

FINAL

Promoting well-functioning land markets for sustainable growth in Ethiopian Cities

- Assosa case study

Version 2.0 Final for Distribution



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ACRONYMS

CALM	Climate Action through Landscape Management
COVID	Coronavirus
ECCSA	Ethiopian Chamber of Commerce and Sectorial Association
ECF	Ethiopia Competitiveness Facility
ECSU	Ethiopia Civil Service University
GDP	Gross Domestic Product
GIS	Geographic Information System
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IGAD	Intergovernmental Authority on Development
ILA	Institute of Land Administration
ILO	International Labour Organisation
LIFT	Land Investment for Transformation Programme
LMDT	Land Market Development Tool
MCC	Millennium Challenge Corporation
MFI	Monetary Financial Institutions
MS	Microsoft
MUDC	Ministry of Urban Development and Construction
PEPE	Private Enterprise Programme Ethiopia
PILUP	Participatory and Integrated Land Use Planning
QC	Quality Control
REILA	Responsible and Innovative Land Administration
TOR	Terms of Reference
UK	United Kingdom
UN	United Nations
UN-Habitat	United Nations Agency for Human Settlement
UNDP	United Nations Development Programme
WB	World Bank
WLRC	Water and Land Resource Centre

SECTION 1. MAIN FINDINGS

1.1 INTRODUCTION

This case study focuses on assessing the land and property market constraints in Assosa town. The assessment has been conducted on land and land related policies, laws and regulatory frameworks at federal, regional, and local level. Institutional capacities of organizations dealing on the sector have also been assessed. The horizontal and vertical integration, their performance in committing their proper duties and responsibilities have also been viewed. In addition to this, supply side constraints include land administration, land use and land management, property valuation and taxation, land expropriations and allocation as well as land financing mechanisms have been reviewed and possible constraints are identified. On the demand side the land and property transfer through the primary and secondary market as well as the level of the informal land market, access to finance to undertake construction and development activities as well as the involvement of private sector in real estate development have been assessed and major constraints identified.

The report has four sections. The first section introduces the study and sets out the main findings and key issues of the assessment. The second section deals with the general characteristics of the city, the historical background, the geographic and demographic issues of the town and the urban rural interface issues have also been discussed here. The third section deals with the supply side constraints and the fourth sections deals with demand side constraints. Section 5 provides a summary of the key findings of the case study

The case study is based on field work undertaken by Mr Esrael Tesfaye from May 31 to June 12, 2021, and involved more than 20 interviews with local officials, community representatives and other real estate stakeholders (banks, brokers, valuers) (see Annex B and C). The study also draws on existing legal documents, proclamations, rules and regulations, and secondary data obtained from interviews or published materials (see Annex A). On completion of the field work, the acquisition of geospatial data to support further analysis has continued. It has not been possible to collect any quantitative data related to actual numbers of transactions, parcels registered etc, as this data is not easily available at the city level. This version of the case study report (version 0.6) addresses any comments received up until 9th September 2021 following submission of version 0.5 for review on the 19th August.

1.2 KEY ISSUES AND MAIN FINDINGS

The approach in the case study has been to look at Land Markets from both the **Supply side**, and the **Demand side**. The supply side relates to the availability of land, and the regulatory framework that controls the supply of land in the market; how it is held, used, transferred, developed or leased. This is heavily influenced by Land Policies and how they are regulated and implemented by the responsible institutions. The demand side is driven strongly by demographics and the economic needs of citizens, investors, households, farmers and economic operators which stimulate the demand for land (and property of all types) in both the rural and urban sectors. It also depends on access to finance; availability of suitable land (including infrastructure), and other barriers to entry. These findings are a

summary of sections 2, 3 and 4 of the report and all supporting materials and references are contained therein or listed in the annexes.

Supply Side

1. **Separate, contradictory, and overlapping rural and urban land laws.** Urban Lease Proclamation 721/2011 article 2/2 defines urban land as a land located within the administrative boundary of urban areas and it is applied to all land (urban and peri urban) located within this defined territory. The urban land use planning, the land acquisition and allocation basically follows this rule. The Benishangul Gumuz rural land and administration proclamation No.152/2017 has a defined territory of application as land located outside the urban area, but also has a focus of administration to all the land owned by farmers (Article 2, sub article 2 and 4). This basically deals with the land owned by farmers located in the rural and suburban areas. Practically the land registration, certification, land use planning, acquisition and allocation followed the terms of rural legislation. Neither the Urban Lease nor the Rural Proclamation have indicative legislation on how to treat the peri urban land relevant to its nature. Thus, the area remains a major domain of conflict with conflicting and overlapping legislation leading to unclear administration that can result in land grabbing and an influx of informal settlement.
2. Lack of clear and separate rules and regulations concerned with the peri urban area land administration pertinent to its nature
3. **The Land Lease Proclamation is not optimal.** The proclamation is more focussed on legislative control than being facilitative of effective and efficient land use and development
4. **The compensation system is not working effectively.** Newly approved Compensation Law No. 1161/2019, in an attempt to reverse public complaints on the previous proclamation No. 455/2012, has increased the compensation rate on agricultural products by 50% and on the land related property the compensation is the cost replacing the property as new. In the face of the limited financial capacity, the proclamation has further impacted on the land acquisition of the City Administration. Over the last five years Birr 11.5 million was allocated for compensation to acquire 1.5 hectares of land.
5. **Low institutional capacity in the land administration sector.** The absence of an efficient land information system means there is poor tenure documentation and registration with a low level of transaction monitoring or reporting. There is also inefficient property and land valuation system and loose institutional integration resulting in poor service delivery, weak land use planning regulation and control which has impacted a lot on the land and property market of the city.
6. **Very limited municipal revenue.** The city administration is using very low land rental rate and lower benchmark prices fixed fifteen years back, lower tax and other revenue bases, low level of revenue collection system that even does not cover its basic expenses.
7. **The supply of developed land is very much limited.** This is partly due to the absence of a sustainable land finance system. As a result, over the last three years, only very

limited plots were put on the market. The last being in December 2020, when 17 plots were bid out. The plot bidders' ratio was 1:194 that shows a higher demand and intense competition.

8. **The lease benchmark price is location based rather than cost based.** It does not represent the actual lease price of the town. The current cost of land development is much higher than the current benchmark price. This is contrary to the cost recovery intention of the government and also affects the revenue potential of the city.
9. **Permit held land has Zero land value.** This affects the use of collateral and revenue potential of the city in transaction.
10. **There are inconsistencies in the lease and permit system rentals.** There are lease and permit-held properties in the city administered under two different systems which pay two different rental rates (permit lower than the lease) in the same location. This negatively affects business competition. Discussions held with informants showed that those businesses established on permit-held properties have better business opportunities over the lease holders owing to their advantage of lower overhead cost.

According to Lease Proclamation No.721/2011, the permit held property when transferred to the third party through any means other than inheritance will be transferred to the lease system. The person who bought the property is subjected to pay annual lease rent of the plot based on Lease Bench Mark price of the area. In this regard, the buyer is happening to carry out double payment on a single plot. According to discussions with residents and informants, people are less interested to buy permit held properties.

Demand side

11. **There is rapid growth driving demand.** The city is growing rapidly and demand is increasing. From 2017 to 2021 the city population increased from 52,575 to 68,080, which represents a significant 30% increase. At the time of the Italian occupation of 1937, the area of the city was estimated to be 56.77 hectares. Over the following 60 years until 1997, the city gained an additional area of 359 hectares of land. The rate of expansion became quicker and the city gained an additional 2,884 hectares of land only within two decades time.
12. **New land is made available mostly through land allocation.** The major modality of land transfer is allocation which is against the cost recovery principle. The city administration over the last ten years, has allocated 212.8 hectares of land for residential purpose, 25.1 hectares of land for commercial/industrial purpose with a benchmark price very much lower than the production cost of land. Whereas during the same time the city administration has only transferred 11 hectares of land through bid for different purposes mainly business and commerce.
13. **There is very limited data on land transactions.** Data on property transactions was not available at the Land Department to assess the level of secondary market in the city. The only available data was the land price estimate from the brokers which is much higher than the bid price. The last bid, with its plot bidder's ratio of 1:194 has at least shown unmet potential demand of 193 bidders at each plot. The bid payment modality for commerce is 20% and for residence 10% initial payment with the remaining price to

be paid in 50 and 60 years for commerce and residence respectively. The secondary market with its higher price than bid and its 100% upfront payment modality does not attract most of the available potential demand.

14. **The informal land market is booming.** With the primary land market very much limited and the limited access to the secondary land market because of its higher price and payment modality, the informal market has become a key resource for the majority of land seekers even if the price is getting relatively higher than before. The most common payment modality in the informal land market is usually an upfront payment of 60% with its remaining payment to be settled upon the regularization.
15. **Lack of access to credit Services.** The credit policy of financial institutions depends on the collateral arrangement of a property having an equal or more value. Land, the most significant collateral element, has no value in permit-held tenures and in lease held tenures is only limited to the total amount of lease price paid at the time of request for the loan which is not much higher than the initial payment. The municipality, due to lack of registered and valued municipal property to use as collateral, has limited access to finance.
16. **Rental markets are underdeveloped:** The city administration is the dominant residential housing and commercial units' owner and renter. The proportion of private real estate renters is limited to a few office buildings and shops situated in the centre of the town. The town Administration has 282 residential, 250 commercial housing units, 8 market shades and 3240 market stands. The rental rate for residential housing is fixed to be Birr 10/ - Birr 85/ for commercial buildings and Birr 102/ for market shade and stands. However, according to the data from the Revenue Department of the Town, over a five years period (2016-2020), the average annual residential rent collected by the city administration is Birr 8,898. For commercial buildings over the same period an average of Birr380.90 and an average of Birr 14,752 was collected from the rental of market shade and stands. This shows the low level of rental collection and administration in the town.
17. **Private real estate capacity is under developed and too informal:** The involvement of the private sector in the real estate activity in the town is minimal. Property value assessment is conducted by the professionals in the financial institutions for their own purposes. Valuation for transaction and compensation is also exclusively conducted by the professionals in the Land Department. The involvement of private sector is only limited to design and construction of buildings and transaction broker. There are no licensed and professionally fit private valuers/surveyors and land developers that work in partnership with the town. In our discussion with the leadership of the town, the awareness of private sector engagement in this regard is very limited.

Conclusions

There is a huge unmet demand and the gap is widening. The allocation of land with a price far less than its production cost, poor and inefficient revenue collection, the inefficiency in property valuation and the low tax base as well as absence of access to other land financing mechanisms has highly affected the financial capacity of the town. The newly increased compensation rate is difficult to afford and adversely affects land development.

The land market is not functioning well. The low level of land and land related institutional capacity, underdeveloped private real estate actors, the existence of suboptimal land laws, the limited and interrupted formal land market and inaccessible high priced secondary market has forced the majority to look for the informal option which is not secure.

There needs to be a multi-faceted intervention to address the root causes. This should address both supply side and demand side issues and needs to include:

1. Clarification of legal regimes in the peri urban area and resolving the urban land / rural land regulatory inconsistencies to ensure there is no legal or procedural impediment to land use, development and land market activity. Develop city level policy frameworks.
2. Strengthening institutional capacity across the whole land sector. This includes setting up appropriate and effective structures; upgrading human capacity and skills; workforce retention and development; eliminate procedural problems and establish an efficient cadastral and documentation system, with clear and responsive land use planning.
3. Enhancing the financial capacity of the city by improving rates, widen the revenue base, increase collection capacity, emplace cost recovery scheme. Improve municipal property registration and valuation and establish pertinent land financing system.
4. Enhancing private and community participation in the real estate sector through developing private sector capacity and greater knowledge; develop better interaction with service sector and the public.
5. Achieve demand driven land supply and encourage secondary lease and rental markets; ensure transparency, lower barriers to transactions; reassess the current systems of land supply including allocation and bid.
6. Identify key land market data (primary and secondary markets) and ensure that there are systems in place to routinely monitor and report land market activity to support better decision making.

1.3 NOTE ON METHODOLOGY AND LIMITATIONS

The case study assessment has used both primary and secondary data sources. Primary data was collected by using key informant interviews, focus group discussions and field observations. Secondary data was also used to undertake the assessment. Land and land related legal documents and proclamations, annual reports, land use plan reports, statistical reports, financial and revenue reports, etc. have been collected and reviewed to use as an input for the study.

Some of the challenges encountered during the data collection stage are lack of potential resource professionals and informants in the land sector due to high turnover of personnel and poor data management. To minimize the gaps, different primary and secondary sources were used and then issues were cross checked which proved to be time consuming. Attempts have also been made to get data on the primary and secondary land and property markets (formal and informal). With regard to the primary market land transferred by the municipality for different purposes through both allocation and bid has been collected though it lacks the exact sizes of land transferred through each modality. However, estimated quantities were established in discussion with the professionals at the Land Department. Data on the bid price of the town is limited to the price of the last bid round report of December 2020. This may limit the trend assessment but can give a relative price picture of the primary land market. Data on the secondary formal land and property transaction was not available from the Land Development and Management Department. Some example data was obtained from brokers who provided details of twelve recent transactions (four on informal transaction in peri urban areas and eight on the formal transactions) have been collected. Out of which four actual transaction prices on the formal and one on informal has been selected. In selecting the price data, particularly on formal transaction, due care has been taken to get land use and land grade representation. Note there is no routine collection and monitoring of this information by any group.

In general, serious efforts have been made to assess and identify the major constraints on the land market of the city.

1.4. NOTE ON GEODATA AND INDICATORS

A feature of this study was a determined effort to acquire geo referenced data to support land market analysis. Annex E list the geodata that could be acquired. Limited data could be collected, imagery was acquired from 2013 and 2018 showing the changes in development; administrative boundary information was acquired for 2007 and 2020 showing the formal city expansion; and additional planning and topographic material. It was not possible to collect information by kebele linked to land plots, land transactions, or land values. If this information can be tracked yearly, then a clear indication of land market activity and how it varies across the city can be obtained.

An attempt was also made to collect land market indicator information organised according to the following structure

- A Administrative units
 - A.1 admin units
 - A.2 plans in force
- B Area and population
 - B.1 Area
 - B.2 Population
- C Land Tenure and Land Administration
 - C.1 Formal Land data

- C.2. Formal Transaction data
- C.3. Informal Land and Transactions data
- D Land Market Activity Data
 - D.1 Allocated Land
 - D.2 Auctioned land
 - D.3 Destination of allocated / auctioned land
 - D.4. Compensation prices per Ha)
 - D.5 Benchmark prices per Ha)
 - D.6. Market prices for sales - basic land for development
 - D.7, Market prices for sales - residential, commercial, agricultural

The data that could be collected or estimated is reported in Annex E.2. It is hoped that more of this data can be completed during the review process.

SECTION 2. CITY CHARACTERISTICS

2.1 INTRODUCTION

The rapid growth of urban population is causing an exceptionally high increase in the demand for land and housing which in turn has been exerting a pressure on peri-urban land located next to the municipal boundaries. In Ethiopia, the Federal Constitution states that land is public property. Its ownership is endowed to the nations and nationalities of the country. The provision of affordable land to the rapidly growing urban population has become the greatest challenge to the government and urban policy makers of the country. The conventional state-controlled land delivery mechanisms, however, have proven to be grossly inadequate and inefficient in coping up with the demands imposed by rapid urbanization (*Midheme and Moulaert, 2013*). In Ethiopia, the only way of feeding the unabatedly increasing demand for land in urban areas is through expropriation. Transitional peri-urban areas are those places where expropriation measures are largely implemented as a response to the growing urban land demands induced by rapid urbanization. The rapid rate of urbanization accompanied by unpleasant urban development practices in the peri-urban areas has been observed to create two basic discomforts. One, landless poverty-stricken farmers left to enhanced poverty with meagre compensation money. Two, those other farmers avoiding unfair expropriation, sell off their agricultural plot to informal settlers through the informal market with a price better than that of compensation has haphazardly turned the peri-urban agricultural area into unplanned informal settlement. This fundamentally affects the land market in the urban areas. It is with this understanding that an assessment has been conducted in the Assosa town to identify the challenges existing in the land market and come up with viable solution helping to promote a well-functioning land market.

2.2 HISTORICAL BACKGROUND

Assosa is the capital city of Benishangul Gumuz Regional State located in the Western part of the country. The history of Assosa town is directly related with Sheik Hojale Al-Hasaan, who founded the Town in 1937(1929EC). Originally Sheik Hojale, used to live in Gondil area where he escaped the Derbush persistent attack. As a final solution to the frequent attack on his people, he moved to the relatively safest area called Goha, which later called, Arab sefer. Sheik Hojale then elected by the local people as administrator. The administrator built a bigger brick made administration quarter which is currently located in Arab sefer, preserved as one of the Tourist Attraction sites in the region. Shortly following its establishment, Goha became centre of trade for coffee, Ivory and gold products attracting a much higher demand from the traders coming from the British-Sudan colony. Following the invasion of Ethiopia, the Italians in 1937 occupied the town, they built their camp housing 4000 military officials' colonial staffs and their families that made the town to expand east ward to its existing Area. The Italians also changed the name Goha into Atsoso, a Geblawi word for ant that dominantly was swarming over the area following the seasonal flood of a stream river flowing through the place. Atsotso later pronounced into Assosa for its ease. One year later, the Italians set out planned urban roads, an airfield, post office, clinic, administrative buildings and residential buildings for the commissariat. In addition, the Italians allocated land for local people to build their residential and commercial houses. They also encouraged the trade with the British Sudan and invited Sudanese traders to settle in Assosa constructing thatch-roofed houses. With the Italians settled in Assosa, the first three

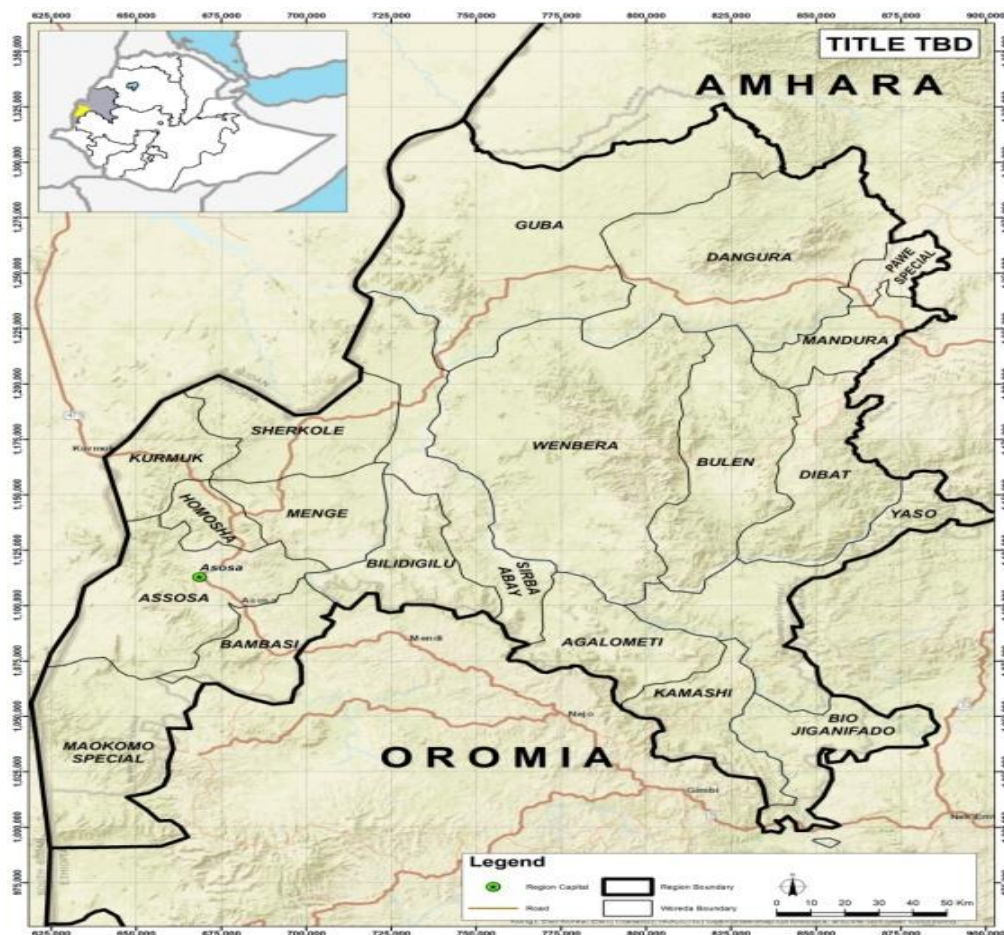
Greek traders came to Assosa one of whom was named Antoni, who introduced Mango tree to the area. He planted the first three Mango trees and constructed his bakery shop between them. All these made Assosa, one of the vibrant urban centres in the west. Following the evacuation of the Italians, the town came under the British Army (for three years) and the Imperial Government Ethiopia for nearly thirty-five years, the town remained unchanged. It was only after 1974 (Dergue Regieme) that the town regained the opportunity for development through the introduction of Production of Agobela Natural gum and incense and a huge resettlement program conducted in close proximity to the town following the Ethiopian drought incident of 1977 EC. During this period, Modern buildings for Senior High school, Referral Hospital, Commercial Bank of Ethiopia and Telecommunication services were built and became functional. These boosted the level and service status of the town.

After 1990, the town has become the capital centre of Benishangul Gumuz Regional Government. With its role of administrative centre functional offices, commercial and business buildings and residential houses have been built and the numbers of the inhabitants have also been unabatedly increased. Currently, with the total area of 2393 hectares the town has 68,080 estimated inhabitants.

2.3 PHYSICAL AND ENVIRONMENTAL

Location: Assosa town is the seat of Benishangul Gumuz Regional State and the centre of Assosa Woreda Administration.

Map 1. Location Map of Assosa



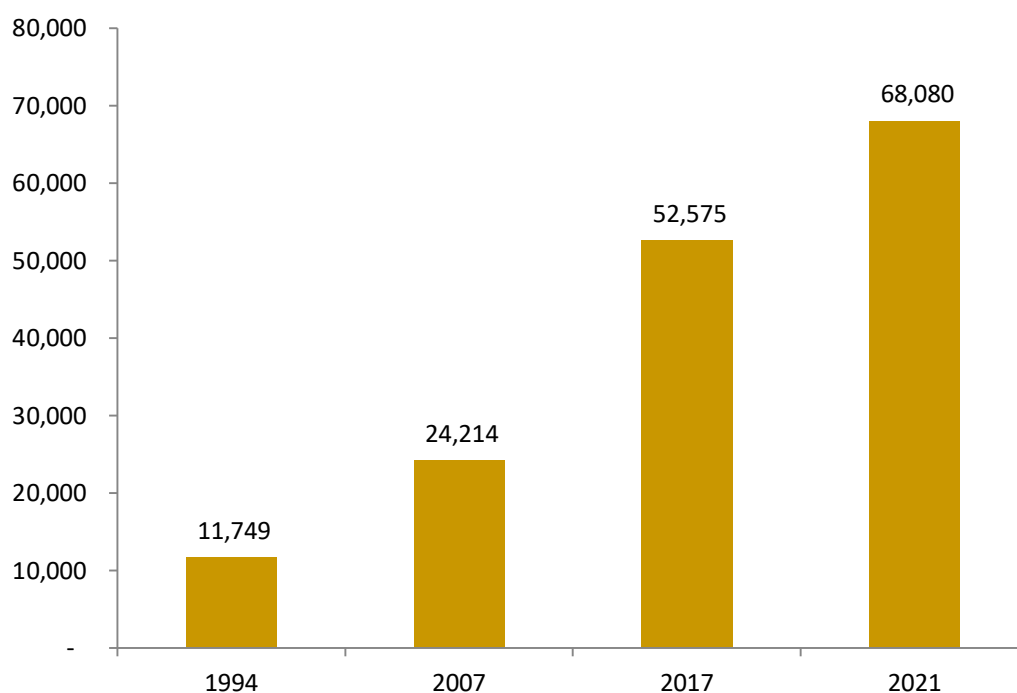
The town is 200 km away from the Sudanese border and 687 km from Addis Ababa. The Great Ethiopian Renaissance Dam is only 180 km away. With regard to the absolute location, the town is located between 10°02' – 10°05' N latitude and 34°31' – 34°33'E longitude. For the last twenty years, the town was administratively organized in four kebeles (01, 02, 03 and 04) but a recent reorganization resulted in two woredas (woreda 01 and woreda 02) and ten ketenas (five ketenas under each woreda).

Physical and Environmental: Assosa town has a total area of 3,243 hectares of urban land and 456,220 hectares of rural land that comprises the total area of Assosa Woreda Administration. The town is situated between the altitudinal range of 1,540 and 1,730 meters above the mean sea level. About 90% of the land escape of the town lies within a slope range of 0% to 15% that shows plateau or flat dominated feature which is suitable for urban development. The town is also characterised by green environment. The green coverage of the town is populated by fruit trees like mango and avocado as well as eucalyptus tree used for consumption and construction.

2.4 DEMOGRAPHIC AND SOCIO – ECONOMIC

Demographic Situation: The report of the Population and Housing Census conducted in 1994 showed that the population of Assosa town was 11,749 (6,324 male and 5,425 female) and the total number of housing was 2,622. In the 2007 census, the population has increased to 24,214 people (12,463 male and 11,751 female). Based on the projection conducted by CSA in 2013, the size of the population in 2017 is estimated to be 52,575 (27,019 male and 25,556 female), more than doubling in size. According to the projection conducted by the Health Bureau of the Benishangul Gumuz Region based on the study conducted in 2019, the size of the population in 2021 is estimated to be 68,080. In five years' time the increase was almost 30% which is quite significant.

Figure 1. Population Growth of Assosa City



Socio Economic Condition: The Urban Employment, Unemployment Survey (CSA, 2020) states that the public sector is the leading employer in Assosa town and constitutes 46% of the total employment while the private sector employed 11%. On the other hand, domestic employment has a significant contribution (6%) to the employment of the town, while self-employed workers in informal sector constitute 28% of the urban employed population. The size of unemployed population in the town is also significantly high. According to the Urban Employment Survey, (CSA,2020) the urban unemployment rate of all age groups for Assosa town was found to be 21.4% of which the share of male unemployment rate was 13.7% and female unemployment rate was 29.3%.

2.5 INFRASTRUCTURE AND GROWTH

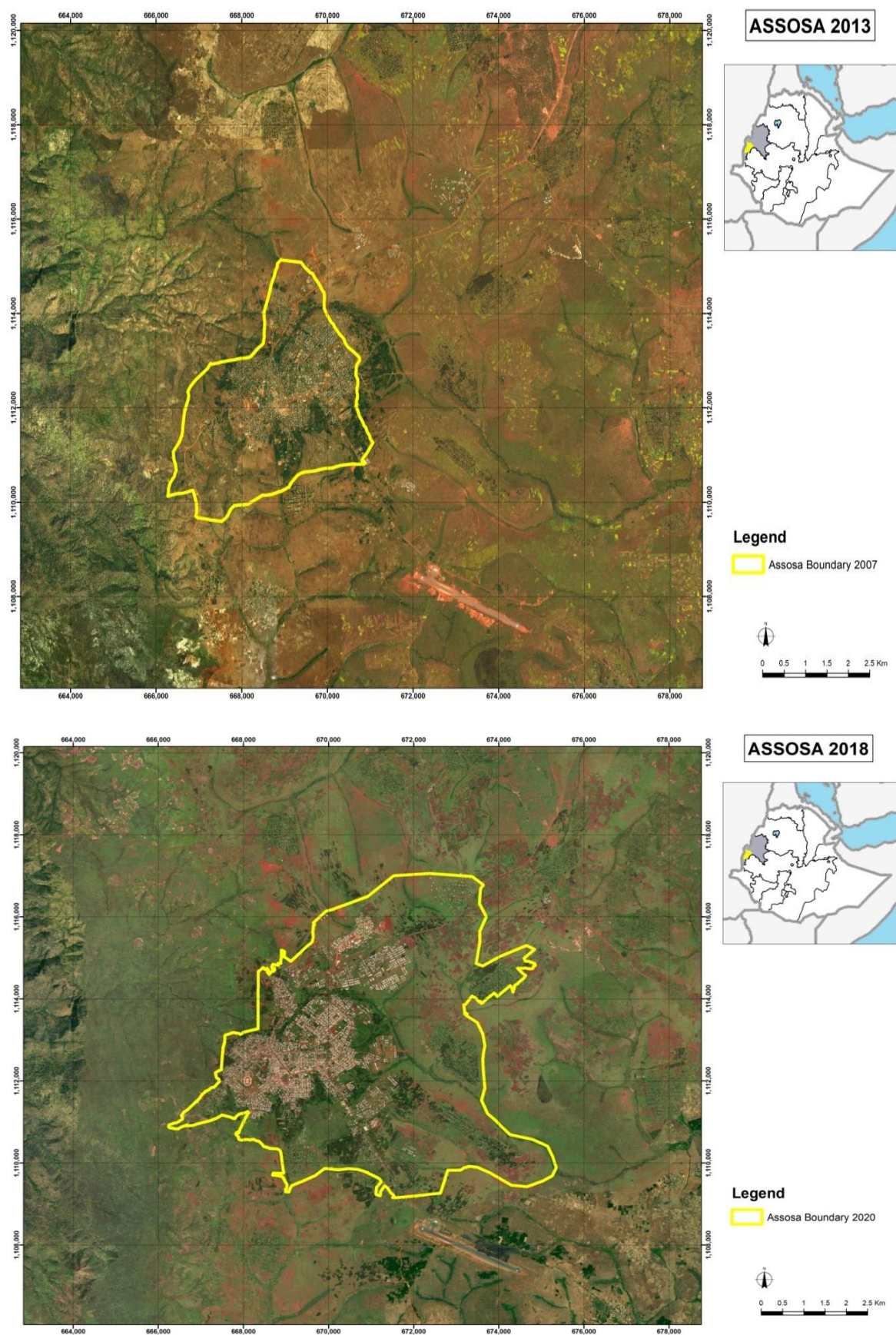
Assosa town has recently under gone very fast horizontal expansion. The growth of the settlement pattern has followed three major historical development periods. The first period was a forty-year period starting from the Italian occupation of 1937 to 1977 where the town initially grown from a simple rural administrative village into a colonial ruling centre to a feudal imperial administrative nucleus having a total area of 56.57 Hectares. During this period the town extended from Arab sefer to Arab Gebeya towards St. Michael Church.

The second phase of physical expansion was from 1977 to 1997, the period marked by the Dergue which led to a very massive resettlement program around the town. Following the resettlement program, major public institutions like health, education, telecommunication and finance were established to serve both the resettled and the town population. During this period the town stretched towards Hospital, Awura Godana and Depo areas and gained an additional area of 302.33 hectares.

The third period of expansion started from 1997 to present, which is marked by the transition of the town from district centre to centre of Regional State. During this period, the town has claimed additional land and extended towards Gibrina sefer, old airport, Medhanealem church and the university area. The town during this time has gained additional built-up area of 2,884 hectares of land. However, this dynamic physical expansion of the town has been lacking a similar development of infrastructure and services.

According to the data from the Service Department of the Town Administration, the town has 363.04 kilometres of asphalt road of which 56.91 km was built by the city administration and 306.13 km was built by the Ethiopian Road Authority as part of the Federal highway. The town also has 28 km of cobble surfaced road, and 66.5 km of gravel road. The remaining 211.55 km is formed by substandard dry weather roads. Overall, the standard road infrastructure serves only 18% of the town. 82% of the settlements are lacking access to primary or secondary level roads.

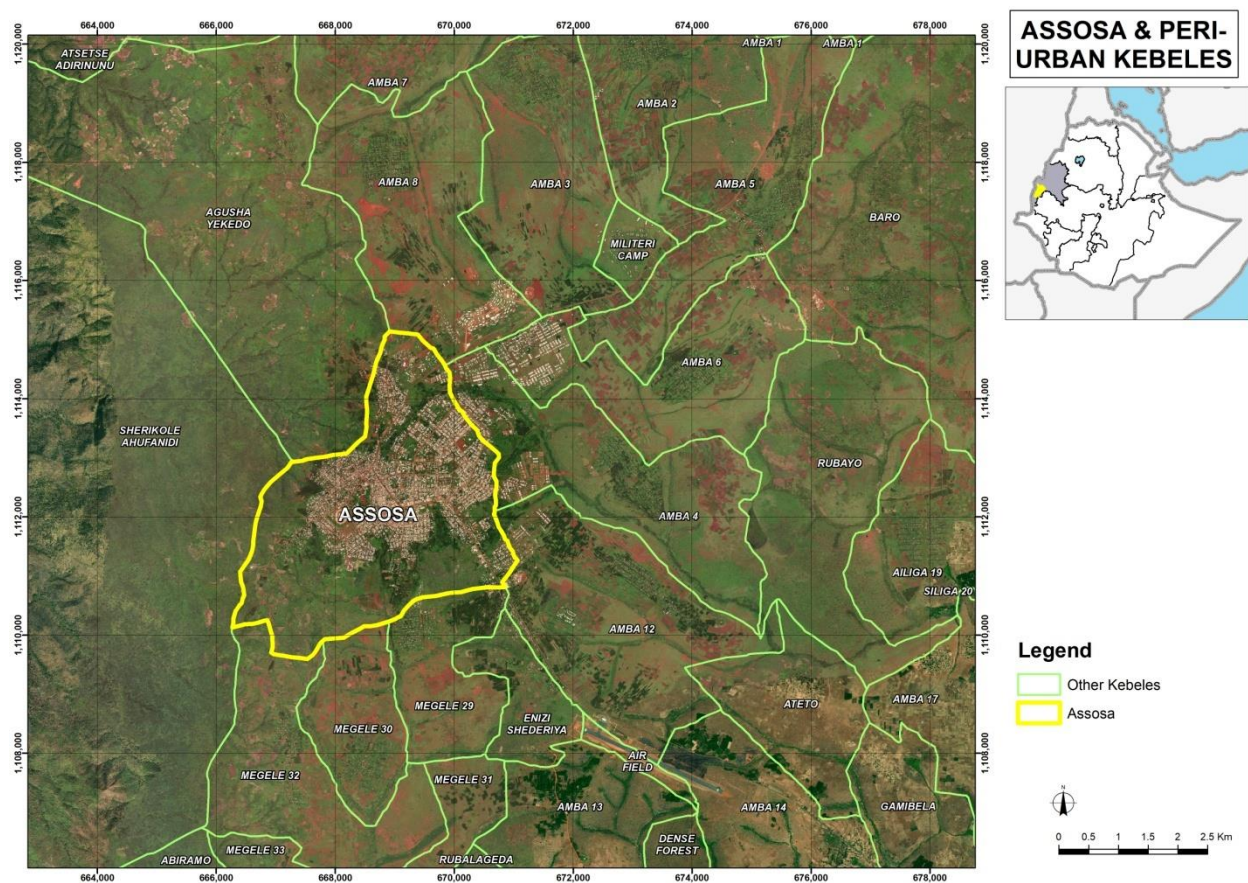
Figure2: Growth of Assosa from 2013 to 2018



2.6 URBAN AND PERIURBAN

Assosa town is a fast-growing urban centre expanding to its surrounding ambas and kebeles. There are about 12 peri-urban kebeles that are strongly linked to the city. These are Agusha yekado, Amba 8, Amba 3, Amba 2, Amba 5, Amba 6, Amba 4, Amba 12, Enzishederia, Megele 29, Megele 31 and Megele 32. The town depends for its agricultural and horticultural products on its mainly nine closely linked peri urban areas. These areas are also a source of forest products used for construction and firewood and charcoal. The peri urban areas are suffering from lack of infrastructure and services and their level of investment and development is also very much limited.

Figure 3. Map of Assosa and its peri-urban area



SECTION 3. SUPPLY SIDE CONSTRAINTS

3.1 POLICY AND LEGAL FRAMEWORK

Federal and Regional Legal Framework

In Ethiopia, all urban and rural land is the property of the state and the Ethiopian people (Article 40(3) of the Federal Democratic Republic of Ethiopia (FDRE) Constitution). The Constitution thus, prohibits the sale, exchange and mortgage of land. The FDRE Constitution as well as other Federal and Regional Land Proclamations ensure free access to agricultural land. The amount of land to be provided to peasant farmers is supposed to be equal. The policy objective is to ensure equality of citizens in using the land. The power to “enact laws for the utilization and conservation of land and other natural resources, historical sites and objects” is provided under the constitution to the Federal government (FDRE Constitution art. 51(5)). To this effect, the Federal government enacted a “Rural land administration and Use Proclamation” in 1997 (Proc. 87/1997) which is replaced by proclamation No. 456/2005. This proclamation delegates regional states with the power to “enact rural land administration and land use law”. Article 40 (4) of the constitution deals with the acquisition of rural land by stating that “Ethiopian peasants have right to obtain land without payment and the protection against eviction from their possession. The law provides the farmers with holding right endowing the farmers with all the rights of an owner except sale and mortgage. The farmer can use the land for agriculture production, have full ownership to the produce collected, have right to rent to fellow farmers (sharecropping), lease to investors, and inherit and donate (as a gift) to family members.

Following the federal policy and legal framework, the Benishangul Gumuz Regional Government approved Rural Land Administration and Use Proclamation No.85/2010, Regulation No.44/2011 and Directive No.018/2014. The proclamation defines rural land as land outside the boundaries of the municipality or outside an area which is designated as town by pertinent law. Rural land administration defines the rules and procedures on rural land by which agreements between land users and any rights and duties on them are regulated.

To administer urban land, the lease system was introduced and Urban Land Lease Holding Proclamation No.721/2011 was approved in 2011 by the Federal Government of Ethiopia. Benishangul Gumuz Regional government has fully accepted the proclamation and also approved Lease Regulation No.65/2012 and Directive No. 11/2012. The proclamation as envisaged in its preamble, has adopted two basic objectives: 1) To satisfy the growing urban land demand resulted because of the fast economic growth of the country; and 2) to ensure good governance for the development of efficient land market and a transparent and accountable land administration system. The proclamation also states in Article 4/1 that the right to use urban land by lease shall be permitted in order to realize the common interest and development needs of the people. The proclamation is basically conducive to create an enabling effective land and property market. Nevertheless, article 24/1 that states

“The lessee may transfer his leasehold right or use it as collateral or capital contribution to the extent of the lease amount already paid”

and Article 16/2 that states

...” the lease contract shall include the construction start up time, completion time, payment schedule (...) and other obligations and failing to commence or

complete construction would entail penalty fee of 3% and the returning back of the land unfinished property”.

The articles restrict the collateral value of the land to the amount of the lease paid which in turn influences the amount of loan available to undertake and complete the construction. In this regard the target was to control land speculation and rent seeking activities rather than facilitate enabling property and land market.

The Lease proclamation also envisaged the need to address social equity in its fundamental principles Article 4/4

“The urban land delivery system shall give priority to the interests of the public and urban centres to ensure rapid urban development and equitable benefits of citizens and thereby ensure the sustainability of the country’s development”

In lieu of this principle, land delivery to government approved self-help housing construction became part of the provision in the proclamation (Article 12/1/c). In a nutshell, the proclamation seems to ensure access to land for housing for those who cannot afford the lease bid price. However, here also the minimum financial threshold set to access the land and the obligation put on the construction start up and completion against the gradual housing construction scheme by the low income groups has made the principle impractical.

Another proclamation adopted by the Federal Government is *the Expropriations of Land Holdings for Public Purposes, Payments of Compensation and Resettlement of Displaced People Proclamation No. 1161/2019*. The objective of the proclamation was to address the interest of the expropriated parties in view of the previous Proclamation 455/2005 that highly favours the interest of the expropriator. Some major changes were in relation to the expropriation of rural or peri urban land. In rural areas, the compensation paid for the loss of agricultural land is a market value of a one-year maximum gained product in the preceding three years’ time multiplied by fifteen. The law also envisaged a resettlement program to be conducted for those people whose land holding have been expropriated to get permanent income. The law also gave a priority right to farmers whose land is marked for expropriation to develop their own land for rural agricultural investment (Art. 7/2). Article 15 also states the provision of 500 of residential land for the farmer whose land is expropriated and the minimum residential plot size for each of his/her siblings with or above 18 years old.

In discussions held with informants and professionals, they appreciate the focus given to assist relocated people (farmers) through different programs and resettlement packages to enable them to adapt to the shift in their livelihood and help them to be productive citizens. However, in an attempt to reverse public complaints on the previous proclamation No. 455/2012, the revised proclamation has increased the compensation rate on agricultural products by 50% (a one-year production market value multiplied by ten to 15) and on the land related property the compensation is the cost replacing the property as new. Regarding the increase in the rate of compensation, the two key comments provided by key informants were: 1) the increased rate would be beyond the financial capacity of the town; and 2) it will raise the cost of land acquisition and development that will in turn raise the land price.

City level legal framework

All the proclamations, rules and regulations approved at federal and regional level are fully implemented at Assosa town. The council of the town administration is legally indebted to adopt and approve the directives emanated from the Federal and Regional Proclamations

and Regulations. The terms of the directives are fully in accordance with the terms of the proclamations and regulations they are driven from. Therefore, the basic strength and gaps observed in the proclamations above are also observed in the directives.

3.2 LAND ADMINISTRATION OVERVIEW

Federal Land Administration

It is clear that the Ethiopian constitution asserts state ownership of land (Constitution Article 40). Even if the administration of land is decentralized to the regional governments, major land related policy issues are articulated by the Federal Government. In connection with the constitutional article that has vested the right to administer land for the regional governments, a very thin line of responsibility to undertake technical support and coordinate regional efforts on urban land have been given to the Ministry of Urban Development and Construction. Likewise coordinating the effort of regional governments on rural land has been given to the Ministry of Agriculture. At the regional level, the Benishangul Gumuz Regional Government has a full land administration authority both on urban and rural land. The regional council has established a Bureau of Rural Land Administration and Use and related functional offices at woreda level. The bureau coordinates, support and organizes the functions of woredas, such as certification and administration of rural land. With regard to allocation of rural land for investments based in the rural areas, the bureau sets standards, registers and passes the application over to the approval of the regional cabinet, after which the woredas, the lower structure in the region to administer land, would undertake the handover of the plot under the lease agreement. The bureau is also responsible to organize the land information system and support the preparation of rural land use plan and provide other necessary technical support.

Regional Urban Land Administration

Regional Institutional Capacity and Integration

The region also has decentralized the responsibility of administering urban land to the city administration. The responsibility to administer the land of Assosa town is vested on the city administration of Assosa town. At the regional level, the responsibility to coordinate and support the functions of urban land administration has been given to the Bureau of Urban Development and Construction. The Bureau has functional directorates of which the following two are highly related to land administration;

- a) **The Land Use Planning Directorate:** This directorate is organized under the Regional Bureau of Urban Development and Construction and coordinates preparation and revision of urban land use plans of the town including Assosa. Structurally, it is the only planning organization for the region as there is no planning unit based in the towns. In view of this unique structural arrangement, issues on the institutional capacity to perform their duty and the level of integration with towns with particular emphasis to Assosa have been discussed during the field work. The discussion revealed that there is high turnover of manpower and the directorate is highly understaffed working with less than 50% of its intended capacity and this has inhibited the performance of regulatory and follow up activity. The functional integration between the town and the directorate is also found to be loose.

- b) **Land Development and Management Directorate:** The Regional Urban Development and Construction also organized Urban Land Development and Management Directorate to coordinate and provide technical support to the land administration functions of the towns in the region including Assosa. The directorate is also responsible to undertake regulatory activities and coordinate the land administration reform activities. Discussions were conducted during the field work as to the institutional capacity and the level of integration between the towns and the directorate. The discussions revealed that the directorate is suffering from a low level of manpower working with less than 30% of its intended capacity and this impedes its ability to perform its duty. The linkage and integration between the Directorate and the towns is so low. There is no regular reporting, follow up and evaluation mechanism between the organizations.

The coordination and support of the Peri urban area land administration at the Regional level is bestowed for the Rural Land Administration and Investment Bureau with its functional GIS, Land Administration, Land Use Planning and Investment Teams. The Bureau and the respective teams are responsible to coordinate and support the registration and certification of rural and peri urban land, organization and administration of rural land information, coordination of the preparation of rural land use and follow up and also registration and facilitation of investments held in the rural areas. The discussion held during the field work with regard to the institutional capacity and level of integration between the woredas and the Bureau revealed that the bureau has relatively better skilled man power, technologically and logistically in better position to perform its duty. The level of integration between the woredas and the Bureau is so strong which is observed from the existing strong regular reporting and follow up system in the sector.

Thus, at regional level, the institutional capacity and integration of the urban land use planning and Land Development and Management directorates when viewed in relation to the rural land administration seems very limited and restricted, resulting in the poor urban land development and management system of Assosa town.

Urban Institutional Capacity and Integration

The Council of Assosa town has established the Department of Urban Land Development and Management under the Legal Provision of Proclamation No.141/2016. The Department has no functional units to undertake land administration matters. Land development, transfer, administration is conducted by a few individuals having limited capacity and skill. Documentation and data organization is extremely poor. Tenure administration, registration and codification of tenure ownership, identification and control of the land resource of the town, valuation of property and land grade of the town, the practice and skill of rent and tax setting are all very weak. According to the discussion with the officials and professionals of the department, they are working in a very tense condition because they are under staffed and working with less than 40% of man power intended for the department.

The functional linkages between and among institutions, which have a decisive role in land administration such as the notary office/justice office, the revenue office and the banks, are very loose and create a remarkable gap on transaction, rental and tax collection as well as collateral registration. To further worsen the situation, the town does not have an organization or a unit responsible to check and control the functionality of land use plan of

the town and make decisions and improvements on minor necessary changes need to be made.

Urban Tenure Administration

According to the data from the Land Development and Management Department of the town, there are an estimated total of 15,729 properties in the town of which 7,476 are permit held and 8,253 are lease held properties.

Table 1. Holdings by Land Use and Tenure

Tenure Type	Land use Type	Number of properties
Permit Holding	Residence	6,547
	Business and Commerce	929
Lease Holding	Residence	7077
	Business and commerce	1176
Total		15,729

Source: Land Development and Management Department Professional Estimate (2021)

There are also permit held properties without proper tenure documentation or title deeds in the town. According to the data obtained from the Assosa town Land Development and Management Department, there are about 380 properties that have remained for a long time without proper documentation or title deed. Out of the total non-title deed properties, 10% were estimated to be of sub-standard plot sizes (less than 150-meter square) and so legally restricted from getting a title deed. This highly damages the level of security and value of the properties.

Urban Cadastral Information

The establishment and use of cadastral information and the registration of plots of land and land related properties, is quite essential for efficient transaction and service delivery enhancing tenure security of the citizens. In view of this fact, an attempt was made to establish a manual cadastre of Assosa town in 2015/16 commissioned by the Federal Land Development and Management Bureau of MUDC. A door to door and block by block registration and measurement was conducted. A total of 7,032 parcels were recorded, coded and important cadastral parameters like name of the owner, area of the plot (by document/by measurement), parcel number, file code, title deed identification number and rental fee were collected and encoded using excel sheets. In addition to this, cadastral map for four kebeles (Assosa01, Assosa 02, Assosa 03, Assosa 04,) were prepared and made ready for printing.

The consulting team has synchronized the collected data with the available tenure documents in the department and identified 1,782 parcels with no tenure document and, 371 plots have no defined parcel area. This exercise also revealed that all the non-lease parcels occupied a total area of 2,856,820m² of land /285.7 hectare/ with an average parcel size of 406m² of land. It was also confirmed that out of the total 7,032 non lease parcels, 2,084 parcels (29.6%) have informally included a total of 1,834,456 m² (183.4 hectare) of land in their premises being used without paying a rental fee.

In addition, very modern documentation shelves have been installed and tenure files were arranged accordingly. Though serious efforts have been done to modernize the tenure administration of the town by establishing cadastral information system, it is currently no

more functional. The assessment conducted during the field work, have shown very low level of Tenure documentation and administration that has highly impacted not only the property marketing but also on the good governance of the town.

Figure 2. Example of poor Tenure Documentation storage in Assosa's Land Department



Rural Land Administration

The town administration also administers rural land under the Rural Land Proclamation No. 85/2002 According to the Woreda Agriculture Office the total rural land resource is about 456,220 hectares. The Woredas' Rural Land Administration has issued title deeds for 55,974 plots and 9,696 green Books for farmers and institutions in the rural areas. The issuance of certificates and green books for farmers is important to enhance the level of tenure security of farmers. According to discussions held with the farmers and the professionals in the Rural Land Administration, the plot size per household ranges from half hectare to six hectares of land. The major reason for the variation in size of the plot is land subdivision practiced in the peri urban areas of the town. Discussions held with farmers at Amba 12 revealed that households subdivide their farming land for their siblings to help them own their housing unit or sell out for speculators or informal settlers for a price higher than the newly revised compensation rate. The field visit conducted in the peri urban areas and around the newly delineated industrial park has proved the influx of informal settlements.

3.3 LAND USE AND LAND MANAGEMENT

Urban Land Use and Management

Land use goes with the function of the land resource and land use plan is the tool that enables economic and efficient use of land for sustainable urban development. To this

effect, the first Master plan of Assosa town was prepared in 1979 by the Ministry of Urban Development and Housing (MoUDH). This plan had served the town until 1993 and the Second Development Plan of the town was prepared in 1996 by National Urban Plan Institute (NUPI). The plan served the town until 2006 when the third Integrated Development Plan was prepared by the Federal Urban Plan Institute (FUPI). This plan served the town until 2017. The Recent Master Plan of the City is prepared by the Civil Service University to be used until 2027.

The National Land Use Plan Strategy has put a standard for urban land use with an objective of achieving balanced land use and liveable urban environment. The strategy assumes 30% for roads and infrastructure, 40% for built-up and 30% for greenery and recreational purposes. The recently conducted assessment shows that Assosa town has a total area of 3,243.28 hectares of urban land. The current use shows 27.82% residential, 2% commercial and business, 1% industrial and 18.51% is land reserved for road and transport. This shows that the area designated for business and commerce as well as industrial use is very limited. This represents a huge gap with respect to the national standard and shows how the proposed land use has not been efficiently utilized. According to the data obtained from the plan *Report of the Town*, over the last ten years, there were over sixteen major land use changes conducted against the land use plan of the town that has affected the land use efficiency. For example, areas proposed for mixed use have been turned into pure residential areas and areas meant for manufacturing have been used for residence and services. According to key informants, this was due to lack of institutional capacity to undertake effective control and follow up.

Rural land use and management

According to Assosa Woreda Agricultural office, there are 456,220 hectares of rural land grouped into six land use categories. The proportion of cultivable and uncultivable land is 22.2% and 22.5% respectively. The following table shows the type, area and proportion of the rural land.

Table 2. The Existing Rural Land Use of Assosa

Type of Land Use	Area	%
Crop	36,452	8.0
Grazing land	28,888	5.2
Forest land	34,000	7.5
Cultivable land	100,983	22.2
Uncultivable Land	102897	22.5
Other Land use	158000	34.6
Total Land In hectare	446,220	100

Source: Assosa Woreda Administration Agricultural Office, 2021

The uncultivable rural land is the area for future urban expansion and other non-agricultural development, and it has to be managed through integrated land use planning. Very recently, two Peri Urban Land Use plans for Amba 12 and Mender 51 were prepared by the Rural Land Administration Bureau in cooperation with GIZ –PILUP Project and the Structural Plan of the town was also revised by the Ethiopian Civil Service University. However, the assessment and discussion conducted with key informants shows that the urban and Peri

Urban plans were not integrated. The discussion held further revealed that the effort done on the Rural Land Use team to coordinate their effort to come up with an integrated urban/rural land use plan in sound conformity to each other was not well responded. Consequently, both the urban and rural plans were prepared separately in complete disconformities to each other. Particularly, the Amba 12 Land Use Plan, the nearest peri urban area to the town, is expected to be the major source of land use conflict. Areas where the structural plan proposed one purpose are meant for different purposes in the other one. In addition, areas meant for green and forest have been widely invaded by informal settlements (e.g., Enzi Mountain). Thus, alike the urban area, land use inefficiency is also highly observed in the peri urban area of the town.

3.4 VALUATION AND TAXATION

Urban Land Lease Holding Proclamation 721/2011 Article 14/1 stated that each plot and parcel of the urban land must have a lease benchmark price. The bench mark price was fixed in 2018 based on the location factors rather than the cost factor which is against the terms of the Proclamation. According to the discussion held with staff in the planning Directorate of Benishangul Regional Government, seven factors had been identified to fix/update the lease benchmark price. They are:

- a. Infrastructure factor (40%)
- b. Land use factor (20%)
- c. Location factor (20%)
- d. Topographical factors (2%)
- e. Environmental quality factors (3%)
- f. Accessibility to social services (15%).

Each factor has several value-based criteria by which the blocks and parcels of the town have been correlated, weighted and assigned to one of four broad categories, Land Grade 1 to Land Grade 4. To further qualify the value of the broad categories, each land grade again was subdivided in to three sub categories (see Table 3). The value of each sub grade in turn was translated into a bench mark price representing the value of the designated category. The lease benchmark price is a minimum lease price for a meter square of land for the total lease period of the land use. The lease period for each land use is stated on the Lease Proclamation No.721/2021 which is 99 years for residence, 15 years for urban agriculture, 90 years for social services, 70 years for industry and 60 years for commerce and business.

Table 3. Lease Benchmark Price by Land Use and Land Grade

Land Grade	Land Use and Benchmark Price /meter square in Birr				
	Commerce	Mixed	Industry	Social	Residence
1/1	280	270	199	263	190
1/2	275	266	192	258	187
1/3	270	261	184	254	182
2/1	250	241	181	240	162
2/2	244	237	174	237	158
2/3	239	231	166.5	233	153
3/1	214	211	159	220	134
3/2	210	217	151.5	216	131

3/3	205	210	144	213	127
4/1	175	195	136.5	210	125
4/2	168.5	120	129	206	123
4/3	160	115	121.5	201.6	120

Source: Land Development and Management Department (2021)

The *Lease Benchmark Price* according to the definition by the Lease Proclamation 721/2012 Article 2/11 is the threshold price determined by taking into account the cost of infrastructure development, demolition cost as well as compensation to be paid to displaced persons in case of built-up areas and other relevant factors. The major approach in this case is to fix the benchmark price on cost basis besides other relevant factors. This new approach is based on cost recovery to enable the urban areas recover the cost of infrastructure and land development. In order to capture these costs, the proclamation Article 14/3 indicated the need to undertake a timely revision of the benchmark price at least every two years. However, against the terms of the proclamation, the benchmark price still in use has been revised accordingly. Hence, it is very evident that the town has been allocating a plot of land for the price very much lower than its cost of development. To clearly understand as to how far the lease price is affecting the financial status of the town it is much better to view the annualized rental price of the lease holding against the estimated land development cost of Birr 500/meter square in the following table.

Table 4: Land Development Cost vs Location Based Bench Mark Price

Items	Annualized Lease Benchmark Price and Land Development cost /meter square/year in Birr				
Land Use	Commerce	Mixed	Industry	Social	Residence
Lease Period	70	70	80	90	99
Development Cost	7.14	7.14	6.25	5.55	5.05
Benchmark price in Land Grade1/1	4.0	3.85	2.48	2.92	1.92

Source: Computed from Land Development and Management data (2021)

As indicated in Table 3, for land grade 1/1 (where the land is relatively fully serviced) there is a significant difference between the benchmark at which the town is allocating a plot of land and the estimated development cost of the land. In this regard, the town administration is unnecessarily subsidizing individuals by transferring a plot of land with a price less than its production cost, which is against the cost recovery principle of the government.

Permit-held land value

Data obtained from Assosa Woreda Land Development and Management Department shows 6,547 residential and 929 commercial permit owned parcels having an average plot size of 406m² of land in town. These plots are supposed to pay an annual rental fee. The rental fee rate was fixed in 2019 nearly ten years before by the Benishangul Gumuz Regional State Urban Land Rent Directive No.140/2019. The rental rate was fixed based on the land grade of the town for different land uses, namely commerce, industry, social and residence. The rental fee of the permit-held land was fixed far below the lease benchmark price located in a similar land grade. The permit-held plots would automatically change into

lease-held and get a lease benchmark value of the area and use upon transfer to a third party. In this regard, the Urban Lease Hold Proclamation 721/2012 Article 6/3 states that a permit holder would assume a lease right and a value equal to the lease benchmark price only when it is transferred to a third party through any modality other than inheritance. The permit-held property, unless transferred to a third party through sale or gift, would remain paying a minimum rental fee for the land. Therefore, the existences of lease and permit-held properties in the city being administered under two different systems paying two different rental rates (permit lower than the lease) in the same location would negatively affect a fair business competition between the properties. Discussions held with informants showed that those businesses established on permit-held properties have better business opportunities over the lease holders owing to their advantage of lower overhead cost. On the other hand, According to Lease Proclamation No.721/2011, *the permit held property when transferred to the third party through any other means other than inheritance it will be transferred to the lease system*. The person who bought the property is subjected to pay annual lease rent of the plot based on Lease Bench Mark price of the area. In this regard, the buyer is happening to carry out double payment on a single plot. Consequently, though it needs further study, according to discussions with residents and informants, people are less interested to buy permit held properties.

To try and address the problems and minimise the rental gap between the two systems, the Ministry of Urban Development and Construction through its Urban Revenue Reform Project Office has initiated a study to be conducted on three pilot cities, Dire Dawa, Bahir Dar and Mekele. According to the information from the Project Office, the study has been successfully completed but it needs further work in order to be realised in the pilot cities and then replicated to other urban areas. This may take a long time for Towns like Assosa to solve the problem.

Table 5. Permit- Held Land Rent by Land Grade

Land Grade	Annual Land rent By Land use/meter square in Birr				
	Residential	Commercial,	Social	Industry	Agriculture
Grade 1	1.30	2.40	2.30	2.40	1.40
Grade 2	1.20	2.30	2.20	2.30	1.30
Grade 3	1.10	2.20	2.00	2.20	1.20
Grade 4	1.00	2.00	1.75	2.00	1.10

Source: Urban land rent directive number 140/2012 of Benishangul Gumuz Region

Property and transaction tax

With regard to land and land related properties, two types of taxes are levied by the government. These are **property tax** which is levied on the market value of a property as an annual payment to the government and **transfer tax**, which is levied on the transaction price of a property. They are important sources of revenue for the municipalities. The property tax is levied in principle on the market value of the property. In Assosa town, the valuation of property remains one of the major challenges. Lack of skilled manpower, technology and absence of basic and up to date information on property has highly restricted the coverage and volume of taxation. Taxation basically depends on the three principles of social equity, simplicity, and constant revenue base. According to the information obtained from the

Finance Department of the town, currently only 10,870 commercial and residential buildings are taxed. Most of the lease hold properties transferred through allocation have not been yet valued and taxed. There are also more buildings that have not been valued and taxed.

In the case where a property is transferred to a third party by sale or gift, there is a legal requirement that stamp duty is paid for such a transaction. The Stamp Duty Proclamation No.110/1998 states the buyer of an immovable property shall pay stamp duty at the rate of 2% of the sale amount. Property transfer tax base is the sales price of the property as agreed between the transacting parties. However, there is usually an estimated price/value for buildings in the land departments of urban areas. When the negotiated price is below the value estimate in the land departments, the municipal estimate applies. To this effect, the Justice Department of Assosa town, before approving the transaction asks the land department to send them the estimated value of the transacted property without mentioning the negotiated price of the parties. As no recorded data is available on the estimated value of the designated property, a new data set is collected and computed by professionals in the land department. Discussions held with the Justice Department and other informants show that the negotiated price by the transacting parties was always much higher than the estimated value of the property by the land department. There seems to be three major causes for the gap in price: 1) the low level of skill in evaluating the property; 2) the land value (which is the major price element on the part of the transacting parties) tends not to be considered; and 3) the illicit practice assumed to be committed by the professionals to down estimate the value to pay minimal transaction tax. Following the approval of the Justice Department, a title deed transfer and registration is held upon the payment of 2% stamp duty plus 4% transaction tax(6%) for residential and 4% stamp duty plus 11 % transaction (15%) for commercial buildings.

3.5 LAND ALLOCATION AND EXPROPRIATION (LAND ACQUISITION)

The town has been acquiring peri urban agricultural land through compensation and relocation for housing, public buildings and investment purposes. According to the data from Land Development and Management Department, the town has expropriated nearly 1.5 hectares (from 2017 to 2020). To acquire that amount of agricultural land, a total compensation cost of Birr 11,482,831.41 was paid which on average was Birr 765.5 per meter square. The dominant compensation items were permanent trees like eucalyptus, and fruit trees like mango and avocado, that increased the cost of compensation much higher than the cereal based agricultural plots. According to discussions with land department, there are also farmers who have not even received their compensation for the last three years owing to the financial constraint of the municipality. The process of land acquisition in the peri urban areas was also discussed to be slow and full of complaints. The reason was lack of skilled manpower to efficiently undertake valuation and loose institutional integration to undertake resettlement programs. As a result, land acquisition by the municipality from the peri urban areas has become very much limited. The town has been forced to seek for vacant unused /underutilized pockets of land in the town. Over the last five years the town has acquired/collected 76.15 hectares of vacant semi serviced land for residential and different purposes. The use of pockets of land in the urban areas was very essential as the cost of acquisition is very insignificant, mostly that of clearing and levelling. However, the visit conducted on most of these sites show absence of basic infrastructure and services to make them ready for transfer and use.

3.6 LAND FINANCING MECHANISMS

Professional estimates put the cost of developing a hectare of land in peri urban areas between Birr 450 to Birr 500/m². This surely will be much higher in areas like Assosa where cash and fruit trees receive a higher compensation price than agricultural land. The assessment has clearly shown that Assosa town has limited financial resources and is not able to finance the land development costs from its own resources. The Ministry of Finance and Economic Development (MOFED) chart of accounts states both state and municipal revenue items. Municipal revenue items include building tax, land rent and lease rent and other service charges. State revenue is collected from income tax. The municipal and state revenue over the last five years (2016 -2020) is indicated in the following table.

Table 6: Municipal Revenue of the Town (in million Birr)

Revenue item	2016	2017	2018	2019	2020
Municipal	9.4	15.0	25.8	23.4	35.3
State	40.3	42.3	63.4	55.8	99.7
% Municipal.	23.3	35.4	40.6	41.9	35.4
Total	49.7	57.3	89.2	79.2	135.0

Source: The Revenue Department of the Town (2021).

As shown in Table 6, the municipal revenue of the town is far less than the state revenue. This is because: 1)out of the total 7,077 lease-based plots only 1,098 plots (15%) are paying the lease fee and building tax and 2) there is a very high number of rent and tax arrears.

According to the data obtained from the Finance Department, over the last five years (2016 – 2020) there were 4,892 building tax arrears files with overdue tax amount of Birr 6.1 million (over 135,000 USD), 3,840 land rent arrear files with overdue payment of Birr 8.3 million (over 180,000 USD), and 1,280 lease payment arrear files with overdue payment of Birr 2.9 million. There are also other multi-faceted factors ranging from poor valuation technique to lack of well administered and complete data covering all the possible taxpayers. Consequently, there has always been a negative balance between the municipal revenue and expenditure. Owing to the imbalance in the financial status, the land development budget over the last five years was very minimal and limited to the cost of compensation. The Urban Land Lease Holding Proclamation No.721/2012 Article 8/C states that urban areas should put out forbid fully as a serviced plot of land. To meet the terms of the proclamation, according to the discussion held with the land development and management sector, there is a general guide line by the government to allocate 90% of the lease revenue for land development to ensure continues supply. However, as shown in Table 7, there were no land development costs allocated in 2016; in 2017 and 2018 the revenue from the lease did not even cover the payment allocated for compensation; and in 2019 and 2020 a very insignificant amount was allocated for compensation.

Table 7: Municipal Revenue VS Expenditure (2016 – 2020) in Million Birr

Year	2016	2017	2018	2019	2020
Revenue	9.5	15.0	25.8	23.4	35.3
Expenditure	37.6	46.6	60.2	41.6	60.4
Balance	-28.1	-31.6	-34.4	-18.2	-25.1

Revenue from the Lease	1.9	1.3	4.3	2.8	8.0
Compensation payment		4.5	6.7	0.11	0.14
% of compensation from Lease Revenue	-			4%	1.75%

Source: Assosa town Administration Revenue Department

3.7 INVESTMENT SUPPORT AND GREEN FIELDS / NEW DEVELOPMENT

INVESTMENT SUPPORT

The Constitution of the Federal Democratic Republic of Ethiopia Article 40/6 states that, without prejudice to the rights of ownership of land by the Ethiopian Nations, Nationalities, and Peoples, government shall ensure the right of private investors to the use of land on the basis of payment arrangements established by law. Particulars shall be determined by law.

According to the discussion conducted with Mr. Ibrahim, Chairman of Association of investors, there is no support mechanism for investors. According to the Chairman, at one time there was a practice of loan arrangement for investors by putting the land as collateral that turned out a bad debt. All the investors that have borrowed money from the Development Bank of Ethiopia left their agricultural sites without paying back their debt which enforced the government to cancel the financial support mechanism. Consequently, the investors are nowadays under immense pressure to secure a bank loan. This has significantly affected the investment sector of the region. Other support mechanisms are tax holidays and duty free import on machineries, vehicles and necessary tools and equipment, depending on the level and type of investment.

New land development

Industrial Park Development

In order to promote the development of the country in general and the urban areas in particular, create jobs and attract foreign direct investment, the development of industrial parks in selected key resource areas is of vital importance. To this effect, the Ethiopian Government has adopted and approved Industrial Park Development Proclamation No. 886/2015 and established the Industrial Park Development Corporation to coordinate, finance, manage and administer the development of industrial parks in the country. The corporation will acquire the land in agreement with regional governments and town administrations are meant to develop and transfer to foreign or local investors through lease agreements. In accordance with this legal frame work, 1,000 hectares of land were identified in a peri urban area of Assosa town (around Abrahamo). The area was surveyed and an estimated compensation cost of Birr 186 million was reported. However, the higher compensation cost has not been paid and park development has not yet started.

Industrial Village Development

The Integrated Development Plan of Assosa identified and located 100 hectares of land adjacent to the asphalt highway to kurmuk very near to Assosa University. The plan was to develop the area in two phases of 50/50 hectares each. But the village has not been developed fully according to the plan. With the exception of the major asphalt road and the electric line running adjacent to the high way, no infrastructure has been laid in the area.

In general, the assessment conducted shows that the attempt to develop industrial parks and villages has remained impractical and there are no land development activities underway or planned to be implemented soon. Thus, the town is under heavy pressure to respond to the greater demand of its inhabitants.

3.8 PREVIOUS WORK / ONGOING PROGRAMMES RELEVANT TO THE CITY

After year 2000(Gregorian Calendar), the Ethiopian Government made serious efforts to modernize the urban and rural land sectors. With regard to the urban land sector, the government selected Addis Ababa as a piloting ground for urban land related reform programs. However, owing to the complex nature of the problems in the sector, the plan to finish piloting in short period of time didn't work as intended. Owing to this fact, the Federal Government has decided that cities could undertake their own urban land sector reform on their own exclusive resources. The Ministry of Urban Development and Construction became responsible to provide technical assistance and consultation in cooperation with the regional governments. Based on this decision, the Ministry of Urban Development and Construction initiated urban land sector institutional reform programs and has conducted trainings on various land related fields and proposed institutional restructuring to improve the level of service delivery. However, in this regard the implementation highly depended on the commitment and priority of the regional governments. With regard to Benishangul Gumuz, the discussions conducted with officials at the Federal Land Development and Management Bureau and in the Land Department of the City shows that the reform was not practical.

The GIZ Participatory and Integrated Land Use Planning Project (GIZ-PILUP) is working in bilateral relation with the Environment, Forest and Climate Change Commission and the Bureau of Rural Land Administration and Investment at the Regional level. The project targeted to modernize and improve rural land productivity through integrated and community need responsive land use approach. In the face of faster pace of urbanization and its inevitable expansion towards its periphery, GIZ-PILUP also addresses the relation between urban and rural areas (i.e. the peri urban areas) which is also the target of this study.

SECTION 4. DEMAND SIDE CHARACTERISTICS

4.1 LAND AND PROPERTY AVAILABILITY – ACCESS TO LAND

One of the major provisions in the constitution of the Federal Republic of Ethiopia, Article 40/1 states that, every Ethiopian citizen has the right to the ownership of private property. Unless prescribed otherwise by law on account of public interest, this right shall include the right to acquire, to use and, in a manner compatible with the rights of their citizens to dispose of such property by sale or bequest or to transfer it otherwise. The same constitution on the same Article sub article 3) also states the right to ownership of rural and urban land, as well as of all natural resources, is exclusively vested in the State and in the peoples of Ethiopia. Land is a common property of the Nations, Nationalities and Peoples of Ethiopia and shall not be subject to sale or to other means of exchange. The above two sub articles entail that land related property can be owned privately and could be accessed through sale/gift or inheritance while land is accessed formally through lease rental arrangement. In Ethiopian urban areas, there are three land and property transfer markets through which people get access to land and land related properties. Each of them is described as follows:

- The primary market**, the land transfer market by the government to individuals or companies.
- The secondary market**, the property transaction market between parties owning formal holdings.
- The informal land market**, the informal land transaction between a land user and a third party.

We look at these in terms of residential, commercial/ industrial land, and agricultural land.

Residential land

The Assosa municipality has been delivering plots of land for residential purpose on lease basis since 2007 for individuals and members of housing cooperative associations seeking to build their residential housing. The following table shows the residential plot delivered in the town by kebeles.

Table 8: Residential Land Transferred in Assosa through Allocation and Bid (2007 to 2020)

Kebele	2007		2008 - 2014		2015-2020		Total	
	plots	Area/ m ²	plots	Area/m ²	plots	Area/m ²	plots	Area/ m ²
01	154	20,370	405	143,419	1655	572,458	2214	736,247
02	60	20,317	213	11,542	437	15,100	710	46,959
03	10	3,382	166	52,408	1413	470,828	1589	526,618
04	70	26,978	559	188,251	1935	603,520	2,564	818,749
Total	294	71,047	1343	395,620	5,440	1,661,906	7077	2,128,573

Source: Land Development and Management Department: 2021

As it can be seen from the above table, 7,077 plots of land with a total area of 212.8 hectares have been transferred for residential purpose through allocations. Of these, 72.5 hectares of land were allocated to 2,414 individuals organized in 118 housing cooperatives

while the remaining 140.3 hectares of land was transferred to 4,663 private individuals through allocation. With regard to the residential plots transferred through bid, the higher winning bid price was Birr 3,510 per m² and the lower winning bid price was Birr 2,702 per m². Owing to the shortage in land supply, there are still over 90 housing cooperatives in a waiting list.

Commercial / industrial land

The town administration also transfers land for commercial and industrial purposes. According to the Land Development and Management Department, over the last ten years 1,176 parcels of land with an area of 361,770m² was transferred for commercial and industrial purposes through both allocation and bid modalities. According to the data from the Finance Department, only 359(30%) of these plots were transferred through bid arrangements while the remaining 817(70%) plots were transferred on allocation basis with a minimum benchmark price. The last round of bid was held on December 2020 for 17plots (fifteen commercial and two residential). Despite the limited lots put on bid, 3,298 bid documents were purchased by bidders which was on average 194 bidders per plot. This shows there is shortage of land supply. As a result, according to the discussion held with the professionals in the Department, the bid price was relatively higher than other previous prices. According to the data obtained on the lease price, for commercial/business plot the higher winning bid price per m² was Birr 5,006 and the lower winning bid price was Birr 1,575 per m².

Table 9: Land Transferred for Commercial /Industrial Purpose by kebele.

Kebele	Number of plots	Area/m ²
Kebele 01	77	32,835
Kebele 02	244	35,595
Kebele 03	353	114,018
Kebele 04	502	179,322
Total	1176	361,770

Source: Assosa Land Development and Management Department: 2021

Agricultural land

In Assosa town and peri urban areas there are areas identified for agricultural purposes. The climate, topography and water resources in the area are favourable for agricultural activity. Animal husbandry, horticulture and fruit production are the most practised activities in the area. Land for agricultural and related purposes is delivered to individuals on rental basis. In this regard, two investors have been given 1,000m² of land for cattle fattening and four investors have been licensed to produce natural gum. The rental price of a hectare of land varies depending upon the location of the plot. In the case of Assosa in general, the rental price is Birr 70/hectare/year. The duration of rent is based on plot size, level of development, and type of agricultural activity.

Social housing

Social housing is aimed at the urban poor and low income residents who cannot afford both the formal and informal land market. To this effect the town administration has allocated land and constructed public/ low-cost social housing, as detailed in the table below.

According to the discussion held with the informants and professionals in the land department, the housing units were rented for administration employees and officials. The total area of land allocated for the construction of public housing is not clear.

Table 10: Public Housing Constructed by the Town Administration

Typology	Number of Units	Number of Bed Rooms	Transferred Units
Condominium	42	46	35
Hostel	94	79	71
40/60	100	145	100

Source: Land Development and Management Department; 2021

Kebele rental housing

The town administration has constructed kebele low-cost housing for rental meant for low-income residents. According to the data from the Municipal Services Department, a total of 181 kebele housing units with a total plot area of 19,402.5 meter square was built and rented out for residents of varying socio economic status over fifteen years' time (2000 to 2015). The detail is given in the following table.

Table 11: Kebele Low Cost Rental Housing By kebele and area

Kebele	Housing Units	Area in m ²
01	91	8,888
02	71	7,594
03	2	906
04	17	2,015
Total	181	19,403

Source: Municipal Service Department, 2021

Land and Property transactions (sales of property, lease, and sub lease)

The unfilled gap in the primary land market has forced people to look for a secondary market options. The Land Development and Management Department, despite its duty to transfer the ownership and register transactions, did not have available data to assess the level and magnitude of transactions. Nevertheless, an attempt has been done to assess the secondary market by interviewing the brokers who facilitate the transactions. The information was collected on twelve sites (eight from the urban and four peri urban) carefully selected to represent all the land grades as much as possible. The plots varied in their level of construction (on foundation level to simple level construction) and were located in different land grade categories. Brokers set two types of prices: a negotiating price, which is the initial price quote liable for negotiation and the actual price. The information contained in the table below is the actual price quoted by the brokers. In order to make a fair comparison between the primary and secondary land market prices, experienced brokers were identified and asked to tell the price of the vacant land in selected areas of the town. The detail is shown in the following table.

As shown in the table (below), the broker price is much higher than the bid price. The data is collected seven months after the last bid was conducted. The reason for the rise in the price

of land on the secondary market is assumed to be the interrupted land supply in the primary land market.

Table 14: Lease Bid and Brokers Price in Birr by Land Grade

Land Grade	1	2	3	4
Land Use	Business	Business	Residence	Residence
Plot Area in m ²	400	700	300	300
Total Price	3.4 million	3.5 million	1.3 million	950,000
Meter square	8,500	7,000	4333	3,167
Bid Price*/m ²	5,006	4,506	3,510	2,702

Source: Computed from field information 2021 * December 2020

Informal land

The restricted access to the formal land market and low-cost housing has pushed residents to the informal land market and to the construction of squatter settlements. The interviews and discussions conducted with members of the informal settlements revealed that informal land market is expanding in peri urban areas. The field observations conducted around Enzi Mountain, Abrahamo and other Ambas proved the influx of squatter settlement. In 2019, the Land Development and Management Department had registered 575 individual plots with an estimated total area of 11.9 hectare of land. The average plot size was 206 m² which was below the 300m² residential plot standard of the city.

Table 15: Informal settlements in Assosa

Location	With Occupant	Non Occupant	Total	Area(M ²)
Woreda 1	286	54	340	68,603.5
Woreda 2	215	20	235	50,850*
Total	501	74	575	119,453.5
Peri urban areas	An influx of informal settlements has been widely observed in peri urban areas			

Source: Assosa town Administration Land Development and Management Department* Professional estimate

During the assessment, the team identified 74 non occupant informal plots which were assumed to be held by land speculators for future sale. The discussion with the professionals in the Land Department reports that the practice has been expanding in the peri urban areas. Except for Enzi Mountain squatter where the informal settlers have invaded a site (the land use plan is allocated for greenery), other informal settlements have secured the land through transactions from the farmers. Though the newly revised and implemented expropriation proclamation has raised the compensation rate and dictated different resettlement support programs for displaced farmers (including allocation of residential plots for the farmer and their siblings aged 18 and above), land subdivision and sale has not stopped yet. The discussion held with the farmers and member of informal settlers indicated that the land price in the informal market is much higher than the amount of the increased compensation rate. Both land speculators and informal settlers offer a

much higher price than the compensation rate to attract the farmers to sell out their land. According to informants and brokers, the selling price for 200 m² of land in Amba 4 was estimated to be Birr 260,000 (Birr 1,300 per meter square) which is much better than the average compensation cost.

4.2 URBAN GROWTH AND DEMAND FOR LAND

Assosa town is experiencing rapid population growth of 5.5% per annum, higher than theregional population growth rate of 2.61% (Regional Statistical Agency, 2018) and the national urban population growth rate. According to the estimate of the Structural Plan Population Study Team (2020) and a detailed study conducted by the Health Bureau of the Region in 2019, the population growth of the city has been estimated for years 2019, 2024 and 2029. Accordingly, the population of the town at base year 2019 was 64,174 and will become 95,259 after five years in 2024 and will be 141,401 in 2029. The same study has estimated the growth of population by the age group, accordingly, population below age 14, was 18,034 at base year 2019, it will become 25,464 in 2024 and after a decade is estimated to reach 35,955. Likewise, the growth rate for the active work force, in the age group 15–64yrs at base year 2019, was 44,950, and is estimated to be 63,468 for 2024 and 89,618 for 2029. The study also considered the growth rate of the aged population (over 65 years old) at base year was 1,190, 1,680 for the year 2024 and will become 2,372 by the year 2029. The population growth in general and within the age group in particular will obviously have great impact on the use of land resource for different purposes.

For the coming ten years, a land with a total area of 10,638.4 hectares of land has been proposed for different purposes. It is 73% of the existing land use of the town. It was estimated that about 67% of the additional proposed land for different functions will be acquired from the surrounding peri urban areas.

Table 16: The Existing Land use and proposed Land Use/future demand/

No	Land Use Category	Existing Area (Ha)	Proposed Area (Ha)
1	Administration	55.86	97.99
2	Residence	902.19	2,474.24
3	Commerce ,Business and Trade	69.03	592.56
4	Service	360.86	587.27
5	Manufacturing and Storage	42.67	1,337.26
6	Recreational and Environmental	413.61	831.98
7	Road and Transport	600.29	1,439.43
8	Special Function	176.85	530.43
9	Agriculture	252.11	107.16
10	Urban Green Buffer	-	2,640.04
	Total	2873.47	10,638.36

Source: AssosaStructuralPlan Report, 2020

Infrastructure Development and Transport

The Lease Proclamation No.721/2012 Article 8/C clearly states that the land to put on lease auction must have access to basic infrastructure and services. And as land is state owned, the responsibility for putting infrastructure in place has fallen on the shoulder of the municipalities. With regards to Assosa town, it has been indicated that for the coming ten years, an additional 77,227 people will be added to the current population size. To cater the housing, services and infrastructure demand of the population, an additional land size with a total area of 10,638.36 hectares has been proposed for the coming ten years planning period. In order to create a liveable environment and ensure a serviced land for the population, the development of infrastructure and transportation facilities is critical. In Assosa in general and in its peri urban areas in particular, the future expansion/ sites road connectivity is very low. The highways connecting Assosa with Kurmuk and Assosa to Addis do not provide enough connectivity between Assosa town and the surrounding Ambas and kebeles (e.g. Megale 32, Megale29, Amba4, Amba6, Amba 8 and Amba 12).The plan is to enhance the level of connectivity and increase the coverage from the existing 600 hectares to 1,439.4 hectares. The planned proposal seems to include two strategies. The first is to connect all the peri urban areas with a 40-meter-wide primary arterial street ring road that starts from the Assosa -Kurmuk asphalt on the Western side and ends on the Assosa - Addis Highway Asphalt on the East. The second strategy is to enhance interconnectivity between the ring road and the existing roads in the urban settlements with sub arterial streets of 30 meters width. In general, to enhance the connectivity between and among Assosa town and its peri urban areas, the planning proposal is to develop 99.4 km principal arterial roads of 40 meters width, 46.4 km sub arterial roads of 30 meters width and 298 km of collector roads of 15 meters width.

In addition, access to important infrastructures like water and electricity, that play a pivotal role in the economic development and major elements in the land development are at the lowest level, particularly in the peri urban areas. According to the data obtained from the Municipality Service Department, the level of electricity coverage in the town is less than 60%. Likewise, according to the plan Report of Assosa 2020, the per capita daily water consumption of Assosa town was 37 litres per person, well under the national minimum standard of 60 litres per day. In the case of water and electricity infrastructure, concerted, simultaneous action is required to improve the existing gap and meet future demand

4.3 ACCESS TO FINANCE

In Assosa town, government, private banks and insurance companies provide financial services to customers. According to discussions conducted with the officials in the banking sector, private individuals and companies can access loans for a short period of time through a collateral arrangement of equal or more value. According to the discussion with the chairman of Assosa chamber of commerce, putting the leasehold land as collateral was restricted by the Lease Proclamation 721/2011.According to the proclamation, the collateral value of the lease land is the total amount of capital paid for the lease at the time of the request. As a result, investors and developers have been deterred from getting enough loans because of the restricted collateral value of the lease holding. Consequently, most of the constructions either have not been started or suspended. An assessment conducted by the Land Development and Management Department in Woreda 1 show that out of 19 assessed plots, 16 (84%) plots did not start construction and the other 3 had started

construction but suspended it at the point when the structural level was less than 30%. The major reason was shortage of finance and restricted access to loan that has highly affected the land and property market of the town.

Table 17: Construction Status of Investment Sites in Woreda One (2020)

Sector	Number of plots	Construction Status
3 and 4 star hotels	9	7 not started, 2 started (30%)
Cafeteria and Restaurant	2	Not started
Edible Oil industry	3	Not started
Flour Industry	1	Not started
Gas Station and Mixed	1	Started/ 20%/
Health services	3	Not started
Total	19	

Source: Land Development and Management Department (2021)

Access to Micro-Finance

The regional government owned micro-finance institution in Benishangul (called Benishangul Microfinance Institution) was established in 2012 with the goal of promoting the saving culture and creating access to credit facility for the rural and urban mid and low-income population. According to the discussion with the General Manager of the organization, a group-based credit is arranged for individuals on group based collateral arrangement ranging between 3 and 5 people. In cases of possible defaulters, group-based credit can be a source of conflict and unnecessary burden since each member of the group forced to pay the defaulted loan of a group member. The legal provision for individual credit services was reported to be in the pipeline.

Development Finance

The major development finance institution is the Urban Infrastructure and Institutional Development Program (UIIP) financed by the loan from the World Bank for the development of urban infrastructure and services like cobble stone, drainage, abattoir, landfill and as well as institutional reform activities. In order to get the finance, the town is expected to contribute 30% of matching fund for the project. The town has been receiving Birr 34 million a year. The capital is used for the construction and maintenance of public toilets, abattoirs, waste disposal sites, cobble stones and drainages as well as other urban capacity building activities.

4.4 REAL ESTATE SERVICES FROM THE PRIVATE SECTOR

In Benishangul Gumuz in general and in Assosa in particular, the level of private sector engagement in the real estate sector is very low and too informal. One of the informal actors in the sector are brokers that connect property sellers and buyers. They are used to supply information on the price of land and land related properties depending on their level of knowledge and experience. The level of transparency on the services of these brokers was very low. According to informants, the level of confidence and dependability on the part of customers was also very loose. Other actors available in the sector were few licensed building designers/planners and individual contractors to undertake a very limited construction activity in the town. In the area of valuation, it is both creditor and expropriator

that estimate the value of the property for collateral and compensation. According to the discussion with informants, the level of transparency and fairness in the process has always been a major source of complaint on the part of property owners.

In general, the sector is not yet developed and its role and contribution to promote successful land and property marketing is very much restricted.

SECTION 5. SUMMARY AND KEY ISSUES

5.1 SUPPLY SIDE CONSTRAINTS

a) Policy, Rules and Regulations

- The presence of two separate, conflicting and overlapping urban and rural proclamations, rules and regulations affects the efficient use of the peri urban areas land resources. This has been exhibited through the preparation of separate and contradictory land use plans, overlapping land allocation and separate land administrations, resulting in uncontrolled land grabbing and informal/squatter settlement.
- The existing Urban Lease Proclamation 272/2011 was ratified with the objective of satisfying the growing urban land demand and ensuring good governance for the development of efficient land market and a transparent and accountable land administration system. However, the proclamation seems to fail to maintain the balance between these two objectives. The implementation of the law seems to have put more emphasis on controlling rather than creating the conditions for the improvement of the land and property market.
- The newly approved Compensation Law No. 1161/2019, in an attempt to reverse public complaints on the previous proclamation No. 455/2012, has increased the compensation rate on agricultural products by 50% and on the land related property the compensation is the cost replacing the property as new. In the face of limited financial capacity, the proclamation has impacted on the ability of the city administration to acquire land. Over the last five years Birr 11.5 million was allocated for compensation to acquire 1.5 hectares of land.

b) Institutional Constraints

Federal and Regional Level

- There is very loose horizontal and vertical integration between the urban and rural land administration. The Ministry of Urban Development and Construction and the Ministry of Agriculture have their own separate mandates and act separately. The same is true for regional level the Bureaus of Urban Development and Construction and the Bureau of Rural Land Administration and Investment.

Local/city level

- There is no spatial planning organization in the town to undertake the planning control, follow up and take action on possible deviations.
- The land development and management department has limited and low skilled manpower even though they are meant to oversee all assignments (including the most complex ones).
- There is loose institutional integration between the land department, financial institutions and the justice office, which has a negative effect on property transactions, on the use of collateral and on effective taxation. There is also low level of service delivery.

c) Land Administration

- There is no land information system. An attempt to establish an urban manual cadastre has been interrupted. Tenure information and documentation is disorganized.
- There are many properties that have remained economically inactive for a long time (parcels with informality in their premises, untitled/undocumented formally owned

holdings and the presence of substandard holdings not qualifying for title deed) which has tied up their economic importance.

- There are informal settlements occupied for a long time and not yet regularized.
- The existence of lease and permit-held properties administered under two different systems (and paying two different rental rates) negatively affects a fair business competition between the properties. Discussions held with informants showed that those businesses established on permit-held properties have better business opportunities over the lease holders owing to their advantage of lower overhead cost.

d) Land use and Management

- In the urban area there seems to be a high level of land use inefficiency. The land use plan was less responsive to the need of the residents. Over the last ten years there were over sixteen major land use violations by the community. This implies a low level of public participation during the planning process and a low level of concern for its implementation.

e) Valuation and Taxation

- The benchmark price which is based on location than cost factor is significantly lower than the current land production cost estimate which goes against the terms of Lease Proclamation No.721/2021 aiming on cost recovery.
- Because land is public property, permit-held land cannot be used as collateral or be sold unless there is a property on it.
- The valuation of property remains one of the major challenges as properties are taxed with a value assessed ten years ago and there are a lot of untaxed properties.
- The transaction tax is levied on the basis of agreed sales price of the property. However, the official value of the property from the Land Department has always been an undervalued price that neglects the value of land.

f) Land Acquisition

- Land acquisition in the peri urban areas has been deterred by the restricted financial capacity of the town to pay the compensation cost. The town was only able to acquire 1.5 hectares of land over the last five years.
- The process of acquisition was also slow and full of complaints owing to the inefficiency in valuation and other bureaucratic fatigue.

g) Land Financing (Land Production)

- The ability to finance land development depends on the limited sources of the municipality. The total revenue of the town compared to basic expenditures of the town has been in deficit. The revenue collected from the building tax and lease rent was very low due to non-tax or rent paying lease holdings and the huge volume of uncollected arrears as well as a prevailing institutional capacity gap.
- The municipality has limited access to finance as they have few properties registered with low valuations, limiting their ability to be used as collateral.

h) Investment Support and Green field Development

- There is no relevant support mechanism designed to promote the investment on land.

- Although there was the intention to develop an industrial park and an industrial village with support from the Federal and Regional Government, the implementation was only limited to land delineation.

5.2. DEMAND SIDE CONSTRAINTS

a) Primary Market Land Transfer

- There is a high unmet demand for residential and commercial/industrial land. Over 90 housing cooperatives are in the waiting list and the bid report conducted in September 2020 showed that there was an average of 194 bidders per plot.

b) Residential Land

- The city administration has transferred 212.8 hectares of residential land for 7,077 households on the benchmark price to both cooperative associations and private individuals. This was a major intervention to alleviate a housing problem. However, the fact that the minimum benchmark price is far lower than the development cost has highly burdened the town and challenged further developments.
- A one-bedroom condominium housing, a studio type hostel and a housing unit built with 40/60 government/resident cost sharing option (to be paid in the long run) have been constructed by the city administration for low-income residents. However, the houses have been rented out to medium income government employees and officials.

c) Industrial and commercial Land

Over the last ten years, 70% of industrial and commercial land was transferred through allocation with a minimum benchmark price, which is far below the cost of land recovery and development.

d) The Secondary Market

- No data and information is available on the type and level of formal property transactions conducted in the town.
- According to the information collected from brokers, the land price in the secondary market has significantly increased due to the interruption of the primary land market for more than seven months (COVID related).

e) The informal Land Market

- The restricted access to the formal land market and low-cost housing has pushed residents to the informal land market and the construction of squatter settlements.
- The increased compensation rate and improved resettlement program has not stopped farmers from selling out their land.

f) Access to Finance

- Access to finance for both private developers and individuals depends on a collateral arrangement of equal or more value to the loan. The legal restriction of the lease-held land collateral value has deterred developers from getting access to sufficient funds.

g) Private Real Estate Sector Development

The private real estate sector is significantly underdeveloped and informal.

5.3. CASE STUDY REQUIREMENTS

	Summary response
The case study will assess the following trends:	
<ul style="list-style-type: none"> Demographic trends in particular urban and peri-urban settings (sex, age, income category) linked to spatial analysis; 	Partially yes/ household income and expenditure data yet not accessed
<ul style="list-style-type: none"> Evaluate the responsiveness of prevailing land-use planning (or situations) to the security of tenure of affected residents, particularly those living on the continuum of peri-urban to rural lines (or areas) of human settlement development. 	Yes
<ul style="list-style-type: none"> Definition and analysis of variables and indicators reflecting land transformation in urban and peri-urban environments: land use change, land commodification, shift between land tenure systems (customary, statutory, formal, informal, etc.); 	Yes, in the two land uses
<ul style="list-style-type: none"> The capacities of government stakeholders and land administration to collect and analyse land information (land rights, land uses, land transactions) and to conduct land registration 	Yes
<ul style="list-style-type: none"> The ability of landowners, users and potential investors to access to land administration services; 	Yes
<ul style="list-style-type: none"> Socio-economic impacts of land transformation in urban and peri-urban areas (in terms of access to land and livelihoods, economic activity transformation, access to income etc.); 	Partially Yes
<ul style="list-style-type: none"> Analysis of trends of land markets in urban and peri-urban areas (land transactions, evolution of land values, regulatory frameworks); 	Partial
<ul style="list-style-type: none"> Type, nature and volume of investment related to land in urban expansion areas according to key sectors of production (agriculture, real estate development, basic services....), especially the impact of value chain production from rural to urban on land value transformation. 	Yes
<ul style="list-style-type: none"> Challenges related to land acquisition for both public and private investments. 	Yes

ANNEX A: KEY REFERENCES

- 1) Assosa town Structure Plan Proposal Summary Report, December, 2020
- 2) Assosa town Administration, Revenue Enhancement Plan, 2020
- 3) Assosa City Administration Finance Department, Budget Report 2021
- 4) Assosa City Administration Revenue Department, Revenue Report, 2021
- 5) Benishangul Gumuz Regional Government Rural Land Administration and Use Proclamation No. 85/2010
- 6) Benishangul Gumuz Regional Government Rural Land Administration and Use Regulation No. 44/2011
- 7) Benishangul Gumuz Regional Government Urban Lease Holding Regulation No. 65/2012
- 8) Benishangul Gumuz Investment Agency, Investment Report 2021
- 9) Expropriation of Land Holdings for Public purposes payments of compensation and Relocation of Displaced People No. 1161/2019
- 10) Federal Negarith Gazeta 2020, Investment Proclamation No. 1180/2020
- 11) Federal Negarith Gazeta, 2011, Urban Land Lease Holding Proclamation No. 721/2012
- 12) Federal Negarith Gazeta, 2008, Urban Planning Proclamation No. 574/2008,

ANNEX B: STAKEHOLDERS

1) Federal Stakeholders

Ministry of Urban Development and Construction

Ministry of Agriculture

Industrial Park Development Project Office

2) Regional Stakeholders

Urban Development and Construction Bureau

Bureau of Rural Land Administration and Investment

Benishangul Gumuz Micro Finance

Investment Agency

Assosa Woreda Rural Land administration and use office

3) City Level Stakeholder

Office of Assosa town Administrations

Assosa town Administration Land Development and Management Department

Assosa town Administration Municipal Service Department

Assosat own Administration Finance Department

Assosa Town Administration Revenue Department

Assosa town Administration Urban Agriculture Department

Assosa town Administration Justice Department

Commercial Bank of Ethiopia, Assosa Branch

Awash International Bank

4) Local Community and Associations

Chamber of Commerce

Association of Large-Scale Investors

Members of Informal settlers

Brokers and farmers

ANNEX C: LIST OF MEETINGS AND CONTACTS

ref	Person(s) name, position, institution	Contact details: email, phone
1	Eng. Biftu Goshu: Regional Deputy Head of Urban Development and Construction	0934288792
2	Mr. Desta Worku: Head of Office of Planning at Regional level Mr. Edigetu Fetene: Planning senior expert	0913488069 0917858613
3	Mr. Albaker Asadik: BOUDC, Infrastructure Directorate at regional level	0912062915
4	Mr. Fikru Alemayehu: Head of Urban Land Development and Management at Regional level Mr. Belay Ayana: Senior expert	0942429642 0900603444
5	Mr. Ahmed Rahma, Regional Head of Rural Land Administration and Investment representative and Director Mr. Amsaye Aboma, GIS team leader, Mr. Gemechu Erena LA team leader, and Mr. Mathewos Wakene LUP team leader representatives	091315665 0921223535, 0913206452, 0920437008, 0917171921
6	Mr. Seifedin Mohamed and his staffs, Head of Regional investment Directorate Mr. Getnet Tarekegne Investment team leader	0910546341
7	Mr. Oumer Mohamed: Mayor of Assosa Town	
8	Mr. Abu Talib: Head of the Department of Land Management and Development of Assosa town Mr. Tadese Tamene: Team Leader Mr. Alebachew: Senior Expert Gemechu	0918369626 0917229952 0911654151
9	Mr. Abdu Abdurahman and his staff, Head of Finance office of Assosa town Mr. Teshome: Team Leader and Resource person	0917894327 0917858027
10	Mr. Abdul Kerim, and his staffs, Head of municipal services Mr. Asfaw Abose Mr. Fida Workneh Mr. Jemal Mohamed	0910011086 0911457520 0917370908 0911007413
11	Assosa City administration Department of Urban Agriculture Mr. Shafi Mohamed Representative Mr. Romedan Almahadi and Mr. Taha Ali	0938698643 0912456631 0917733932
12	Assosa Woreda Rural Environment, Land administration and investment office Mr. Mohamed Ahmed head and Mr. Aysheshem Asmamaw, Team Leader	0917175211 0918307436
13	Office of Justice Head Mrs. Rahel Tesfa	0917813799
14	Chamber of Commerce chairman Mr. Idris Ahmed	0930076218

15	Banks and Micro Finance Mr. Asrat Bizuayehu: Head of Micro finance of the Region Mr. Wogene Gorfe: General Manager of CBE of the Region Mr. Girma Deputy Manager Awash Bank	0913939415 0911739834 0911172016
16	Brokers on Land and Housing -Mr. Meles Tegen, Mr. Ali Ahmed, Mr.Wedi Raya	0918144879 0917431704 0911790188
17	Representatives of Farmers in the peri urban areas. Kes. Bisetegn Degu, Mr.Ergataw Mohamed	091717171387 0917710479
18	Members of Informal settlers	
19	Association of Large-Scale Investors chairman, Mr Abdulmuhamud Ebrahim	0911790894

ANNEX D: ADDITIONAL DATA

This section includes additional data that has been collected in the course of the land market study

D.1. Land Transaction Data (parcel size, tax revenues, transaction types)

A data set of transactions covering the period 1998-2013 was obtained from the Benishangul Gumuz Land Development and Management Department. While this data is not up to date, we can use it to illustrate the kind of information that is useful for land market analysis, with a view to it being available in the future

Table D.1.1. Basic information of the land parcel / transaction data set

TOTALS	total	%	male	female	unassigned	female % of total
total number of entries in dataset	6662					
entries with no data	666	10%	486	156	24	23.4%
seedling plantation	1	0%	1	0	0	0.0%
residential	4953	74%	3722	1123	108	22.7%
organization/commercial	1039	16%	746	262	31	25.2%
mixed use	3	0%	2	1	0	

There were a total of 6662 entries in the data set; 666 entries do not identify if residential / commercial etc. Of the 6662 entries, 74% are residential and 16% commercial. On average, around 22-25% have a female identified as the holder.

Table D.1.2. Residential plots – by number and by area

RESIDENTIAL PROPERTIES TOTALS	Total number	%		
total number of residential plots	4,953			
number with area on certificate	3,952	79.8%		
number with no area on cert	1,001	20.2%		
AREA	number of plots	% of total number	area (sq m)	% of total area
TOTAL AREA OF ALL PLOTS with areas (Hectare)	2,233,754			
TOTALS(all plots)	3,952	100.0%	2,233,754	100
plots > 5,000 sq m	15	0.4%	684,390	30.6%
1000-4999 sq m	42	1.1%	72,396	3.2%
500-999 sq m	661	16.7%	383,285	17.2%
250-499 sq m	2,922	73.9%	1,038,431	46.5%
<250 sq m	312	7.9%	55,748	2.5%
Average sizes				
Average size (ignoring plots >5,000 sq m)	393			
Average size - all plots	565			

The Residential plot data shows that only 3952 (80%) of the residential plots are recorded as having a certificate with the plot area on it. Of these, 15 plots account for more than 30% of the total area of 2,233,754 sq m (224 Ha). The majority of plots (74%) are of size 250-499 sq m. Ignoring the very large plots, the average plot size is 393 sq m.

Table D.1.3. Residential plots – Taxation revenues by plot numbers and by area

TAXATION By Revenue Raised	RESIDENTIAL number	%				
Total number of parcels (all plots)	3,952	100%				
number of parcels that have actually paid tax	1,140	29%				
TOTAL TAX amount calculated for all plots(ETB)	1,211,344	100%				
TOTAL TAX Collected (ETB)	350,350	28.9%				
AMOUNT OF TAX by Plot category	Actual tax paid ETB	% of actual total collected	Possible tax that could be collected ETB	%of possible tax that could be collected	amount outstanding ETB	
for plots > 5,000 sq m	162,604	46.4%	547,512	45.20%	384,908	
1000-4999 sq m	11,029	3.1%	50,818	4.20%	39,790	
500-999 sq m	47,857	13.7%	175,342	14.48%	127,485	
250-499 sq m	123,481	35.2%	415,372	34.29%	291,892	
<250 sq m	5,380	1.5%	22,299	1.84%	16,919	
totals	350,350	100%	1,211,344	100%	860,994	
BY NUMBER OF TAXPAYERS	total number reporting	number paid tax	% of each category	ETB/ sq m tax	Av tax paid per plot	
for plots > 5,000 sq m	15	7	46.7%	0.8	23,229	
1000-4999 sq m	42	11	26.2%	0.6 - 0.8	1,003	
500-999 sq m	661	171	25.9%	0.5	280	
250-499 sq m	2,922	872	29.8%	0.4	142	
<250 sq m	312	79	25.3%	0.4	68	
total number of holders	3,952	1,140	28.8%			

The data shows that of the 3952 residential parcels with certificate and area, only 29% (1140) have actually paid tax. The total tax due for all plots amounts to 1.2 million ETB, however only approximately 350,000 ETB was recorded as actually paid. Interestingly, large land holders are the most reliable payers (46% - 7 out of 15) and also are responsible for 45% of the overall tax assessment, consequently if all of the large holders paid, the amount of tax revenue would more than double. Average tax amounts per landholder for plot sizes are calculated, and this varies from 68ETB (<250 sq m) to 280 (500-999 sq m), which represents over 98% of all taxpayers in the data set.

Table D.1.4. Commercial plots – by number and by area

LAND USE - held by COMMERCIAL ORGANISATIONS (TOTALS)				
	number	%		
total number of commercial plots	1,039			
number with area on certificate	872	83.9%		
number with no area on cert	167	16.1%		
AREA	number of	% of total	area	% of total

	plots	number	(sqm)	area
TOTAL AREA OF ALL PLOTS with areas (Hectare)	432,667			
TOTALS(all plots)	872	100.0%	432,667	100
plots > 5,000 sq m	11	1.3%	109,201	25.2%
1000-4999 sq m	71	8.1%	114,596	26.5%
500-999 sq m	144	16.5%	90,829	21.0%
250-499 sq m	231	26.5%	80,679	18.6%
<250 sq m	410	47.0%	37,362	8.6%
Average sizes				
average size (ignoring plots >5,000 sq m)	371			
Average size - all plots	496			

The Commercial plot data shows that only 872 (84%) of the residential plots are recorded as having a certificate with the plot area on it. Of these, 11 plots (<2%) account for 25% of the area, and 47% (410) of the plots are very small (under 250 sq m) but account for under 9% of the area.

Table D.1.5. Commercial plots – Taxation revenues by plot numbers and by area

TAXATION	ORGANISATIONAL PLOTS				
BY revenue raised	Number	%			
Total number of parcels (all plots)	872	100%			
number of parcels that have actually paid tax	289	33%			
TOTAL TAX amount calculated for all plots(ETB)	472,145	100%			
TOTAL TAX Collected (ETB)	113,092	24.0%			
AMOUNT OF TAX by Plot category	Actual tax paid	% of actual total collected	Possible tax that could be collected	%of possible tax that could be collected	amount outstanding
for plots > 5,000 sq m	9,412	8.3%	141,962	30.07%	132,550
1000-4999 sq m	41,134	36.4%	134,618	28.51%	93,484
500-999 sq m	27,506	24.3%	89,329	18.92%	61,823
250-499 sq m	23,025	20.4%	72,611	15.38%	49,586
<250 sq m	12,015	10.6%	33,626	7.12%	21,611
					359,053
BY NUMBER OF TAXPAYERS	total number reporting	number paid tax	% of each category	ETB/ sq m tax	Av tax paid per plot
for plots > 5,000 sq m	12	1	8.3%	1.3	9,412
1000-4999 sq m	72	21	29.2%	1.0-1.3	1,959
500-999 sq m	145	43	29.7%	1	640
250-499 sq m	232	73	31.5%	0.9	315
<250 sq m	311	151	48.6%	0.9	80
total number of holders	872	289	33.1%		

The data shows that of the 872 commercial parcels with certificate and area, only 33% (289) have actually paid tax. The total tax due for all plots amounts to almost 0.5 million ETB; however only approximately 110,000 ETB is recorded as actually paid (24%). Interestingly, large land holders are the worst payers (8% - 1 out of 12); while the small commercial holders are the best payers (almost 50% of the 311 holders pay). As is the case with the residential plots, if the large holders paid, then revenues would more than double.

Average tax amounts per landholder for plot sizes are calculated, and this varies from 80ETB (<250 sq m) to 640 (500-999 sq m), which represents over 90% of all taxpayers in the data set.

Table D.1.6. Residential Transactions by type and year.

Residential type of transaction	2013	2012	2011	2010	2009	2008	2007	2006	pre 2006	unsp	total	%
transfer	0									1	1	0%
tender	1			1							2	0%
subdivided	2								1		3	0%
kebele owned	0									1	1	0%
inheritance	6	2	14	5	6	5	5	5	17	25	90	2%
holding	1										1	0%
gift	2	5	17	9	9	11	5	6	24	63	151	3%
former holding	29	529	33	21	12	112	17	16	45	235	1049	22%
delegated		1										0%
court decision	8	2	3	2	2	3	1	1	17	18	57	1%
cooperative	1		1	1		1		1	1	2	8	0%
bought	164	69	158	75	58	63	47	33	191	215	1073	23%
allocation	99	154	214	102	78	119	88	55	408	932	2249	48%
unspecified	23	18	30	10	8	11	13	4	43	92	252	5%
totals	313	762	440	226	173	325	176	121	747	1491	4684	100%

In the data set, a total of 4684 residential transactions can be identified, and these can be summarised as

- 48% of residential properties were acquired by allocation
- 22% are former holdings (old freeholds)
- 23% are by sale
- 5% are unspecified

The data does show an increase in transactions over the period 2006 – 2012 (full year); however deeper analysis of more comprehensive data is required to determine land market trends. Also, the registration of 529 plots in 2012 (former holding) requires some explanation.

Conclusion

This data set demonstrates the potential usefulness of this kind of data when it is systematically and accurately recorded.

ANNEX E: GEODATA AND INDICATORS

E.1. Geodata sources

The following Geo Data sources were obtained for the Assosa case study

#	Data	Year	Format	Converted	Remarks	Status
1	Land use / IDP	2006	CAD	.shp	No spatial reference	Pending
	Existing Land Use Map	2020	.pdf	.shp		Completed
	Proposed Land Use Map	2020	.pdf	.shp		Completed
2	Arab-Sefer NDP	2020	.pdf	.shp		Completed
3	Base Map	2020	.pdf	.shp		Completed
4	Bus Station Area NDP	2020	.pdf	.shp		Completed
5	Expansion Area NDP (Parcellation)	2020	.pdf	.shp		Completed
6	Expansion Area NDP (Regulation)	2020	.pdf	.shp		Completed
7	Proposed Building Height Map	2020	.pdf	.shp		Completed
8	Proposed Drainage Network Map	2020	.pdf	.shp		Completed
9	Proposed Environmental Map	2020	.pdf	.shp		Completed
10	Proposed Land Grade Map	2020	.pdf	.shp		Completed
11	Proposed Road Network Map	2020	.pdf	.shp		Completed
12	Buildings	2020	.pdf	.shp		Completed
13	Contour (10m)	2020	.pdf	.shp		Completed
14	Natural drainage and streams	2020	.pdf	.shp		Completed
15	Industrial park boundary	2020	.csv	.shp	Convert to .shp	Completed
16	Planning boundary	2020	.pdf	.shp		Completed
17	Existing boundary	2020	.pdf	.shp		Completed
18	Cadastre and land register for Assosa	2010	.ldb	.shp	Join and filter attributes	Completed
19	Cadastre for peri-urban areas	-	-	-		Pending
20	Topographic base map 1:50,000	1982	.tif			Completed
21	Satellite imagery (1m)	2018	.tif	-		Completed
	Satellite imagery (0.5m)	2018	.tif	-		Completed
22	Satellite imagery (0.5m)	2013	.tif	-		Completed
23	Administrative Boundaries for urban and peri-urban areas	2007	.shp	-	Region, zone, woreda, kebele	Requires clean-up
		2020	.shp	-	Region, zone, woreda, kebele	Completed

The following example images were extracted and were uploaded to the TEAMS site for sharing

1. **Assosa Peri-urban Kebeles.jpg**
2007 kebeles overlaid on satellite imagery from 2018.
2. **Assosa Satellite Imagery 2013.jpg**
2007 administrative boundary overlaid on satellite imagery from 2013.
3. **Assosa Satellite Imagery 2018.jpg**
2020 administrative boundary overlaid on satellite imagery from 2018.
4. **Location Map of Assosa Town.jpg**

E.2. Indicators.

The team were able to obtain and estimate the following indicators. As part of the wider review process, we would be grateful if the following data could be confirmed and completed.

Assosa							source / comment
Basic land comparators							
A	Administrative units						
A.1	Admin units		2021	2016	2011		amend years if necessary
		No of Woredas	2	2	2		
		No of urban ketenas/kebeles	10	10			
		No of rural kebeles	12	12			
		total no of woreda (all types)					
		total No of kebele (all)	22	22			
A.2.	plans in force		year of current master plan in force	year if previous master plan			
		City wide Master Plan	2020				Is there a new one under preparation?
		Do local development plans exist and what % of city is covered?	3 NDP				NDP is Neighbourhood Development Plan about 10% of the total area
B	Area and population						want to track changes over the last ten years or so
B.1.	Area		2020	2016	2011		
		Area of city (inside boundary)					
		Ha	10,638HC				
		area classified as urban Ha	3243Hc	2873			
		area classified as rural Ha	7395				Peri urban area included in the planning boundary

B.2	Population		2020	2019	2017		Central Statistical Office
		Official Population estimate	68,080		52,575		
		official annual rate (%)					
		increase of population					
		unofficial estimate of population					
			data /pop				
		date of last census (year)	2007				
		population at Last census	24,214				
		Other? Please specify					
C	Land Tenure and Land Administration						
C.1	Formal		year = 2021	year - = 2020	year = 2019	year = 2018	amend the year if necessary but want data over 3-5 year period or so
		Cadastral based total number of parcels			7,032	7,032	Assosa is not scheduled for urban Land Registry until now
		Estimated total number of registered owners					
		Number of commercial permit held		929			
		Number of residential permit held (old possession)		6547			
		Number of residential leases		7077			
		Number of commercial leases		1176			
		Number of rural parcels that exist in city boundary(holding books)		55,974			
		Other? Please specify					
C2							

Transactions =mode of acquisition- as recorded by urban land admin dept.- per year							
C.2.			2015-2020	2014-2018	2007		
		acquisition by allocation	6,257	1343	294		
		acquisition through auction	1176				
		acquisition through sale / purchase	No data				No data available on transaction
		inheritance	No data				
		court order	No data				
		other	No data				
C.3.	Informal		2020				
		total Estimated number of informal parcels	575				These are Reported informal settlements in two urban woredas but in peri urban areas the estimate is over 2000 parcels
		Anyestimates of number of informal sale / per year? <i>Other? Please specify</i>					
D	Land Market Data						
D.1	Allocated Land		2015-2020	2014-2018	2007		
		number of allocated parcels per year	6,257	1,343	294		
		total area of parcels (sq. m) per year	1,915,145	395,620	71,047		
		<i>Other? Please specify</i>					
D.2	Auctioned land		2020	2019	2014-2018		
		number of auctioned parcels per year	17	142	200		want to know how much is being auctioned

		total area of auctioned parcels (sq. m) per year <i>Other? Please specify</i>	7,340	24,596	76,595		
D.3	Destination of allocated / auctioned land	allocated /bided land	2015-2020	2014-2018	2007		
		allocated land (by year)					
		number of sq. m allocated for residential per year	1,661,906	395,620	71,047		
		number of sq. m allocated for commercial/industrial per year	120,613	132,626			based on professional estimate
		no of sq. m allocated for other purpose per year					
		land put on bid(by year)					
		number of sq. m bid out for residential purpose per year	600	No available	Not available		
		number of sq. m bided for commercial/industrial per year	6,740	24,596			
		no of sq. m bided for other purpose per year					
D.4.	Compensation prices per Ha)		2020	2019	2014-2018		
		(this is the compensation rate paid to the farmer when land is expropriated					
		compensation rate for fruit trees land(ETB per sq. m)		765.5/sq.m	382.75/sq.m		
		Compensation rate for perennial crops land(ETB per sq m)		48/sq.m	32/sq.m		
		total area auctioned(sq. m)	7340	24,596	76,595		The average compensation rate for fruit tree land.

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D.5	Benchmark prices per Ha)		year = 2021	year = 2020	year = 2019	year = 2018	
		benchmark price unimproved land (no services) price ETB / sq. m total area sold at unimproved land benchmark prices (if known) <i>is there any other benchmark price categories - if so insert</i>		C: 160 R: 120	C: 160 R: 120	C: 160 R: 120	This is the bench mark price fixed for land grade 4/3 where the land is not serviced/C: commerce R: Residence
	Market prices for sales - basic land for development		2020	2019	year = 2019	2014-2018	<i>This is bid price</i>
D.6.		basic land for development (has some basic infrastructure - please specify) price per sq. m <i>Other? Please specify</i>	C: higher winning price is Birr 1575 Lower winning price is Birr 5006 R: Higher winning price is Birr 3510 Lower winning price is Birr 2701				to put land on bid water, road and electricity is basic according to the Lease Proclamation No.721/2012 The price for other years is not available but discussion revealed that it was much lower than this one
	Market prices for sales -						<i>amend the year if necessary but want data over 3-5 year period or so</i>
		residential sales	year = 2021	year = 2020	year = 2019	year = 2018	Brokers estimate
D.7,		residential property high end price per sq. m	4333/sq.m	4333/sq.m	3300/sq.m		
		residential property (middle) price per sq m					

D.8		residential property low end price per sq. m	3167/sq.m	3167/sq.m	2500/sq.m		Brokers estimate
		Commercial sales (shops, offices multi use etc.)	year = 2021	year = 2020	year = 2019	year = 2018	<i>amend the year if necessary but want data over 3-5 year period or so</i>
		commercial property (high end) price per sq. m	8500/sq.m	8500/sq.m	7000/sq.m		Brokers estimate
		commercial property (middle) price per sq. m					
		commercial property low end price per sq. m	7000/sq.m	7000/sq.m	6000/sq.m		Brokers estimate
		Agricultural producing plots (smallholding, vegetables, fruit, etc.)	year = 2021	year = 2020	year = 2019	year = 2018	
		agricultural property (high end) price per sq. m	1300/sq.m	1300/sq.m	1000/sq.m	700/sq.m	sale of agricultural property is not available except agricultural informal land having simple residential property/ it is brokers estimate/
		agricultural property (middle) price per sq. m					
		agricultural property low end price per sq.m	500/sq.m	500/sq.m	500/sq.m	400/sq.m	Brokers estimate
		Anything else?					