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**An Assessment of Urban Lands Lease Holdings Proclamation No. 721/ 2011
implementation: A Case study of Yeka Sub-City Administration, Addis Ababa,
Ethiopia**

Endale Kidanemariam Kebede

Advisor: Dr. Tebarek Lika

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Department of Geography and Environmental Studies

An assessment of Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation in
Addis Ababa (A case of *Yeka* Sub City Administration, Addis Ababa, Ethiopia)

Endale Kidanemariam (Ato)

Candidate's Name

Signature

Approved by:

Tebarek Lika (Dr.)

Advisor's Name

Signature

Wondimu Abeje (Dr.)

External examiner

Signature

Tesfaye Shiferaw (Dr.)

Internal examiner

Signature

Fekadu Gurmessa (Dr.)

Chairman of the Department
(Graduate program Coordinator)

Signature

DECLARATION OF THE AUTHOR

First, the researcher, the undersigned, declare that this thesis is my original work and has not been presented in any other university or institutions, anywhere for the award of any academic degree, diploma, or certificate; all sources of materials used for the thesis has been duly acknowledged. Thus, this thesis has been submitted in partial fulfillment for the requirements of MA Degree in Geography and Environmental Studies, at Addis Ababa University.

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Declared by: Endale Kidanemariam

Signature _____

Date _____

Place: Ethiopia, AAU (Sidist Kilo Campus)

Confirmed by: Dr. Tebarek Lika

Signature _____

Date _____

ABSTRACT

An assessment of Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation in Addis Ababa (A case of *Yeka* Sub City Administration, Addis Ababa, Ethiopia)

Endale Kidanemariam Kebede

Addis Ababa University, 2016

The City government of Addis Ababa enacted the Urban Lands Lease Holdings Proclamation No. 721/2011 by formulating Urban Lands Lease Holdings Regulation No. 049/2011 based on its circumstances. The objectives of the Proclamation is to satisfy the growing Urban Land demand resulted because of the fast economic growth and to ensure good governance for the development of efficient Urban Land market. But it failed to do so due to its improper implementation. Therefore this research study needs to assess the implementation of Urban Lands Lease Holdings Proclamation No. 721/ 2011 and the challenges encountered. The study was accomplished through case study method; and employed both quantitative and qualitative approaches. The sample of respondents were selected from the workers and customers of *Yeka* Sub City Land Development and Management office and also non Urban Land holders using probability, non-probability and heterogeneity sampling techniques. Interview, Observation, Questionnaire, FGD, Informal Conversation and document analysis were used to gather relevant data to the study; MS- Excel and MS- Word were used for data analysis. Thus, the study found that information source to auctioners was newspaper and to the informal settlers was brokers, fair level of information accessibility, insufficient leased Urban Land allocation, provision of subserviced urban land lease plot, dominant informal Urban Land possession, residential land use changed in to other purposes, low enforcement condition on the abusers of proclamation rather leaves a room for corruption, Unaffordable leased and regularized urban land price, the narrowed entrance to urban land possession, four dominant urban land lease price intensifiers (government, old possessors, Diasporas, and higher income groups). Therefore, customers have to be technically rich enough to take service from the office, adjust the very narrowed entrance of Urban Land plot possession, put clear and reasonable demarcation for informal Urban Land regularization, provide sufficient amount of serviced land, provide a very affordable houses for the urban poor and pro poor, develop the professional capacity of urban managers and planners.

Key Words: urbanization, Urban Lands Lease Holdings Proclamation, formal urban land holders, informal urban land holders, *Yeka* Sub City.

DEDICATION

This work is dedicated to my father Kidanemariam Kebede Yilma who had played a decisive role in treating and educating me at the early age's education, who was eager to see my success, but who not able to see my fruit, passed away in 1997 E.C

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TABLE OF CONTENTS

Declaration of the author	i
Approval sheet for the board of examiners	ii
Acknowledgements	iii
Dedication	iv
Table of contents	v - ix
Acronyms and Abbreviations	x
Definition of terms.....	xi
Synonym words used in the study interchangeably	xii
List of tables	xiii
List of figures and photographs	xiv
List of equations.....	xv
Abstract	xvi

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study	1
1.2 Statement of the Problem	4
1.3 Objectives of the Study.....	6
1.4 Research Questions	6
1.5 Significance of the Study.....	6
1.6 Scope of the Study.....	7
1.7 Limitations of the Study.....	7
1.8 Organization of the thesis	8

CHAPTER TWO: LITERATURES REVIEW

2.1. Urbanization and urban Land	9
2.2. Land Policy and International Experience	10
2.3. Land Policy and Ethiopia's Experience.....	11
2.3.1. Rural Land Policy in Ethiopia	12
2.3.2. Urban Land Policy in Ethiopia	12

2.4. Land Tenure System	13
2.5. Land Leasehold.....	13
2.5.1. Urban Lands Lease Holdings and International Experience.....	13
2.5.2. Urban Lands Lease Holdings Proclamation/ Policy in Ethiopia.....	16
2.6. Urban Lands Lease Holdings Proclamation No. 721/2011 and its Characteristics..	17
2.6.1. Objectives of the Urban Land Lease Holdings Proclamation No. 721/2011...18	
2.6.2. Fundamental principles of lease	19
2.6.3. Administration of Urban Land Lease holdings	27
2.6.4. Clearing Urban Land	35
2.6.5. Miscellaneous provisions	37
2.7. Implementation of Urban Lands Lease Holdings Proclamation No. 721/2011	38
2.7.1. Practices of Urban Lands Lease Holdings Proclamation implementation ...	39
2.7.2. Constraints of Urban Lands Lease Policy implementation	40
2.7.3. The impacts of Urban Lands Lease Policy implementation	41
2.8. Conceptual Framework of the Study.....	43

CHAPTER THREE: RESEARCH METHODOLOGY

3.1. Description of the Study Area	45
3.2. Research methodology	48
3.3. Research Design.....	49
3.4. Sampling Design	50
3.4.1. Sampling techniques	52
3.4.2. Sample Population.....	55
3.5. Research data sources	55
3.5.1. Primary data sources	55
3.5.2. Secondary data sources	55
3.6. Data Collection Methods	56
3.6.1. Qualitative data collection tools.....	56
3.6.2. Quantitative data collection tools.....	57
3.7. Method of data analysis	58
3.7.1. Qualitative data analysis.....	58

3.7.2. Quantitative data analysis.....	58
3.7.3. Software Used	60
3.8. Method of data presentation.....	60
3.9. Ethical issue consideration	60

CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION

4.1. Demographic Characteristics of the Sample Population	61
4.2. Implementation of Urban Lands Lease Holdings Proclamation No. 721/ 2011.....	63
4.3.1. Sources of urban land holding information	63
4.3.2. Ways of urban land plot allocation	66
4.3.3. Provision of serviced Urban Land	68
4.3.4. Ways of Urban Land plot possession	71
4.3.5. Uses of Urban Land plot	74
4.3.6. Awareness of customers on the Land Lease Proclamation No. 721/ 2011.....	78
4.3.7. Condition of punishment for the action against the lease agreement	79
4.3.8. Conditions for the termination of leasehold	84
4.3.9. Informal urban land holdings and developments	86
4.3.10. Urban Land Regularization and its processes	92
4.3.11. Cost of formal and regularized plot of urban land	96
4.3.12. Affordability of formal and regularizing urban land price.....	103
4.4. Benefits of urban land lease policy implementation	107
4.5. Constraints for the implementation of urban land lease policy	112
4.6. Impacts on the urban land holders and non holders	116
4.7. Prospects of urban land lease policy implementation	120
4.8. Possible measures for the urban land lease policy implementation.....	122

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Summary of the findings.....	125
5.1.1. Practices of Urban Land Lease Policy implementation	125
5.1.2. Benefits of Urban Land Lease Policy implementation	128
5.1.3. Constraints for Urban Land Lease Policy implementation	128
5.1.4. Prospects of Urban Land Lease Policy implementation	130

5.1.5. Impacts of Urban Lands Lease Holdings Proclamation implementation.....	130
5.1.6. Possible measures for the Urban Land Lease Policy implementation	130
5.2. Conclusion of the research study	131
5.3. Recommendations	134
5.3.1. Customers.....	134
5.3.2. Policy Makers.....	134
5.3.3. The City Planning Office.....	135
5.3.4. The Sub city Land Development and Management Office Leaders.....	136
5.3.5. The city Land Development and Management Bureau.....	136
5.3.6. Recommended institutional reforms.....	137
5.4. Future Research.....	138
REFERENCES	i - vii
ANNEXES	
Annex I: Survey Questions.....	viii
Annex II: Observation Questions.....	xxxiv
Annex III: Interview Questions.....	xxxviii
Annex IV: Focus Group Discussions Questions	xliv
Annex V: Informal Conversations Questions	xlvi

LIST OF TABLES

Table 2.1: Lease benchmark price based on land grade and zone of Addis Ababa.....	21
Table 2.2: Summary on grace period and period of payment in Addis Ababa.....	27
Table 2.3: Summary on commencement and completion of construction in Addis Ababa....	32
Table 4.1: Demographic characteristics of the sample population (1)	61
Table 4.2: Demographic characteristics of the sample population (2).....	62
Table 4.3: Provision of serviced Urban Land in the study area.....	69
Table 4.4: The dominant way of Urban Land plot possession in the study area	71
Table 4.5: The formal Urban Land plot use in the study area	74
Table 4.6: The informal Urban Land plot function in the study area	75
Table 4.7: Fines for those who do not act according to Land Lease agreement.....	80
Table 4.8: Informal Urban Land holdings and developments in the study area	87
Table 4.9: Regularization of informal urban land and its processes in the study area	94
Table 4.10: The Urban Land lease plot possession, cost and payment arrangement.....	96
Table 4.11: Ten years formal Urban Land average lease price in the study area	97
Table 4.12: The informal Urban Land plot possession, cost and payment arrangement.....	100
Table 4.13 Affordability of formal and regularized Urban Land plot price.....	104
Table 4.14: Benchmark and average lease price based on land grade of Addis Ababa.....	106
Table 4.15: Benefits of Urban Land Lease Policy implementation in the study area	107
Table 4.16: The impacts of Urban Land Lease Policy implementation in the study area....	117
Table 4.17: Prospects of Urban Land Lease Policy implementation in the study area.....	120
Table 4.18: Possible measures for effective Urban Land Lease Policy implementation.....	122

LIST OF FIGURES

Figure 1.1 Structure of the this research study	8
Figure.2.2: Structure of the Urban Land Lease law of Addis Ababa	18
Figure 2.3: Constraints of Urban Land Lease Policy implementation	41
Figure 2.4: Impacts of Urban Land Lease Policy implementation	42
Figure 2.4: Conceptual framework of the research study.....	43
Figure 3.1: Local Map of lease area from the study area	46
Figure 3.2: Local Map the study area	47
Figure 3.3: Conceptual framework of the research methodology	48
Figure 3.4: Convergence of multiple sources of evidence	49
Figure 3.5: Sampling design of the research study.....	51
Figure 3.6: Work flow of the research study.....	59
Figure 4.1: Sources of information for the Urban Land Lease holders in the study area.....	63
Figure 4.2: Sources of information for the informal Urban Land settlers in the study area.....	64
Figure 4.3: Delivery of information to the formal and informal Urban Land settlers	65
Figure 4.4: Customers awareness about the requirements for service delivery.....	78
Figure 4.5: The expansion rate of Urban Land settlement in the study area.....	86
Figure 4.6: Range of changing informal land to secured ownership in Addis Ababa	92
Figure 4.7: A shift from informal Urban Land holdings to secured urban land.....	93
Figure 4.8: Constraints of Urban Land Lease Policy implementation in the study area	112

LIST OF PHOTOGRAPHS

Photograph 4.1: Photograph on the formal Urban Land plot preparation in the study area.....	68
Photograph 4.2: Infrastructures developed by formal Urban Land settlers of the study area....	70
Photograph 4.3: The improper usage of formal/ Urban Land Lease plot in the study area	75
Photograph 4.4: House construction made on the plot of terminated lease agreement.....	85
Photograph 4.5: the condition of informal Urban Land plot holdings and developments	90
Photograph 4.6: Photo on service provision and customers' feedback in the study area	113
Photograph 4.7: Impacts of Urban Land lease policy implementation in the study area.....	119

LIST OF EQUATIONS

Equation 1: Sample size determination for quantitative data collection (Kothari, 2004).....53

Equation 2: Sample size determination for quantitative data collection (Ratio method)54

ACRONYMS AND ABBREVIATIONS

CBE	Commercial Bank of Ethiopia
CPCO	Construction Permit and Control Office
CSA	Central Statistics Agency
EBC/ ETV.....	Ethiopian Broad Cast, Former name Ethiopian Television
E.C	Ethiopian Calendar
EPRDF	Ethiopian People Revolutionary Democratic Front
ETB	Ethiopian Birr
FAO	Food Agricultural Organization
FDRE	Federal Democratic Republic of Ethiopia
FGD	Focus Group Discussion
GIS.....	Geographic Information System
GPS.....	Global Positioning System
G + 0.....	Ground plus Zero
KII	Key Informant Interview
LBTO	Land Bank and Transfer Office
LDPs.....	Local Development Plans
M ²	Square Meter
EMA	Ethiopia Mapping Agency
MoWUD	Ministry of Work and Urban Development
Mt.	Mountain
NGO	Non-Governmental Organization
TATPSO.....	Title Administration Transitional Period Service Project Office
ULLPI.....	Urban Land Lease Policy Implementation
YSCLDMO.....	<i>Yeka</i> Sub City Land Development and Management Office

DEFINITION OF TERMS

Birr: Ethiopian currency = 27 US \$ (November 7, 2016)

Block: is to mean a group of building with streets of different meters wide on all sides

Parcel: is to mean a building/ or a plot in the block with different square meters

Squatter: unlawful tenant /unlawful resident

LOCAL TERMS

Ketena: group of houses forming administrative unit in the city of Addis Ababa

Woreda: part of government administrative structure similar to the status of district. It is a local administrative level next to *ketena*

Sub-Woreda: also called *ketena*, is a local administrative level found under *Woreda*.

Sefers: is a local administrative level found under *Woreda*.

Yechereka betoch: also known as illegal settlements or commonly “moon shine houses” because people squat on the land during the dark hours of the night. These houses are constructed by squatters without the authorization of the concerned body at night within a short time.

SYNONYM WORDS USED IN THE STUDY INTERCHANGEABLY

Administration/ Government

Auction participants/ bidders

Customers/ formal and informal Urban Land holders

Formal Urban Land holders/ Urban Land lease settlers

Informal Urban Land holders/ Illegal Urban Land settlers/ Squatter/ spontaneous settlements

Lease agreement/ Leasehold/ lease contract

Lessor/ Land owner/ Government

Lessee/ Leaseholder/ Urban Land Lease Holders

Old Urban Land possessors/ former formal Urban Land holders

Proclamation/ Policy (have different use but used interchangeably in this study)

Public interest/ Public purpose

Urban Land hold/ Urban Land possession

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Land is the single greatest resource in most countries. According to (Susan, 1993: 11/ 312), “each generation makes its demands on the land, but ours are no longer modest; each leaves its legacy on the landscape; ours may be more enduring.” Thus, it can be said that “Land touches all aspects of how people earn a living” (FAO, 2007: 3/ 11). No aspect of life in Rural and Urban areas is without land, not touched by it. This is because; several characteristics distinguish land from other resources. “Financial institutions frequently prefer land as collateral for credit operations in many developing countries” (Bacry et al, 2009: 41/ 73). Land has immobile nature, its depreciation is small, and its value is not eroded by inflation. Land is a scarce resource so that it needs proper utilization. “The misuse of land does not only waste a scarce resource but also affects other sectors of development” (Bantayehu, 2012: 9/ 82). “Equitable and secure access to land is a crucial factor for reducing poverty and hunger” (FAO, 2007: 7/ 11). Therefore, this scarce resource should have to be managed via written regulations like: land management policy, land use policy, land lease policy, etc. This is why countries are enforced to formulate land use regulations as a fundamental mechanism to control the improper utilization of urban lands. For this reason, most urban centers of our world today are preparing Urban Land Lease Policy; and therefore, implementation of Urban Land Lease Policy is practiced in the cities of developed and developing countries and it is becoming the current issue by following its recognition in improving its efficiency, effectiveness, transparency, accountability, and customer satisfaction.

Some countries in the world have well established lease institutions and long experience on the implementation of Urban Land Lease Policy while some other countries have less experience, Dowall and Clarke (1996: 8/ 57) state that “in Europe, the Land Lease implementing organization is locally controlled and its activities are on a limited range of objectives”; This shows that they have a long land lease established institutions and so that they have a well developed Urban Land Lease implementation experiences. And also, (Belachew, 2010: 43/ 90) states that “in developing countries for example, in South Africa, land is owned both by the government and private sector, the lion share goes to the private sector.” Due to this fact, land is transferred to different users either by permanent sale or lease sale. Even in Ethiopia, before the revolution (1930-1974), “urban land was held in private (i.e. the minority elite feudal lords and

urban landowners making the majority of the population their tenants) ownership” (Sisay, 2010: 3/ 21). Despite the fact that these few elite ruling members benefited more from this mode of landownership, feudal and their follower possessed large plot of land as much as they can. Also “land was granted to individuals/peasants, who were then allowed to use, rent, and inherit to their family members; and they were obliged to pay different kinds of land related taxes, usually paid in kind” (Ibid, 2010: 3/ 21). “When the Dreg came to power in 1974, it passed a proclamation (47/1975) that transferred all Urban Land and extra urban houses to the government ownership and was not subject to mortgage, donation, lease and/or other means” (Mulat, 1999: 26/ 75). The proclamation permitted access to Urban Land / house to everyone in the country.

When Ethiopian People Republic Democratic Front, EPRDF came to power, things had been changed. According to (Sisay, 2010: 4/ 21) “EPRDF led government assumed power in 1991; it designed a new land tenure system for urban Ethiopia.” Therefore, in large cities and towns, designated by federal and central states as towns, urban land has been transferred to individuals by lease agreement. (Belachew, 2010: 35/ 90) states that “According to the EPRDF Government's, all Urban Land is public property and transfer will only be carried out through the lease system.” Thus, leasehold as a land tenure system was then introduced in the country in 1993, for the first time. Today, in Ethiopia, lease is the special Urban Land -Holding system to transfer Urban Land to users in accordance with the master plans of each urban area. Hence, Urban Land of today is governed by a special legislation, namely, the Urban Lands Lease Holding Proclamation No. 721/2011 that was ratified on 28th November, 2011. This Proclamation was prepared with a little amendment of the previous Urban Lands Lease Holding Proclamation No. 272/2002 and the firstly introduced Urban Lands Lease Holding Proclamation No. 80/1993.

At this time, the city administration of Addis Ababa implement Urban Lands Lease Holding Proclamation/ Policy No. 721/2011 as a means to transfer Urban Land use rights from the government ownership to individual citizens. The principal objective of this Urban Lands Lease Holding Proclamation is to provide serviced Urban Land, provision of low cost houses to the urban poor, control of Urban Land speculators, and close the created rooms for corruption and so on. But it failed to do so. This is because of that the city government of Addis Ababa become inefficient for its implementation due to different limitations. The limitations were occurred because of improper implementation of Urban Lands Lease Holding Proclamation/ Policy. As

(Belachew, 2010: 28/ 90) states the poorest provision of infrastructure, especially in the outskirts of the city of Addis Ababa make the majority of investors to complain on the implementation of Urban Lands Lease Holdings Proclamation/ Policy. He noted on the lease rates exist in Addis Ababa that it can be seen as being too high; lease rates usually range around the assumed purchasing price. He also added on the nature of Leased Urban Land plot to use it as collateral in Banks that it does not seem to accept Leased Urban Land plot as a security. It can be said that as (Haimanot, 2010: 91/ 136) concludes the satisfaction of the actors and customers was low with the output and attained benefits of Urban Land Lease policy implementation. (Biruk, 2014: 109/ 120) also stated “Urban Land Lease policy of Ethiopia ratified to alleviate the major threats to the political system”. On top of this, (Sisay, 2010: 1/21) said that “for the last 18 to 20 years, the Urban Land Lease Policy of Ethiopia has created a comfortable situation for corruption, illegal urban land speculation and wealth creation by some groups in Addis Ababa”, which is unfair for the total population of Addis Ababa who lives in the city for more than twenty years.

According to (Nesru, 2009: 18 and 39/ 103), “it is practically impossible for low-income households to acquire Urban Land for housing in the formal sector either via sale or rent” instead, “they resort to the informal and illegal/ unofficial areas for housing where they can obtain shelter and land at far lower costs”. This is why in the informal settlement areas; there is a probability of flexibility for low-income households to get affordable Urban Land/ housing.

The implementation of Urban Lands Lease Holdings Proclamation/ Policy No. 721/ 2011 has a great role for the achievement of efficient Urban Land use, easy access of land by every individual; and also very useful to facilitate the country’s economic development (i.e. enhancing urban infrastructure, built low cost houses for the urban poor, etc. by the revenue collected from Urban Land Lease payment) (Proclamation No. 721/ 2011, 2011: 6220). Hence, this research paper tried to assess its role and how it works in line with the economic development of the city of Addis Ababa in general and equitable distribution of Urban Lands in *Yeka* Sub City in particular. Furthermore, the paper tried to see the experience of informal Urban Land settlement of *Yeka* Sub City, *Woreda* 12 and 13 administration so as to get important lessons for the present status of Urban Lands Lease Holdings Proclamation/ Policy implementation of Ethiopia.

1.2. Statement of the Problem

Ethiopia is one of the developing countries in Africa that is now implementing Urban Lands Lease Holdings but not made significant changes in its basic implementation for over two to three decades to accommodate the growing population, especially the low income groups/ urban poor (Solomon, 2014: 41/79). Related studies on the Urban Lands Lease Holdings Proclamation/ Policy implementation manifest that there is serious inadequacies to meet the needs of the poor urban population of land accessibility, land tenure security, transferability, and compensation for the expropriation made at different times (Belachew, 2010: 7-8/ 90).

As part of Ethiopia, the city of Addis Ababa enacted Urban Lands Lease Holdings Proclamation No. 721/2011 by formulating its own Urban Land Lease regulation, directive and manuals. Even if the City Government of Addis Ababa implements the newly formulated Urban Lands Lease Holding Proclamation/ Policy with its Urban Lands Lease regulation No. 049/ 2011, Urban Lands Lease directive No. 011/ 2011, it failed to achieve its objectives (Bantayehu, 2012: 17/ 82). The Urban Lands Lease Holdings Proclamation/ Policy implementation does not satisfy the major objectives of transferring the Urban Lands that helps to generate income for financing urban infrastructure and to alleviate poverty, to encourage citizens and any others for investment, to minimize, and even to abolish the urban sprawl problems of Addis Ababa city (Sisay, 2010: 1/21; Belachew, 2010: 7-8/ 90). The city Government of Addis Ababa is struggling with a number of challenges for the proper implementation of Urban Lands Lease Holdings Proclamation No. 721/ 2011. These challenges exist in different forms: “Complicated weak governance which is associated with lack of process transparency, inefficient officials’ capacity and lack of access to information, existence of informal payment” (Nesru, 2009: 24/ 103). Moreover “inadequate allocation of Urban Lands to low income groups, inefficient service provision and administration and high Urban Land price” (Teferi, 2011, Belachew, 2010) are the other defects for the implementation of the Proclamation.

On top of this, “The price of land has grown unexpectedly high and underutilized land has been spread all over the city” (Sisay, 2010: 02/21). The current Urban Land Leasehold market price in Addis Ababa is unaffordable for the majority of the inhabitants, which prevents them from building a private single dwelling. According to the information obtained from the Ministry of Works and Urban Development (MoWUD), the city government of Addis Ababa is currently transferring Urban Land through competitive public bid. Thus, the land marketing experience in

Addis Ababa has shown that the maximum prices reached above 10,000 Eth. Birr per meter square (MoWUD, 2011). Currently, a plot of Urban Land is transferred in the form of lease with a lease price range of 22,500 – 31,800 birr per meter square (Annual report, 2015/16); this indicates that there is high cost of Urban Land Lease price in the study area. This might be because of limited number of Urban Land Lease plot provision (Informal conversation, 2016). In addition to this, as it is stated in the Urban Lands Lease Holdings Proclamation: prior to advertising Urban Lands prepared for tender, the Lands have accesses to basic infrastructure; (Article 8, 1/c: 6226) of the proclamation. But, practically the infrastructures (water, electric and power lines, road) is not adequate for the transferred Urban Land Lease plot by which the Urban Land Lease holders are suffering from inadequate infrastructures when they are transporting construction materials and building their houses. As a result, they cannot finish the construction activity of their house at a given timeframe rather obliged to ask for renewal of lease agreement.

There are different research works about the Urban Lands Lease Holdings Proclamation/ Policy of Ethiopia. Some of them focused on factors affecting the implementation of Urban Land Lease Policy/ Proclamation (Belachew, 2010); An Assessment of Urban Land Lease Policy implementation in Ethiopia (Haymanot, 2009); Urban Lands Lease Policy vis-à-vis Tenure Security and the Environment (sisay, 2010); and the others focused on the formulation process of Urban Lands Lease Holdings Proclamation/ Policy (Biruk, 2014) and People's attitude towards Urban Lands Lease Holdings Proclamation/ Policy and its benefit (Afework, 2013). But, they did not assess the challenges with its implication of Urban Lands Lease Holdings Proclamation/ Policy implementation at local/ Sub City level. Therefore, the rationale behind this study is to evaluate the implementation of Urban Lands Lease Holdings Proclamation No. 721/ 2011 in *Yeka* Sub City, *Woreda* 12 and 13 Administrations through *Yeka* Sub City Land Development and Management Office by depending on the selected three offices (i.e. Land Bank and Transfer Office, Title Administration Transitional Service Project Office, and Construction Permit and Control Office) and *Yeka* Sub City, *Woreda* 12 and 13 Construction Permit and Control Offices to identify the major constraints that hinder the implementation of Urban Lands Lease Holdings Proclamation/ Policy and its implications by assessing the implementation of the new Urban Lands Lease Holdings Proclamation No. 721/ 2011 with its regulation and directive.

1.3.Objectives of the Study

The overall objective of this research study is to assess the implementation of Urban Lands Lease Holdings Proclamation/ Policy No. 721/ 2011 and the challenges encountered. More specifically, the study was intended to:

- ✓ assess the practices of Urban Lands Lease Proclamation No. 721/ 2011 implementation;
- ✓ identify the challenges of Urban Lands Lease Proclamation No. 721/ 2011 implementation;
- ✓ indicate the implications for future planning and management practices of Addis Ababa.

1.4. Research Questions

This study tried to answer the following research questions:

- ✓ What are the practices of Urban Lands Lease Holdings Proclamation implementation?
- ✓ What are the constraints of Urban Lands Lease Holdings Proclamation implementation?
- ✓ What are the impacts of Urban Lands Lease Holdings Proclamation implementation?

1.5. Significance of the Study

This study has significance for Policy makers as an insight for modifications and improvements of Urban Lands Lease Holdings Proclamation No. 721/ 2011 for further development. It helps for the City and Sub City Land Administration Leaders to observe their status in the implementation of Urban Lands Lease Holdings Proclamation No. 721/ 2011. It is important to design the type of training to be given for the implementers in order to implement the Urban Lands Lease Holdings Proclamation No. 721/ 2011 efficiently and effectively and therefore to meet the objectives of Urban Lands Lease Holdings Proclamation No. 721/ 2011 and to satisfy the needs of the society. It enables the customers of *Yeka* Sub City Land Development and Management Office to get enough information about the implementation of Urban Lands Lease Holdings Proclamation No. 721/ 2011. It provide with some sort of inputs for academic purposes, for the practices of Land Administration in the Sub City generally and *Woreda* 1, *Woreda* 12 and 13 Administrations specifically. It also serves as a springboard for other researchers who are motivated in conducting further studies on the implementation of Urban Lands Lease Holdings Proclamation, especially on the new Urban Lands Lease Proclamation No. 721/ 2011 that are practiced in every urban areas of Ethiopia.

1.6. Scope of this research study

The scope of Urban Lands Lease Holdings Proclamation/ Policy implementation is broad. Thus, the study addressed the assessment of Urban Lands Lease Holdings Proclamation only the Proclamation No. 721/ 2011 and its implementation, challenges and future implications in *Yeka* Sub City administration. The reason that the researcher targeted his study on its implementation is that he observed problems during the implementation of Urban Lands Lease Holdings Proclamation No. 721/ 2011 in the study area through *Yeka* Sub City Land Development and Management Office.

The study focused only in the boundary of *Yeka* Sub City, *Woreda* 1, *Woreda* 12 and 13 administrations and *Yeka* Sub City Land Development and Management Office; because the three *Woredas* are the large population concentration area who own Urban Lands in a formal way, mainly in *Woreda* 1 and *Woreda* 13 Administrations and also in an informal way of Urban Land plot possession is existed mainly in *Woreda* 12 Administration.

The study encompassed formal and informal Urban Land holders of *Yeka* Sub City, *Woreda* 1, *Woreda* 12 and 13 Administrations, workers in *Yeka* Sub City Land Development and Management Office, and Non Urban Land holders such as brokers, bank workers, merchants, taxi drivers, housemaids, teachers and students. Therefore, the scope of the study is delimited to assess the Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementations, benefits, challenges, prospects and its future implications in *Yeka* Sub City Administration.

1.7. Limitations of the Study

In conducting this study, the major challenges were finding clearly organized documents/ secondary data in the study area. The researcher resolved the problem of finding organized secondary data through discussions with Government officials and he tried to fill the missed data with primary data through observation, interview, FGD and informal conversation. During the time of data collection, the researcher encountered limitations such as interview respondents (office heads, work process owners and experts of the Sub-City Land Development and Management Office) were busy because of different meetings. Customers were also reluctant to fill the questionnaires and fear to express real situation as the issues directly concerned with them. The researcher tried to alleviate these problems by arranging convenient time with

different government officials and discussing with the customers on the purpose of the research study and the importance of their contribution on the reliability of the study.

1.8. Organization of the Thesis

The researcher organized the study in five chapters that enables to present the study result easily. The first chapter consists of background of the study, statement of the problem, objective of the study, research questions, Significance of the study, scope of the study, limitations of the study and organization of the thesis. Chapter two deals with review of literatures and conceptual framework of the study; chapter three present the research methodology; chapter four concentrated on the analysis, discussion and interpretation of the collected data; and finally the fifth chapter deals with the summary, conclusions and recommendations.

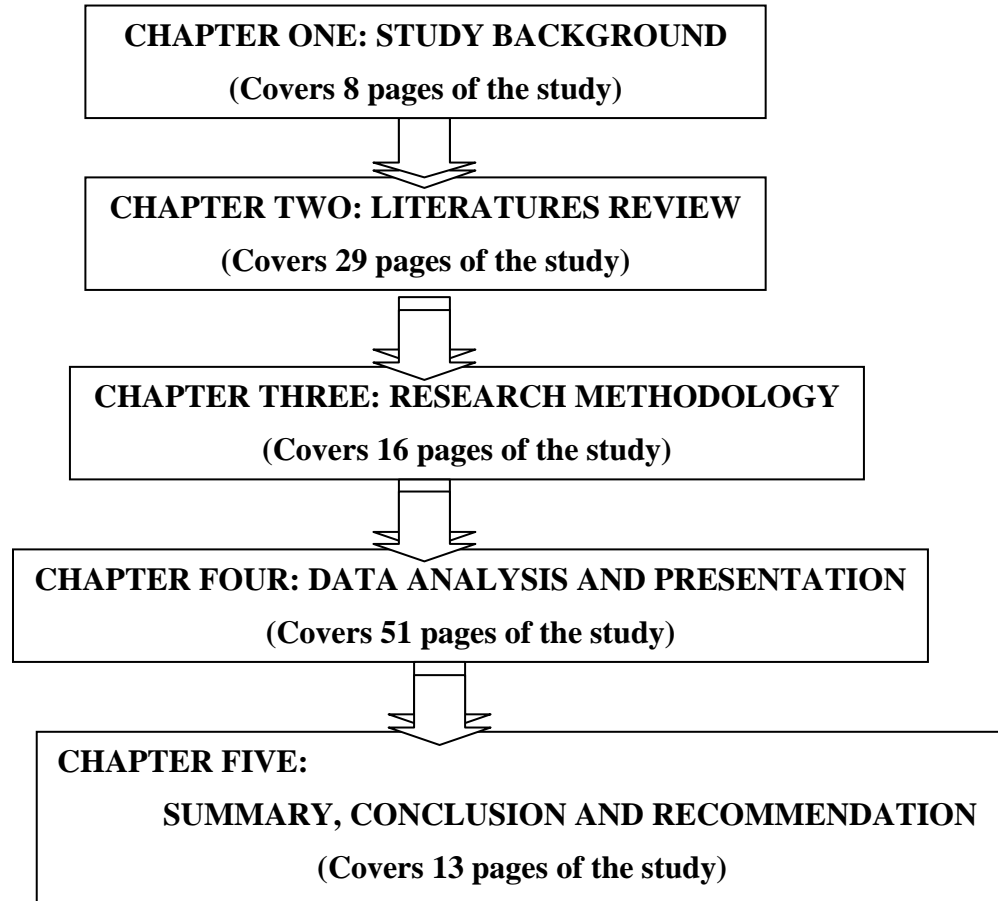


Figure 1.1 Structure of the this research study

Source: Own illustration, 2016

CHAPTER TWO

LITERATURES REVIEW

This chapter of the study presents the review of relevant literatures from various practical studies on the Urban Lands Lease Holdings Proclamations implementation. The characteristics of Urban Lands Lease Holdings Proclamation No. 721/ 2011 with its benefits, challenges and prospects were presented and finally, the conceptual framework of the study was developed.

2.1. Urbanization and Urban Land

Urbanization is a way of altering agricultural lands in to human settlements to live permanently with proximity. The rate of altering shall be enhanced by high population growth; it is due to rapid Rural-Urban migration and natural increase. The Rural-Urban migration is due to pull and push factors and also the natural increase is due to birth rates of the former inhabitants and the migrants; are considered as the two major facilitators of population growth for the process of Urbanization (Nesru, 2011: 40-41/ 103). Thus, the alteration of agricultural lands in to Urban Lands is dominantly because of “. . . both Natural Increase and Rural-Urban migration” (Dowall and Clarke, 1996: 25). Through time, rural areas are transformed in to urban areas and are characterized by spatial concentration of human population who are working dominantly in non-agricultural activities (Nesru, 2011: 40/ 103).

At this time, urban areas have been growing and expanding very fast. For example, the rate of conversion of Rural Land in to Urban Land for Asian cities is enormous; in Bangkok, urban growth required 3,200 hectares of agricultural lands per year (Dowall and Clarke, 1996: 15/ 57). Urban lands of China increased by 817, 000 hectares within 10 years (Nesru, 2011: 40/ 103). This is because, the process of urbanization does not take place in a thin air or in a vacuum; it requires enormous amount of land. As a result, cities will mushroom - doubling their built-up urban areas over the next 25-40 years; large developing world cities like Mexico City, Jakarta, São Paulo, Bangkok, and Bombay are converting between 3000 and 5000 hectares of rural land to urban uses each year (Dowall and Clarke, 1996: 16/57). This shows that all of these expansions and growth have mainly come at the cost of Agricultural lands (Nesru, 2011: 40/ 103). According to (Abraham, 2012: 05) and (Urban plan strategy, 2011: 4/ 177 cited from UN, 2010), 40% of Africa’s population living in urban areas; by 2050, for example, half of Africa’s

population, or at least 1.2 billion people, will live in urban areas; thus, accounting for one quarter of the world's urban population.

Ethiopia was among the least urbanized countries in sub-Saharan Africa with only 17% of its population living in urban areas (Sisay, 2012: 01/ 21) and (Urban plan strategy, 2011: 4/ 177 cited from UN, 2010). However, currently the urbanization processes in Ethiopia are among the fastest in the world with more than 5% annual growth rate (Ibid, 2012: 01/ 21); which show that there exist very high process of urbanization in Ethiopia that needs more Agricultural lands to be converted in to urban lands for the purpose of Urban population settlement.

The increase in urbanization results the increase in demand for Urban Land whereas a decrease in Urban space (African Union, 2009: 23/ 65). It means, it needs extra lands from rural lands for the increasing demand of Urban Land. In doing this, the conversion of limited amount of rural lands in to Urban Lands need a comprehensive Land Use Policy; otherwise, it results informal Urban Land possession as it is stated by (Land Development and Management Policy, 2011: 9/ 59), "Urbanization in Africa will continue to be characterized by informal settlement developments where over 60% of urban residents currently live". This is a phenomenon which will continue to compound inequalities in access to development resources in these areas; a factor which in turn has a direct impact on social and economic stability particularly in primary cities that are important drivers in national economies (Nahiduzzaman, 2006: 39/ 160). Studies by (Sisay, 2012: 01/ 21), (Nesru, 2011: 39/ 103), (Belachew, 2010: 43/ 90) and others indicate that a large number of Ethiopia's Urban population is settled in an informal way, unauthorized and un-serviced settlements. Hence, an appropriate Urban Land holdings rule, use regulation and development policy are compulsory to develop cities and towns of Ethiopia with urban plans in a sustainable manner (Urban Land Development and Management Policy, 2011: 9-11/ 59).

2.2. Land Policy and International Experience

As there are different ideologies in different countries of our World today, there are also different land policies which reflect the ideologies of those countries to have either public or private ownership of land. (Belachew, 2010: 7 - 8 /90), identified two approaches that are mostly used in many countries. The first one is the experience adopted by Russia, Poland, Finland, and ...so forth, which allow private ownership, use and control of land. According to Belachew, these former socialist countries introduced a comprehensive land policy reform which focuses on the

security of land tenure for developers and the promotion of economic growth. The second is the experience adopted by Ukraine, China, that is the state control and ownership of land, but the grant of use and benefit rights to the people, which is more or less similar with the current Ethiopian land policy (Ibid, 2010: 45 – 46/ 90). In countries like South Africa, land is owned both by the government and private sector, the lion share goes to the private sector. (Ibid, 2010: 49 /90)

Whatever land policies existed in any countries, there are three principles for government interventions into urban land markets that can be applied in a number of ways. These are: (a) Elimination of market imperfections and failures to increase operating efficiencies; (b) Removing externalities so that the social costs of land market outcomes correspond more closely to private costs; and (c) Redistribute society's scarce resources so that disadvantaged groups can share in society's output. This is because; the first two principles seek to increase the allocative and efficiency of land-market outcomes. The third principle endeavors to improve the equity of land-market outcomes by targeting land resources to low and moderate income groups (Dowall and Clarke, 1996: 27-28/ 57).

2.3. Land Policy and Ethiopia's Experience

Ethiopia's Land policy remember three regimes, (Sisay, 2012: 3/21) said that Under the Emperor regime, there was free hold system and private ownership of both urban and rural lands were encouraged until 1974. But, the 1974 popular revolt of *Derg* in its slogan 'land to the tiller' were changed the political ideology of the whole country of Ethiopia by "socialism, which promoted a fair distribution of resources among the citizens" (Ibid, 2012: 3/21). At that time, land ownership rights were transformed from private ownership to state ownership right, whereas the use and benefit rights of land remained in the hands of government/ the people of Ethiopia. Thus, state ownership of land continued as under the *Derg* socialist rule. Due to many reasons, the military regime abolished by the Ethiopian People's Revolutionary Democratic Front (EPRDF) in 1991, the new government of Ethiopia worked to transform the national command production system in to free market economy; but, the ownership of land continued as under the rule of state ownership of land (Belachew, 2010: 6 /90), as the Constitution of Ethiopia similarly declared under Article 40 that both urban and rural lands are state property and cannot be sold or exchanged like a private property (Constitution of Ethiopia, 1995: 95). Thus, the right to own all

rural and urban lands in Ethiopia, as well as of all natural resources belongs only to the state and/or also to the nations, nationalities and peoples of Ethiopia.

2.3.1. Rural Land Policy in Ethiopia

Until 1974, Ethiopia was ruled with a monarchical system, and both urban and rural lands were under private ownership. As (Sisay, 2010: 3/ 21) said that the Rural Lands Proclamation No. 31/1975 declared the nationalization of all rural land and therefore the landholding and benefit rights were transferred to the peasants. This reform forbidden the exploitative relationship that existed between tenants and land lords, it brought the unfair nature of Rural Land usage to an end. And then, the tenants became own operators with use rights but with no rights to sell, exchange or mortgage of land. The change of government in 1991 has brought not much change in terms of land policy. The EPRDF led government that overthrew the military government (*Derg*) in 1991 has inherited the land policy of its predecessor. According to (NUPI, 2003: 7/112), immediately after the down fall of the *Derg*, no one was certain what the new government would take regarding the Rural Land tenure. The Transitional Government of Ethiopia had declared that the issue was settled in the process of developing the new federal constitution. Even though the new government adopted a free market economic policy, it has decided to maintain all rural and urban lands under public ownership (Samuel, 2006: 3/ 74 cited from Mulat, 1999). Thus, all the Rural Land is a public property in Ethiopia; it has been administered by the government since the 1975.

2.3.2. Urban Land Policy in Ethiopia

Due to the exploitative relationship that existed between tenants and land lords at the time of monarchical government, “state ownership over Urban Land and extra houses of the landlords” was declared by the *Derg* regime in the Urban Lands Proclamation No. 47/1975. After the *Derg* came to power and then “the use and benefit rights of the extra houses were transferred to the tenants and to other homeless urban dwellers with a very low monthly rent paid for the government” (Sisay, 2010: 3/ 21). According to the study of (Belachew, 2010: 7/ 90), in most former socialist and communist countries including Ethiopia, land was under the state ownership; many of them made a policy reform after the downfall of socialism/ communism and introduced private ownership of land. Ethiopia is also one of the countries in transition that adopted similar reform on Urban Land Policy and strategy but remains in the framework of

public ownership of land; and also (Sisay, 2010: 4/ 21) said that "... state ownership of land continued as under the *Derg* socialist rule". This is because; the Ethiopian People's Revolutionary Democratic Front (EPRDF) government formulated the Urban Lands Lease Holdings Proclamation to serve as the Urban Land Holding system throughout the country since 1993/ 1986 E.C.

2.4. Land Tenure System

Currently, the main types of Urban Land tenure system are free holding and lease holding system. Free hold, or full ownership, typically contains all the rights to the land. Thus, free hold allows a full range of transactions, from the most simple to the most sophisticated, and is therefore the preferred tenure of business and high income clients. Long term registered leases are similar to freehold, aside from the fact that the owner of the property retains the dominium right in the bundle (UN-HABITAT, 2003: 25/ 117). Whereas leasehold is a well-known land tenure system applied in many countries of the world today. Lease holding rights include the right to occupy any building on the premises by means of a mortgage, and the right to erect, alter, or demolish buildings or made improvements on it; the right to dispose of the leasehold to any other person, which include the right to rent or leave the leasehold; and the right to be compensated (for the land and the building) (Belachew, 2010: 43/ 90).

2.5. Land Leasehold

Leases, leasehold and rental are different terms but used for a similar bundle of rights. In this thesis, 'Lease' will be used to cover all these terms, and it involves the rental of land or property under contract for a specified time period. It can be defined as: a legal agreement that allows you to use a building or some land for a period of time, usually in return for rent (Oxford ADVANCED LEARNER'S Dictionary NEW 7th EDITION 841/ 1715). Hence, it may be created by the state, or individuals. Lease conditions vary considerably and may not be enforced, especially in public leasehold systems (UN-HABITAT, 2003: 20/ 117). But land development and use rights may be likely to be restricted by the lessor/ lease giver. A government that is the owner of the public land can retain the title of land and lease the right to use, develop, transfer, inherit and benefit from land to private entities. These private lessees can enjoy the assigned land rights only for a specified time and as stipulated in their land contracts.

2.5.1. Urban Lands Lease Holdings and International Experience

International experience shows that there are different Urban Lands Lease Holdings that can be practiced in different countries. According to (UN-HABITAT 2003: 19-20/ 117), leasing takes many different forms in different countries; some examples are given to demonstrate the range:

- ✓ In Turkey, landowners lease land unofficially, although it remains officially vacant. Such practices often include the provision of water and electricity;
- ✓ In Thailand, both public and private owners rent land, whilst ensuring that tenants do not build permanent structures on the land. In some cases the lease agreements may take the form of an oral agreement or, more often, are written rental contracts ranging from one to three years. Even when the contract expires, people remain in occupation and the rent is collected for long periods of time;
- ✓ In Burkina Faso, there is a range of specific government leases, for housing, temporary use, permanent use, industrial and commercial use, public offices, and non-economic activities such as a church;
- ✓ In Botswana, a Certificate of Rights (COR) has been introduced. The rights are held in perpetuity and can be inherited. Only the improvements on the site can be sold and not the land itself. It cannot be mortgaged but a building materials loan is available. A service charge is paid to the local authority. Botswana also has two other types of lease, a Temporary Occupation Permit, which is a very weak form of lease and a Fixed Period State Grant, the strongest form of lease, which requires surveying;
- ✓ In Zambia where thirty-year occupancy licenses are granted for sites and customary and community leaders are used for dispute resolution;
- ✓ In India, '*pattas*' or leases are issued. Provisional *pattas* are issued prior to housing followed by a house site *patta*. The house site *patta* is given after 5 years of occupation if the area is considered by the government to be safe, is not required for other purposes and is not under a court dispute. There is an income qualification so that low-income families benefit. There are numerous title/ deed conditions such as:- any exemption from zoning or other regulations applicable to the site has to be sought by the applicant and is not a condition of regularization, the *patta* is in the name of the woman of the house, the site can be inherited but cannot be sold, the government can take back the land without any compensation if it is required, the site can be used only for residential purposes, if the land is sold, government can re-possess,

the *patta* can be withdrawn without compensation if it is found that there was a misrepresentation of facts in claiming eligibility. Leases are for thirty years, unless the government requires the land, where one year leases are issued;

- ✓ In Brazil, a lease termed '*Concession of Right to Real Use*' exists for public lands. The contract is between the local authority and the residents on the land, for the use of land in order to construct a house, for a specified period of time. The lease gives rights to use the land to live on and eventually to develop some commercial uses on the same property. The right can be transferred with the agreement of the local authority;
- ✓ In New Guinea, where all vacant land adjacent to urban areas is held under customary tenure, there are illegal lease arrangements between the owners and migrants to the area.
- ✓ In South Africa, informal settlers rent sites from private landowners, under a site renting contract between landlord and tenant. The tenant is responsible for erecting the house and removing it. Evictions are commonplace where tenants cannot pay the site rental for a substantial period of time;
- ✓ In Ghana there is a traditional leasing system and over 100 chiefs in the city allocate land rights, irrespective of the official plans;
- ✓ In Egypt, land can be leased from the state on a long-term basis to the occupants. Squatters may be granted this status, if they make a request to the Governorate. Land which remains permanently under a leasing status and cannot be sold the land. Other leased lands can be converted from public to private ownership following the end of the leasing period

As mentioned above, the conditions of title/ deed of a lease can vary tremendously both within a country and between countries. The key characteristic of a lease is that the ownership right is not transferred, but all and any other right can be transferred. Land leases that include only a few of the bundle of rights are often administered by local authorities and at the local level, using non professionals both to create the land sites or plots and to administer them.

With regard to Lease Administration and security, (UN-HABITAT 2003: 20/ 117) state that Leases for houses are usually administered by local authorities and their agencies for government owned housing, and through private contracts for privately-owned housing. The former Soviet era countries can be an exception to this as they move from state-owned and registered housing to privately owned housing. The tenure security attached to each type of lease, some of these being more critical for land than house leases, depends on the:

- ✓ Legal status of the person/ body awarding the rights;
- ✓ Ability of the lessor to inspect and enforce lease conditions;
- ✓ Security of the records over time;
- ✓ Conditions of title attached, including the ability to inherit and transfer it to third parties;
- ✓ Length of time of the lease;
- ✓ Success rate of the dispute resolution mechanisms in place.

Furthermore, the (UN-HABITAT 2003: 20/ 117) stressed on that a Lease should:

- ✓ Make it possible for individuals to build on the land and have access to the services of the city;
- ✓ Specify a time period;
- ✓ Give protection from eviction;
- ✓ Allow inheritance;
- ✓ Allow transfers through sales;
- ✓ Be easily renewed;
- ✓ Facilitate credit and finance.

Beside the above, Lease have Mortgage finance value in that the leases that allow mortgages from financial institutions exist, these leases are generally more sophisticated and registered in centralized systems. There is often a trade-off between basic and more complex leases and the ability to obtain a mortgage from a conventional financial institution (UN-HABITAT 2003: 20/ 117).

Additionally, the superior benefits of leases have generally been found to provide a sufficient sense of security to stimulate investment. The long-term interests of the lessor, whether public or private, are also protected. Leasehold has been shown to meet the needs of residents, landowners, developers and local authorities and is becoming an increasingly popular option.

2.5.2. Urban Lands Lease Holdings Proclamation in Ethiopia

In the early period, before 1975 of Ethiopia, land owners were able to sell, rent, lease, inherit or transfer land as a gift according to their will. After 1975, as stated in the Urban Lands Proclamation No. 47/ 1975, ownership of land was introduced and the government took over the total mandate of land allotment, development, and control; but the government was not able to act according to the objectives of the Proclamation No. 47/1975. After the *Derg* was overthrown,

the transitional government of Ethiopia introduced the Urban Lands Lease Holdings through the Proclamation No. 80/1993 in December, 1993 that encourages the transfer of all Urban Lands from the government to the private individuals through lease system for the first time (Sisay, 2012: 04/ 21) and (Belachew, 2010: 14/ 90). Due to its ineffectiveness in revenue collection and other reasons, this Proclamation was revised in December, 2002 and the government produced the second Urban Lands Lease Holdings Proclamation No. 272/2002; and also this Proclamation was not able to close a door to corruption, control urban land speculators (Daniel, 2010: 19/ 79); thus, it was re revised in 28th November, 2011 to produce the new Urban Lands Lease Holdings Proclamation No.721/2011; this proclamation still offers an opportunity for the so called investors/ land speculators to run their previous urban land speculation business, but the sharing of land speculation profit is carried out with with the government (Sisay, 2012: 05/ 21). This is because, the policy elites (clearly, the child of EPRDF) were engaged in alleviating one of the major threats to the political system, rent-seeking, facing their developmental state economy proving the political use of policy resources (Biruk, 2014: 109/ 120). However, the issue essentially contradicts with the central notion of a good urban land lease policymaking.

From the above assessment of Urban Lands Lease Holdings Proclamations, it can be noted that Ethiopia does not have a sustainable Urban Lands Lease Holdings Proclamations rather Urban Lands Lease Holdings Proclamations that were proclaimed in each regimes of Ethiopia.

2.6. Urban Lands Lease Holdings Proclamation No. 721/2011 and its Characteristics

The current Urban Lands Lease Holdings Proclamation No. 721/ 2011 shall be applicable to all urban centers within Ethiopia with regard to Urban Lands (Article 3: 6223) of the proclamation. But, the Proclamation give “powers and duties to regions and city administrations to administer land, in all urban centers, in accordance with this proclamation; issue regulations, directives and manuals necessary for the implementation of this proclamation” (Article 33: 6245) of the proclamation. Due to this, the city government of Addis Ababa and other cities can have different Urban Lands Lease Holdings regulations, directives and manuals. Therefore, the city government of Addis Ababa issued its own Urban Lands Lease Holdings Regulation No. 049/ 2011; Urban Lands Lease Holdings Directive No. 011/ 2011 and different Urban Lands Lease Holdings related manuals for different urban land related service giver offices in line with the Urban Lands Lease Holdings Proclamation No. 721/ 2011 as it is described in figure 2.1 below. This is mainly done in the city of Addis Ababa, is to implement the Urban Lands Lease Holdings

Proclamation No. 721/ 2011 through Urban Lands Lease Holdings regulation, Urban Lands Lease Holdings directives and Urban Lands Lease Holdings manuals that was prepared by considering the existing situation of the city of Addis Ababa. (Refer figure 2.1)

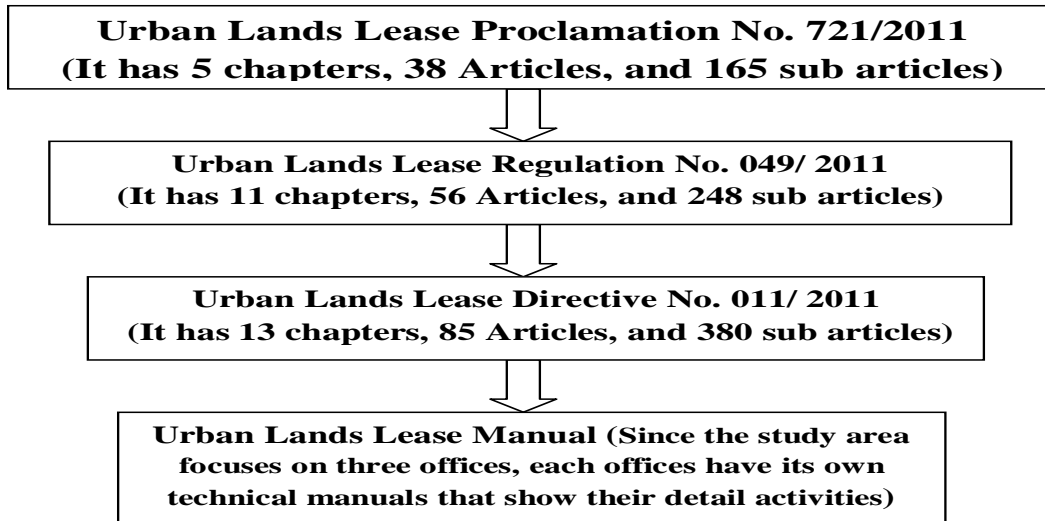


Figure.2.2. Structure of the current Urban Land Lease Law in Addis Ababa

Source: Own Survey, 2016

Figure 2.1 shows the Urban Lands Lease Holdings Proclamation No. 721/ 2011 that was proclaimed on November 28/ 2011, the Urban Lands Lease Holdings Regulation that was declared on May 16/ 2011 in line with the proclamation as permitted in (Article 33: 6245) of the proclamation. Later on the city administration of Addis Ababa by its cabinet prepared the Urban Lands Lease Directive No. 11/ 2011 on May 18/ 2011. With regard to its content, there exist an increase in number of chapters, articles and sub articles as one refers the Urban Lands Lease Holdings Proclamation which is more general with that of regulation, directive and manuals which becomes more specific and particulars to indicate detail activities of each articles and sub articles of the Urban Lands Lease Holdings Proclamation No. 721/ 201.

As to the first introduced Urban Lands Lease Holdings Proclamation No. 80/1993 in 1993 in Ethiopia and the revised Urban Lands Lease Holdings Proclamation No. 272/2002 in 2002, the current Urban Lands Lease Holdings Proclamation No. 721/2011 has its own characteristics. Thus, its main characteristics were analyzed through its five chapters which include: objectives, fundamental principles, administration of Urban Lands Lease Holdings, clearing of Urban Lands, and miscellaneous provisions of Urban Lands Lease Holdings Proclamation No. 721/2011.

2.6.1. Objectives of the Urban Land Lease Holdings Proclamation No. 721/2011

Due to many reasons, the Federal Democratic Republic of Ethiopia (FDRE) government initiated for the revision of the previous Urban Lands Lease Holdings Proclamation No. 272/2002 and the enactment of the new Urban Lands Lease Holdings Proclamation No. 721/2011 on November 28/ 2011. As it is indicated in its introduction/ Preamble, there are two objectives for the newly enacted Urban Lands Lease Holdings Proclamation No. 721/2011. The first objective of this proclamation is: *to satisfy the growing urban land demand resulted because of the fast economic growth of the country*; and the second is: *to ensure good governance for the development of efficient land market, and a transparent and accountable land administration system* (Collected from paragraph 2 and 3 of Urban Lands Lease Holdings Proclamation 721/2011: 6220).

2.6.2. Fundamental Principles of Lease

There are eight (8) basic principles of Urban Lands Lease Holdings Proclamation No. 721/2011 as stated in it. These are: Modes of land acquisition, Conversion of old possessions to leasehold, Leasehold permit of Urban Land, Tender, Allotment of Urban, and Request for Urban Land Allotment, Urban Land Lease Price and Grace Period that are dealt under this sub section.

A. Modes of Urban Land acquisition

As mentioned in Urban Lands Lease Holdings Proclamation No. 721/2011, tender (transferring of leased urban land plots to a bid winner through auction) and allotment (transfer of leased urban land without auction) recognized as the only two basic means of transferring leasehold right from the government to the citizens (Article 7, 2: 6224) of the proclamation, (Article 4, 2: 9/ 73) of the regulation, (Article 5, 2: 10/ 62) of the directive. Urban Lands needed for residential, business and also others will be transferred by tender would pay lease price based on the benchmark set by the city of Addis Ababa. However, as exception, city municipalities may give land by allotment to the selected organizations such as government offices, religious institutions, public residential housing programs, diplomatic mission and so on. In addition to these, a person who is displaced from his house as a result of urban renewal (like in case of expropriation), shall get land by allotment (Article 7, 2: 6224) of the proclamation No. 721/2011.

B. Prohibition of Land Possession and Permission other than Lease Holding

Except inheritance, Urban Land possession and permission other than lease holding (auction and allotment) is strictly prohibited in the premises of the Urban Land Lease Holdings Proclamation No. 721/2011. Even, “enclose and use any plot of Urban Lands adjacent to his/ her lawful

possession without the permission of the appropriate body” is strictly forbidden (Article 5, 1-3: 6224) of the Urban Lands Lease Holdings Proclamation No. 721/2011.

C. Administration of old possessed Urban Lands

As it is stated in the proclamation, “The modality of converting old possessions in to leasehold shall be determined by the council of ministers . . .” (Article 2, 18: 6223) of the proclamation. Thus, old possessed urban lands shall continue as it is possessed by the citizens. In addition to this, the Urban Lands Lease Holdings Regulation No. 49/2004 states “As indicated in article 6 sub article 1 of the proclamation, till discussion with the people and specific study is made on old possessed urban lands, it shall stay on the hands of old possessors of Urban Lands” (Urban Land Lease Holdings Regulation No. 49/2004: 9/73).

C.1. Old possessed Urban Land

The term ‘Old possession’ is defined as “a plot of land legally acquired before the urban center entered into the leasehold system or a land provided as compensation in kind to persons evicted from old possession” (Article 2, 18: 6223) of the Proclamation. It also means that “legally possessed urban lands through inheritance, urban lands decided by the city administration to be continued free from lease process, except inheritance urban lands transferred to a third party but not made change of owners” (Regulation 49/2004: 13-14/73) are continued as Old possessed Urban Land. In short, it can be defined as “old possessions” are possessions of Urban Land which were acquired before and after the *Derg* era through a modality that lack the lease hold.

C.2. Conversion of old possessions to Leasehold

When the Urban Land is transferred in to third party through sale or donation or exchange, it will be converted in to lease holdings. The proclamation declares that lease payment would be made in the event of the following three situations: “when the plot of Urban Lands is transferred to a third party except inheritance (e.g. sale, donation, and exchange); when old possession and newly leased Urban Lands are merged; and when informally possessed Urban Lands is being regularized” (Article 6, 1-4: 6225/6) of the Lease Holdings Proclamation No 721/ 2011.

For the event of these three situations, people will pay “lease benchmark price”, which shall be set by the city Administration (Article 6, 7: 6226) of the Proclamation No 721/ 2011. This lease benchmark price is multiplied by the area of the land size to know the total payment of the Leased Urban Land Plot. According to the Urban Lands Lease Holdings Directive No. 11/2011

prepared in Amharic Version, for example, the maximum “benchmark” lease price fixed for Addis Ababa is 1686 birr per m²; while the minimum is 191 birr per m² (Article 1: 2/ 8) of the Directive. It means that there are other prices for the other areas found between the maximum and the minimum land grade areas in the city. Hence, a person, who would like to buy a house built on 260 square meters area in CBD (Central Business District; i.e. first grade urban land) area, will pay (260 m² x 1686 birr) 438,360 birr for the total Urban Land as an Urban Land Lease price.

Table.2.1. Lease benchmark price based on land grade and zone of Addis Ababa

No.	Zone	Land Grade	Bench mark lease price
1	Central Business District	1	1686
		2	1535
		3	1323
		4	1085
		5	894
2	Transitional Zone	1	1035
		2	935
		3	809
		4	685
		5	555
3	Expansion Zone	1	355
		2	299
		3	217
		4	191

Source: Urban Lands Lease Holdings Directive No. 11/2011; (Article 1: 2/8)

NB: The three major zones were delineated in to sub zones with its own benchmark lease price. The initial payment will not be less than 10 percent and the remaining will be paid over a long period of time that shall be decided in the lease agreement/ contract, which is 20 and 40 years time for Urban Lands used for commercial activities and residential services respectively. The calculation of this price in principle takes into account the “cost of infrastructural development, cost of demolition as well as compensation to be paid for the displaced persons in case of built up areas, and other relevant factors” (Article 6, 3: 10/ 62) of the Urban Lands Lease Holdings Directive No. 11/2011.

According to table 2.1, the above benchmark lease price shall be used to all urban lands except urban places that possess low income group of population in the city administration of Addis Ababa and it shall be revised in two years time as it is indicated in (Article 7: 7-8/ 8) of the Urban Lands Lease Holdings Directive No. 11/ 2011.

C.3.Unconverted old possessions to Leasehold

The old possessed urban lands cannot be converted in to leasehold when the land is:

- A/ an inherited old possessed urban lands;
- B/ held by divorced old urban land possessors;
- C/ needed for public interest but when it is dispossessed/ evicted;
- D/ possessed before the declaration of first Urban Lands Lease Holdings Proclamation and;
- E/ compensated since it is old possessed urban land, etc (Regulation 49/2004: 13-14/73).

The urban lands that have such type of characteristics are allowed not to be changed in to leasehold rather continued as it is old possessed urban lands.

D. Leasehold permit of Urban Lands

The Urban Lands Lease Holdings Proclamation No. 721/ 2011 provides that an urban land shall be permitted to be held by leasehold: 1/ if its use is in conformity with the urban plan guidelines, through the modality of tender or allotment or, 2/ if the urban center does not have such guidelines, as per the regulations issued by the region or the city administration (Article 2: 6226) of the Proclamation No. 721/ 2011. This means, the new proclamation recognizes lease holding (tender and/or allotment) system as the only way of urban land plot possession for everyone to own land in the urban areas of Ethiopia.

E. Tender

As per the new Urban Lands Lease Holdings Proclamation No. 721/2011, “tender” means a modality applied for providing urban land to a bid winner for those fulfilling the competition requirements issued based on the rule of market competition of urban land tenure (Article 2, 9: 6222) of the Proclamation No. 721/ 2011.

E.1.Urban Lands prepared for Tender

The proclamation said that the ‘appropriate body’ shall ascertain two things on the urban lands that are prepared for tender. These are: 1/ Prior to advertizing urban lands prepared for tender, the lands have to: a) be free from legal claims of any party/ persons; b) be prepared in conformity with the urban plan; c) have access to basic infrastructure; d) be parceled, delineated, and assigned with unique parcel identification numbers; e) have site plans and fulfill other necessary preconditions; and 2/ The tender process is implemented in a manner that secures the appropriate price of the Urban lands following the rules of transparency and accountability (Article 8: 6226) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011. If these two major things are fulfilled before advertisement, it can be making available in to auction/ tender.

E.2.Information Relating to Urban Lands Prepared for Tender

According to (Article 9: 6227) of the Urban Lands Lease Holdings Proclamation No. 721/2011, the information relating to urban land prepared for tender shall contain the land use, land grade, the minimum building height, the lease benchmark price, duration of payment and other detailed relevant data. It also requires a special development program and implementation action plan.

E.3.Publicity of Urban Land Tender Plans

With regard to publicity of Urban Land Tender Plans, the new Urban Lands Lease Holdings Proclamation No. 721/2011 state that 1/ the appropriate bodies shall advertise the Urban Land Tender Plans; specifically: a) based on the demand for urban lands and development priorities, publicize their annual plans indicating the quantity of urban lands to be presented for tender; and b) make the information relating to urban lands prepared for tender easily accessible to the public; and also, 2/ the appropriate bodies shall be responsible for ensuring the timely supply of urban lands in accordance with the plans publicized as mentioned above (Article 10: 6227) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011.

E.4.Tender Process

Eight Urban Lands Lease Holdings tender processes are provided in the Urban Lands Lease Holdings Proclamation No. 721/2011. The first four are: 1/ the appropriate body shall advertize lease tender and forthwith put bid documents on sale; 2/ the sale of bid documents shall be in a manner accessible to anyone willing to bid; provided, however, that no single bidder may be allowed to buy more than one bid document for the same plot; 3/ the amount of bid bond may

not be less than five percent of the total land lease benchmark price; and 4/ a bid shall be cancelled if less than three bidders participate in the first round of tender (Article 11: 6227 and 6228) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011.

And also, the Urban Lands Lease Holdings Proclamation No. 721/ 2011 also states that the remaining four tender processes as: 5/ the highest bidder shall be declared a winner on the basis of his bid price and the amount of advance payment he offers; 6/ the list of winners shall be made public through notice board; 7/ regions and city administration shall prepare in advance plots of urban land, to be assigned through tender for four star and above hotels and mega real estate developments; 8/ land may be assigned through tender process, even to a sole bidder where his project is for the four star and above hotels and mega real estate developments and verified by the relevant body (Article 11: 6228) of the Urban Lands Lease Holdings Proclamation No. 721/2011. Even though this article facilitate high down payment arrangement to raise government revenue, encouraging large percent or full payment of the lease price at the beginning seems to contradict with the objective of the Urban Lands Lease Holdings Proclamation No. 721/2011.

F. Allotment of Urban Lands

According to the new Urban Lands Lease Holdings Proclamation No. 721/ 2011, “allotment” means a modality applied for providing urban lands by lease institutions that could not be accommodated by way of tender (Article 2, 10: 6222) of the proclamation. Thus, the allotment of urban lands may, upon decisions of the cabinet of the concerned region or the city administration shall be permitted for government institutions, charitable organizations; public residential housing construction programs and government approved self help housing constructions; places of worship of religious organizations; manufacturing industries; use of embassies and international organizations as per agreements entered into with the government; projects having special national significance and considered by the president of the region or the mayor of the city administration and referred to the cabinet (Article 12, 1: 6228 and 6229) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011.

Concerning persons displaced due to urban renewal program, those persons will be entitled to substitute equivalent plot of urban lands in the city administration (Article 12, 4: 6229) of the proclamation. The proclamation also provides “a lawful tenant of government or *kebele* owned

business house shall be accommodated as per the decision of the concerned region or city administration if displaced due to urban renewal program” (Article 12, 5: 6229) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011.

G. Request for Urban Lands through Allotment

The Urban Lands Lease Holdings Proclamation No. 721/ 2011 declares that for budgetary organizations a request of urban land plots through allotment shall be accompanied by: a/ support letter from the supervising authority of the requesting institution or from pertinent sectoral bodies; b/ detailed study of the project to be implemented at the requested site; and c/ evidence showing the budget allocated for implementing the project (Article 13: 6230) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011. For non budgetary organizations like: charitable organizations and Social Service institutions, a request of urban land plots through allotment shall be asked with the following requirements: a/ renewed license of the budget year b/ agreement made with the city administration; c/ acceptance of the request by the city administration; d/ evidence showing the budget allocated for the implementation of the project (Article 21, 2: 28/ 73) of the Urban Lands Lease Holdings regulation No. 49/ 2011.

H. Urban Land Lease Price

It is provided under the proclamation that “lease benchmark price” means the threshold price determined by taking in to account the cost of infrastructural development, demolition cost as well as compensation to be paid to displaced persons in case of built up areas, and other relevant factors (Article 2, 11: 6222) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011. Thus, article 14 of the Urban Lands Lease Holdings Proclamation No. 721/ 2011 state that every plot of urban lands shall have a benchmark lease price and the valuation method shall be determined on the basis of the objective conditions of each urban center in accordance with regulations issued by the respective regions and city administrations. Moreover, a price map shall be prepared based on the bench mark prices of different locations computed as mentioned in sub article 1 and the benchmark lease price shall be updated at least every two years to reflect current conditions (Article 14: 6230) of the Urban Lands Lease Proclamation No. 721/ 2011.

I. Grace Period

According to the Urban Lands Lease Holdings Proclamation No. 721/ 2011, “Grace Period” means a time frame that a lessee is relieved from payment after effecting the advance lease

payment and before the commencement of the annual lease payment (Article 2, 12: 6222) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011. In connection with this, the Proclamation No. 721/ 2011 said that any person who is permitted urban lands through Urban Lands Lease Holdings Proclamation No. 721/ 2011 may be allowed grace period depending on the type of the intended development or service; the details of which shall be determined by regulations to be issued by the regions and city administrations; and also, the grace period shall commence from the date of the conclusion of the lease contract and may not last beyond the date of completion of construction (Article 15: 6230) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011. A person allowed urban land through Urban Lands Lease Holdings Proclamation No. 721/ 2011, may be allowed grace period reach between 2 to 4 years; the details of which shall be determined by Urban Lands Lease Holdings Directive No. 11/ 2011 as indicated in table 2.2.

Hence, the grace period for Agro processing projects is 4 years; 4 years for mega real estate; 4 years for construction of education; 3 years for health; 4 years for hotels; 4 years for manufacturing industry (Article 31, 1: 43/ 73) of the regulation; and also (Refer table 2.1).

Table.2.2. Summary on grace period and period of payment in Addis Ababa

No	Development Activity	Grace period	Down payment in %	Period of payment
1	Industry	4 year	10	40 year
2	Hospital	3 year	10	40 year
3	University	3 year	10	40 year
4	Four stars and above hotels	3 year	15	40 year
5	Residential houses	2 year	10	40 year
6	Mega Real Estate	3 year	20	40 year
7	Others	2 year	20	60 year
8	Residential of low income peoples	0 year	0	99 year

Source: Urban Lands Lease Holdings Directive No. 11/2011; (Article 71: 105/117)

2.6.3. Administration of Urban Lands Lease Holdings

The administration of Urban Lands Lease Holdings Proclamation No. 721/2011 consists of: Lease Contract, Lease Holding Certificate, Period of Lease, Renewal Period of Lease, Period of Payment, Utilization of Urban Lands Lease Holdings, Grade of Construction, Commencement

and Completion of Construction, Transferring and Pledging of Leasehold Right, Termination of Leasehold and Payment of Compensation are investigated.

A. Lease Contract

The relationship between the land owner/ government and the lessee begins after the winner in bidding is identified, takes the land, and when the two parties sign the contract of lease. According to the Urban Lands Lease Holdings Proclamation No. 721/ 2011, the lease contract includes the construction start-up time, completion time, payment schedule, grace period, rights and obligations of the parties as well as other appropriate details (Article 16, 2: 6231) of the proclamation.

B. Lease Holding Certificate

Urban Land possessor after s/he gets land by auction or allotment, s/he is entitled to get leasehold title deed or certificate that proves the lessee's rights to the land and such certificate includes particulars like: full name of the lessee, size and location of the plot, the type of service, land grade and plot number, the total lease amount and down payment, the amount of the annual lease payment and the time of the final lease payment to be effected and the lease period (Article 17: 6232) of the proclamation. In addition to this, the lease regulation state that it could contain the lessee's photograph, the total lease year and "X" and "Y" co ordinates of the that specified plot of Urban Lands (Regulation No. 49/2004: 35/73).

C. Period of Lease

Land lease enjoyment right is bounded in time and the duration of the lease varies depending on the level of urban development and sector of development activity or the type of service. That is how lease is different from private ownership. In the current Ethiopia, urban land is granted to urban dwellers and/ or to investors on the basis of time restriction through rent payment. Hence, Article 18 of the proclamation provides different lease periods ranging from 5 years for short-term economic and social activities to 99 years for residential housing based on different types of ground leases (Article 18, 1: 6232) of the Urban Lands Lease Proclamation No. 721/ 2011.

In addition to this, under the Urban Lands Lease Holdings Proclamation No. 721/ 2011, a lease period may be extended for period of time of not more than half of the specified ceiling for a development activity. And on urban lands not designated for immediate development use, five

years of lease period shall be applicable for the short term economic and social activities (Article 18, 2: 6232) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011.

D. Renewal Period of Lease

Under the Urban Lands Lease Holdings Proclamation No. 721/ 2011, “the period of lease may be renewed upon its expiry on the basis of the prevailing bench mark lease price and other requirements; provided”, however, that “the lessee may not be entitled to compensation where the lease period could not be renewed” (Article 19, 1: 6233) of the proclamation. This is because of that the period of Lease may not be renewed due to: “a/ change of structural plan; b/ the place is needed for public interest; c/ when the old developments on the plot/ place cannot be changed in to the new developments” (Article 45, 2: 64/73) of the Urban Lands Lease Holdings Regulation No. 49/ 2011. And also, “The period of lease is to be renewed only if the lessee applies in writing to the appropriate body within the earliest 10 to the latest 2 years before the expiry of the period of lease” (Article 19, 2: 6233) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011. It means if the lessee fails to apply within the specified time limit, then the contract will not be renewed. Thus, there should be request by the lessee. After an application is made “the appropriate body is expected to notify the applicant, in writing, its decision within one year from the date of submission of the application, and where it fails to communicate its decision within such period, it shall be deemed as though it has agreed to the renewal request. In such case, the contract shall be renewed on the basis of the prevailing benchmark lease price and for the period pertinent to the type of the service” (Article 19, 3: 6233) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011. As the lessee applies and did not respond by the officer or employee, the lessee will be free from any type of punishment. Thus, the Urban Lands Lease Holdings Proclamation No. 721/ 2011 state for the renewal of lease period in its article 19 sub article 4 as “the officer or employee who has failed to respond will be held accountable for the adverse consequences of the renewal, if any” (Article 19, 4: 6233) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011.

E. Period of Payment

As indicated under article 20 of the Urban Lands Lease Holdings Proclamation No. 721/ 2011, “a person permitted urban land lease holding may be given a period of lease payment taking into account the payback period of the investment” (Article 20, 1: 6234) of the proclamation.

However, “the amount of down payment, to be determined in accordance with the prevailing factors of the region or the city administration, may not be less than 10% of the total lease amount of the urban land” (Article 20, 2: 6234) of the proclamation; (Refer table 2.1) also. After making the down payment, “the remaining balance shall be paid within 60 years for residential; 40 years for commercial and 5 years for urban agriculture” (Article 29, 3: 39/73) of the regulation. Then, “the remaining balance of the lease amount shall be paid on the basis of equal annual installments during the payment term” (Article 20, 3: 6234) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011 and (Article 29, 4: 39/73) of the regulation No. 49/ 2011. Moreover, this proclamation under (article 20, 4: 6234) provided that “interest shall be paid on the remaining balance as per the prevailing interest rate on loans offered by the Commercial Bank of Ethiopia; and for this purpose the appropriate body shall have the responsibility to follow up the current loan interest rate and to update the applicable interest rate accordingly”. In addition to this, it is provided that “failure to pay the annual payment in time as originally scheduled shall result in penalty fee equivalent to the rate of penalty fee imposed by the Commercial Bank of Ethiopia on defaulting debtors (Article 20, 5: 6234) of the proclamation and (Article 29, 6: 40/73) of the regulation. In connection with this, the Urban Lands Lease Holdings Proclamation No. 721/ 2011 also provides that where a lessee with the exception of “a budgetary government entity or a religious institution obtained urban land by allotment shall pay an amount equivalent to the compensation paid in the course of clearing the land” (Article 20, 7: 6234) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011.

In addition to this, there are re enforcement for those who pay total lease payment up to five years time as it is stated in the regulation “the lessee that finish the lease payment before the time of payment shall have 3% discount from the total lease payment; the details will be decided in the directive” (Article 29, 8: 40/73) of the Urban Lands Lease Holdings regulation No. 49/ 2011. Therefore, the directive stated that “those who finish the total lease payment within one year, has 3% discount; within two years, has 2.5% discount; within three years, has 2% discount; within four years, has 1.5% discount; within five years, has 1% discount (without interest rate)” (Article 71, a - g: 104/ 117) of the Urban Lands Lease Holdings Directive No. 11/ 2011.

F. Utilization of Urban Lands Lease holdings

As stated under article 21 of the Urban Lands Lease Holdings Proclamation No. 721/ 2011, “a lessee of urban land shall use the land for the prescribed purpose within the period of time stated

in the lease contract” (Article 21, 1: 6235) of the proclamation. But, if the lessee needs to change the utilization of urban land holdings, changes can be permitted if and only if “The lessee may apply for the appropriate body to convert the use of the land” (Article 21, 2: 6235) of the proclamation. However, the proclamation states “the appropriate body may authorize the proposed land use where it ascertains that it is in conformity with the land use plan of the urban center” (Article 21, 3: 6235) of the proclamation. Therefore, it can be said that the land use can be amended when the lessee is applied for change and allowed by the officer or the appropriate body to convert the use of the land and applicable to the renewed use of land.

G. Grade of Construction

According to the current Urban Lands Lease Holdings Regulation No. 49/ 2011 and Urban Lands Lease Holdings Directive No. 11/ 2011, there are three grades of construction. These are: a/ Small Constructions if its area is up to 250 m², has 3 floor but not used for public purpose; b/ Medium Constructions if its area is between 251 to 5000 m², has 5 floor and used for public purpose, residential houses that have 4 to 5 floors, schools, library and sport center; c/ Large Constructions if its area is above 5000 m², has above 6 floor and encompasses elements that do not mentioned in small and medium constructions (Article 36: 45-46/ 73) of the regulation and (Article 36, 1 - 3: 56/ 117) of the directive.

H. Commencement and Completion of Construction

As indicated in the Urban Lands Lease Holdings Proclamation No. 721/ 2011, “Commencement of Construction” or “Construction start-up” means “the construction of at least the foundation and erection of re-enforcement bars to cast columns of the permitted construction or building on the place” (Article 2, 14: 6222). Thus, article 22 of the proclamation state that “any lessee shall commence construction within the period specified in the lease contract” (Article 22, 1: 6235). According to the Urban Lands Lease Holdings Regulation 49/ 2011, the time limit for the commencement of construction is given as 6 months for small, 9 months for medium and 18 months for large scale construction projects. The Urban Lands Lease Holdings Regulation 49/ 2011 also provided that the period of commencement of construction may be extended depending on the complexity of the construction. If the lessee failed to start the construction, it has an extension time of 6 months for small, 9 months for medium and 12 months for large scale

construction projects; it can be given only once by the body in charge of granting construction permit (Article 49/ 2011: 47-48) of the Urban Lands Lease Holdings Regulation 49/ 2011.

As with commencement, the Urban Lands Lease Holdings Proclamation 721/ 2011 has defined what is meant by completion of construction as “Completion of foundation” refers to “the full completion of a building and make it ready for use by installing basic utilities in accordance with the issued construction permit on a land permitted by lease” (Article 2, 15: 6222) of the proclamation. In connection with this, half completion of construction is defined under the proclamation in three cases as “in the case of Vila: completion of foundation, columns and top beam; or in the case of multistory building: completion of foundation and 50% of the total number of floor slabs; or in the case of real estate development: completion of the construction phase referred to as the completion of foundation, columns and top beam or completion of foundation and 50% of the total number of floor slabs” (Article 2, 16: 6222) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011. Hence “any lessee must complete construction within the period specified in the lease contract” (Article 23, 1: 6236) of the proclamation. The time limit for the completion of construction shall be as follows: a) up to 24 months for small construction projects; b) up to 36 months for medium construction projects; c) up to 48 months for large construction projects (Article 23, 2: 6236) of the proclamation. These are also clearly stated under article 34, sub article 2 of the Urban Lands Lease Holdings Regulation No. 49/ 2011. For those who do not finish the construction activity according to their contractual lease agreement, the urban lands lease regulation provided that the period of completion of construction may be extended depending on the complexity of the construction. Thus, the completion of construction has an extension of 6 months for small, 9 months for medium and 12 months for large scale construction projects that can be given only once (Article 34, 3 and 48-49/ 73) of the Regulation No. 49/2004:.. While the total completion period of construction may not exceed: a) two years and six months for small construction projects; b) four years for medium construction projects; c) five years for large scale construction projects (Article 23, 4: 6236) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011.

Table 2.3 Summary on the commencement and completion of Construction in Addis Ababa

Type	For design	For Construction permit	Commencement of Construction		Completion of Construction	
			Regular	Extension	Regular	Extension
Small	2 month	3 month	6 month	12 month	24 month	30 month
Medium	5 month	6 month	9 month	18 month	36 month	48 month
Large	7 month	9 month	18 month	30 month	48 month	60 month

Source: Urban Lands Lease Holdings Directive No. 11/2011; (Article 42, 1: 68-70/117)

According to the Urban Lands Lease Holdings Proclamation No. 721/ 2011, Regulation No. 49/ 2011 and Directive No. 11/ 2011, for example, for the lessee took a plot of Urban Land for small scale house development, it is expected to commence the construction by preparing design of construction within 2 months to earn construction permit up to 3 months in order to fulfill the given time for the commencement of the construction, i.e. before 6 months. If it fails to start the house construction before 6 months, there will be another 6 months time which will be given as extension period. The same procedure is applied, i.e. 5 months for design preparation and 6 months for construction permit is given for medium scale of house developments while 7 months for design preparation and 9 months for construction permit is given for large scale of house developments. If it fails to start the house construction before 9 months for medium scale and 18 months large scale house construction, there will be another 9 months and 12 months time respectively which will be given as extension period of house construction.

I. Transferring and Pledging of Leasehold Right

The proclamation states “A lessee may transfer his leasehold right or use as collateral or use as capital contribution to the extent of the lease amount already paid” (Article 24, 1: 6237) of the proclamation, within the relevant use of the land and period of lease. The proclamation also provided that “if a lessee, with the exception of inheritance, wishes to transfer his leasehold right prior to commencement or half-completion of construction, s/he shall be required to follow transparent procedures of sale to be supervised by the appropriate body” and “in this kind of transfer of leasehold right: a) the effected lease payment including interest thereon, calculated at bank deposit rate; b) value of the already executed construction; and c) 5% of the transfer lease

value; shall be retained by the lessee, and the remaining balance shall be paid to the appropriate body” (Article 24, 2-3: 6237) of the proclamation. Generally, the lessee is not entitled to sale his lease right as he wants. Even the regulation restricts the sale/ transfer right of the lessee by putting several preconditions for the “transfer of lease right prior to commencement of construction or below half-completion or half-completion of construction, the price of transfer shall be determined with the sale of lease right” (Article 38-41: 55-60/73) of the Urban Lands Lease Holdings Regulation No. 49/ 2011.

J. Termination of Leasehold and Payment of Compensation

Like other contracts, Urban Land Lease contract may be terminated for various reasons. The Urban Lands Lease Holdings Proclamation No. 721/ 2011 provides that “the leasehold of Urban Land shall be terminated when there is a/ failure to use the land for the prescribed purpose, b/ if the land is needed for the public interest and c/ if there exists non-renewal of contract of lease” (Article 25: 6238 and 6239) of the Urban Lands Lease Holdings Proclamation. To investigate each, let’s see the three or each of them one by one.

J.1.Failure to use the Urban Land for the prescribed purpose

As the Urban Lands Lease Holdings Proclamation No. 721/ 2011 states, the leasehold of urban land shall be terminated when the “lessee has failed to use the urban land for the prescribed purpose within the period of time stated in the lease contract” (Article 25, 1/a: 6238) and (Article 21, 1: 6235) of the Urban Lands Lease Holdings Proclamation.

J.2.Public interest

As stated in the proclamation, “ ‘Public interest’ means the use of land defined as such by the decision of the appropriate body in conformity with urban plan in order to ensure the interest of the people to acquire direct or indirect benefits from the use of the land to consolidate sustainable socio-economic development” (Article 2, 7: 6221) of the Urban Lands Lease Holdings Proclamation. Thus, the urban land lease holdings shall be terminated if “it is decided to use the land for other purpose due to public interest” (Article 25, 1/b: 6239) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011.

J.3.Non-renewed lease contract

The urban land lease holdings right shall be terminated if “lease period is not renewed either because of the failure of the leaseholder to request for renewal within the required time (10 to 2 years before the expiry of the period of lease) or if the appropriate body did not approve the application for renewal” (Article 19, 2: 6233) and (Article 25, 1/c: 6239) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011.

For the terminated leasehold due to failure to use the urban land for the prescribed purpose, the Urban Lands Lease Holdings Proclamation No. 721/ 2011 permits the lease payment shall be returned subject to the deduction of costs incurred and penalty fee (Article 25, 3: 6239) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011. When the leasehold is terminated due to public interest, the lessee shall be paid commensurate compensation in accordance with the relevant law (Article 25, 4: 6239) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011, the taking over of the land shall take place by the appropriate body (Article 25, 7: 6239) and (Article 25, 7: 6239) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011. The lessee shall hand over the land to the appropriate body by removing the property situated on the land within one year without compensation if the lease contract is not renewed due to non request by the lessee for renewal within the specified time frame (Article 25, 5: 6239) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011, where the lessee has failed to remove the property within the period of time set forth, the appropriate body may take over the land together the property without any payment and may order police for enforcement of the takeover where it find it necessary (Article 25, 6: 6239) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011.

2.6.4. Clearing Urban Land

In here, Clearing Urban Land was investigated by considering: Power to Clear the Urban Land, Clearing Order, and Takeover of the Urban Land from the Lease Proclamation No. 721/ 2011.

A. Power to Clear Urban Land

The Urban Lands Lease Holdings Proclamation No. 721/ 2011 said that “the appropriate body shall have the power, where it is in the public interest, to clear and take over Urban Land upon payment of commensurate compensation, in advance, for the properties to be removed from the land” (Article 26, 1: 6240) of the proclamation. For “a person displaced due to public interest,

shall be provided with a substitute plot of land within the urban center” (Article 26, 2: 6240) of the proclamation. But, sub article 3 of the same article state three preconditions for the clearance of leasehold which says “no leasehold may be cleared prior to the expiry of the lease period, unless the lessee has breached the contract of lease, the use of the land is not compatible with the urban plan or the land is required for development activity to be undertaken by government (Article 26, 3: 6240) of the proclamation. Except from this, sub article 3 of the same article in the proclamation stated that “the appropriate body shall have the power, without the need to use a clearance order pursuant to ‘90 days written clearing order’ and payment of compensation, to clear an illegally occupied urban land by merely serving a written notice of seven working days to the occupant in person or by affixing it to the property situated on the land” (Article 26, 3: 6240) and (Article 27, 1-2: 6240) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011.

B. Clearing Order

The proclamation provided that “where urban landholding is decided to be cleared the possessor of the land shall be served with a written clearing order stating the time the land has to be vacated, the amount of compensation to be paid and the size and locality of the substitute plot of land to be availed” (Article 27, 1: 6240) of the proclamation. “However; clearing order may not, in any way, be less than 90 days” (Article 27, 2: 6240) of the proclamation. In addition to this, “Where the plot of urban land to be cleared has a government house on it, the clearing order shall be served the body administering the house” (Article 27, 3: 6241) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011.

C. Takeover of Land

The Urban Lands Lease Holdings Proclamation No. 721/ 2011 provided that “the appropriate body shall take over urban land from any person who has been served with a clearing order within 90 days from the date of payment of compensation, or if the person refuses to take the payment, from the date of depositing the compensation in a blocked bank account in the name of the appropriate body; provided, however, that the appropriate body shall pay the deposited amount whenever the entitled person intends to take the payment (Article 31, 1: 6243) of the Proclamation No. 721/ 2011. The appropriate body shall take over a land in respect of which a clearing order or notice has been served: a/ where the person served with the clearing order or

notice has not lodged a grievance against the action, or b/ Where the grievance is dismissed in accordance with this law and no further appeal is made against the decision; or c/ Where the appeal submitted in accordance with this law is dismissed (Article 31, 1/ a-c: 6244) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011.

In addition to this, The Urban Lands Lease Holdings Proclamation No. 721/ 2011 stated that “where there is no crop, perennial crop or other property on a land in respect of which a clearing order has been served, the holder shall hand over the land to the appropriate body within 30 days from the date of receipt of the order” (Article 31, 3: 6244). In doing takeover of land, the proclamation state for “the appropriate body can also order police force when it finds it necessary to use force to take over the land” (Article 31, 4: 6244) of the proclamation. Besides this, it is provided that “the appropriate body may not be held responsible for any property situated on illegally held plot of urban land in the course of clearing the land” (Article 31, 5: 6244) of the proclamation. Takeover of the urban land is allowed after waiting 90 days when there is crop, perennial crop or other property on a land and otherwise wait 30 days.

2.6.5. Miscellaneous provisions

Under miscellaneous provisions, the provisions related to criminal responsibilities entailed as a result of violations of the provisions of the Urban Lands Lease Holdings Proclamation No. 721/ 2011 such as: duty to cooperate and penalty are examined.

A. Duty to Cooperate

According to the proclamation, “any person”, either s/he knows it or not, “shall have the duty to cooperate for the implementation of this proclamation” (Article 34: 6245) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011. And also, the regulation states “Any person shall have a duty to cooperate if s/he asked at the time of its implementation” (Article 54: 71/73) of the Urban Lands Lease Holdings Regulation No. 049/ 2011 and (Article 81: 115/117) of the Urban Lands Lease Holdings Directive No. 011/ 2011 raised the same issue.

B. Penalty

Under article 35 of the Urban Lands Lease Holdings Proclamation No. 721/ 2011, three enforcement conditions are provided on any officer or employee who is in charge of implementing this proclamation, regulation and directives issued hereunder with an intent to obtain for himself or to procure for another person undue advantage: 1/ grants an urban land in

contravention of the provisions of this Proclamation is punishable with rigorous imprisonment from 7 to 15 years and with a fine from Birr 40,000 up to Birr 200,000; 2/ fails to disclose any information pertinent to a tender, restricts the sale of bid documents, distorts the process or reverses the outcome of a tender is punishable with rigorous imprisonment from 5 to 12 years and with a fine from Birr 30,000 up to Birr150,000; 3/ acts in violation of the provisions of this Proclamation or fails to take action required under this proclamation is punishable with rigorous imprisonment from 5 to 12 years and with a fine from Birr 30,000 up to Birr 150,000 (Article 35, 1/ a/ 1-3: 6245) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011.

Following this, “whosoever in violation of the provisions of this Proclamation or regulations or directives issued hereunder fences an urban land, undertakes construction on it or encloses it with his adjacent land is punishable with a rigorous imprisonment from 7 to 15 years and with a fine from Birr 40,000 up to Birr 200,000” (Article 35, 1/b: 6246) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011; And also, any bidder of urban land lease tender who by presents a falsified documentary evidence or conceals any evidence which he should have disclosed or connives at an act of fake competition is punishable with a rigorous imprisonment from 5 to 12 years and with a fine from Birr 30,000 up to Birr 150,000” (Article 35, 2: 6246) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011.

In connection with this, the condition of penalty up on any individual who act against the Urban Lands Lease Holdings Proclamation No. 721/ 2011 and delay its implementation that both the Urban Lands Lease Holdings Regulation No. 49/ 2011 and the Urban Lands Lease Holdings Directive No. 11/ 2011 put their supportive idea for the better implementation of the Urban Lands Lease Holdings Proclamation No. 721/ 2011 under (Article 52: 70-71/73) of the regulation No. 49/ 2011 and (article 79: 114/117) of the directive No. 11/ 2011.

At the end, the Urban Lands Lease Holdings Proclamation No. 721/ 2011 close the provision of penalty by “any asset which is proceed of a crime committed in violation of the provisions of this article shall be confiscated by a court order and shall be surrendered to the appropriate body” (Article 35, 3: 6246) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011, which is the final characteristics of the Urban Lands Lease Holdings Proclamation No. 721/ 2011 under this research study.

C. Effective Date

As to many laws, this proclamation shall come into force on the date of publication in the Federal *Negarit Gazeta*, 28th November, 2011 G.C / November 18, 2004 E.C (Article 38: 6247) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011. In relation to this, the proclamation said that “The regularization process to be undertaken by regions and city administration in accordance with sub-article (4) of this article shall only be effective within four years of the coming in to force of this proclamation” (Article 6, 5: 6226) of the Urban Lands Lease Holdings Proclamation No. 721/ 2011.

2.7. Implementation of the Urban Lands Lease Holdings Proclamation No. 721/ 2011

With regard to the implementation of Urban Lands Lease Holdings Proclamation No.721/2011 in Addis Ababa in general and in *Yeka* sub city specifically, has its own benefits, constraints, impacts and the prospects on different aspects. Different scholars put their view up on its implementation and also forwarded the possible recommending points for its efficient and effective implementation in the boundary of Addis Ababa city Administration.

2.7.1. Practices for the new Urban Lands Lease Holdings Proclamation implementation

Most problems of the Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation in many parts of Addis Ababa is emerged from low level of awareness, lack of positive attitude towards the Urban Lands Lease Holdings Proclamation No.721/2011 and null involvement of the city dwellers in its formulation (Afework, 2013: 31/ 43). This is because; perception towards the new Urban Lands Lease Holdings Proclamation No.721/2011 plays a great role for its efficient and effective implementation.

The Urban Lands Lease Holdings Proclamation No.721/2011 incorporated a system to control the transferring of undeveloped leasehold land to a third party; However, the leasehold land can, as stipulated under Article 24, sub Article 2 and 3, still be transferred to a third party even without any value added on the land, but through the responsible authority (Sisay, 2012: 05/ 21).

The implementation of Urban Lands Lease Holdings Proclamation helps the government to generate revenue from urban dwellers who own formal and informal Urban Lands; and from investors when they pay tax to the government. It also helps to reclaim the urban land from the leaseholders when it is required for other purposes, public interest (Belachew, 2010: 13/ 90).

The demand for Urban Land in Addis Ababa is too high as compared to the supply side; there is a very low Urban Land supply, especially for the construction of single dwelling units. Whereas the population of Addis Ababa is constantly increasing, the housing demand and the land price are also equally inflating. This fact is clear for the inhabitants as well as for the higher officials (Sisay, 2012: 05/ 21).

The regularization of informal Urban Land raises the security of land tenure, attempts to improve shelter conditions for the urban poor, strengthen long-term planning, and reduces social exclusion. Therefore, tenure security can be viewed as the greatest driver in the enjoyment of rights, interests and privileges on urban land by people (Nesru, 2011: 41/ 103).

Little upfront payment or Lower down payment from the total amount of lease price might be considered as the other advantage for the implementation of Urban Lands Lease Holdings Proclamation that can facilitate the demand for Urban Land Lease to be high; and assist for the participation of investors to invest more on the urban land and play their part for the economic development of the country (Belachew, 2010: 13/ 90). And also Bantayehu (2013: 35/ 87), said that the foremost advantage of the implementation of the Urban Lands Lease Holdings Proclamation is the initial investment capital needed for land development is smaller if private individuals lease rather than buy land, which is the very important advantage for most domestic investors.

2.7.2. Constraints for the Urban Lands Lease Holdings Proclamation implementation

The Urban Lands Lease Holdings Proclamation No. 721/ 2011 however advantageous and good it seems in the long run, is likely to face a lot of obstacles in order to address different socio-economic objectives. Due to this, the way the policy is formulated and is to be implemented, the policy incompleteness, poor administrative capacity, high resistance from the society plays a great role for its improper implementation (Sisay, 2012: 13/ 21) and (Afework, 2013: 34/ 43). In continuation with this, cities whose housing demand is growing rapidly, especially in Addis Ababa, the existing very centralized institutional set-up, available financial resources, and relatively skilled manpower is likely to be inadequate to allocate land and build low cost housing efficiently and equitably (Belachew, 2010: 79/ 90).

In Addis Ababa, taking undeveloped Urban Land through lease system is really risky to take it as collateral. The financial constraints resulted by the Urban Lands Lease Holdings Proclamation

implementation were assessed from the study made by (Belachew, 2010: 80/ 90) and (Hayimanot, 2010: 63/ 136) as it has collateral, regulation and interest rate problems. This is because, the lease price is above of the market value of land, and therefore, the borrower (lessee) is expected to develop the land in order to pledge the land as collateral for loan provision. As a result, some lessees take the undeveloped Urban Land through paying higher prices not to undertake development activities but to sale with higher prices for other land demanders.

The price of Urban Land lease is increased exceedingly in the city Administration of Addis Ababa, for instance, the study by (Belachew, 2010: 80/ 90) and (Sisay, 2012: 01/ 21), showed that if this is allowed to happen, then the result will be that the rich will commute and live together on very expensive and environmentally safe land. And also, the poor will be obliged to leave the city and move to the nearby towns and rural part of Addis Ababa where the land price is relatively cheap which can be identified as Social constraints of the study area, *Yeka* sub city Administration.

Although the revised Urban Lands Lease Holdings Proclamation No.721/2011 incorporated important regulations to control land speculators and corrupted officials in its 35th article to punish with different rigorous imprisonment and birr punishment at the time of its improper implementation; but the study result show that the revised Proclamation still leaves space for corruption and land speculation by its loose implementation (Sisay, 2012: 01/ 21).

Finally, the researcher summarized the constraints of Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation that were assessed from different literatures in figure form by categorizing all the constraints in to four important headings such as: Administrative, policy/ proclamation, institutional and social/ financial constraints (Refer figure 2.2).

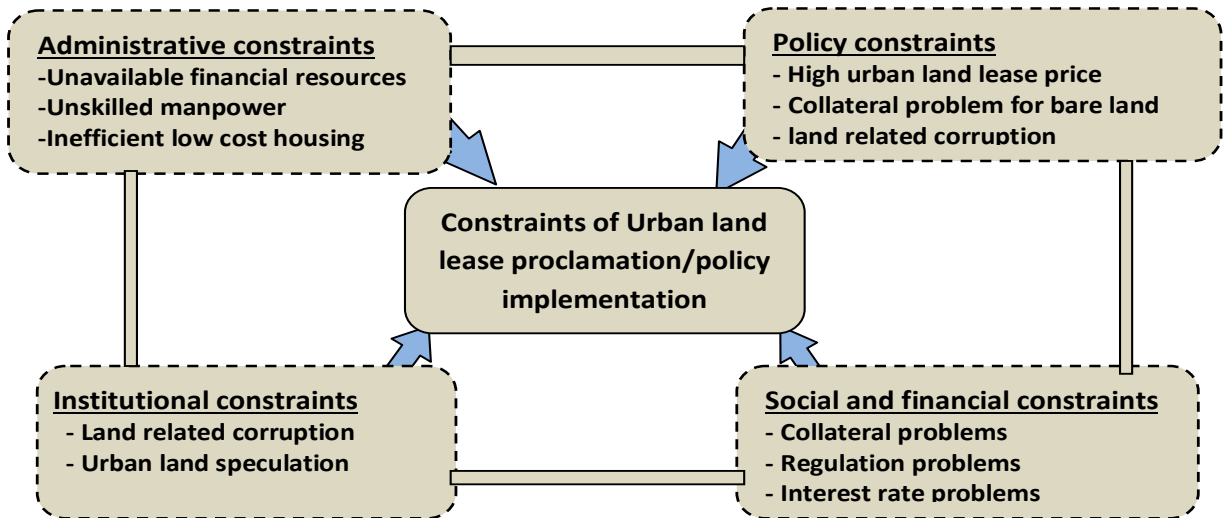


Figure 2.3: Constraints of urban land lease policy implementation

Source: Designed based on literatures review, 2016

Therefore, it can be said that the implementation of urban lands lease holdings proclamation touches every life aspect of the city dwellers in general and the sub city in particular.

2.7.3. The impacts of Urban Lands Lease Holdings Proclamation implementation

The constraints of Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation has its own impacts on the economic, financial, social, and institutional aspects of the sub city dwellers as collected from different literatures and summarized to be shown in figure 2.3.

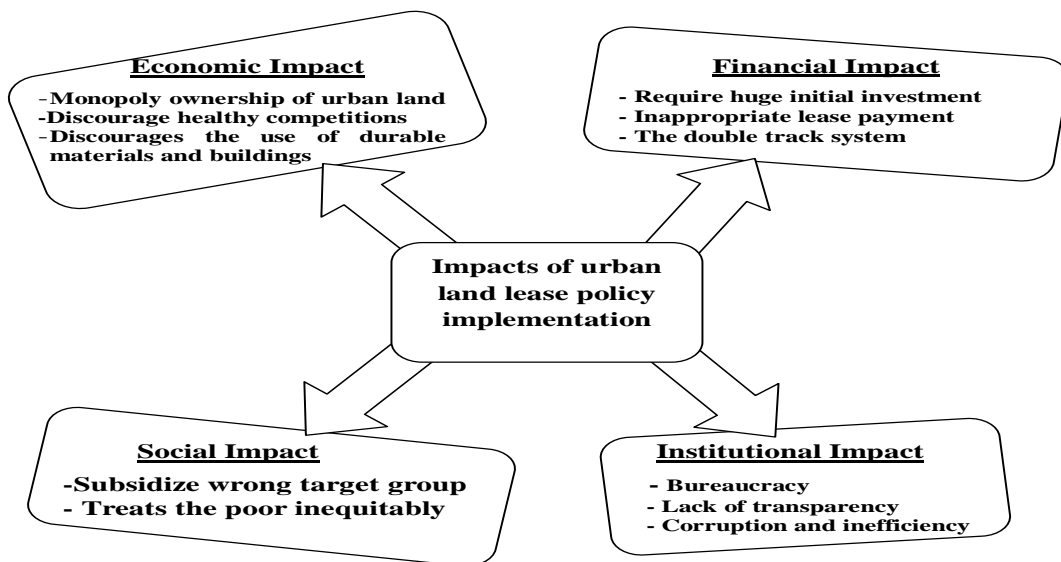


Figure 2.4: Impacts of Urban Lands Lease Holdings Proclamation implementation

Source: Designed based on literatures review, 2016

The unaffordability of Urban Land Lease price pushes the Urban Land demanders towards the periphery of the city which will contribute to the development of small towns and to an unnecessary expansion of the city. As a result, these people were involved in informal settlements (Millicant Odeny, 2013).

Since the contractual agreement of leasehold is bounded in duration of years, it reduces the rate of investment on that specified urban land plot. With regard to this, the study result of Belachew Yirsaw indicated that such condition results on economic impact on the city dwellers by discouraging investment, the use of durable materials for housing and multistory buildings on the formal Urban Lands (Belachew, 2010: 82/ 90).

Inappropriate increase of Urban Land Lease price due to high competition between lessees create large amount of down payments which affects and put its own negative impact on the utilization of income for housing (Ibid, 2010: 83/ 90). In such type of lease price, bankers are not confident to take undeveloped urban land as collateral unless the lessee develops that specified plot of urban land. Hence, it is very risky to provide loan to those borrowers (lessees) who have not yet started construction. As things continue, the result will be uncontrollable by many investors, they will be out of the investment or it leads the investors to participate in Urban Land related corruption.

2.8. Conceptual Framework of the Study

To make the study, the researcher depends on the assessment frameworks. All these assessment frameworks brought together and assessed in the study area; and to find out how the assessment frameworks lay its negative impact on the implementation of Urban Lands Lease Holdings Proclamation No. 721/ 2011.

In this study, seven Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation assessment frameworks were identified as stated: higher Urban Land Lease price, provision of sub serviced Urban Land, inefficient service provision and lack of access to information, lack of process transparency and inefficient officials capacity, informal payments and settlement that were assessed in the boundary of *Yeka* Sub City Administration through *Yeka* Sub City Land Development and Management Office by referring national level best practices and international level urban land lease experiences as indicated in figure 2.4.

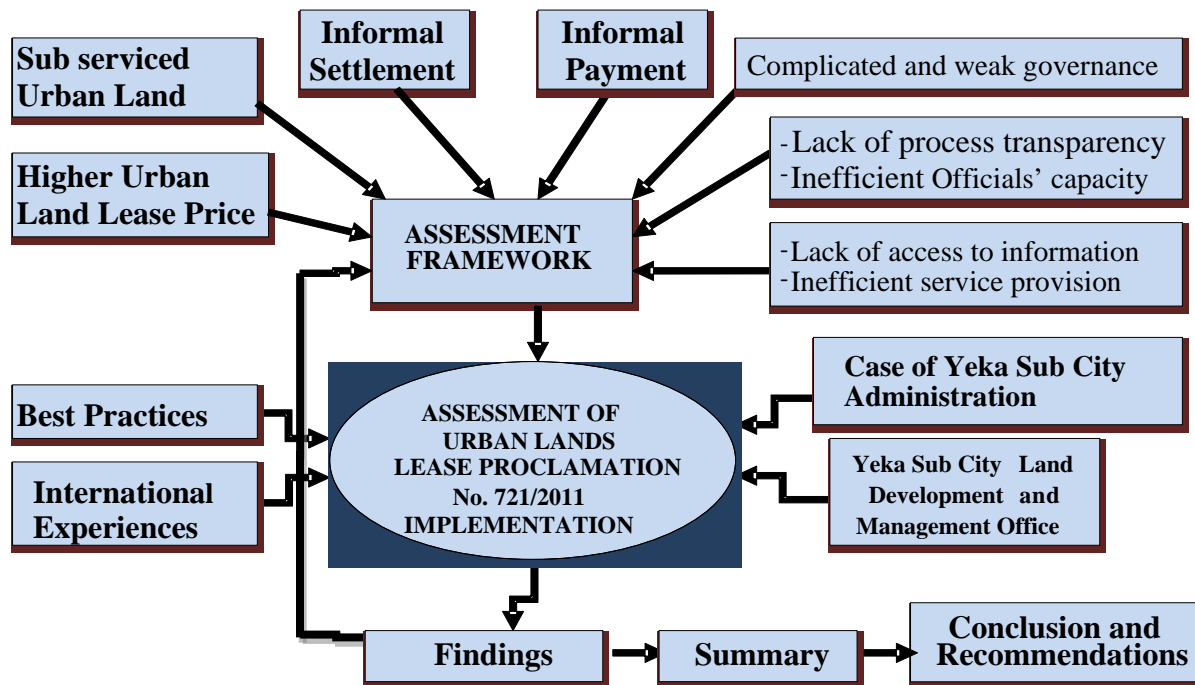


Figure 2.4: Conceptual framework of the research study

Source: Designed based on literatures review, 2016

After the assessment of Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation in the study area, *Yeka* sub city Administration through Land Development and Management office and checks “best practices” in all possible cases and better implementation dimensions, summary and conclusion of the study was made on the basis of research questions and specific objectives of the study; and finally recommendation was forwarded.

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter sets out a plan to which the research is carried out. Thus, it contains background of the study area, the types of research method; types, sources and methods of data collection; sampling technique and sample size; and the way in which the collected data is analyzed, interpreted and presented; and finally ethical consideration were raised.

3.1. Description of the Study Area

Addis Ababa City Administration, a young city since it has a history of a little more than 125 years, is one of the City Administrations of Ethiopia, containing different people coming from the other parts of Ethiopia and from abroad; it serves as a seat of international organization and more than 100 Embassies; it serves as the capital city of Ethiopia and Africa, which is by far the largest in the country located almost at the geographical center of the national territory, covers an area size of 51,948.85 hectare (Atlas map, 2014: 11/ 87).

Astronomically the city of Addis Ababa is located between $08^{\circ}49' 55.929''$ and $09^{\circ}05' 53.853''$ North latitude and between $38^{\circ}38' 16.555''$ and $38^{\circ}54' 19.547''$ East longitude. Addis Ababa is built on the steep escarpment of Mt. Entoto in the North of 3,400 meters to the south with an average altitude of 2, 400 meters. Thus the northern part is comparatively wetter and cooler than the south. The city is bordered by Special Zone of the Oromiya National Regional State. It is administered by a city council or Mayor and made up of 10 sub-cities, namely Addis Ketema, Akaki-Kality, Arada, Bole, Cherkos, Gullele, KolfeKeranio, Lideta, Nefas Silk Lafto, and Yeka and 116 *weredas*. From these sub-cities, five sub-cities Akaki-Kality, KolfeKeranio, Nefas-silk-Lafto, Bole and Yeka have suburban areas (Ibid, 2014: 6/ 87). Within the coming Master plan of the city, there will be a plan of dividing the city in to thirteen sub cities by dividing *Yeka* in to *Yeka* and *Yeka Abado*, *Bole* in to *Bole* and *Bole Arabsa*, *Akaki Kality* in to *Akaki Kality* and *Koye feche* sub city (informal conversation, 2016).

According to Central Statistics Agency of Ethiopia (CSA, 2015), the city of Addis Ababa has about 3,548,769 inhabitants of whom 1,690,655 were men and 1,858,113 were women; with the growth rate of 3.7% and density of 7,271 persons per square kilometer which decreases towards the periphery of the city.

Yeka Sub-City is one of the ten sub cities of Addis Ababa city Administration, which is situated in northeastern part of the city, bounded from south by Bole Sub City, from west by two Sub Cities called *Gullele* and *Arada*, from south-west by *Kirkos* Sub City and from north and east by special Zone of the Oromia National Regional State (Refer figure 3.1).

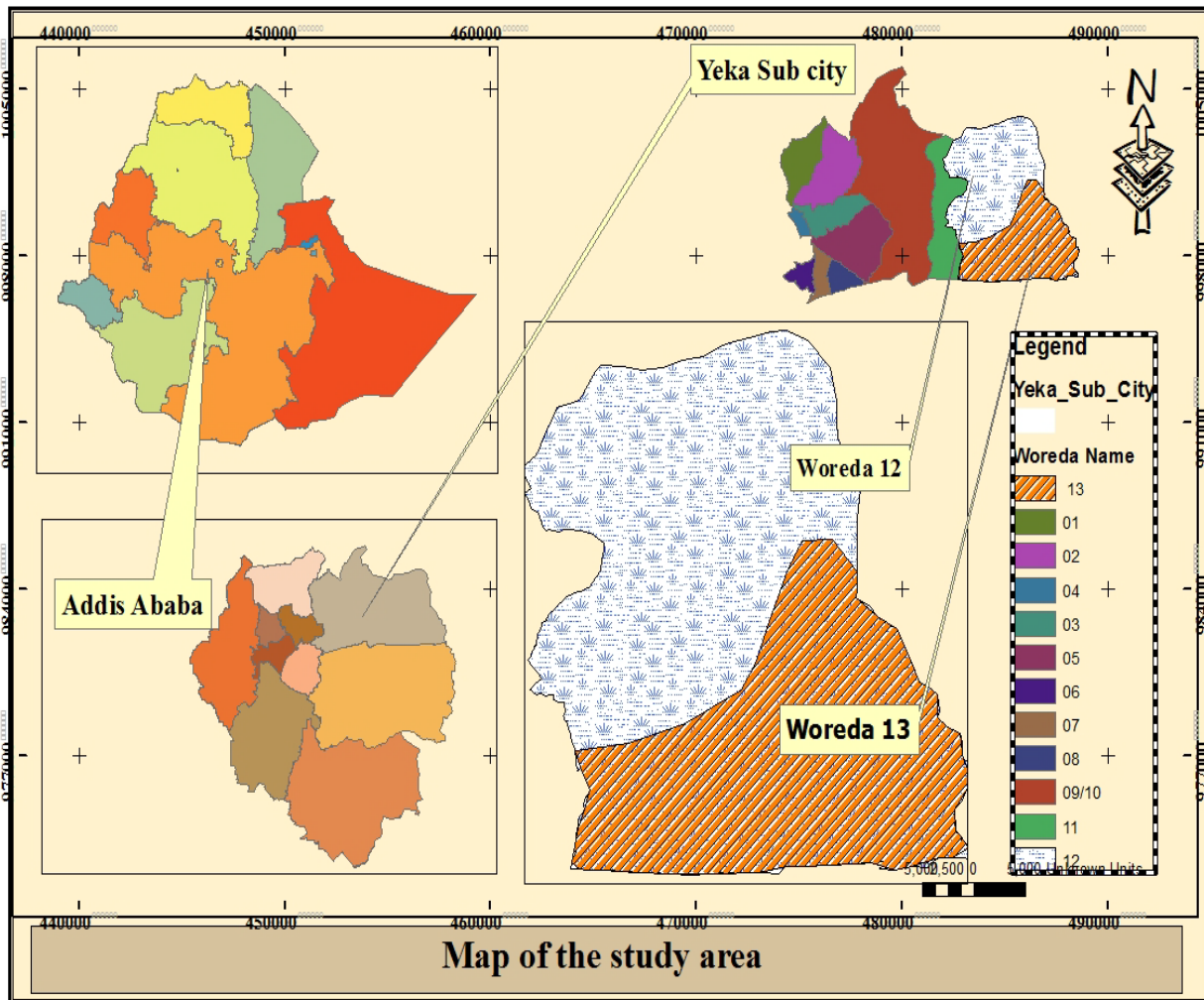


Figure 3.1: Local Map of the study area

Source: Arc map 10.1

The study area stretches from *Ferensay Legasion*, passes through *Haya hulet mazoriya* and *Megenagna* to reach *CMC* and ends at *Ayat tafo and Yeka Abado*. The altitude ranged from 3025 to 2314 meters above mean sea level which has a range of 711 meters. The Sub City covers 8213.11 hectares, constitutes 15.8 % of the total land area of the city which makes it 3rd huge Sub City from the ten Sub Cities of Addis Ababa (Atlas map, 2014: 21-22/ 87).

At present, the Sub City is divided into 13 administrative *Woredas* (refer figure 3.1), 142 sub-*Woreda*; 394 *Sefers*; and 1,344 blocks (Atlas map, 2014: 21/ 87). Among the total *Woreda*'s, the large area is covered by *Woreda* 12 with 1470.68 hectares, which is 17.91% of the Sub City and *Woreda* 06 covers smallest land area with 101.44 hectares which is 1.24% of the Sub City land area (Ibid, 2014: 22/ 87). The total population is 449,043 of which 209,277 are male while 239,765 are female, covers 12.65 % of the entire population of the city (CSA, 2015). The number of female population exceeds the number of male population by 30,488 persons. The largest number goes to *Woreda* 12 that holds 41,544 people which cover 9.39 % of the total population of the Sub City while *woreda* 04 holds 14,693 people (3.95 % of the total population of *Yeka* Sub City). Averages of 42.18 people live in meter square area of the Sub City which makes *Yeka* Sub City the 7th densely populated Sub City in Addis Ababa (Ibid, 2014: 21/ 87).

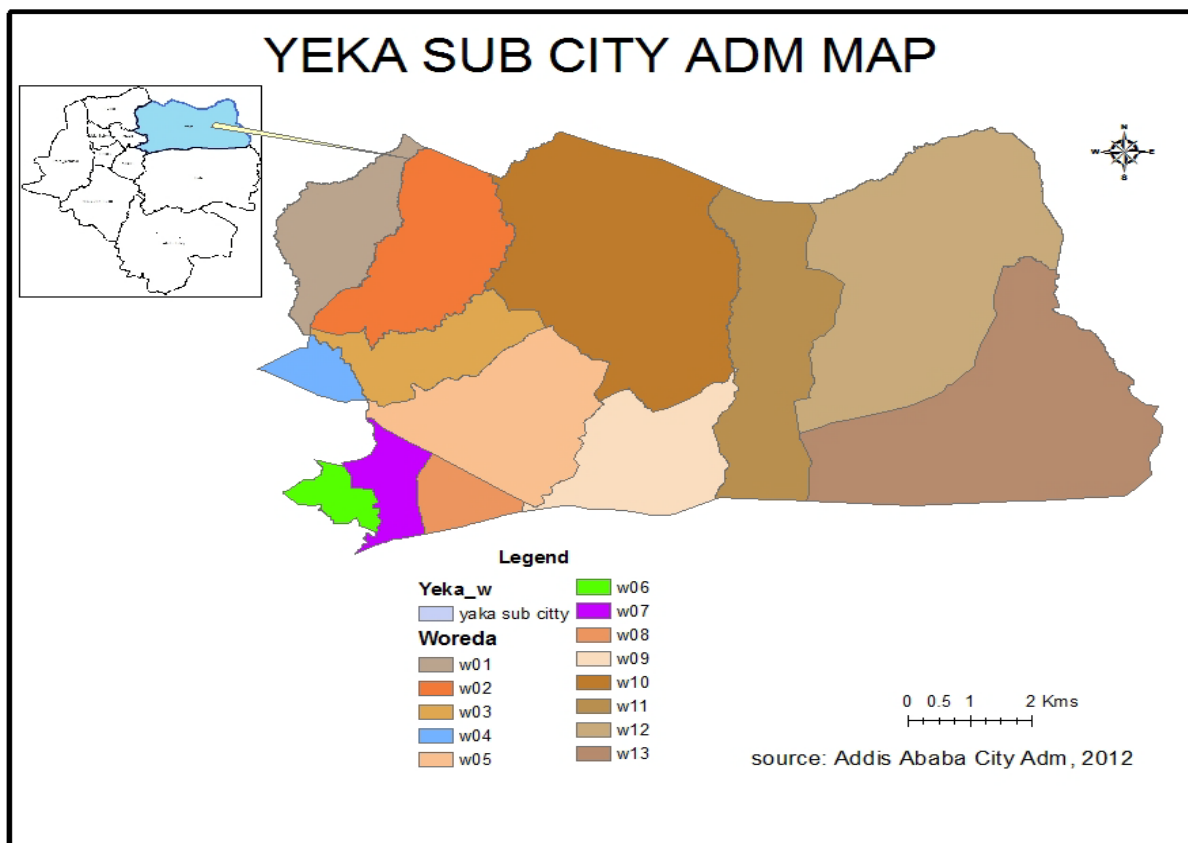


Figure 3.2: Local Map of the study area

Source: Arc map 10.1

The study area, *Yeka* Sub-City Administration, will be divided into two sub cities. For the coming year, the City Administration has a plan to establish a new Sub City by merging three *Woreda*'s including *Yeka* Sub City *Woreda* 11, 12 and 13 Administrations with the name called *Yeka Abado* Sub City (informal conversation, 2016). With regard to Urban Land usage, around 55% of the total land of *Yeka* Sub City is used for residential and institutional, 15% for industrial and the remaining 30% is for commercial purposes (Atlas map, 2014: 17/ 87).

3.2. Research Methodology

The choice of research methodology was dependent up on the nature of the research problem and with the reality which the researcher was going to examine in line with the research data type, quantitative and qualitative research data. Accordingly, a quantitative and qualitative research methodology has been followed in this research study. Both were used in combination as they do support each other at different levels of research study; during research design, data collection, analysis and presentation. Hence, figure 3.3 was provided to show the conceptual framework of the research methodology for this study.

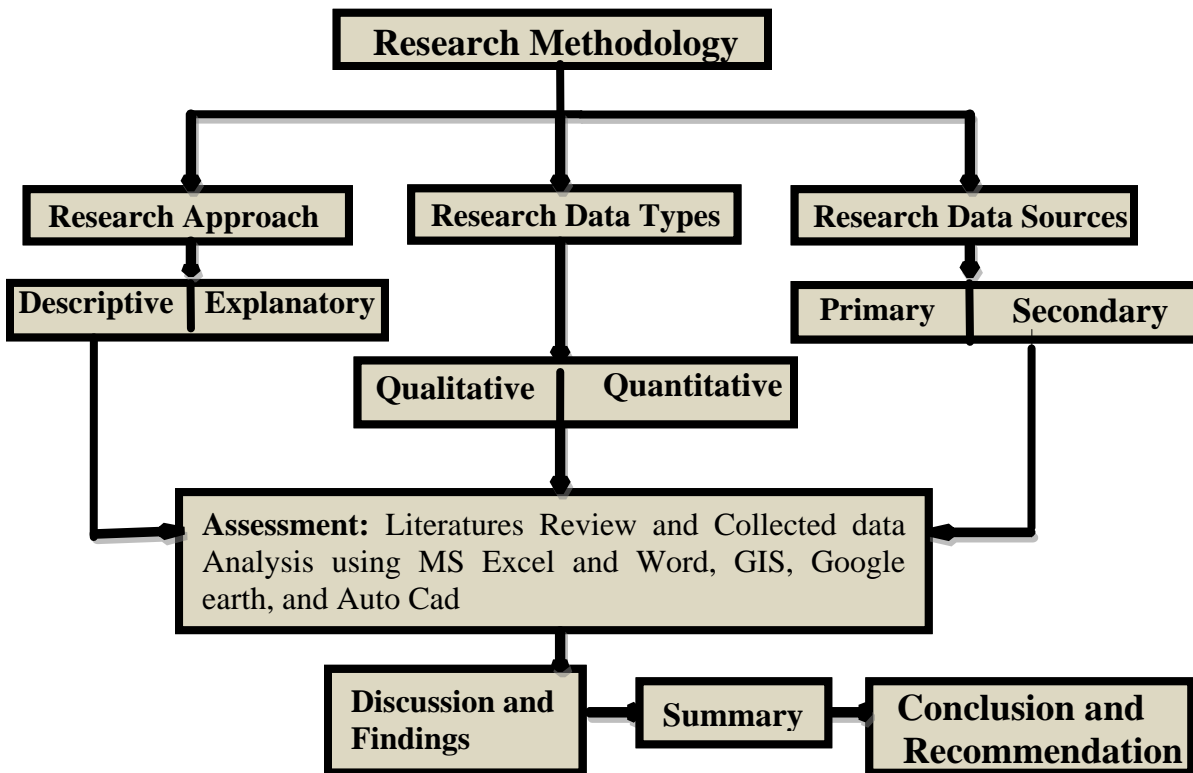


Figure 3.3: Conceptual framework of the research methodology

Source: Designed based on literatures review, 2016

The reason why such quantitative and qualitative research methods was chosen in this research study is to provide a deeper understanding with explanations and descriptions of the existing situation on the implementation of Urban Lands Lease Holdings Proclamation No. 721/ 2011 in *Yeka* Sub City Administration through the practices of *Yeka* Sub City Land Development and Management Office and *Woreda* level Construction Permit and Control Offices *Yeka* Sub City.

3.3. Research Design

Among different study designs, case study was the design of this research study. This is because of that “case study is an in-depth exploration from multiple perspectives of the complexity and uniqueness of a particular project, policy, institution, program or system in a ‘real life’ context” (Simons, 2009). The motive behind this decision was that this study design helps to make a realistic assessment of the issue by taking the case into its specific context. Thus, this research study’s case analysis has been specifically conducted on the Urban Lands Lease Holdings Proclamation No. 721/2011 implementation in the boundary of *Yeka* Sub City Administrations through *Yeka* Sub City Land Development and Management office, and *Woreda* level Construction Permit and Control offices. The major reason for the selection of this Proclamation is that it becomes a sensitive issue and its implementation has been extensively questioned by the majority of the Sub City dwellers. Moreover, the case was selected based on its potential to obtain rich information from everyone. The study area is selected based on the existed problems that are observed in the sub city and its way of possession of Urban Lands; i.e. formal and informal way of Urban Land plot possession.

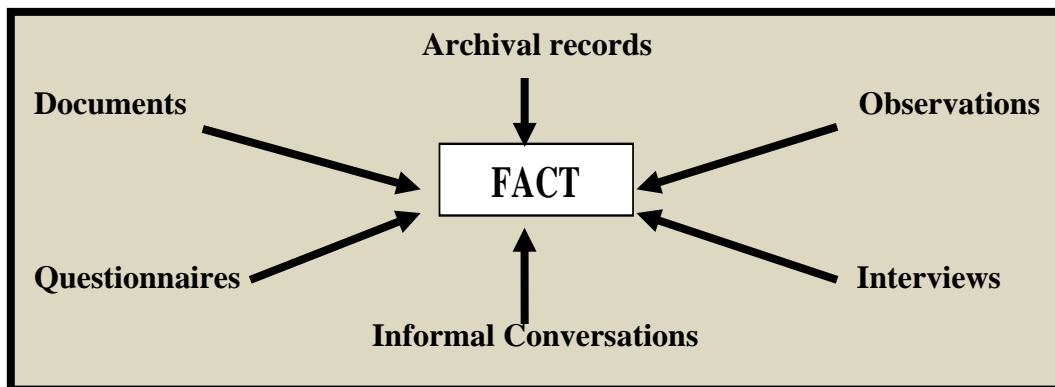


Figure 3.4: Convergence of multiple sources of evidence

Source: Modified from Nahiduzzaman, 2016

Another reason for the selection of case study as a research method is that it provides opportunity to apply a range of data collection techniques and use evidence from multiple sources as indicated in figure 3.3 to investigate the issue under consideration.

As a result, an in-depth approach was made to get different ideas that have multiple perspectives. By virtue of which, the researcher has been capable of collecting, documenting and analyzing various viewpoints and significant areas of consent and conflict by gathering information from a range of stakeholders such as, professionals, academicians, government officials, organized groups and individual citizens of potential value to the subject matter of this study.

3.4. Sampling Design

The target population of this study was composed of government officials (office heads, core work process owners and experts) and customers (formal and informal Urban Land settlers) of *Yeka* Sub City Land Development and Management Office and informal conversation participants like: old Urban Land possessors and non Urban Land holders (brokers, bank workers, lawyers, religious persons, housemaids, taxi driver, merchant, teachers and students).

For practicality purpose, the study population altogether is grouped based on their prescribed role on the implementation of Urban Lands Lease Holdings Proclamation No. 721/ 2011 in *Yeka* Sub City Administrations through Land Development and Management Office, Sub city and *Woreda* level Construction Permit and Control Offices. Thus, purposive sampling technique was used to select *Yeka* Sub City Land Development and Management Office leaders, Core Work Process Owners and Experts; Convenience sampling method was used to select Customers of *Yeka* Sub City Land Development and Management Office from *Woreda* 1, 12 and 13 Administrations; and Heterogeneous sampling technique was applied to select old and non Urban Land holders of *Yeka* Sub City Administration.

NB: Each of the following sampling techniques used in this study are selected according to its significance, types of data and nature of data collection system.

Purposive sampling: is a sampling technique which is applied when the respondents have direct and vast experience up on the topic of the study.

Convenience sampling: also called accidental sampling which is applied when there is a difficulty of obtaining respondents in a group at a time.

Heterogeneous sampling: is a sampling technique that is applied when there are dissimilar ideas, broad spectrum ideas that need to be collected from different peoples to owe their perspective up on the same issue.

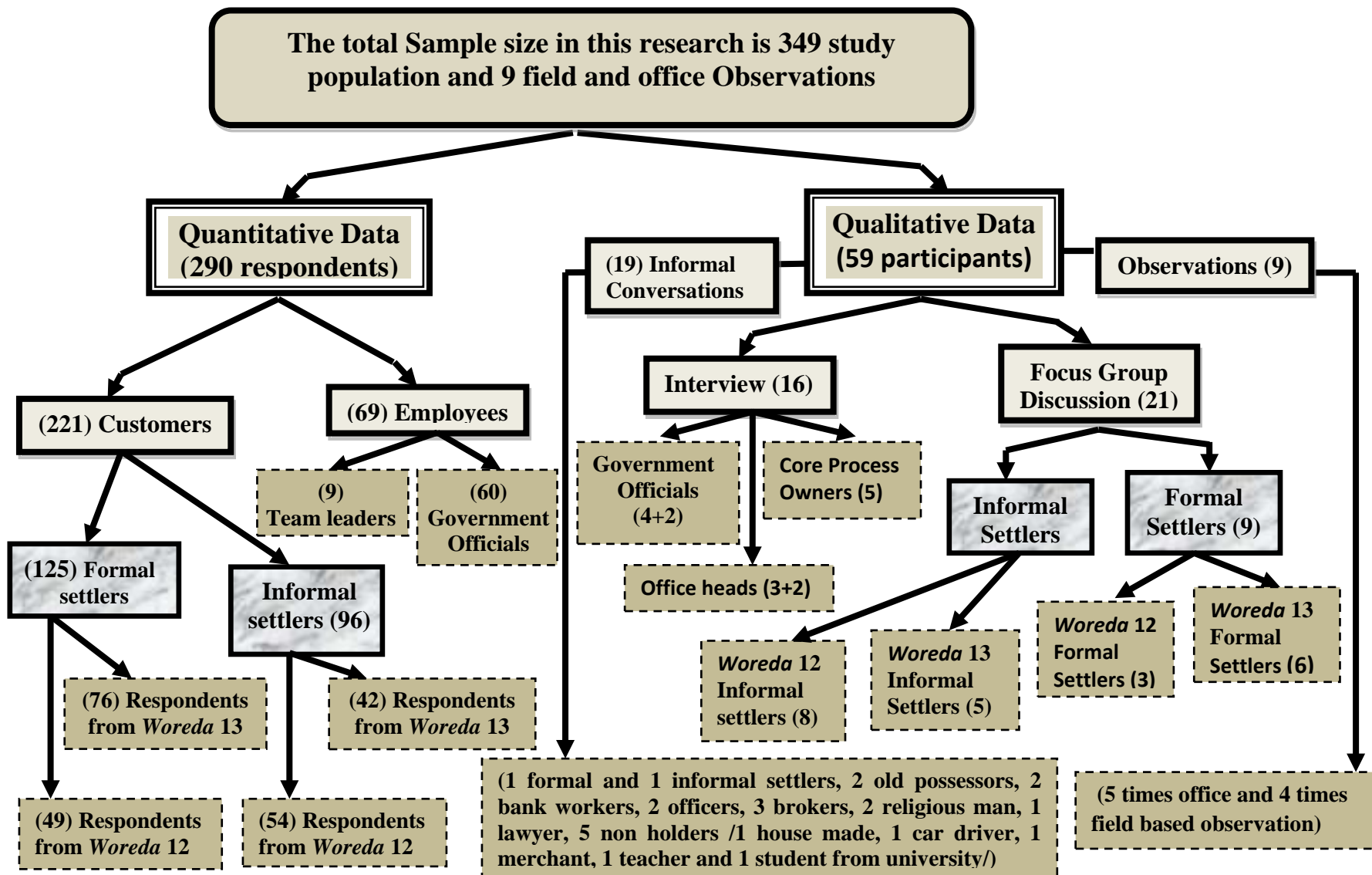


Figure 3.5: Sampling design of the research study

Source: Own Calculation, 2016

3.4.1. Sampling techniques

Sampling technique for the Qualitative data

With the help of Purposive Sampling technique, three Sub City level office heads and two *Woreda* level office heads; four Sub City level core work process owners/ team leaders; five Sub City level and two *Woreda* level officers, totally 16 government officials were selected to be used as Key Informant Interview (KII) participants. All these participants were selected from the Sub City Land Development and Management Office (i.e. Land Bank and Transfer Office /LBTO/, Title Administration Transitional Period Service Project Office /TATPSPO/, Construction Permit and Control Office /CPCO/ and *Woreda* level Construction Permit and Control Office) were used for qualitative data collection. The major reason for selecting these key informants purposively was due to their direct and vast experience on the Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation in *Yeka* Sub city Administration.

Convenience/ Accidental Sampling technique was applied to select Focus Group Discussion (FGD) participants from the customers of *Yeka* Sub City Land Development and Management Office. The prime reason for using convenience sampling technique was due to the difficulty of obtaining customers in a group. Therefore, the study used customers that come to the office frequently in order to earn service from the office for about one month and above. As per the Sub City Land Development and Management Office reports, the total number for such type of customers was 57 on average; out of these, customers from *Woreda* 12 and 13 were 21 from which 9 were formal and 12 were informal Urban Land settlers. All these customers were taken as FGD participants to be treated separately by using two groups; because, it is convenient to gather the required data from them as it gives the opportunity to participate equally, to listen each other and forward ideas in response.

Since heterogeneous sampling technique was applied when there is broad spectrum ideas in different people; and therefore, diverse ideas were collected from different peoples such as: two formal and two informal Urban Land settlers, one bank worker, three government officials, two brokers, three religious men, one lawyer, one house made, one taxi driver, one merchant, one teacher and one student from university level; totally 19 peoples were selected to be used as informal conversation participants.

Therefore, the total number of participants for the qualitative data collection was 16 higher government officials for interview, 21 customers for FGD and 19 different individuals for informal conversation; totally 56 participants were selected from the study area.

Sampling technique for the Quantitative Data

The quantitative data was collected from the employees and customers of *Yeka* Sub City Land Development and Management Office. Workers that account 83 employees were considered as a study population of the study area. Thus, (Kothari, 2004) stated that, if the total number of the target population is assumed to be less than 10,000, the formula $n = \frac{N}{1+N(e)^2}$ has used to have a representative sample size. Therefore, the following formula was used:

$$n = \frac{N}{1+N(e)^2} \dots\dots\dots \text{Equation no. 1}$$

- Where:
- **n**, is the desired sample size;
 - **N**, is the size of the population;
 - **e** is the limit of error tolerance which is assured to be 5 % (0.05) level of confidence.

Therefore, $n = \frac{83}{1+83 (0.05)^2} = \frac{83}{1+83 (0.0025)} = \frac{83}{1.2075} = 68.7 \approx 69$

Thus, 69 employees were taken as questionnaire respondents.

Customers from *Yeka* Sub City LBTO and CPCO accounts 725 per week on average; and customers from *Yeka* Sub City TATPSPO holds 1,130 per week on average, totally, 1855. From the total, 493 were customers from *Woreda* 12 and 13 Administrations, of which 278 (109 from *Woreda* 12 and 169 from *Woreda* 13) were formal and 215 (121 from *Woreda* 12 and 94 from *Woreda* 13) were informal Urban Land settlers. Thus, the 493 customers were considered as a study population for quantitative data. By using the same formula, which is affirmed by Kothari (2004), the sample of respondents from customers of *Woreda* 12 and 13 Administrations will be:

$$n = \frac{493}{1 + 493 (0.05)^2} = \frac{493}{1 + 493 (0.0025)} = \frac{493}{2.2325} = 220.83 \approx 221$$

Therefore, 221` customers were questionnaire respondents. Then, the ratio method was used to determine the share of the sample questionnaire respondents for the formal and informal Urban Land settlers of the study area, *Woreda* 12 and 13 Administrations.

Equation no. 2: Sample size determination for quantitative data collection (Ratio method)

<p>*For the formal settlers: 493 = 100%</p> <p style="text-align: center;">278 = ?</p> $\frac{278 \times 100 \%}{493} = 56.38\% \approx 56\%$	<p>*For the informal settlers: 493 = 100%</p> <p style="text-align: center;">215 = ?</p> $\frac{215 \times 100 \%}{493} = 43.61\% \approx 44\%$
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Based on the share of questionnaire respondents, the sample questionnaire respondents of formal and informal Urban Land settlers of the study area will be:

<p>*For the formal settlers: 221 = 100%</p> <p style="text-align: center;">? = 56%</p> $\frac{221 \times 56.38 \%}{100\%} = 124.60 \approx 125$	<p>*For the informal settlers: 221 = 100%</p> <p style="text-align: center;">? = 44%</p> $\frac{221 \times 43.61 \%}{100\%} = 96.37 \approx 96$
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Finally, the share of study area, *Woreda* 12 and 13 administration, of the sample questionnaire respondents of formal and informal Urban Land settlers was determined by using ratio method; and then it will be:

<p>*For <i>Woreda</i> 12 formal settlers: 278 = 100%</p> <p style="text-align: center;">109 = ?</p> $\frac{109 \times 100 \%}{278} = 39.21\% \approx 39\%$	<p>*For <i>Woreda</i> 13 formal settlers: 278 = 100%</p> <p style="text-align: center;">169 = ?</p> $\frac{169 \times 100 \%}{278} = 60.79\% \approx 61\%$
<p>*For <i>Woreda</i> 12 informal settlers: 215 = 100%</p> <p style="text-align: center;">121 = ?</p> $\frac{121 \times 100 \%}{215} = 56.28\% \approx 56\%$	<p>*For <i>Woreda</i> 13 informal settlers: 215 = 100%</p> <p style="text-align: center;">94 = ?</p> $\frac{94 \times 100 \%}{215} = 43.72\% \approx 44\%$

Based on the share of questionnaire respondents, the sample questionnaire respondents of formal and informal Urban Land settlers/ customers of *Woreda* 12 and 13 administrations will be:

<p>*For <i>Woreda</i> 12 formal settlers: 125 = 100%</p> <p style="text-align: center;">? = 39%</p> $\frac{39\% \times 125}{100\%} = 48.75 \approx 49$	<p>*For <i>Woreda</i> 13 formal settlers: 125 = 100%</p> <p style="text-align: center;">? = 61%</p> $\frac{61\% \times 125}{100\%} = 76.25 \approx 76$
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*For *Woreda* 12 informal settlers: 96 = 100%
? = 56%

$$\frac{56\% \times 96}{100\%} = 53.76\% \approx 54$$

*For *Woreda* 13 informal settlers: 96 = 100%
? = 44%

$$\frac{44\% \times 96}{100\%} = 42.24\% \approx 42$$

Thus, the number of respondents was 125 (49 for *Woreda* 12 and 76 for *Woreda* 13) formal and 96 (54 for *Woreda* 12 and 42 for *Woreda* 13) informal Urban Land settlers; totally 221 quantitative respondents were selected from the study area. Therefore, the total sample population for quantitative data collection was 290 (69 workers and 221 customers) respondents.

3.4.2. Sample Population

The total sample population of the study area was 16 interviewee participants, 21 FGD participants, 19 informal conversation participants and 290 questionnaire respondents. Thus, the total sample population (respondents and participants) for this research study were 346 peoples and 9 times office and field based observations (See figure 3.5).

3.5. Research data sources

This study used both qualitative and quantitative data types that are interdependent each other, by using data collection tools via office and site observation, KII (Key Informant Interview), FGD (Focus Group Discussion), IC Informal Conversation, and Well-Structured and unstructured Questioners. For practicality of this research study, both qualitative and quantitative data types were collected from both primary and secondary data sources.

3.5.1. Primary data sources

The primary data were collected from *Yeka* Sub City Land Development and Management Office workers (office heads, work process owners, employees), customers (formal and informal urban land settlers), and different individuals (employees, customers, brokers, bank workers, lawyers, merchants, religious persons, car drivers, house made, non urban land holders, teachers and students) through observation, questionnaires, interview, FGD and informal conversations.

3.5.2. Secondary data sources

Secondary data were secured from Ministry of Urban Development and Construction, Addis Ababa City Administration Urban Land Development and Management Bureau and *Yeka* Sub

City Land Development and Management Office; Nortek, GIS, Line maps, Google maps, Books, Articles, Manuals, Addis Ababa City and also *Yeka* Sub City Administration Annual reports; previous Research findings, Urban Lands Lease Holdings Proclamations, Urban Lands Lease Holdings Regulations, Directives and Internet sources were used as secondary data sources.

3.6. Data Collection Methods

Multiple sources of data have been used for the purpose of studying the research objectives of this research study through different dimensions. The study is, therefore, based on qualitative and quantitative data generated from field surveys, interviews, observations, FGD, informal conversations/ discussions; and secondary data from newspapers, previously conducted studies, maps/ images, journal articles, and different administrative level of annual reports.

3.6.1. Qualitative data collection tools

The under mentioned qualitative data collection tools was used for this research study to collect qualitative data from different sources through:

i. Observation /Field and Office/

Since it gives a clear cut mental map of the study area, field and office based observations was made for the whole research study; because, it helps to provide the actual image of the ground and the office layout, and to investigate the service giving activity of the study area. The field observation was made for about 2 and 3 hours for each part of study area while office observation was made for about 40, 45 at the Sub City level and 55 minutes at *Woreda* level.

ii. Key Informant Interview / KII /

Interview was conducted with the Sub City and *Woreda* office heads, Core work process owners and experts. Thus, the required information was obtained from 3 office heads, 5 core work process owners and 4 experts from the Sub City and 2 office heads and 2 experts from *Woreda* level. The advantage of using interview in qualitative data collection was to obtain more in depth information about the Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation benefits, challenges, impacts and prospects from experienced office heads, core work process owners and experts of the Sub City and *Woreda* 12 and 13 Administrations. Each interview with the key informants of the study area was made by preparing suitable time for not beyond an hour.

iii. Focus Group Discussion / FGD /

To give an opportunity for the involvement of people with various experiences, Focus Group Discussion (FGD) was made and discussed the issue through various questions. It was conducted on 21 customers by dividing into two groups (12 formal Urban Land holders and 9 informal Urban Land holders). To carryout it effectively, the researcher developed checklist questions. The questions were first prepared in English and translated to Amharic and again back to English for analysis purpose. The FGDs was made for about 2 and 3 hours for formal and informal Urban Land settlers respectively in the compound of the study area, *Yeka Sub City LDMO*.

iv. Informal Conversation / IC/

Informal conversation helps to get the actual feelings (real data) of the respondents by which the researcher strengthens the research data that were collected through observation, questioners, interview, FGD and document review from the study area, *Yeka Sub City Land Development and Management Office* and *Yeka Sub City Woreda 12 and 13 Administrations*. The questions were prepared by considering the intended research objectives, the formulated research questions and literature of the study. It were edited repeatedly, studied carefully and applied the conversation informally. The data in here were collected simply by discussing with the selected respondents informally for about 30 to 45 minutes on average. Finally, the collected qualitative data were coded according to its significance in the study.

3.6.2. Quantitative data collection tools

This research study also used the following quantitative data collection tools to gather all the necessary quantitative data to this research study.

i. Document Review

Review of policies, Urban Lands Lease Holdings Proclamation, regulation, annual and monthly reports, magazines, journals, published and unpublished Land Administration documents was used by taking from the concerned bodies like the Ministry of Construction and Urban Development, the City Administration and Sub City Land Development and Management Offices. These helped for the study to understand how the Urban Lands Lease Holdings Proclamation was implemented and how employees converted different challenges they faced in to opportunities to administer the Urban Lands Lease Holdings Proclamation No. 721/ 2011.

ii. Questionnaires

For the purpose of this study, the researcher used open and closed ended questionnaires to collect quantitative data from employees and customers of *Yeka* Sub City Land Development and Management Office. This was done in order to support the data that were gathered through observation, interview and Focus Group Discussions, informal conversations and document reviews. The questionnaire was prepared in English language and translated into Amharic version to involve individuals who have not a good ability of English language. For the assurance of the translation, the researcher gave the prepared questionnaire in English language in order to be translated into Amharic version by an individual who have a very good ability of both English and Amharic languages. Data collection through this approach had been carried out with the help of two individuals who work in *Yeka* Sub City Land Development and Management office by making customers of LBTO, CPCO and TATPSPO to fill at a time when they earn service from the three offices; each of the questionnaire was filled out within 25 to 30 minutes and answering all the questionnaires was completed within one week time.

3.7. Method of Data Analysis

The collected qualitative and quantitative data through different data collection tools from primary and secondary data sources was analyzed via the following data analysis methods:

3.7.1. Qualitative Data Analysis

In qualitative data analysis, coding data was applied to discover what is important and what is to be learned. The process of coding data was used for examining the raw qualitative data by putting it in the form of words, phrases, sentences, paragraphs and assigning codes. In this process, the concepts were merged from the raw data and grouped into conceptual categories. For further analysis the responses were categorized under the conceptual categories of benefits, challenges, impacts, prospects, recommended solutions.

3.7.2. Quantitative Data Analysis

In analyzing quantitative data, the study used MS EXCEL and MS Word document 2010 software. The analyses was used to determine any significant differences in attitude and perceptions among employees towards the assessment of Urban Lands Lease Holdings Proclamation implementation and its benefits, challenges, impacts, prospects and solutions.

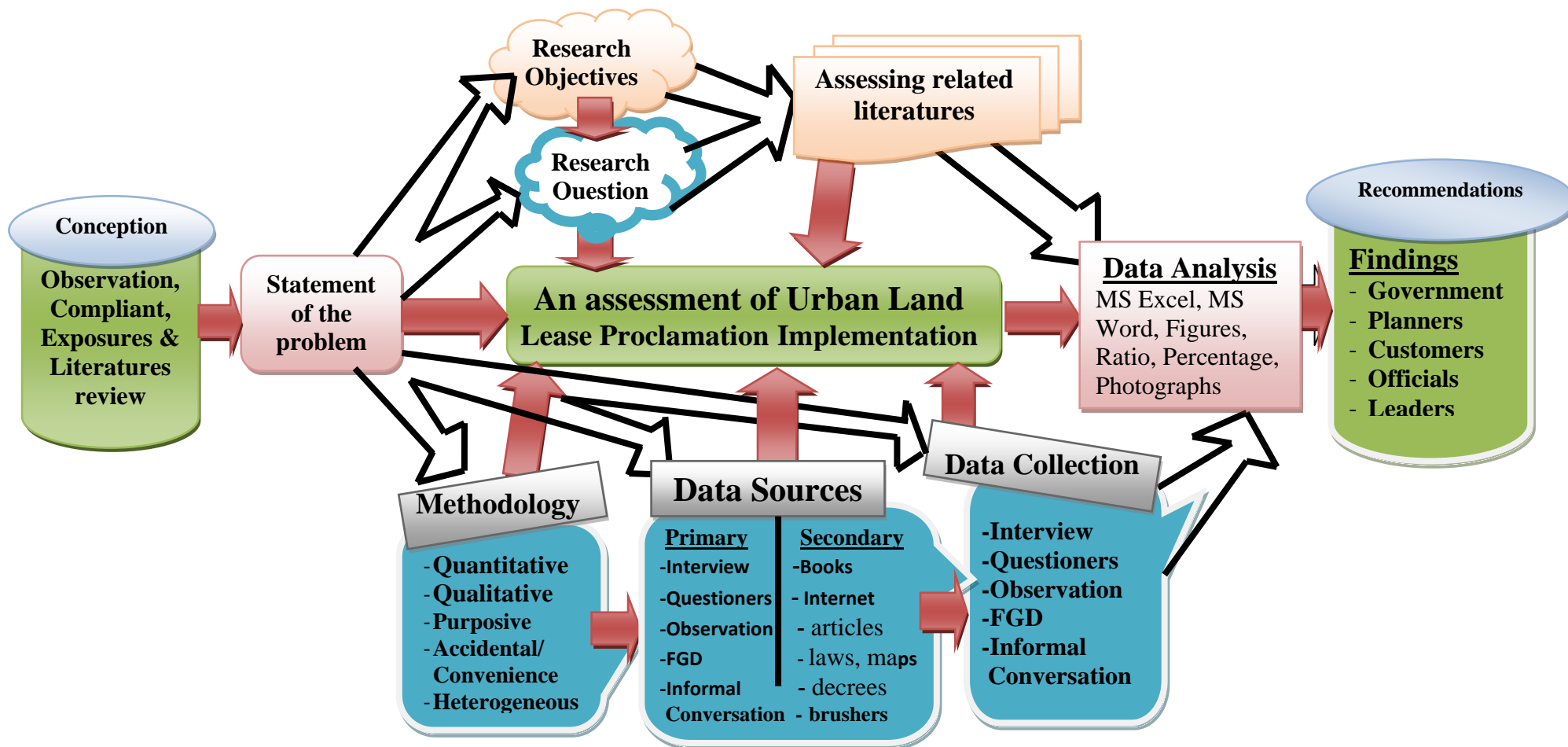


Figure 3.6: Work flow of the research study

Source: Own illustration, 2016

3.7.3. Software Used

Using of software in this study helps to speed up the process, to visualize the result and to present the work in a better way. Hence, this study used the following software applications.

- ✓ 2015/ 2016 Google earth: is used to produce new maps for the purpose of comparison.
- ✓ 2012 Arc GIS 10.1: to produce the study area maps for visualization and interpretation.
- ✓ 2007 AutoCAD: to make analysis on the expansion level of the study area.
- ✓ 2010 Microsoft word: is used to interpret data, to save on it, to retrieve and to visualize it.
- ✓ 2010 Microsoft Excel: is used to make analysis of quantitative data and its visualization.

Therefore this software was used for data collection, analysis and helped to demonstrate the result of qualitative and quantitative data analysis of this research study.

3.8. Method of Data Presentation

The collected, grouped and interpreted quantitative data was properly analyzed and finally presented through graphs, ratio, figures, tables and also photographs. The collected and grouped qualitative data was also presented in narrative and in content analysis way of data presentation in a way that it presents the information appropriately.

3.9. Ethical issue consideration

To carry out this research study, approval and permission letter was taken from Addis Ababa University's faculty of social science, department of geography and environmental studies and submitted to the study area, *Yeka* Sub City Land Development and Management Office.

Through the whole process of questionnaire distribution, key informant interview, FGD and informal conversation, all samples of target population were treated in an ethical manner with mutual understanding of each other. Except informal conversation, further and brief orientation were given to all participants about the title, purposes and objectives of this research study to the office heads, employees and customers of *Yeka* Sub City Land Development and Management Office; and also to the non-urban land holders, brokers, teachers, car drivers, merchants, students, lawyers, religious persons, house made and others.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

The data analysis and interpretation part of this study is categorized into six thematic sections with different sub sections. The first section deals about the demographic characteristics of the sample respondents, the second section discusses the Urban Land Lease Policy implementation practices, the third section describes the benefits, the fourth section point out the constraints, the fifth section states the impacts, the sixth section states the prospects and the seventh section mentions with the possible measures forwarded by the respondents to ensure effective Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation. As mentioned in the methodology, 290 questionnaire respondents, 16 interview participants, 24 FGD participants, and 19 informal conversation participants were selected from the study population. From 290 questionnaires, 289 were collected back for analysis. Informal conversation, interview and FGD were made with all of the participants. Five times office based and four times field based observation was made.

4.1. Demographic Characteristics of the Sample Population

Table 4.1 presents the demographic characteristics of the sample population which consists: sex and age of the questioner respondents, interview, FGD and informal conversation participants.

Table 4.1 Demographic characteristics of the sample population (1)

Sample Population Category	Total	%	Sex		Age in years			
			Male	Female	20 - 30	31 - 40	41 - 50	Above 50
Questionnaire respondents	289	83.8	174	115	160	93	21	15
Interview participants	16	4.6	13	3	4	9	3	-
FGD participants	21	6.0	15	9	6	7	11	-
Informal conversation participants	19	5.6	10	9	-	-	-	-
Total	345	100	212	136	170	109	35	15

Source: Own survey, 2016

N.B: The age characteristics of informal conversation participants were not obtained.

As it can be observed from table 4.1, the majority of the total sample population, 174 (61.4 %) were males and 115 (38.6 %) were females. All of the office heads are male and their ages were 37, 37 and 39 for the sub city land bank and transfer office, Title Administration Transitional Period Service Project Office, and building permit and control office head respectively; and also the ages of office heads of *Woreda* 12 and 13 is 33 and 29 years old respectively (interview, 2016). This could tell us, most males were involved in controlling the implementation of Urban Lands Lease Holdings Proclamation No. 721/ 2011. Furthermore, table 4.2 shows the demographic characteristics specifically the educational background, marital status, job position and work experiences of the sample population of the study.

Table 4.2 Demographic characteristics of the sample population (2)

Sample population category		Questioners respondents		Interview participants		FGD participants	
		Number	percent	Number	percent	Number	percent
Educational status	Read and write	-	-	-	-	-	-
	1 - 8	7	2	-	-	-	-
	9 - 12	18	6	3	16	-	-
	Certificate	21	7	2	10	11	46
	Diploma	93	32	5	26	8	33
	Degree	134	46	6	32	5	21
	MA	16	6	3	16	-	-
Marital status	Single	76	26	5	26	5	26
	Married	194	67	12	63	11	58
	Divorced	-	-	2	11	1	5
	Widowed	-	-	-	-	-	-
	Separated	19	7	-	-	2	11
Total service year	Below 4 years	-	-	-	-	-	-
	4 years	-	-	-	-	5	21
	Above 4 year	289	100	19	100	19	79

Source: Own survey, 2016

N.B: Data on the characteristics of informal conversation participants were not obtained.

With regard to educational background of questioner respondents, the majority, 134 (46%) of the respondents were degree holders; whereas the least, 7 (2%) of respondents were grade 1 - 8 students; 6 (32%) of interview participants were degree holders and 11 (46%) of FGD participants were degree holders. From the results, one can conclude that the level of education

for most of the sample population were degree holders where it could create a good opportunity for having better awareness on the implementation of Urban Lands Lease Holdings Proclamation No. 721/ 2011 in *Yeka* Sub City Administration.

For the marital status of the sample population; majority of the sample population was married. So that they may have greater responsibility for the proper implementation of Urban Lands Lease Holdings Proclamation No. 721/ 2011 in *Yeka* Sub City Administration.

Concerning the work experience of the sample population, all the questionnaire respondents, interview participants and almost all of the FGD participants have over 4 years work experience. But, only 5 (21 %) of FGD participants have 4 years work experience. This could show us most of them have higher exposure and better awareness for the implementation of Urban Lands Lease Holdings Proclamation No. 721/2011 in *Yeka* Sub City Administration.

4.2. Implementation practices of Urban Lands Lease Holdings Proclamation No. 721/ 2011

The implementation practices of Urban Lands Lease Holdings Proclamation No. 721/ 2011 were assessed through the assessment framework of this research study that are shown in the conceptual framework in line with the specific objectives and research questions of the study.

4.2.1. Sources of information for Urban Land Holdings

As part of this study, the formal and informal Urban Land settlers usually used the sources of Urban Land information that are illustrated in the figure 4.1 and 4.2.

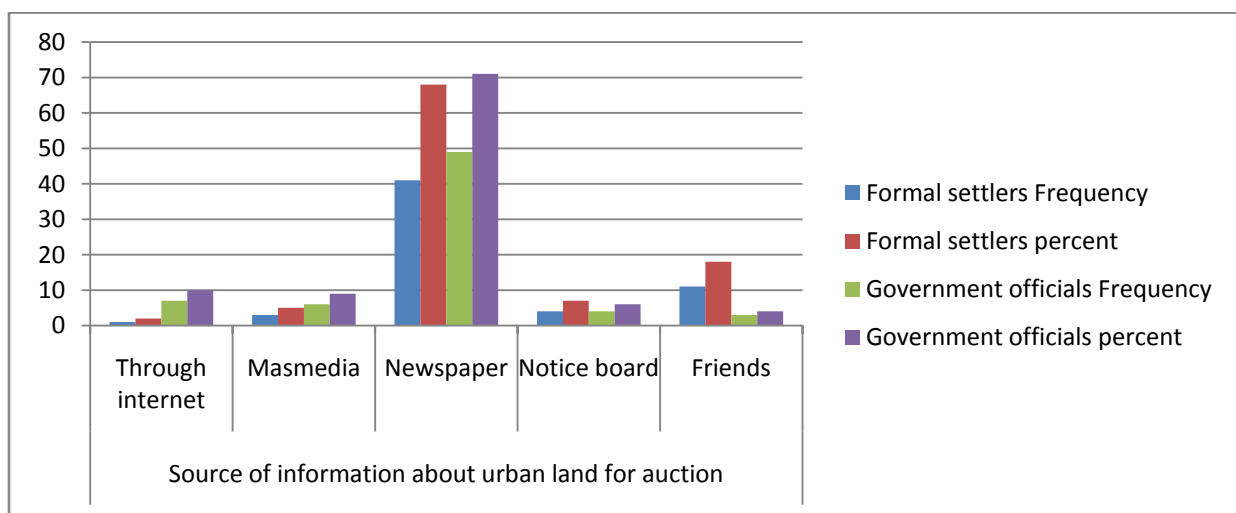


Figure 4.1 Sources of information for the Urban Land Lease holders in the study area

Source: Own Survey, 2016

Thus, figure 4.1 indicates the sources of information for the way of Urban Land Holdings in *Yeka* Sub City Administration through the process of auction. Therefore, most of the formal settlers and government officials said that formal Urban Land settlers acquired Urban Land Lease related information from newspaper (Refer figure 4.1).

In addition to this, interview result with one of the government official’s show that the formal Urban Land holders obtain Urban Land Lease related information from “*Addis Lesan*” newspaper, and sometimes they get from “ETV/EBC” and radio.

Parallel to this; figure 4.2 shows the availability of Urban Land related information sources for the informal Urban Land settlers when they bought their informal Urban Land plot. Thus, the figure shows that the majority of the respondents responded as the informal settlers were obtained Urban Land related information from brokers and former informal Urban Land settlers; whereas internet is not totally used as a source of information; however, notice board to some extent, while the use of neighbors and friends are a bit larger than notice board but family and farmers were used as a medium level of information source (See figure 4.2).

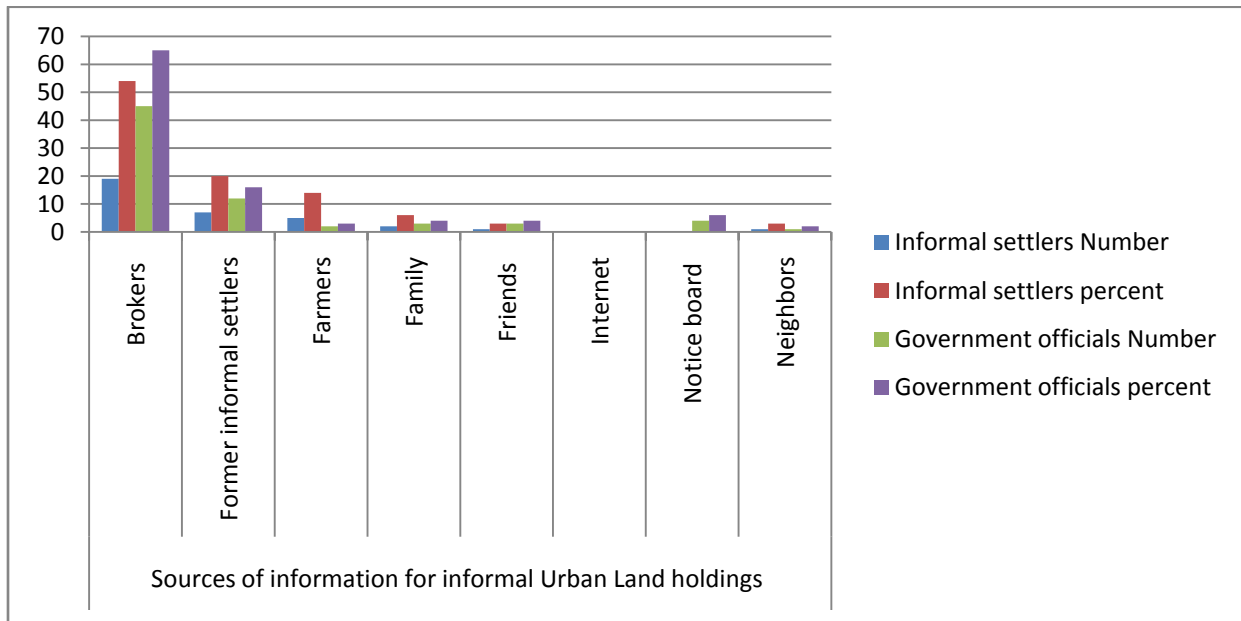


Figure 4.2 Sources of information for the informal Urban Land settlers in the study area

Source: Own Survey, 2016

In connection with this, informal conversation was made with one of the brokers with the question “Who provide Urban Land related information for the informal settlers?” and he reflected his view as:

“Since informal Urban Land holdings is done in secret, the only ways that serve as a source of information in the previous time were brokers, former informal settlers, friends and their family; All of them were equally serve as a source of information, but now brokers and government officials provide information for the informal Urban Land plot possessors. This is done when the former informal Urban Land settlers want to sell their plot for others, the government officials checked the plot of informal Urban Land whether it is found on the line map of the Sub City or not; and then brokers fix price for that specified plot of informal Urban Land and the owner sales the Land to the buyers or any other individuals”.

Following this, figure 4.3 show that the ways of Urban Land related information delivery of Yeka Sub City Land Development and Management Office for its customers. Little number of respondents said that it is very good and bad; most of them replied as it is fair. But, some of them believed that the level of information delivery of Yeka Sub City is good. No respondents were replied as there is very bad level of information delivery in Yeka Sub City Land Development and Management Office (Refer figure 4.3).

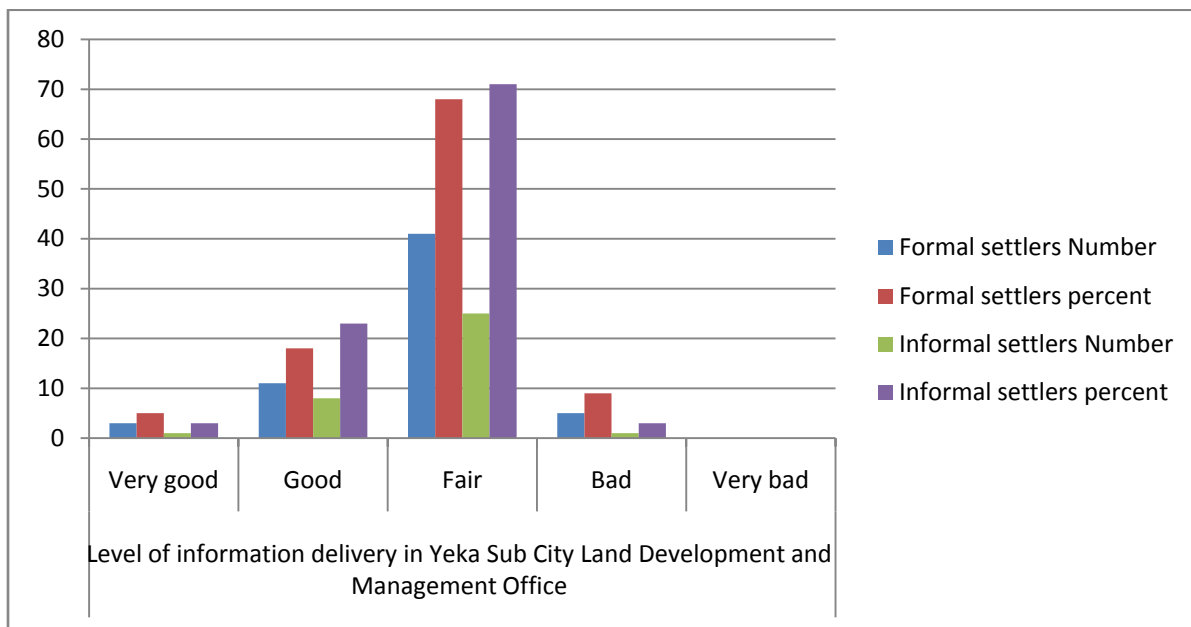


Figure 4.3: Delivery of information to the formal and informal Urban Land settlers
Source: Own Survey, 2016

According to the obtained result, the information delivery of the sub city is totally skewed to fair. Therefore, it can be said that the Sub City Land Development and Management Office should have to work on the information delivery to its customers, to make it technology based.

4.2.2. Ways of Urban Land Lease plot allocation in the study area

On the ways of Urban Land Lease plot allocation, one of the brokers replied for the informal conversation question “How is the process of Urban Land allocation in the study area?” as:

“The allocation of Urban Land Lease plot in Yeka Sub City is fair. Because there is no way of Urban Land plot allocation process that favors the urban poor and women in the sub city; it only gives opportunity to the middle and high income groups”.

In contrary to the above argument, one of the teachers from the higher academic institution in the city of Addis Ababa said that:

“The Urban Land allocation process of Yeka Sub City is fast when it is compared with the former allocation process. This might be due to the existence of well educated workers and the transparent service provision in the sub city. However, the urban land plot in land bank of the sub city might be small to allocate it for the high demand of the urban dwellers. Therefore, the government of Addis Ababa has to work a lot on it, or it has to look for the experience of other mega cities in the world today”.

On the other hand, one of the informal conversation participants from Commercial Bank of Ethiopia said that:

“The allocation is not done carefully. All the time, we heard when customers said that ‘to receive a plot of Urban Land Lease from the government officials, it takes more than one/two months’, which show service delay since it took too long processes. Government officials should allocate Urban Land in accordance with the Urban Lands Lease Holdings proclamation. Because, land was given once for all of us, its supply cannot be increased from time to time. Therefore, its allocation has to be done carefully, according to the Urban Land rule and regulation of the city”.

With regard to this, the FGD participants from the formal Urban Land settlers put their view as:

“Most of the government officials tried to carry out their job according to their job description. The Urban Land allocation might have monotonous characteristic. This characteristic is occurred due to the system of Urban Land allocation. Since urban lands has to be transferred after making all the necessary preparation, the compensation process, clearance of the land, preparation of the land, etc makes the allocation boring. All things

should have to be done before, we, bid winners receive the plot of Urban Land Lease plot from the land transfer officer. Therefore, the process of Urban Land Lease plot allocation is not good for that it is not done very well. This might be because of poor administration and coordination capacity of Urban Land Lease plot administrators”.

For the interview question that says “Would you believe that the government uses its full capacity on Urban Land plot allocation? Why?” office heads gave their answers as follows.

“The government is not using its full capacity in the provision of Urban Land Lease plot; this is mainly because of the limited amount of Urban Land plot and the limited capacity of government officials in the Urban Land plot preparation. Hopefully within a near future the sub city might not have a single plot of Urban Land provision for the existing Urban Land plot allocation modality. Therefore, the government has to look for additional Urban Lands that can be allocated for the future”.

For the same interview question, one of the informal conversation participants from Wegagen Bank said that:

“The process of Urban Land plot allocation in Yeka Sub City is not that much faster rather has a bureaucratic nature. This might be due to the lower capacity of government officials and little supply of Urban Land Lease plot and also increased Urban Land demand. The government should have to raise officials’ capacity and has to prepare more plots of Urban Lands to balance demand and supply of formal Urban Land plots in the Sub City”.

Three government officials from Land Bank and Transfer Office, Construction Permit and Control Office and also Title Administration Transitional Period Service Project Office responded to the same question as:

“The city government of Addis Ababa tried all the time to provide formal Urban Land plot to its customers for the purpose of housing. But it cannot satisfy the needs of its customers. We know this, when many auction participants came to the office to visit little number of Urban Land Lease plot. This showed us the demand of Urban Land plot exceeds the supply of Urban Land Lease plot. Such situation creates an opportunity to participate in the informal Urban Land plot possession, which is not supported by the Urban Lands Lease Holdings Proclamation. Therefore, the city government of Addis Ababa has to work on it. Otherwise, the Urban Land possession might be changed in to the informal Urban Land holding system,

and then green areas, river buffers, urban lands allocated for social activities and others might be disturbed a lot by informal Urban Land possessors”.

In this regard, the informal Urban Land settlers during FGD said that:

“Yeka Sub City Administration is not using its full capacity in the provision of formal Urban Land plot to its customers. This is reflected by its insufficient production and allocation of legally developed Urban Land plot to its customers, especially to the low income groups”.

The above result can be concluded that the way and process of formal Urban Land plot allocation in the study area is not good, even if it is better than it did before. The availability of formal Urban Land plot in the study area is insufficient. The study area has to look for another alternative. In the absence of this, the Sub City dwellers will shift their needs from the formal Urban Land holdings towards informal Urban Land holding system.

4.2.3. Provision of serviced Urban Land

Before transferring the formal Urban Land plot, the raw land has to be developed on the basis of master plan of the city. Most of the Urban Land plot preparation is done in the office by using AutoCAD software and then the office work is transferred from AutoCAD to the actual ground with the help of surveying instrument called “Total Station” as it is shown in Photograph 4.1.



Photograph 4.1 indicates the field work in the study area, Woreda 13, around Glory of Cloud Church. It is when surveyors of Yeka Sub City Land Bank and Transfer Office was preparing Urban Land plot/ parcel that will be given to the bid winners who won the bid competition with high Urban Land Lease price.

Photograph 4.1: Photograph on the formal Urban Land plot preparation in the study area

Source: Field Observation, 2016

As it is indicated in Photograph 4.1, the surveyor feeds the X and Y coordinates of the Urban Land Lease plot in the instrument called “total station” to transfer the work of AutoCAD (the

parcelleted Urban Land Lease) to the actual ground which is cleared for parcel/ plot formation. But, one thing is important in here. Making parcel/ plot of Urban Land on the ground is not enough rather facilitating all the necessary infrastructures like road network, electric lines, water lines, etc. to that specified plot of Urban Land Lease as well. With regard to this, table 4.3 shows the results of questionnaire on the level of serviced Urban Land plot provision in the study area.

Table 4.3: Provision of Serviced Urban Land plot in the study area

Respondent category		Formal settlers		Government Officials	
		Number	Percentage	Number	Percentage
Which types of infrastructure is available on the plot of formal Urban Land?	Local road network	54	43	31	45
	Electricity lines	16	13	8	12
	Water lines	21	17	19	27
	Sewerage lines	12	9	-	-
	None of them	23	18	11	16
Total		125	100	69	100

Source: Own Survey, 2016

As table 4.3 show that the majority, 54 (43 %) of formal Urban Land holders and 31 (45 %) of government officials replied as the only available infrastructural developments on the plots of Urban Land Lease are local road network, while 23 (18%) of formal Urban Land holders and 11 (16%) of the government officials were responded as there is absence of infrastructure on Urban Land plot.

In connection with this, interview on “How do you see the provision of serviced Urban Land Lease plot in the study area?” was made with Land Bank and follower Officer and he stated as:

“Starting from the enactment of Urban Lands Lease Holdings Proclamation No.721/ 2011, most plots of Urban Land Lease were transferred to the lessee without the necessary infrastructural developments like road, water, electric lines, etc. on its plots of Urban Land Lease. By this reason, the lessees were suffering a lot when they construct their houses according to the given time in the Lease Agreement they entered with the Sub City Land Development and Management Office, Land Bank and Transfer Office”.

In addition to this, FGD participants from formal Urban Land settlers group said that:

“Our plots have no access to basic infrastructure when we receive it from the Sub City Land Bank and Transfer Office. We built all the necessary infrastructures which took more than

five years. The Sub City was not able to provide serviced Urban Land plot to its customers. The Sub City does not help us when we were struggling for infrastructural developments”.

On top of this, observation was made at *Woreda 13* around CMC (back side of *Tsehay Real Estate*) and *Ayat* (around *Glory of Cloud Church*), to evaluate the level of infrastructure.



Photo shows when formal Urban Land holders from *Woreda 13*, *Gory of cloud church* develop their plot of Urban Land.

Photo shows infrastructural development (road, electricity and water) by the formal Urban Land holders found in *Woreda 13*, CMC, behind *Tsehay real estate*.

Photograph 4.2 Infrastructures developed by formal land plot possessors in the study area
Source: Field Observation, 2016

The photograph 4.2 show that the formal Urban Land holders facilitated for the establishment of local road networks after completed the construction of their houses. Besides this, one of the workers from *Yeka Sub City Construction Permit and Control Office* said that:

“The government is looking for the provision of Urban Land plot only without any sort of infrastructural developments. It is the government who transfer sub-serviced Urban Land plot by breaking the article stated for such issue in the Urban Lands Lease Holdings Proclamation No. 721/2011”.

And also, one of the informal conversation participants who works in CBE said that

“The provision of sub-serviced Urban Land plot to the customers is unethical, which is against to the Urban Land Lease law, formulated by the government of Ethiopia. But the government itself broke the law by providing sub-serviced Urban Land plot to its customers”.

In connection with this, one of the brokers said that:

“The role of government officials of Yeka Sub City Land Development and Management office in facilitating Urban Land allocation process and raising the provision of serviced Urban Land plot is not as much as expected from the Sub City government”.

As the obtained result from Survey data revealed that there are low infrastructural developments on the formal Urban Land plot provision; whereas the FGD, interview and the informal conversation result show that the level of infrastructural development on the formal Urban Land plot is very low. Therefore, the study area has to provide a well serviced Urban Land Lease plot to its customers. With regard to this, (Bantayehu, 2013: 43/ 82 as cited from Hong and Bourassa (2003b)) said that “Land Leasing is a flexible instrument for allocating public Urban Land, but it requires an adequate administrative capacity to administer such leases in place”. (Afework, 2013: 42/ 44) also said that “the adverse effect of such defects resulted into inequitable Urban Land Lease allocation and low revenue generation”.

4.2.4. Ways of Urban Land plot possession

The way of Urban Land plot possession differs from one *Woreda* to *Woreda* of the study area.

Table 4.4: The dominant way of Urban Land plot possession in the study area

Respondent category		Formal Settlers		Informal Settlers		Government Officials	
		Number	percent	Number	percent	Number	percent
Dominant Urban Land possession	Formal	48	38	11	11	24	35
	Informal	77	62	85	89	45	65
Dominant way of formal urban land plot possession	Charge free lease	16	13	44	46	-	-
	Negotiation	4	3	-	-	-	-
	Auction	96	77	52	54	56	81
	Allotment	9	7	-	-	13	19
Dominant way of informal urban land plot possession	Buying bare land	9	7	-	-	-	-
	Buying house	109	87	96	100	60	87
	Gift	7	6	-	-	9	13
	Exchange	-	-	-	-	-	-

Source: Own Survey, 2016

As the table depicts, majority of respondents said that the dominant way of Urban Land plot possession in the study area is the informal Urban Land plot possession. In connection with this, most of the respondents agree with that auction is the dominant type of formal Urban Land plot possession in the study area. And also, the principal type for the informal Urban Land plot

possession in the study area were buying constructed houses from former informal Urban Land plot settlers.

In addition to this, the Land Bank and follower officer replied for the interview question “What is the dominant way of Urban Land plot possession in the study area?” as:

“In the inner part of the Sub City, almost all plot of Urban Land were possessed in a formal Urban Land holding system; whereas in the expansion area, many plots of Urban Land were possessed in an informal way of Urban Land holding system, you may take Mesalemia, Kotebe Kara, Sara Ampol and Wosen grocery from woreda 12 and also Ayat Tafo, Ayat Medhanialem and Meri Fanuel from woreda 13 as an example. The cost and function of both types of Urban Land plot also depend on the level of infrastructural developments and on the land use pattern of the city government of Addis Ababa”.

In connection with this, one of the interview participants’ from Yeka Sub City Construction permit and Control office states:

“Yeka Sub City is one part of the expansion area from Addis Ababa. Some part of it is near to the center and the other part lies in the expansion area. That means, most part of the total area is a recently occupied area either in a formal or an informal way of Urban Land plot possession system. Therefore, the two types of Urban Land plot possession exist in the Sub City. The cost of it also depends on the possession type; the function of it ranges from residential, commercial, service giving, recreational to that of worship centers and cemeteries. The formally possessed Urban Land plot of the Sub City has higher price than informally possessed Urban Land plot that have lower selling/ buying price, and the formal Urban Land plot function is based on the land use of the city while the informal Urban Land plot function may have different functions”.

The result of Focus Group Discussion which was made with the formal Urban Land plot possessors group of the study area for the same interview question, show that:

“In Yeka Sub City, the Urban Land Holding System is done through tender and allotment; but there is also informal way of Urban Land plot possession, which is made without the consent of the government. Individuals who have a capacity to own formal Urban Land plot through Lease system is participated in auction to possess the plot of Urban Land; the majority of the population who engaged in an informal way of Urban Land holdings since

they do not have a capacity to participate in a formal Urban Land holding system; own Urban Lands through a simple written community based agreement. Thus, the dominant Urban Land holding system in Yeka Sub City is the informal one”.

In relation to this, the result of Focus Group Discussion which was made with the informal Urban Land plot possessors shows that:

“The dominant way of Urban Land holdings in Yeka Sub City Administration is the informal Urban Land holdings. The reason is that formal Urban Land holdings have higher competition in auction and have higher lease price, interest rate and service charge which are not affordable for the lower income groups. Hence, the lower income groups and even the middle ones engaged themselves on the informal Urban Land holdings without consulting the city government of Addis Ababa or the Sub City Administration and/or the Woreda Administrations”.

And also, the result of informal conversation that was made with one of the lawyers shows that:

“Most people in Yeka Sub City Administration, especially the lower, including the lower middle income groups complain on the auction process and the higher bid price given to the plot of formal Urban Land. The Urban Land Lease price increases from time to time and reached in to the land purchasing price. Therefore, the Sub City dwellers shift towards the informal Urban Land holdings via buying plot of Urban Land possessed illegally that was held 10 to 15 years before now. They checked the plot of urban land whether it is seen on the 1997 E.C line map of the city or not; this is done for having a title deed through the process of informal Urban Land regularization”.

Note that: The city Administration of Addis Ababa is now regularizing all the informally possessed Urban Lands held before May, 1997 E.C (Office observation, 2016).

The interview, FGD and informal conversation result show that the dominant way of Urban Land plot possession in the study area is the informal settlement which is contrary to article 7, sub article 2 of the Urban Lands Lease Holdings Proclamation No. 721/2011, which says “An Urban Land shall be permitted to be held by Leasehold; through the modality of tender or allotment”. But the nature of possession type and function depends on the remoteness and closeness of the Urban Land plot to the inner part of the study area, it has a direct relationship with Urban Lands

plot possession type, cost and function. i.e., formal Urban Land plot possession exist around the inner part of the study area than the formal Urban Land plot possession.

4.2.5. Uses of Urban Land plot

The Urban Land plot in the study area which is allocated through Urban Lands Lease Holdings system is used for different purposes such as residence, hotel, school, fuel station and the like; but it is practically used for residential/ housing as it is indicated in table 4.5.

With reference to table 4.5; all of the respondents were replied for the use of Urban Land plot possession and thus the majority, 112 (90 %) of formal Urban Land holders and 63 (91%) of government officials explained that the plot of Leased Urban Land was obtained for residence. Whereas, minimum number of the respondents said that Urban Land Lease plot were provided for fuel station, hotel and school.

Table 4.5: The formal Urban Land plot use in the study area

Respondents category		Formal urban land holders		Government officials	
		Number	Frequency	Number	Frequency
What are the functions of urban land plot possession	Residence	112	90	63	91
	Fuel station	3	2	-	-
	Hotel	4	3	2	3
	School	6	5	4	6
Total		125	100	69	100

Source: Own survey, 2016

In addition to this, table 4.6 also portrays the function of houses built on the informally possessed Urban Land plot that have no legal title deed/ certificate and also without taking any type of construction permit with *Yeka* Sub City Construction Permit and Control Office.

Table 4.6 indicates that most, 66 (69 %) of the informal Urban Land settlers and 51 (74 %) of the government officials explained that the informal Urban Land is used for residence. Only a smaller number of the respondents said that it is used for other purposes. For example, 8 (8 %) of informal Urban Land settlers said that it is used for bakery and 7 (10 %) of government officials said that it is used for pension.

Table 4.6: The function of informal Urban Land plot in the study area

Respondents category		Informal settlers		Government officials	
		Number	Frequency	Number	Frequency
What are the functions of informal urban land plot possession	Residence	66	69	51	74
	Bar and restaurant	3	3	-	-
	Small shopping	13	14	6	9
	Small park	6	6	5	7
	Bakery	8	8	-	-
	Pension	-	-	7	10
Total		96	100	69	100

Source: Own survey, 2016

From the obtained result, one can conclude that most of informal urban land settlers used their plots of urban land for the purpose of residence. In connection with the function of formal and informal Urban Land plots were explored via field observation to assess the actual uses of Urban Land plot in the study area as it is shown in the Photograph: 4.3.



Photograph 4.3: The improper usage of Urban Land plot in the study area

Source: Own Survey, 2016

As it can be observed from the Photograph, the left hand side photograph show that the informally possessed Urban Land plot is used for the sale of wood while the right hand side photograph shows the Leased Urban Land plot which was transferred for bid winners to be used for the purpose of residence is used illegally for the production of Hollow Cement Block (HCB). This is done by breaking the regular function of Urban Land Lease plot allowed by the master

plan (Land Use) of the city and also the Urban Land Lease agreement made with the Sub City Land Bank and Transfer Office.

The informal conversation made with one of the formal Urban Land holders revealed that:

“Most of our plot of Urban Land is allowed to be used for residential purpose. But, most of us used for other purposes like: super market, guest house, small bar and restaurant, clinic, KG school, worship center, offices, research center, etc. Even if we are using our houses for these purposes, the government does not allow using the plot of Urban Land for what we want to use it, Because, they said that “it is against the master plan of the city”.

The FGD made with another formal Urban Land holder also supports this argument:

“When the surroundings that we are living develops, we change the function for our plot of formal Urban Land that we have taken for residence in to guest house or other purposes; but the government of Addis Ababa, especially the Woreda level Administrations do not allow us to use it for what we want to use. For example, we cannot utilize our buildings for business while it was allowed to use it for a dwelling house and also we cannot get permission to construct G+0 or 1 or 2 or 3 houses while it is allowed to construct G+4 to G+7 building”.

Another Focus Group Discussion result which was made with informal Urban Land holders shows:

“We can change the function of informal Urban Land plot for the purposes that we like; but the government clashes with us all the time. For a simple improvement that we made on it, the Woreda level government structure came and asked us for the improvements that we made on it; they penalized us with money. Even if they punish us, we cannot stop to change the plot of our informal Urban Land plot according to the circumstances”.

With regard to this, interview was made with the heads of Land Bank and Transfer Office; and Construction Permit and Control Office. They said that:

“In principle a lessee is expected to use the land for the prescribed purpose within the period of time that is stated in the lease contract. Failure to use the land for the prescribed purpose is one ground for the termination of the lease contract”.

An interview with the head of Title Administration Transitional Period Service Project Office on the same issue reveals that:

“The Land use can be changed for the public interest. The green area of today may be changed in to residential; the residential area of today might be changed in to commercial. Generally the master plan of today can be improved by the LDP and other related studies. For example, the green area found at the back of Tsehay Real Estate has been changed in to park and named as Meles Park and also the current Abado Condominium were green area in the former master plan; but it had been changed for Condominium. This is because of that the city is in a dynamic change, and population pressure is very high; the need for housing is becoming vast. For such type of reasons, the plot of Urban Land usage can be changed for the other purposes”.

A female informal conversation participant from informal settlers explains the situation as:

“Initially, we could not take the plot of Urban Land from the government in a legal way rather we buy it informally from farmers, former informal settlers. Specific use for our Urban Land plot is not given to us. Therefore, it is difficult to say the function to the plot of our informal Urban Land plot is this one or that one. But we are using it for residential purpose; if condition allows, we tried to use it as super market, KG school, worship center, offices, etc. But, one thing is our fear all the time that the government structure at Woreda level said that ‘it is not allowed for you to stay on your plot of informal Urban Land plot’ ”.

From the survey respondents’ results and the discussions, it can be said that it is obvious for the actual usage of leased Urban Land plot is not according to its proposed Urban Land use pattern allowed by the master plan of the city of Addis Ababa. And also the informal settlers who possess Urban Land plot by opposing the master plan specifically the Land use pattern, the road network, the building height regulation and even the environment pattern of the city to be used for residence. The use of informal Urban Land plot will be changed from residence to other purposes as the surroundings develop.

4.2.6. Awareness of customers on the Urban Lands Lease Proclamation No. 721/ 2011

The levels of awareness of customers (formal and informal Urban Land holders) on the Urban Lands Lease Holdings Proclamation No. 721/ 2011 with its implementation and about the requirements to be fulfilled before coming to *Yeka* Sub City Land Development and Management Office for service delivery are not the same. The result of survey study shows that

there is a bit smaller disparity between the two types of customers (formal and informal Urban Land holders). (See figure 4.4)

Figure 4.4 indicate that 40 (31.7 %) of the formal Urban Land holders and 45 (47 %) of the informal Urban Land settlers have full awareness while the remaining 85 (68.3 %) of the formal Urban Land holders and 51 (53 %) of the informal Urban Land settlers have not full awareness on the implementation of Urban Lands Lease Holdings Proclamation No. 721/ 2011 and about the requirements to be fulfilled before coming in to *Yeka* Sub City Land Development and Management Office for service delivery.

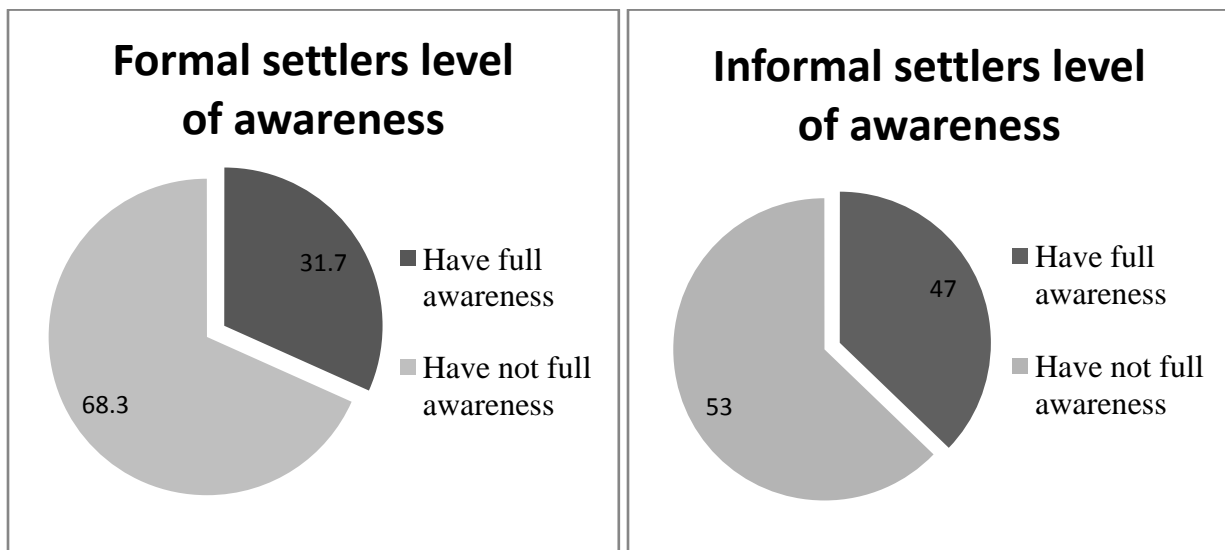


Figure 4.4: Customers awareness about the requirements for service delivery

Source: Own Survey, 2016

For further investigation, informal conversation was made with one of the government officials at *Yeka* Sub City Title Administration Transitional Period Service Project Office.

“The Sub City Administration by itself should create suitable condition for its customers to access Urban Land related information easily. The existed workers in the information desk should get awareness on the customers handling that come to the office to satisfy the needs of them properly and should help by showing the proper guidelines to get services easily. Otherwise, the customers will become susceptible to the internal brokers who own money by selling services”.

One of the informal conversation participants from the formal Urban Land holders has additional idea on this issue; and he stated as:

“At this time, government officials are seen when struggling to earn money from informal payment by selling services to the customers of Yeka Sub City Land Development and Management Office. For the very easy information, they complicate things and showing an intension to earn money by saying ‘I think it is difficult, but it can be done if you pay this and that amount of money’. Then the customers will be subjected to pay the requested amount of money that they were asked by these workers”.

From the above results, one can generalize that informal Urban Land settlers have better awareness than formal Urban Land settlers. Therefore, it can be concluded that the government has to work on the awareness creation of customers. This is because, Lack of awareness to the implementation of Urban Lands Lease Holdings Proclamation No. 721/ 2011 and the requirements needed for service delivery shall expose the customers for service deliance or unnecessary payments. Thus, the problem of awareness creation starts from the policy formulation as it is stated by (Biruk, 2014: 109/ 120), “the post-1991 period, citizenry participation has been also disregarded. Precisely speaking, a top-down policymaking approach presides over public engagement and empowerment”. In a similar page, he noted that “For instance, the case of the 2011 Urban Lands Lease Holdings Proclamation formulation process has not allowed significant public involvement though the policy most likely affects almost every single individual”.

4.2.7. Condition of punishment for the action against the lease agreement

After making the Urban Lands Leasehold agreement between the Lessee and the government, both parties are expected to act according to the Lease agreement. The lessee is expected to pay according to the period of payment and also likely to begin and finish the construction within the specified time frame; otherwise the Sub City Land Bank and Transfer Office are enforced for punishment. Concerning the enforcement condition of the Sub City for those who did not made the lease payment, and not begun and finished the house construction according to the specified time period which is stated on the Urban Lands Lease agreement, the Sub City Land Bank and Transfer Office is obliged to act according to the Urban Lands Lease Holdings Proclamation No. 721/ 2011.

Table 4.7 indicates the condition of punishment for those who do not act according to the Lease agreement. For the house construction that is not started according to the lease agreement,

majority of the respondents was explained that it has money punishment. With regard to completion of construction, the majority, 58 (84 %) of government officials mentioned that the government order money punishment and takes the land to put it in to the Land Bank to transfer for the other Urban Land developers in the Sub City, while the majority, 55 (44 %) of formal Urban Land holders said that it has only money punishment.

Table 4.7: Fines for those who do not act according to Urban Land Lease agreement

Respondent category		Formal settlers		Government officials	
		Number	percentage	Number	percentage
For the house construction that is not started according to the lease agreement	The government takes the land	22	18	11	16
	It has money punishment	47	38	37	54
	It has money punishment and the government takes the land	19	15	11	16
	Nothing	33	26	10	14
	No response	4	3	-	-
For the house construction that is not finished according to the lease agreement	The government takes the land	23	18	-	-
	It has money punishment	55	44	-	-
	It has money punishment and the government takes the land	6	5	58	84
	Nothing	41	33	11	16
	No response	-	-	-	-
For the payment that is not done according to the lease agreement	The government takes the land	16	13	-	-
	It leads to additional payment as punishment	66	53	38	55
	It leads to additional payment as punishment and the government takes it back	34	27	31	45
	Nothing	9	7	-	-

Source: Own survey, 2016

For the lease payment that is not done according to the lease agreement, more than half of the respondents said that it leads to additional payment as punishment.

In connection with this, “How do you see the time limit given for the commencement and completion of construction under the proclamation?” was raised to the head of Land Bank and Transfer Office and he states:

“The given time for the commencement and completion of house construction in the Lease Proclamation is a reasonable. Because, the proclamation gives: two and half years for small,

four years for medium, and five years time for large/ high level of construction. Thus, the given time is more than enough. But, most lessees are seen when they complain about the given time for the commencement and completion of construction as it is not enough; however, the problem is not occurred due to the proclamation rather the two main factors like: 1/ the level of infrastructural development on that plot of urban land and 2/ financial capacity of the Urban Land Lease plot holders. If the lessee has financial capacity and if the plot has good infrastructural developments, the given time for the prescribed purpose is enough”.

In here, the Lease Proclamation No. 721/2011 under article 22 and 23 states the specified time which is used for design preparation and submission, and earning building permit and to commence construction is three, six and nine months for small, medium and large scale of construction respectively (Article 33, 2: 47/ 73) of the regulation; which is not reasonable (Informal conversation, 2016). And also, after the enactment of this proclamation, Construction Permit and Control office starts to see soil test and insurance as the additional prerequisite to give construction permit to the lessee (Office observation, 2016). Thus, the lessee by now is expected to bring soil test result, insurance agreement and final design/ plan of the construction within the specified timeframe to earn construction permit from Construction Permit and Control office. “Is it possible? Can it be reasonable?” (Informal Conversation, 2016)

Following this, Lease Implementation and Inspection Work Process Owner of Yeka Sub-City Land Bank and Transfer Office stated as:

“Most of our customers are using their time properly to construct their houses even if some of them were not using their time according to the lease agreement they made with the office. Sometimes, few customers may face shortage of time on the completion of construction. At this time, we encourage them to finish at least two third of their house construction within the given timeframe in order to escape from punishment. But for those who do not commence their house building till six months for small, nine months for medium, twelve months for large buildings from the date of conclusion of the lease agreement, we look for evidences that the Urban Land Lease holders provide for us as testimonies for the extension of lease agreement. If they provide tangible testimonies that can come from legal institutions, we extend the commencement of construction only for once. Otherwise, we will be enforced to apply the rule. First, we call to the lessee and ask the reason for s/he did not start the

construction activity; if he did not start the construction, we give warning letter to him; if it is not commenced, we terminate the lease agreement; following this, we dispossess the plot of Urban Land from the lessee and finally, we put the dispossessed plot of Urban Land in to Land Bank of the Sub City”.

In addition to this, informal conversation was made with one of the customer who came to Yeka Sub City Land Bank and Transfer Office for Lease payment and he said that:

“The starting and finishing time of construction of residential houses on the Leased Urban Land plot is directly connected with the development of infrastructures on the plot of Leased Urban Land plot in Yeka Sub City. If there is poor infrastructural development in the Leased Urban Land plot, there will be long delays on the starting and finishing time of construction and vice versa. Therefore, the Sub City Land Bank and Transfer Office should consider all these problems when it enforces us to finish the construction according to the given time”.

One of the teachers from higher institution in the City of Addis Ababa, who came to Yeka Sub City Land Bank and Transfer Office to complain about his plot of Leased Urban Land said that:

“The existence of telecommunication power lines and poles on the plot of Leased Urban Lands creates an obstacle on the time of construction, especially on the completion of house construction. Because of this, I asked Yeka Sub City Land Bank and Transfer office and also Title Administration Transitional Period Service Project Office many times, and then the Title Administration Office made compensation for Ethiopian telecommunication office for the clearance of poles and cables and sent a written cooperation letter for the clearance of such materials. By now, I am already finished the construction, but they do not clear their materials till now. The existence of such inconveniences should be considered when the sub city enforces the lessee for the commencement and the completion of house construction”.

Of course, this situation is contrary to the proclamation which is stated as “a plot of Urban Land prepared for tender has to be free from legal claims of any party” (Article 8, 1/ a/: 6227); If there, the commencement and completion of construction might be disturbed.

Following this, the same issue was raised to the informal conversation participant, who is one of the customers of Yeka Sub City Land Development and Management office and he answered as:

“The availability of infrastructures like: water, electricity, telephone, roads, etc. around the plot of Urban Land Lease determines the functionality of the allotted time for the

commencement and completion of house construction. If there are good infrastructural developments, the allotted time will be enough; otherwise it cannot be. The lessee might not finish the construction according to the specified time frame. As to me, lessees might be susceptible for corruption. This might be done when customers were asked the Land Bank and Transfer Office for the extension of the commencement and completion of house construction. At this time, workers might start to negotiate illegally with customers to get informal payments. Therefore, workers including work process owners and office heads might be exposed for such type of informal payments due to the extension of the commencement and completion of house construction”.

From the obtained results above, one can be conclude that the enforcement condition of Urban Land Lease payment, follow up of the commencement and completion of house construction in the study area is very low. This shows that there is poor control for the condition of enforcement for the action against the lease proclamation. This is because; the way of making lease payment, commencement and completion of house construction depends on the availability of infrastructures around the Urban Land Lease plot. Therefore, the researcher concludes that the concerned body, particularly the lease officers has to facilitate the customers of *Yeka* Sub City Land Bank and Transfer Office in starting their construction according to the lease agreement they made with the Sub City; and also the Lease Implementation and Inspection Work Process Owner and the Land Bank and Transfer Office Head gives feedback to the higher officials, especially for the policy makers, and for the other concerned individuals to revise the time given for the lease payment, commencement and completion of house construction in the Urban Land Lease Proclamation.

4.2.8. Conditions for the termination of Leasehold

According to the Urban Lands Lease Holdings Proclamation No.721/ 2011, there are three grounds for the termination of Urban Land leasehold/ contract. They are: if the 1/ lessee is failure to use the land for the prescribed purpose, 2/ land is needed for the “public interest/ public purpose” by the government and 3/ lessee miss or if the government does not allow for the renewal of leasehold/ lease contract.

Taking these things under consideration, the researcher rose “What are the grounds for the termination of leasehold?” to the Office head, Core work process owners and selected Officers of *Yeka* Sub City Land Development and Management office. And they replied as:

“Five conditions are the basic reasons for the termination of leasehold in the study area, Yeka Sub City: 1/ when the lessees do not start and finish the construction according to the leasehold/ lease contract; 2/ if the lessees do not pay the lease payment according to the lease agreement; 3/ if the government needs the plot of Urban Land for the purpose of urban renewal; 4/ if the lessees did not renew the lease contract in the given time; and 5/ if the lessees plot of Urban Land has cadastral problems like: overlap with the other plot, if the surrounding land use has been changed; if the lease agreement is made based on forged/ fake title deeds, if the service addressee is not the owner of that Urban Land plot, etc”.

According to these participants, the leasehold/ contract of lease agreement shall be terminated if the above five conditions are not going in accordance with the Urban Lands Lease agreement.

Following this, the second question “Is the termination of lease contract/ leasehold exists in the study area, Yeka Sub City?” was raised for these participants and they replied as:

“The termination of leasehold is practiced on the lessees that do not act according to their right and duty indicated in the leasehold/ contract. For example, for the construction activity and lease payment that do not made according to the land lease agreement, we terminate it in accordance with the related issue in the proclamation and with preconditions; but for plot of urban lands that have cadastral problems like: lease agreement made on the overlapped Urban Land plots and on forged title deeds, were completely terminated the contract without any preconditions. And also because of failure to commence construction, we terminate the contract of many residential Urban Land lease plots around Ayat, Keber Demena church”.

But one of the lessees erected G+2 on the terminated land lease agreement and on the interrupted title deed and also on lacking construction permit around Glory of Cloud Church /Keber Demena Church/ of Woreda 13 as indicated in Photograph 4.4 (Field observation, 2016).



Photograph 4.4: House construction made on the plot of terminated lease agreement

Source: Field Survey, 2016

The researcher asked the Sub City Land Bank and Transfer Office head about the issue indicated in Photograph 4.4 and he answered as:

“The lessee was taken the plot of Urban Land through leasehold on 2004 E.C; no construction permit was taken and was not act according to the Urban Land leasehold/ agreement. Due to this, our office terminated the lease agreement, following it, Title Administration Transitional Period Service Project Office make invalid the title deed that were given for the lessee. But, the lessee built the (G+2) house on the terminated lease agreement; for this illegal construction, our office post warning letter to stop the building”.

For such type of occurrences, the Urban Lands Lease Holdings Proclamation No. 721/ 2011 in its article states: if the “lessee has failed to use the Urban Land for the prescribed purpose within the period of time stated in the lease contract” (Article 21, 1: 6235) and (Article 25, 1/a: 6238), “the leasehold/ contract shall be terminated” and then “the lease payment shall be returned subject to the deduction of costs incurred and penalty fee” (Article 25, 3: 6239); but the Sub City Land Bank and Transfer Office did not go beyond posting only a warning letter for the house built on the plot of terminated lease agreement. Thus, it can be concluded that the Sub City Land Bank Office was not act according to the proclamation; rather leaves a room for corruption.

4.2.9. Informal Urban Land Holdings and developments

The occurrence of informal or illegal Urban Land holdings, developments and transfer is high in the study area, especially in the past eight to ten years, though it has shown a big drop after

April, 2016 (Informal conversation, 2016). This is perhaps due to the effect of controlling the actors (informal urban land holders) through the process of regularization with the reference of 1997 E.C line maps of the city (Office report, 2016). Consequently; Nortek, GIS and Line maps of the city which were prepared by the city administration of Addis Ababa were used in this research study to see and show the rate and pattern of informal Urban Land settlement in the study area (See figure 4.5).

**Map of Yeka Sub City Administration
Based on Nortek, GIS and the two line maps**

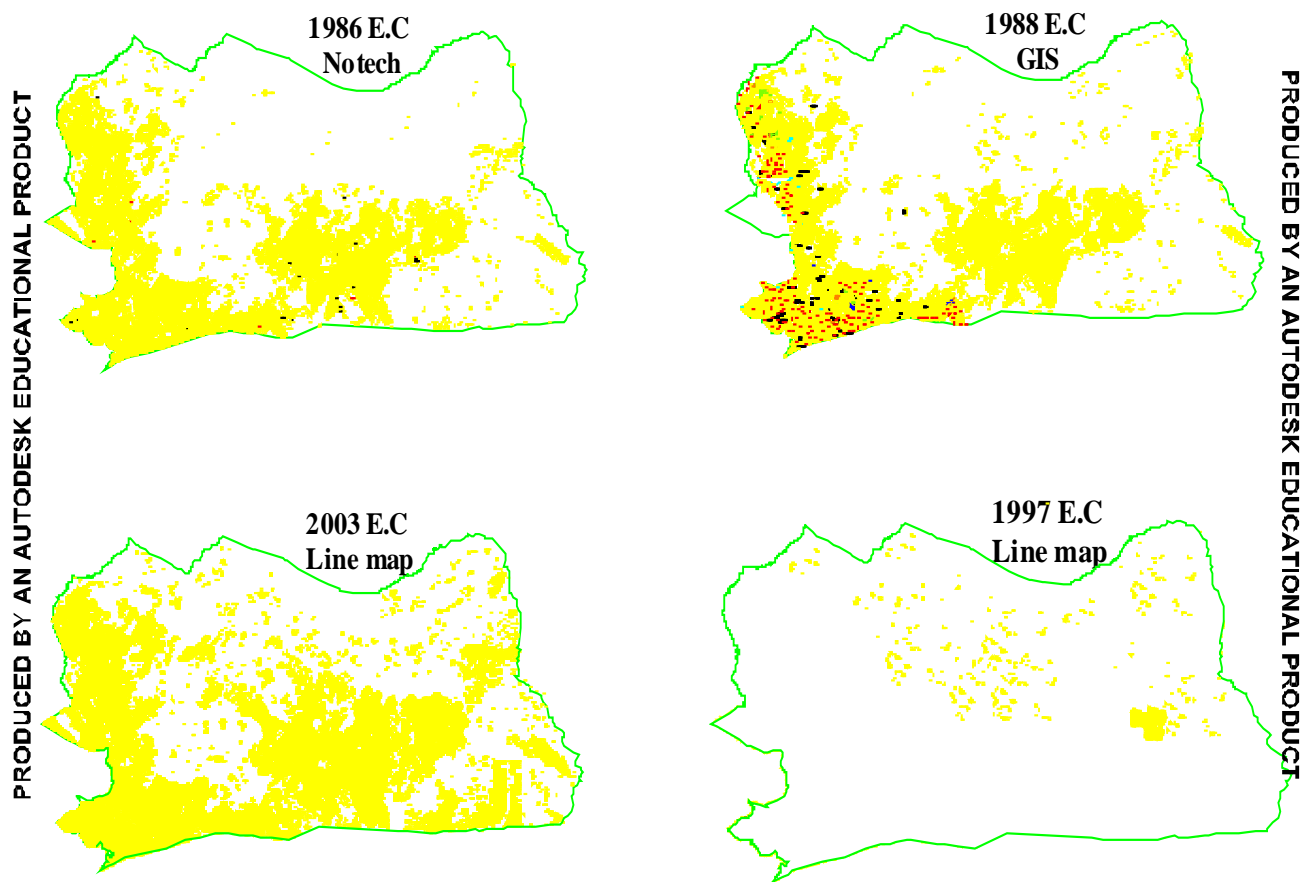


Figure 4.5: The expansion rate of Urban Land settlement in the study area

Source: Yeka Sub City Land Development and Management office, 2016

According to figure 4.5, the settlement condition in the study area in 1986 E.C, age of Nortek seems sparse settlement at which the settlement was done without urban plan developments; whereas in 1988 E.C, which is considered as GIS, the settlement condition seems moderate but it was without urban plan developments; and then the 1997 E.C, which is called as line map,

denser urban land settlement shall be seen; the 2003 E.C line map of the study area shows the dense urban land settlements, without urban plan developments.

From figure 4.5, it can be concluded that the settlement condition of the study area is expanded from time to time and its settlement pattern is irregular which shows the existence of informal Urban Land settlement in the study area.

In connection with this, survey was made; and the result of it in table 4.8 indicate that the plot of informal Urban Land were obtained from farmers 32 (34 %), informal settlers 22 (23 %), gift 16 (17 %), free occupancy 19 (20 %) and exchange of land/ house 7 (6 %). Therefore, it can be said that most of the respondents have got their informal Urban Land plots from the former farmers.

Table 4.8: Informal Urban Land holdings and developments in the study area

Respondent category		Informal settlers	
		Number	percentage
How do you obtain the plot of informal urban land?	Bought directly from farmers	32	34
	Bought from the former informal settlers	22	23
	Gift	16	17
	Free occupancy	19	20
	Exchange of Land/ house	7	6
Why do you participate in an informal urban land settlement?	Due to economic problem to engage in a formal Urban Land Holdings	47	49
	The difficult bureaucracy to access urban land	8	8
	The difficulty to afford rental housing	35	37
	Since it is a good business creating area	6	6
Total		96	100

Source: Own Survey, 2016

And also, 47 (49 %), 8 (8 %), 35 (37 %) and 6 (6 %) of them said that their basic reason for being informal settler were economic problem, the difficult bureaucracy of formal Urban Land holdings, the difficulty to afford rental housing and it is a good business creating area respectively. Thus, the dominant reason for the informal Urban Land plot holders to participate themselves towards such type of informal Urban Land plot settlements is due to economic reasons that they do not afford the escalating Urban Land Lease price in the study area.

Following this, interview was made with Land Bank and Transfer Office head on the interview question “How is the level of informal Urban Land holdings in *Yeka* Sub City?” and he states:

“We, as a part of government know that there is high rate of informal Urban Land holdings and developments in Yeka Sub City. Many urban dwellers were participating in the informal Urban Land settlement due to the renting house problem or economic reasons/ problem to participate in formal Urban Land plot possession through auction and also to use it as a business generating area, because it helps to own money easily. But this thing should have to be stopped somewhere; otherwise, it creates another slums on the sub city expansion areas and also damages the city’s in particular and the country’s economy in general. Therefore, we have to control it somewhere. We know that the capacity of government to combat such informal Urban Land plot possession is very low. The government of Addis Ababa through its lower Administrative level takes the action of demolishing which is considered as the main administrative measures on the recent informally built houses. In doing this, the input provisions like: car and other logistics that helps to follow such practices are very low in Yeka Sub City Administration. In addition to this, low public awareness on the Urban Lands Lease Holdings Proclamation No. 721/ 2011 put its negative impact on the Urban Land possessions and developments”.

Of course for a sustainable city development, the erection of houses on the informally possessed Urban Land plots and making any type of developments should have to be stopped somewhere.

For the same issue, one of the brokers found around Wosen Grocery has the following to say:

“Lack of public awareness on the Urban Lands Lease Holdings Proclamation No. 721/ 2011 plays a great role for the informal Urban Land plot possessions and developments in Yeka Sub City; this is especially in the expansion areas like: YekaTafu, Ayat, Mesalemia, Wosen grocery, Kara. Therefore, the sub city has to work a lot on the Urban Land possessions and developments”.

And also, one of the government officials from Land Bank and Transfer Office gave her view as:

“One of the critical problems of Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation in Yeka Sub City is the informal Urban Land plot possessions and developments that comprise from construction of houses on bare Urban Lands or farm lands without legal permission for the purpose of residential houses to that of expanding the existed houses on those specified Urban Land plots of the study area”.

The City Government of Addis Ababa entitles such type of urban residents who built houses on bare land or farm land as an “illegal settlers”. The main reason to give this name to them is that Land is the property of Ethiopian people; cannot be sale to everyone (Office observation, 2016).

Title Administration Transitional Period Service Project Office head said on the same issue as:

“The construction of residential houses without having legal permission on legally occupied Urban Land and also an informal Urban Land occupation for residential housing seems high in Yeka Sub City, especially in Woreda 12 (Mesalemia, kara, Sara Ampol, half part of Wosen Grocery) and in woreda 13 (Yeka Ayat, Yeka Tafo, Yeka Meri and half part around Sunshine Real Estate). This is because of that there are no committed and organized informal Urban Land occupation controls. The city government of Addis Ababa started regularization of informal Urban Land for those who held informal Urban Land plots before 1997 E.C by referring line map of the city prepared by Ministry of Urban Construction Development (MoUCD) office. This regularization of informal Urban Land holdings might aggravate the informal Urban Land holdings with the hope that ‘ours also regularized in the coming years’.”

And also, informal conversation was made with one of the lawyers from Yeka Sub City Court Office on the same issue and his idea was summarized as follows:

“The Urban Land Lease Policy by itself narrows the entrance of Urban Land Lease holdings by poor and low middle income groups, which is done through auction. As a result, the urban poor and large sections of low and moderate income, even middle income groups of population have no choice rather involve in an informal Urban Land holdings for residential purposes. When low income urban dwellers in the sub city build informal houses, the government takes demolishing action by its lower administrative body called Woreda. But, demolishing such illegal possessions will obviously expose people who are there for various problems like social, economic and psychological problems. Therefore the government should have to make a serious follow up from the very beginning or should have to provide alternative residential house provision for those large segments of low and moderate income group of population and also to the urban poor and pro poor”.

As he said, the narrowed entrance for having formal Urban Land plots through auction markets might deprive the access to Leased Urban Land plot and shelter in the Sub City in particular and

the city at large. As a result, the so called “informal housing” remains the only possible alternative to meet the needs of housing/ shelter for urban poor, low-income groups and also middle-income urban dwellers of the study area, *Yeka Sub City Administration*.

In connection with this, field observation was made at the back of *Kotebe Mesalemia St. Gebriel Orthodox Church* to assess the condition of informal Urban Land plot holdings and developments in the study area, *Yeka Sub City Administration*.



Photograph 4.5: the condition of informal Urban Land plot holdings and developments

Source: Field Survey, 2016

Following this, an informal conversation question “Why do people participate in an informal Urban Land settlement?” was raised to one of the brokers, and he answered as:

“At this time, owning formal Urban Land plot needs high capital investment which cannot be affordable by the majority, especially by the low income groups and urban dwellers. The Urban Land Lease price and other related costs are high. Even owning Urban Land in illegal way also becoming expensive, the informal Urban Land holding price and also fence, house construction, labor and other related costs are increased through time. But when you compare the total cost that we pay for the informal Urban Land holdings with that of formal Urban Land holdings, the cost of formal Urban Land is significantly higher than that of informal Urban Land holdings. Thus, most people, especially we, brokers, one of the urban

poor; and even the low and middle income groups participate in the informal Urban Land settlement that needs a relatively low amount of capital investment”.

For the same question, one of the workers from Land Bank and Transfer Office replied as:

“The main reason for people participation in an informal settlement is that Land Lease price is reached at unreasonable level of price; it is not affordable by most of the Sub City dwellers. Therefore, most people especially the lower income groups involve in the informal Urban Land settlements which is affordable in terms of its price and house construction. But people who participate in the informal Urban Land settlement put themselves at risk, the government do not allow, if they were found in building their illegal houses, the government take the action of demolish as it did in Bole Sub City around Weregenu before five months and in Nifas Silk Lafto Sub City around Hana Mariam before four months”.

In addition to this, one of the workers from Yeka Sub City Title Administration Transitional Period Service Project Office reveals:

“I think this is the time that every plot of Urban Land should be held by Lease, without this, holding plot of Urban Land is strictly forbidden, it follows money and prison punishment as it is stated in Urban Lands Lease Holdings Proclamation No. 721/2011. But the sub city dwellers engage themselves in the informal Urban Land holdings because of shortage of rent houses, unaffordable price of house rent and unaffordable Urban Land Lease holdings price. The price of informal Urban Land holding and house construction is very cheap as it compared with the cost of formal Urban Land holdings”.

Of course, possession of Urban Land without the permission of the government is forbidden as it is stated in the proclamation“... no person may acquire Urban Land other than the Lease holding system provided under this proclamation” (Article 5, 1: 6224); otherwise, there will be punishment “... rigorous imprisonment from 7 to 15 years and with a fine from Birr 40,000 up to Birr 200,000” as stated in (Article 35, 1/b: 6246) of the proclamation.

Thus, it can be concluded as most of informal Urban Land is obtained through informal exchange of Urban Land from farmers and former informal settlers. Free occupancy and gift also serve as an informal Urban Land holding system in the study area. The economic problem to hold formal Urban Land and unaffordable house rent pushes the sub city dwellers to engage themselves in informal Urban Land plot holdings and developments. Thus the government

should have to pay attention for the voice of sub city dwellers by providing an affordable Urban Land houses for sale or for rent as an alternative.

4.2.10. Urban Land Regularization and its processes

Regularization is a way of giving legal right to the informal/ illegal Urban Land holders/ settlers when they fulfill the preconditions forwarded by the city government of Addis Ababa. In relation to this, the researcher extracts information from directives of the City that are used for the process of regularization by making its base on the reference of Aerial photographs of different years time, which can be considered as the range of changing the informally possessed Urban Land plot in to secured ownership of Urban Land plots (Refer figure 4.6)

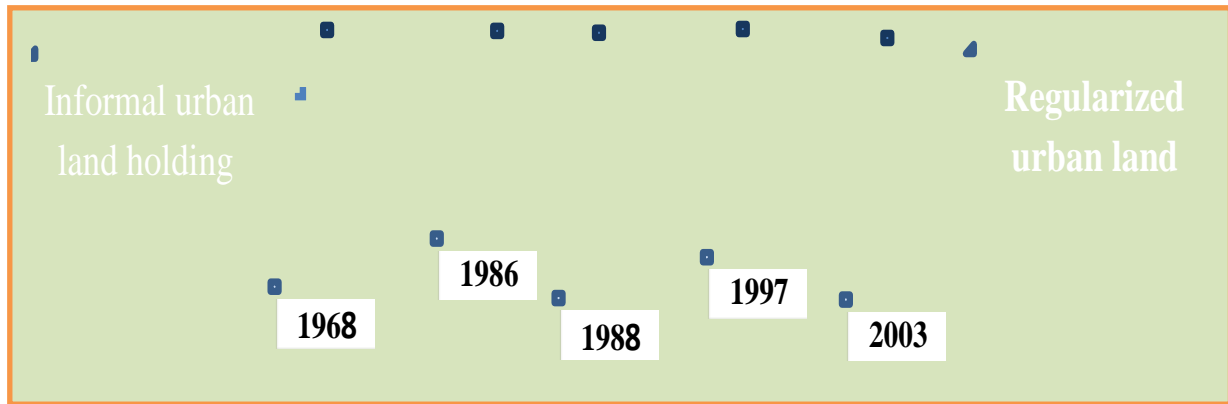


Figure 4.6: Range of changing informal Urban Land to secured ownership in Addis Ababa

Source: Collected from Urban Land Lease directive No. 11 (Article 5, 2: 11/69), 2011

As shown in figure 4.6, a range of tenure security options (starting from the left to the right hand side) that embraces people with little or no tenure security to be secured with the help of regularization. Regularization of informal Urban Land plot has processes as it passes the years presented in figure 4.6. The process of regularization has done by referring Sofratop, Nortek and GIS that were prepared in the years 19 68 E.C, 19 86 E.C, 19 88 E.C respectively for the plot of informal Urban Lands that were held before May 19 88 E.C; and Line maps that was prepared in 19 97 E.C and 2003 E.C for the informal Urban Land plots that were held in the years between May 19 88 E.C and April 19 97 E.C.

With the reference of Sofra top, Nortek and GIS, most residents, around 14,253 plots of informal Urban Land holders in the sub city had got title deeds through the process of regularization since 2002 E.C (Office observation, 2016). At this time, the city of Addis Ababa is launched the second phase of regularization process by referring the 19 97 E.C line map of the sub city. In the

second phase of regularization, more than twice of the former residents (regularized informal Urban Lands) will be expected to have a chance of regularization (Office observation, 2016).

When the informal Urban Land plot is regularized, the people feel confidence about their plot of informal Urban Land. Because of this, they start to change their houses with new buildings as shown on figure 4.7.

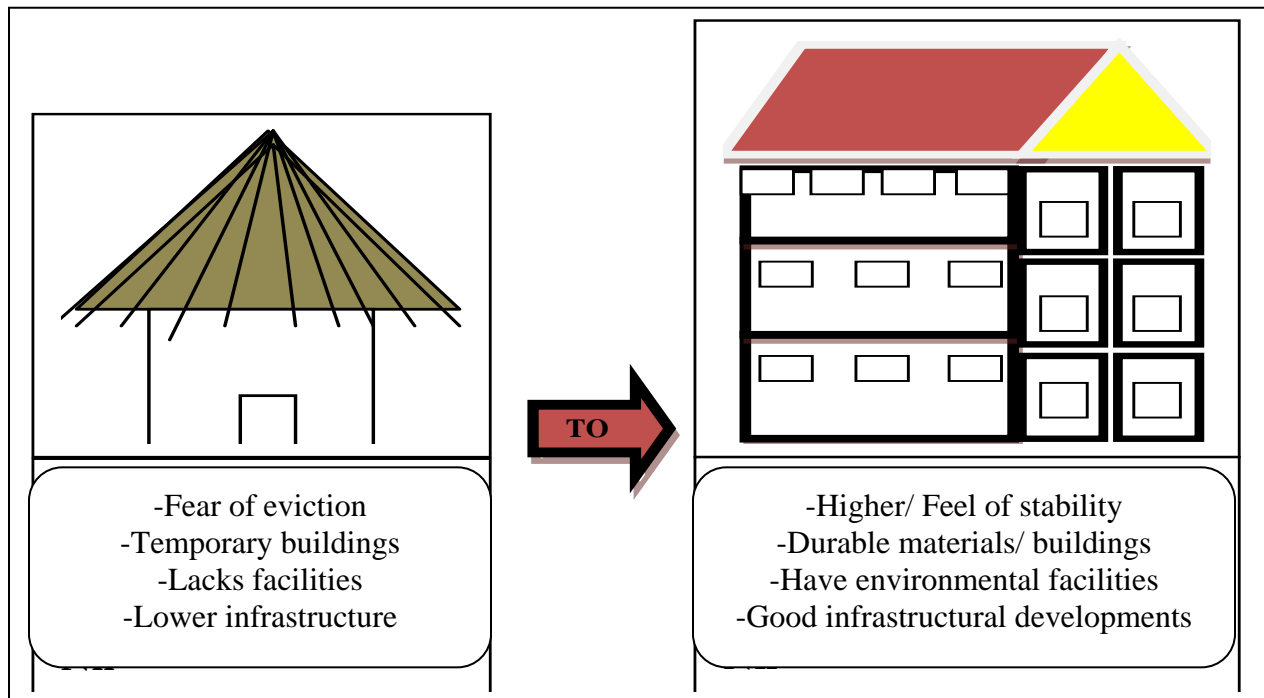


Figure 4.7: A shift from informal Urban Land holdings to secured urban land

Source: Own illustration, 2016

Figure 4.7 demonstrate that the model illustrated by the researcher to show the confidence level of informal Urban Land holders in building houses after getting the chance of regularization for the plot of informal Urban Land. Hence, regularization of informally possessed Urban Land plots increases the rate of investment on it; as a result, it change the face of surroundings and also it helps to reduce urban housing problem in the Sub City, and address the question of informal Urban Land settlers (informal conversation, 2016).

On top of this, the result of survey respondents was presented in table 4.9 below. Therefore, the questioners' results in table 4.9 indicate that most of the respondents have got the chance of regularization. More than half of them said that regularization has cost of Land Lease, service fee and other payment as punishment. The majority, 57 (60 %) of the respondents evaluated as the regularization process has delayed response and long process. Almost one third of the informal

Urban Land settlers from the total respondents said that the process of regularization is free from corruption and transparent.

Table 4.9: Regularization of informal Urban Land and its processes in the study area

Respondent category		Informal settlers	
		Number	Percentage
Did you get the chance of Regularization?	Yes	52	54
	No	13	14
	No response	25	26
	Others	6	6
What costs did you pay to regularize your plot of informal urban land?	Service fee only	-	-
	Cost for the land	-	-
	Cost for the land lease and Service fee	31	32
	Only the payment as punishment	13	14
	Cost for the land lease, Service fee and other payment as punishment	52	54
How do you evaluate the process of Regularization?	Free from corruption and transparent	33	34
	Not free from corruption and non transparent	6	6
	Delayed and long process	57	60

Source: Own survey, 2016

According to table 4.9, about 25 (26 %) of informal Urban Land settlers have no response for the offered question “Whether they were getting the chance of regularization or not?” The reason why they were silent for the provided question was that they were respondents of informal settlers who possess Urban Lands after the preparation of the 19 97 E.C Aerial Photograph of the city administration, meaning their houses on the 19 97 E.C Aerial Photograph were not included.

In addition to this, the response of one of the lawyers from *Yeka* Sub City Court Office for the informal conversation question “How do you evaluate the process of regularization?” was summarized as:

“Regularizing informally possessed Urban Land plots means rewarding people that do not obey the Urban Land law by discouraging others who respect the Lease law. Thus, it seems unfair; can be considered or concluded as it is directly connected with political favor”.

Of course, this is stated in the Urban Lands Lease Holdings Proclamation No. 721/ 2011 by saying “In order to regularize possessions held without the authorization of the appropriate body, the possessions which have found to be acceptable in accordance with urban plan and parceling

standard” (Article 6, 4: 6225) of the proclamation. But, it contradicts with the statement says urban land possession is permitted “through the modality of tender or allotment” (Article 7, 2: 6226) of the proclamation.

Following this, the head of Title Administration Transitional Period Service Project Office responded for the same question and it was summarized as:

“Such type of giving legal right to the informal Urban Land settlers through the process of regularization is practiced in every country including the developed countries. The process of regularization here in Ethiopia, especially in Addis Ababa, particularly in Yeka Sub City is done properly by depending on the prepared directive and with the reference of GIS and Line maps of the sub city which is prepared by the city government of Addis Ababa”.

The current process of regularization is adopted based on its age of possession that creates disparity among citizens. It does not treat all informal Urban Land settlers equally. Because, there are a number of informal Urban Land settlers in all parts of the study area and the city at all (Field observation, 2016). And also, on the proclamation “The regularization process to be undertaken by regions and city administration in accordance with sub-article (4) of this article shall only be effective within four years of the coming in to force of this proclamation” (Article 6, 5: 6226) of the proclamation, which is not practical till now. In the study area, owning of Urban Land plot through informal Urban Land holding systems were exercised; its scope is very wide; many informal Urban Land settlers could not get the chance of regularization (Field observation, 2016). Even there is no clear cut dimension on the plot of informal Urban Lands possessed after 1997 E.C (Informal conversation, 2016). And also, the possession of informal Urban Land plots is restricted; but it is not stopped till now (Field observation, 2016).

From the above results, one can conclude that owning Urban Land plots through formal and informal Urban Land holding systems were exercised in the study area. But the informal Urban Land holding system is very wide. As it is described, the main reasons to participate in informally owned Urban Land settlement is the unaffordable formal Urban Land price and the escalating house rent in the sub city and the city at all. Therefore, it can be recommended that the study area should prepare affordable houses for sale and/ or rent to favor the Urban Land dwellers, especially the urban poor who engage themselves in the activity of informal Urban Land settlement.

4.2.11. Cost of formal and regularized plot of Urban Land plots

The table 4.10 shows the questioners result on the formal Urban Land holders that fee different costs in order to acquire serviced Urban Land plot for residential purpose (refer table 4.10).

Table 4.10: The Urban Land Lease plot possession, cost and payment arrangement

Questions for the respondents		Formal settlers	
		Number	Percentage
Time of Urban Land possession	Before 2004 E.C	40	32
	After 2004 E.C	85	68
What was the cost of formal Urban Land plot at the time of possession?	Below 2,500 ETB/m ²	16	27
	Between 2,500 to 5,000 ETB/m ²	3	5
	Between 5,000 to 7,500 ETB/m ²	9	15
	Between 7,500 to 10,000 ETB/m ²	11	18
	Between 10,000 to 14,500 ETB/m ²	12	20
	Above 14,500 ETB/m ²	9	15
What was the payment arrangement for the plot of formal Urban Land Lease?	All Payment at the beginning	13	22
	Half Payment at the beginning, after grace period pay annually	11	18
	10% at the beginning and after grace period pay annually	36	60

Source: Own Survey, 2016

Most, 85 (68 %) of respondents hold their Urban Land Lease plot after 2004 E.C/ 2011, which were the declaration time of Urban Lands Lease Holdings Proclamation No. 721/2011. About 32 (53 %) and above respondents from the formal Urban Land settlers said that the cost for the formal Urban Land and service fee were above 10,000 ETB/m². This could tell us there is high Urban Land Lease price in the study area which shows that the implementation of Urban Lands Lease Holdings Proclamation No. 721/ 2011 is not carryout according to its objectives.

Regarding to the payment arrangement, most, 36 (60 %) of them said that the payment was made 10 % at the beginning and after grace period pay annually; but the remaining respondents said that there are other forms of Urban Land Lease payment like all of it at the beginning, half payment at the beginning and finish within three months; which means that there exist disparity of Urban Land Lease payment in the sub city. This could remember us (Article 71, *u - w*: 55/ 62) of the lease directive No. 11/ 2011 which is stated as “if the lessee finishes the lease payment

within one year, two, three, four and five years, there are incentives of 3%, 2.5%, 2%, 1.5% and 1% deductions from the total lease payment respectively”. Therefore, it can be concluded that the Urban Land Lease payment disparity might be occurred due to the payment agreement made between the lessee and the government/ Land Bank and Transfer Office.

In connection with this, table 4.11 shows ten years formal Urban Land plot average lease price ranges in *Yeka* Sub City that were made by Urban Land Lease holders from 2008 till now, 2016.

Table 4.11: Ten years formal Urban Land Lease plot average price in the study area

Years	Average Land Lease price/m ²	Permitted land use	Place that the plot of Urban Land found
2008	1,000 - 1,200	Residence and Commercial	Around <i>Ayat</i> Glory of Cloud Church
			Around <i>Ayat</i>
2009	1,200 - 1,800	Residence	Around CMC
2010	1,500 - 1,900	Residence	Around <i>Ayat</i>
2011	2,300 - 3,500	Residence	Around <i>Ayat- Demamit sefer</i>
2012	3,300 - 4,200	Commercial	Around <i>Ayat</i> Glory of Cloud Church
2013	3,200 - 6,000	Residence	Around <i>Gebenaye mariam</i> Church
			At CMC, behind <i>Tsehay</i> Real Estate
2014	4,000 - 11,000	Residence	Around <i>Gebenaye mariam</i> Church
2015	8,000 - 15,000	Residence	At CMC, behind <i>Tsehay</i> Real Estate
2016	15,000 - 31,600	Residence	At CMC, behind <i>Tsehay</i> Real Estate
		Commercial	Around <i>Ayat</i> Glory of Cloud Church

Source: Office documents, 2016

As it can be observed from the table, the price of Urban Land lease, particularly the plot of Urban Land prepared for residence increases from time to time up to 2011 but increases sharply after it, which was the declaration time of Urban Lands Lease Holdings Proclamation No. 721/2011 that allows the Urban Land plot possession only through auction and allotment. Therefore, these narrowed entrances of the Urban Lands Lease plot possession might aggravate the price of Leased Urban Land in the sub city in particular and in the city of Addis Ababa at all.

Following this, the researcher was raised an interview question “Why Urban Land Lease Price is inflated in *Yeka* Sub City?” to one of the process owners from Construction Permit and Control Office and she said that:

“There are two main reasons for the increment of Urban Land Lease price in Yeka Sub City administration. These are: the lower level of Leased Urban Land plot provision by the Sub City Land Development and Management office for auction and the payment capacity of auction participants/ bidders. Most of the time, the Land Development and Management office through Land Bank and Transfer office provide small amount of Urban Land plot for lease and also the lease candidates when they compete for Urban Land plot possession, fix Urban Land Lease price/ m² based on the prior lease round winning lease price of Urban Land plot that were given by the former bid winners for the equivalent plot of Urban Land”.

And also, one of the workers from Yeka Sub City Title Administration Transitional Period Service Project Office said that:

“The economic gap among the city dwellers is becoming very wide. There are peoples that can pay what they were asked and also there are peoples that cannot eat even three times per day. Such economic disparity influences the owning condition of Urban Land plots. Those who have money can pay for the plot of Urban Land Lease as they like. And also the Diasporas came from abroad unknowingly puts their contribution to the increment of Urban Land Lease price if s/he participates in auction process to own Urban Land Lease through auction. Thus, Diasporas can be taken as a factor that intensify the price of Urban Land Lease by paying not only for the plot of Urban Land, but also give different tips for the government officials. Inefficient Urban Land plot allocation due to limited amount of serviced and raw Urban Land in the sub city is also the other main factor that aggravates the plot of Urban Land lease price. The reasons might be many, but these were the major reasons for the increment of Urban Land lease price in the study area, Yeka Sub City”.

During informal conversation, one of the teachers from higher institutions in the city of Addis Ababa said that:

“Former formal Urban Land holders, who sell their plots of Urban Lands which are found in the inner part of the sub city for investors with expensive price for fear of eviction by the government in the name of ‘public interest’ and participate in auction to own a plot of Urban Land through Lease; can play a great role for the increment of Urban Land lease price. Thus, the formal Urban Land holders can be taken as one of the aggravators for the increment of Urban Land Lease price in the study area”.

In connection with this, the proclamation states if the land is needed for “public interest” (Article 25, 1/b: 6239), the urban land holder shall hand over the land to the government by taking “commensurate compensation, in advance, for the properties to be removed from the land” (Article 26, 1: 6240), and “... a substitute plot of land within the urban center” (Article 26, 2: 6240). This shows that the government gives compensation only for the removed properties and allots only a bare land as a substitution, which is unfair. When people faces such type of cases, they were not use their substituted bare plot of Urban Land for house construction rather sell and turn their faces towards informal Urban Land plot possession that can be affordable to them (Field observation, 2016).

The city administration of Addis Ababa is now implementing the second phase of regularization of informal Urban Lands by referring the 1997 E.C (2004/5 G.C) line maps of the Sub City. With regard to this, the above table, table 4.12 shows the time of informal Urban Land plot possession, the costs that it has and its payment arrangement that was made at the time of informal Urban Land plot possession in the study area, *Yeka* Sub City.

Table 4.12: The informal Urban Land plot possession, cost and payment arrangement

Questions for the Respondents		Informal settlers	
		Number	Percentage
When did you possess the plot of informal urban land?	Before 1997 E.C	38	40
	After 1997 E.C	58	60
	No response	-	-
What was the cost of informal urban land at the time of possession?	Below 500 ETB/m ²	63	66
	Between 500 to 1000 ETB/m ²	19	20
	Between 1000 to 1500 ETB/m ²	11	11
	Between 1500 to 2000 ETB/m ²	3	3
	Between 2000 to 2500 ETB/m ²	-	-
What was the payment arrangement for the plot of informal urban land?	All payment at the beginning	8	8
	Half payment at the beginning and finish within three months	16	17
	Half payment at the beginning and finish the remaining payment within six months	47	49
	Half payment at the beginning and finish the remaining payment within one year	25	26
	Half payment at the beginning and finish after regularization	-	-

Source: Own Survey, 2016

As table 4.12 indicate that the time of informal Urban Land plot possession, the costs that were made for the plot of informal Urban Land and the payment arrangement that was made during the time of possession were different. This might be due to the closeness of informal Urban Land plot to the urban centers, age of its possession, existence of social services, infrastructures, etc.

According to table 4.12, most, 58 (60%) of informal settlers replied as their plot of Urban Land was held after 1997 E.C, which means they cannot get the chance of regularization. The remaining, 38 (40%) of the respondents own their informal Urban Land plot before 1997 E.C, which means they can get the chance of regularization.

With regard to its cost, the majority, 63 (66 %) of the respondents said that they possessed their plot of informal Urban Land with the cost below 500 ETB/m² at the time of its possession. And also, 33 (34 %) of the respondents replied that the cost of their informal Urban Land plot at the time of possession was between 500 to 2000 ETB/m². With regard to payment arrangement at the time of possession, most of the respondents said that the payment was made half at the beginning and finishes the remaining payment between three months up to a year.

The results of questioners that are analyzed in the table 4.12 were reassessed with the help of informal conversation which were made with different individuals. This is because of that it was difficult to obtain reliable data up on the time, cost and payment arrangement of informal Urban Land plot possession. Thus, informal conversations were made with three different individuals who have not the same background. The first informal conversant was one of the government officials from *Yeka* Sub City Title Administration Transitional Period Service Project Office on the question says How is the process of informal Urban Land plot possession in the study area, *Yeka* Sub City?, and his idea was summarized as:

“At this time, the people of Addis Ababa are becoming wise in Urban Land plot possession. Most urban dwellers from the inner part of the city are now selling their plot of Urban Land for fear of dispossession by the government on the cover of ‘for the wider public interest’ and also for the survival of the challenges of the current urban life, they sell their plot of Urban Land for ‘rich peoples’ or ‘investors’ who can invest more on it for having multistory buildings. After selling their plot of Urban Land for the so called investors, they went out in to the suburb area to look for affordable residential houses. If they want to own a formally owned suburb Urban Land plot, they made buying and selling agreement after checking all

the related information about that specified plot of Urban Land from the documents found in the Title Administration Transitional Period Service Project Office's documentation group; If they want to own an informally possessed Urban Land, both the buyer and seller call an Engineer/ Urban planner to check whether that plot of Urban Land is found on the 1997 E.C (2004/ 2005 G.C) prepared line map of the city or not. After doing all these things, they buy the plot of Urban Land and houses with a least price and own extra money that enables them to have their own business/ works. You can take people who sell their old possessed Urban Land plot with higher price from Megenagna-Shola and went out in to Ayat, Abado and Tafo to look for another formal Urban Land plot with a fair price as a simple example”.

This reminds us takeover of Urban Land in the name of “public interest” as stated in (article 31: 6243) of the proclamation has its own drawback on the Urban Land holders. As it is replied by these individuals, most old Urban Land possessors lacks trust on the government about their plot of old Urban Land; they are in fear of dispossession of their plots with unfair compensation.

The second informal conversation participant was one of the workers from Commercial Bank of Ethiopia, releases her idea on the same issue and it was presented as follows:

“Owning plot of Urban Land in a legal way is a closed opportunity. Not low, even the middle income group of population cannot hold the formal Urban Land plots through lease system rather participates in the informal way of Urban Land plot possession for the reason that owning a piece of Urban Land plot through Lease system is not affordable by the majority, including me. Thus, we shift towards the so called ‘informal’ way of Urban Land plot possession. We buy plots of bare land found in the expansion area, built houses in a night time by making agreement with the Woreda level law regulators through informal payment to built and finish the house at a night. ‘Do you know the reason that we pay hard sacrifice?’ We wait for longer time to have an affordable condominium houses, but the government could not provide it for us for more than 9/10 years. Even if the government gives condominium houses for us, we cannot pay the down payment including the yearly/ monthly basis payment with compound interest for the remaining payment, and the houses that we take needs finishing of construction cost since it is not finished well; thus, it is beyond our payment capacity. As a result of this, we participate in informal Urban Land settlement”.

This would tell us that the policy does not stand for the wider urban poor rather attracts the so called ‘investors’ by providing Urban Lands through sale in the form of lease and consequently the investors will sell/ rent the parcelled houses after building mega houses/ Apartments on it.

The third informal conversation participant was one of the lawyers from Yeka Sub City court office and his idea was offered as follows:

“This is the time that most of the urban dwellers face residential house problems in the city of Addis Ababa; this is especially for those who obey the Urban Land lease law of the government. We obey for the law of the government; still we do not have a piece of Urban Land in this mega city. But those who broke the law of the city government of Addis Ababa and who own Urban Land informally is changing their plot of Urban Land in to formal through the process of regularization. We, as members’ of urban dwellers and workers stayed in Addis Ababa for more than ten years, but still do not have residential houses, surprisingly those who came before two or three years in to this city have either condominium houses or informally possessed Urban Land houses. And also, the urban dweller who own formal Urban Land in his/ her name can have informally owned and regularized Urban Land in his/ her name. Again the government does not put restriction up on the auction participants who tried to own two or three or above Urban Land lease plot through auction by the same name, to me this is speculation of leased Urban Land plots”.

These also remember us that there is existence of nil registration of informal Urban Lands and unrestricted formal Urban Land plot holdings in the study area. In addition to this, he said that:

“A person who participates in the process of regularization for the plot of informal Urban Land found in Woreda 01 of Yeka Sub City can have another informal Urban Land plot in Yeka Sub City Woreda 13 or Woreda 10 or any other Woreda Administrations of the same Sub City and even s/he can have a chance of regularization in Bole sub city or in any other Sub City of Addis Ababa city Administration, which is unfair”.

Yes it is. The Urban Lands Lease Holdings Proclamation No.721/2011 does not offer any statement up on such indices as such type of occurrences might occur or not; therefore, such type of occurrences can also be termed as an “informal Urban Land speculation” (Own observation, 2016).

From the above results, it can be concluded that informal Urban Land settlers who hold their plot of Urban Land before 1997 E.C can have more chance of regularization than those who hold after 1997 E.C. This is because; the city administration of Addis Ababa is now applying regularization for the plot of Urban Land with the reference of line-map which was prepared in 1997 E.C. Thus, the plot of Urban Land owned informally after 1997 E.C, may or may not get the chance of regularization. Although the process of regularization keep the chance of Sub City dwellers for having a plot of Urban Land in this city, it facilitate many Sub City dwellers on the informal Urban Land plot possession, it directly contradicted with the Urban Lands Lease Holdings Proclamation No.721/2011 of article 7 sub article 2 which states “An Urban Land shall be permitted to be held by leasehold through the modality of tender or allotment”. Therefore, the writer of this paper recommends, the city government of Addis Ababa has to work on the provision of a very low income houses for the urban poor and also on the modality of Urban Land plot possession like provision of Urban Land for cooperative houses.

4.2.12. Affordability of formal and regularized Urban Land plot price in *Yeka* Sub city

Table 4.13 indicates the answer of all respondents’ category from the government officials, formal and informal Urban Land settlers group for the affordability of Lease/ formal Urban Land plot and regularization/ informal Urban Land plot price in *Yeka* Sub City (Refer table 4.13).

Table 4.13 shows that all the respondents replied as both of Urban Land Lease plot price and regularization of informal Urban Land price is not affordable by the majority of Urban Land plot holders. The unaffordable price of Leased Urban Land plot is because of its down payment and its yearly payment with its compound interest on the remaining Urban Land Lease payments.

Table 4.13 Affordability of formal and regularized Urban Land plot price in the study area

Questions for the respondents		Formal settlers		Informal settlers		Government officials	
		Number	percent	Number	percent	Number	percent
Affordability of lease price and service fee	Yes	16	13	06	06	29	45
	No	109	87	90	94	40	55
Affordability of regularization	Yes	51	41	44	46	34	49
	No	74	59	52	54	35	51

Source: Own Survey, 2016

In connection with this, brokers who are engaged in facilitating the rent and sale of houses and cars at *Mesalemia, kara* and *Ayat* in *Yeka* Sub City were interviewed informally as to what the sale of formally and informally possessed Urban Land plots and houses currently look like. And therefore, those brokers replied that:

“The newly enacted Urban Lands Lease Holdings Proclamation No. 721/ 2011 discouraged the buyers and disappointed the sellers of Urban Land houses. Currently buyers couldn’t purchase old possessed Urban Land houses as freely as before, this is because, buyers currently expected to pay: 1) the price of the house to the sellers, 2) the sells tax and Urban Land Lease price to the government, 3) the commission to the brokers and also 4) Informal and other payments to the concerned individuals. As a result of this, buyers’ motivation shift towards informally possessed Urban Land houses, this is because, buyers of plot of informal Urban Lands are currently expected to pay: 1) the price of the house to the sellers, 2) the commission of brokers/ any other individuals and also, for the future, they will be expected to pay: 1) the regularization price to the government and 2) informal and other payments to the concerned individuals; therefore, the total cost of informal Urban Land possession still relatively lower than the total price asked for the formally possessed Urban Land houses”.

This would remember us about the conversion of old possessed Urban Land to Leasehold as it is stated in (Article 6, 3: 6225) of the proclamation and the informal Urban Land regularization as it is stated in (Article 6, 4: 6225) of the proclamation. In addition to this, one of the government officials from Construction Permit and Control Office said that:

“When we talk of affordability of Urban Land plot price, the price incur to the informally possessed Urban Land plot is much lower and affordable by the majority of the Sub City dwellers than that of the formally possessed Urban Land plot”.

At the end, one of the government officials from *Yeka* Sub City Title Administration Transitional Period Service Project Office said that:

“At this time, the City Government of Addis Ababa had been working on the process of regularization of informal Urban Land plot as to what is going on the payment capacity of informal Urban Land settlers in the city by forming committee who investigate and provide alternative idea on it. Therefore, the committee forwarded three potential alternatives: 1) the existed compounded interest for the remaining informal Urban Land Lease payment to be

simple interest; 2) the cost of regularization has to consider the payment capacity of informal Urban Land settlers; and 3) the minimum Urban Land plot size that has to be paid benchmark lease price, which was 75m² has to grow in to 150m²; to the city Mayor. And therefore, the city parliament ratified the third alternative; it has to grow from 75m² in to 150m² and that the informal Urban Land settlers have to pay the benchmark lease price when they regularize their informally possessed Urban Land plot”.

For the informal Urban Land plots that have more than 150m², payment shall be made based on the current average lease price of the city which can be revised in the two years’ time. Thus, table 4.14 shows that both the minimum threshold price and the current Urban Land Lease price used for the process of regularization in the city administration of Addis Ababa (Refer table 4.14)

For example, an informal settler/ informal Urban Land holder that hold 300 m² Urban Land plot in *Yeka* Sub City that have a 3.4 land grade can have its own regularization Urban Land lease price. Its price is calculated as: 150 m² is multiplied by the benchmark lease price/ the minimum threshold price; the remaining 150 m² is multiplied by the current average Urban Land lease price used for the purpose of regularization. Then, the total Urban Land lease payment shall be:

$$\begin{aligned}
 \text{Total lease payment} &= (\text{Area of Permitted Urban Land Plot} \times \text{Minimum threshold price}) + \\
 &\quad (\text{Area of Leased Urban Land Plot} \times \text{Average Lease price}) \\
 &= (150 \text{ m}^2 \times 191 \text{ birr/ m}^2) + (150 \text{ m}^2 \times 2,127.67 \text{ birr/ m}^2) \\
 &= 28,650 \text{ birr} + 319,150.50 \text{ birr} \\
 &= \underline{\underline{347,800.50 \text{ birr}}}
 \end{aligned}$$

The informal settler can made the total payment (347,800.50 birr) at once or 10% of it first or any other option as s/he like, and then finish the remaining lease payment within 40 years for residential houses and 20 years for commercial houses by adding 9.5% compound interest on the remaining Urban Land lease payment. If the informal settler holds only 150m² Urban Land plot that have the same land grade, s/he has a payment of 28,650 birr only that can be finished within the specified years (Document analysis, 2016).

Table.4.14. Benchmark and average lease price based on land grade of Addis Ababa

No.	Zone	Sub Zone	Land Grade	Bench mark price	Current Average Urban Land Lease Price
1	Central Business District (CBD)	1	1.1	16,869.00	12,563.42
		2	1.2	1,535.00	11,438.23
		3	1.3	1,323.00	9,873.39
		4	1.4	1,085.00	8,085.00
		5	1.5	894.00	6,661.74
2	Transitional Zone (TZ)	1	2.1	1,035.00	6,445.78
		2	2.2	935.00	5,823.00
		3	2.3	809.00	5,038.29
		4	2.4	685.00	4,266.04
		5	2.5	555.00	3,456.43
3	Expansion Zone (EZ)	1	3.1	355.00	4,915.38
		2	3.2	299.00	4,140.00
		3	3.3	217.00	3,662.96
		4	3.4	191.00	2,127.67

Source: Urban Lands Lease Holdings Directive No. 11/2011; (Article 1: 2/8)

Another example is given for the formal Urban Land holders that earn formal Urban Land plot through bid competition. Let us take a lessee who possesses 300 m² formal Urban Land plot in 3.4 land grade as an example. The payment is calculated by depending his/ her winning lease price; let it be 31,600 which is the current winning price in the study area; and it is calculated as:

$$\begin{aligned}
 \text{Total payment} &= \text{Winning lease price} \times \text{Area of the Urban Land plot} \\
 &= (31,600 \text{ birr/ m}^2) \times (300 \text{ m}^2) \\
 &= \underline{\underline{9,480,000 \text{ birr}}}
 \end{aligned}$$

The formal settler can make the total payment (9,480,000 birr) at once or 10% of it first or within the specified time or any other option as s/he like (Office observation, 2016), and then finish the remaining lease payment within 40 years for residential houses and 20 years for commercial houses by adding 9.5% compound interest on the remaining lease payment.

Have you seen the difference? The difference is visible. It can have a difference of 9,132,199.50 birr; i.e. (9,480,000 birr - 347,800.50 birr), which is a significant difference. Hence, it can be

concluded as holding of informal Urban Land plots is much affordable than that of holding formal Urban Land plots found in the study area.

4.3. Benefits of Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation

The city government of Addis Ababa acknowledged Urban Lands Lease Holdings Proclamation No. 721/2011 to exploit the advantages of the lease system from the lands of Addis Ababa city.

Table 4.15 Benefits of Urban Land Lease Proclamation implementation in the study area

Questions for the respondents		Formal settlers		Informal settlers		Government officials	
		Number	%	Number	%	Number	%
Benefits of Urban Land Lease policy implementation in <i>Yeka</i> Sub City	Usage of urban land as collateral	43	72	4	11	63	91
	Secured informal urban land	39	65	31	89	61	88
	Limited range of leased urban land	31	51	-	-	59	86
	Source of budget	52	87	-	-	65	94

Source: Own Survey, 2016

As the table indicates, all of the survey respondents said that the implementation of Urban Lands Lease Holdings Proclamation No. 721/ 2011 has benefit to use the Leased Urban Land as collateral; and, almost all of the respondents said that it helps to obtain secured urban land plot in the city. And also, all urban land lease holders and government officials were said that its implementation has an advantage for having limited range of Leased Urban Land and serve as a source of budget for the city government to invest on the development activities. Therefore, the findings show that Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation has benefits for the government, formal and informal urban land holders in *Yeka* Sub City administration. In support of this, one of the informal conversation participants from government officials in *Yeka* Sub City Land Bank and Transfer Office said that:

“The city government of Addis Ababa gets a great opportunity as the Urban Land Lease Proclamation implements properly. It can collect the lease and other land lease related payments from the Urban Land Lease holders and from the regularization of Urban Land plots to use it as a source of budget for the other development activities”.

This means the implementation of Urban Lands Lease Holdings Proclamation No. 721/ 2011 has a benefit in creating conducive environment for the government to collect Urban Land revenue

from Urban Land holders. Moreover, the government was facilitated Urban Land revenue with the supply of Urban Lands to the so called “investors” through the dispossession of Urban Lands from old Urban Land possessors via “public interest”.

In connection with this, another informal conversation was made with one of the religious women, from *Ayat Medhaneyalem* Orthodox Church said that:

“The beneficiaries of Urban Land Lease Holdings Proclamation No. 721/ 2011 are the society in the distribution of Urban Lands; for the investors, it helps them to invest more money on Urban Lands and create job opportunity; and for churches, it allows Urban Lands to be held without lease payment rather through paying 3 ETB per square meter as a yearly Urban Land rent and providing title deed; to supply low income houses for low income population, etc”.

In addition to this, the head of Land Bank and Transfer Office said as:

“The Urban Land Lease Policy which is implemented in the boundary of Yeka Sub City creates a physical development; people are becoming out of fear, Urban Land developers invest their capital intensively. Because they know the duration of time that they will stay on that specified plot of Urban Land. As a result, most giant houses were built, particularly on the side of main roads; in doing this, there is a creation of job opportunity to the urban dwellers, especially to the young population; all these are the results of Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation”.

Of course, one of its objectives is to provide job opportunity to the urban dwellers; but the point under this study is to assess the equal share of Urban Land right and responsibility among the urban dwellers.

On contrary to the above two arguments, one of the government officials from *Yeka* Sub City Land Bank and Transfer Office said that:

“Its implementation has no benefit at all. No one, institutions or banks, or any others shows willingness in taking leased Urban Land plot as collateral. This is because, Land value in Ethiopia is zero; only the developments made on that specified plot of Urban Land has a collateral value; therefore, banks and any other credit associations are not motivated to consider it as a collateral, even if these institutions want to consider it as a collateral, they do not exceed the amount of credit from the total expenses that the lessee invests on the plot

of Leased Urban Land; which means, the lessee do not able to get much benefit from its leased Urban Land plot. And also at the time of relocation, equivalent plot of Urban Land was not given as a substitution; and the compensation made is not satisfactory, it does not enough to build houses; it puts restriction up on the rights of old possessors not to enjoy on their rights when they sale their plot of Urban Land houses to others”.

One of the interview participants from Woreda 12 Construction Permit and Control Office was said that:

“Most of informal Urban Land settlers were hopeless on their plot of Urban Land; they were stayed all the time on their plot of informal Urban Land with uncertainty. But Urban Land Lease proclamation comes with the hope of informal Urban Land regularization. For such type of informal settlers’ hopelessness, the Urban Lands Lease Holdings proclamation No. 721/ 2011 came by providing informal Urban Land regularization which is a great privilege to the informal Urban Land plot settlers”.

However, the Urban Lands Lease Holdings proclamation No. 721/ 2011 with its regulation and directives allows the informal Urban Land plots to be regularized based on its age of possession (i.e. before or after 2004/5 G.C/ 1997 E.C). One of the interview participants from Woreda 13 Construction Permit and Control Office has additional idea:

“The Urban Lands Lease Holdings proclamation No. 721/ 2011 with its regularization process signifies that the proclamation is prepared for the public interest. The process of regularization raises the level of informal Urban Land security. The security of informal Urban Land facilitates the development of regularized Urban Land plots of the study area”.

But the Urban Lands Lease Holdings Proclamation No. 721/ 2011 provides “In order to regularize possessions held without the authorization of the appropriate body, the possessions which have found to be acceptable in accordance with urban plans and parceling standard ...” (Article 6, 4: 6225) of the proclamation No. 721/ 2011. This means, those informal Urban Land plots that do not acceptable in accordance with urban plans and parceling standards cannot get the chance of regularization rather evicted from their possession by taking only a parcellated bare Urban Land plot as a substitution without compensation to that specified Urban Land plot and properties developed on it.

To hear more from non Urban Land settlers of Yeka Sub City administration, informal conversation was made with a person who engaged in the sale of Corrugated Iron Sheet around Ayat Tafo and he said that:

“Since the Urban Lands Lease Holdings Proclamation No. 721/ 2011 allows the provision of formal Urban Land through the Urban Land Lease holding system for residential purpose, it also allows in providing low cost houses for low income group of population; most non Urban Land holders of Yeka Sub City have hope on it”.

In addition to this, one women informal conversant from Ayat Glory of Cloud Protestant Church said that:

“We are waiting for the government till we reach on the hope given by the Urban Lands Holdings Proclamation No. 721/ 2011; I hope the government will act according to the proclamation by keeping its promise to realize the provision of Leased Urban Land plots and low cost houses to the Non Urban Land holders, especially to the urban poor”.

On top of this, one of the members in Sara Ampul Kara Mesjid/ Mosque forwarded his idea up on the same issue.

“The Urban Lands Lease Holdings Proclamation No. 721/ 2011 gives a great opportunity for religious institutions in providing title deed for the land they stay without title deed for long period of time. Thanks to the newly proclaimed Urban Land Lease law; every aged religious institution acquired title deed with the annual lease payment 3 ETB per square meter. For cemetery areas, it also allows to give title deed to every religious institution. This is not an easy task for us. Because, it abolishes the border conflict with every individuals and any other institutions that shares the same border lines with us. And also, it helps us to invest on our territory with full confidence”.

Of course, giving special attention to religious institutions is not an easy task rather considered as an opportunity vested to all religious institutions by the lease proclamation. In addition to this, the personnel manager of Ayat Gospel Light Protestant Church said that:

“Religious institutions also obtain a lot of benefits from the implementation of Urban Lands Lease Holdings Proclamation No. 721/2011. Because, this is the time that the government of Ethiopia gives wider opportunities to religious institutions, particularly in providing title deeds for the worship center and cemetery areas. We, as a religious institution, one of the

beneficiaries have taken title deed before four months through a yearly basis lease payment which is 3 birr/ square meter. Thus, we are one of the beneficial from the Urban Lands Lease Holdings Proclamation No. 721/2011 implementation”.

Based on the study result and the Urban Lands Lease Holdings Proclamation No. 721/2011 with its regulation and directives, it can conclude as “Urban poor gets two fold opportunities as benefits. The first opportunity is the urban poor entitled to obtain condominium houses, because they have no other opportunities for housing. The second benefit is employment opportunities due to the created investment opportunity for investors through the Proclamation”. These investors, who obtained Urban Land through Lease system, create employment opportunities to the urban poor when they construct their huge buildings, which invite the very vast labor force in the study area; and also pay revenue to the government which serve as source of budget for developmental activities of the Sub city in particular and to the city of Addis Ababa at large.

4.4. Constraints of Urban Lands Lease Proclamation No. 721/ 2011 implementation

The implementation of Urban Lands Lease Holdings Proclamation No. 721/2011 in the study area is constrained by different factors. These factors are categorized as the obstacles resulted by the implementation itself and also the challenges that face the implementation.

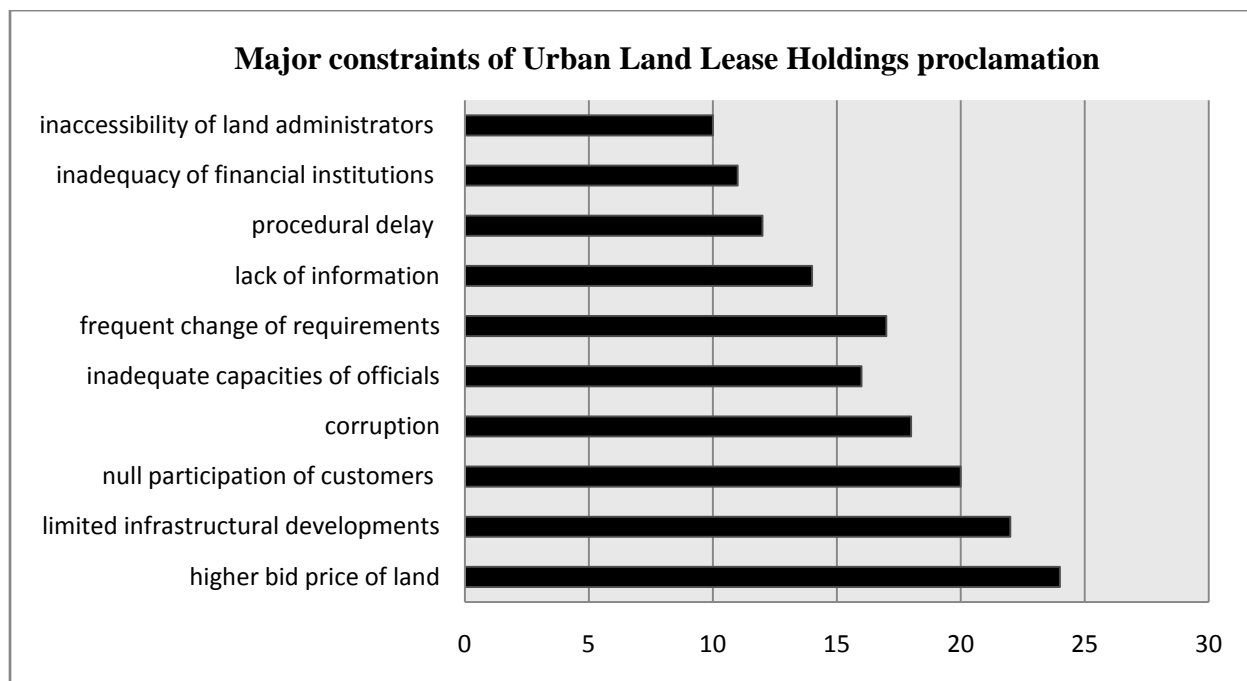
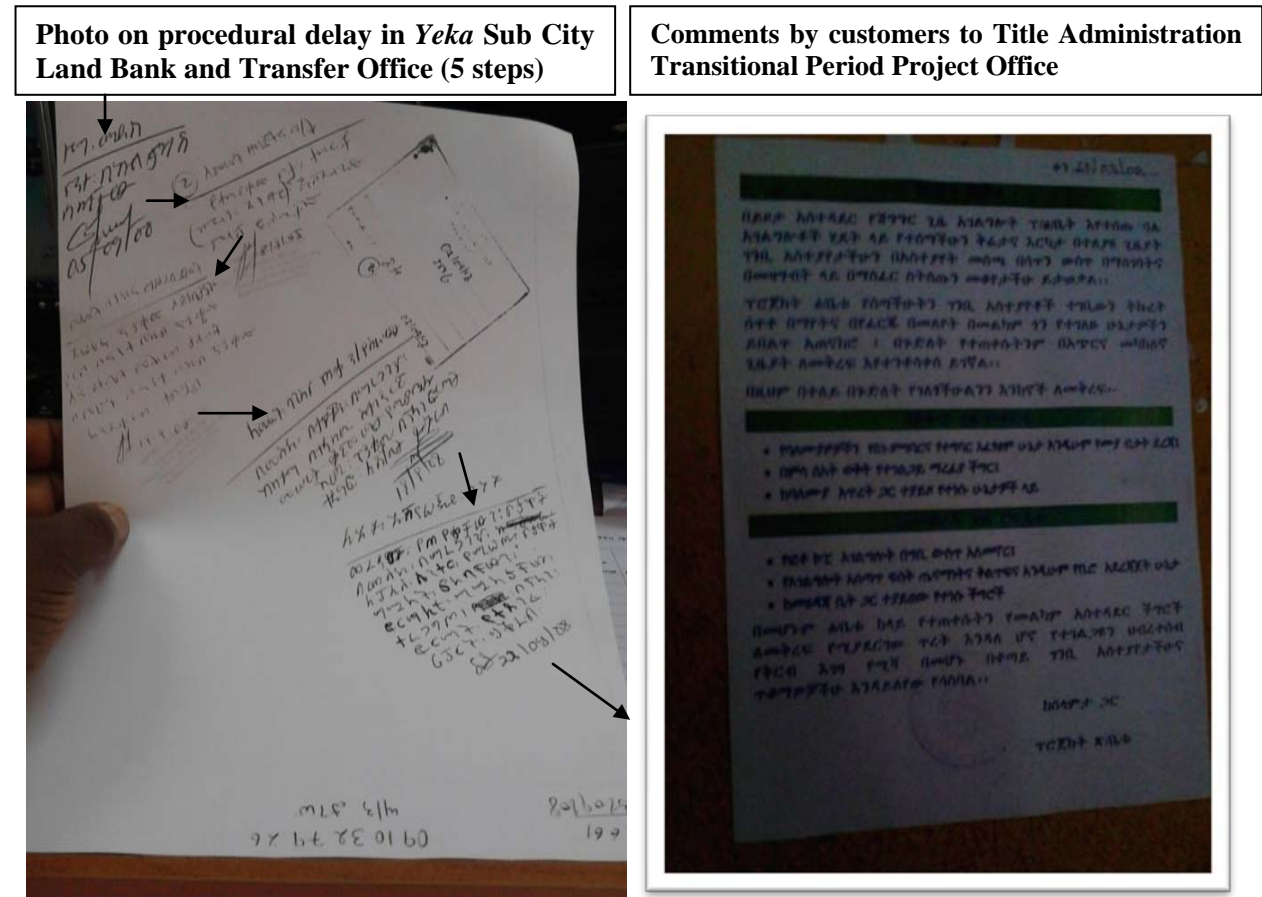


Figure 4.7: Constraints of Land Lease Proclamation implementation in the study area

Source: Own Survey, 2016

From 164 respondents, most of them said that higher bid price of land; limited infrastructural developments on the leased urban land; and null participation of customers in any land related policy formulations are the major challenges for Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation. And also, medium number from the total respondents agree with that corruption, inadequate capacities of officials, frequent change of requirements, processes and directives, and lack of information about Urban Lands Lease Holdings Proclamation No. 721/ 2011 were the intermediary problems; while some of them said that procedural delay and highly bureaucratic service delivery, inadequacy of banks and financial institution for the purpose of collateral, and easily inaccessibility of land administrators were the least problems of Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation in the study area.

In connection with this, Photograph 4.5 show that the office based observation results which were made on the level of service delivery of Yeka Sub City Land Development and Management Office to its customers.



Photograph 4.5 Photo on service provision and customers' feedback in the study area

Source: Field Observation, 2016

The left hand side photo shows the existence of long process at the time of service provision (i.e. it passed five steps for a single case). The *Woreda* administration asked land for social service to be provided through allotment; but the sub city push the question towards the lower level of workers that do not have a power to decide the issue and answer the question. The right hand side photo show that the summarized comments of customers by the Title Administration Transitional Period Service Project Office that were collected through suggestion box, book and formats. The suggestion is focused on the existence of ethical problem, inefficient capacity and shortage of workers in the office. On this flier, the office said that “We accepted it. Thus, we work for the future to improve it”; which means the comments are actually existed in the office.

In addition to this, interview was made with head of Land Bank and Transfer Office on the question “Are there constraints in the implementation of Urban Lands Lease Holdings Proclamation No. 721/ 2011?” and he answered as:

“Of course, low awareness of the Urban Land Lease holders up on the completion of house construction, increased Urban Land Lease price, existence of compounded interest rate on the remaining lease payments, limited amount of Urban Land supply, higher informal Urban Land settlements were some of the constraints during the implementation of the Urban Lands Lease Holdings Proclamation No. 721/ 2011 in Yeka Sub City Land Development and Management Office, and the study area, Yeka Sub City administration”.

Following this, the Sub City Head of Construction Permit and Control Office, said that:

“It is better to say that the present Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation almost blocks the chance of using bare land as collateral, restrict the Urban Land holding system only in to auction and allotment, being strict on the agreement made between the lessee and the government with regard to lease payment, commencement and completion of construction; inapplicable prerequisite of penalty stated in article 35 of the proclamation and types of punishment on the abusers of land use pattern settled in the master plan of the city and also on those who agitate the Building Height (BH) regulation of Yeka Sub City Administration”.

Furthermore, the result of Focus Group Discussion (FGD) which was made with the Urban Land Lease holders shows:

“The Urban Lands Lease Holdings Proclamation No.721/2011 provide that for the ‘house construction which is not commenced or completed as per the lease agreement, the appropriate body will either demolish or sale the building’ has created a big discourages for house construction and also uncertainty up on the government; because such measure of the government bring about a big economic loss for most of us and the time given under the proclamation for such purpose does not take the capacity of most Ethiopian people, like everyone of us in to consideration”.

Another Focus Group Discussion (FGD) result which was obtained from informal Urban Land settlers shows:

“We, all informal settlers are not considered as the citizens of Ethiopia. Because, we are now living on the plot of urban land that: (1) have no tenure security, (2) lacks urban planning, (3) lacks infrastructural development (e.g. roads, water pipes, drainage systems, toilets, waste collection, electricity), (4) have poor environmental condition, (5) have poor public facilities (schools, clinics, sport fields and churches). In addition to this, high informal Urban Land regularization price, intentional or unintentional procedural delay of regularization, regularizing informal Urban Land based on its age of holdings were the other constraints occurred by the implementation of Urban Lands Lease Holdings Proclamation No.721/2011”.

The result of informal conversation which was made with one of the brokers in Ayat Tafo, Woreda 13 Administration also shows:

“Because of the implementation of Urban Lands Lease Holdings Proclamation No.721/2011, the income that we would have been acquired from the sale (transfer of title) has greatly decreased in the case of new Urban Land leasehold and almost stopped in the case of old possessed Urban Land plots. For us, if sale transaction of houses decreases, we; brokers, sellers as well as buyers, even the government itself were affected negatively. Due to the adoption of this Urban Lands Lease Holdings Proclamation No.721/2011, the sale of old possessions has decreased by 70-80% in contrast to the sale transaction which existed before. Therefore, we shift the normal transaction of formal Urban Land plots towards illegal way of Urban Land plot transaction through different ways”.

Finally, the informal conversation result made with one of the informal settler who came to *Yeka* Sub City Title Administration Transitional Period Service Project Office as compliant shows:

“The Woreda level administration told us that we cannot get the chance of regularization rather we better to leave our plot of Urban Land within 24 hours which is difficult and impossible for most of us”.

But the proclamation states about such kind of issues as “... to clear an illegally occupied Urban Land by merely serving a written notice of seven working days to the occupant in person or by affix it to the property situated on the hand” (Article 26, 4: 6240).

The implementation of Urban Lands Lease Holdings Proclamation No. 721/ 2011 in *Yeka* Sub City administration encountered different implementation challenges. Findings from observation, questionnaire respondents, interview, FGD and informal conversation participants revealed that: workers are not assigned according to their level of education, types of qualification and efficiency. Educated persons who have better awareness on the Urban Lands Lease Holdings Proclamation No. 721/ 2011 participated in informal Urban Land holdings; there is high Urban Land Lease price and limited infrastructural developments, there is also Urban Land related corruption, inadequate official’s capacity and frequent change of requirements and procedural delay, inadequacy of financial institutions for mortgage and land administrator is not accessible are the constraints in *Yeka* Sub City Land Development and Management office. With regard to this, (Haymanot, 2011: 19/ 136) said that “service delay and complex procedural steps hindered access to formal land”. Furthermore, she stated that to meet the interest of low-income group, it require a special attention in land use planning, development plan and locally revised land use plan approval (Ibid: 19/ 136). On top of this, (Biruk, 2014: 109/ 120) said that “the EPRDF elites formulate important public policies; for the wider public at the bottom taking little or no action. In other words, the public as an independent force has been alienated and estranged from the policy process leaving its fate on the hands of the governing elite”. On the other hand, (Sisay, 2012: 18/ 21) said that the policy implementation is still creating considerable problems for the displaced people and the development of a sustainable living environment; as the study result show that the dispossessed individuals cannot get according to their amount of possession whether they held large/ small plot or s/he invest more/ less on it, they earn only 75m² plot of Urban Land as a substitution.

4.5. Impacts of Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation

The constraints of Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation in *Yeka* Sub City Land Development and Management Office have its own impacts on the government, the lessee, the informal Urban Land holders, the Sub City dwellers or any other individuals and institutions. With regard to this, table 4.16 present the result of survey respondent on the impacts of the Proclamation implementation in the Sub City administration.

According to the table, the implementation Urban Land Lease Holdings Proclamation No. 721/ 2011 put its negative impacts on the whole economy, finance, social and institutions of *Yeka* Sub City Administration. This is because of that all of the respondents (i.e. government officials, formal and informal Urban Land settlers) agree as its implementation has pessimistic impacts on the every aspects of urban life of the sub city dwellers, the urban surroundings and the government itself. (Refer table 4.16)

Table 4.16: The impacts of Urban Land Lease Policy implementation in the study area

Questions for the respondents		Formal and Informal settlers		Government Officials	
		Number	percent	Number	percent
The impacts of Urban Land Lease Holdings Proclamation No. 721/ 2011 implementation in <i>Yeka</i> Sub City Administration	Decreased exchange of old possessed urban land	75	79	69	100
	Increase urban land lease price	89	94	54	78
	High payment of regularization	72	76	61	88
	Participate in informal settlement	92	98	65	94
	Increase No. of informal settlers	93	98	61	88
	Increase the No. of homeless	84	88	32	46
	Increase the number of straight sub city dwellers	75	79	27	39
	Increase the number of discontented sub city dwellers	95	100	56	81
	Opening the door for corruption	78	82	14	20
	Forced to live in shanty areas	89	94	52	75
	Exposed in to fear and uncertainty	88	93	57	83
	Subsidizes the wrong target group by neglecting the urban poor	91	96	13	19

Source: Own Survey, 2016

In addition to this, the result of interview with government officials show that

“The implementation of Urban Lands Lease Holdings Proclamation No. 721/2011 does not consider the economic level of the Sub City dwellers, especially the urban poor”. And also they said that “the response of the city government for the informal Urban Land holdings were demolishing the illegal built houses, which is totally wrong; when the city government demolishes the informally developed houses, it is destroying the asset of the population which is the part and parcel of the sub city and the city dwellers and also the country’s economy. Therefore, the government must look for another alternative”.

In the extension of this, most of the Focus Group Discussion (FGD) participants from the formal Urban Land holders group said that:

“Both the formal Urban Land price and condominiums down payment increases from time to time in Yeka Sub City parallel with the price of Urban Land Lease. As a result, most registered Sub City dwellers withdraws monthly payment, even most of them had taken out their deposited money from CBE and invest in informal Urban Land holdings”.

Beyond this, observation was used for further analysis as to what look like the impacts occurred due to the implementation of Urban Lands Lease Holdings Proclamation No. 721/2011. Therefore, the economic impact of the implementation is pronounced in the lease price as it reached sale price of Urban Land, 31,000 birr/m² (Office observation, 2016) and also demolishing of informally possessed houses rather implementing the penalty exist in the proclamation (Informal conversation, 2016); the social impact of the study is marked by the way of living condition of the society as it is shown in figure 4.13; the financial impact is manifested when the government takes the action of demolishing on informally obtained Urban Lands since the capital invested on the land is the economy of the country.

In addition to this, the improper implementation of the Urban Lands Lease Holdings Proclamation No. 721/2011 had investigated whether it has institutional impact or not from the study area, Yeka Sub City administration and Yeka Sub City Land Development and Management Office. For example, the field observation result shows the house construction on the terminated lease agreement and lacking construction permit around Glory of Cloud Church as indicated in photograph 4.4 shows that the implementation of Urban Lands Lease Holdings Proclamation No. 721/2011 is not strongly supported with commitment of the delegated

government officials for that they do not use effective and efficient controlling mechanisms from the very beginning and also after they know it, they do not act according to the Urban Lands Lease Holdings Proclamation No. 721/2011.

Following this, two photographs were taken from *Woreda 12* which is the dominant informal Urban Land settlement area and *Woreda 13* which is the dominant formal Urban Land settlement area, to show the social impacts resulted by the improper implementation of Urban Lands Lease Holdings Proclamation No. 721/2011 as indicated in Photograph 4.6 (Field observation, 2016).

The left hand side photograph shows the urban poor in *Yeka* sub city, *Woreda 12*, around *Wosen Grocery* who built informal house from plastic materials to escape from high amount of house rent.



Photograph 4.6: Impacts of urban land lease proclamation implementation in *yeka* sub city

Source: Field Observation, 2016

The right hand side photograph shows the urban poor in *Yeka* Sub City, *Woreda 13*, around *Ayat tafo* who built new informal houses from mud to escape from high amount of house rent; these settlers made their newly built house from temporary materials to make the house that are built on the old possessed Urban Land plots. From this, it can be concluded as the Urban Lands Lease

Holdings Proclamation No. 721/2011 implementation in the Sub City has a negative impact on social welfare of the society through it limited access to urban land plot possession.

4.6. Prospects for the current Urban Lands Lease Holdings Proclamation implementation

Although there are many challenges and impacts of Urban Lands Lease Holdings Proclamation No. 721/2011 implementation, there are also opportunities/ prospects that enable the Proclamation implementers to address problems related to it. Table 4.17 shows the respondents result provided as prospects that are considered as it is existed in *Yeka* Sub City Land Development and Management Office to make the Urban Lands Lease Holdings Proclamation No. 721/2011 implementation effective.

Table 4.17: Prospects of Urban Land Lease Policy implementation in the study area

Questions for the respondents		Formal and informal settlers		Government Officials	
		Number	percent	Number	percent
Prospects of Urban Land Lease Policy implementation in <i>Yeka</i> Sub City	The availability of technology	87	95	69	100
	The presence of rules and regulations in controlling urban land abusers	91	98	63	91
	The presence of Urban Land Lease Holdings Proclamation/ policy it self	95	100	61	88
	The presence of short (LDP) and long term (Master plan) plans	95	100	69	100

Source: Own Survey, 2016

According to the respondents, the successful implementation of the lease policy is dependent up on the availability of technology like: ICT and cadastral technological equipments (GPS, Total Station, etc) at the time of Urban Lands Lease Holdings Proclamation No. 721/2011 implementation, especially at the time of Urban Land plot preparation and informal Urban Land controls; the proper application of rules and regulations on urban land abusers; the presence of Urban Lands Lease Holdings Proclamation No. 721/2011 itself in increasing revenue collection of the city; and the existence of short term (like: LDP) and long term (like: Master plan) plan of the city for simplifying the land administration system were considered as a prospect for the sub city.

Parallel to this, the interview result shows that:

“The Sub City Land Development and Management Office do not use technology efficiently rather carryout each and every process in manual form. The problem in here is that the implementation of Urban Lands Lease Holdings Proclamation No. 721/2011 cannot be functional in the case of many reasons like: workers’ inefficient capacity for the use of technological equipments, being careless in using it, etc”.

Another interview result shows that:

“The availability of Urban Lands Lease Holdings Proclamation No. 721/2011 has much advantage on the Land administration of the sub city, such as it simplifies the system of land administration, helps to minimize the impact of Urban Land speculators and increases the city revenue collection from land use. In short, it can be concluded as the Urban Lands Lease Holdings Proclamation No. 721/2011 can be taken as an opportunity for the Land administration of the study area, Yeka sub city administration”.

Additional interview was made with one of the government officials from Yeka Sub City Title Administration Transitional Period Service Project Office and his response shows that:

interview result show that the 10 years integrated development plan of the city is the key for all activities related to land administration in the sub city, this plan is by now preparing to replace the master plan prepared before 10 years The plan incorporates the socioeconomic situation of the city dwellers, the land use and environment patterns and other issues. So it is an opportunity for the sub city land development and management office.

In addition to this, the Focus Group Discussion (FGD) result shows that:

The implementation of the Urban Lands Lease Holdings Proclamation No. 721/2011 does not have an opportunity since it is not implemented with full capacity and commitment of workers especially by office heads that have double responsibility for its proper implementation in the study area Yeka sub city.

Following this, the informal Urban Land holders who participate in Focus Group Discussion (FGD) reflect their view up on the same issue is that:

“The government tried a lot to make the land administration system transparent. But on its implementation stage, there are problems on the capacity of workers, commitment of workers and transparent service delivery, etc”.

Therefore, it can be concluded that even if there exist the four elements stated in table 4.17 as a prospect for the implementation of the Urban Lands Lease Holdings Proclamation No. 721/ 2011 in the study area *Yeka* sub city, its application is not carryout in an integrated way.

4.7. Possible measures for effective Urban Lands Lease Proclamation implementation

As to benefits, challenges, impacts and opportunities of the Urban Lands Lease Holdings Policy implementation, the data was collected on the possible remedial measures for the better Urban Lands Lease Holdings Proclamation/ Policy implementation. Thus, table 4.18 shows the possible remedial measures given by the respondents of this study in *Yeka* Sub City, *Woreda* 12 and 13 administrations. The survey result in table 4.18 indicates that most of the respondents agree in all recommending points. Thus, design and provide trainings for the insufficient skilled manpower helps to capacitate workers of *Yeka* Sub City Land Development and Management Office.

Table 4.18: The possible measures for effective urban land lease policy implementation

Questions for the respondents		Formal and informal settlers		Government Officials	
		Number	percent	Number	percent
Measures to be taken in order ensure the effective Urban Land Lease Proclamation No. 721/ 2011 implementation in <i>Yeka</i> Sub City	Providing trainings for employees	84	85	69	100
	Ensuring computerized land information system	83	93	69	100
	Designing housing system to control informal settlement	95	100	61	88
	Relocating illegal settlers from the river buffer	85	100	63	91
	strengthening the housing cooperative associations as before	95	100	68	99

Source: Own Survey, 2016

Making the land administration system simplified and more accessible, provision of Urban Land information to customers and using computerized Land Administration system in the field and office works is very crucial. Demolishing informal settlement cannot be a sustainable solution rather designing housing system that can be affordable by the majority of sub city dwellers. Work on relocation of informal Urban Land settlers who possess Urban Lands on the river buffer, proposed road network, social service and green areas. Enactment of Cooperative

Housing Associations can be the possible remedial measure for the narrowed entrance of Urban Land possession.

For further investigation, the above result was reassessed through informal conversation made with one of the non urban land holders in the sub city shows:

“Relocation of informal Urban Land holders who settle on places that do not supported by the master plan of the city should have to get immediate solution before the settlers invest more on their plot of informal Urban Lands. For example, the current process of regularization which is based on 1997 E.C (2004/5 G.C) line map of the city is not giving title deed for those plots rather allows to earn Urban Land plots as a form of substitution”.

The result of FGD with formal urban land settlers show that:

“The current Lease Proclamation should have to be implemented properly to maximize its profit gained from revenue collection and creating job opportunity”.

The result of FGDs with formal Urban Land settlers shows that:

“Treat the question of informal Urban Land settlers, through regularization; design for the way of Urban Land plot possession or very affordable houses including the down payment of condominium houses”.

The interview which was made with one of the workers in Woreda 12 shows:

“Awareness creation on the Sub City dwellers, provision of the very affordable houses, and regularization for informal urban lands possessed till the enactment of the proclamation No. 721/ 2011 should be taken as a remedial measures”.

At the end, interview was made with one of the workers in Woreda 13 and its result shows:

“Provision of affordable Urban Land plot to low income Sub City dwellers that can serve for cooperative houses, allow regularization for those houses held through informally that do not clashes with the city’s master plan”.

And also, (Biruk, 2014: 111/ 120) recommends as “Promote citizenry participation in the process of policy formulation and implementation”. Thus, it can be noted that among different factors, public participation at the time of policy formulation facilitates the implementation of Urban Lands Lease Holdings Proclamation/ Policy.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Summary of the findings

Based on the results obtained from review of secondary data, office and field based observation, the responses and the discussion with participants, the following points were found as the major practices, benefits, challenges, impacts, prospects and possible measures of Urban Lands Lease Holdings Proclamation/ Policy No. 721/ 2011 implementation in the study area, *Yeka Sub City, Woreda 12 and 13 Administrations* through *Yeka Sub City Land Development and Management Office and Yeka Sub City, Woreda 12 and 13 Construction Permit Control Offices*.

5.1.1. Practices of Urban Lands Lease Holdings Proclamation implementation

Both the formal Urban Land holders and government officials of *Yeka Sub City* did not use internet as a source of information (Refer figure 4.1, 4.2 and 4.3). And also, Brokers, Government officials and former informal settlers serve as information source to informal Urban Land settlers in *Yeka Sub City*; and also, the level of information delivery of *Yeka Sub City Land Development and Management office* through its selected three offices (LBTO, CPCO, and TATPSPO) is totally skewed to fair (Refer 4.2.1).

The way and process of Urban Land plot allocation in *Yeka Sub City* is not good, even if it is better than it did before. In terms of availability of Urban Land Lease plot in the Sub City, there is insufficient stock, production and allocation of legally developed Urban Lands (Refer 4.2.2).

The provision of serviced Urban Land plot in *Yeka Sub City*, the study result show that Urban Land plot was transferred without full infrastructural developments which is contrary to the statement stated in the proclamation “prior to advertising Urban Lands prepared for tender, the lands have access to basic infrastructure” (Article 8, 1/c: 6226) of the proclamation (Refer 4.2.3).

The discussion under 4.2.4 shows that the dominant way of Urban Land plot possession in the study area is the informal Urban Land possession which is contrary to “no person may acquire Urban Land other than the lease holding system provided under this proclamation” (Article 5, 1: 6224) of the proclamation. But, the nature of informality and its price is depending on the remoteness and closeness of the Urban Land plot to the inner part of *Yeka Sub-City*.

On the plot of Urban Land usage, the obtained result shows that almost the entire Urban Land Lease plot is transferred to be used for residence. But, it is used for other purposes like hotel, school, bar and lounge. This is because of three reasons: a/ the plot of Urban Land Lease for fuel station, hotel, school, bar and lounge is not provided in the sub city; b/ there are Urban Land Lease holders that possess extra houses in the Sub City; and c/ there are Urban Land Lease holders who built houses with credit and want to cover their credit payment through renting their houses for the use of bank, hotel, bar, etc. On the other hand, the function of informal Urban Land Lease plot can be changed from residence to other purposes as the surroundings develops (Refer 4.2.5). But, the Proclamation states in (Article 21, 1: 6235) as “A lessee of Urban Land shall use the land for the prescribed purpose”; it should be used only for the prescribed purpose.

The levels of awareness of customers of *Yeka* Sub City are not the same. Informal Urban Land settlers have better awareness than formal Urban Land settlers. This is because of that informal Urban Land settlers have better exposure than formal Urban Land settlers. Low level of awareness about the implementation of Urban Lands Lease Holdings Proclamation/ Policy No. 721/ 2011 and the requirements needed for service delivery shall expose the customers of the study area for service delay and/ or unnecessary payments (Refer 4.2.6).

The enforcement condition of the commencement and completion of house construction in *Yeka* Sub City is low. This is because; the transfer of Urban Land plot to the customers of *Yeka* Sub City was not with the provision of infrastructures. Since most of the lessee is disturbed in the commencement and completion of construction due to lower level infrastructural development, s/he may not act according to the lease agreement as stated (Article 22 and 23: 6235 and 6236) as “the total completion period may not exceed 2^{1/2} years for small, 4 years for medium and 5 years for large construction projects” are not enough; and also the enforcement condition for lease payment is poor in the Sub City (Refer 4.2.7).

The conditions of Urban Land Lease termination for the action made against the Urban Lands Lease Holdings Proclamation/ Policy No. 721/ 2011 is low which is contrary to the Proclamation stated as if the “lessee has failed to use the urban land for the prescribed purpose within the period of time stated in the lease contract, the leasehold/ contract shall be terminated” (Article 21, 1: 6235), (Article 25, 1/a: 6238) and (Article 25, 3: 6239); of the Proclamation (Refer 4.2.8).

According to the study result under 4.2.9 and 4.2.10, free occupancy, gift, and exchange of Urban Lands from farmers and former informal settlers are the four major ways of informal Urban Land plot possession in the study area. The main reasons for the peoples' participation in an informal Urban Land settlement is that the economic problem to hold formal Urban Land and unaffordable house rent. Even if the Sub City dwellers have taken it as alternatives, it has risks like: demolish, not getting regularization, dispossession of the Urban Land and also punishment as stated "Whosoever in violation of the provisions of this proclamation . . . fences Urban Land, undertakes construction on it, . . . is punishable in rigorous imprisonment from 7 to 15 years and with a fine from Birr 40,000 up to Birr 200,000" (Article 35, 1/ b: 6246) of the Proclamation which cannot be functional till now since there too many informal Urban Land settlers in the study area and its difficulty to applied it.

There are four dominant intensifiers of the Urban Lands Lease price to be high. These are: the government, by its lower provision level of Leased Urban Land plot and allocation of high percentage (80% for the given price/ m²) to determine bid winners; the higher income groups, who give higher Urban Land Lease price for the plot of leased Urban Land; Diasporas, who shall give higher Urban Land Lease price with additional payments; and the old possessors, who sell their old possessed Urban Land plots for fear of eviction in the name of 'public interest' as stated "... decided to use the land for ... public interest, the lessee shall be evicted from his old possessed Urban Land" in (article 25, 1/b: 6238) of the proclamation and participate in auction to hold Leased Urban Land plot with lease holding competition (Refer 4.2.11).

Regarding the affordability formal Urban Land settlers for the Leased Urban Land plot price and informal Urban Land settlers for the regularization of informal Urban Land plot price that were analyzed through survey, interview, FGD, informal conversation and observation show that the informal Urban Land settlers were charged different costs in order to regularize their plot of Urban Land than the formal settlers. Even if the informal Urban Land possessors were made different payments for regularization, still it does not exceed the cost of formally possessed Urban Land plot. Thus, the Sub City dwellers prefer to own the informally possessed Urban Land plots than the formally possessed Urban Land plots (Refer 4.2.12).

5.1.2. Benefits of Urban Lands Lease Holdings Proclamation implementation

According to the findings of this study, all stake holders reflect their view up on the benefits of Urban Lands Lease Holdings Proclamation/ Policy No. 721/ 2011 implementation in *Yeka* Sub City, *Woreda* 12 and 13 Administrations. Thus, its benefits for the City Government of Addis Ababa is marked by the supply of Urban Lands for investors through “public interest” by dispossessing Urban Land plots from old Urban Land possessors and farm land possessors; creation of job opportunity to the urban dwellers when investors construct houses on the Urban Lands that are obtained through lease; support the budget source by collecting Urban Land revenue from new leased, regularized and old Urban Land possessors; its benefits for the formal Urban Land settlers manifested when it help them to use their land lease use right as collateral for mortgage purposes; its benefit for non Urban Land holders is that the hope given to them to have low cost houses for the future; it has benefit for religious institutions in providing title deeds for their institutions and cemetery areas with charge free lease; it also protects the right of informal Urban Land settlers by bringing a solution to the question of security as stated in the proclamation by its article 6 sub article 4 “. . . to regularize possessions held without the authorization of the appropriate body, . . . to be acceptable in accordance with urban plans and parceling standard . . .” those plot that were acceptable by urban plans and parceling standard can get a chance of regularization; but, those plots not acceptable by urban plans and parceling standard can get urban land as a substitution.

5.1.3. Constraints for Urban Lands Lease Holdings Proclamation implementation

According to the study result, the implementation of Urban Lands Lease Holdings Proclamation No. 721/ 2011 has problems that can be considered as internal and external constraints. The implementation of the Proclamation by itself has defects in: the conversion of old possession when the land is transferred to third party other than inheritance as stated in (Article 6,2 and 3: 6225) of the proclamation limits the rights of old urban land possessors; the way of regularization which is bounded only by its age of possession as stated in (Article 6, 4: 6225) of the proclamation and (Article 22, 3: 30/73) of the regulation make disparity among citizens; the time limit given for the commencement of construction which says the period may not exceed 6 months for small, 9 months for medium and 18 months for large construction as stated in (Article 22, 1: 6235) of the proclamation, and (Article 33, 2: 47/73) of the regulation is not enough, and also the time limit given for the completion of construction which says the period reached up to

24 months for small, 36 months for medium and 48 months for large construction is not enough as stated in (Article 23, 2: 6236) of the proclamation and (Article 34, 2: 48/73) of the regulation and even the extension time of completion that the total completion period may not exceed 2^{1/2} years for small, 4 years for medium and 5 years for large construction projects are not enough as stated in (Article 23, 4: 6236) of the proclamation; the provided grace period as stated in (Article 15, 1 and 2: 6230) of the proclamation and (Article 31: 43/73) of the regulation is not reasonable and it is not a grace period since it is part of the duration of the total lease period; the very narrowed entrance of urban land holdings as stated in (article 7, 2: 6226) of the proclamation and (article 4, 2: 9/73) of the regulation is only through tender or allotment by rejecting negotiation/ agreement and freehold which was a part and parcel of the former proclamation No. 272/ 2002; being strict on abusers of urban land use and informal possessors as stated in (Article 35, 1/ b: 6246) of the proclamation and (Article 52, 2: 70/73) of the regulation is not practical till now and it might be difficult to apply it since there are many informal settlers in the sub city; as stated in (Article 6, 4: 6225) of the proclamation and (Article 22, 3: 30/73) of the regulation, the question of informal settlers is not answered properly and is not closed somewhere rather said that no compensation is given but bare land will be given as a form of substitution for those not accepted by plans of the city, in short, it does not consider the question of all the informal settlers that was held before the enactment of proclamation No. 721/ 2011; Being the main aggravator of Urban Land Lease price as the proclamation through its regulation states the amount of money given for the Leased Urban Land can serve as a precondition for the determination of bid winners (80% evaluation point) can be taken as the internal constraints of the implementation of Urban Lands Lease Holdings Proclamation/ Policy No. 721/ 2011. While higher bid price, low infrastructural developments; and almost null participation of Sub City dwellers in any land related policy, regulation, directive formulation and also not giving enough time during clearing order on the illegally occupied urban land as stated in (Article 26, 4: 6240) of the proclamation, rather evicting in 24 hours time by neglecting the given time in the proclamation which is 7 working days can be taken as the other external constraint that can retard its successful implementation in the Sub City can be taken as some of the external constraints of the Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation.

5.1.4. Prospects of Urban Lands Lease Holdings Proclamation implementation

As there are many challenges on the implementation of Urban Lands Lease Holdings Proclamation/ Policy No. 721/ 2011, there are also opportunities and prospects that enable *Yeka* Sub City Land Development and Management office to address problems related to Urban Lands Lease Holdings Proclamation/ Policy implementation. The study result revealed that the availability of technology for land administration, the presence of rules and regulations to control informal settlements, the presence of urban land lease policy to make the Land Administration efficient are taken as a potential opportunity for the proper implementation of Urban Lands Lease Holdings Proclamation/ Policy No. 721/ 2011 in *Yeka* Sub City, *Woreda* 12 and 13 Administrations.

5.1.5. Impacts of Urban Lands Lease Holdings Proclamation implementation

The results of the study show that the implementation of the proclamation has its own impacts on the institutional, economical, social and financial aspects of the study area. The economic impact of the implementation is pronounced in the lease price as it reached sale price of urban land, 31,000 birr/m² and also demolishing of informally possessed houses rather implementing the penalty exist in the proclamation; the social impact of the study is marked by the way of living condition of the society as it is indicated in figure 4.13 to show the way of living in the house made from plastics and muds due to the un affordability of Urban Land Lease Price and house rent; the financial impact is manifested when the government takes the action of demolishing on informally obtained Urban Lands since the capital invested on that specified Urban Land is indirectly the economy of the country; the institutional impact is evident by figure 4.8 of the study that shows the house (G+2) built on a terminated lease agreement.

5.1.6. Possible measures for the implementation of Lease Holdings Proclamation

The study result indicates the possible measures suggested by workers and customers of *Yeka* Sub City Land Development and Management office and non Urban Land holders to ensure effective Urban Lands Lease Holdings Proclamation/ Policy No. 721/ 2011 implementation; such as: providing short and long term training to employees; ensuring a computerized urban land information system; designing a very affordable housing system for the urban poor; treat the question of informal Urban Land settlers, regularization; design for the way of Urban Land plot

possession or very affordable houses including the down payment of condominium houses; and respect the right of all formal Urban Land settlers especially the old possessors of the study area.

5.2. Conclusion of the research study

This research study is aimed to assess the implementation of Urban Lands Lease Holdings Proclamation/ Policy No. 721/ 2011 by analyzing the provision of serviced Urban Lands, the aggravating factors for the increased Urban Lands Lease price, the condition of formal and informal Urban Land possessions security and the process of regularization of informal Urban Lands in *Yeka* Sub City, *Woreda* 12 and 13 Administrations by relating the implementation of Urban Lands Lease Holdings Proclamation No. 721/ 2011 with the service rendering system of *Yeka* Sub City Land Development and Management office through the three selected offices (LBTO, CPCO and TATPSO) and the *Woreda* level Construction Permit and Control Office.

The findings indicate that there is a gap between the Urban Lands Lease Holdings Proclamation/ Policy and its implementation in the study area through the activity of *Yeka* Sub City Land Development and Management office and *Woreda* level Construction Permit and Control Office. The problems identified by this research study are dominantly due to lack of ability of the government delegates and existence of inefficient workers in Urban Land Development and Management; lack of competency of planners who are unable to see the future of the city in the planning phase; and lack of a long-term vision to formulate Urban Lands Lease Holdings law for sustainable urban future. Therefore, the effectiveness of *Yeka* Sub City Land Development and Management office is found at low level. Hence, it is likely to conclude that, all these implementation problems are created due to lack of professional capacity in land management and planning; lack of good governance and accountability in the municipality Administration as well as little role of workers in Urban Lands Lease Holdings Proclamation/ Policy No. 721/ 2011 implementation in the study area.

Generally, the conclusion extends on each discussion made in the fourth chapter section 4.2 which is the main analysis part of the study. Therefore, the way of information delivery of *Yeka* Sub City is fair, the Sub City Land Development and Management Office should have to work on information delivery to its customers. The sub city has to look for other alternatives either vertical expansion as developed countries do to use the plot of Urban Land intensively or any others like communal based Urban Land plot usage/ allocation for its satisfactory Urban Land

plot allocation. In the absence of providing such range of alternatives to the Sub City dwellers, there might a shift towards informal Urban Land plot possession as it is exercised before the enactment of the proclamation in the study area; because the study result reflected that informal Urban Land settlement is the dominant way of Urban Land plot possession in the study area which is against to the Proclamation “An Urban Land shall be permitted to be held by Leasehold; through the modality of tender or allotment” in (article 7, 2: 6226). Since informal Urban Land settlers think about their plot of Urban Lands all the time, they have better exposure on the Urban Lands Lease Holdings Proclamation/ Policy No. 721/ 2011 and the requirements needed for service delivery than formal Urban Land settlers; therefore, they are not exposed to the service delay and/ or unnecessary payments than formal Urban Land settlers. Due to the existence of low infrastructural provision in the study area which is contrary to the statement stated in “prior to advertising Urban Lands prepared for tender, the lands have access to basic infrastructure” (Article 8, 1/c: 6226) of the proclamation, the commencement and completion of construction was retarded and also the condition of lease payment is poor; therefore, the Lease Implementation and Inspection Work Process Owner and Land Bank and Transfer Office Head should have to consider the level of infrastructural development when they enforce the lessees to act according to the lease contract. And also, there should be strict follow up on the lessee, because, it can have a chance to minimize the termination of lease contract.

Regarding the affordability of Urban Land price, the price of informal Urban Land plot is affordable than the price of Urban Land Lease plot. The nature of affordability of the informal Urban Land possession facilitates more people to participate in it. But it has risks when it is decided to be demolished as stated “Except recognition is given through the process of regularization, no compensation is given for dispossessed land if decided to displace due to different reasons” (Article 22, 3: 30/ 73) of the lease regulation. As the result of this study confirm that the government should have to listen the voice of informal settlers by providing range of options such as: provision of short term lease agreement for the informal Urban Land holders, regularize informal Urban Land plots possessed after 1997 E.C (2005 G.C), the provision of other alternatives for Urban Land / house possession to the urban poor.

Old Urban Land possessors found in *Yeka* Sub City, *Woreda* 12 and 13 Administrations have fear of eviction from their plot of Urban Land in the name of “public interest” as stated in the proclamation. Because of this, most of them have distrusted up on the government and are eager

to sale it. But, the study result show that buyers are not interested to buy old possessed Urban Land since it has different payments after the exchange has made. In here, there could be two important points as a conclusion: the first option is that pay a reasonable compensation based on the current house construction price of the city; the second option is that give the compensation and the substituted Urban Land plot before three to six months of their evicting time.

With regard to non Urban Land holders, the study result show that there is a big problem in its implementation. For example, the provision of low cost houses is very low and its down payment is unaffordable for most of the urban poor and pro poor. Due to this, most urban poor, especially workers on the lower position in the government offices bought small plot of land from farmers of special Zone of the Oromia National Regional State to prepare a shelter on it and commute daily to work in *Yeka* Sub City particularly, in the city of Addis Ababa generally; because, these peoples cannot afford even the price of informal Urban Land plot possession in Addis Ababa. Thus, there could be three crucial comments for these problems: the first is that provision of very low cost houses for sale; the second may be built the low cost houses for rent with a minimum monthly payment; and the third also arrange the low cost houses on vacant lands to be used as a temporary shelter.

The implementation of Urban Lands Lease Holdings Proclamation/ Policy No. 721/ 2011 has implications on the future planning as it has a very narrowed entrance of Urban Land plot possession as stated “An Urban Land shall be permitted to be held by Leasehold, through the modality of tender or allotment” in (article 7, 2: 6226) of the proclamation lacks Urban Land plot possession for cooperative houses; old possessors have fear of eviction which resulted distrust up on the government and tenure insecurity, even the compensation given to the lessee as stated “... the lessee shall be paid commensurate compensation ...” in (article 25, 4: 6239) of the proclamation is not enough to erect their houses and also the substituted Urban Land declared under (Article 26, 2: 6240) of the proclamation “it...shall be provided with a substitute plot of land within the urban centre ...” is not applied as it is stated, it needs some sort of revision since it is not practical. Most of the penalty stated under article 35, especially sub article 3 of the proclamation as it is declared that “An asset which is proceed of a crime committed in violation of the provisions of this article shall be confiscated by a court order and shall be surrendered to the appropriate body” (Article 35, 3: 6246) of the proclamation seems not realistic, not practical.

5.3. Recommendations

The major problems of *Yeka* Sub City Land Development and Management office that were identified by this research are mainly related to Urban Land Lease Policy implementation rather than to the policy itself. Findings of the research study revealed that the Urban Land Development and Management system of *Yeka* Sub City Land Development and Management office is poor in Urban Land allocation, provision of serviced Urban Land and controlling informal settlements. Consequently, based on the findings of the research study and the knowledge acquired from the reviewed literature, the following recommendations are forwarded.

5.3.1. Customers

As identified in the data analysis, the awareness on the Urban Lands Lease Holdings Proclamation No. 721/ 2011 is partial among customers; the informal Urban Land settlers have better awareness than the formal Urban Land settlers. Therefore, it is recommended for the customers:

- ✓ should adjust themselves according to their area of interest; or
- ✓ Should have to be well-informed for the service they needed before they come to the office.
- ✓ Be technically rich enough in order to get Urban Land related services easily in the Sub City.

This is because; customers that are technically rich, or psychologically ready, or potentially aware in the area of their interest can have a greater chance in getting Urban Land related services, information easily.

5.3.2. Policy Makers

The implementation problems of Urban Lands Lease Holdings Proclamation No. 721/ 2011 are identified as it is due to lack of a long-term vision to formulate Urban Lands Lease law for sustainable urban future. Thus, it is better:

- ✓ Evaluates programs that encourage the production of affordable housing, and identifies the effects of subsidized housing on the surrounding neighborhoods.
- ✓ To minimize, even to control the informal Urban Land plot possession, it is advisable to correct/ to modify the statement that narrow the entrance of Urban Land plot possession; Article 7, Sub article 2; i.e., it is only “through the modality of tender and allotment”.

- ✓ The research findings showed that even though there are rules and regulation to control informal settlements, alleviating the problem of housing of the urban poor may need further attention. Therefore, there should be a policy design with regard to this issue, especially affordable houses to the very low income groups.
- ✓ Provision of short term lease agreement for the informal urban land holders, especially for the informal urban land possessed after 1997 E.C up to the enactment time of Urban Lands Lease Holdings Proclamation/ Policy No. 721/ 2011.
- ✓ Since the proclamation through its regulation the allotted winning bid value is 80% to the price given by bidders to the specific Urban Land plot to decide bid winners has a great role for the increment of urban land lease price, it has to be modified. This is because, such precondition for bid winner's determination is the main reason for the increment of Urban Land Lease price in the Sub City. (Article 14, 1/ v: 19/ 73) of Urban Land Lease Regulation.
- ✓ Allow public participation in any type of policy formulation, especially on such type of policies that are formulated for the wider society.

This is because; being a long-term visionary is expected from policy makers at the time of policy formulation, especially on the preparation of Urban Lands Lease Holdings Proclamation/ Policy/ law for a sustainable urban future.

5.3.3. The City Planning Office

The implementation problems of Urban Lands Lease Holdings Proclamation No. 721/ 2011 are identified as it is due to lack of competency of planners who are unable to see the future of the city in the planning phase. Therefore, city planners have to:

- ✓ Capacitate themselves through continuous training and experience sharing with other successful city planners found in and out of the city of Addis Ababa.
- ✓ Design a new program for the way of Urban Land plot possession as the Special Zone of Oromia National Regional State enacted right now to its workers "140 m² per each worker" by referring the existing situation of the city.

Planners with adequate competency and vision can forward the future plan of the city in general and the study area, *Yeka* Sub City, *Woreda* 12 and 13 Administrations in particular.

5.3.4. The Sub City Land Development and Management Office Leaders

The implementation problems of Urban Lands Lease Holdings Proclamation No. 721/ 2011 are identified as it is due to inefficient ability of the government delegates in Urban Land Development and Management Office of the Sub City. Thus:

- ✓ Information on the regularized informal Urban Land documents should be computerized and accessible to all users in the Sub City and the *Woreda* level administrations.
- ✓ Human resource and logistics should be adequate to make land service delivery efficient and make customers comfortable.
- ✓ In addition to this, illegal invasion of Urban Land still continue especially in the fringe areas of the study area. It is therefore essential to make a frequent Urban Land inventory of developments in the Sub City in order to control illegal Urban Land holdings.
- ✓ Make functional the penalty stated under Article 35 of the Proclamation by protecting such illegal Urban Land invasions from the very beginning rather than applying the action of demolishing on the informally built houses of the study area.

Commitment and efficient ability of the government delegates and officials for their position raises the proper implementation of Urban Lands Lease Holdings Proclamation/ Policy No. 721/ 2011 in the study area, *Yeka* Sub City, *Woreda* 12 and 13 Administrations.

5.3.5. The city Land Development and Management Bureau

The study result show that there are problems on the implementation of Urban Lands Lease Holdings Proclamation No. 721/ 2011 in *Yeka* Sub City Land Development and Management office that can be pronounced in the study area, *Yeka* Sub City *Woreda* 12 and 13 administration. The problems are inefficient capacity of land administrators and the unjust regularization of informal Urban Lands. The city Land Development and Management Bureau:

- ✓ Since there is capacity gap between workers of *Yeka* Sub City Land Development and Management Office, it is expected from the Bureau to appoint the appropriate urban development professionals in the appropriate position.
- ✓ To make the city planners and experts proficient, it is essential to increase the proficient competence of planners via continuous training.
- ✓ To close the created urban land related corruption because of Article 24, Sub article 3/c, it is recommended that the City Land Development and Management Bureau has to think on the

statement provided under Article 24, Sub article 3/c, i.e., the right of the leaseholder is “5 % of the transfer lease value” at the time of transferring the land to a third party.

- ✓ To correct the unjust made during regularization of the informal Urban Land in the city and in *Yeka* Sub City as well, the government of Ethiopia and the city government of Addis Ababa has to modify the statement in Article 6, Sub article 4; i.e., in order to regularize possessions held without the authorization of the appropriate body, the possession . . . acceptable in accordance with urban plans and parceling standard . . . administered by lease Proclamation. It is better to compensate the plot not accepted in urban plans and parceling standard. Because, those accepted in urban plans and parceling standard is left on their plot since they were administered by the lease Proclamation.
- ✓ There should be clear and reasonable demarcation for the process of regularization. It is better if the time of demarcation for the process of regularization to be based on the enactment time of the Urban Lands Lease Holdings Proclamation No. 721/ 2011 rather depend only on the age of Urban Land plot possession.

5.3.6. Recommended institutional reforms

A full implementation of Urban Lands Lease Holdings Proclamation will not be achieved without a series of supporting institutional reforms. Notably, development of these supporting institutions should include the following two important areas.

Establish telephone hotlines to receive and process customers' complaints

Closely related to the monitoring function, the city government should establish a system for receiving and processing customers' complaints related to land related services given in the sub city. The establishment of telephone hotlines at the city level would be a simple, low-cost, yet effective way to meet its objective.

Every single call of customers of *Yeka* sub city to these hotlines should be free of charge, and the hotline personnel should be given intensive training on the Urban Lands Lease Holdings Proclamation. And also any complaints that pass the initial screening should be reported to the administrative unit responsible for Urban Lands Lease at the city and sub city level, who should directly follow up such complaints. Hotline personnel should also keep an ongoing record of each call received, and a weekly compilation of such data should be transmitted to the relevant

body. The hotline reports should get special attention, including field investigations and possible application of preventive or penalty measures.

Improve registration of informal Urban Land -use rights and transfers

According to the study result, the city at large and sub city also lacks a comprehensive and effective system for registering rights to Urban Lands Lease. The fieldwork experience also indicates that there is no functioning land registrar for the informal Urban Lands.

A pilot project on informal Urban Land registration should be undertaken for registering informal Urban Land-use rights, certificates and the transfers of such rights.

5.4. Future Research

Different studies have been conducted on the Urban Lands Lease Holdings Proclamation. But there is no enough research study conducted on the implementation aspect. Therefore, this study will serve as a springboard for researchers who are interested in undertaking further studies on the benefits, challenges, impacts and prospects of Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation. Specifically, the researcher recommends study on why government officials are not committed for the efficient Urban Land information system, Does the Urban Lands Lease Proclamation implementation really reduces the interest of rent seekers, identifying the effects of Urban Land Lease Proclamation implementation, Urban Land Lease Proclamation and informal Urban Land settlements.

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Office Observation made in *Woreda* 12 Construction permit and control office on 23 October 2015 and 21 February 2016 (Made twice)

Office Observation made in *Woreda* 13 Construction permit and control office on 24 October 2015 and 27 February 2016 (Made twice)

Field Observation in *Woreda* 12, around formal urban land settlement area of Kotobe Mesalemia Gebriel (behind *Emmanuel* Referral Hospital) on 24 November 2012. (Made once)

Field Observation in *Woreda* 12, around informal urban land settlement area of *Sara Ampul* (At the gate of *Yeka* Abado Condominium) on 24 November 2012. (Made once)

Field Observation in *Woreda* 13, around formal urban land settlement area of *Ayat* (Glory of Cloud church) on 24 November 2012. (Made once)

Field Observation in *Woreda* 13, around informal urban land settlement area of CMC (behind *Tsehay* Real Estate) on 24 November 2012. (Made once)

Interviews

Interview with Ato Tsehaye Abreha, *Yeka* Sub City Land Bank and Transfer office head on 13 December 2015

Interview with Ato Michael Asgedom, Yeka Sub City Construction Permit and Control office head on 14 December 2015

Interview with Ato Aderajew Getachew, Yeka Sub City Title Administration Transitional Period Service Project office head on 17 December 2015

Interview with Ato Samuel Mengesha, Yeka Sub City *Woreda* 12 Construction Permit and Control office head on 19 December 2015

Interview with Ato Tibebe Matiyas, Yeka Sub City *Woreda* 13 Construction Permit and Control office head on on 22 December 2015

Interview with W/ro Mengistu Teshager, Lease Implementation and Inspection Work Process Owner, at Yeka Sub-City City Land Bank and Transfer Office, on 19 January 2016

Interview with W/ro Samrawit Azanaw, Yeka Sub City Construction Permit and Control work process owner on 15 January 2016

Interview with Ato Ataklti G/kidan, Yeka Sub City Title Administration Technical group team leader on 12 January 2016

Interview with Ato Yacob Kembo, Yeka Sub City Title Administration Law group team leader on 27 January 2016

Interview with Ato Mulugeta Abebe, Land Bank and follower officer, at Yeka Sub City Land Bank and Transfer office, Addis Ababa, on 5 January 2016

Interview with W/t Kibrealem Hagos, Lease Implementation and Inspection officer, at Yeka Sub City Land Bank and Transfer office, Addis Ababa, on 8 January 2016

Interview with Ato Henock Melaku, Land transfer officer, at Yeka Sub City Land Bank and Transfer office, Addis Ababa, on 13 January 2016

Interview with W/ro Aynadis Wonde, Title deed preparation expert, at Yeka Sub City Title Administration Transitional Period Service Project office, Addis Ababa, on 11 January 2016

Interview with W/t Aynalem Woldemichael, Title deed preparation expert, at Yeka Sub City Title Administration Transitional Period Service Project office, Addis Ababa, on 24 on 14 February 2016

Interview with W/ro Zenash Belachew, Yeka Sub City Construction Permit officer on 24 on 18 March 2016

Interview with W/t Aynadis Teshome, Yeka Sub City Construction Control officer on 21 March 2016

Focus Group Discussions

Focus Group Discussion with Six members of *Woreda* 12 formal Urban Land holders on 15 April 2016

Focus Group Discussion with Six members of *Woreda* 12 informal Urban Land holders on 23 April 2016

Focus Group Discussion with eight members of *Woreda* 13 formal Urban Land holders on 17 April 2016

Focus Group Discussion with four members of *Woreda* 13 informal Urban Land holders on 25 April 2016

Informal Conversations

Informal Conversation with Ato Abreham Alemu, one of the formal Urban Land settlers at Ayat Tafo, on 20 May 2016

Informal Conversation with W/ro Aster Bewketu, one of the formal Urban Land settlers at Kotebe Mesalemia, on 22 May 2016

Informal Conversation with W/ro Mulatu Yehunbeka, one of the informal Urban Land settlers at Ayat Medhanialem, on 24 May 2016

Informal Conversation with Ato Gelan Lole, one of the informal Urban Land settlers at Wosen Grocery, on 14 May 2016

Informal Conversation with Ato Erste Mulugeta, one of the workers from Commercial Bank of Ethiopia at 22 Mazoriya, on 12 May 2016

Informal Conversation with Ato Lawayew Birega, one of the employees from Ayat Wegagen Bank on 10 May 2016

Informal Conversation with W/ro Tarikua Fekadu, one of the government officials from Land Bank and Transfer Office, on 27 May 2016

Informal Conversation with Ato Shimelis Mekonen, one of the government officials at *Yeka* Sub City Title Administration Transitional Period Service Project Office, on 11 May 2016

Informal Conversation with Ato Zewdu Alemayehu, a broker, engaged in facilitating the sale of houses and cars, at Wosen Grocery, on 26 May 2016

Informal Conversation with Ato Muktar Duru, a broker, engaged in facilitating the sale of houses, at Ayat Tafo, on 2 May 2016

Informal Conversation with Ato Abera Gigsu, one of the brokers found around Meri Fanuel, on 7 May 2016

Informal Conversation with Ato Shimelis Mekonen, one of the religious women, from *Ayat Medhaneyalem* Church, on 23 May 2016

Informal Conversation with Ato Melaku Kebede, one of a religious person who worships in Glory of Cloud Church on 27 May 2016

Informal Conversation with one of the lawyers from Yeka Sub City Court Office on 4 June 2016

Informal Conversation with non urban land holder, one house made in Ayat building houses in the City of Addis Ababa, on 7 June 2016

Informal Conversation with non urban land holder, one of the car drivers in Ethiopia Electric Service, Eastern region on 11 June 2016

Informal Conversation with non urban land holder, a person who engaged in the sale of Corrugated Iron Sheet around Ayat Tafo on 5 June 2016

Informal Conversation with non urban land holder, one of the teachers from higher institution in the City of Addis Ababa on 4 June 2016

Informal Conversation with non urban land holder, One of the student in Rift Valley University in the City of Addis Ababa on 9 June 2016

ANNEXES

Annex I: Survey Questions

Annex I (1): The Sub City Land Development and Management Workers': Officers

Survey questions for government officials of Yeka Sub-City Land Development and Management Office and *Woreda* Construction Permit and Control office Workers'

Dear respondent,

Thank you in advance for your willingness to participate in my survey!

This questionnaire is developed to generate first-hand information for a research about an Assessment of Urban Land Lease Implementation in the case of Yeka sub-city. The research is carried out as a partial fulfillment of the MA program at Addis Ababa University. This questionnaire is intended to gather data from government officials related to Urban Land Lease factors which hinder the implementation of Urban Land Lease Policy in Yeka Sub-city.

Recognizing the invaluable role that your responses have for successful completion of this research, you are kindly requested to provide all relevant and genuine data, to the best of your understanding. Regarding your privacy, I would like to assure you that your responses will be kept confidential and used for the purpose of this academic research only.

If you have any feedback or need for clarification, please do not hesitate to contact me through my cell phone +251912 17 35 01// +251943 07 05 86 (Endale Kidanemariam) or email address pleaseemail75@gmail.com. // eleletais8@gmail.com.

With best regards,

I. General Guidelines:

While you fill up the questionnaire hereunder, please make note of the following issues:

- ✚ For questions in tables, you are required to rate each statement against the prevailing situation in your Sub-city. So, you are requested to respond each question by putting (X) mark in one of the respective alternatives based on your perceived degree of appropriateness. For this case, alternatives range from strongly disagree (1) to strongly agree (5).

✚ You are not expected to write your name on the questionnaires. Respondents who have received the questionnaire via email account are kindly requested to send me back the soft copy of it after you will have completed.

Part II. General demographic information

1. Sex: male female
2. Age: 20-30 31 - 40 41 - 50 above 51
3. Level of education: 9-12 Certificate 10 + 3 12+2(Diploma)
 1st Degree MA above MA
4. Marital status: Single Married Divorced Widowed Separated
5. Total service year in the organization: Below 2 year 2nd year and above
6. Service year in current job position: Below 2 year 2nd year and above

Part III. Information on the implementation of urban land lease policy

7. What type of urban land allocation exists in yeka sub-city?
 charge free lease/ free hold Auction/ Lease hold Negotiation
 Others, specify _____
8. What are the functions of the most dominant allocated land to the customers?
 Residence Office Fuel station Shopping Hotel
 Others; specify _____
9. When you need to transfer land through auction, how do you release information about it?
 Through internet Mass media Directly from the office Notice board
10. What costs are involved in leasing the land?
 Cost for the land & Service fee only including other additional cost Service fee only
 Others; please specify _____
11. How do you evaluate the process of auction?
 Free from corruption & transparent Not free from corruption & Non transparent
 Delayed and longly process Others; please specify _____

12. How do you evaluate the performance of land administration, in information delivery when you release information about auction to the customers?
 Very Good Good Fair Bad Very bad
13. Is the land price and service fee affordable by the majority of the citizen?

Yes No; If no, go to Q. No.15

14. If no, what are the problems that make the land allocation unaffordable?

15. If the construction of the project is not finished according to the lease agreement, what will happen?

- The government takes the land It leads to additional payment as punishment
It leads to additional payment as punishment and the government takes it back
Nothing Others; please specify _____

16. If the expected payment is not paid on time, what will happen?

- The government takes the land It leads to additional payment as punishment
It leads to additional payment as punishment and the government takes it back
Nothing Others; please specify _____

17. If customers like to change the permitted function like land use, how is the process?

- It is easy to change It is difficult it has too long processes
Others; please specify _____

Part IV. Information related to major benefit on implementation of urban land lease

18. Do urban land lease holders in the sub-city use their plot of land lease for mortgage purpose?

Yes No

If yes, is it simple to get mortgaging? _____

If No, what is the problem? _____

19. How do you rate the benefit of land lease system for the customers?

Very good Good Fair Bad Very bad

20. How do you evaluate the benefits of leasing land for the government?

Very low Low Medium High Very high

21. What kind of benefit do customers get from land lease system?

- Earning urban land with reduced payment getting serviced urban land
Accessing urban land that have long term security tenure right all
Others; please specify _____

22. What kind of benefit does the government get from urban land lease system?

- Increase urban land provision Raise the amount of urban land revenue
 Modernize the urban land provision process Others; please specify _____
-
-

Part V. Information about major constraints during urban land lease implementation

23. Do you think that land lease implementation is successful?

- Yes No; If No, go to Q. 25

24. If no, what are the constraints?

Major constraints during lease implementation	Yes	No	Rank according to severity
1. Procedural delay and highly bureaucratic			
2. Higher bid price of land			
3. Frequent change of requirements and processes			
4. Lack of information about land lease			
5. Inadequate capacities of officials			
6. Inadequacy of banks & financial institutions			
7. There is no participation in those changes			
8. Land administrator is not easily accessible			
9. Corruption			
10. Limited infrastructure			

Others, mention here: _____

25. Do you think that land for lease will be available in the sub-city?

- Yes, go to Q. 28 No, go to Q. 27

26. If no, why? _____

27. If yes, what will be the future source of urban land in the sub-city?

Major source of urban land for the future	Yes	No	Rank according to availability
1. Informal settlement area			
2. Redevelopment area			
3. Green area			
4. Land on the hands of farmers			
5. Land on the hands of small scale enterprises			

Others, mention here: _____

28. Do you think that Urban Land Price is highly inflated in yeka sub-city, Addis Ababa?

- No; if no, go to Q. 30 Yes; if yes, go to Q. 31

29. If no, why? _____

If yes, what are the major causes for the inflation of Urban Land Price in the sub-city?

Major causes	yes	No	Rank them according its severity
1. Increase of urban land speculators and brokers			
2. Shortage of land supply for private house builders			
3. Increase number of real-estate developers			
4. Because of the land lease policy itself			
5. Because of the land lease policy implementers			
6. Availability of mortgages			
7. Corruption			

Others, mention here: _____

Part VI. Questions on the challenges & benefit of urban land lease implementation

30. In your opinion, what are the challenges & achievements of urban land lease implementation in the city? _____

31. What are the possible alternatives to make the society and the local government benefit from urban land lease? _____

32. Do you think that there will be an opportunity to get land in the future with the current land lease policy?

Yes

No

Others specify _____

33. What actions should be taken to protect further informal settlements? _____

34. Would you like to add anything related to land lease service delivery? _____

The End!

Thanks!

ANNEXES

Annex I: Survey Questions

Annex I (2): Urban Land Lease Holders: Formal Urban Land Lease Holders

Survey questions for Urban Land Lease Holders: Formal Urban Land Lease Holders

Dear respondent:

Thank you in advance for your willingness to participate in my survey!

This questionnaire is developed to generate first-hand information for a research about an Assessment of Urban Land Lease Implementation in the case of Yeka sub-city. The research is carried out as a partial fulfillment of the MA program at Addis Ababa University. This questionnaire is intended to gather data from government officials related to Urban Land Lease factors which hinder the implementation of Urban Land Lease Policy in Yeka Sub-city.

Recognizing the invaluable role that your responses have for successful completion of this research, you are kindly requested to provide all relevant and genuine data, to the best of your understanding. Regarding your privacy, I would like to assure you that your responses will be kept confidential and used for the purpose of this academic research only.

If you have any feedback or need for clarification, please do not hesitate to contact me through my cell phone +251912 17 35 01// +251943 07 05 86 (Endale Kidanemariam) or email address pleaseemail75@gmail.com. // eleletais8@gmail.com.

With best regards,

Part I. General Guidelines:

While you fill up the questionnaire here under, please make note of the following issues:

- ✚ For questions in tables, you are required to rate each statement against the prevailing situation in your Sub-city. So, you are requested to respond each question by putting (X) mark in one of the respective alternatives based on your perceived degree of appropriateness. For this case, alternatives range from strongly disagree (1) to strongly agree (5).
- ✚ You are not expected to write your name on the questionnaires. Respondents who have received the questionnaire via email account are kindly requested to send me back the softcopy of it after you will have completed.

Part II. General demographic information

1. Sex: Male Female
2. Age: 20-30 31 - 40 41 - 50 above 51

3. Level of education: Read and write 1-8 9-12 Certificate 10 + 3
 12+2(Diploma) 1st Degree MA and above
4. Marital status: Single Married Divorced Widowed Separated

Part III. Questions on the implementation of urban lands lease proclamation

5. When did you own the land? _____
6. Function _____
 Residence Office Fuel station Shopping Hotel
 Others; please specify _____
7. The type of land allocation.
 charge free lease Negotiation Auction Others specify _____
8. If you own land through auction, how do you get information about it?
 Though Internet Mass media Directly from the office Notice board
 Neighbours Others specify _____
9. How do you evaluate the performance of land administration office in information delivery when you seek information about auction?
 Very Good Good Fair Bad Very bad
10. How do evaluate the process of auction?
 Free from corruption & transparent Not free from corruption & Non transparent
 Delayed and longly process Others; please specify _____
11. If you own land through auction, how much birr per square meter did you pay? _____
12. What costs did you pay to get the land lease plot?
 Service fee only Cost for the land & Service fee only
 it including other additional cost Others; please specify _____
13. Is the land price and service fee affordable by the majority of the citizen?
 Yes No; If no, go to Q. No.14
14. If no, what are the problems that make the land allocation unaffordable? _____
15. For the plot of land that you have taken through lease, what is the payment arrangement?
 All payment at the beginning Half payment at the beginning
 10% at the beginning and after the grace period payment should take place annually
 Others; please specify _____
16. How is land allocation done in the sub city?
 In a clear & easy way non- transparent & non participatory to the majority
 Difficult to know & access others; please specify _____
17. How do you asses the land lease allocation process of the sub city?
 Very simple Simple Medium complex very complex
18. If the construction of the project is not finished according to the lease agreement, what will happen?
 The government takes the land It has money punishment Nothing
 It has money punishment and the government takes the land

others; please specify _____

19. If you like to change the permitted function like land use how is the process?
 It is easy to change It is difficult it has too long processes

Others; please specify _____

20. If the expected payment is not paid on time, what will happen?
 The government takes the land It leads to additional payment as punishment
 It leads to additional payment as punishment and the government takes it back
 Nothing others; please specify _____

Part IV. Questions related to major benefit on implementation of urban land lease policy

21. The type of benefits acquiring land through lease system than other systems is known well.
 No Yes; if yes go to Q. No. 22

22. If yes, what kind of benefit do you get from land lease system?
 long term security tenure right I have gotten serviced land
 lease payment not paid at once reduce the price of land than being buy from speculator
 all Others; please specify _____

23. How do you rate the benefit of land lease system to you?
 Very good Good Fair Bad Very bad

24. Do you use your plot of land lease for mortgage purpose? Yes No
 If yes, is it simple to get mortgaging? _____
 If No, what was the problem? _____

25. How do you evaluate the land lease benefit for the government?
 Very high high Medium low very low

Part V. Questions on major constraints during urban land lease implementation

26. Do you think that the urban land lease policy implementation is successful?
 Yes; If yes, go to Q. 28 No; If no, go to Q. 27

27. If no, what are the constraints?

Major constraints during lease implementation	Yes	No	Rank according to severity
1. Procedural delay and highly bureaucratic			
2. Higher bid price of land			
3. Frequent change of requirements and processes			
4. Lack of information about land lease			
5 Inadequate capacities of officials			
6. Inadequacy of banks & financial institutions			
7. There is no participation in those changes			
8. Land administrator is not easily accessible			
9. Corruption			
10. Limited infrastructure			

Others, mention here _____

28. Do you think that Urban Land Price is highly inflated in yeka sub-city, Addis Ababa?

No; If no, go to Q. 29

Yes; If yes, goes to Q. 30

29. If no, why? _____

30. If yes, what are the major causes for the inflation of Urban Land Price in the sub-city?

Major causes	Yes	No	Rank them according its severity
1. Increase the number of investors and brokers			
2. Shortage of land supply for residence			
3. Increase number of real-estate developers			
4. Because of the land lease policy itself			
5. Carelessness of the lease policy implementers			
6. Availability of mortgages			
7. Corruption			

Others, mention here:

Part VI. Suggestions questions on the challenges of urban land lease policy implementation

31. In your opinion, what are the challenges & achievements of urban land lease implementation in the sub city? _____

32. What are the possible alternatives to make the society and the local government benefit from implementation of urban land lease policy? _____

33. Do you think that there will have been an opportunity to get land in the future with the current land lease policy? Yes No

Others specify _____

34. Would you like to add anything related to urban land lease policy implementation?

The End!

Thanks!

Assessment of Urban Land Lease Implementation in the case of Yeka sub-city. The research is carried out as a partial fulfillment of the MA program at Addis Ababa University. This questionnaire is intended to gather data from government officials related to Urban Land Lease factors which hinder the implementation of Urban Land Lease Policy in Yeka Sub-city.

Recognizing the invaluable role that your responses have for successful completion of this research, you are kindly requested to provide all relevant and genuine data, to the best of your understanding. Regarding your privacy, I would like to assure you that your responses will be kept confidential and used for the purpose of this academic research only.

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With best regards,

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Part II. General demographic information

1. Sex: Male Female
2. Age: 20-30 31 - 40 41 - 50 above 51
3. Level of education: read and write 1-8 9-12 Certificate 10 + 3
 12+2 (Diploma) First Degree Second Degree Second Degree and above
4. Marital status: Single Married Divorced Widowed Separated

Part III. The implementation of urban land lease policy on informal urban land Settlers.

5. Have you ever applied to get urban land in Yeka sub city?
 Yes No others; please specify _____

- Regularization with current sale lease price per m² and much money punishment
14. If negative, by what way the government reflects its negative response?
- Punishment without imprisonment but punishment with little amount of money/ ETB
- Punishment with flexible imprisonment but punishment with little amount of money/ ETB
- Punishment with flexible imprisonment but punishment with Birr 30,000 - Birr 150,000
- Punishment with hard, 5 to 12 years imprisonment and with Birr 30,000 - Birr 150,000
- Punishment with hard, 1 to 5 years imprisonment and with Birr 10,000 up to Birr 30,000
- Punishment with hard, 5 to 12 years imprisonment and with Birr 30,000 up to Birr 150
- Punishment with hard, 7 to 15 years imprisonment and with Birr 40,000 up to Birr 200,000
15. Did you get a chance of Regularization?
- Yes; If yes, go to Q. No.7 No; If no, go to Q. No.8
16. If yes, what costs did you pay to regularize your informal plot of land?
- Service fee only Cost for the land Cost for the land & Service fee
- It has other payment as punishment
- Cost for the land, Service fee and other payment as punishment
- Other (specify) _____
17. If no, why? _____
-
18. Is the regularization land price affordable by the majority of the informal Settlers?
- Yes; If yes, go to Q. No.11 No; If no, go to Q. No.10
19. If 'no', what are the problems make the payment for regularization is unaffordable?
- _____
- _____
20. If 'yes', what makes the regularization land price is affordable?
- _____
- _____
21. When you regularize your plot of land through lease, how much birr per square meter did you pay? _____
22. For the plot of land that you are going to regularize through lease, what is the payment arrangement?
- All payment at the beginning Half payment at the beginning
- 10% at the beginning and after the grace period payment should take place annually
- Others; please specify _____
23. If the expected payment is not paid on time, what will happen?
- The government take and bank the land It has additional payment as punishment
- There is an excuse only for one month No punishment at all
- Others; please specify _____
24. How do you rate the regularization process?
- Very simple Simple Medium Complex Very complex
25. How do evaluate the process of Regularization?

- Free from corruption & transparent Not free from corruption & Non transparent
 Delayed and longly process Others; please specify _____
-

26. Why do you like to be an informal urban land settler? It is because of _____
 Economic problem to build a house The difficulty to access urban land
 The difficulty to afford rental housing It is business creating area
 Others; please specify _____
27. Do you worry for being an informal urban land settler?
 Yes, I feel fully Yes, I feel partially No, I feel nothing
 Others; please specify _____
28. If your answer for Q. no. 21 is 'yes', what makes you to be worried for being an informal urban land settler? State it briefly _____

29. If your answer for Q. no. 21 is 'no', what makes you to be un-worried for being an informal urban land settler? State it briefly _____

Part IV. Questions related to the benefits of urban land lease policy implementation

30. How do you rate the benefit of regularization through urban land lease system to you?
 It is very good It is good It is fair It is bad It is very bad
31. How do you evaluate land regularization through urban land lease benefit for government?
 Very high high Medium low very low
32. Who benefited more from regularization through urban land lease system?
 Informal settler's The Sub City dwellers The government Both
 Others; please specify _____
33. Does land regularization via urban land lease system has benefit to you?
 No Yes; if yes, go to Q. No. 29
34. If yes, what kind of benefit do you get from land lease system?
 long term security tenure right Earning urban land with reduced payment
 I have gotten serviced land reduced cost of land than being buy from developers
 Allow to get compensation if the land is needed for other purpose all
 Others; please specify _____
35. Do you able to use your regularized plot of land via urban land lease for mortgage purpose?
 Yes No
If yes, is the process simple to get mortgaging? _____
If no, what was the problem? _____

Part V/ Information on major challenges of urban land lease policy implementation

12. 〇〇〇〇 〇.〇. 10 〇〇〇〇 '〇〇〇〇〇〇〇' 〇〇〇 〇〇〇〇〇 〇〇 〇〇〇? _____

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ANNEXES

Annex II: Observation Questions

Annex I I (1): *Yeka* Sub City Land Development and Management office observation questions

Observation Questions **on** *Yeka* Sub City Land Development and Management office

Office observation questions in *Yeka* Sub City Land Development and Management office

1. How much informal urban land holders were obtained the chance of regularization through the first phase of regularization?
2. How much informal urban land holders will get the chance of regularization through the second phase of regularization?
3. How is the level of service provision in *Yeka* Sub City?
4. What are the pre-conditions that fulfill before the auction of the land open to people?
5. How is the placement of workers?

ANNEXES

Annex II: Observation Questions

Annex II (2): *Yeka* Sub City, *Woreda* Construction Permit and Control office observation questions

Observation Questions on *Yeka* Sub City, *Woreda* Construction Permit and Control office

Office Observation questions in *Woreda* Construction Permit and Control office

1. How much informal urban land holders were obtained the chance of regularization through the first phase of regularization?
2. How much informal urban land holders will get the chance of regularization through the second phase of regularization?
3. How is the level of service provision in *Woreda* administration?

ANNEXES

Annex II: Observation Questions

Annex II (3): *Yeka* Sub City, *Woreda* Administrations field observation questions

Field Observation Questions on *Yeka* Sub City, *Woreda* Administrations

Field Observation questions made in *Woreda* formal urban land settlement area

1. How is the provision of serviced urban land in *yeka* sub city?
2. What are the actual uses of Urban Land Lease plot in *yeka* sub city?
3. Are there impacts occurred due to the implementation of Urban Lands Lease policy?

ANNEXES

Annex II: Observation Questions

Annex II (4): *Yeka* Sub City, *Woreda* Administrations field observation questions

Field Observation Questions on *Yeka* Sub City, *Woreda* Administrations

Field observation questions made in *Woreda* informal urban land settlement area

1. How can be evaluated the process of regularization in *Yeka* Sub City?
2. Are there impacts occurred due to the implementation of Urban Lands Lease policy?

Annex III: Interview Questions

Annex III (1): The Sub City Land Development and Management Workers'

3.

The Sub City Land Development and Management Workers': Office Heads

Interview questions on Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation with *Yeka* Sub City Land Bank and Transfer office head (Key Informant Interview)

Dear Sir/Madam

My name is Endale Kidanemariam Kebede, who is attending Master's Program at Addis Ababa University. I am undertaking the study on the Urban Lands Lease Holdings Proclamation No. 721/ 2011 Implementation in the case of *Yeka* sub city, Addis Ababa, Ethiopia. The purpose of this interview is to gather primary data. The objective of the study is to assess implementation of the Urban Lands Lease Holdings Proclamation No. 721/ 2011 in the case of *Yeka* sub city, Addis Ababa, Ethiopia.

I kindly, therefore, request you to feel free for giving your opinions for the following questions.

Your cooperation in this regard will be highly appreciated!!!

Date:

Name of Interviewer:

Respondent's Particulars:

Gender: Female Male

Your position in the office /Duty:

How long have you been in this office? (Years of experience)

1. Would you believe that the government uses its full capacity on land plot allocation? Why?
2. What are the actual uses of informal Urban Land plot in *yeka* sub city?
3. How do you see the time limit given for the commencement and completion of construction under the proclamation?
4. Is the termination of lease contract/ leasehold exists in the sub city?
5. What are the grounds for the termination of leasehold?
6. How do you see the construction made on the plot of terminated lease agreement?
7. How is the level of informal urban land holdings in *Yeka* Sub City?
8. Does the implementation of Urban Land Lease policy have benefits to everyone?
9. Are there constraints in the implementation of Urban Land Lease Proclamation?

Annex III: Interview Questions

Annex III (2): The Sub City Land Development and Management Workers'

4.

The Sub City Land Development and Management Workers': Office Heads

Interview questions on Urban Lands Lease Holdings Proclamation implementation with *Yeka* Sub City Title Administration Transitional Period Service Project office head (KII)

Dear Sir/Madam

My name is Endale Kidanemariam Kebede, who is attending Master's Program at Addis Ababa University. I am undertaking the study on the Urban Lands Lease Holdings Proclamation No. 721/ 2011 Implementation in the case of Yeka sub city, Addis Ababa, Ethiopia. The purpose of this interview is to gather primary data. The objective of the study is to assess implementation of the Urban Lands Lease Holdings Proclamation No. 721/ 2011 in the case of Yeka sub city, Addis Ababa, Ethiopia.

I kindly, therefore, request you to feel free for giving your opinions for the following questions.

Your cooperation in this regard will be highly appreciated!!!

Date:

Name of Interviewer:

Respondent's Particulars:

Gender: Female Male

Name of the organization (Optional).....

Your position in the office /Duty:

How long have you been in this office? (Years of experience)

1. What are the actual uses of informal Urban Land plot in *yeka* sub city?
2. Would you believe that the government uses its full capacity on urban land plot allocation?
Why?
3. Is the termination of lease contract/ leasehold exists in the sub city?
4. What are the grounds for the termination of leasehold?
5. How is the level of informal urban land holdings in Yeka Sub City?
6. How do you evaluate the process of regularization in Yeka Sub City?

Annex III: Interview Questions

Annex III (3): The Sub City Land Development and Management Workers'

5.

The Sub City Land Development and Management Workers': Office Heads

Interview questions on Urban Lands Lease Holdings Proclamation implementation with *Yeka* Sub City Construction Permit and Control office head (KII)

Dear Sir/Madam

My name is Endale Kidanemariam Kebede, who is attending Master's Program at Addis Ababa University. I am undertaking the study on the Urban Lands Lease Holdings Proclamation No. 721/ 2011 Implementation in the case of Yeka sub city, Addis Ababa, Ethiopia. The purpose of this interview is to gather primary data. The objective of the study is to assess implementation of the Urban Lands Lease Holdings Proclamation No. 721/ 2011 in the case of Yeka sub city, Addis Ababa, Ethiopia.

I kindly, therefore, request you to feel free for giving your opinions for the following questions.

Your cooperation in this regard will be highly appreciated!!!

Date:

Name of Interviewer:

Respondent's Particulars:

Gender: Female Male

Name of the organization (Optional).....

Your position in the office /Duty:

How long have you been in this office? (Years of experience)

1. Would you believe that the government uses its full capacity on urban land plot allocation?
Why?
2. What are the actual uses of informal Urban Land plot in *yeka* sub city?
3. What are the grounds for the termination of leasehold?
4. Is the termination of lease contract/ leasehold exists in the sub city?
5. Are there constraints in the implementation of Urban Land Lease Policy?

Annex III: Interview Questions

Annex III (4): The Sub City Land Development and Management Workers'

6.

The Sub City Land Development and Management Workers': Office Heads

Interview questions on Urban Lands Lease Holdings Proclamation implementation with *Woreda* Construction Permit and Control office heads (KII)

Dear Sir/Madam

My name is Endale Kidanemariam Kebede, who is attending Master's Program at Addis Ababa University. I am undertaking the study on the Urban Lands Lease Holdings Proclamation No. 721/ 2011 Implementation in the case of Yeka sub city, Addis Ababa, Ethiopia. The purpose of this interview is to gather primary data. The objective of the study is to assess implementation of the Urban Lands Lease Holdings Proclamation No. 721/ 2011 in the case of Yeka sub city, Addis Ababa, Ethiopia.

I kindly, therefore, request you to feel free for giving your opinions for the following questions.

Your cooperation in this regard will be highly appreciated!!!

Date:

Name of Interviewer:

Respondent's Particulars:

Gender: Female Male

Name of the organization (Optional).....

Your position in the office /Duty:

How long have you been in this office? (Years of experience)

1. Would you believe that the government uses its full capacity on urban land plot allocation?
Why?
2. What are the grounds for the termination of leasehold?
3. Is the termination of lease contract/ leasehold exists in the sub city?
4. Does the implementation of Urban Land Lease policy have benefits to everyone?
5. Are there impacts occurred due to the implementation of Urban Lands Lease policy?

Annex III: Interview Questions

Annex III (5): The Sub City Land Development and Management Workers'

7.

The Sub City Land Development and Management Workers': Core Work Process Owners

Interview questions on Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation with Core Work Process Owners (KII)

Dear Sir/Madam

My name is Endale Kidanemariam Kebede, who is attending Master's Program at Addis Ababa University. I am undertaking the study on the Urban Lands Lease Holdings Proclamation No. 721/ 2011 Implementation in the case of Yeka sub city, Addis Ababa, Ethiopia. The purpose of this interview is to gather primary data. The objective of the study is to assess implementation of the Urban Lands Lease Holdings Proclamation No. 721/ 2011 in the case of Yeka sub city, Addis Ababa, Ethiopia.

I kindly, therefore, request you to feel free for giving your opinions for the following questions.

Your cooperation in this regard will be highly appreciated!!!

Date:

Name of Interviewer:

Respondent's Particulars:

Gender: Female Male

Name of the organization (Optional).....

Your position in the office /Duty:

How long have you been in this office? (Years of experience)

1. How do you see the time limit given for the commencement and completion of construction under the proclamation?
2. What are the grounds for the termination of leasehold?
3. Is the termination of lease contract/ leasehold exists in the sub city?
4. Why Urban Land Lease Price is inflated in Yeka Sub City?

Annex III: Interview Questions

Annex III (6): The Sub City Land Development and Management Workers'

8.

The Sub City Land Development and Management Workers': Officers

Interview questions on Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation with officers (KII)

Dear Sir/Madam

My name is Endale Kidanemariam Kebede, who is attending Master's Program at Addis Ababa University. I am undertaking the study on the Urban Lands Lease Holdings Proclamation No. 721/ 2011 Implementation in the case of Yeka sub city, Addis Ababa, Ethiopia. The purpose of this interview is to gather primary data. The objective of the study is to assess implementation of the Urban Lands Lease Holdings Proclamation No. 721/ 2011 in the case of Yeka sub city, Addis Ababa, Ethiopia.

I kindly, therefore, request you to feel free for giving your opinions for the following questions.

Your cooperation in this regard will be highly appreciated!!!

Date:

Name of Interviewer:

Respondent's Particulars:

Gender: Female Male

Name of the organization (Optional).....

Your position in the office /Duty:

How long have you been in this office? (Years of experience)

1. What are the sources of information about urban land for auction?
2. Would you believe that the government uses its full capacity on urban land plot allocation?
Why?
3. How do you see the provision of serviced urban land in *yeka* sub city?
4. What is the dominant way of Urban Land plot possession in Yeka Sub City?
5. What are the grounds for the termination of leasehold?
6. Is the termination of lease contract/ leasehold exists in the sub city?
7. How is the level of informal urban land holdings in Yeka Sub City?
8. Why do people participate in an informal urban land settlement?
9. Why Urban Land Lease Price is inflated in Yeka Sub City?
10. Does the urban land lease policy implementation have prospect in Yeka Sub City?

Annex IV: FGDs Questions

Annex IV (1): The Sub City Land Development and Management Customers': *Yeka Sub City, Woreda 1, 12 and 13 formal Urban Land plot holders*

9.

The Sub City Land Development and Management Customers': *Yeka Sub City, Woreda 1, 12 and 13 formal Urban Land plot holders*

Focus Group Discussion questions on the Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation with *Yeka Sub City, Woreda 1, 12 and 13 formal Urban Land plot holders*

Dear Sir/Madam

My name is Endale Kidanemariam Kebede, who is attending Master's Program at Addis Ababa University. I am undertaking the study on the Urban Lands Lease Holdings Proclamation No. 721/ 2011 Implementation in the case of *Yeka sub city, Addis Ababa, Ethiopia*. The purpose of this FGD is to gather primary data. The objective of the study is to assess the implementation of the Urban Lands Lease Holdings Proclamation No. 721/ 2011 in the case of *Yeka Sub City, Addis Ababa, Ethiopia*.

I kindly, therefore, request you to feel free for giving your opinions for the following questions.

Your cooperation in this regard will be highly appreciated!!!

Date:

Name of FGDDiscussants:
.....
.....

Gender: Female: Male:

Respondent's Particulars:
.....
.....

1. How do you see the serviced Urban Land provision in *Yeka sub city, Woreda 1, 12 and 13*?
2. What is the dominant way of Land plot possession in *Yeka Sub City, Woreda 1, 12 and 13*?
3. What are the actual uses of Urban Land Lease plot in *yeka sub city, Woreda 1, 12 and 13*?
4. Are there constraints in the implementation of Urban Lands Lease Proclamation?
5. Does Urban Lands Lease Proclamation implementation have prospect in the study area?

Annex IV: FGDs Questions

Annex IV (2): The Sub City Land Development and Management Customers’: *Yeka* Sub City, *Woreda* 1, 12 and 13 informal Urban Land plot holders

1.

The Sub City Land Development and Management Customers’: *Yeka* Sub City, *Woreda* 1, 12 and 13 formal Urban Land plot holders

Focus Group Discussion questions on the Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation with *Yeka* Sub City, *Woreda* 12 and 13 informal Urban Land plot holders

Dear Sir/Madam

My name is Endale Kidanemariam Kebede, who is attending Master’s Program at Addis Ababa University. I am undertaking the study on the Urban Lands Lease Holdings Proclamation No. 721/ 2011 Implementation in the case of *Yeka* sub city, Addis Ababa, Ethiopia. The purpose of this FGD is to gather primary data. The objective of the study is to assess the implementation of the Urban Lands Lease Holdings Proclamation No. 721/ 2011 in the case of *Yeka* Sub City, Addis Ababa, Ethiopia.

I kindly, therefore, request you to feel free for giving your opinions for the following questions.

Your cooperation in this regard will be highly appreciated!!!

Date:

Name of FGDDiscussants:
.....
.....

Gender: Female: Male:

Respondent’s Particulars:
.....
.....

1. How do you see the serviced Urban Land provision in *Yeka* sub city, *Woreda* 12 and 13?
2. What is the dominant way of Land plot possession in *Yeka* Sub City, *Woreda* 12 and 13?
3. What are the actual uses of Urban Land Lease plot in *yeka* sub city, *Woreda* 12 and 13?
4. Are there constraints in the implementation of Urban Lands Lease Proclamation?
5. Does Urban Lands Lease Proclamation implementation have prospect in the study area?

Annex V: Informal Conversation Questions

Annex V (1): The Sub City Land Development and Management Customers': *Yeka* Sub City, *Woreda* 1, 12 and 13 informal Urban Land plot holders

1.

The Sub City Land Development and Management Customers': *Yeka* Sub City, *Woreda* 1, 12 and 13 informal Urban Land plot holders

Informal Conversation questions on the Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation with *Yeka* Sub City, formal Urban Land plot holders

1. How is the process of urban land allocation in *Yeka* sub city?
2. What are the actual uses of Urban Land Lease plot in *Yeka* sub city?
3. What is the level of awareness of customers on the implementation of Urban Land Lease Policy and the requirements needed for service delivery?
4. How do you see the time limit given for the commencement and completion of construction under the proclamation?

Annex V: Informal Conversation Questions

Annex V (2): The Sub City Land Development and Management Customers': *Yeka* Sub City, *Woreda* 12 and 13 formal Urban Land plot holders

1.

The Sub City Land Development and Management Customers': *Yeka* Sub City, *Woreda* 12 and 13 formal Urban Land plot holders

Informal Conversation questions on the Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation with *Yeka* Sub City, informal Urban Land plot holders

1. How is the process of urban land allocation in *Yeka* sub city?
2. What are the actual uses of informal Urban Land plot in *Yeka* sub city?
3. Are there constraints in the implementation of Urban Land Lease Proclamation?

Annex V: Informal Conversation Questions

Annex V (3): The Sub City Land Development and Management Customers': *Yeka* Sub City Old Urban Land plot possessors

1.

The Sub City Land Development and Management Customers': *Yeka* Sub City Old Urban Land plot possessors

Informal Conversation questions on the Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation with Old Urban Land possessors.

1. Does the implementation of Urban Lands Lease Proclamation have benefits to everyone?
2. Are there impacts occurred due to the implementation of Urban Land Lease Proclamation?

Annex V: Informal Conversation Questions

Annex V (4): The Sub City Land Development and Management Customers': Bank workers

i.

The Sub City Land Development and Management Customers': Bank workers

Informal Conversation questions on the Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation with Bank workers.

1. How is the process of urban land allocation in *Yeka* sub city?
2. Would you believe that the government uses its full capacity on land plot allocation? Why?
3. How do you see the provision of serviced urban land in *Yeka* sub city?
4. How is the level of informal urban land holdings in *Yeka* sub city?
5. How is the informal Urban Land plot possession in *Yeka* sub city?

Annex V: Informal Conversation Questions

Annex V (5): The Sub City Land Development and Management Customers’: Government officials

1.

The Sub City Land Development and Management Customers’: Government officials

Informal Conversation questions on the Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation with Government officials.

1. What is the level of awareness of customers on the implementation of Urban Land Lease Policy and the requirements needed for service delivery?
2. How is the informal Urban Land plot possession in *Yeka* sub city?
3. How the sale of formally and informally possessed Urban Land is currently looking like?
4. Does the implementation of Urban Land Lease proclamation have benefits to everyone?

Annex V: Informal Conversation Questions

Annex V (6): The Sub City Land Development and Management Customers': Car and House Brokers

1.

The Sub City Land Development and Management Customers': Car and House Brokers

Informal Conversation questions on the Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation with Car and House Brokers.

1. Who provide Urban Land related information for the informal settlers?
2. How is the process of urban land allocation in *Yeka* sub city?
3. Would you believe that the government uses its full capacity on urban land plot allocation? Why?
4. How is the level of informal urban land holdings in *Yeka* sub city?
5. Why do people participate in an informal urban land settlement?
6. How is the sale of formally and informally possessed Urban Land houses currently look like?
7. Are there constraints in the implementation of Urban Lands Lease Proclamation?

Annex V: Informal Conversation Questions

Annex V (7): The Sub City Land Development and Management Customers': Religious people

1.

The Sub City Land Development and Management Customers': Religious people

Informal Conversation questions on the Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation with Religious peoples.

1. Does the implementation of Urban Land Lease Proclamation have benefits to everyone?
2. Are there impacts occurred due to the implementation of Urban Lands Lease Proclamation?

Annex V: Informal Conversation Questions

Annex V (8): The Sub City Land Development and Management Customers': Lawyers

i.

The Sub City Land Development and Management Customers': Lawyers

Informal Conversation questions on the Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation with Lawyers.

1. What is the dominant Urban Land plot possession in *Yeka* sub city?
2. How is the level of informal urban land holdings in *Yeka* sub city?
3. How do you evaluate the process of regularization?
4. How is the informal Urban Land plot possession in *Yeka* sub city?

Annex V: Informal Conversation Questions

Annex V (9): The Sub City Land Development and Management Customers’: People who are Non Urban Land holders

1.

The Sub City Land Development and Management Customers’: People who are Non Urban Land holders

Informal Conversation questions on the Urban Lands Lease Holdings Proclamation No. 721/ 2011 implementation with non Urban Land holders (1 housemaid; 1 car driver; 1 merchant; 1 teacher and 1 student from University)

1. How do you see the time limit given for the commencement and completion of construction under the proclamation?
2. Why Urban Land Lease Price is inflated in *Yeka* Sub City?
3. Does the implementation of Urban Land Lease policy have benefits to everyone?
4. Are there impacts occurred due to the implementation of Urban Lands Lease policy?