

Alternative Policy Statement for Land, Housing and Urban Development Sector.

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Executive Summary.

In line with the National Vision and Objectives, the Ministry of Lands, Housing and Urban Development is mandated to undertake strategic legal and policy reforms that ensure rational and sustainable use, effective management of land and orderly country development, planned and adequate housing for socio-economic transformation.

The land administration system is inadequately resourced, which has resulted in performance below expected standards. According to the Uganda National Land Policy; 2013 "the dual system of land administration, (the formal/statutory and informal/customary), breeds conflict, confusion and overlaps in institutional mandates."

The sustainable Urbanization and Housing program is one of the 18 programs in line with NDP III program approach to planning and budgeting. It is headed by the Ministry of Lands, Housing and Urban Development with actors from MDAs. It is comprised of three sub programs including Physical Planning and Urbanization, Housing and Institutional Coordination.

The Sustainable Urbanization and Housing program was not mentioned at all in the BFP that was laid before the House. There are high chances that this may miss the attention of the policy and decision makers since it was not mentioned. A keen look at the Development Objectives and Budget Priorities for FY2022/23 from page 20(xx)-26(xxvi) of the Budget Frame Work Paper confirms this fact.

The supply of land is fixed but Uganda's population continues to grow at a very high rate of 3.2 per cent per annum. The current population estimated at 42 million in 2021 is projected to rise to 55 million by 2030 as per the United Nations, World Population Prospect, 2019 thus causing a challenge to land distribution.

The Ministry's overall Budget has been on a decreasing trend for the past four to three financial years. It can also be deduced that that the ministry largely depends on External Financing and when projects close the ministry struggles to maintain the investments on account of inadequate recurrent budget.

An adequate standard of living including housing is a human right world over. However, despite the central place of this right within the global system; over a billion people including the poor urban youth (young adults) are not adequately

housed. Millions of people live in poor conditions characterized by overcrowded slums and in formal settlements.

The National Housing Policy states that 60 000 housing units are produced per year, but no specific reference for this data is given. Uganda's housing construction sector is dominated by informal construction, with a very small proportion of formal housing estate development activity. Formally constructed housing is very limited, and generally only produces houses for sale at the top end of the market¹.

In addition, the lower a household's income, the less likely they are to be able to secure mortgage finance, and other (unsecured) credit instruments are generally over shorter terms with higher interest rates, which would reduce total housing affordability further.

On the review of this financial year expenditure and medium term budget allocations, it is noted that government of Uganda contributed UGX 35.252 Bn while external financing was 355.237Bn. The major concern here is the government's minimal contribution to financing the program. Reliance on external funding is a risk in that in absence of their funding, a lot of programs will come to an end or a stand still since there is no sustainable approach to address the funding challenge.

It is important to note that under the program outcome indicators, much as ten new cities were created the program only aims at developing a handful integrated physical and development plans below 50% of the total creation. Furthermore, much as cities, districts and municipalities have been prioritized under the integrated physical and economic development plan, there is no mention of town councils and town boards.

It is equally important to note that currently the National Land Information Systems indicate that 80% of the Land Information System infrastructure have reached average life expectancy and operates below optimal capacity leading to undesirable outcomes like inefficiencies in service delivery, persistent breakdown of the system and constant interference of services.

In the recent past, the rampant evictions against the current legal framework has created a class of landless people causing more suffering. For instance in Nakaseke, it is reported that thousands of families from the villages of Balatira,

¹ Ibid

Senga, Mizimbo, Manwa, and Naluvule, among others, have been battling the land eviction and land grabbing acts for more than seven years.

According to the Sector overview of the Lands, Housing and Urban Development sector 2018/19 land registration stands at 22% leaving a total equal to 78% of the people owning land vulnerable and prone to eviction without any form of security.

The opposition stand has been a call to review of the Compensation Policy. A compensation policy which is anchored in the principle of resettlement other than financial payments should be developed. Resettlement programmes would ensure improved livelihood and limit resistance to development projects due to low property valuations.

List of Acronyms

LOP Leader of opposition

MPS Ministerial Policy Statement

APS Alternative Policy Statement

UGX Uganda Shillings

Bn Billion

MoLHUD Ministry of Lands, Housing and Urban Development

FY Financial Year

MBAS Ministries, Department and Agencies

MTEF Medium Term Expenditure Framework

FAO Food and Agricultural Organisation

GoU Government of Uganda

NDP III National Development Plan Three

HCC National Housing and Construction Company

EOC Equal Opportunities Commission

BFP Budget Framework Paper

LIS Land Information System

MZO Ministerial Zonal Offices
NLP National Land Policy
PFMA Public Finance Management Act.

CHAPTER ONE: BACKGROUND AND MANDATE OF THE ALTERNATIVE POLICY STATEMENT.

1.0 Legal Provisions

In 2005 Uganda transitioned from a one party system to a multi party political dispensation, this paved way for the constitutional amendments that resulted into the creation of the office of the Leader of the Opposition². Therefore, In accordance with section 6(E) of the Administration of Parliament Act as amended in 2005, the Leader of the Opposition in Parliament is under obligation to consult with his or her party leadership to appoint shadow cabinet from members of Opposition in parliament with portfolios and functions that correspond to those of Cabinet ministers.

Under the same Act, specifically section 6E (4) the Leader of the Opposition is mandated to study all policy statements of Government with his or her shadow ministers and propose possible alternatives.

Therefore, in line with the above, I **Ronald Balimwezo Nsubuga**, the shadow Minister for Lands, Housing and Urban Development present this Alternative Policy Statement for the Lands Housing and Urban Development Ministry under Vote 012 as required by Rule 147 of the Rules of Procedure of Parliament which requires the shadow ministers to present the alternative statements to parliament by 29th day of March every year.

1.1 Sustainable Urbanization and Housing Program overview.

The sustainable Urbanization and Housing program is one of the 18 programs in line with NDP III program approach to planning and budgeting. It is headed by the Ministry of Lands, Housing and Urban Development with actors from MDAs. It

² The constitution (Amendment) Act 2005

is comprised of three sub programs including Physical Planning and Urbanization (this comprises three departments, Housing and Institutional Coordination.

The Ministry of Finance under Section 9(3) and (5) of the PFMA laid before Parliament the Budget Framework Paper 2022/23.

However, the Sustainable Urbanization and Housing program was not mentioned at all in the BFP that was laid before the House. There are high chances that this component may miss the attention of the policy and decision makers since it was not mentioned. A keen look at the Development Objectives and Budget Priorities for FY2022/23 from page 20(xx)-26(xxvi) of the Budget Frame Work Paper confirms this fact.

The land administration system is inadequately resourced, which has resulted in performance below expected standards. According to the Uganda National Land Policy; 2013 "the dual system of land administration, (the formal/statutory and informal/customary), breeds conflict, confusion and overlaps in institutional mandates."

For the greater percentage of Uganda, where customary tenure still abounds, the roles of traditional institutions of land management, dispute resolution and land governance have not been legally accepted, integrated and mandated to execute their functions.

Manual record keeping system has severely hindered progress in the delivery of land services to the public, making it slow, cumbersome, frustrating and too costly. Partial decentralization of land delivery services has not yielded much due to human and financial constraints.

Although attempts to harmonize aspects related to regulation of land use as regards standards and guidelines for sustainable management of land resources was made, it was incapable, by its very nature, of dealing with issues of tenure that may challenge its implementation³.

Uganda's housing situation is characterized by inadequate homes in terms of quality and quantity in both rural and urban areas. The housing deficit stands at 2.4 million housing units, out of which 210,000 units are in urban areas and 1.395 million units in rural areas⁴.

³ National Land Use Policy (2007)

⁴ Uganda: National Bureau of Statistics

CHAPTER TWO: SITUATIONAL ANALYSIS OF MINISTERIAL POLICY STATEMENT.

In line with the National Vision and Objectives, the Ministry of Lands, Housing and Urban Development is mandated to undertake strategic legal and policy reforms that ensure rational and sustainable use, effective management of land and orderly country development, planned and adequate housing for socio-economic transformation⁵.

The Vision of the Ministry is "Sustainable Land Use, Land Tenure Security, Affordable, Decent Housing and Organized Urban Development" with a mission "To ensure sustainable land management, planned urban and rural development and decent housing for all"

Key Outcomes

Broadly, the sector aims at:

Creating an inclusive, pro-poor policy and legal framework for the land sector and putting land resources to sustainable productive use;

Improving livelihoods of the poor through a more equitable distribution of land access and ownership, and greater tenure security for vulnerable groups;

Increasing the availability, accessibility, affordability and use of land information for planning and implementing development programmes; and Establishing and maintaining transparent, accountable and easily accessible institutions and systems for decentralized delivery of land services.

However, it is important to note that under the program outcome indicators, much as ten new cities were created the program only aims at developing a handful integrated physical and development plans below 50% of the total creation.

Furthermore, much as cities, districts and municipalities have been prioritized under the integrated physical and economic development plan, there is no mention of town councils and town boards. It is crucial to note that there are over

⁵ <https://mlhud.go.ug/mlhud/about-us>

580 town councils but the program projected performance plans have no mention of their allocations.

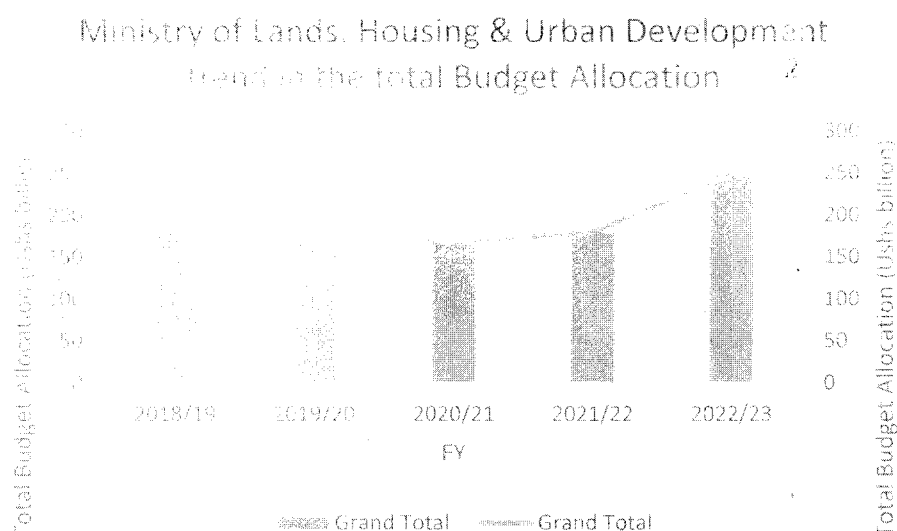
Figure 1: Ministry of Lands, Housing & Urban Development

Table of summary 1

Ministry of Lands, Housing & Urban Development					
FY	2018/19	2019/20	2020/21	2021/22	2022/23
Wage	8.103	8.103	8.103	8.239	7.911
Non-wage	22.224	44.532	49.649	40.499	33.608
Dev. GoU	20.102	8.921	8.921	38.921	14.578
Dev. Ext. Fin	136.216	116.65	101.011	72.933	180.216
GoU Total	50.428	61.556	66.673	87.659	56.097
Grand Total	195.777	178.206	167.684	179.719	248.653

Source: MoFPED

The total budget allocations for the Ministry of Lands, Housing and Urban Development has been reducing since the FY 2018/19 till the FY 2020/21 when it started increasing slightly to financial year 2021/22 by 7.2%. There's a noticeable sharp increase as seen in the figure below for the proposed budget allocations in the FY 2022/23 of 38.4%. However, under Plans to improve Vote Performance, corresponding allocations are not reflected to justify the sharp increase in the budget allocations for the proposed financial year 2022/23.



Source: Data from MoFPED, Ministerial Policy Statement FY 2022/23 and OLOP

Being aware of the escalating land conflicts, delays in execution of government projects and loss of revenue to government among others, the Ministry should have allocated the corresponding budgets in value form to justify and account

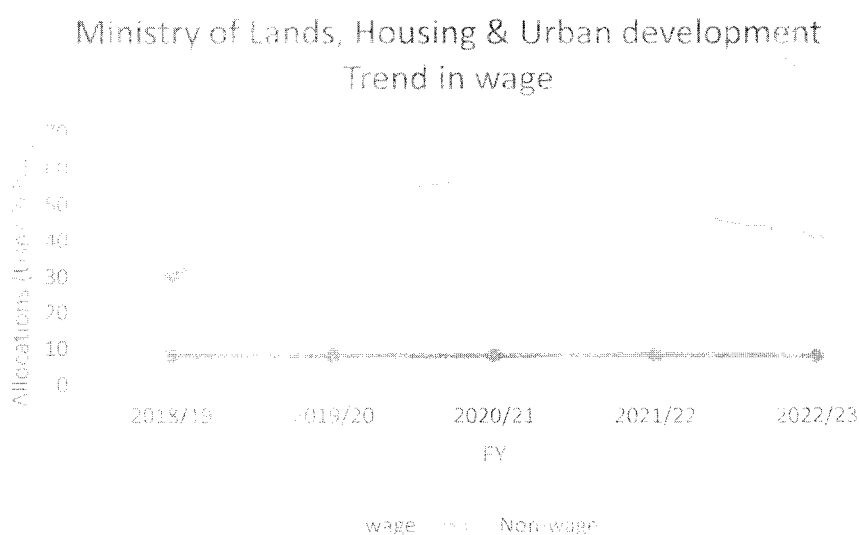
for the sharp increases in budget allocations in executing its plans for instance valuation, surveys and mapping and physical planning which are field based.

Wage Vs Non-wage

There's a very big gap between recurrent non-wage and recurrent wage over-time though on a broader picture, they are both reducing as observed from the FY 2020/21 to proposed FY 2022/23 (see figure below).

In the FY 2021/22, recurrent non-wage exceeds recurrent wage by 79.7% a figure that derail efforts to balance wage and non-wage. This shift brings about a staffing gap at the Ministry of Lands, Housing and Urban Development and this explains why there are vacant positions in the critical departments in the Ministry and yet Ministry is grappling with shortage of staffs.

Further, in the plans by the Ministry to improve performance, lobbying for wage enhancement to implement the approved staffing structure has no prior cost implication to reflect that commitment.



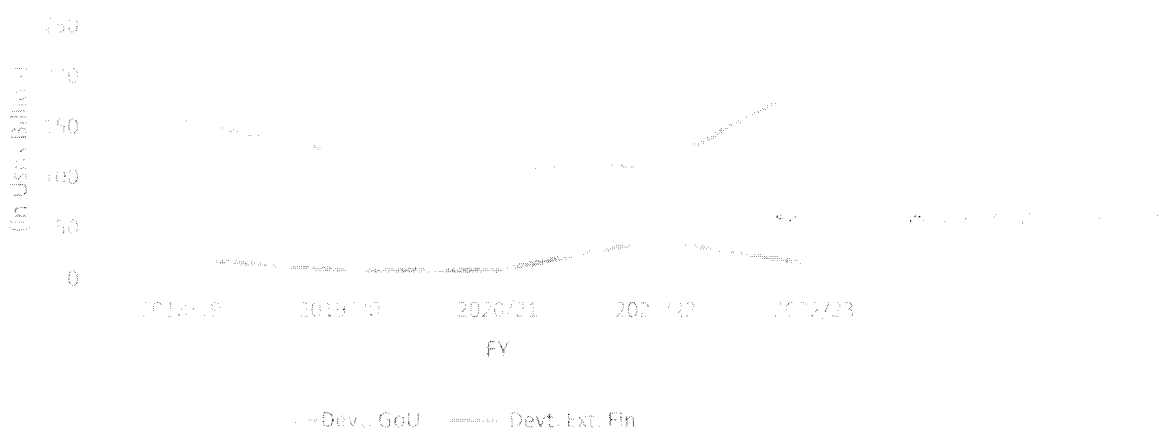
Source: Plotted using data from MoFPED.

Trend in Government of Uganda development financing and external financing of the Ministry in terms of development.

Attention is drawn to strategies and priorities for achieving Land Sector Strategy plan, 2013 – 2023 where opportunities for revenue generation/support to self-financing is supposed to be implemented. Government commitment to financing this Ministry has not been fully extracted for the last FYs as observed in the figure below. In the proposed FY 2022/23, Budget allocations for external financing exceeds GoU development by 91.9% (see figure below) a figure that shows less

commitment from Government to flourish the Ministry as far as development is concerned.

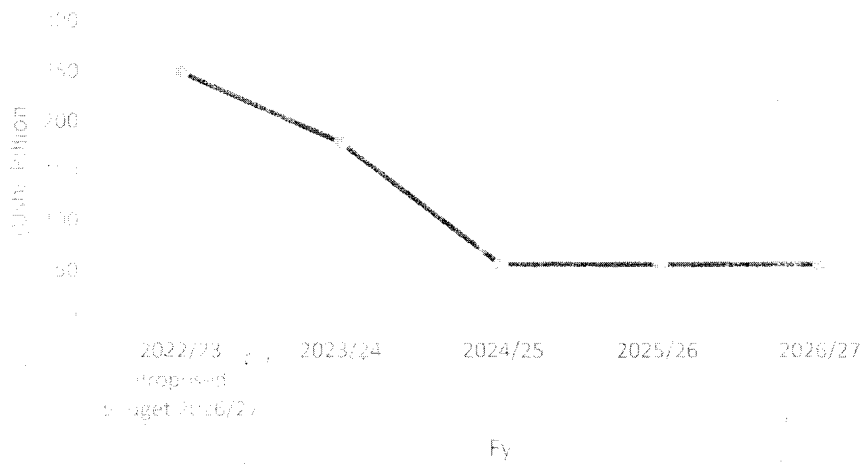
Ministry of Lands, Housing & Urban development Trend in Development Financing



Medium Term Expenditure Framework Projection

It is projected in the medium-term Expenditure allocations that by FY 2024/25, allocations would have followed a trend observed in the figure below to a noticeable 77.4% reduction and thereby creating a constant trend for the FY 2025/26 and FY 2026/27. This projected trend points at limited or no success in terms of performance in the near future.

MTEF budget Projection



The Ministry's overall Budget has been on a decreasing trend for the past four to three financial years. It can also be deduced that that the ministry largely depends on External Financing and when projects close the ministry struggles to maintain the investments on account of inadequate recurrent budget. It is clear that since the closure of the first phase of the Competitiveness and Enterprise Development Project (CEDP), the ministry continues struggling financially to maintain the Ministry Zonal Offices and the Land Information System⁶. USMID suffers the same challenge since there is no funds committed for maintenance of the investment.

Figure 10: Ministry of Lands, Housing and Urban Development - UGX (BN) FY2022/23

Program	Wage	Non-Wage	GOU-Dev	External	Total
Natural Resources	6.2	10.91	12.672	0	29.8
Urbanization	1.72	22.7	1.91	345.49	372
Total	7.92	33.61	14.58	345.493	402

Figure 11: Ministry of Lands, Housing and Urban Development - UGX (BN) FY2021/22

Program	Wage	Non-Wage	GOU-Dev	External	Total
Natural Resources	6.2	10.91	3.67	21.54	42.3
Urbanization	2.04	29.59	35.25	51.39	118
Total	8.24	40.5	38.92	38.93	161
Variance	-0.32	-6.89	-24.34	272.56	241
%Change	-4%	-5%	-62.5%	374%	150%

Source: Second BCC FY 2022/23

The UGX 30bn funds meant for the NHCC Subvention have been removed from MTEF FY 2022/23 to cater for Parish Model.

The Ministry's wage budget was reduced by UGX 330m from UGX 8.25bn to UGX 7.92BN. This creates a wage shortage for staff and jeopardizes the planned

⁶ Ministry of Lands, Housing and Urban Development: Performance Highlights FY2021/22

recruitment for next FY2022/23. There is a 40% cut on all retooling projects from UGX 2.35bn to UGX 1.42bn.

The second BCC FY2022/23 has not recognized any priorities of land subsector. The transfer of the Land Subsector to Natural Resource program under the NDP III program approach has weakened the sector and lose its national priorities like resolving the Historical land injustices as evidenced under the Second Budget Call Circular where no single priority has been mentioned⁷.

Additionally, the transfer of the land sub sector has also weakened the Urbanization and Housing Program where it would have strategic synergies compared to Natural Resources program.

2.3.4 Gender and Equity Responsiveness.

The progressive and gender sensitive provisions of the constitution of the Republic of Uganda, 1995 under Article 32 prohibits any form of discrimination against marginalised groups based on gender, disability among others.

The Public Finance Management Act (2015) specifically S.13 (11) (ii), provides for the requirement that specific measures must be taken to provide equal opportunities men and women, persons with disabilities and other marginalised groups.

The Act also introduced requirements that MDAs and local governments must be gender and equity compliant before they can be issued with certificate of compliance for them to access funds from MoFPED made in consultations with the EOC.

The above PFMA gender and equity provisions, operationalizes section 14 and 15 of the Equal Opportunities Commission Act, 2007 and hence fulfilling its legal mandate of mainstreaming inclusion and equality in all aspects of Ugandan life, by, among other interventions, ensuring the compliance of the National Budget Framework Paper (s) with Gender and Equity requirements. MPS and empower all women and girls, with gender targets thereunder".

The Minister shall, in consultation with the Equal Opportunities Commission, issue a certificate—(a) certifying that the budget framework paper is gender and equity responsive⁸;

⁷ Second Budget Call Circular FY2022/23

⁸ Section 9(6) of the Public Finance Management Act 2015.

This requirement was grossly violated and we were not able to establish whether the MPS meets this legal requirement. There is need to have such information to be provided.

CHAPTER THREE: EMERGING ISSUES AND PROPOSED ALTERNATIVES

The issues raised in this Alternative are based on the current Budget Framework paper, the National Development Plan III, the National Housing Policy 2006 and the Ministerial Policy Statement.

Affordable Housing Paradox and Slum Development.

An adequate standard of living including housing is a human right world over. However, despite the central place of this right within the global system; over a billion people including the poor urban youth (young adults) are not adequately housed. Millions of people live in poor conditions characterized by overcrowded slums and in formal settlements.

According to the Slum Profiling report by Actogather Uganda indicates that 49% to 64% of the urban people live in slums and this gives a total of 1.58 Million people to 2.1 Million people as slum residents in Uganda⁹. This is an indicator that cases of informality and urban sprawl are growing at a high rate and might spread even in the newly created cities.

In addition, the lower a household's income, the less likely they are to be able to secure mortgage finance, and other (unsecured) credit instruments are generally over shorter terms with higher interest rates, which would reduce total housing affordability further.

Notwithstanding these factors, the housing affordability segmentation above indicates that 3.9 percent of urban households earn above UGX3.3 m per month, many of whom already own housing. These households could afford housing products costing from UGX61m and upwards using mortgage finance.

Generally, even such high priced housing does not regularly get constructed in Uganda, although limited developments are under way, or houses are constructed for a particular customer or user basis by higher-income

⁹ Actogather Uganda: Annual Report 2018

households¹⁰. Importantly, around 20 percent of urban households earn between UGX 1.1m and UGX 2.2- m per month, meaning that their housing affordability is realistically for housing products costing between UGX20 m and UGX 41 m.

While limited supply of such priced housing is produced, there are not enough products in this price range to meet this household demand¹¹. Then, 68 percent of urban households earn less than UGX1.1m per month, implying that they require significantly more affordable housing solutions costing below UGX20m. Further, 38 percent of urban households can only afford products costing UGX10 m and less – and even that is assuming they are able to access some basic housing finance¹².

Proposed Alternative.

Slum development and upgrading.

Engage investors and upgrade dwelling slums without relocating residents but help them set up decent houses since they contribute their land to the project. If a dweller cannot afford to upgrade their house, private investors can upgrade it into decent storied building and the residents who contribute the land become shareholders of the property¹³. The initiative will make the city inclusive in terms of affordable housing to ensure a win-win situation. In Kigali developers' fast-tracked affordable housing projects implementation and afterwards, sought partnership or mechanism to lower the cost of housing to be paid by citizens¹⁴.

Facilitating financial access to affordable houses, was demonstrated in Nyarugenge District, Kimisagara sector whereby slums were upgraded without relocating residents in Kigali. In Rwanda people with monthly income such as between Rwf200, 000 and Rwf700, 000 will soon be benefitting from a new affordable housing fund that will provide loans at lower interest rates to be paid in between 20 and 25 years. The fund under BRD has \$150 million initial investment and they are seeking other partners to inject in more funds. For instance, the International Finance Corporation of the World Bank and Housing Bank from India

¹⁰ Centre for Affordable Housing: Uganda's Housing Construction and Housing Rental Activities, August 2020

¹¹ Ibid5

¹² Ibid

¹³<https://www.newtimes.co.rw/business/understanding-affordable-housing-challenge-kigali>

¹⁴ Ibid

are keen on partnering with the fund. They want low-income earners to get affordable houses that is less than Rwf30 million to as low as Rwf10 million¹⁵.

Incremental Housing.

Incremental housing is a gradual process whereby residents incrementally improve or extend their houses by themselves, whenever funding or time becomes available. This approach has attracted attention as an affordable way of improving poor living conditions in slums often with sites-and-services scheme. In many cases, this approach is coupled with an emphasis on self-help sweat equity, which can be strengthened by active community involvement¹⁶.

The basis of "incremental housing" was that the cost of housing could be reduced by recognizing that poor urban families already build and extend their own dwellings incrementally in response to their needs and the availability of resources. Governments do not have the mix of re-sources to build subsidized completed dwellings for all low-income households. Everyday people demonstrate their own ability to house themselves even if they cannot afford to do so legally in the formal housing market.

The basis of incremental housing is that government does what households cannot effectively do—assemble land and provide trunk infrastructure and services and households do what governments cannot do efficiently, construct affordable dwellings that meet the priorities and resources of their occupants¹⁷.

Inadequate physical planning levels.

According to the Ministry of Land, Housing and Urban Development, Urbanization in Uganda is estimated to be 5.2% ahead of planning in the Country which puts the country into some disorganized development and mushrooming of slums. Urban areas and all sorts of development have mushroomed in a haphazard manner.

The National Housing Policy states that 60 000 housing units are produced per year, but no specific reference for this data is given. Uganda's housing construction sector is dominated by informal construction, with a very small

¹⁵ Ibid

¹⁶ International Journal of Urban Sciences. Volume 23, 2919-Issue 2.

¹⁷ Cities Alliance: A case for Incremental Housing