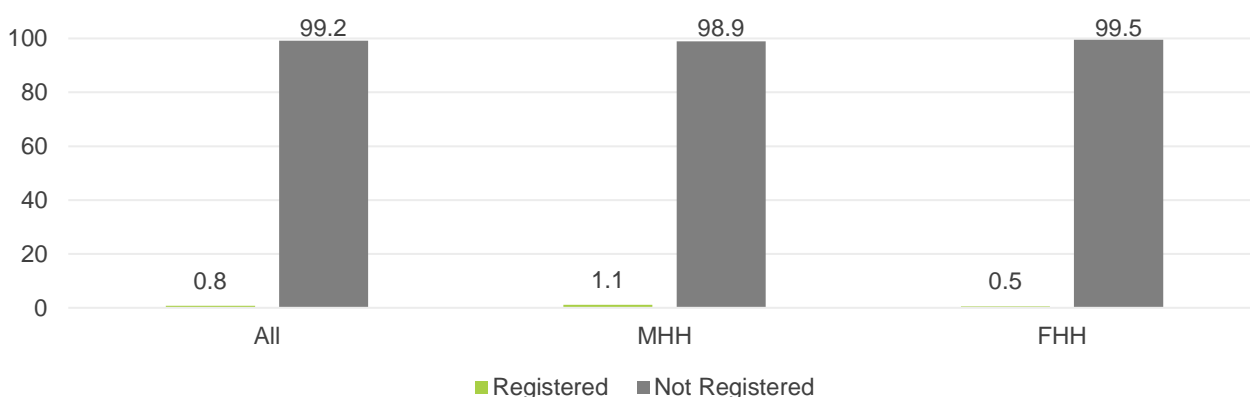
Transaction	Formal		Informal		Remarks
	#	%	#	%	
Land transactions with transfer of rights					
Inheritance	84	39.0	131	61.0	
Gifting	23	5.7	376	94.3	
Exchange	10		60		
Marriage	3		30		
Divorce	9		1		
Land transactions with limitation/restriction of rights					
Credit	128	100.0	0	0.0	Formal registration required
Rent	63	17.3	300	82.7	
Sharecropping	18	0.8	2110	99.2	
Changes in spatial configuration of the parcel					
Consolidation	1		8		
Boundary Correction	31		16		
Certificate Replace	12		0		Formal registration required
Certificate Correction	64		0		Formal registration required

\* For transaction types where the overall number of observed transactions is too low, percentages are statistically not reliable and are therefore not displayed.

<sup>9</sup> ‘Formal is defined as a transaction where the household engaged with an official land authority, at kebele or woreda level, or in some cases (e.g., credit) did so through an intermediary.

## Sharecropping

**Figure 8: Formal Registration of Sharecropping Transactions by Gender of Household Head**

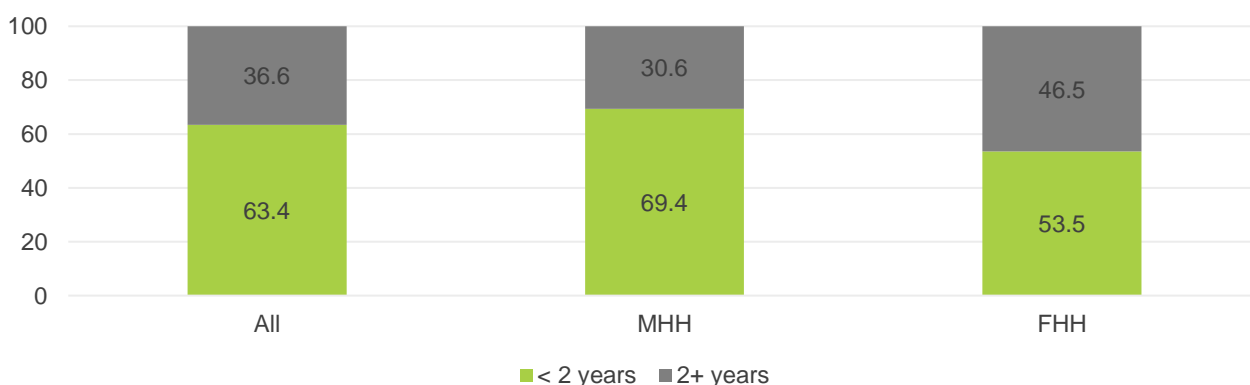


As noted above, sharecropping is the most common transaction, but it also the least likely transaction type to be registered. In large part this is due to the fact that most sharecropping takes place within extended families and with friends and neighbours, with high levels of trust. Qualitative findings suggest that, when the stakes increase under sharecropping, either due to the value of crops and market engagement, or due to a loss of full trust, those involved in the transaction tend to engage traditional elders as witnesses rather than going for formal registration. Almost no sharecropping transactions were formally registered. Levels of registration of sharecropping transactions by gender of household head are indicated in the figure to the left.

**Quote from KII:** 'Land rental in-kind, or sharecropping, is not commonly registered, it doesn't come to our kebele office. It is rather performed traditionally'. Kebele officer, Amhara Regional State

Given that some regulations require registration of sharecropping only if the sharecropping agreement lasts for two or more years, respondents who did not formally register the transaction were asked how long the agreement was for. Findings are indicated in the following figure:

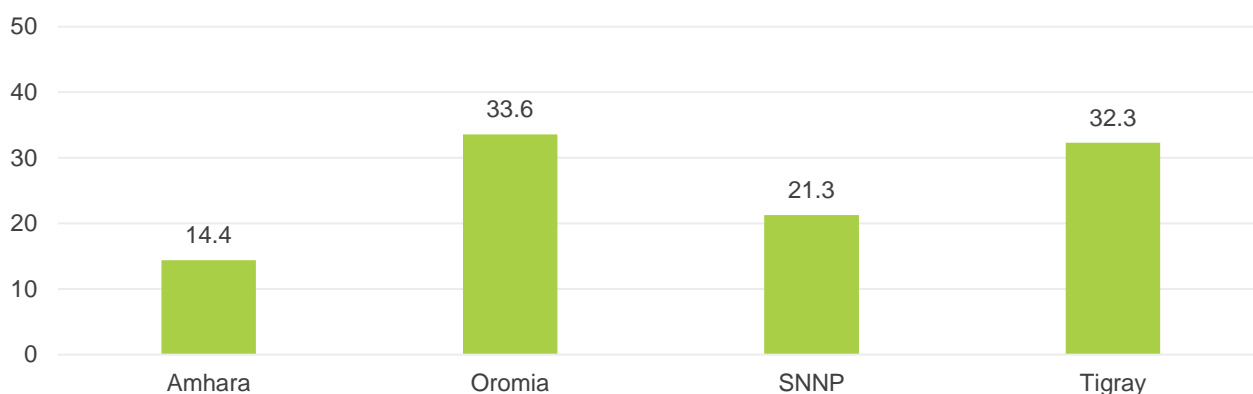
**Figure 9: Length of Time of Sharecropping by Gender of Household Head**



Based on this policy approach, at least one-third of sharecropping transactions should be formally registered at the Woreda, while in practice less than 1% actually were registered. Half of all female-headed households had engaged in sharecropping had done so for two years or more, yet only 0.5% had registered the sharecropping transaction formally.

Emergent policy indicates that all sharecropping arrangements should be registered, both those with more or less than two years in length. The data shows that this is not happening in practice yet.

**Figure 10: Regional State and percentage of sharecropping transactions<sup>10</sup>**

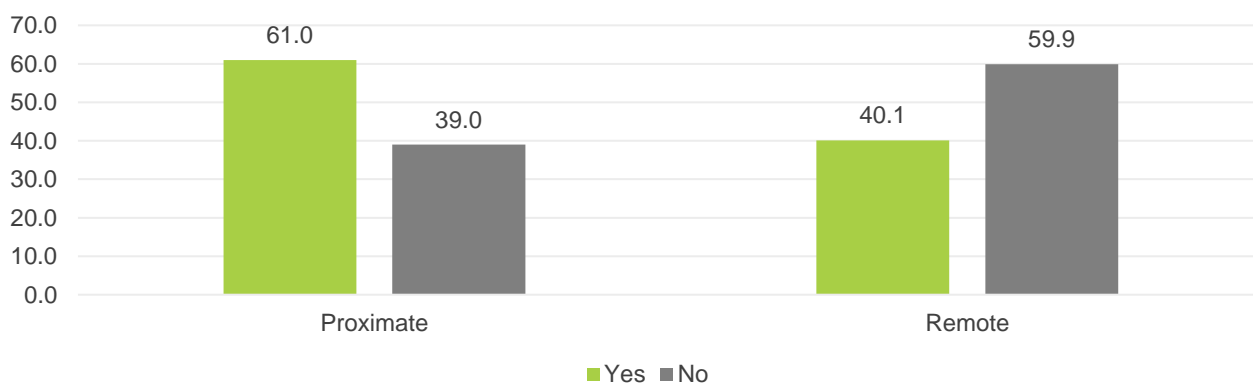


Further, sharecropping transactions were disaggregated by regional state (formal and informal transactions combined). It can be found that sharecropping transactions are most common in Tigray and Oromia. Findings for Amhara show a lower percentage, although here it needs to be caveated that this is based on a small cohort of woredas, which is not representative of the region.

### Remoteness and Transactions

Two measures of remoteness/non-remoteness were calculated, one comprising proximity to the woreda centre, the other comprising proximity to all-weather roads infrastructure. If a kebele met either or both criteria of within 20kms of the woreda centre or having an all-weather road reach the woreda, it was classified as 'proximate'. If it met neither criteria, it was classified as 'remote'. Almost half fell into each category (48.4% proximate, 51.6% remote), allowing for statistically powerful comparisons between the two groups. The likelihood of undertaking any transaction, be it a formal or informal transaction, is shown by proximate and remote locations in Figure 11 below.

**Figure 11: Levels of Transactions (formal + informal) by Remoteness**



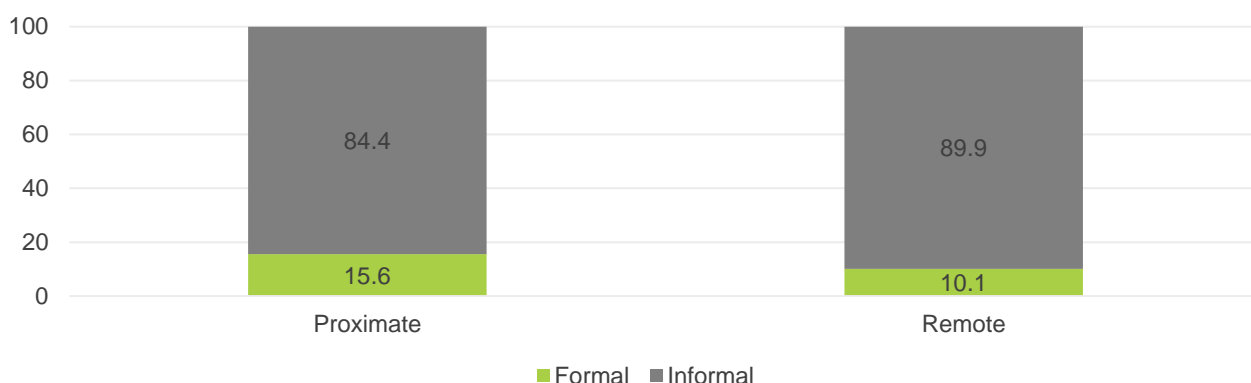
The likelihood of engaging in a transaction, be it a formalised or an informal transaction, was significantly higher in woreda that were proximate to the woreda centre or all-weather roads infrastructure than those that were not, at 61% versus 40.1%, respectively. This hints at a higher activity of land transactions in less remote woredas **in general**, as compared to remote areas – indicating a more active rural land market.

Next, the likelihood of registration of transactions against this proximity or remoteness was calculated and is summarised in the following figure for all transaction types merged, including sharecropping. Results are shown in Figure 12 below.

<sup>10</sup> Note that the Amhara figures came from a separate sample frame of 8 model woreda.



**Figure 12: Percentage of formal and informal transactions by remoteness**



A clear difference between remote and proximate locations can be found. Landholding households in proximate locations were 50% more likely to have registered a transaction, at 15.6% versus 10.1%. These findings are statistically significant and show that landholders in more remote locations follow informal practices much more frequently than landholders in locations proximate to a woreda centre or an all-weather road.

This implies that to improve registration practices in more remote areas, additional efforts are necessary to close the gap to more proximate locations.

### EEU Demonstration Effect on Formalising Land Transactions

The LIFT Theory of Change assumes an additional EEU demonstration effect. This effect is supposed to occur as a result of EEU interventions incentivising landholders to use the formal system. This would result directly from realising practical and valuable new applications of the SLLC, which are introduced through EEU interventions such as the formal land rental contract, services received from land rental service providers (LRSPs) and the introduction of an SLLC-linked loan product through MFIs.

As mentioned in the methodology section above, the sampling design allowed for a statistically robust comparison of EEU and non-EEU locations. Just over half of the sampled kebeles were in locations reached by the Economic Empowerment Unit of the LIFT Programme, where land rental and credit interventions are being implemented to link SLLC to economic initiatives. Table 8 below illustrates the even distribution of interviews across EEU and non-EEU reached locations, allowing for analysis of the EEU impact.

**Table 8: Number of Interviews by Regional State by EEU-Reached Woredas<sup>11</sup>**

Response	Amhara		Oromia		SNNP		Tigray	
	#	%	#	%	#	%	#	%
EEU-reached Woredas	960	100.0	2938	73.6	1536	56.2	960	49.9
Non-EEU-reached Woredas	0	0.0	1025	26.4	1284	43.8	897	50.1

It was found that locations in EEU kebeles were more likely to have engaged in at least one transaction, at 49.3% versus 46.3% (chi-square significant at the .1 level;  $p=.000$ ). This held independent of proximity, meaning that regardless of how close a kebele was to major road infrastructure or a woreda centre, this co-variation remained (all chi-square tests were significant at the .1 level;  $p=.000$ ).

### EEU Interventions Set Incentives for Formalising Transactions

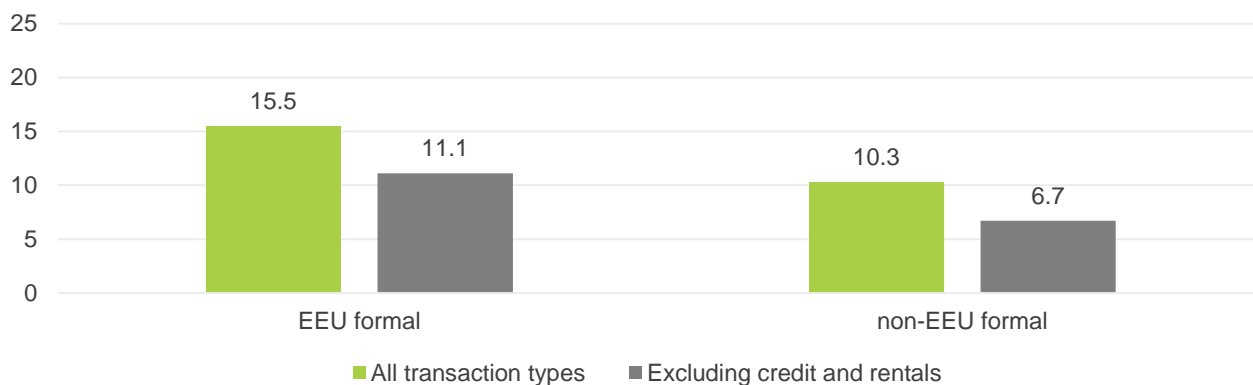
Households that engaged in a transaction in EEU kebeles were more likely to have registered their transaction formally compared to non-EEU locations (15.5% versus 10.3%, respectively; chi-square significant at the .1 level;  $p=.000$ <sup>12</sup>). See Figure 13 below.

<sup>11</sup> As with the other merged data runs, findings for this discussion are from the woredas from Oromia, SNNP and Tigray regional states. As explained earlier in the report, Amhara only had two woredas with RLAS services in place, both of which fell into the model woreda sample frame. Amhara will be compared from 2019 to 2020, along with the other regional states in the 8 model woreda sample frame.

<sup>12</sup> This excludes 'mixed' households where they have registered some transactions but not others, which comprised 5.1% of all households. Here, EEU kebeles were still more likely than non-EEU kebele to have households registering a transaction (5.5% versus 4.9%).



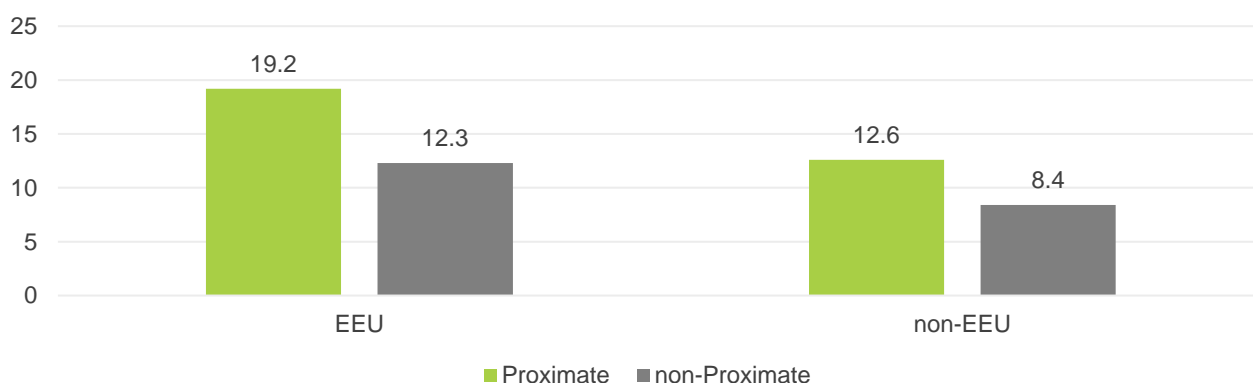
**Figure 13: Formal Registration of Transactions Across EEU-reached and Non-EEU-reached Kebeles**



To see if this held for transactions other than those facilitated by the EEU, the same analysis was run excluding credit and rental transactions. Results are shown in Figure 13. Differences remained even when excluding these EEU-facilitated interventions, implying that there is a broader EEU effect beyond the direct focus on credit and rental markets (demonstration effect).

Overall the differences are strongly pronounced, with landholders in EEU locations being roughly 50% more likely to formalise a land transaction. The difference is even more pronounced when excluding EEU related transactions (65% difference from non-EEU -6.7%- to EEU areas -11.1%-).

**Figure 14: EEU and Propensity to Register a Transaction (formal + informal) by Proximity**



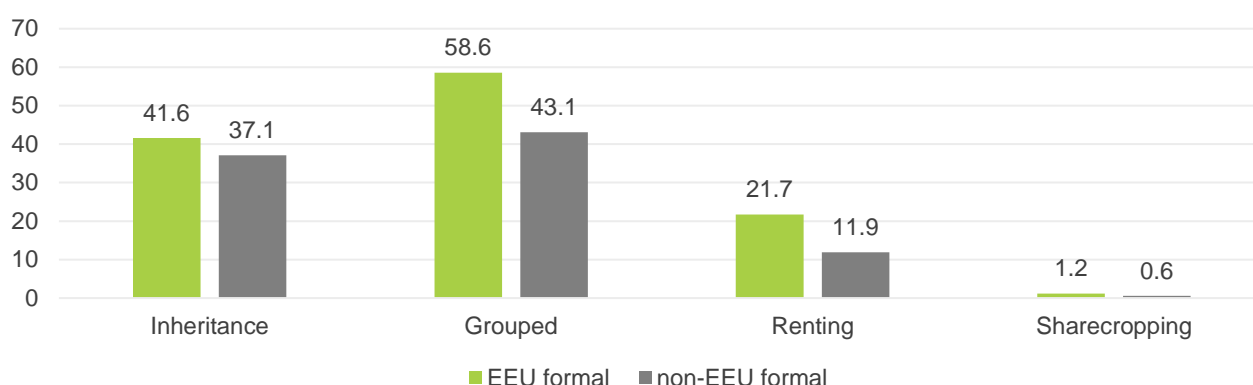
To see if the covariation between EEU and the likelihood of registering a transaction held for both proximate and remote locations, data runs were made comparing proximate EEU-reached locations with proximate non-EEU-reached locations. Findings are indicated in the Figure 14.

Covariation between EEU reach and formal registration held for both proximate and remote locations and continue to be clearly pronounced. This shows further robustness in the findings, providing evidence for an EEU demonstration effect, which sets incentives for landholders to register transactions formally across both remote and non-remote locations.

### EEU Interventions Increase Rental Formalisation in Particular

Further, clear evidence of a positive effect of EEU interventions on formalising rental transaction can be found, as shown in Figure 15 below. In EEU areas, rental transactions are formalised **nearly twice** as often as in non-EEU locations (21.7% vs. 11.9%), providing evidence for a strong impact of EEU interventions on land rental formalisation.

**Figure 15: Different transaction types in EEU and non-EEU areas**



The number of formal transactions for sharecropping unfortunately is too small to draw conclusions. Still a trend towards higher formalisation in EEU areas can be seen from the numbers (1.2% vs 0.6%).

Overall, it can be stated that evidence for an EEU demonstration effect can be found, where the prospect of accessing EEU products, such as the SLLC-linked loan or the formal land rental contract, set positive incentives to transact formally more often in general (including for other transaction types such as inheritance). This will be further probed through the upcoming SLLC Outcome survey.

### Loss of Land Through Government-Led Actions and Servitude

Of the types of land transactions possible, three are government-led and can lead to the loss of all or part of a household's land, parcels of land, or plots of land (referring to sub-divisions of parcels in the case of 'servitude'). As these were not categorised as 'currently held parcels', they did not appear in the parcel tally at the beginning of the survey and are therefore tallied separately. Data were not collected on the total number of parcels affected.

**Table 9: Proportion of All Households Affected by Expropriation, Reallocation or Servitude (multiple response) (overall and by regional state)**

Response	#	%
Expropriation	92	1.4
Reallocation	18	0.3
Servitude	48	0.6
None	6243	97.8
Any of the three	158	2.3

\* Total adds to greater than 100% due to multiple response.

A total of 2.3% of all households had been affected by a single type of expropriation, reallocation or servitude land loss, with virtually none were affected by multiple means. Loss of land was much higher in Oromia Regional State than in the other three (3.4% versus 1.5% or lower in the other locations).

### Qualitative Findings on Formal Registration

**Quote from FGD:** *'In the previous time in our kebele there were a lot of collisions on boundaries. But after SLLC any collision was reduced, and the land holder were able to develop their land with confidence given by the certificate'. FGD in Oromia*

Focus group discussions and key informant interviews elicited a great deal of discussion around how land transactions were central to rural livelihoods, how the importance of land in rural livelihoods meant that risk aversion was a priority, and how past challenges to tenure security affected how people dealt with land transactions. It was found that while there were more commonalities than differences across locations and regions, there were clear differences identified in discussions with male and female focus groups.

The following key themes were identified, and are discussed in detail below:

1. The impact of SLLC on females in male-headed households and female-headed households as a result of the SLLC process.
2. The complexity of decision-making processes and how informal intermediaries (elders) influence these
3. Levels of perceived risk and how this links to informal registration
4. Perceived changes felt by those working in the rural land registration system (KLAC members, Kebele administrations through KIIs)

### Impact on Females in Male-Headed Households and Female-Headed Households (Findings from FGDs)

Findings from the FGDs suggest that husbands and wives have historically served as decision-makers on parcels felt to 'belong to' the couples, but that the advent of SLLC has strengthened the position of women in this regard. Yet gaps in decision-making remain as can also be seen in quantitative findings above. The differences relate to the nature of the transaction, what is going on a particular parcel, and who is perceived to be a parcel decision-maker.

#### Females in Male-Headed Households

For example, for male-headed households, findings would suggest that in situations where a husband and wife appear on a certificate, other household members do not weight in on the arrangement in any meaningful manner. This held even if the arrangement affected another household member, such as gifting land to a son or daughter. While the number of cases was small, it would appear that the situation was different in female-headed households, while other male household members more often played a more direct role. This is also underpinned by quantitative findings as discussed below.

This is an important finding when considering that, sons and daughters and sometimes other relatives will eventually take over holdership of many parcels, their awareness of SLLC, and the importance of registering sporadic transactions, will be critical. This underlines in particular the importance of post-SLLC engagement through kebele authorities.

Further, wives particularly felt that their involvement in decisions had increased, including on whether to engage in a transaction, decisions on the specifics of the transaction, and direct engagement at multiple points in the process.

#### Female-Headed Households

**Quote from FGDs:** *'In particular women and the elderly are having problems in the past, they did not know their boundaries. After SLLC, the map showed it worked well for poor people even ignorant ones'. FGD participant, Tigray Regional State*

While there was strong support for the SLLC process across respondents in general, because it clarified boundaries and confirmed holdership, women from female-headed households were especially likely to have noted the change. Some gave examples of loss of land before SLLC that was now resolved through the SLLC process. Some gave examples where SLLC itself allowed them to challenge the actions of powerful persons (e.g., a long-term rental agreement with a male farmer led to his land claim in Amhara Regional State, initially agreed but later challenged, and now in the woreda court). Further, for female-heads were especially likely to point out lower risks associated with renting out to better-off households.

**Quotes from FGDs:** *'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*

Most households, and in particular female-headed households and vulnerable households had tended to purposefully focus on low- to no-risk transactions and avoid more risky transactions. This held for both those who engaged in formally-registered transactions and those who did not. These households felt powerless in the face of more powerful local actors and because of this lack of power tended to avoid riskier transactions that were not within their direct social circles. Further, successful arrangements that had been in place prior to SLLC in terms of sharecropping and renting (often moving across shared produce and payment in cash) often continued after SLLC, with SLLC itself not changing arrangements, but rather 'solidifying' existing

arrangements. In these cases, the need for registration was not compelling. As such this highlights the need to emphasise the roll-out of the formal system to these more vulnerable households, since the benefits of this system will be felt here most strongly.

### Involvement of Informal Intermediaries (Elders) in Decision-Making Processes (Findings from FGDs)

In discussing who was involved in SLLC transactions, both those that formally register and those that did not formally register, explained how in the past (before SLLC) certifying parcels meant that the parcel decision process involved either only household or local kinship, friendship and neighbourhood networks, or at the most involved 3-4 elders who served as advisors and signatories of transactions. Especially where no risk was perceived, formal registration was not felt to be necessary, especially in transactions that occurred on a regular basis (sharecropping and within network renting were both commonly mentioned). Interviewees mentioned that this perception has in large not changed, and that transaction agreements with a second party, where a strong sense of trust exists, a need for registration in not felt.

For transactions where a higher risk or lack of trust was perceived, historically elders were involved in transactions and functioned as a witness. This was felt to be important for transactions such as **inheritance, gifting, divorce and exchange** (marriage, of interest, was not mentioned, presumably because it was not felt to be risky). Findings suggest that these practices do continue, again largely in the areas of sharecropping and rental. This is consistent with the quantitative survey findings.

#### Key Finding

*Elders have a powerful position in terms of influencing the decision to formally register a transaction or not.*

Landholders however explained that since SLLC in situations where risk was high or was perceived to be increasing, formal registration was more likely to occur. In some cases, the discussion of the need for registration started with an approach to village elders, which either resulted in support in engaging with kebele authorities or deciding not to proceed with a transaction. Elders therefore seem to have a powerful position in terms of influencing the decision to formally register a transaction or not.

Nevertheless, qualitative findings would suggest that this is also where the situation after SLLC is starting to change. A number of respondents that had formally registered a transaction noted that some of the transactions had previously been approved through the elders system, and that they then took old agreements to the kebele authorities to begin the process of formal registration under the new mandate. Even respondents who did not register their transactions argued that, if they were involved in a transaction that implied a higher level of risk, such as inheritance, gifting outside the kinship/neighbourhood/ friendship networks, they would appreciate the security provided through a formal process.

### Levels of Perceived Risk and Informal Registration

**Key finding:** *For transactions where risks were felt to be high, formal registration was perceived as a positive development. Especially renting to more powerful neighbours was often mentioned in this regard by more vulnerable households.*

Transactions that are perceived as “low-risk”, such as transactions involving immediate family or close relatives, were felt to have nothing to do with the formal transaction process, whether or not households had heard about the need to registered transactions or not. This alone likely explains unexpected low rates of formal registration of gifting arrangements found in the quantitative survey, as many of these occur within families. One interesting observation, albeit only mentioned once, was the idea that gifting could be formally registered at a later point in time if need be, simply by calling it a ‘new’ transaction.

Many respondents were aware of the need to register all gifting transactions, but only did so when risk was assessed as high. Here again, even in the case of gifting, historically perceived risk was associated with securing the signatures of witnesses to the agreement among elders in the community.

These situations are by no means static. Gifting with anticipated benefit sharing sometimes soured, and those gifting *in* were left without recourse if the holder disputed the arrangement. Without the word of witnesses, such as village elders, there was little recourse, again highlighting the potential benefits of a formal system that would mediate these situations.

For other transactions, where risk of loss was low and the capacity for gain was high, formally registering the transactions at the time of transaction was less valued and would likely only be registered if the risk situation changed, or the enforcement of transaction registration was significantly strengthened.

**Quote from FGD:** *'After the SLLC - no dispute, everybody knows their land. It is good because we used to spend our time in the courts'.* FGD participant, Tigray Regional State

Nevertheless, what was surprising was noting cases where, well into the discussions, participants who remarked that they had a limited understanding of the formal land process were able to elaborate key aspects of sporadic transactions. The findings would suggest that awareness is higher than might be assumed. Overall support for SLLC and its perceived effects on enhanced tenure security were widespread across focus group respondents. Combined with findings in the section above, it could be argued that that riskier transactions would be expected to migrate more rapidly to formal registration of these transactions. The main barrier here seems to be better information and improved service provision by land authorities, as suggested by quantitative findings below.

Furthermore, there seemed to be a strong sense the SLLC process reduced the number of land disputes especially regarding boundaries. While this was not the focus of this study, the upcoming SLLC Outcome survey will shed more light on this matter.

**Quote from KII with Kebele informant:** *'Older people are most resistant to the new ways of the SLLC, requiring formal registration of transactions. And they own a great deal of the land'.* Kebele level key informant, Amhara Regional State

Lastly, some of the older respondents brought up past situations of land loss, expropriation, resettlement and even landlessness and how this, until the advent of SLLC, had continued to hamper household engagement in land transactions beyond low risk transactions within kinship networks (in the quantitative survey, half of those who did not register their transaction argued that they only engaged with family when making the decision). The loss of land under the Derg, the changing role of traditional authorities under the Derg and the post-Derg period, were noted.

The overall sense from the focus group discussions is that not all 'transactions' are considered transactions, even when there is a high level of knowledge about the rules (e.g., sharecropping arrangements of less than two years). Without any sense of risk, or any perceived need to engage outside of kinship networks, in many cases there we not felt to be transactions requiring registration. This was especially important for sharecropping, but also applied to some forms of rental, gifting, and in some cases exchange.

### Perceived Changes by Kebele-Level Actors

One-on-one or small group discussions were also held with kebele authorities involved in the land sector. One key finding was a common perception that:

- SLLC was in all respects a positive development, allowing for higher tenure security, improved investment on land, and fairness in decision-making processes; and
- More transactions were now being registered when this was not the case before SLLC.

**Quotes from KIIs – Tigray:** *'The previous land system had a lot of problems. It had a long process and it lacked clarity. We think that about half had problems. But when the map came, it was no longer a problem because it is very clear. So, there are now not just more formal registrations, but more actual land transactions'.* Kebele level key informant, Tigray Regional State

Other observations included lower levels of corruption and misrule by powerful actors, a significant reduction in land disputes (in particular boundary disputes), and what a number argued was improved land decision-making within households (e.g., inheritance planning, registration of gifting transactions, and land transfers in cases of divorce).

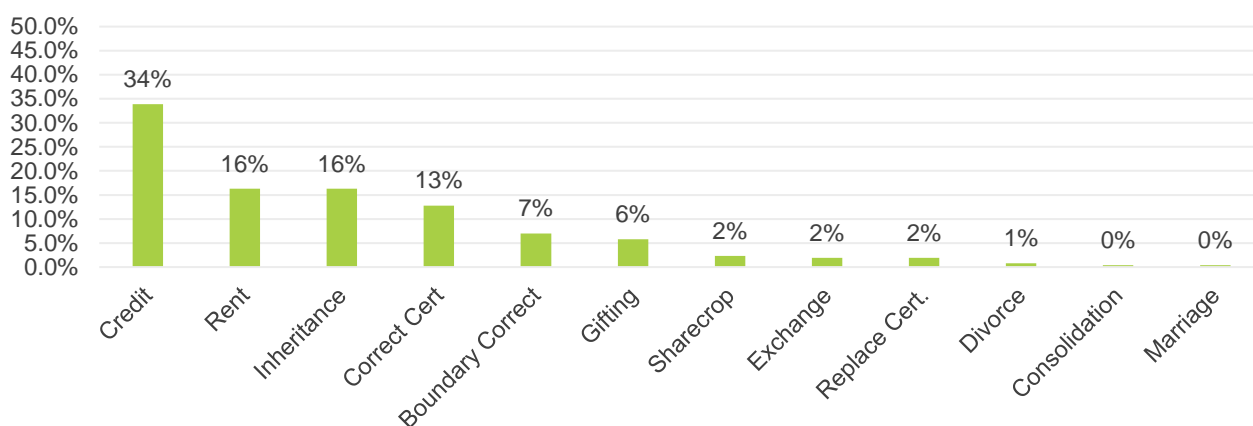
Kebele key informants also argued that certain types of transactions were more likely to formally register some transactions over others, notably those transactions that transferred landholder rights through inheritance, gifting, divorce, marriage, and even issues around long-term rentals. Most accurately, it was reported that sharecropping transactions were unlikely to be formally registered. All of these statements match with the quantitative research as shown above.

## Formal Registration Practices

### Selection of Transaction for In-Depth Questionnaire (Module 3)

For households that engaged in the formal certification process, one formally registered transaction was randomly selected, and a number of more in-depth questions were asked related to this particular transaction. Figure 16 below shows the distribution of transactions that were selected for this more in-depth interview in module 3, hence conclusions drawn in this section relate directly to this sample of formal transactions.

**Figure 16: Transactions Selected for Interview for Formal Registration**

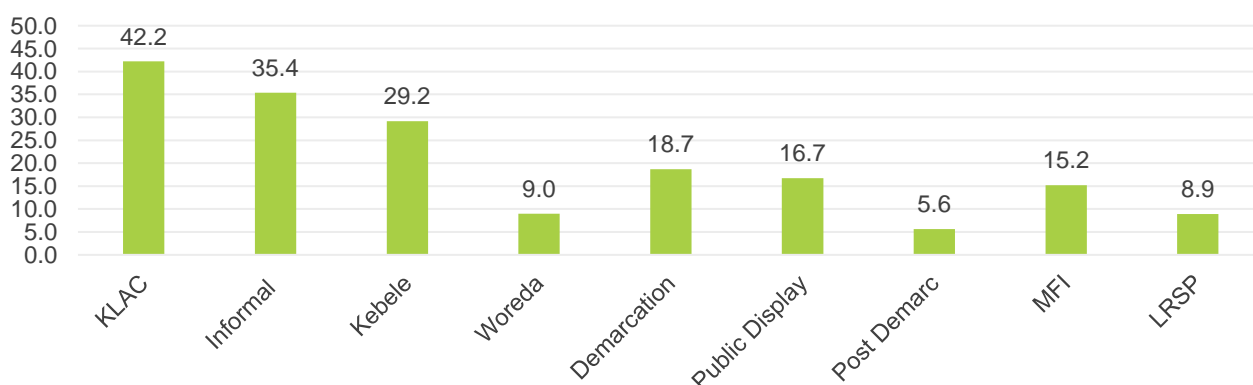


Credit was the most common transaction selected, in part due to the fact that credit transactions are by definition formal and therefore carry a larger weight in the group of formal transactions. This was followed by renting out and inheritance, which as noted above were more likely to be formally registered than other transactions.

### How Landholders Learned They Needed to Register Land Transactions

Four out of five (80.2%) learned about the need to register transactions during the SLLC process. Points in the process included demarcation, the period between demarcation and public display, and public display itself. Actors involved in this regard included KLAC members, others at kebele level (including the field teams), and in some cases land officials at woreda level. Responses suggest that these landholders learn further about registration processes from the kebele authorities, and that they tend to engage with officials and those linked to land services (e.g., micro-finance institution, LRSP) in this regard rather than community opinion leaders (e.g., village elders, 'influential people', educators, health workers, etc.). See Figure 17 below for more detail.

**Figure 17: Sources of Information on the Need to Register Transactions<sup>13</sup>**



Almost two-thirds had learned that they needed to register their land transaction through the KLAC or other land agency (category KLAC, 42.2%, Kebele, 29.2%), while half had learned during or just after the SLLC process (sum across demarcation, PD, and post dem). Some one-third noted that they had learned through informal channels as well, possibly first and thereafter going to the relevant formal authority. Further, it is

<sup>13</sup> The underlying question allowed for multiple response ("select 3 that apply") therefore percentages do not add-up to 100%.

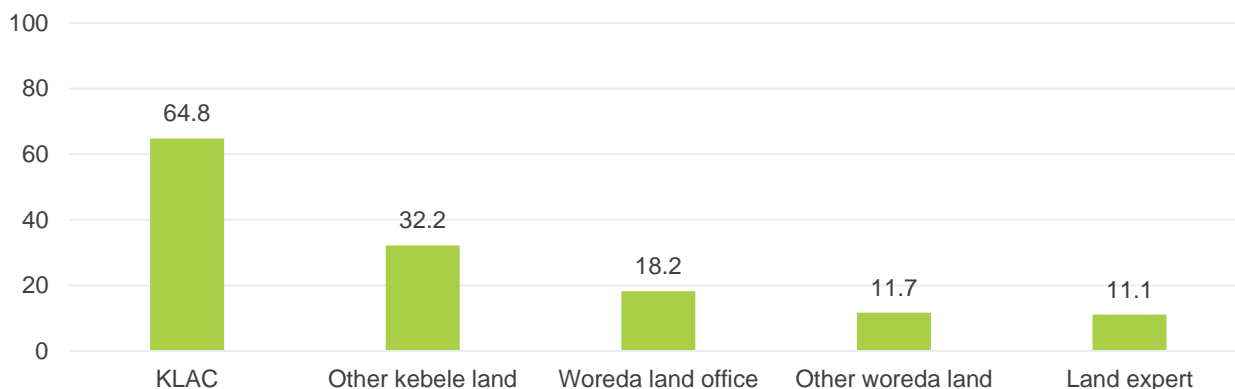


interesting to observe that over one-third of landholders who transacted formally learned about the need to register formally through an informal actor, such as a village elder, priest or neighbours. Results are summarised in Figure 17 to the left. This confirms qualitative findings discussed above and highlights the importance of village elders as influencers for landholders.

### Engagement with Formal Authorities

Respondents were asked who they had approached during the process of formal registration, with respondents allowed to indicate each such person (multiple response). Findings are summarised in the following figure:

**Figure 18: Landholder Engagement with Land Authorities for Formal Registration**



Over three-quarters of all landholders registering a transaction had approached one or other kebele land authority or the Kebele Land Administration Committee (KLAC). Over one-quarter had approached woreda level authorities and tended to be landholders who had not approached kebele authorities. This may be an issue of proximity, expected quality and comprehensiveness of services, or relating to inheritance transactions, which requires a visit to the woreda court (shares premises with the woreda land office).

Just over 10% noted that they had approached a 'land expert'. This may well be an official land authority, or a land agent such as an LRSP (LRSPs were only named specifically by 1.2% of the respondents). While the terminology underlines that not all landholders are aware of agency and official titles, the findings on 'official' authorities stands in contrast to a lack of consultations with non-official, non-land authorities. It does appear that some 10% of the landholders do approach these non-official, non-land authorities, but the success of land registration highlights the links between these non-official community leaders and the formal land authorities in referral processes.

## Formal Registration Process

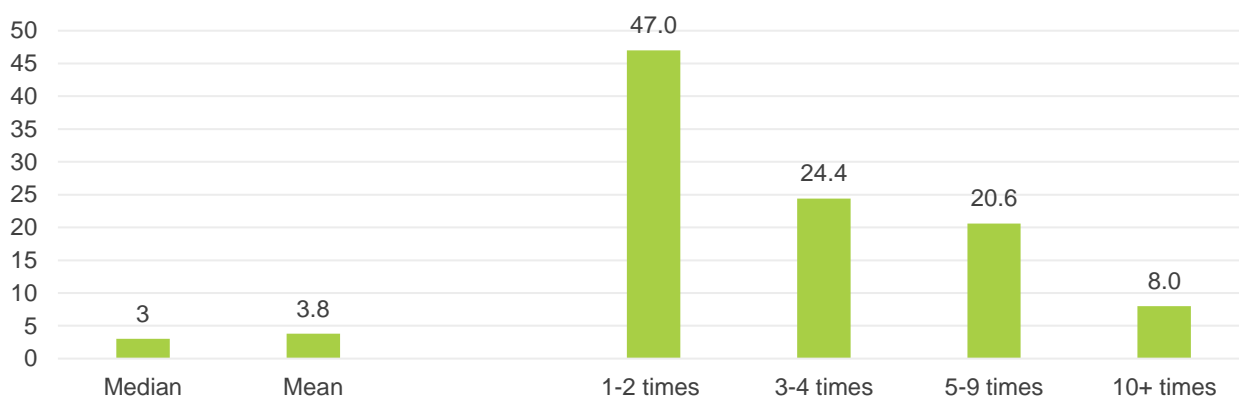
### Reasons for Registration

When asked why they registered the transaction, respondents noted that they knew this was required by law (43.8%), or in the case of credit in order to be able to use the certificate as collateral for a loan or were advised to do so by a micro-finance agency. A total of 13.1% mentioned registration to 'update the land use right' presumably to ensure that any queries on the certificate would show this up-to-date information, while 8.6% mentioned concerns about the need to avoid loss of land and a very low number noted a concern about being cheated as a key motivator. Nevertheless, these last points on avoiding being cheated or losing land were commonly mentioned as a second reason behind their main reason (with the main reasons being understanding that the law required this).

### Number of Times to Complete Process

One measure to assess the level of effort required in completing a transaction was the number of times a landholder had to visit a land authority to complete the transaction. This included engagement with non-land facilitators, such as a micro-finance agency for credit. Findings are summarised in the following figure:

**Figure 19: Number of Times Landholder Engaged with Land Authority to Finalise Transaction**



The median number of visits to land authorities to complete a transaction was 3, with the mean higher at 3.8, due to some cases where up to 15 visits were required. One-third of the respondents were frustrated with the number of visits they had made to finish the process, and a further one-quarter also had concerns; only 40% felt no frustration in the number of times they had to visit the authorities during the process. Not surprisingly, frustration was higher for those with a higher number of visits. Just under one-third (28.6%) of the landholders had to visit the land authorities more than 5 times.

Further, one-quarter of respondents felt that the process of registration was confusing, half did not feel that they were kept well informed during the process, and those who did feel informed nevertheless felt that the process could have been handled better. Findings suggest some unhappiness about the process.

### Other Process Findings

Other findings around the formal registration process were as follows:

- A total of 13.8% of respondents had incurred a cost directly related to the registration process itself (e.g., excluding transport and similar).
- A rather high 10.4% of new certificates issued were reported to have had errors in them that required correction.
- Half of the respondents felt that they were key well informed during the process, but only a few of these felt that they were kept very well informed. Those who did not feel that they were well informed during the process had stronger negative feelings.
- About 60% of the respondents did not feel that they were accurately informed of how long it would take, with those with negative feelings holding stronger opinions than those who held positive opinions.
- The majority of those who engaged in rental transactions had used the Land Rental Agreement Form, and most relied on the Land Rental Service Providers to assist. However, the number of cases was too small for further analysis.

### Certificate Updating or Provision of Other Paperwork

Respondents who had engaged in the formal land transaction process were thereafter asked whether a certificate was re-issued upon completion. For those engaged in credit transactions, this included use of a land rental agreement where the certificate itself does not need to be re-issued. The intent of this question was to get at whether they had completed the formal registration process at all and, if so, whether they had collected their certificate.

In 93% of all cases of formal transaction the relevant certificate or, in the case of credit, the loan agreement was issued. However, of the 93% of the cases where a certificate was issued, in one-in-seven cases the certificate had not been collected. The remaining 7% were asked whether they had given up on the application, whether it was rejected, or whether it was still in process. In all cases, the application was still in process.

This finding highlights that, once the formal process began, the landholders did not abandon the process.

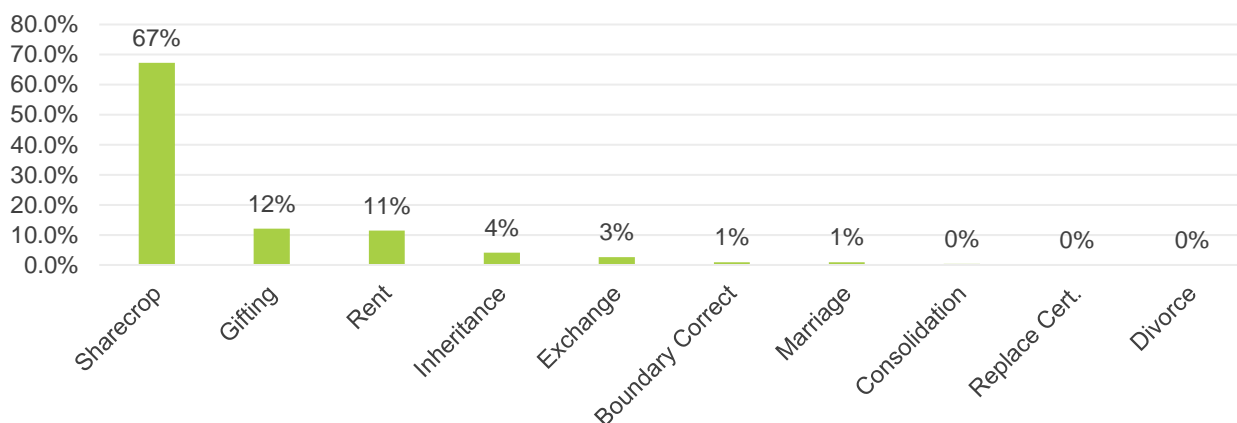


## Informal Transaction Practices

### Selection of Transaction for In-depth Questionnaire (Module 4)

For households that did not engage in the formal certification process, a non-registered transaction was randomly selected, and a number of questions asked related to this particular transaction. Figure 20 summarises the group of informal transactions that were selected for a more in-depth questionnaire'

**Figure 20: Transactions Selected for Interview for Non-Registration**



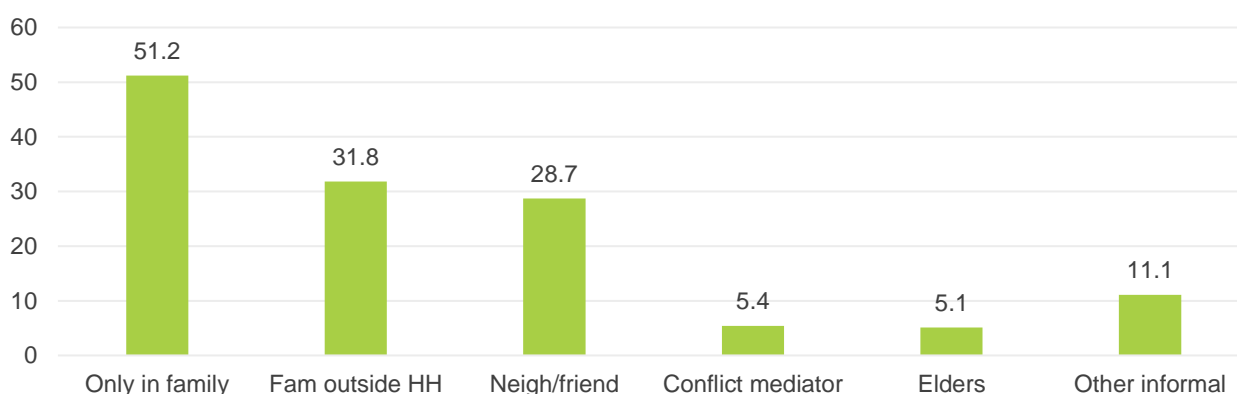
As noted above, sharecropping was by far the most commonly non-registered transaction, and as a result it was the most commonly selected at random for further discussion in Module 4. This is followed by gifting and renting, each just over 10%, followed by inheritance and land exchange. All other transactions were minor in number. As result, findings and conclusions drawn in the remainder of this section mainly relate to sharecropping.

### Engagement in Informal Transactions

Respondents were asked who was brought into the process to assist in completing the informal transaction. Results are shown in Figure 21 below.

Over half of all households engaged only in informal transactions did not approach anyone for assistance in the transaction, and instead relied only on household members or members of other households living in the same compound.

**Figure 21: Who Did Household Engage in Transaction**



**Key finding:** Non-registered transactions were usually land transactions between family members, friends and neighbours. Trust is a key determinant. Risk is perceived to be low.

This was especially high in SNNP, where almost 80% of the transactions discussions did not extend beyond the household. The remaining transactions involved other family members outside the household or friends and neighbours. In some cases, they engaged further with those outside of their own households, reflected in the high numbers of 'family member outside of household' and 'neighbour/friend' being mentioned. Only a minority went further to conflict mediators, elders, or others in discussing a land transaction.

The findings highlight that these land transactions are felt to be ‘internal’ actions that do not involve other actors save those involved in the transactions, such as the other person/household involved in a sharecropping or rental transaction.

### Lack of Clarity Regarding Registration Process

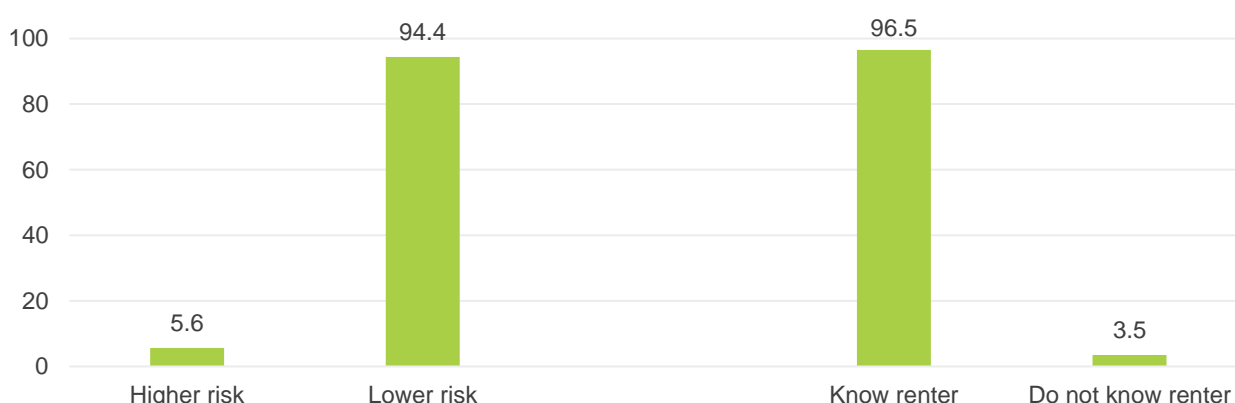
When asked why the land transaction was handled in the manner it was, almost 40% noted that the particular transaction type did not require registration. Over one-quarter did not know that transactions required registration or did not know who to contact to register a transaction. A further 20% argued that no formalisation was required because ‘it was just within the family’, and 10% more argued that no formalisation was needed because the parties in the agreement trusted each other. For sharecropping and renting out, 96.5% noted that they ‘knew the person well’, underlining the issue of trust. Almost 20% indicated a lack of clarity on the registration process, or even who to involve, while only 1% indicated that they were told they didn’t have to engage in registration by someone at the kebele authority.

It is interesting to note that, in one-quarter of all informal transactions (25.7%), there was a written agreement, despite not engaging with formal authorities. In 15% of these cases, this comprised written adaptation of the SLLC certificate itself, meaning that just under 1% of all SLLC certificates had been hand edited.

### Low Risk Perceptions

Aside from the lack of information on the process, there was a perception that historical processes of agreements on land transactions were still sufficient, with a very high 85.7% of respondents arguing that there were ‘no risks’ associated with *not* registering a transaction with the land authorities. The remaining 14.3% gave a wide range of responses, without any clear pattern. One scale statement and a follow-on question about renters underlines these findings, with the former asking about perceived levels of risk after a non-registered transaction, and the latter asking whether households that had rented out a parcel without registering the transaction knew the person they were renting to personally. Findings are indicated in the following figure:

**Figure 22: Perceived Level of Risk After Transaction, and Personally Knowing Renter or not**



Virtually all argued that risk declined after conducting an informal transaction even though the transaction was not formally registered, and almost all those engaged in rental transactions personally knew the person they were renting out to. This highlights a direct relationship between the risk perception, the person the land is rented-out to and informal practices.

A formal contract, however, could provide levels of tenure security that would allow renters to rent-out to rentee that do not live in the immediate proximity of the renter, leading to a more open land rental market.

### Comparisons between Households that Transact Formally or Informally

This section compares demographic and socio-economic characteristics between households that registered at least one transaction formally and households that followed only informal practices will be conducted. Furthermore, characteristics of the formal and informal process itself will be compared, such as length of process, who was involved in decision-making and attitudes towards transacting. Questions unique to the modules on formal or informal practices are discussed separately above.

## Formal and Informal Transactions by Gender of Household Head

**Table 10: Percentage of formal and informal transactions by gender of household head**

Transaction types	Gender of household head	%	
		Formal	Informal
All Transaction types	Male-headed households	15.30	84.70
	Female-headed households	7.80	92.20
All Transaction types (excluding sharecropping)	Male-headed households	31.10	68.90
	Female-headed households	33.50	66.50
All Other Transactions (excluding rental, credit and sharecropping)	Male-headed households	26.30	73.70
	Female-headed households	34.90	65.10
All Other Transactions (sharecropping only)	Male-headed households	1.10	98.90
	Female-headed households	0.50	99.50

Table 10 above shows the percentage of formal and informal transactions by gender of household head. When using an average across all transaction types, it seems as if there is a strong gender gap between male-headed households and female-headed households, with the later formally registering only 7.8% of all transactions conducted.

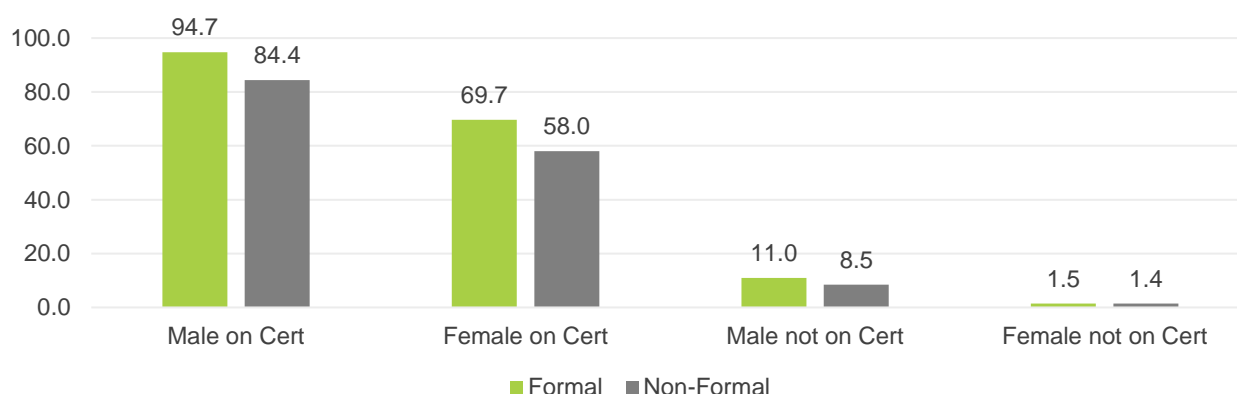
This figure, however, is strongly biased by the high amount of informal sharecropping transactions that female-headed households are engaged in. When excluding sharecropping from the average, however, numbers change dramatically closing the gender gap (FHH, 33.5% formal, MHH, 31.1% formal). It can therefore be concluded that apart from sharecropping, female-headed households register transactions with a similar likelihood when compared to male-headed households. In terms of tenure security, it should however be noted that since female-headed households engage most frequently in sharecropping, increasing the application of formal contract to cover this arrangement would have a large impact on these households.

### Decision-making by Gender

Both households involved in registering a transaction and those who did not register their transaction were asked about who was involved in the transaction process, grouped into males or females on the certificate or males and females not on the certificate. The analysis can then further disaggregate by male-headed and female-headed households to grasp differences in decision-making behaviour across these. Figure 23 below shows involvement of different household members in decision-making for male-headed households. Figure 24 shows the involvement of different household members for female-headed households.

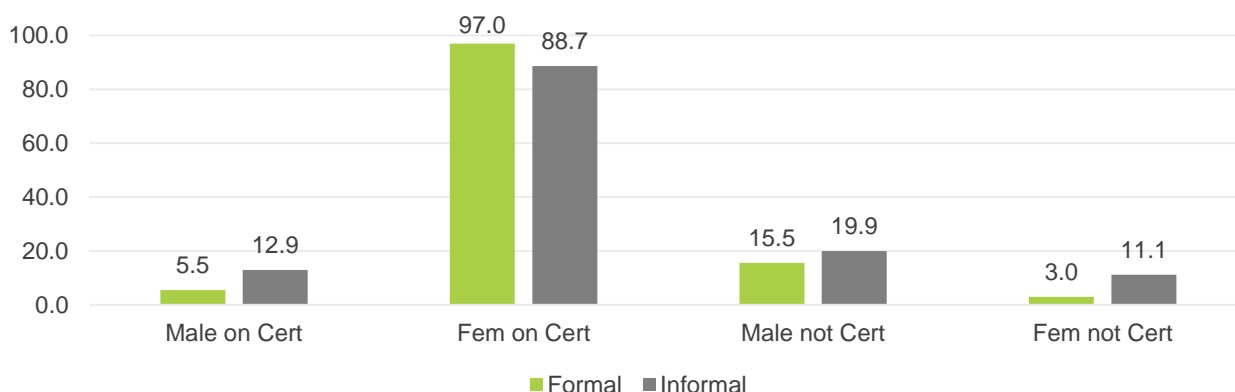
Overall, some indication can be found that females in male-headed households are involved in decision-making processes, but traditional practices remain as found in the qualitative research, and empowerment of women will need to be continued to be addressed through targeted intervention. **LIFT's SDO intervention** is reaching-out to females and more vulnerable groups with the intention to include these in the decision-making process and raise awareness around their rights and benefits from formally registering land transactions. While this survey was not designed to pick-up on the effectiveness of SDOs, separate research has been conducted and results of this will be presented separately.

**Figure 23: Involvement in decision-making relating to formal and informal transactions in male-headed households**



Unexpectedly, as shown in Figure 37 to the left, the male household head is almost always involved in decision-making around the transaction. For females in male-headed households, it can be found that these are involved more frequently in formal transactions than in informal transactions. This could be interpreted as a positive indication that including the female on the certificate increases their involvement in decision-making processes. However, it should still be noted that in about 30% of formal transactions and 40% of informal transactions, the female is not involved in decision-making.

**Figure 24: Involvement in decision-making relating to formal and informal transactions in female-headed households**



Not unexpectedly, we find for female household that the female-head is involved in the decision-making relating to most transactions. Interestingly, it can be found that 'males not on certificates' appeared in much higher percentages compared to their situation for male-headed households (11% for MHH and 15.5% for FHH for formal registration, and 8.5% for MHH compared to 19.9% for FHH for non-registration). This indicates an involvement from males, likely within the family, that while they are not a registered landholder aim to participate in the decision-making around the transaction.

### Poverty Status of Households

Both modules 3 and 4 covering formally registered and non-registered transactions, respectively, included a number of measures of socio-economic status. Data runs found that the enumerator's assessment of household poverty status dovetailed with other measures of poverty and non-poverty. For this reason, the poverty rating was used to consider whether those living in poverty were less likely to register their land transactions. A single poverty measure was created merging formally registered and non-registered households, allowing statistical comparisons.

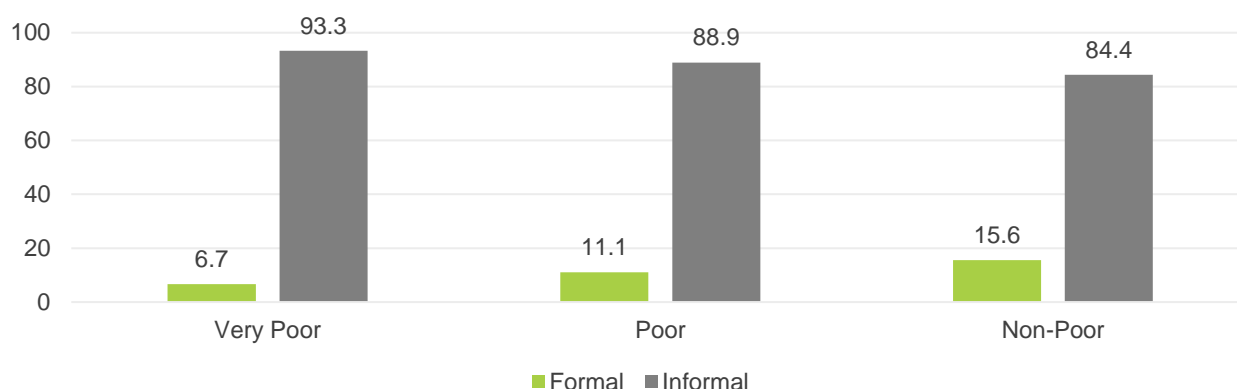
For those transactions where the numbers were sufficient for statistical tests, comparisons were made across those engaged in transactions, or not engaged in transactions. These are summarised in Table 11 below.

**Table 11: Poverty Status by Engagement in Transaction**

Transaction	Weighted Chi-Square	Weighted P-Value	Results
Gifting	116667.78	.000	Lower levels of poverty, more likely to engage in gifting
Rent Out	31222.906	.000	Higher levels of poverty, more likely to engage in renting out ('very poor' 18.6% rented out, compared to 15.5% for 'poor' and 13.5% for 'non-poor'). However, unweighted not significant
Sharecropping	260419.70	.000	The poorer the household, the more likely they are to have engaged in sharecropping ('very poor' 76.5% sharecropped out, compared to 71.2% for 'poor' and 59.9% for 'non-poor')
Certificate Correction	75394.321	.000	Non-poor households most likely to have engaged in certificate correction

For most measures where tests were possible, non-poor households were more likely to have noted engagement in a particular transaction. This held for inheritance, credit, gifting, exchange, boundary correction and certificate correction. For renting out and sharecropping, both were very common among 'very poor' households in particular, likely reflecting shortages of labour for own production.

**Figure 25: Formal Registration of Transaction by Poverty Status**



Poverty status by formal registration of transactions is indicated in the following figure, covering those who are engaged in at least one formal or informal transaction:

A clear relationship was identified between poverty status and formally registering a transaction (chi-square significant at the .1 level; 113723.24,  $p=.000$ ; test held for non-weighted data as well). Non-poor households were significantly more likely to have formally registered a transaction than 'poor' or in particular 'very poor' households.

### Commercial Agriculture and Transactions

The same two tests were conducted by the extent of *market engagement* of a landholding household, defined by the percentage of produce grow that was consequently sold at a market (and not consumed by the household). Landholders are grouped into 'half or more' of product sold in the markets last season, or 'less than half'. *Market engagement* can be interpreted as a measure of *agricultural commercialisation*. Households that sell more produce at the market produce more than they consume and use agriculture as an income source. Households that sell less produce are more likely to produce for consumption, suggesting that farming is used more for subsistence than for commercial purposes. The following table shows market engagement by likelihood of engaging in a transaction overall for relevant transactions:

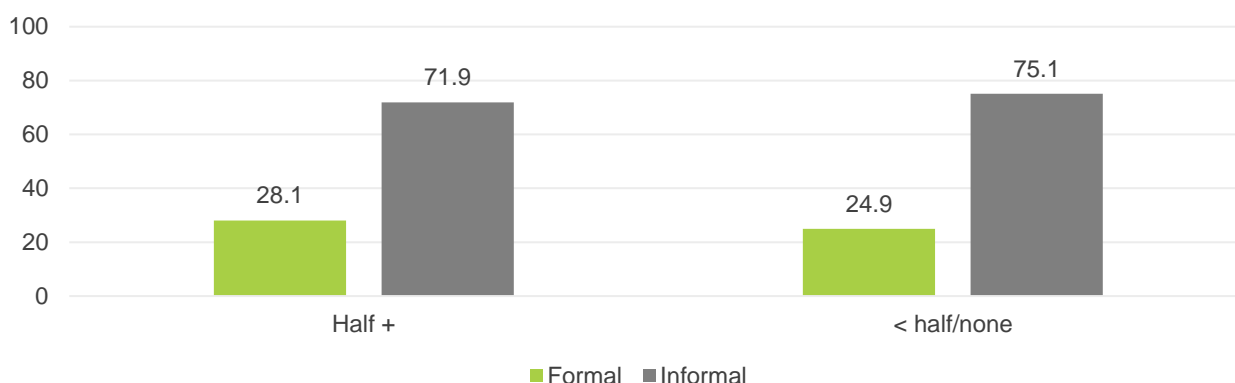
**Table 12: Market Engagement by Undertaking a Transaction**

Transaction	Weighted Chi-Square	Weighted P-Value	Results
Credit	3285.495	.000	Those with higher levels of market engagement are more likely to have engaged in a credit transaction. However, unweighted not significant
Gifting	46312.263	.000	Those with higher levels of market engagement are more likely to have engaged in a gifting transaction.
Sharecropping	29186.697	.000	Those with <i>lower</i> levels of market engagement are more likely to have engaged in a sharecropping transaction.

\* Tests not performed for transaction not relevant for this measure: inheritance, marriage, divorce, boundary correction, certificate replacement, and certificate correction

Higher levels of market engagement covaries with engagement in credit, gifting, exchange, and renting out transactions, while not surprisingly for sharecropping those with lower levels of market engagement are more likely to have engaged in sharecropping. This is consistent with high levels of covariation between lower levels of poverty and higher levels of market engagement, where only 10.2% of 'very poor' households engage in the market for half or more of their produce, compared to 29.8% for 'non-poor' households and 20.5% for 'poor' households.

**Figure 26: Formal Registration of Transaction by Market Engagement**



Gifting stands-out specifically as being associated more frequently with households that sell more than half of their harvest at the market. Where gifting could be interpreted as an informal mechanism to “sell land”, this could suggest attempts of more commercial households to expand their farming activities to new land.

Market engagement by formal registration of transactions is indicated in Figure 26, covering those who are engaged in at least one formal or informal transaction.

The higher the level of produce sold, the more likely the household was to formally register a transaction, but the difference was minor (chi-square significant at the .1 level; 9410.176,  $p=.000$ ; however non-weighted chi-square was not significant). It can therefore be interpreted that market engagement does not have a high impact on whether landholders are registering their transactions. We do however identify correlations with certain types of transactions, such as gifting.

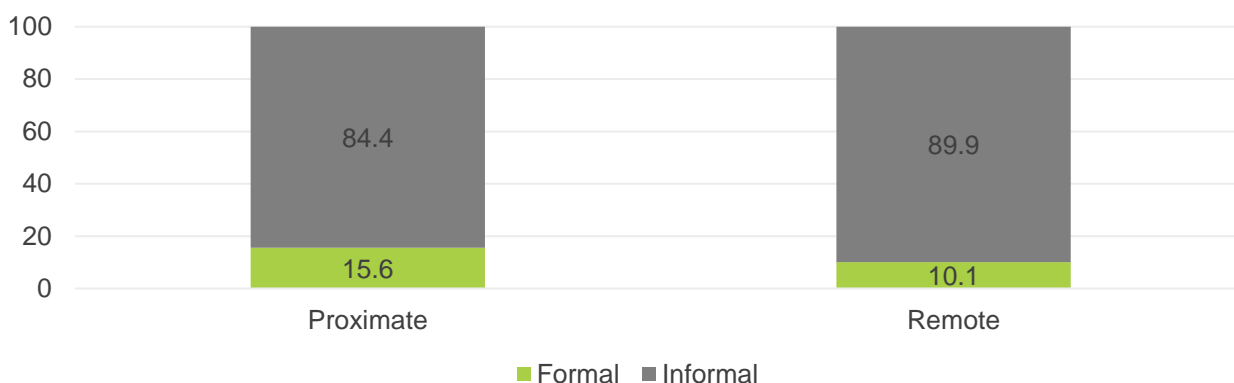
### Remoteness and Transactions

Proximity measures were recoded into ‘proximate’ and ‘remote’ and a number of data runs undertaken, one of which considered propensity to engage in a transaction. Findings are summarised in the following table:

**Table 13: Remoteness and engagement in transactions**

Transaction	Weighted Chi-Square	Weighted P-Value	Results
Credit	278331.22	.000	Locations more proximate to woreda centres and/or all-weather roads were more likely to have engaged in a credit transaction (4% versus 1.2%)
Gifting	226461.37	.000	Locations more proximate to woreda centres and/or all-weather roads were more likely to have engaged in a gifting transaction (9.6% versus 5.2%)
Marriage	76325.673	.000	Locations more proximate to woreda centres and/or all-weather roads were more likely to have engaged in a marriage transaction (1.1% versus 0.3%)
Rent Out	133508.37	.000	Locations more proximate to woreda centres and/or all-weather roads were more likely to have engaged in a renting out transaction (9% versus 5.6%)
Sharecropping	335314.72	.000	Locations more proximate to woreda centres and/or all-weather roads were more likely to have engaged in a sharecropping out transaction (36.6% versus 26.9%)

**Figure 27: Proximity by Formal and Informal Transactions**



Overall, proximity to woreda centres or all-weather roads covaried positively with engagement in transactions, be it formal or informal, across transaction type. This was also checked against likelihood of formally registering a transaction. Figure 27 to the left shows the findings.

Not surprisingly, proximity covaried with levels of formal registration of transactions, which households living in areas that are proximate to a woreda centre or an all-weather road being about 60% more likely to register a transaction than households that live in remote locations. Several correlated variables could explain this finding, including higher travel costs to the Kebele or Woreda centre combined with in general lower income levels in more remote locations. Outreach of awareness raising to more remote locations is also costlier for land authorities, which might explain lower awareness levels in general in more remote locations.

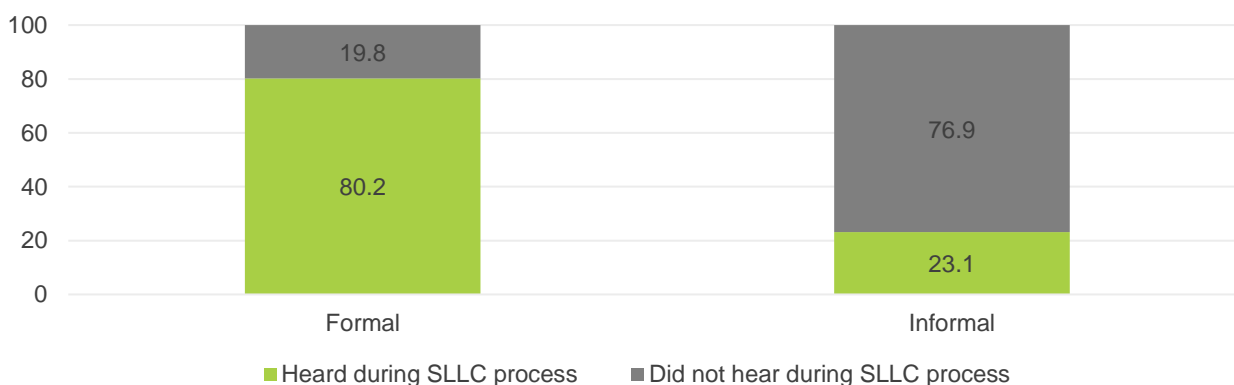
### Awareness about Formal Registration Procedures

Module 3 and Module 4 respondents were asked whether they had learned about the need to register transactions during the SLLC process.

Comparisons were also made on whether those engaged in formal registration differed from those who did not register a transaction in terms of having heard about the need to register transactions during the implementation of SLLC. Findings are indicated in the Figure 28.

Those who had heard about the need to register sporadic transactions during SLLC were significantly more likely to have formally registered a transaction. This held across transaction type, with the exception of sharecropping, where formal registration was near zero.

**Figure 28: Awareness of formal registration by HHs that registered formally and HHs that did not register**



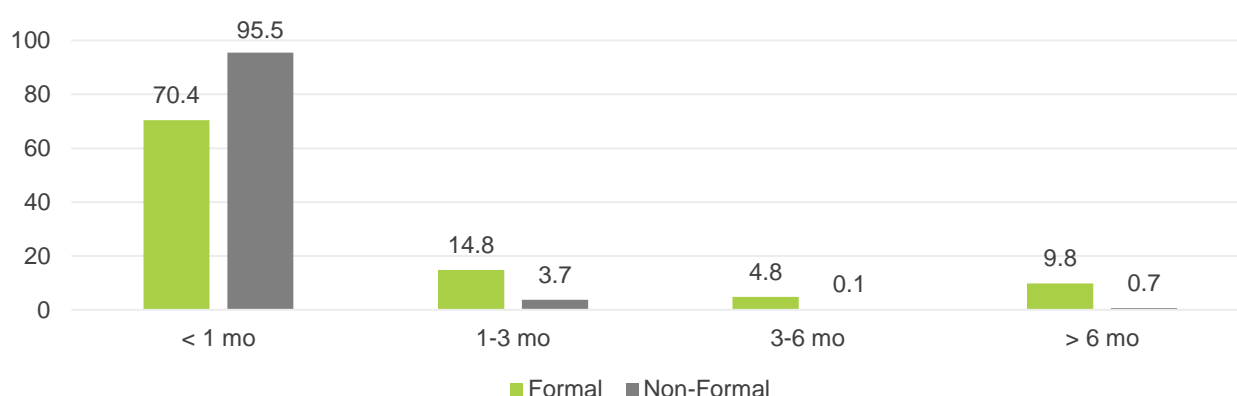
The findings are statistically significant, with those engaged in formal transactions significantly more likely to have formally registered a transaction compared to those who had not formally registered (chi-square significant at the .1 level; 1867138.8,  $p=.000$ ).

This confirms that awareness raising regarding formal registration processes during the SLLC process have a high likelihood of being effective. On the other hand this shows that a large amount of landholders were not actually educated about registration requirements during SLLC. This will be addressed through the latest PAC strategy developed by LIFT, which makes RLAS awareness raising compulsory at the SLLC process.



## Length of Transaction Process

**Figure 29: Length of Time Process Took by Formally Registered and Non-Registered**



Respondents who had formally registered and those who had not were asked about the length of the process for completing the either formal or informal transaction. Figure 29 to the left shows the findings.

Non-formal processes were clearly shorter, with almost all taking less than one month (chi-square significant at the .1 level; 1811729.7,  $p=.000$ ). Only 4.5% of non-formal transactions took longer than a month, while for formally registered transactions, the figure rose to 29.4%.

## Person with Disability or Orphan on Certificate and Engagement in Transaction

Both modules 3 and 4 included a question on disabled persons appearing on certificates. Findings by transaction type are summarised in the following table:

**Table 1: Disabled Persons on Certificates by Engagement in Transaction**

Transaction	Weighted Chi-Square	Weighted P-Value	Results
Credit	1682.077	.000	Households with a disabled person appearing on the certificate were less likely to have engaged in a credit transaction (1.7% versus 2.2%)
Rent Out	85988.035	.000	Households with a disabled person appearing on the certificate were more likely to have engaged in a renting out transaction (13.1% versus 6.6%)
Sharecropping	1128156.9	.000	Households with a disabled person appearing on the certificate were considerably more likely to have engaged in a sharecropping transaction (71.5% versus 28.6%)

Overall, households with at least one disabled certificate holder were more likely to have engaged in a renting-out and sharecropping-out parcels but were less likely to be involved in credit transactions. This is somewhat in-line with the findings of the recent EEU impact survey, where renters were found to be the most marginalised group with the need to rent-out parcels for additional income.

Comparisons were also made about households with and without orphaned children and household engagement in transactions (formal and informal). For those types of transactions where numbers were sufficient (excluding credit, exchange, marriage, divorce, consolidation, boundary correction, certificate replacement, and certificate correction), the findings were as follows:

- Households with orphans were less likely to have engaged in formal transactions and more likely to have engaged in informal transactions than households without orphans.
- Households with orphans were more likely to have engaged in formal transactions around gifting than households without orphans, but no different in terms of informal transactions.
- Households with orphans were more likely to have engaged in formal transactions around renting out than households without orphans, but less likely to have done so for informal transactions.
- Households with orphans were more likely to have engaged in formal transactions around sharecropping out than households without orphans, and also more likely to have done so for informal transactions.



## Incentives and Disincentives to Formally Register

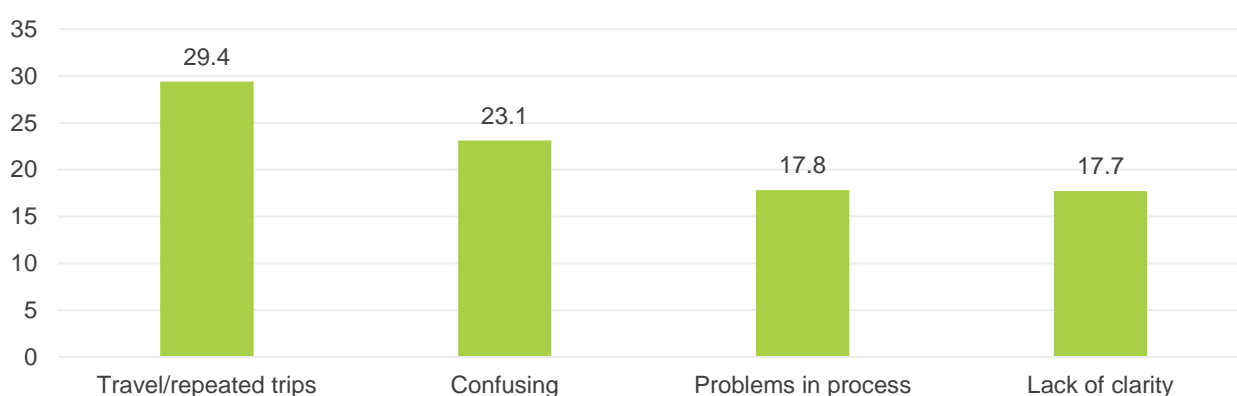
### Introduction

In the two sub-sections of the quantitative questionnaire that focused on those who had formally registered their transaction and those who had not, questions were included aimed at getting at issues of incentives and disincentives. Further insights were gained from qualitative discussions. Findings are included in this section.

### Responses from Households that Formally Registered Transaction

Only one-third of the respondents that had registered their transaction felt that there were clear disincentives to formally registering the land transaction, while two-thirds did not note *any* disincentives. For the one-third, lack of clarity in the process was most commonly mentioned, as well as repeated visits and lack of clarity on who to speak with. Respondents in Amhara Regional State were more likely than others to mention distance, travel costs and multiple trips as disincentives. Those in Oromia Regional State were instead more likely to mention issues around confusing processes. Findings grouped across regional state are summarised in the following figure:

**Figure 30: Main Disincentives to Formally Registering Transactions (for those who indicated a disincentive)**

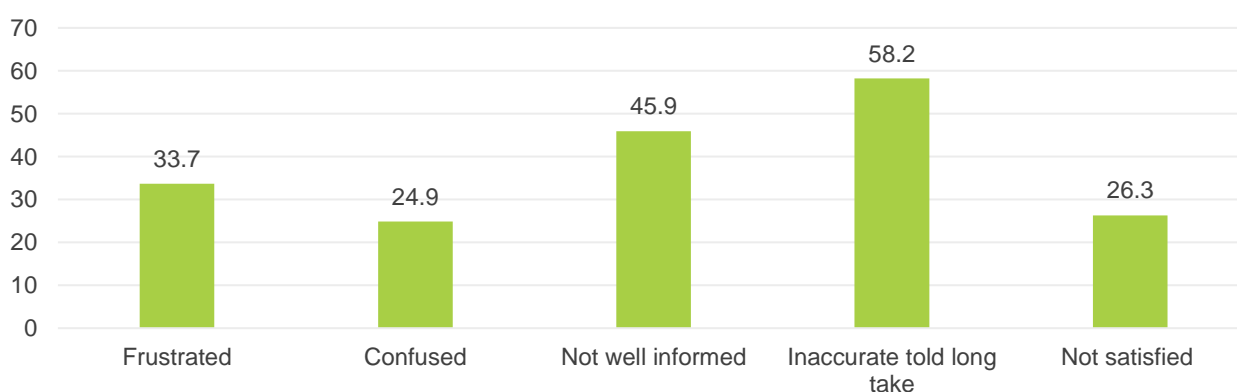


Few respondents mentioned that officials were not well informed, that unexpected payments were required, that forms were difficult to understand, that relevant documents could not be secured, that questions were felt to be too intrusive, or that officials were either ill-informed or rude. There were concerns about the number of trips required to complete the transactions.

One-third of the respondents did not feel that any incentives were required to ensure registration of land transactions. For the remainder, high quality and informed service provision was most commonly mentioned although, surprisingly, proximity was not mentioned.

Respondents were presented with five attitudinal statements about the transaction process. The following presents the percentage of respondents who indicated a negative attitude about the process, and therefore a concern about a disincentive:

**Figure 31: Disincentives stated by landholders that formally registered transactions**



**Key finding:** *Lack of clarity, length of process, clear directions, and distance and repeated trips required were all commonly-identified disincentives for those who had formally registered a transaction. Most spoke to the need to make the process clear as a means of incentivising formal registration.*

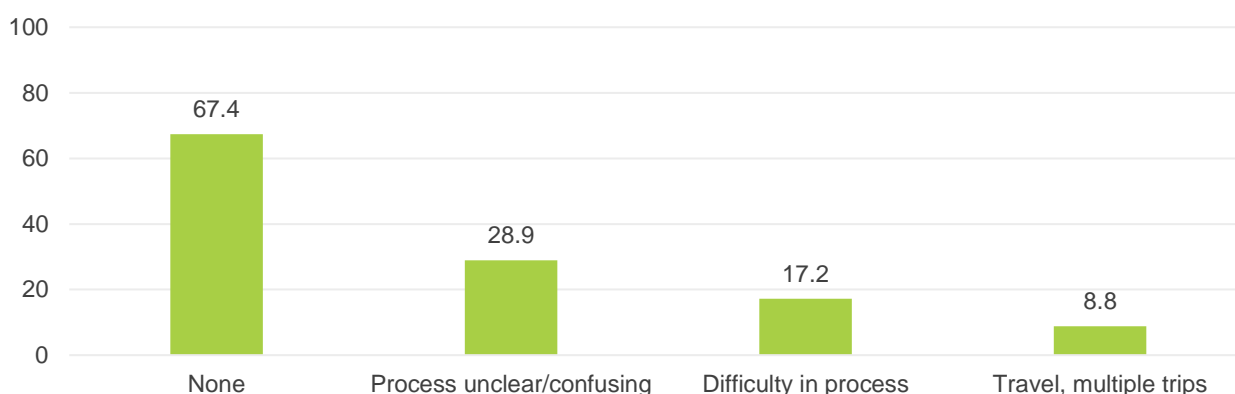
Overall, respondents were satisfied with the process of registering a transaction, although there were concerns about the length of time of the process and not knowing how long it would take, and the level of information made available about the process and length of time.

### Responses from Households that did not Register (Informal)

As with those who registered their transaction, two-thirds of those who did *not* register their transaction did not feel that there were any disincentives to doing so (67.4%). Rather, reasons for non-registering a transaction were associated with non-process factors, such as level of information on requirements, trust with those engaged in a transaction, and in some cases the use of informal processes to protect against risk (e.g., engaging with elders).

For those who mentioned disincentives, lack of clarity about the process was commonly mentioned, as was confusion over the process. Findings are summarised in the following figure:

**Figure 32: Disincentives to Not Formally Registering**



Some of the responses did suggest that up to 20% of the respondents who did not register their transaction had endeavoured to find out how they would go about doing so (whether with this transaction or another one). 'Rudeness' was mentioned by 5%, and similar numbers noted problems with the questions they were asked, the complexity of forms, and the length and repeated efforts required to formally register (and the costs in doing so).

**Figure 33: Responses to Attitudinal Statements**



To establish whether there might be some specific disincentives associated with the process of transaction registration, respondents were presented with three attitudinal statements and asked to agree or disagree and indicate how strongly. Figure 33 shows the percentage of respondents who agreed with the following three statements: 1) 'you go to the kebele authorities, the process takes forever'; 2) 'it would end up costing too much money'; and 3) 'they would just ask for documents we don't have'.

Overall, there were low levels of agreement with any of the three statements. For the majority who disagreed, most strongly disagreed.

## Constraints in the Rural Land Administration System

### Findings from Key Informant Interviews with Woreda Staff

#### *Capacity of Woreda office could not keep-up with level of service provision during SLLC process*

Woreda level one-on-one and group interviews were held, focused on the sporadic land registration process. Many of the comments referred to challenges in woredas being able to keep up with sporadic transactions if the numbers indeed increase. In a few cases the respondents noted that the intensive effort put into the SLLC process offered a serious contrast with what happened thereafter, with the teams in the field engaging with landholders and kebele land authorities, and support personnel at woreda level, withdrawing upon completion of SLLC. The ability of those in woreda land administration to keep up with the demand for updated certificates was of concern, but it also highlighted the difficulties facing woreda land officials in engaging with the kebele land authorities and building momentum for continued registration of transactions after SLLC certificate issuance.

**Quote from KII with Woreda official:** *'The turnover is high and even I plan to leave this office next year. The problem is that the government misunderstands the land administration workload. The government assumes that the entire land administration works, and problems have been solved. This assumption is very wrong, but here we are without staff nor capacity building'. Woreda Level key informant, Amhara Regional State*

#### *Transport, engagement with Kebele authorities, and service provision*

The woreda key informants argued that in order to strengthen service provision, appropriate transport that allowed more consistent engagement with kebele authorities was key. However, dysfunctions associated with lack of access to fuel, high staff turnover, and poor training of junior level officers meant that there were no 'quick fixes', and that in the interim the main gains in SLLC certificate provision could be lost in the years thereafter. More attention was required to be focused on rural land administration as part of any further SLLC process.

Transport costs and distance as an issue was also highlighted through both findings from the quantitative survey and focus group discussions with landholders. Further focus groups highlighted the need for process clarity, high quality service delivery, and efficiency in the process. Woreda key informants did mention constraints in this regard, in particular access to proximate services, and also highlighted similar concerns about the quality and timeliness of service delivery.

**Quote from KII with Woreda official:** *'Assuming that woreda officers were incentivised to do their jobs, they also need transport and other resources to get out into the field to do their jobs. This is the only way to ensure transactions are registered'. Woreda Level key informant, Tigray Regional State*

#### *Personnel capacity and availability to manage RLAS*

Some of the woreda interviewees noted difficulties in retaining personnel able to handle the complexities of registering different types of transactions. Transactions that required reissuance of a certificate were especially problematic, as some of the woredas did not have personnel who could do this.

Lack of training in the use of equipment was regularly raised as a problem that sometimes brought new certificate issuance to a standstill. Lack of training in the land management information system, whether iWORLAIS early on and now NRLAIS, was also commonly mentioned. Other constraints mentioned by Woreda staff were related to office space, equipment and poor maintenance, as well as poor communications and internet access.

#### *Front-office capacity (Kebele administration / KLAC)*

Kebele authorities sometimes sent applications through to the woreda land office when they were supposed to have been sent to the woreda court, resulting in delays in court cases. In other cases, new requirements are added to documentation for transactions but kebele authorities did not hear about these requirements, and as a result the woreda had to communicate with the kebeles about these new requirements, delaying approval.

On the plus side, some of the woredas noted that they had adapted some SLLC-instituted systems for measuring kebele performance and continued to assess performance on a monthly basis. This was noted to

be especially important in completing all certification and dealing with mistakes to issued certificates, as well as final distribution of SLLC certificates.

#### **Main constraints for Woreda offices to administer RLAS**

- *lack of well-trained personnel*
- *lack of understanding of the software (iWORLAIS/NRLAIS)*
- *lack of knowledge of farmers and KLACs on how to complete application forms*
- *lack of co-ordination between woredas and kebeles*
- *distance of farming households to the woreda or kebele*
- *poor pay of RLAS woreda officials, hence high turnover*
- *insufficient budgets to run RLAS operations*

#### **Addressing Barriers to Efficient Service Provision through the Woreda Land Administration Model Office (WLAMO) Project**

Constraints listed above are as such not new to the programme and have been identified through the annual and semi-annual RLAS implementation assessments over the past years. To address these constraints, LIFT in collaboration with RLAUD, REILA II, SLMP and GIZ have started planning and initiating the WLAMO project in 2018, which has now recently been kicked-off with regional and woreda administrations.

It is the specific focus of the WLAMO project to improve the efficiency of the “internal land transaction process” by the implementation of best land administration practices, in particular by improving staffing, training, coaching, but also by improving the process itself (better tracking and control of transaction applications).

Further, LIFT is introducing the implementation of **Mobile back-office centres (MBOCs)**, which will reach-out to more remote locations through registration drives and awareness raising campaigns, reducing the transaction costs for households living in these areas.

The efficiency of the functioning of the WLAMO project will be reviewed through a follow-up survey in 2020 and compared between standard operational RLAS woredas and WLAMO’s “model offices” to show improvements in service delivery.