

# Urban Land Use Planning, Management, And Taxation from Its Good Governance Dimension; the Case of Gelan and Lega Tafo Lega Dadi Towns

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**Abstract:** This study is an assessment of Urban land use planning, management, and taxation from the governance dimension; the case of Gelan and Lega Tafo Lega Dadi towns. To achieve these objectives qualitative and quantitative research approach was employed to identify the gaps under land use, planning, management, and taxation were used and data were analyzed using descriptively. Questionnaires, Interview, focus group discussion, and secondary data was employed to collect data and analyzed descriptively. The findings of the study revealed that the overall process of urban expansion and infrastructure development process was not respected existing rights, transparent, community-centered, and participatory in decision-making power. Moreover, the valuation of urban land/property compensation did not accord to market prices and expropriation of urban land has taken place without enough discussion and consensus with the affected people. Furthermore, urban land use planning and regulations were unable to cope with urban growth as well as effectively guided urban spatial expansion, and unable to protect cultural buildings with historical buildings and heritage areas and drive people into informalities Overall urban land-use change was not based on the consent of stakeholders in towns. Finally, the process for getting a building authorize took a long time and the regularization of the building permit was not affordable, in towns with informal tenure and possible strategy did not exist for urban land tenure security

**Keywords:** Good governance, land governance, land management, land use planning, and Taxation

## Introduction

For the past 20 years, many towns, particularly under developing countries, we're rising rapidly due to economic growth and population migration ( Qian. L 2014). By the last of 2030, more than 50% of the World the population was living inside the cities (WHO, 2013). Urban land insufficiency and demand in cities with improper management are also driving factors for weak governance in urban land management systems. Population growth and urbanization have a major impact on driving up urban land value which affects housing and property affordability in the framework of difficulties implementing planning functions and zoning regulations. Land management within Africa, particularly sub-Saharan Africa has presented a variety of challenges due to its historical, social, political, and cultural diversity. Attractive land grabs and unlawful state land capture, land insecurity, and lack of involvement in the urban land decision-making process are being shown across several African nations. Like other African countries, the urban land management processes across Ethiopia things to see distressing signs and an indications of serious urban land management problems. Gelan and Lega Tafo Lega Dadi towns are no exception.

Beneath the FDRE, urban land is governed and administrated by the urban land leasehold law which has been amended three times since its first application in 1993 (proclamation. 80/1993, 272/2002, and 721/2011). On the other hand, urban land-related laws like proclamations No.574/2008 and the No. 818/214 are also included. All these legislations have primarily aimed to promote efficiency and effectiveness in urban land governance. However, this objective promoting good governance in urban land management appears to be a frightening statutory forecast due to gaps under the law itself and in the course of enforcement. The empirical studies indicate that urban land use planning and management, could not promote good governance in urban land and unable to discourage widespread unethical practices from the government (Y.Bekele, D.Kjosavik, 2016). The key challenges revolve around the inefficient and ineffective capacity of the institutions bestowed with the responsibility of urban plan preparation and implementation according to urban planning legal frameworks and the Structure plan and local development plan (LDP) preparation invested effort is not enough as compared with the size of urban towns.

The survey result conducted on different Ethiopian cities i.e. Bahir Dar, Addis Ababa, Hawasa, Dire Dawa, and other cities in Ethiopia by (Shewakena Aytenfisu, 2016, Gizachew Birhanu (2016), (Berhanu, et al, 2015), (Melesse et al., 2014) and (Nigussie, 2016) underlined that gaps and weaknesses in the urban land use planning and management as lack of harmonization of the existing institutions, insecurity of tenure and illegal land settlements, lack of societal participation in decision making, and fragile capacity for enforcement and evaluating of statutory planning laws and land use planning. Nevertheless, the effectiveness and efficiency of the urban land Land Use, Planning, management, and taxation from the governance dimension studied at the local level of Gelan and lega Tafo lega Dadi town on the topic yet. Therefore this paper examines urban Land Use, Planning, management, and taxation from the governance dimension at the local level of Gelan and Lega Tafo Lega Dadi towns in Ethiopia.

## Related Literature Review

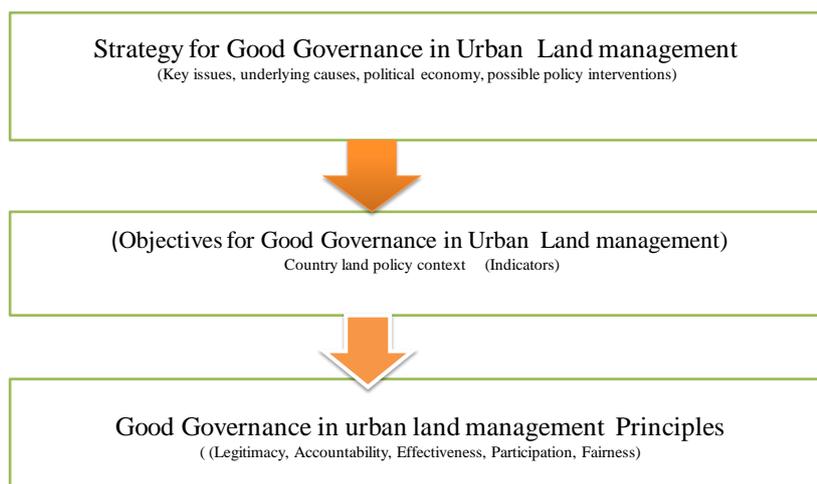
### Theoretical Framework for Governance in Urban Land Management

Currently, the concept of governance has become debatable agenda when sustainability needs consideration of balancing social, economic, and environmental components in the decision-making process. Currently, the discussion about governance has continued in various disciplines, even though the definition and concept remain debatable (Olowu, 2002). In this line, Sheng (2010)

as cited in Samsudin (2014) perceptively states that governance is a complex concept and described in various ways, which is one side may refer to the quality of the public delivery system and on the other side may concern about the development of appropriate institutional framework by the political route. Urban Land governance includes the rules, processes, and structures throughout which decisions are made about the right to use land, the way the decisions are implemented and imposed, the means that challenging interests in urban land are managed (FAO, 2009). It includes state structures responsible for the urban land and covers the legal and policy framework for land, as well as traditional practices governing land transactions, inheritance, and dispute resolution systems (Ibd). Governance in the urban land executive is very important in many areas, as land management, especially in developing countries, grows increasingly vulnerable to maladministration. Whether pit or grand Corruption is much linked to weak governance in developing countries where having power over land a right is considered as a means of controlling political and economic power and privilege through fraud (FAO, 2007). Weak urban land governance is also linked to increasing insecurity in property rights and a soaring level of bribery and corruption in urban land management activities, particularly in the developing world. Studies conducted by Burns and Dalrymple( 2008) in developing countries have witnessed that cities are unable to provide affordable urban land in sufficient quantities, particularly for the urban poor, because of the inefficiency and ineffectiveness of land management. Regarding this, they pointed out that a Weak institutional and legal framework will affect the poor in particular and may leave them marginalized and outside the law.

Development practitioners of all persuasions recognize the importance of governance and the rule of law as a crucial precondition for economic and social development. In many contexts, urban land is identified as one of the most corrupt sectors together with the judiciary and the police Burns, T, and Dalrymple, K (2008). Still, given the complexity of urban land issues almost everywhere and the fact that institutional arrangements are highly specific, no systematic direction is accessible to identify and benchmark urban land governance and to add to improve it over time. In general, the approach used in this study is summarized as follows. The development of a conceptual framework began with a wide-ranging review of land management systems, in strengthening urban land management systems.

Figure - Approach to Improving Governance in urban land management



Source :Adopted from Burns,T and Dalrymple.K (2008)

### Governance in Urban Land Management and its objectives

Governance can be defined in a variety of theoretical dimensions. Governance in the urban land executive is very important in many areas, as land management, especially in developing countries, grows increasingly vulnerable to maladministration. Whether pit or grand Corruption is linked to weak governance in developing countries where having power over land is considered as a means of controlling political and economic power and privilege through fraud (FAO, 2007). Weak urban land governance is also linked to increasing insecurity in property rights and a soaring level of bribery and corruption in urban land management activities, particularly in the developing world. Studies conducted by Burns, T, and Dalrymple, K( 2008) in developing countries have witnessed that cities are unable to provide affordable urban land in sufficient quantities, particularly for the urban poor, because of the inefficiency and ineffectiveness of land management. Regarding this, they pointed out that Weak urban land use planning, management, will affect the poor in particular and may leave them marginalized and outside the law.

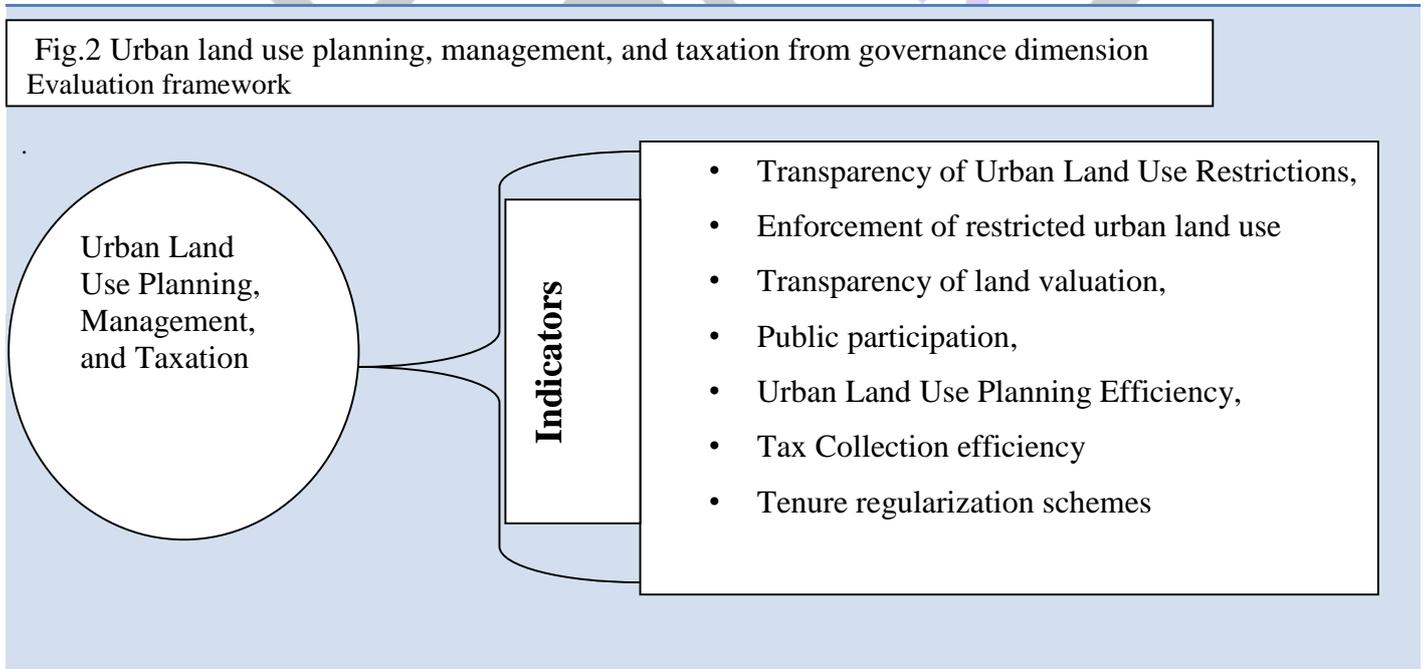
The focus of this study is developing a set of statements that set out a consistent framework of objectives for good governance in urban land management. The indicators are used as an accepted set of objectives that can be again investigated at the grassroots level. Therefore two objectives for good governance in Urban land use planning, management, and taxation have been used. The role of good governance was also developed from a considerate of the implications of ineffective, inequitable, and poorly functioning urban land management systems. Weak governance in urban land management is a key contributor to issues of informal modes of service delivery, corruption, limited land markets, tenure insecurity, informal settlements, unrealized investment potential

in property, land speculation and encroachment, idle and unproductive use of land, inequitable land distribution, and inadequate provisions of infrastructure Burns, T, and Dalrymple, K( 2008).

The urban land management systems become the foundation for the hierarchy of other instruments that support a wide range of natural resource use rights for activities associated with land, air, and water. These include land-use zoning, site development, allocation and use of air space, the allocation and use of water resources, and other natural resources. All level of rights in the chain of command is accompanied by more a specialized urban land management governance system because they stand for value-adding in different land markets and economic systems. Land management is keeping pace by imposing land-use planning and connected development restrictions. Sustainable land-use planning must be lined up with society's needs and undertaken in a participatory way. The effect of poor land-use planning is indirect as people will find informal means to cope with their needs, mainly when planning designs improperly predict or supply the necessary infrastructure issues distressing land-use arrangements, which often directly affect people’s livelihoods, and results in high levels of social unrest. There are also frequent problems enforcing master plans as they are either developed without due consideration of implementation preparations and capacity a non-participatory approach that meets strong community resistance. Similarly, zoning constraints should be reasonable by external effects, and firm in a clear and participatory way. Regulations and restrictions should be made through the ability to enforce them. However, in many, managing urban land without proper governance arrangements has given rise to significant building maintenance and redevelopment problems associated with old and unsafe land use planning.

On the other hand Property valuation and taxation has important implications for governance in land management. Land resources in all societies are finite and a fundamental basis for social and economic development Burns, T and Dalrymple, K( 2008). An unbiased and clear taxation process is more likely to have eager participants, than an unfair and non-transparent system. Poor systems for property valuation and taxation can be an indication of poor governance in urban land management. These direct to vagueness in market prices, difficulties in valuing property, constrain urban land markets, increased urban land disputes and appeals, loss of revenue, and unfair property tax burdens. The valuation process provides the framework for statutory valuation purposes and should be transparent and fair. Valuation information values should be made openly available to improve transparency in the urban land market. These principles s are necessary to remove the common practice of under-declared values associated with high property transfer fees and taxation rates.

To evaluate Urban Land Use Planning, Management, and Taxation from a good governance perspective requires a precise and well-defined evaluation framework. According to K. Deininger, Selod, & Burns (2011), FAO (2007), and Word Bank (2013), the Land Governance Assessment Framework (LGAF) which was developed by the World Bank and its partners is one of the most well-known frameworks used to evaluate the good governances in the urban land management. Therefore, based on the objective of these studies the (LGAF) is used to assess Urban land use, planning, management, and taxation from a governance dimension because LGAF is one of the most comprehensive and diagnostic tool frameworks for the evaluation of urban land governance practices in a different perspective



**Source; adopted from world Bank, 2007,**

**Urban Land Use Planning, Management, and Taxation system in Ethiopia**

In the Ethiopia context, as per article 40( 3), the land is solely vested in the state and the people of Ethiopia while landholders have the right to use the land. As per article 40(8), the state has the constitutional power of eminent domain as the state can expropriate private property for public purposes subject to payment in advance of compensation equal to the value of the property. The de facto and de jure urban tenure system in Ethiopia includes a leasehold, old possession, communal holding, and informal settlements; while informal settlements are not recognized by the formal registration system. As per the urban landholding registration proclamation article 4(1), the objective of urban landholding registration is ensuring consistent protection of landholding rights of

private, joint holders, associations, government, and non-governmental institutions.

The right may be restricted through urban public land use regulations and restrictions, sectoral land use provisions, and also various kinds of private land-use regulations. Urban land-use rights limits control the possible future use of the urban land. Urban Land-use planning and constraints are becoming important as means to provides effective land-use management, provide infrastructure and services, protect and advance the urban environment, prevent pollution, and pursue sustainable economic development.

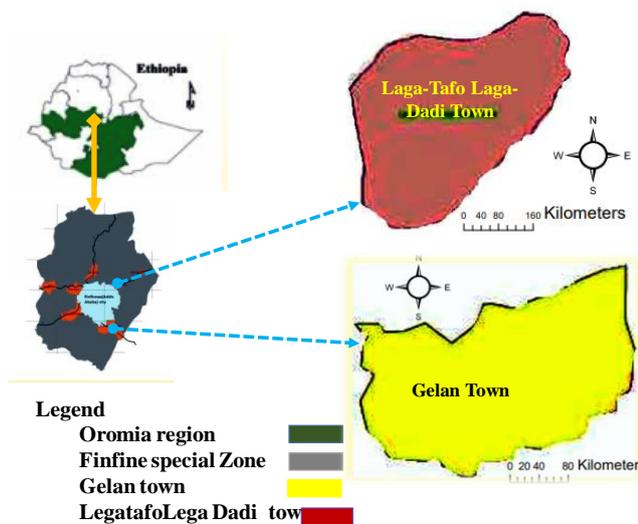
In the context of Ethiopia, decades ago, during master plan preparation, communities were passively accepting the technocrat based planning approaches superimposed upon them, and participation was viewed as simple familiarization of the already finalized plan to stakeholders, in other words, participation is not interwoven with the very cycle of the urban planning system (World Bank, 2016). Despite a strong political commitment to strengthen public participation in the decision-making process, public participation in the urban planning process in many urban centers of Ethiopia is relatively low. The participation rate diminishes at a later stage especially in the approval phase in most participation encounters in urban planning.

## Research Methodology

### Overview of Study Area

Gelan and lega Tafo lega Dadi towns are emerging new cities. Gelan is located in Special Zone surrounding Finfinne in oromia regional state which located 25 km away from Addis Ababa in South-East direction or between  $7^{\circ}12' - 9^{\circ}14'N$  Latitudes and  $38^{\circ}32' - 39^{\circ}32' E$  Longitudes. Whereas Lega Tafo lega Dadi is also located in Special Zone surrounding Finfinne located 21 km away from Addis Ababa in the North-East direction. Gelan boundary is physically attached to Addis Ababa and Dukam and the total area of the City is 75.16 km<sup>2</sup> (7516) hectares whereas lega tafo lega dadi town is bounded by Addis Ababa city administration and Sululta district from the west and Northwest, with a total area of 7444.53 hectares. Currently, the population of Gelan town increase to male 31043 female 33687 total 64729 and Lega Tafo Lega Dadi town population also increase to male 17927 Female 22937 total 40864 (Lega Tafo lega Dadi and Gelan towns admin, 2019). Both towns were established after the establishment of some investments around and have been grown by displacing and affecting the livelihood of local farmers.

### The Maps of study areas



### Research design

The study employed a qualitative and quantitative research approach to identify and understand gaps under the urban land use planning and management, that brings weak governance in urban land management. The researcher selected the areas after critical observation and aims to assess the gap of urban land use planning, management, and taxation. Focuses on national, regional, and town levels. Based on the aim to describe in detail the current performance of Urban Land Use Planning, Management, and Taxation, descriptive-case study types were employed. This research employs quantitative data generated by a cross-sectional survey questionnaire and qualitative data collected via key informant interview (structured interview) and focus-group discussion. Whereas quantitative data was measured using a Likert scale.

### Sample Technique and Size

Non-probability and probability sampling techniques were in use to select samples from the population. The researchers deliberately selected the key informant's groups: from each town, mayors, land management officials, head of judicial from each town, four kebele officials from each town, investment offices (2) and (2) land experts,(2) urban planners expert, from each town were interviewed and 24 officials and experts were interviewed. In probability sampling, the researchers used systematic random sampling to categorize respondents from each town and kebeles. The study population for this research consisted of the heads of households in two towns. According to the data obtained from Gelan and Lega Tafo Lega Dadi town administrations, the household

numbers were Gelan 8722 and L/ Tafo L/Dadi 8173, a total of 16,895 and researchers would use Yamane's formula (1967), therefore, the sample size of household respondents would be determined by using the following formula  $n = N/(1+N(e)^2)$   $n=391$ . The sample size for each town will be determined from the total sample size based on the household size of each town by the stratified sampling formula

•  $n_i = (n/N)N_i$  where,

Hence

○ Gelan =  $(391/16,895) 8722=202$

○ L/ Tafo L/Dadi= $(391/16,895) 8173=189$

• Therefore 391 sample representatives would be considered in two towns as a respondent in survey questionnaires. Selecting a random starting point for independent household  $K = N/n$ . the formula would be used. Besides researcher adds 20% of a sample size to increase the rate of return i.e  $391*20/100= 78$  questionnaires were distributed in additionally.

### Data Analysis Method

The qualitative and quantitative data collected from respondents were analyzed descriptively. In the process of mixed data analysis, qualitative data analysis was dominantly employed. Three hundred ninety-one (391) questionnaires were distributed to head of households and all questionnaires were returned and entered to SPSS version 20 for the statistical analysis. The result of statistical analysis is presented using percentages; tables and graphs while data collected through interviews, secondary data, and focus group were analyzed through interpretation, narration, and content analysis, and finally, data collected through interview, FGD, and questionnaires were triangulated.

## Research Findings and Discussion

### 2.1. Transparency of Urban Land Use Restrictions

Urban Land use planning and management require the involvement of stakeholders to transparently implement without affecting the communities of the towns. Therefore communities that are affected by development projects should be able to participate in the different levels of the decision-making process. At the same time changes in urban land use planning and management, regulations should be transparent and provide significant benefits for society in general rather than just for powerful groups. This is important for reducing the negative impacts of development activities and for ensuring the tenure security of the people's livelihoods. As to urban land use expansion, horizontal urban growth is affecting the living of farmers in the peri-urban areas. To tackle the needs of affected farmers and societies, urban plan preparation suggests the involvement of the community in phases of planning such as the preparation stage, planning stage, and implementation and evaluation stage. In the course of expropriation of urban land for advanced activities, the involvement of affected communities in urban expansion is varied from one town to the other; especially the involvement skips important stages of compensation affecting the livelihood of farmers and urban communities. The following are the indicators that used in these studies to evaluate urban land use planning, management, and taxation implementations from governance dimensions in Gelan and Lega Tafo towns.

#### 2.1.1 Urban Expansion and Urban Land Rights

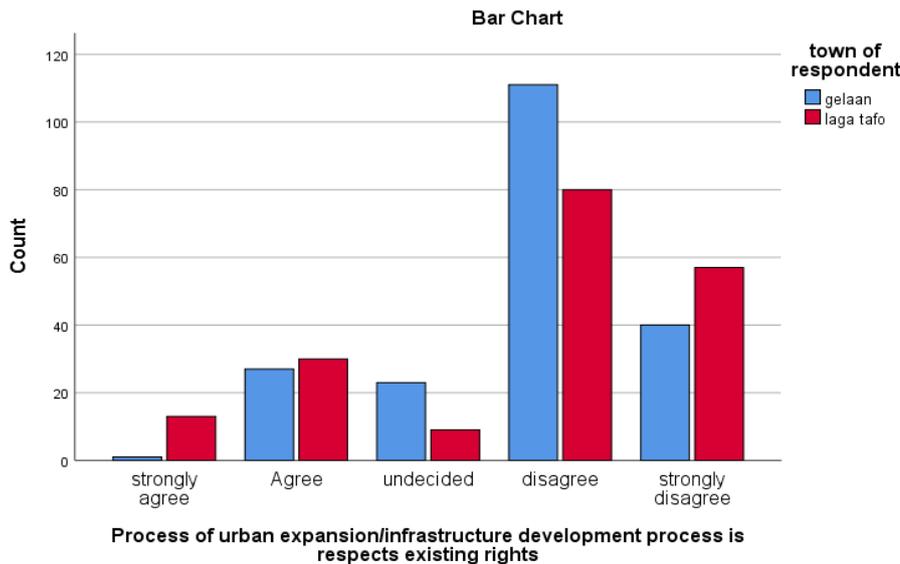
As indicated in table 2.1.1 the respondents were asked to rate their view on whether the process of the urban infrastructure development process is respected existing urban land rights. Accordingly, 191(48.8%) and 97 (24.8%) respondents were replied to disagree and strongly disagree, while 57(14.6%) and 14 (3.6%) respondents were replied agree and strongly agree and 44(11.3%) respondents replied undecided. Thus, from table 2.1.1 it can be stated that the majority of 191(48.8%) respondents were confirmed that the process of urban expansion/infrastructure development process was not respected existing rights.

Table 2.1.1 Response rate of respondents on an indicator of transparency of land use restriction

| Process of urban expansion process is respected existing urban land rights | Town of respondent |           |           | Total | Percent |
|--|--------------------|-----------|-----------|-------|---------|
|  | Gelan              | Lega Tafo | Lega Dadi |       |         |
| strongly agree   | 1                  | 13        |           | 14    | 3.6     |
| Agree  | 27                 | 30        |           | 57    | 14.6    |
| Undecided  | 23                 | 9         |           | 32    | 8.2     |
| Disagree   | 111                | 80        |           | 191   | 48.8    |
| strongly disagree  | 40                 | 57        |           | 97    | 24.8    |
| Total  | 202                | 189       |           | 391   | 100.0   |

Source; own survey result, 2020

When we compare the respecting existing right of two towns data shows that the problems of the process of urban expansion development process were respect existing rights high in Gelan and Lega Tafo Lega Dadi.



Source; own survey result, 2020

In addition to these, the interview conducted with urban planners the process of urban infrastructure depends on the consent of officials than the quest of the community. The process of expansion sometimes demolishes the existing land right only by substituting land without compensation for landholders. Generally, this shows that the Process urban expansion/infrastructure development process was not respected existing rights. Hence practices of urban land use planning and management brought governance problems in urban areas.

### 2.1.2. Urban Infrastructure Development Process

As indicated in table 2.1.2 the respondents were asked to rate their view on the whether Process of urban expansion/infrastructure development process is transparent. Accordingly, 226(57.8%) and 91 (23.3%) respondents were replied to disagree and strongly disagree, while 37(9.5%) and 13(3.3%) respondents were replied agree and strongly agree and 24(6.1%) respondents replied undecided. Thus, from table 2.1.2 it can be stated that the majority of 226(57.8%) respondents were confirmed that the process of the urban infrastructure development process in urban areas was not transparent.

**Table 2.1.2 Response rate of respondents on an indicator of transparency of land use restriction**

| Process of urban expansion/infrastructure development process is transparent | Town of respondent |                        | Total | Percent |
|--|--------------------|------------------------|-------|---------|
|  | Gelan              | Lega Tafo<br>Lega Dadi |       |         |
| strongly agree   | 4                  | 9                      | 13    | 3.3     |
| Agree  | 22                 | 15                     | 37    | 9.5     |
| Undecided  | 15                 | 9                      | 24    | 6.1     |
| Disagree   | 119                | 107                    | 226   | 57.8    |
| strongly disagree  | 42                 | 49                     | 91    | 23.3    |
| Total  | 202                | 189                    | 391   | 100.0   |

The involvement of the society in the stage of planning and expropriation of urban land for the development process was very minimal. FGD made with planners and land experts show that all process depends on the consent of technocrat and officials of the urban management in study areas. In addition to these, the discussions held with key informant groups also revealed that the community was not allowed to involve in decision making and they were forced to accept decisions set by the town's administrations. Thus, the overall process was not community-centered and participatory rather than technocrat and people lacked the power to negotiate at equal terms and had no decision-making power.

Furthermore, the slight involvement of the societies in the compensation decision making and reimbursement process, which implies the government, is the lone decision-maker in compensation and benefits package computation. For instance, interviews conducted with the displaced community and urban land experts indicate that except for a few experts and some prominent persons participate in community compensation and town planning-related decisions the whole affected landholders are not allowed to participate. The Ethiopian constitution article 40,(8), indicates that the right to compensation for the expropriated private property, whereas there is no clear legal and clear direction setting for obliging the participation of the community and stakeholders especially in the computation of compensation and benefits.

Generally, Information on urban land use planning urban expansion and infrastructure development to make a public deal with urban land rights by those affected was not entirely in line with principles sets in the document of urban land. The communities affected by the project have strongly condemned for low compensation practice for the improvements using cost approach of valuation as the transactions through the sale is much higher than the compensation given by the government did not reflect the reality of land values. For instance

| Town          | Compensation is given through town administrations m <sup>2</sup> (EthBirr) | Average of urban land transferred via auction m <sup>2</sup> (EthBirr) | Average of urban land transact via informal sale m <sup>2</sup> (EthBirr) |
|---------------|---|--|---|
| Gelan         | 111   | 5000-7000  | 500-1000  |
| L/Tafo/L/dadi | 110   | 6000-10,000  | 600-100   |

Source ;Gelan and L/TafoL/Dadi towns, 2020

Accordingly, fairness in the delivery of justice regarding property compensation is not adequately served in a situation where the public saying in compensation right does not bring meaningful change pleasing the affected communities and stakeholders. Finally, the process of urban infrastructure development practice was not transparent and aligned with the standards sets in the document of urban land

### 2.1.3 Approval of Urban Land Use Change

As indicated in table 2.1.3 the respondents were asked to rate their view on whether approval desires for change in urban land use are promptly followed by development on these parcels of urban land. Accordingly, 200(51.2%) and 120 (30.7%) respondents were replied to disagree and strongly disagree, while 30(7.7%) and 9(2.3%) respondents were replied agree and strongly agree and 32(8.2%) respondents replied undecided. Thus, from table 2.1.3 it can be stated that the majority of 169(43.3%) respondents were confirmed that approval requests for change in urban land use were not promptly followed by development on parcels of land.

**Table 2.1.3 Response rate of respondents on an indicator of transparency of land use restriction**

| Approval requests for change in urban land use are promptly followed by development on these parcels of urban land | town of respondent |           |           | Total | Percent |
|--|--------------------|-----------|-----------|-------|---------|
|  | Gelan              | Lega Tafo | Lega Dadi |       |         |
| strongly agree   | 5                  | 4         |           | 9     | 2.3     |
| Agree  | 19                 | 11        |           | 30    | 7.7     |
| Undecided  | 23                 | 9         |           | 32    | 8.2     |
| Disagree   | 102                | 98        |           | 200   | 51.2    |
| strongly disagree  | 53                 | 67        |           | 120   | 30.7    |
| Total  | 202                | 189       |           | 391   | 100.0   |

Source, survey result, 2020

In addition to these, there was no planned inspection and monitoring practice of inventorying urban land-use planning change to intend goal practically. So far, the growing speed of land-use change through the dominantly formal urban land delivery system was witnessing the extent of prompt land-use change for its intended use especially in study areas. In Oromia regional state towns surround Addis Ababa and mainly in Gelan and lega Tafo lega Dadi town is one the most rapidly urbanizing areas from the Oromia regional state cities since they are proximity to Addis Ababa and where the urbanization trends are near to the ground and the resource is insufficient for financing infrastructure, the formal urban land release scheme is futile to deal with urban growth and investment needs. As a result, the urban land-use change to intended use occurs so slowly which by in turn accountable the existing statutory urban plan to be outgrown by the rise of squatter settlements and informal land market.

In real practice, the urban land banking process for registering vacant areas after being cleared by compensation and right of way process is executed is not in a better situation, because, encroached state land is not properly banked. In addition to these, the resource, skill human power, and technological capacity is weak in registering vacant area after being cleared by compensation and right of ways as well as the poor practice of banking encroached state land. Furthermore, the illegal settlement areas are not monitored and registered regularly, which makes the undeveloped area to be conducive for speculation and squatter settlement increase. Thus; currently especially in Lega Tafo Lega Dadi town, the legal enforcement committee established for squatter and informal settlement demolish through the campaign.

Besides, the capacity to offer service, urban land management was weak which implies large undeveloped land for squatting in situations where the land use planning change to intended use via informal land delivery system. Even though currently an urban land lease proclamation which in practice 721/2011 strictly has contributed to the reduction of underuse of urban land in line with the policy urges the lessee to construct at least 50 % of construction for transacting property otherwise 95% of the incremental land value is taken by the government in case of transaction of underutilized leased land, nevertheless underuse of urban land was the commonest scenario as investors were delivering land not for investment but mostly for speculative gain from increment land value, and as a result, the town administration was confiscating reasonable quantity of urban land from investors and become governance problems. Therefore approval needs for change in urban land use planning were not promptly followed by development on these parcels of land

## 2. 2 Transparency of valuations

Urban land valuations have to be based on clear principles setting, practiced consistently, efficiently commonly, and publicly accessible.

### 2.2.1 Valuation rolls

As indicated in table 2.2.1 the respondents were asked to rate their view on the publicly accessible valuation rolls. Accordingly, 271(69.3%) and 89 (22.8%) respondents were replied to disagree and strongly disagree, while 18(4.6%) and 3 (0.8%) respondents were replied agree and strongly agree and 10(2.6%) respondents replied undecided. Thus, from table 2.2.1 it can be stated that the majority of 271(69.3%) respondents were confirmed that Valuation rolls were not publicly accessible. Besides these when we compare the survey result of two towns the data shows that the problems of transparency of valuation somewhat higher in Gelan than Lega Tafo Lega Dadi towns

Table 2.2.1 Response rate of respondents on the indicator of valuation transparency

| Valuation rolls are publicly accessible | Town of respondent |                  | Total | Percent |
|---|--------------------|------------------|-------|---------|
|   | Gelan              | lega Tafo L/dadi |       |         |
| strongly agree                          | 1                  | 2                | 3     | .8      |
| Agree                                   | 6                  | 12               | 18    | 4.6     |
| Undecided                               | 7                  | 3                | 10    | 2.6     |
| Disagree                                | 138                | 133              | 271   | 69.3    |
| strongly disagree                       | 50                 | 39               | 89    | 22.8    |
| Total                                   | 202                | 189              | 391   | 100     |

Source; own survey Result, 2020

The compensation and expropriation process passes via bureaucratic procedure starting from the initial phase to the payment of compensation lacks technical laws and uniformity in study areas. According to expropriation documents after the town management has decided to expropriate urban land for a public purpose, in principle project preparation and implementation sensitization meetings have to be planned in the project affected area aiming at explaining to the resident's project benefits. The claimants would be informed that how they are compensated and resettled and that their legal rights will not be intact.

However, the study area survey result revealed that there are a legal gap and implementation problems which are mainly obligated in the valuation and compensation process. The valuation process, whereby compensation is set according to law, is usually not easy, consuming a time, and challenging part of the expropriation process. A proper valuation process is the most important step for the landholder. In the study area, the cost replacement method does not recognize damages, injurious affections, severance, and disturbances that affect the value of the expropriated property. Furthermore, the cost replacement method does not consider assets occurring after the determination of compensation, yet the purchase price of replacement property in the area will be affected. This fails to reach replacement costs. So, the amount of cash or urban land substitution compensation which is based on pre-project rates is not enough for recipients either to purchase or build equivalent property in a more fair and reasonable situation.

Practically Asset approval occurring after the determination of compensation on the one hand and compensation payment delays on the other hand results in a failure to reach replacement costs. According to the law, the valuation does not consider these issues, nevertheless, the purchase price of substitute urban land and related properties in the surrounding area will be affected. The expropriation of urban land has taken place without enough discussion and consensus with the affected people. The town administration data shows the majority of the expropriated people are given the replacement of land without considering the value of land and compensation. This replacement of land taken place based on the standard of resident urban land to the communities of the town. According to data from municipal (2020) of Lega Tafo Lega Dadi town from 6735 expropriate landholders only 660 get compensation and now only 20 households get a loan from the government for rehabilitation.

The expropriation and compensation laws empower the state to implement the expropriation plan and to take actual ownership of the urban land even disputes relating to compensation and resettlement are not resolute. As far as valuation for taxation purposes is concerned, there are no rules, regulations, and directives that deal with a valuation for taxation. Hence, value assessment for taxation purposes in the study area is determined arbitrarily and in an administrative way. Therefore generally there is no clear process of property valuation for compensation or tax purpose and is not determined based on market value.

### 2.2.2 The valuation of urban land property and market prices.

According to the discussion made with experts of urban land, municipal office, and officials of the town administration, one of the familiar problems experienced in urban areas is lack of community involvement and the confidentiality involved in the decisions of property values for compensation and other related purposes. Property owners, specifically persons living in town borders under blame are usually defenseless, with inadequate sources of information, and without access to fair valuation institutions. Most often, the town administration assigns property values to evaluate the value of the structure for the purpose deemed and to come up with a certain value. On the one hand, property values are not technical and on the other hand valuation workings and property values are all kept secret from property owners and there is a sign of pit corruption. This opposes the right of property owners to aware of how the values are resultant and what rates can be used.

Despite, full dissemination of information should have to take place to affected property holders/owners to fully aware of their rights and the procedures that are available to them; the practice undertaken on the ground is quite different. Affected landholders are not encouraged to self-organize and select their representatives. The powerful group representatives allowed to participate and to choose, besides other stakeholders such as developers, on main decisions including group compensation process, in the step of physical relocation, resettlement, rehabilitation assistance, and others. The experience shows that most of the affected people, in towns, are

excluded from the decision-making process. The large majority of the affected people are not consulted before compensation standards and amounts are determined.

As far as valuation for taxation purposes is concerned, in the first place, there were no valuation rolls of lands in the study areas because there was no LDP implementation. Land valuation or grading started after the LDP implementation. Because LDP is implemented only on behalf of the regional plan institute agency, they can't cover the whole regional towns. As a result of 112 proposed LDP, only 4 LDP or areas started as the pilot which does not implement practically in Lega Tafo lega Dadi town and the same is true for Gelan town. In addition to that, no policy obliged valuation rolls are publicly accessible and there is no space for property owners to know how the assessed value for tax purposes is determined and the amount of tax to be levied.

### 2.3. Public participation

#### 2.3.1 The Involvement of stakeholder in urban land-use change

According to proclamation No.574/2008, of the urban plan, indicate that the course of urban planning endorsement shall be started by community participation to be conducted at a well-situated location, and such process and participation has to be transparent and involved the community at large. Besides, the relevant feedbacks and suggestions have to be taken as input to set right the plan. Moreover, the structure plan preparation standard document that public committee those chosen from the public should be established for urban centers at all levels to reflect the view of the community. In the urban plan document manual setting principle, initiation for preparation of local development plan (LDP) for specific areas possibly will come either from the community, investor, and municipality. But in study areas, the survey result shows that in real practice, most of the planning is not derived from the start of the community rather it is government or private driven or sometimes it depends on only the consent of officials or absolutely technocrats.

As indicated in table 2.3.1 the respondents were asked to rate their view on whether a change of land use was approved by public consultation with different stakeholders. Accordingly, 222(56.8%) and 83 (21.2%) respondents were replied to disagree and strongly disagree, while 35(9%) and 19(4.9%) respondents were replied agree and strongly agree and 32(8.2%) respondents replied undecided. Thus, from table 2.3.1 it can be stated that the majority of 222(56.8%) respondents were confirmed that changes in urban land use were not approved by public consultation with different stakeholders.

Table 2.3.1 Response rate of respondents on the indicator of public participation

| Change of land use approved by public consultation with different stakeholders | town of respondent |           |           | Total | Percent |
|--|--------------------|-----------|-----------|-------|---------|
|  | Gelan              | Lega Tafo | Lega Dadi |       |         |
| strongly agree   | 9                  | 10        |           | 19    | 4.9     |
| Agree  | 23                 | 12        |           | 35    | 9.0     |
| Undecided  | 22                 | 10        |           | 32    | 8.2     |
| Disagree   | 110                | 112       |           | 222   | 56.8    |
| strongly disagree  | 38                 | 45        |           | 83    | 21.2    |
| Total  | 202                | 189       |           | 391   | 100.0   |

Source; own survey Result, 2020

The survey result shows that some communities are participated in setting visions, urban plan preparation, and approval while the participation of the community from the vision setting is waived in certain cases. For instance, currently, in both town administration structure plan preparation, frequently many times public forum is created for stakeholders and community consultations while consultation has drawbacks to capture and reflect the real needs of grassroots levels especially farmers on the surrounding periphery areas.

Discussion with FGD shows that four LDP implemented in Lega Tafo Lega Dadi town was not initiated from the public for urban centers while society consultation and comments are obtained from vision setting, preparation, and endorsement stage notwithstanding the fact that some LDP's have still been done with more technocrat and official oriented approach with no meaningful community participation.

In general, the survey result indicates that there was no public participation during the revised structure plan and LDP preparation in both Gelan 2016 year and Tafo 2017 years. Interview and FGD conducted with both urban planners experts indicate that even though minutes of the meeting are signed during statutory urban plan preparation, the input of the community is not explicitly referenced and documented to influence future planning process and zoning ordinance modification. For instance, repeatedly, some proprietors especially affluent person construct a building by violating building height regulation primarily and somehow manage the change in building height regulation by submitting the case for the process council which puts in question the strict use of building height regulation in study areas, waiving the affected community inputs and ideas even through community representatives. The scenarios of zoning modification are the technocrats in urban planning process development activities with proposal justification and endorse the modification through approval of the process council not seeking the affected communities' inputs and interests.

In general, Public suggestion is required in preparing and amending urban land-use plans however the public comments are mainly unseen in the finalization of the land use plans in towns. Accurate guidelines ought to be designed for any zoning modifications to involve mainly the interest of the majority of the affected communities rather than endorsing the technocrat-based analysis by the process council. Besides, the prepared urban plan is not publicly inclusive as the community's interests and concerns are marginalized in plan preparation and implementation of expansion areas. Therefore changes in urban land use were not approved

by public involvement with different stakeholders.

### 2.3.2. The Changes in Urban Land-Use Plans

As indicated in table 2.3.2 the respondents were asked to rate their view on whether Changes in urban land-use planning are based on an understandable public process. Accordingly, 225(57.5) and 77 (19.7%) respondents were replied to disagree and strongly disagree, while 34(8.7%) and 20 (5.1%) respondents were replied agree and strongly agree and 35(9%) respondents replied undecided. Thus, from table 2.3.2 it can be stated that the majority of, 225(57.5) respondents were confirmed that Changes in urban land-use plans were not based on a clear public process. Therefore Changes in urban land-use plans were not based on the clear public process.

Table 2.3.2 Response rate of respondents on the indicator of public participation

| Changes in urban land-use planning are based on the unambiguous public process | Town of respondent |                     | Total | Percent |
|--|--------------------|---------------------|-------|---------|
|  | Gelan              | Lega Tafo Lega Dadi |       |         |
| strongly agree   | 7                  | 13                  | 20    | 5.1     |
| Agree  | 18                 | 16                  | 34    | 8.7     |
| Undecided  | 24                 | 11                  | 35    | 9       |
| Disagree   | 122                | 103                 | 225   | 57.5    |
| strongly disagree  | 31                 | 46                  | 77    | 19.7    |
| Total  | 202                | 189                 | 391   | 100     |

Source; own survey result, 2020

## 2.4. Urban Land Use Planning Efficiency

### 2.4.1 The Delivery of Low-Cost House

As indicated in table 2.4.1 the respondents were asked to rate their view on whether the policy to ensure delivery of low-cost housing and services exists and is gradually implemented. Accordingly, 247 (63.2%) and 93 (23.8%) respondents were replied to disagree and strongly disagree, while 19(4.9%) and 8(2%) respondents were replied agree and strongly agree and 24(6.1%) respondents replied undecided. Thus, from table 2.4.1 it can be stated that the majority of 247(63.2%) respondents were confirmed that the strategy to ensure delivery of low-cost housing and services was no existed and progressively implemented.

Table 2.4.1 Response rate of respondent's o indicator of efficiency in the urban land use planning

| Policy to ensure delivery of low-cost housing is progressively implemented | Town of respondent |                     | Total | Percent |
|--|--------------------|---------------------|-------|---------|
|  | Gelan              | Lega Tafo Lega Dadi |       |         |
| strongly agree   | 4                  | 4                   | 8     | 2.0     |
| Agree  | 14                 | 5                   | 19    | 4.9     |
| Undecided  | 18                 | 6                   | 24    | 6.1     |
| Disagree   | 133                | 114                 | 247   | 63.2    |
| strongly disagree  | 33                 | 60                  | 93    | 23.8    |
| Total  | 202                | 189                 | 391   | 100     |

Source, own survey result, 2020

In study areas, there is no condominium house for low-cost houses practiced. But the demand for low-cost houses in areas was much high among the communities of the town. Because of the proximity to capital cities of the countries, the majority of the resident in town is lived in a rent house. Furthermore, lack of delivery efficient delivering developed land to residential is one of the problems that face urban areas. The ability of town administration to provide adequate land for urban residents was poor due to financial constraints and complaints from landowners for the need for enough compensation. Therefore, there is a policy for low-cost housing and services but its execution has major gaps so that the number of people with poor shelter increases. But, to overcome the housing problem town administration unable to deliver developed land for residential. Then people start to look at other opportunities in which become the factors for increases informal settlements and squatters in urban areas. Generally, a Policy to guarantee the delivery of low-cost housing and services exists but practically did not implement in the study areas.

### 2.4.2 Urban Land Use Planning and Urban Spatial Expansion

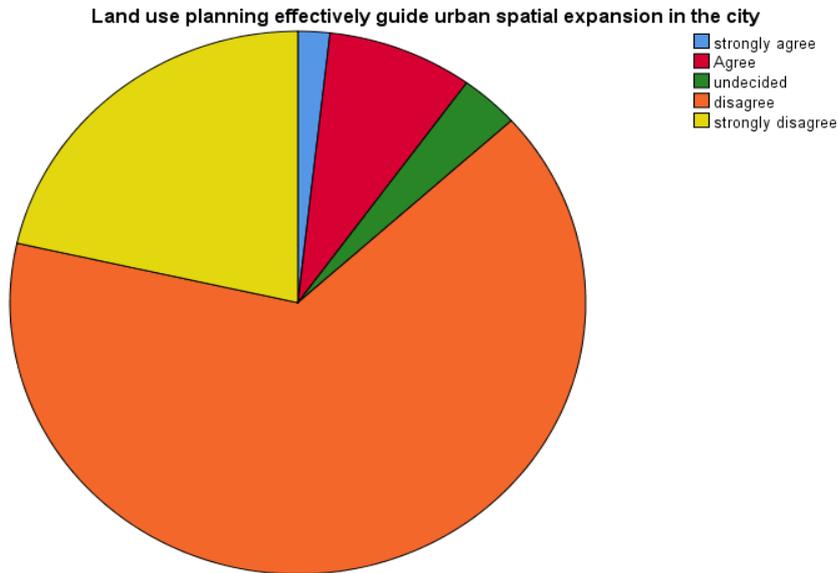
The government has made an effort to integrate inner slums into mainstream urban development through regularization, upgrading areas, and redevelopment programs and guided land development through the provision of serviced land. Yet, the government could not control squatter development on the outskirts. This was true at the local level of Gelan and Lega Tafo Lega Dadi towns. The town administration is now claiming to control or at least shorten squatter increase on the outskirts through the coercive measure of a campaign by legal enforcement committee, but the continuity and fairness of this approach are still under question. As indicated in table 2.4.2 the respondents were asked to rate their view on whether land use planning efficiently guides urban spatial expansion in the town. Accordingly, 255 (65.2%) and 84 (21.5%) respondents were replied to disagree and strongly disagree, while 32(8.2%) and 7(1.8%) respondents were replied agree and strongly agree and 13(3.3%) respondents replied undecided. Thus, from table 2.4.2 it can be stated that the majority of 255(65.2%) respondents were confirmed that, land use planning was not effectively guided urban spatial expansion in the town.

Table 2.4.2 Response rate of respondent's o indicator of efficiency in the urban land use planning

| Urban Land use planning efficiently | Town of respondent | Total | Percent |
|-------------------------------------|--------------------|-------|---------|
|-------------------------------------|--------------------|-------|---------|

| guide urban spatial expansion in the towns | Gelan | Lega Tafo Lega Dadi |     |      |
|--|-------|---------------------|-----|------|
| strongly agree                             | 3     | 4                   | 7   | 1.8  |
| Agree                                      | 18    | 14                  | 32  | 8.2  |
| Undecided                                  | 10    | 3                   | 13  | 3.3  |
| Disagree                                   | 144   | 111                 | 255 | 65.2 |
| strongly disagree                          | 27    | 57                  | 84  | 21.5 |
| Total                                      | 202   | 189                 | 391 | 100  |

Source, own survey,2020



To sum up, although hierarchies of the statutory urban planning are specified by law, urban land use planning has not successfully guided and prohibited urban morphology changes arising from the demand for urban land for different uses and repeated the prepared statutory urban plans are modified through zoning changes. Generally in town, while a hierarchy of detailed urban land use planning is specified by law, in practice urban spatial expansion occurs informally with the infrastructure provided for a moment after urbanization. The officially binding urban plan is unproductive in controlling the rapidity; direction and force of urban. Accordingly, the development of urban expansion at the periphery shall not be properly guided, forecasted, controlled with prompt preparation, and implementation of the urban plan. Hence, urban land use planning was not effectively guided urban spatial expansion in the towns.

**2.4.3 Urban Land Use Plan and Regulations, and Informalities.**

As indicated in table 2.4.3 the respondents were asked to rate their view on whether land use planning and regulations are current, implemented; do not drive people into informalities. Accordingly, 264 (67.5%) and 80 (20.5%) respondents were replied to disagree and strongly disagree, while 27(6.9%) and 6(1.5%) respondents were replied agree and strongly agree and 14(3.6%) respondents replied undecided. Thus, from table 2.4.3 it can be stated that the majority of 264(67.5%) respondents were confirmed Land use plans and regulations were not current, implemented, drive people into informalities

Table 2.4.3 Response rate of respondent’s o indicator of efficiency in the urban land use planning

| Land use plans and regulations are current, implemented, do not drive people into informalities | Town of respondent |                     |       | Percent |
|---|--------------------|---------------------|-------|---------|
|   | Gelan              | Lega Tafo Lega Dadi | Total |         |
| strongly agree  | 0                  | 6                   | 6     | 1.5     |
| Agree   | 12                 | 15                  | 27    | 6.9     |
| Undecided   | 13                 | 1                   | 14    | 3.6     |
| Disagree  | 142                | 122                 | 264   | 67.5    |
| strongly disagree   | 35                 | 45                  | 80    | 20.5    |
| Total   | 202                | 189                 | 391   | 100     |

Source; survey result, 2020

On the other hand, the expansion of investment before the establishment of the town mainly in Gelan and Lega Tafo Lega Dadi town brought Inefficiency of Land use planning. The urban plan was not updated regularly to reflect the frequent zoning changes performed on the approved urban plan which creates a visible mismatch for revision of the current urban plan of the town’s special on an obsolete and approved plan prepared 10 years ago. To sum up Suitability, Skill gap, Political intervention, Lack of central

control and monitor and evaluation, Lack of check and balance, Institution structural gap, challenges to implement 721/2011 land lease proclamation and its rule and double contractual agreement (b/n land bureau and investment bureau) is the most challenges affected land use planning to be effective guides urban spatial expansion in study areas. Thus, urban land use planning and regulations were not current, implemented properly and, drive people into informalities.

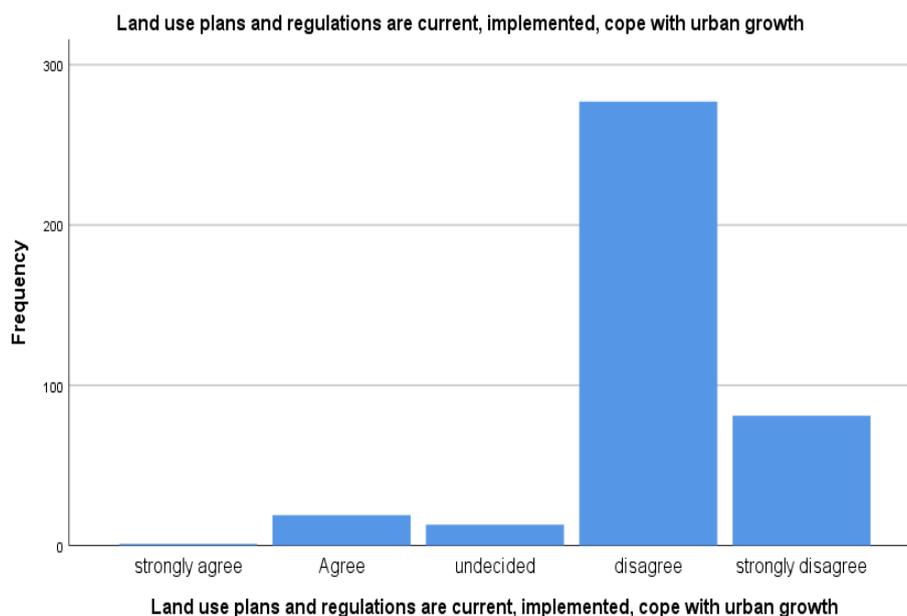
#### 2.4. 4 Planning Processes and Urban Growth.

The urban land delivery system in the country has gone through different land tenure systems. Such tenure shifts are a reflection of the prevailing land policy and landholding tenure systems of the country under different governance regimes. As indicated in table 2.4.4 the respondents were asked to rate their view on whether land use planning successfully guides urban spatial expansion in the towns. Accordingly, 277(70.8%) and 81(20.7%) respondents were replied to disagree and strongly disagree, while 19(4.9%) and 1(.3%) respondents were replied agree and strongly agree and 13(3.3%) respondents replied undecided. Thus, from table 2.4.4 it can be stated that the majority of 277(70.8%) respondents were confirmed that Planning processes were unable to cope with urban growth.

Table 2.4.4 Response rate of respondent's o indicator of efficiency in the urban land use planning

| Land use planning successfully guide urban spatial expansion in the towns | Town of respondents |                |      | Total | Percent |
|---|---------------------|----------------|------|-------|---------|
|   | Gelan               | Lega Tafo Dadi | Lega |       |         |
| strongly agree  | 3                   | 4              |      | 7     | 2.0     |
| Agree   | 18                  | 14             |      | 32    | 4.9     |
| Undecided   | 10                  | 3              |      | 13    | 6.1     |
| Disagree  | 144                 | 111            |      | 255   | 63.2    |
| strongly disagree   | 27                  | 57             |      | 84    | 23.8    |
| Total   | 202                 | 189            |      | 391   | 100     |

Source, own survey result,2020



Currently, the town administration is unable to deliver serviced land for diverse development actions by lease either through the modality of allotment or tender. The serviced urban land is allotted by lease mostly for residential development of real estate targeting middle and low income while lease by tender modality is allotted for private construction housing cooperatives, and especially in lega tafo lega Dadi town.

Besides, this approach also excludes the poorest sectors, whose members do not have the savings for the initial down payment and are unable to secure a housing loan because of having income from informal sources and because of the high-interest rate. As above mentioned there remains a huge unmet demand for housing. So, the plot allocation for grand housing and cooperative house development and the previous housing cooperative efforts did not reflect the ability of urban planning to cope with urban growth and did not contribute to effectively reducing the housing backlog. Though the low supply of land for satisfying large unmet demand for housing backlog; however, the government formal land delivery system capacity has not improved. In contemporary trends, the increasing capacity of the government for formal land supply through house cooperative allotment for the private developer is also evidenced by the increasing land supply for residential and other development activities.

Table 2.4.5 the Demands of the People Apply For Residential Land And Government Response

| Town  | Apply people to the residential house via cooperative |               | Land delivered for people apply via cooperative house |                  | Gap       |            | Percent  |             |
|-------|---|---------------|---|------------------|-----------|------------|----------|-------------|
|       | No of Cooperate                                       | No individual | No of cooperate                                       | No of individual | cooperate | Individual | No coop. | No of indiv |
| Gelan | 303   | 6366          | 224   | 3816             | 79        | 2550       | 73       | 60          |
| Tafo  | 687   | 11,000        | 215   | 3569             | 474       | 7431       | 31       | 32          |
| Total | 990   | 17366         | 439   | 7385             | 553       | 9981       | 44       | 43          |

Source: Lega Tafo lega Dadi and Gelan town, 2020

The above table shows that about 17366 applied for residential land through cooperate house only 9981(43%) acquired the land through cooperating house in Gelan and lega tafo Lega town administration. Besides 11000 people applied for the cooperative house only 7431(32%) land delivered for an individual in 2019 and 2020 in lega tafo lega dadi town and from 6366 cooperative individuals, only 3816(60%) individuals have been acquired the land in Gelan town. This shows there is a high interest in cooperating houses in both town administrations which is unable to cope up with the demand of the people to deliver developed land.

Nonetheless, in general trends, the situation of the formal land delivery system is a weak urban center. FGD made with urban planners and land officials the reasons for weak formal land supply are due to inefficiency on the capacity of human resources, long procedures for land delivery, and ineffective land delivery system. Neither a city plan nor a restriction land use planning system alone can guide urban growth and produce a slum-free urban spatial structure. The contributing factors for slum formation are the failure of the formal land delivery system and the increase of land price which forced individuals to trade land and property right regardless of the legal status.

Generally, although the formal land supply trends have not met the huge housing backlog in study areas, however; the urban governance is struggling to cope up with urban growth to a certain extent but still there is a huge gap between the demand of the people and response by the government to deliver serviced land to the community.

#### 2.4.5 Planning Process and Protecting Cultural Buildings, Heritage and Risk-Prone

Local heritage was not fully protected during urban expansion redevelopment and renewal. Some of the cultural buildings are already demolished. For instance, communities reside in Gelan and surrounding Gelan town has their own traditional belief and the way perform their traditional administration structure (Gada system) which is very well known among Oromo communities. The areas (Arda jila) known to host this event every 8 years are Oda Nabe, Chafe Tuma, and Dongora tuma are known among Gelan Oromo communities and currently, Oda Nabe and Chafe Tuma delimited under Gelan town administration and did not recognize in land use plan of the cities and occupied by informal settlers. As a result, the areas did not protect in land use planning as the heritage than used for residential areas, after the establishment of the town. So the establishment of the town divides four of the sacred ritual places under two administration systems which two of them still under the Akaki woredas surrounding the Gelan town which are still protected from any activities than the other. In addition to these, the expansion of the town destroy historical and well known local name and change into the other. For instance, in Gelan town "Dalot" areas which are very well known among the local people changed into meto Arba(140) which brought inconvenient and seen as a governance problem among the local communities.

As per urban plan proclamation no.574/2008, article 5, (7), any processes of urban plan preparations and initiations have to protect the society and environment as well as preservation and restoration of historical and cultural heritage. Study areas settlements collection from new squatter proliferation to consolidated ones are seen on risk-prone and environment safeguard areas and risk of floods are claiming the lives of people and their property.

In urban center practices, informal settlements and squatters are still growing in high-risk-prone and environment protection areas while the actions that have so far been taken to resolve the problem are either resettling informal settlers incorporated in regularization or demolish newly informal settlers. Yet, the resettlement procedure for those regularized settlements lying on the risk zone is non-existent. The efforts that have been made for designing coping strategies for mitigating the risk and protecting the environment are not seen yet. The common denominator problem for both study areas the practice of designing coping strategies for mitigating the risk till they resettled or demolish is non-existent which leads to a susceptibility of the settlers to risk or disaster. Even though decrease critical impact on environmental asset urban areas, the government has designed 30, 30, 40 strategies( which means 30% road, 30% urban green areas, and 40% buildings respectively) to increase the sustainability of the urban areas and protect environmental assets. But practically such kinds of strategies do not see in practice among urban structure yet in stud areas.

Generally, there is flexible enforcement of zoning regulations to protect the inhabitants and the environment as most of the old consolidated settlements are still residing in risk-prone areas and the extent of settlements on risk-prone areas is high in both cities of study areas. Therefore Neither the statutory urban plan nor zoning decrees are not guiding, protecting, and controlling squatter and informal settlers increasing evidence seen in risk-prone areas. The planning process did not Protect Cultural buildings with historical buildings and heritage areas and risk-prone

## 2.5. Speed and predictability of enforcement of restricted urban land use

### 2.5.1. Provisions for residential building permits

The National Ethiopian building system, the requirements of building proclamation no.624/2009, and derived building regulation no.243/2011 are legally binding and enforced by local government to direct and order standards, planning, design, and requirement of building in general. As per assessment made based on regulation and practices in town administration for processing building authorize, the procedures specified for the lease agreement, title deed, and other preconditions, participation of adjacent neighbors, reviewing urban plan obedience as well as criteria and time limit for reviewing the design and structure, fire safety inspection are all technically justified and reasonable.

As indicated in table 2.5.1 the respondents were asked to rate their view on whether Provisions for residential building permits are appropriate. Accordingly, 268 (68.5%) and 81 (20.7%) respondents were replied to disagree and strongly disagree, while 25(6.4%) and 4(1.0%) respondents were replied agree and strongly agree and 13(3.3%) respondents replied undecided. Thus, from table 2.5.1 it can be stated that the majority of 268 (68.5%) respondents were confirmed that Provisions for residential building permits were not appropriate.

Table 2.5.1 Response rate of respondents on the indicator of speed and predictability of enforcement

| Provisions for residential building permits are suitable | Town of respondent |                     | Total | Percent |
|--|--------------------|---------------------|-------|---------|
|  | Gelan              | Lega Tafo Lega Dadi |       |         |
| strongly agree   | 0                  | 4                   | 4     | 1.0     |
| Agree  | 8                  | 17                  | 25    | 6.4     |
| Undecided  | 7                  | 6                   | 13    | 3.3     |
| Disagree   | 150                | 118                 | 268   | 68.5    |
| strongly disagree  | 37                 | 44                  | 81    | 20.7    |
| Total  | 202                | 189                 | 391   | 100     |

Source, survey result, 2020

In addition to these Interviews made with the towns, the administration points out that the building permit regulation has faced optional enforcement especially the violation of building height regulations is happening though it is the binding requirement for the allocation of cement for the building project. In the study area, for low-income housing, the most common building material used is wattle and daub (Chika) for walls, with roof rafters of round three lengths covered with ribbed iron sheeting, and compacted earth floor. The urban planning regulations and construction standards were not reasonable for the majority of the poor urban residents, which is replicated and modified based on the central business district (CBD) standard. For instance, the building standards for G+0 and G+1 in both towns have entailed construction costs of approximately 2million, which are only reasonably priced for households who earn a high level of income monthly. The building that abuses the building permit regulation and the material standard is rejected for new construction though the standard is unaffordable for the majority of the community in the areas especially for people demarcated from rural to urban.

Furthermore, an interview conducted with kebele administrators indicates that landholders unable to invest /built the house on their land except their areas covered in the land use planning and set design standard in areas. They are obligated to build the house and other investments in passing through the standards set for zoning which is unaffordable for residents of the town. These cause good governance problems among the people of the town. Therefore the building permit standard for new construction, especially for large towns like study areas, is unaffordable especially for the majority of inner slum urban population and peri-urban areas. Besides, the majority of the poor with traditional construction material is not allowed to construct with modern construction material during building permit through maintenance, which is abusing the constitutional right to property

### 2.5.2 The process of obtaining a building permit.

According to setting standard and effectiveness, if all requirements are met, the issuance of a building allow is executed within 3-4 months, which is well with the practice standard of three months. Yet, due to the mistake found on qualifying the preconditions, planning, and design scrutiny for complex buildings, sometimes, the time limit for a processing building permit has averagely extended to up one year. On the other hand, there is some indication of pet corruption which prolongs the time of building permits. According to an interview made with FGD, the building permit time extended more than the standard set because while the experts need some corruption from the landholder they become bureaucratic and delay the times. In line with these, the survey result indicated in table 2.5.2 the respondents were asked to rate their view on whether the process for obtaining building permits for a residential dwelling is short. Accordingly, 276(70.6%) and 86 (22%) respondents were replied to disagree and strongly disagree, while 18(4.6%) and 3(.8%) respondents were replied agree and strongly agree and 8(2.0%) respondents replied undecided. Thus, from table 2.5.2 it can be stated that the majority of 276(70.6%) respondents were confirmed that the process for obtaining a building permit for a residential was taken a long time.

Table 2.5.2 Response rate of respondents on the indicator of speed and predictability of enforcement

| The process for obtaining a building permit | town of respondent | Total | Percent |
|---|--------------------|-------|---------|
|---|--------------------|-------|---------|

| for a residential dwelling is short | Gelan | Lega Tafo Lega Dadi |     |      |
|-------------------------------------|-------|---------------------|-----|------|
| strongly agree                      | 2     | 1                   | 3   | .8   |
| Agree                               | 2     | 16                  | 18  | 4.6  |
| Undecided                           | 7     | 1                   | 8   | 2    |
| Disagree                            | 148   | 128                 | 276 | 70.6 |
| strongly disagree                   | 43    | 43                  | 86  | 22   |
| Total                               | 202   | 189                 | 391 | 100  |

Source, survey result, 2020

Though the normal period for building authorize implementation is three months, however, the majority of building permits the processing of building permit is pended or rejected with the justification of contravening urban planning or design regulations while the process is executed and approved sometimes after corrupt benefit, which provides room for unrestricted enforcement of the building permit regulation and fraud practices: This reality is evidenced by actions taken by dismissal and fall of officials in towns as well as the building permit violations and zonal changes. Moreover, the other factor hindering the efficient processing of building permits is the disagreement of neighbors on building permits, zoning standards, and poor monitoring of building progress. Therefore the process for obtaining a building allow for a residential was taken a long time.

## 2.6. Tax Collection efficiency from urban land

### 2.6.1 Transparencies of Exemptions from property taxes

During the past three years (2017/2018, 2018/19, and 2019/2020), on average birr 350million was collected from taxation every year in Gelan town. On average from the total income of the town about 32% of the tax collected from urban land. Though about 50% to 60% of assessed land tax is collected, still there are uncollected assessed urban land taxes. One of the reasons for non-collection is thus in a large number of exemptions the criteria for which are not based on efficiency grounds and were not applied in a transparent and consistent manner

Table 6.1 revenue collection from land and the budget allocated for land

| Town  | description                         | 2015/2016   | 2016/2017   | 2017/2018   | 2018/2019   | 2019/2020   | Total           |
|-------|-------------------------------------|-------------|-------------|-------------|-------------|-------------|-----------------|
| Gelan | D. budget allocated for land sector | 2,737,819   | 2,848,425   | 2,694,810   | 3,369,604   | 1,300,000   |                 |
|       | A. tax collected from land          | 76,199,326  | 68,119,390  | 84,983,542  | 82,828,228  | 47,197,677  | 359,328,163     |
|       | B. total tax collected from town    | 187,590,252 | 212,008,359 | 209,743,310 | 339,785,205 | 252,284,017 | 1,201,411,143   |
|       | C. share = A/B*101                  | 40.62       | 32.13       | 40.52       | 24.38       | 18.71       | 29.91           |
|       | D. Budget for land sector           | 48189566    | 24964802    | 17637859    | 34134683    | 5813858     | 130,740,768.0 0 |

To perform urban land management several resources are needed but the above figures indicate that there is a lack of resource budgeting for the urban land sector to perform their activities as activities needed. Since there is a limitation of adequate financial resource in the sector the urban land management cannot perform its work accordingly

As indicated in table 2.6.1.1 the respondents were asked to rate their view on whether exemptions from property taxes paid are reasonable and transparent. Accordingly, 268(68.5%) and 92 (23.5%) respondents were replied to disagree and strongly disagree, while 21(5.4%) and 3(.8%) respondents were replied agree and strongly agree and 7(1.8%) respondents replied undecided. Thus, from table 2.6.1.1 it can be stated that the majority of 2268(68.5%) respondents were confirmed that Exemptions from property taxes payment were not justified and transparent

Table 2.6.1.1 Response rate of respondents on the indicator of tax collection efficiency

| Exemptions from property taxes paid are justified and transparent | Town of respondent |           |           | Total | Percent |
|---|--------------------|-----------|-----------|-------|---------|
|   | Gelan              | Lega Tafo | Lega Dadi |       |         |
| strongly agree  | 0                  | 3         |           | 3     | .8      |
| Agree   | 8                  | 13        |           | 21    | 5.4     |
| Undecided   | 4                  | 3         |           | 7     | 1.8     |
| Disagree  | 143                | 125       |           | 268   | 68.5    |
| strongly disagree   | 47                 | 45        |           | 92    | 23.5    |
| Total   | 202                | 189       |           | 391   | 100     |

Source, own result,2020

Urban areas notably in Gelan and lega Tafo Lega Dadi towns, exemption from property taxes are decided to specific investment sectors or specific urban land uses. Religious institutions and buildings for other uses are exempted by law and Government agencies under temporary exemptions pending the issuance of ownership certificates. There are important urban variations, especially

according to the incentives in the country. Exemptions of religious institutions, schools, health facilities, burial grounds, premises used for recreational purposes, and any other premises by resolution of the local officials with the town tax authorities' approval. In general, the exemptions to the payment of land/property taxes were not based on equity or efficiency grounds and were not applied transparently and consistently.

## 2.6.2 Assessed property taxes are collected

In FDRE, the contribution of urban land tax to the local financial system has not been adequately analyzed. According to data obtained from inland income and customs office, 50-70% of total revenue is derived from land tax in lega Tafo Lega dadi town. Currently, its contribution indicated a substantial increase, especially due to the new introduction of urban land lease and rental taxes as well as the application of tax reform programs (Lega Tafo Lega Dadi town, 2020)

Domestic income collection shows improvement in the past several years due to vital tax reform measures and better tax management in both Gelan and Lega Tafo Lega Dadi towns. But as indicated in table 2.6.2 the respondents were asked to rate their view on whether Assessed property taxes were collected. Accordingly, 275(70.3%) and 74 (18.9%) respondents were replied to disagree and strongly disagree, while 15(3.8%) and 8(2.0%) respondents were replied agree and strongly agree and 19(4.9%) respondents replied undecided. Thus, from table 2.6.2 it can be stated that the majority of 275(7.3%) respondents were confirmed that assessed property taxes were not collected.

Table 2.6.2 Response rate of respondents on the indicator of Tax collection efficiency

| Assessed property taxes are collected | Town of respondent |                     |       | Percent |
|---------------------------------------|--------------------|---------------------|-------|---------|
|                                       | Gelan              | Lega Tafo Lega Dadi | Total |         |
| strongly agree                        | 2                  | 6                   | 8     | 2.0     |
| Agree                                 | 7                  | 8                   | 15    | 3.8     |
| Undecided                             | 11                 | 8                   | 19    | 4.9     |
| Disagree                              | 145                | 130                 | 275   | 70.3    |
| strongly disagree                     | 37                 | 37                  | 74    | 18.9    |
| Total                                 | 202                | 189                 | 391   | 100     |

Source, own survey results in 2020

There is a medium level of the collection which is estimated to range between 50% and 70% of assessed property taxes, both Gela and lega Tafo towns. This is due to several reasons, including taxpayer's urban land rent payments at the finance offices instead of the operation of tax collectors, integration of property tax in the urban land allocation system, and unofficial incentives to pay taxes. In another way of saying, extensive public perception of tax receipts providing evidence of rights implies that even informal landholders who are not legally liable to pay taxes are eager to make tax payments as the result of they need to regularize their land.

## 2.7. Tenure regularization schemes in urban areas

### 2.7.1 Formalization of urban residential house

Regularization of urban community housing does not viable and affordable as a result of many problems from identifying the informal or non-document evidence among the urban areas which very vulnerable to pet corruption. The requirements for formalizing housing in urban areas are either clear, affordable but many applicants from informal areas are facing a lot of bureaucracy while they going to regularize their house.

As indicated in table 2.7.1 the respondents were asked to rate their view on whether the Formalization of urban residential housing is feasible and affordable. Accordingly, 243(62.1%) and 87(22.3%) respondents were replied to disagree and strongly disagree, while 28(7.2%) and 8(2.0%) respondents were replied agree and strongly agree and 25(6.4%) respondents replied undecided. Thus, from table 2.7.1 it can be stated that the majority of 243(62.1%) respondents were confirmed that the Formalization of urban residential housing was not feasible and affordable

Table 2.7.1 Response rate of Respondents on Indicators of Tenure regulation

| Formalization of urban residential housing is feasible and affordable | town of respondent |                     |       | Percent |
|---|--------------------|---------------------|-------|---------|
|   | Gelan              | Lega Tafo Lega Dadi | Total |         |
| strongly agree  | 3                  | 5                   | 8     | 2.0     |
| Agree   | 15                 | 13                  | 28    | 7.2     |
| Undecided   | 17                 | 8                   | 25    | 6.4     |
| Disagree  | 125                | 118                 | 243   | 62.1    |
| strongly disagree   | 42                 | 45                  | 87    | 22.3    |
| Total   | 202                | 189                 | 391   | 100     |

Source; survey result, 2020

The illegal settlers are partially participated at key stages of the regularization process or only informing the decision of the authority. Though awareness is created for settlers on the regularization process, the only sound participation specified on the regulation of regularization and regularization process is the prior informing of the public regarding the regularization program. So, the regularization regulation and strategy should be enriched with more participatory tools injected at each stage of the process by including regular community meeting of the public in the process, public display of provisional regularization records, and community-centered grievance handling mechanisms are the omitted important stages that shall be addressed especially on the

determination of right for unauthorized settlements in Gelan and Lega Tafo Lega Dadi towns. The necessities of regularization for urban planning and parceling standard are showing different treatment as those properties affected significantly by urban planning and parcel standard are legally responsible for demolishing their properties without compensation and the only privilege they got is the replacement urban land with restricted. Furthermore, the requirement of building permit limits are affecting the tenure security of regularized old possession, especially dishonest on high urban land value zones and central area, due to fear of eviction when a building permit is implemented. Besides, they could not carry out their property and land right as no one is interested in property lying in a restricted zone. Therefore formalization of urban residential housing was not feasible and affordable

### 2.7.2 Informal tenure and practicable strategy

Urban centers, in large towns, are embarking on immense systematic regularization ventures to control the illegal settlement problems once and for all assets on urban land management strategy and after the performance of urban lease holding proclamation. As per the urban land management policy of FDRE, to control the uncontrolled illegal tenure and informal settlement problems in the country once and for all, the lease proclamation allowed the duty for the regions to devise systematic regularization contextualized to regional setting. It also stipulates the obligatory implementation of physical regularization complying with urban land use plan and parcel standard before intervening in tenure regularization and legitimize the tenure in de jure regulation. The urban land lease proclamation also indicates that illegal settlements regularized after qualifying by urban planning and parceling norms have to be managed under leasehold tenure. To resolve illegal settlement problems once and for all, strategizes the inflexible legal framework and putting into practice a strong enforcement system is needed.

Currently, though irregular regularization is the normative prevailed experience in urban centers, for implementing the aforesaid land lease proclamations and regulatory frameworks, systematic regularization has been launched randomly.

As indicated in table 2.7.2 the respondents were asked to rate their view on whether in towns with informal tenure, a viable strategy exists for tenure security, infrastructure, and housing. Accordingly, 254(65%) and 98(25.1%) respondents were replied to disagree and strongly disagree, while 17(4.3%) and 8(2.0%) respondents were replied agree and strongly agree and 14(3.6%) respondents replied undecided. Thus, from table 2.7.2 it can be stated that the majority of 254(65%) respondents were confirmed that in cities with informal tenure, a viable strategy did not exist for tenure security, infrastructure, and housing.

**Table 2.7 .2Response rate of Respondents on Indicators of Tenure regulation**

| In towns with informal tenure, a feasible strategy exists for tenure security. | Town of respondent |                     | Total | Percent |
|--|--------------------|---------------------|-------|---------|
|  | Gelan              | Lega Tafo Lega Dadi |       |         |
| strongly agree   | 4                  | 4                   | 8     | 2       |
| Agree  | 7                  | 10                  | 17    | 4.3     |
| Undecided  | 9                  | 5                   | 14    | 3.6     |
| Disagree   | 131                | 123                 | 254   | 65      |
| strongly disagree  | 51                 | 47                  | 98    | 25.1    |
| Total  | 202                | 189                 | 391   | 100     |

Source; survey result, 2020

In the same manner, regularization attracted more informality in other cities' experiences of Ethiopia. According to data from the town's administration indicates in Lega Tafo Lega Dadi town, after regularization, 9853 houses were demolished in 5 years, whereas 458 houses were demolished in Gelan town, but demolished buildings were soon replaced by fresh ones. However, the spread of illegal buildings and measures taken by the government causes an economic and political crisis in the areas.

**Table 7.3 Demolished Illegal House**

| No | Town      | 2016-2020                |       |       |            |       |       |
|----|-----------|--------------------------|-------|-------|------------|-------|-------|
|    |           | Identified illegal house |       |       | Demolished |       |       |
|    |           | House                    | Fence | Total | House      | Fence | total |
| 14 | L/TafoL/D | 13612                    | 351   | 13963 | 9424       | 429   | 9853  |
| 16 | Gelan     | 736                      | 106   | 842   | 344        | 114   | 458   |
|    | Total     | 14348                    | 457   | 14805 | 9768       | 543   | 10311 |

Source; L/tafo L/dadi and Gelan town administration 2020

This table revealed that the majority of the illegal building exposed to demolition in towns. In addition to these data GTP II, Oromia land administration bureau data indicated that more than 63155 illegal houses from 19 towns including to study areas exposed to demolish in the only in Oromia regional states which very high from other regional states in the countries. The inadequate compensation of farmers is also contributing to the exacerbation of peri-urban informality as the farmers obtained attractive prices from the informal transaction of farming land as compared with to compensation price they are given by town administrations. For instance, in Lega Tafo town, the compensation paid for farmers was 111 birr per m<sup>2</sup> on average while farmers sell through informal transactions for on average 500-100 birr per m<sup>2</sup>. On the other hand, the lease price for residential purposes in lega tafo lega Dadi town ranges from 500-7000 birr per m<sup>2</sup>, which is exorbitantly high to be afforded by the poor and even for middle-income levels. In the interview, officials indicate that land prices were increased tenfold after the land was regularized. Sometimes low-income

people may need urban land from the town administration in areas where they could not afford to build houses required by the planning standards. After acquiring the plots, they will transfer and look for a plot in the informal market at lower prices and construction costs. The sight of quality residential buildings interspersed with the regularized, yet once illegal settlement, and the resulting gentrification of social cohesion in an inner consolidated informal settlement, are the path of market eviction in study areas mainly in Lega Tafo Lega Dadi town. These results regularizations brought other problems of squatter settlement proliferation on the periphery. Currently, the trend for new squatter's resorts to coercive actions, and the legal enforcement committee is organized to the town level. For instance, in both cities, the legal enforcement committee has organized to regularize informal settlers. The legal enforcement committee and the organized public body have endorsed the legal agreement, and as per the agreement, the enforcement agency has legally abided by the public body for informing any rapidly increasing squatters and the consequence of non-compliance. Besides, the mix-up of coercive measures once and then with liaises- is leading to the perpetuation of squatter settlements. Therefore in cities with informal tenure, a viable strategy did not exist for tenure security, infrastructure, and housing.

## Conclusion

Urban Land use planning, management, and changes in urban land use and management regulations need the participation of stakeholders as a whole to be transparently implemented without affecting the communities of the towns. The communities that are affected by development projects should be able to participate in the different levels of the decision-making process. The findings of the study revealed that the overall process of urban expansion/infrastructure development process was not respected existing rights, transparent, community-centered, and participatory in decision-making power. The process of expansion sometimes demolishes the existing right only by substituting urban land without compensation for landholders. Accordingly, fairness in the delivery of justice regarding property compensation is not adequately served in a situation where the public saying in compensation right does not bring meaningful change pleasing the affected communities and stakeholders.

Also, the valuation of urban land/property compensation did not accord to market prices and expropriation of urban land has taken place without enough discussion and consensus with the affected people. The expropriation of urban land has taken place without enough discussion and consensus with the affected people. Asset approval occurring after the determination of compensation on the one hand and compensation payment delays on the other hand fails to reach replacement costs

Furthermore, urban Land use planning and regulations were unable to cope with urban growth and effectively guided urban spatial expansion, current, implemented unable to Protect Cultural buildings with historical buildings and heritage areas and risk-prone and drive people into informalities and overall urban land-use change was not based on the consent of all stakeholders. There is no condominium house for low-cost house policy was not practically implemented in study area according to the policies and demand for the low-cost house in areas was much high among the communities of the town. On the other hand, the development of urban expansion at the periphery shall not be appropriately guided, monitored, forecasted, controlled with prompt preparation, and implementation of the urban plan.

The process for obtaining a building permit took a long time and the formalization of the urban buildings was not affordable, in towns with informal tenure and viable strategies did not exist for tenure security. The legal enforcement committee and the organized public body have endorsed the legal agreement, and as per the agreement, the enforcement agency has legally abided by the public body for informing any rapidly increasing squatters and the consequence of non-compliance. Besides, the mix up of coercive measures once and then with lassies- are leading to the continuation of squatter settlements in towns

Finally, this research was conducted in a town that according to the categories of the ministry of urban development housing (MOUDH,2006) found under the categories of large towns thus it helps interested researchers further conduct on the other metro categories of the cities and towns.

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