

Access to the Land Tenure Administration System in Rwanda and the Impacts of the System on Ordinary Citizens

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Abstract

Over the last decade, the Government of Rwanda (GoR) has introduced several land reforms through formulation and enactment of enabling legal framework, establishment of land administration institutions and implementation of national land tenure regularization. Further, the Land Act of 2013 stipulated that all landholders must formally register their land. To support registration compliance, the GoR decentralized the Land Administration System (LAS) to all District Land Bureaus (DLBs). This research made an attempt to investigate the extent to which citizens: 1) are aware of the system and how to comply with requirements; 2) have access to the system in terms of distance, time, procedure, and cost; and 3) are impacted by services provided by the current LAS. Results indicate that almost all surveyed citizens (99%) know about the formal LAS, whereas about half of them are not familiar with its procedures. As some respondents (18%) did not use the LAS to register transactions, the study investigated the influence of factors on citizens' decision to use or not use the LAS. Results suggest that age, sex and income of landowners, location, type of land use and how a property was acquired are important determinants of citizens' choice to use LAS or not. Moreover, the survey indicates that in some parts of the country distances to DLBs from citizens' homes are very long. Furthermore, results show that Rwandans do not access credit despite having a land certificate which can be used as collateral for loan repayment security. Based on findings, the study suggests to rapidly deploy trained land managers at more local administrative levels, reconsider the level of fixed fees charged for registering land transactions based on size or property value, and carry out further investigations on land disputes and on restrictions on subdivision of agricultural land stipulated in the land law.

Keywords—Land Administration System; Accessibility of Land Administration System, Impacts of Land Registration on Citizen

1. Introduction

Over the last decade, the Government of Rwanda (GoR) has engaged in reforming the land sector through formulation and enactment of an enabling legal framework, establishment of land administration institutions, and land tenure regularization. In 2008, the GoR initiated the Land Tenure Regularization Program (LTRP). The program set up procedures to carry out first-time systematic registration of land in the names

of its owners with the aim of creating a complete public record of landholdings.

By 2013, about 10.3 million parcels, encompassing the vast majority of private land in Rwanda have been demarcated. The LTRP, seen as ambitious, has become a model for other countries (Ayalew et al, 2012).

Under the Land Law of 2013, all land transactions must be registered. Beginning in January 2010, the GoR launched the Land

Administration Information System (LAIS) and migrated data on systematically registered parcels into the system. Under the LAIS, District Land Officer (DLO) are responsible for preparing documents evidencing land transactions for submission to the Registrar of Land Titles, which in turn is responsible for issuing leasehold certificates, widely referred to as “titles” (GoR, 2013).

In order for the government to adequately evaluate the effectiveness of the LAS and take measures to improve its effectiveness and accessibility to ordinary citizens, research was needed to better understand the extent to which citizens: 1) are aware of the system and knowledgeable of how to comply with requirements; 2) have access to the system in terms of distance, time, procedure, and cost; and 3) are impacted by services provided by the current LAS.

The present study builds on and improves current knowledge on access to and impacts of the LAS, using evidence-based assessments and analysis of data collected from surveys of ordinary citizens and different stakeholders involved in land administration.

2. Methodology

Data sources and collection methods

Both secondary and primary data sources were used to get information for this study. Secondary data included recorded land transactions per district and land use types in each cell, which were obtained from the RNRA (Rwanda Natural Resources Authority) Department of Lands and Mapping; administrative boundaries data from the NISR (National Institute of Statistics of Rwanda); and delineation of urban, peri-urban and rural areas by MININFRA (Ministry of Infrastructure).

Primary data was acquired from key informants and households’ surveys. The key informants’ survey informed the study’s research objectives and helped with the design of the household survey. 24 key informants (comprised of government and civil society organizations as well as some international organizations with expertise in land related issues) were interviewed.

A total of 1,957 respondents were interviewed in the household survey. This sample was selected using a multi-stage stratified random sampling process in three phases:

1. Selection of districts by number of land transaction.

Five districts in each province of Rwanda were selected based on the number of recorded land transactions. Further, considering the fact that 80% of Rwandans live in rural areas (2012 census), selection of samples from rural areas was given proportionally higher weight.

2. Selection of cells within districts based on land use.

In each district, three cells were selected to represent one of the three land uses (residential, commercial, agriculture).

3. Selection of respondents within the cells.

Cell-level authorities provided locators to help select citizens who have had land registered in their names.

Analytical Framework

To achieve its main objectives the study analyzed the following three broad themes:

1. Awareness of the formal land tenure administration system:

The study adapted empirical approaches commonly employed in the literature for construction and analysis of appropriate awareness indicators and measures of their adequacy and competence. These indicators included the proportion of citizens who are aware of the LAS; sources from which information was obtained number of transactions registered; familiarity with steps involved and requirements for registering a transaction (Santos and Fletschner, 2012). Both tabular and descriptive statistical analytical methods were used to evaluate the degree of awareness and level of satisfaction among citizens. The study also investigated contributing factors to the likelihood that some people are more aware of and satisfied with the LAS than others.

2. Access of citizens to the land tenure administration services:

The survey collected information on respondents' perceptions on whether or not they have access to land administration offices and services; are able to comply with land registration requirements; can afford the associated registration costs. The survey also investigated respondents' mode of transport, the documents required, and the number of visits required completing a transaction. In terms of distance and time, spatial analysis using GIS complemented the quantitative data gathered on respondents' perceptions of their access to land administration services. The factors influencing citizens' decisions to participate and to use the system in registering titles or record other land transactions were analyzed using logit choice models.

3. Outcomes of the land administration system on ordinary citizens

Registration of land rights and a functioning land administration system are commonly believed to increase one's ability to use land titles to access credit; increase incentives to invest in land improvements and development due to security of ownership provided through a title; reduce incidences of land disputes as a result of clearer definition of property boundaries and enforcement of rights; and spur a more active land market with fewer incidences of fraud. Qualitative and quantitative data on whether respondents have applied for credit or not, from what source and if they have been successful to obtain credit; whether land certification has enhanced incentives to invest in land by Rwanda's citizens; the relationship between land titling and incidence of land-related disputes; and the impact of land certificates on the volume of land transactions were assessed and analyzed using tabular and descriptive statistics and econometric analysis.

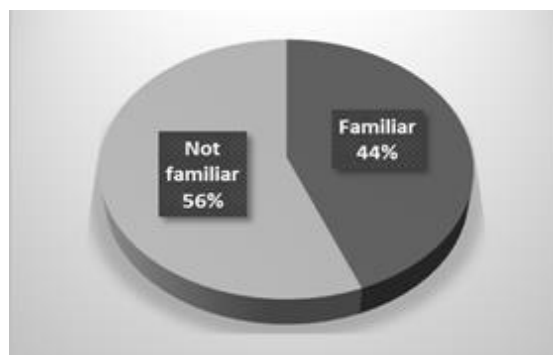
3. Results and Discussion

This section details the findings associated with the three main themes described under Section II.

Awareness of the Land Administration System (LAS)

Results indicated that 99% of all respondents are aware of the LAS. However, only 43.8% of respondents who are aware of the LAS are familiar with the procedures and requirements for registering different land transactions (Figure 1). That means that while people are aware of the system, knowledge of how to use and comply with procedures for land transactions remains limited and hence requires more efforts to educate citizens. Key informants blamed illiteracy for preventing citizens from understanding the importance of land registration.

Figure 1 Familiarity to comply with transaction procedures and requirements



Study results further showed that newspapers and the Internet are used by few people to obtain information on registering a land transaction, which may be a reflection of low levels of literacy (Agrarini, 2011). Additionally poor access to internet and low availability of newspapers in rural areas could exacerbate the low utility of these information sources. These findings are supported by Muyombano (2014), who found in his study of Runda Sector in Kamonyi District that the majority of citizens accessed information on the land registration system through public meetings/campaigns and radio.

Accessibility and Affordability of the Land Administration System (LAS)

82% of those respondents who engaged in a land transaction claimed they had used LAS for registering a transaction after first time registration. Respondents who reported that they did not register a land transaction formally were asked to state reasons why they have not used the system. Only 18% of those respondents stated reasons. 50% of them stated they were not aware of the existence of the LAS while 34.4% said they were unable to comply with requirements/procedures.

Lack of awareness and inability to comply with requirements/procedures are, according to study results, correlated with the level of education of the respondent.

Regression analysis of the factors influencing citizens' decision to participate in a formal land transaction was performed using logit regression. Results suggest that citizens owning land in Kigali City or in Southern Province are less likely to engage into a formal land transaction compared to other provinces. Moreover a cross-tab analyses shows that Kigali and Southern Province have the highest percentages of respondents not participating in a land transaction. Possible reasons for these results are discussed below.

Transactions after first registration (sales/purchases, donation etc.) are more likely to be registered for non-residential properties. This result suggests more market transactions take place for parcels used for commercial and agricultural purposes and less so for residential properties.

Logit regression results also indicate that if the owner of the property is individually owned by a man (compared to individually owned by a woman or joint ownership) and older in age, it is less likely to be the subject of a formal land transaction. Results may suggest that men and older citizens tend to be more confident about their land ownership and may consider that they

do not need a formal land certificate to defend their rights.

Having a higher income and acquiring property from a developer (compared to acquiring it from a previous owner or via government allocation, inheritance, etc.) increases the likelihood of engagement in a formal land transaction. Since a family's income is the main source of paying fees and associated costs for registering a land transaction, it is no surprise that a higher income increases the likelihood of participating in land transactions. This is consistent with findings of other studies which suggest that access to the LAS seems to be less accessible to the poor (Williamson et al., 2010). Further, developers typically use the LAS to sell land and transfer to the new owner.

Those landowners who possess a formal land certificate are likely to use the LAS more than those without it, which is no surprise since all land has been registered and most landowners possess a land certificate. However, significance for this factor is low.

Table 1: Average Transaction Costs to Register a Land Certificate by Province in Rwf

Province	Transport costs(RWf)	Other costs	Total costs
Eastern	11,645	12,650	17,638
Kigali City	9,393	28,667	22,041
Northern	8,888	9,634	10,645
Southern	31,525	18,667	45,525
Western	5,844	4,995	7,204
Total	9,911	12,222	14,142

Regarding the affordability of the LAS, transaction fees in Rwanda are fixed at an amount of Rwf 27,000 per transaction. The fixed fee system does not consider variations in owners' income and/or the size and value of their property; essentially the poor bear the same cost for transactions as wealthier landowners. Results on income levels indicate that about 65% of the population is earning less than Rwf 50,000 per month. This means fixed charges of Rwf 27,000 could be a real burden for more than half

Rwanda's citizens.

Survey respondents also reported additional burdens of registering land transactions such as transportation, accommodation, costs of bringing witnesses and costs to speed up transaction registration processes. Whereas this is not surprising for Kigali City given that costs here are routinely higher than in the rural provinces, it is interesting to note that costs of transportation are reported to be significantly higher in Southern Province compared to other provinces (Table 1), which could be attributed to the poor transportation infrastructure in Southern Province. Hence, it is relatively more difficult and costly for citizens in this province to reach the LAS offices to access services. This may explain why relatively fewer citizens in Kigali and Southern Province use the system.

Regarding the actual distance to District Land Bureau (DLB), as expected, highest average distances were found in Southern Province (16.6 km) and Western Province (16.5 km), followed with average distance in Eastern Province (11.9 km) and Northern Province (11.5 km). The lowest average distance is in Kigali City (5.7 km). Most people walk to their respective DLB, and would need on average 2 to 3 hours (TranSafety Inc., 1997) to reach the office on foot and register a land transaction.

Impacts of Land Certification on Investment and Land Disputes

The survey results show that only 18.4%, of the 1,926 people who answered the question about whether they used their land certificate as collateral to obtain a loan, said that they did so. The study consequently investigated why 81.6% of the surveyed citizens have not used their land certificates to apply for loans. The majority (60.8 %) of the 1572 respondents who did not use the certificates to obtain loans reported that they did not need a loan, whereas 9.1% would have liked to get a loan but were not willing to use their land certificate as security, likely for fear of the consequence of losing the land in case they failed to repay. Only 10.1% of those who did not use their certificate as loan collateral revealed that they got loans, but did not need to use their land

certificate or they acquired loans using other forms of security.

These results suggest that many Rwandans are still not accessing credit despite having land certificates which can be used as loan security. The fact that some wish to access credit, but are reluctant to put their land assets at risk by using them as collateral, may be attributed to the fact that land tends to be the primary livelihood asset of the majority of Rwandans and hence losing one's land can place families at high risk of falling into deep poverty or even threaten their survival.

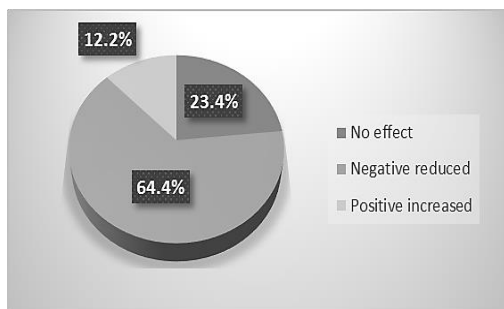
The study also established that for 78.1% of those who applied for loans, a land certificate was the only collateral requirement. This seems a strong indication that sources of credit in Rwanda consider land certificate to be sufficient security for acquiring a loan at financial institutions. From the above analysis, it is clear that the use of land certificates is increasingly being used to secure credit in Rwanda, even if it is still not very prevalent.

Examining the incidence of using credit to finance investment in land, we observed that 50% of respondents with agricultural land who made investments in irrigation systems used credit to finance them while 48.1% of respondents who invested in improving existing farm structures did so via loans. Nevertheless, the number of respondents making these investments is quite low (especially for irrigation) as a portion of the sample size. In terms of frequency, the number of respondents who reported using credit for a particular investment is highest for construction of residential houses (29 respondents) and investment in annual crops (20 respondents).

In examining the impact of the issuance of certificates on volume of land sales and rentals, a comparison of transaction frequency was done of the time periods before and after 2010, considering that 2010 was a peak period for systematic land registration. Survey results indicate transactions per year rates of sale and purchase transactions after 2010 are conceivably higher.

The study also aimed to assess whether Article 20 of the 2005 Organic Land Law and Article 30 of the 2013 Land Law, which restrict subdivision of agricultural parcels of less than 1 hectare, has had an impact on land markets. Results of surveying respondents' perceptions on this issue show that 64.4% believe that restrictions on land subdivision have negatively affected land transactions. Only 12.2% of the respondents believe that subdivision restrictions have positively affected land market activities, while 23.4% of the respondents did not perceive any effect (figure 2). While 12.2% of the respondents believe that subdivision restrictions have positively affected potential land market activities, only 1% of these respondents indicated they have used the LAS to register subdivision transactions. This suggests the possibility that citizens are engaged in selling and buying plots less than one hectare but not registering these transactions with the LAS because of the law.

Figure 2 Effects of Land Subdivision Restrictions on Land Markets

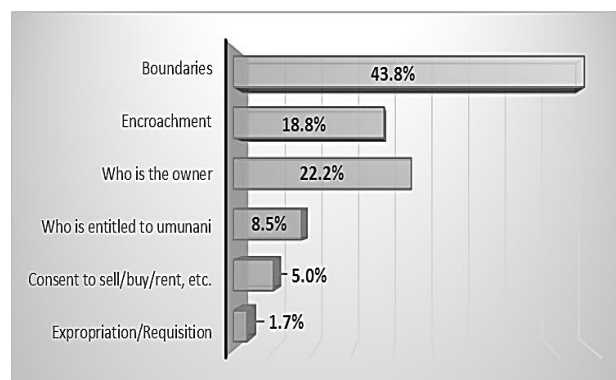


In assessing the effect of having a land certificate on dispute resolution, survey results showed that only 11% of respondents reported having such land disputes. However, land conflicts are a sensitive issue, and some citizens may not be comfortable telling enumerators that they have or had a land dispute, so the prevalence of disputes could be higher. The survey revealed that among those who have reported disputes, 49% indicated that the dispute was with immediate family members, followed by disputes amongst neighbors who were not family members (31%). 17% claimed they were engaged in disputes with other family members, and 4% reported having

disputes with the government.

By virtue of land demarcation having clarified land boundaries, one would have expected boundary disputes to have decreased in the post-regularization period relative to other types of land disputes. However, survey results show that disputes over boundaries dominate the types of disputes reported at 43.8%, followed by disputes over ownership at 22.2%. Only 1.7% of respondents reported disputes with the government over expropriation or requisitioning of land (see Figure 3).

Figure 3: Types of Land Disputes



The process of land tenure regularization in Rwanda sought to reduce land disputes through clarification of rights and the boundaries over which the rights are exercised. Our survey indicated 89% of respondents believe that disputes over land had decreased since land tenure regularization. Results of the household survey show that less than half (42.4%) of the 165 respondents who had registered land disputes reported that land certificates were useful in land disputes resolution. However, the majority (78%) of those who believe that land certificates were useful indicated that certificates had a decisive influence on resolving land disputes.

4. Conclusion and Recommendations

Results indicate that basic aspects of LAS are widely understood by the population. While the study revealed a high level of awareness of the LAS, less than half of the respondents (43.8%) who are aware of LAS confirmed familiarity with the procedures and requirements for registering different land transactions. The research team

suggests making an effort to improve citizens' familiarity with the procedures and requirements for registering land transactions. This can be achieved through comprehensive trainings for District and Sector Land managers, who then are mandated to educate their clients and other landowners in the community. Community meetings are also an effective venue for sharing important information and could be used to educate citizens about the importance of formal registration as well as the processes and procedures for doing so.

Location in terms of province was found to be a significant factor influencing the likelihood of using the system. The highest rate of use of LAS was found in the Western and Eastern Provinces (consistent with relatively higher percentage of citizens indicating the DLB to be the provider of land registration services) compared to other provinces. This could be a reflection of better road infrastructures and means of public transport, resulting in lower transport costs and better access to DLBs. In the Southern Province, which had lowest LAS use rates and where transport infrastructures are relatively poor and distances longer, citizens encountered greater difficulty with accessing DLBs and higher associated transaction costs. By 1st July 2015, Sector Land Managers were expected to be in place to register land transactions, according to district officials. The research team recommends monitoring the intervention to see if the use of the LAS is increasing as a result and to evaluate the effectiveness of the intervention against the associated costs.

Considering that over 60% of respondents earn less than Rwf 50,000 per month, it is doubtful that fixed fees of Rwf 27,000 for registering land transfers are affordable for most Rwandans. Researchers suggest revising the fixed fees for registering land transfers taking in consideration the size and value of market transferred properties as well as applying different bases for setting fees for non-market-based property transfers (e.g. inheritance, gift, and *umunani*). Such changes are expected to greatly incentivize registration compliance by the poor majority.

Researchers found the highest proportion of disputes are boundary disputes. It may be that use of more accurate boundary survey methods

would reduce their incidence. Local authorities at district level agreed that the presently used general boundaries should be upgraded to demarcate boundaries more accurately. Doing further research on this issue is needed to ensure that undertaking this costly exercise would lead to substantial reductions in land disputes and faster and more durable resolution of disputes.

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