THE UNITED REPUBLIC OF TANZANIA
PRESIDENT’S OFFICE - STATE HOUSE

PROPERTY AND BUSINESS
FORMALIZATION PROGRAM, MKURABITA

PAPER ON
THE MANAGEMENT OF SUSTAINABLE DELIVERY OF
SECURED PROPERTY RIGHTS THROUGH
EMPOWERMENT AND CAPACITY BUILDING OF
LOCAL GOVERNMENT AUTHORITIES

PRESENTED AT:
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This presentation is intended to provide brief description of the Capacity building approach promoted by MKURABITA in the delivery of land rights.

- Background of the Government efforts to enhance good governance and excellence in public service delivery.

- The conceptual framework of MKURABITA

- Property and Business Reforms Framework.
The empowerment and capacity building process.

- The objective of the initiative.
- Implementation steps
- Main stakeholders and what they say about the initiative. *(Not part of the presentation but found in the UNPAN website.)*
- Key lessons learnt
- Challenges and proposed remedies.
- Conclusion
The Government of the United Republic of Tanzania has been implementing a series of Programs and projects in its efforts to enhance public service delivery.

The Management of Sustainable Delivery of Secured Property Rights is part of the process to enhance public service delivery.

There are three principle activities to be implemented in order to ensure sustainable delivery of secured property rights.
The principle activities are:

- Ensuring that land remains public property under the custody of the President.
- Ensuring Equitable Access of Property Rights to its people.
- Facilitation of economic use of these property rights to create wealth and reduce poverty.
MKURABITA is a Swahili acronym of The Property and Business Formalization Program.

It is a government initiative aimed at establishing an architecture of property and entrepreneurial rights which is accessible to all the people and largely affordable by many.
MKURABITA was conceptualized around the following facts:

- Viable and sustainable economic development is only possible within an agreed legal and institutional framework.

- Legally recognized, secured and accessible property rights constitute an important stepping stone into a wide range of economic benefits in the formal market.
To implement MKURABITA, the government adopted a four phases model developed by the Institute of Liberty and Democracy (ILD) which is led by Dr. Hernando de Soto.

The phases are:

- **Diagnosis of the extralegal sector** which entailed mapping out of the extra legality and estimating the monetary value of the extralegal assets. The results of the findings reflected that:
  - 98% of businesses and 89% of real estates assets were extralegal.
  - The estimated value of the extralegal assets is US$ 29.3 billion.
The Reform Design Phase which aimed at reengineering the existing legal and institutional framework.

The methodology used in designing the reforms was termed “Convergence Analysis” whereby property archetypes were standardized on the other hand and property laws reviewed and simplified to remove the inbuilt barriers. Figure 1 explains the model.
Figure 1: Convergence Analysis

Convergency Analysis: Building the three basic institutional mechanisms for Tanzania

- Property Rights Procedures
  - Integrated, secure, fungible, and transferable property rights
  - Property Rights Archetypes

- Business Organizational Forms Procedures
  - Organizational forms to increase productivity through the creation of "distinct legal entities"
  - Archetypes of Business Organizations

- Expanded Market Procedures
  - Legal means for enterprises to operate in expanded markets
  - Archetypes of the Expanded Market
# The Framework for Business and Property Reforms

## To Formalize Real Estate Property Rights

1. Systematic, decentralized and simplified adjudication procedures for property formalization, built on well-established local practices (adjudication archetype)
2. Simplified mechanisms to solve disputes (adjudication archetype)
3. Simplified mechanisms to fix boundaries (adjudication archetype)
4. A unified land registry system with geographical database (registration archetype)

## To Allow Economic Use of Real Estate Assets

5. Simplified and low-cost mechanisms to facilitate documenting and recording wills, transactions and other agreements (documentation and registration archetypes)
6. Legal mechanisms that provide legal security to registered property owners and allows the economic use of assets
7. Simplified and low-cost procedures to create and enforce mortgages for facilitating the use of land as collateral to get credit (fungibility archetype)

## To Formulate Businesses (Entry/Operation/Exit)

9. New organizational forms: LLSSC, LLP
10. Registration (New registration system): incorporation and licenses.

## To Allow Business Growth and Economic Use of Business Assets

14. Contract formation
15. Dispute settlement mechanisms
16. Pledges
17. Business information
18. Services Platform for training, info, etc

## Specialized Vehicles

20. Administrative Simplification Programme (for the sustainability of the reforms)

21. A specialized vehicle to coordinate the formalization of business and real estate assets

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**Figure 2:** The framework for Property and Business Reforms
The Implementation phase is where the gist of the entire capacity building initiative is.

The empowerment and capacity building approach being used by MKURABITA throughout the implementation process brought in a very effective and responsive public administration in the country.

The cornerstone of the innovations is the **local ownership and sustainability** of the formalization process.

**Capital formation and good governance** is the 4\(^{th}\) phase of MKURABITA.

This carries the strategic value of the Program objective.
The process started from the preparation of the work plan which involved various stakeholders: Government Ministries, Agencies, Private Organizations, NGO and other existing Reform Programs.

Involvement of stakeholders was considered very important as a way to address the Government decentralization policy.

Figure 3 below is the Capacity Building concept in the local government council in a nut shell.
Figure 3: Capacity Building Concept

Training of Trainers National team

Prepare Land use plans, Adjudication and surveying

Prepare Land use plans, adjudication and surveying

Processing data from GPS and CCROs

District Council Officials: PLUM Team that include the GIS experts

Ward Extension Officers: Ward Executive Officer, Agricultural and Livestock Officer, Community Development Officer, Education Coordinator, Forestry Officer, Health Coordinator

Village Functionaries: The Chairman, Village Executive Officer, Village Land Use Planning Team, Village Adjudication Committee, Secondary School Leavers

GIS Experts in collaboration with the PLUM team and Village executives

Technical backstopping
The Program Management Unit designed a step by step process that ensured appropriate delivery of the formalization knowledge to the local authority officials.

The objective of this approach is to enhance local ownership of the entire formalization process and ensuring sustainability. It also facilitates efficiency and cost effectiveness.

The innovated capacity building process has 15 main step. The following pictorial illustration will provide the steps.
Step 1: Introduction of the Formalization agenda at regional level

Some of the team members introducing the agenda to the Regional Administrative Secretary (RAS) of Mara Regional

Another team in the office of Lindi Regional Administrative Secretary
Step 2: Introducing the formalization agenda at district level

National team in the office of Musoma District Council in Mara region

Members of the National team explaining the objective of the team in relation to the formalization agenda to the Musoma District Council Director
Step 3: Handing over assets and equipment for lands formalization in the district council.

- In order to facilitate the capacity building process MKURABITA provides equipment such as computers, printers, digital cameras and stationeries.
Step 4: Awareness Raising at District Council level (Concillors and CMT).

One of the National team introducing the agenda to the Concillors

Empowerment and Capacity building to the Council Management Team in progress
Step 5: Awareness Raising at Ward level

Above is awareness raising and capacity building at Suguti Ward in Musoma District.

Above is awareness raising and capacity building at Butiama Ward.
Step 6: Awareness Raising at Village level

Sensitization and Capacity Building processes at Iniho Village in Makete District
Step 7: Awareness Raising at Hamlet level

Sensitization at Hamlet level in one of the Hamlets of Kifanya Village in Njombe District council
Step 8: The Village Assembly

One of the village assemblies at Iniho Village in Makete. The Village Assembly approves the Village Land Use Management Committee and Village Adjudication Committee.
More pictures on the village assembly

Above is one of the Kyankoma Village assemblies in Musoma District.
The Land Use Planning Committee is one of the very important committee for Participatory Rural Appraisal Development through which a land use plan for the village is developed. Above are Land Use Planning Committees at Sanjaranda Village in Manyoni District.
In order to develop an existing land use map, the committee must prepare a resource map as an input for the preparation of an existing land use plan. Below is the resource map at the left and a land use plan map at the right for Sanjaranda village in Manyoni.
Developing a map for the existing land use plan cont’s

Left is one of the details picking exercise in Mbondo Village – Nachingwea District Council.
Carrying capacity assessment provides inputs for the development of Land use plans. The carrying capacity assessment analyses the capacity of the respective village land in terms of agriculture, livestock, water, and energy.

Above is the Land use map for Sanjaranda which will be included in the Land Use Plan of the village.
Step 12: Land Conflict resolution

One of the advantages of the formalization process is conflict resolution over land.

- The Village Council has to meet to develop By-Laws for enforcing the Plan and the Village Land Use Management committee will meet to develop a Community Action Plan and a Village Assembly to discuss all three issues will have to be held.

Photo below—Approval of the Village Land Use Plan for Sanjaranda village in Manyoni district
Step 14: Adjudication and surveying

Above is practical training for adjudication and survey activities in Makete.
Step 15: Establishment of a GIS Laboratory

- One of the very important innovations in the land management is the establishment of the GIS laboratory at district levels.
- This is done by providing equipment i.e computers, printers, GPS, stationeries and training of three to four officers at district level.
- The unit is meant to process the surveyed farms for the purpose of producing the CCROs.
- The technical details from the survey are input to the computer at the GIS department for production of Land use maps, and preparation of certificates of customary right of occupancy.
Above is the GIS Lab at Musoma District Council
One of the outputs of the GIS lab includes the issuance of Certificate of Customary Right of Occupancy (CCROs) which is the final product of the village land formalization process.

Once the certificates are printed they are sent to the villages for accuracy checking and thereafter returned to the GIS department for final printing.

Signing of the CCROs is done by the Village Chairperson, Village Executive Officers and the owners.
The pictures above denotes the issuance of CCROs by the Prime Minister Hon. Mizengo Pinda at Mbondo District in Nachingwea.
Issuance of CCROs
Lessons learnt

- Sustainable delivery of property rights can efficiently be achieved using local government machinery.
- Property formalization is one of the very important elements of economic growth and poverty reduction.
- Excellence in public service delivery can be enhanced through empowerment and capacity building approach.
- Proper mobilization of Resources and planning can enhance the use of ICT further to village levels.
- Legally recognized, secured and accessible property rights constitute an important stepping stone into a wide range of economic benefits in the formal market.
Efficiency and effectiveness towards Sustainable Delivery and Secured Property Rights in Tanzania were the most evident achievements.

Specific achievements include the following:

- Efficient use of time for village land formalization.
- Creation of data base of Experts (Enhanced Professionalism)
- Creation of a Sustainable District Council Land Management
- Ownership of the process assures further continuation and Sustainability
ACHIEVEMENTS AND CONTRIBUTION OF THE INNOVATION BY MKURABITA

- Cost effectiveness benefit
- Availability and accessibility of land management information in the district council.
- Capital formation and Good Governance
- Being identified as a center for implementing objectives of the Commission for legal Empowerment of the Poor in Tanzania.
Activities in the first 12 districts created high demand for properties to be formalized. The created demand requires huge amount of resources. The Property market in Tanzania is yet to be fully developed to adequately address the needs for economic use of the assets. A study is required on the development of the property market which will ultimately ensure effective utilization of formalized real estate assets.
The Program (MKURABITA) widely accepted in the country.

It is the national focal point for taking forward the agenda of Legal Empowerment of the Poor.

It is intrinsically linked with the Government decentralization policy.

The philosophy of empowering the people for self development is an assurance for success.

[Links: www.mkurabita.go.tz and www.tanzania.go.tz]
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