MKURABITA

Property and Business Formalization Program
Experience in Formalization of Squatter Settlements
Engaging Citizens in the Process
UNPSA FORUM
New York
June, 2012
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Background

• MKURABITA is a Swahili acronym for Property and Business Formalization Program. The program was conceived by the Government of the United Republic of Tanzania in 2004

Objective:
• Creating a unified legal and institutional framework that recognizes secured and accessible property rights constitutes an important stepping stone into wide range of economic benefits available in the formal market.
Background

Implementation phases:-

• The **Diagnosis** (November 2004-October 2005)

• The **Design of the Reforms** (January 2006-June 2008)

• The **Implementation of the Reforms** (July 2008 to present)

• The Capital Formation and Good Governance
Background

• Currently the program is in its third phase (the Implementation of Reforms).

• Proposals in changing some sections of the Laws:-
  - repealing some and enacting some.
  - changes in the regulations and formulation of new regulations.

**Why?** to simplify, fast tracking the formalization process and create opportunities for formalized properties to access capital from different sources including financial institutions.
SITUATION IN INFORMAL SETTLEMENTS

- Saturated houses and densely populated,
- Shortage of surveyed land and inadequate infrastructure,
- Land speculations,
- Lack of capital for the majority of urban residents leading to poverty.
SITUATION IN INFORMAL SETTLEMENTS

Area accidentally reserved for school construction in informal/unplanned settlements.
SITUATION IN INFORMAL SETTLEMENTS

Sell & Loan agreement transaction in informal settlements

Land selling agreement

Loan agreement transaction
SITUATION IN INFORMAL SETTLEMENTS

1. Barrel latrine

2. Pit latrine

3. Shallow well located near pit latrine

4. Narrow street
SITUATION IN INFORMAL SETTLEMENTS

Retail shop with variety of commodities
SITUATION IN INFORMAL SETTLEMENTS

A poultry unit within the residential area
A Billy goat wandering along street – Arusha Municipal Council
Expensive Properties are also found in Informal settlements in Cities like Dar es Salaam
SITUATION IN INFORMAL SETTLEMENTS

Some Beautiful Properties were identified in Arusha City
SITUATION IN INFORMAL SETTLEMENTS

Some residents risk to invest in good properties in Arusha City
SITUATION IN INFORMAL SETTLEMENTS

A fairly small property in Arusha city
MKURABITA’S Participatory Approaches

- MKURABITA’s process of urban regularization is participatory
- Beneficiaries contribute cash in a cost recovery program
- Participate in the planning and implementation of the regularization process.
- MKURABITA builds capacity of the urban councils to manage the process.
Awareness to Stakeholders

Before fieldwork, public awareness campaigns were conducted to:

- Meeting with Regional Commissioners (RCs),
- District Commissioners (DCs),
- Council Management Teams.
- Local leaders (Councilors, Ward Executive Officers (WEOs), Sub-ward leaders) and
- Communities.
Institutional Setting

Central Government
Ministry of Lands
(Approval Processes)

Local Government
(City/Municipal, Town Council)

Ward and Sub-ward level

Beneficiaries/General Public

Directors-
Planning
Survey &
Mapping
Chief Valuer

Prepare Planning
Schemes &
Cadastral Plans

Participate in
mobilization
Of the Communities

Participate in planning
& implementation
STEPS IN THE REGULARIZATION PROCESS

Awareness campaign - Meeting with CMT and Councilors, Morogoro Municipal Council
STEPS IN THE REGULARIZATION PROCESS

Awareness campaign – Meeting with local leaders (WDC)
STEPS IN THE REGULARIZATION PROCESS

Awareness to community – Meeting with Sakina and Kware Sub-ward residents
STEPS IN THE REGULARIZATION PROCESS

Training to Council staff
STEPS IN THE REGULARIZATION PROCESS

- **Training of the Technical Team**
  - Training to Council Staff is an innovation to decentralize powers for the councils to implement formalization activities efficiently without depending much on the Central Government,
  - Training is on understanding the program and urban land formalization objectives,
  - Guidelines and procedures for implementation of schemes of regularization,
  - Conducting property identification questionnaire,
  - Data gathering using Geographical Information Systems (GIS), Arc GIS software,
  - Preparation of cadastral plans and deed plans using AutoCAD software.
STEPS IN THE REGULARIZATION PROCESS

Property identification

- Use of questionnaires and taking photos of land owner(s) conducted parallel with land surveying
STEPS IN THE REGULARIZATION PROCESS

Establishment of comprehensive database

With both graphics and individual land owner’s information, comprehensive database is established using Geographical Information Systems (GIS) software.
STEPS IN THE REGULARIZATION PROCESS

1. Land surveying in Idundilanga – Njombe township

A. MLHHSD survey team
B. Njombe Town Council survey team
STEPS IN THE REGULARIZATION PROCESS

2. Land surveying at Sakina area – Arusha Municipal Council

Image: Total station, Prism for targeting, Total station, Ranging pole
STEPS IN THE REGULARIZATION PROCESS

Preparation of cadastral plans

Cadastral plan for Idundilanga – Njombe township
STEPS IN THE REGULARIZATION PROCESS

Preparation of schemes of regularization

Scheme covering Kimara – Dar es salaam City

- Reforms proposed by MKURABITA for preparation of schemes of regularization is a participatory approach involving the Town Planners with the beneficiaries.
- The participatory approach mechanism through community negotiations to give access for roads and other land uses has been an innovation for having reliable schemes of regularization.
STEPS IN THE REGULARIZATION PROCESS

Preparation of scheme of regularization basing on satellite image – Njombe Township

- Schemes of regularization and surveying is done concurrently.
- Draft of regularization schemes and a general plan showing individual properties/land, where to locate infrastructural services and other community facilities like schools, health facilities etc., is submitted and displayed to residents in 14 days for comments and acceptance.
- Presented to Urban Planning Committee for recommendation to authorized authorities for approval.
STEPS IN THE REGULARIZATION PROCESS

- Approval of Schemes of Regularization and Survey Plans
  - Schemes of regularization, are submitted to the Director of Planning for approval and thereafter Cadastral Plans are submitted to the Director of Surveys and Mapping in Ministry of Lands Housing and Human Settlements Development for approval.
STEPS IN THE REGULARIZATION PROCESS

Preparation of Certificate of Right of Occupancy

• This is done by council staff using a software known as AutoCad to prepare deed plans.

• Owner to submit application form

• Certificates and deed plans prepared, printed and sent to owners for verification,

• Sent to the Zonal Assistant Commissioner for endorsement and registration.
STEPS IN THE REGULARIZATION PROCESS

Registered CRO by Zonal Registral of Title
STEPS IN THE REGULARIZATION PROCESS

Launching issuing of CRO’s to Idundilanga residents in Njombe Township under MKURABITA approach

- Once the Certificates are registered they are issued to owners.
- The owners are required to pay the contributions in full before the certificates are issued.
Steps in the Regularization Process

- Capitalization of Formalized Properties
  - MKURABITA provides information to owners on the opportunities that are available for using their formalized properties to access capital.
ACHIEVEMENTS IN REGULARIZATION

Land owners demolish their properties in order to provide access after community mobilization at Sakina area, Arusha Municipal Council.
### Achievements in Regularization by May 2012

<table>
<thead>
<tr>
<th>Urban Council</th>
<th>Amount Collected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arusha</td>
<td>27,488,865</td>
</tr>
<tr>
<td>Morogoro</td>
<td>25,689,725</td>
</tr>
<tr>
<td>Njombe</td>
<td>59,040,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>112,218,590</strong></td>
</tr>
</tbody>
</table>
Other Achievements

• Njombe Town Council has used contributions from the owners to survey another area called Kambarage whereby 606 plots have been surveyed.

• Sustainability of the process is evident the Town Council has established a revolving fund for formalization in their council

• About 54 residents have used their properties as collateral and obtained loans worth Tshs 842,000,000
Challenges

1. **Lack of land for public use**
   In many cases where people squatter there is no land which is left for public use. But in order for a place to be regularized there must be land which is allocated for public use like roads, schools, dispensaries or health centers

   **Solution:**
   Massive mobilization that facilitated availability through purchase from owners or free offers from others

2. **Initial cost very high**
   The calculation for the cost of the regularization exercise was over Tshs. 100,000,000. Most of the urban councils would not have this money

   **Solution:**
   MKURABITA provides the seed capital through the Government budget other stakeholders are invited to join hands with MKURABITA
Challenges

3. Absentees Landlords
   Where Landlords were declared absent it was not possible to continue with the identification exercise.

Solution:
   For this challenge the solution was, mass mobilization, sensitization, local leaders’ representation, this required acceptance and collaboration by the communities.
Challenges

4. Suspicion and distrust
   Being a new project there was a lot of suspicion and distrust among the communities. Formalization has been understood as a very difficult exercise and costly.

Solution:
Emphasize on transparency, timeliness, adequate sensitization and inclusion of local and community leaders.
Challenges

5. **Few Technical Staff members**

Most of the urban council technical staff are few e.g. in Njombe town Council working with land sector, one Professional Town Planner, Two Land officers’ technicians and one Survey Technician without assistants in both fields.

**Solution:**

Borrow staff from the Regional Administration, technical personnel should be known before starting urban land formalization implementation.
Challenges

6. Lack of Staff for Capacity Building to use formalized Properties for Capital Formation

This service is normally provided by private firms and is very expensive

Solution:

Train Local Government Staff and mobilize private firms to reduce the cost, since the market is wider
Conclusion and Way Forward

• Since the initiative is participatory it can be easily replicated in other areas. What is needed is seed capital; the costs are recoverable from the owners

• The technical and Human resources demands can be met by the councils and in case of shortage of human resources are also available at the Regional Secretariat
Conclusion and Way Forward

• Tanzanians are known to be very good at self help projects therefore can contribute willingly financial resources and even their land for public purposes. The bottom line is adequate mobilization of the communities, once they realize the regularization process is for their own benefit they contribute willingly.
Conclusion and Way Forward

• Once the owners of informal settlements realize the benefits as being better services and infrastructure, and access to capital for having formalized properties; contributions from the owners are amazing even before the certificates are issued several people make their contributions before hand.

• With MKURABITA reforms most of the decisions are made by the Local Councils and planning is done by the people with assistance of Town Planners. The owners willingly provide their land for public infrastructure such as roads, sewage facilities, markets, open places and schools.
Conclusion and Way Forward

- Compensation of the affected owners through the regularization process is covered by the beneficiaries making the process very participatory and sustainable.
- The process once started can continue all over the urban areas making it very sustainable program. Financial contributions from one area are used as resources to other areas (seed capital) and so forth.
Thank You For Your Attention!
ACCESS TO URBAN PROPERTY

PROCEDURE TO ALLOCATE LAND FOR URBAN PURPOSES AND TO OBTAIN A BUILDING PERMIT

Mainland
13 Stages
68 Steps
8 Years
US$ 2,252

Zanzibar
11 Stages
153 Steps
9 years
US$ 2,571
Convergence Analysis

Archetypes categories

- Potential and shortcomings
- Contracts & Agreement.
- Dispute resolution.
- Personal identification.
- Records and filing.
- Family and property rights issues.
- Internal business management

Current legal framework

- Objectives, scope and barriers
  1. Real estate property system
     - Laws
     - Entities
     - procedures
  2. Business institutional framework
     - Laws
     - Entities
     - procedures
  3. Ongoing projects and reforms
     - Objectives
     - Current status
## The Framework for Business and Property Reforms

<table>
<thead>
<tr>
<th>TO FORMALIZE REAL ESTATE PROPERTY RIGHTS</th>
<th>TO ALLOW ECONOMIC USE OF REAL ESTATE ASSETS</th>
<th>TO FORMALIZE BUSINESSES (ENTRY/OPERATION/EXIT)</th>
<th>TO ALLOW BUSINESS GROWTH AND ECONOMIC USE OF BUSINESS ASSETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Systematic, decentralized and simplified adjudication procedures for property formalization, built on well-established local practices (adjudication archetype)</td>
<td>5) Simplified and low-cost mechanisms to facilitate documenting and recording wills, transactions and other agreements (documentation and registration archetypes)</td>
<td>9) New organizational forms: LLSSC, LLP</td>
<td>14) Contract formation</td>
</tr>
<tr>
<td>2) Simplified mechanisms to solve disputes (adjudication archetype)</td>
<td>6) Legal mechanisms that provides legal security to registered property owners and allows the economic use of assets</td>
<td>10) Registration (New registration system): incorporation and licenses.</td>
<td>15) Dispute settlement mechanisms</td>
</tr>
<tr>
<td>3) Simplified mechanisms to fix boundaries (adjudication archetype)</td>
<td>7) Simplified and low-cost procedures to create and enforce mortgages for facilitating the use of land as collateral to get credit (fungibility archetype)</td>
<td>11) Simplified Tax System</td>
<td>16) Pledges</td>
</tr>
<tr>
<td>4) A unified land registry system with geographical database (registration archetype)</td>
<td></td>
<td>12) Simplified Accounting System</td>
<td>17) Business information</td>
</tr>
<tr>
<td></td>
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<td>13) Simplified Labor and Social Security System</td>
<td>18) Services Platform for training, info, etc</td>
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<td>8) A specialized public entity to manage formalization of urban and rural real estate assets</td>
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<td>19) Personal identification System</td>
<td></td>
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<tr>
<td>20) Administrative Simplification Programme (for the sustainability of the reforms)</td>
<td></td>
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<tr>
<td>21) A specialized vehicle to coordinate the formalization of business and real estate assets</td>
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