



NATIONAL PLANNING AUTHORITY

The Role of Surveyors in Achieving Uganda Vision 2040

Key Note Address

By

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At the Annual General Meeting and Conference organized by Institution of Surveyors of Uganda.

Venue: Imperial Golf View Hotel, Entebbe

Date: Friday, 28th April, 2017

Failure to Harness Surveyors Role to Vision 2040

- 1) *Low agricultural productivity due to 5-11 percentage points agriculture output lost due to land wrangles;*
- 2) *Limited access and costly finance due to lack of collateral and high risks;*
- 3) *Hindered minerals, oil and gas sector activities due to land disputes;*
- 4) *Poverty even with large chunks of land as weak land markets fail people with large land earning from it through land rents;*
- 5) *Increased cost of infrastructure due to lack/inadequate/fraud land valuations;*
- 6) *Increased risk to Bank crisis and house bubbles due to unrealistic estate valuations;*
- 7) *Lack of physical planning;*
- 8) *Poor urbanization;*
- 9) *Poor quality public infrastructure and collapsing buildings due to poor quantity surveying, etc.*

Therefore, surveyors have a critical role in achieving the Uganda Vision 2040

The Vision 2040 defines the aspirations of the government to change the country from a predominantly low income to a competitive upper middle-income country with a per capita of USD 9,500. The Vision 2040 is conceptualized around strengthening the fundamentals of the economy to harness the abundant opportunities of Uganda. It will be hard to harness Uganda's opportunities and fundamentals¹ without harnessing the role of surveyors. The profession of surveying as we all know includes the three distinct but kindred disciplines; land surveying, quantity surveying, and valuation surveying. Each of the discipline is positioned to make significant contributions to the country's development and economic growth.

The importance of surveyors in attaining the Vision 2040 is through the critical role played in creating an efficient land market and as well as fostering effective land use and management which are necessary conditions for development. This is done through four main channels:

- a) Providing secure land tenure systems;
- b) Land and property valuation;
- c) Land use management; and,
- d) Land development.

These are discussed below.

1. Providing secure land tenure systems (Titles, Mortgages & Easements)

¹Uganda Vision 2040 opportunities include: minerals, oil and gas; tourism; agriculture; abundant labour force; industrialization. The fundamentals include: infrastructure; Science, Technology, Engineering and Innovation; land use and management; urbanization, human capital development, and peace and security.

Increases agricultural productivity: The increased security and sense of ownership that accompanies legal title to land increases the likelihood that property will be improved and used to its fullest extent and in its most productive manner. Therefore, securing property rights can greatly contribute to the NDPII and Vision 2040 priorities, since the best optimal use of land may be unlikely without secure tenure. As a result of unclear property rights, the country has experienced many land related disputes and conflicts. According to the 2005/06 UNHS III, 6.5 percent of all agricultural land parcels had disputes, and are estimated to reduce the level of agricultural growth in Uganda by between 5 and 11 percentage points². As a result of these disputes, agricultural productivity has remained low, and yet the sector is the mainstay of Uganda’s economy. The role of land surveyors is therefore critical in enabling the acquisition of secure legal rights. The implication of not acting is low agricultural productivity; declining private investment; low employment; and ultimately sluggish economic growth, unable to attain the Vision 2040 target.

Increases access to capital: The possession property rights on land enables economic agents to access finance from the lending financial institutions. This is because access to finance is facilitated if land can be used as collateral. Due to lack of legal rights, a large proportion of the population remains excluded from accessing credit. This consequently hinders private consumption, production and investment, and ultimately leading lower economic growth rates.

Enables minerals, oil and gas exploration: Claims to property are important to the orderly conduct of the resource exploration industry. Without the certainty provided by these claims, resource exploration activities would not be to attract the necessary investments.

Basis for royalties: Land surveys done by surveyors enable the calculation of financial compensation for the use of land and the extraction of its resources. The ability of land owners to attract outside investors to develop land is important to the economic utilization of land.

Improves land markets: Land registration facilitates land transfers and thus reduces costs, and increases liquidity, within land markets. Land markets are important to ensure that land is always used in the most productive manner possible. In terms of ease of doing business, in the area of the challenges involved in the transfer of property rights, Uganda ranks 125th out of 189 countries³. And in the enterprise survey⁴ the difficulty of accessing land ranked among the six most significant constraints on facilitating the growth of enterprises.

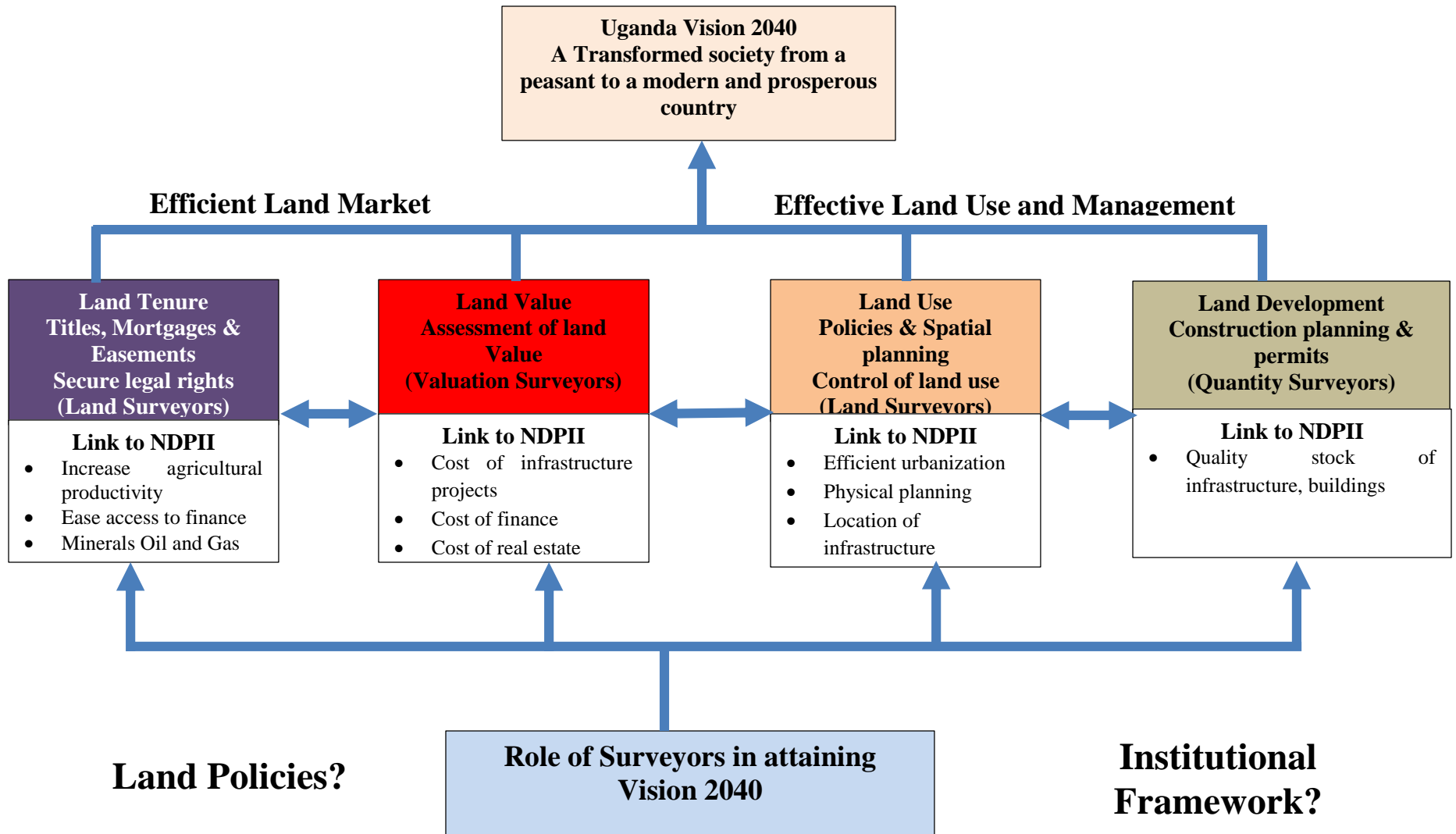
Provides certainty and stability: By providing impartial legal descriptions of land parcels, land survey and registration systems provide security and comfort for the sale or lease of property. The identification of the true owner and extent of a parcel of land is a factor in reducing conflicts in society.

² Deininger, K. and R. Castagnini, 2004. “Incidence and impact of land conflict in Uganda”. Policy Research Working Paper. World Bank, Washington DC. Working Paper No.3248.

³ World Bank. 2014. Doing Business 2015: Going beyond efficiency. Washington, DC: World Bank

⁴ World Bank. 2014. Uganda - Enterprise Survey 2013. Washington, DC: World Bank

Figure 1: Conceptual framework on the role of Surveyors in achieving Uganda Vision 2040



2. Land Valuation

Cost of infrastructure projects: The government is undertaking key public investments geared to increase the country's competitive advantage and thus attract investment. These include infrastructure investments like roads, highways and Standard Gauge Railway. However, the government needs to acquire land to implement the investments in infrastructure. Since most of the land is privately owned, this requires the transfer of land, and correspondingly the payment of compensation. The valuers have a critical role in determining the appropriate level of compensation. Otherwise, infrastructure projects will continue to face major delay challenges caused by the need to resolve issues related to land acquisition and compensation, for instance the construction of the Kampala-Entebbe Expressway has faced implementation challenges⁵. This however has consequences on the ultimate cost of construction.

Cost of real estate: The Valuation surveyors play a critical role of acting as information intermediaries in the real property market, and as such enable to reap forward linkages in the financial markets. In this way, surveyors are key in ensuring financial sector stability, especially when they undertake realistic property valuation. A case in point of failure of the valuers is the property bubble that caused the financial credit crisis in 2008. This resulted from overvaluations from surveyors⁶. Specifically, mortgage loans were considered as the root of the crisis. Namely, they were granted on the basis of the evaluated/overvalued property and those loans were later used as a basis for securitization and sale of mortgage backed securities. Against this background, the quality of provided services of property valuation by valuers indirectly affects the quality of financial sector and consequently the real economy. However, with realistic valuations, surveyors ease access to finance since property acts as collateral; support taxation and consequently provision of public services from local governments; support the insurance markets.

3. Land use Policies and Planning

Surveyors are skilled in spatial measurement, able to represent, interpret and analyse spatial information, highly knowledgeable in the administration and governance of rights to the land, and capable of planning for the development and use of land resources. And as such, they play a critical role in:

The design of urban communities and urban settlements: The surveyor is both the custodian and a user of the digital tools and the digital databases used in urban planning. These allow the surveyor to analyse planning options and make policy decisions.

Spatial information management: Surveyors use Geographic Information Systems (GIS)—technology that allows to present spatial information visually as maps, reports, and charts. Therefore,

⁵ Uganda Daily Monitor Newspaper, July 11, 2015. "Pending claims holding works on Entebbe Expressway – UNRA".

⁶ Danijela, I & Vule, M. (2014). "The Importance and Presence of Professional Valuers in Financial Reporting". Singidunum University International Scientific Conference, DOI: 10.15308/finiz-2014-88-90.

they are providers of Spatial Data Information (SDI), which aids in government and private sector planning.

4. Land Development

Ensure quality stock of infrastructure and building: The government prioritization of infrastructure development has strong on the growth of the construction industry. The Quantity surveyors have play a key role in the costing of construction projects. The country can gain tremendously from better managed resources if the services of quantity surveyors are used across the entire spectrum of infrastructure development. In this, the surveyors support **good governance, value for money, transparency, probity and accountability, anti-corruption and efficient allocation of resources** without which becomes challenging to attain Vision 2040.