Building African Cities that Work

A study on the Spatial Development of African Cities

Kampala- A Policy Narrative

Multi Donor Trust Fund for Sustainable Urban Development

Authored by:
Patricia Jones
Julia Bird
University of Oxford
Charles Beck
Astrid Haas
IGC, Uganda

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KAMPALA: A POLICY NARRATIVE

Patricia Jones
Julia Bird
University of Oxford

Charles Beck
Astrid Haas
IGC, Uganda

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**ABSTRACT:**

In this policy narrative, we examine the urban development of Kampala from its pre-colonial past to the present day. Our analysis covers both the spatial development of the city as well as its economic development. Special emphasis is given to the historical development of the city’s structure of governance, land and housing markets, and transportation networks. To carry out this analysis, we use a wide range of sources including satellite data, historical maps, and geo-referenced economic data.

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## Contents

1. Kampala at a Glance ............................................................................................................................. 4
   1.1. Pace and Magnitude of Urbanization .................................................................................... 4
   1.2. Brief History ............................................................................................................................ 5
   1.3. City Layout ............................................................................................................................... 6
   1.4. Population Density ................................................................................................................... 10
   1.5. Why Cities Matter .................................................................................................................... 14
   1.6. Structure of the Urban Economy .......................................................................................... 16
   1.7. Employment in the City .......................................................................................................... 17
   1.8. Firm Size and Location ............................................................................................................. 20
   1.9. Firm Clustering ......................................................................................................................... 20
   References ........................................................................................................................................... 23

2. Governance ........................................................................................................................................... 25
   2.1. Institutional Framework ......................................................................................................... 25
   2.2. Urban Governance in Kampala .............................................................................................. 26
   2.3. Service Delivery and Financing ............................................................................................. 28
   References ........................................................................................................................................... 31

3. Land and Housing Markets ............................................................................................................. 33
   3.1. The Pre-colonial Period ........................................................................................................... 33
   3.2. The colonial period .................................................................................................................... 34
   3.3. Land Tenure since Colonial Times ....................................................................................... 35
       Mailo Land................................................................................................................................. 35
       Crown Land.............................................................................................................................. 35
       Early Titling............................................................................................................................... 35
   3.4. Post-independence Period ...................................................................................................... 36
       Land Decree of 1975 .................................................................................................................. 36
   3.5. The Most Recent Period ........................................................................................................... 37
       1995 Constitution ....................................................................................................................... 38
       1998 Land Act............................................................................................................................. 38
   3.6. Conversion of Land to Freehold Status .............................................................................. 39
       Customary Ownership............................................................................................................... 39
       Conversion of Leasehold to Freehold ...................................................................................... 39
   3.7. Structure of Land Administration ........................................................................................ 40
Land under Leasehold Tenure ....................................................................................................... 40
Land under Freehold Tenure ......................................................................................................... 40
Land under Mailo Tenure ................................................................................................................ 40

3.8. Tenant and Landlord Relations ............................................................................................. 41

Tenants’ Rights ............................................................................................................................ 41
SOURCE: 1995 CONSTITUTION and 1998 LAND ACT. ................................................................. 42
Landlords’ Rights .......................................................................................................................... 42
Objections to the 1998 Land Act .................................................................................................. 43

3.9. Recent Land Legislation ........................................................................................................... 44

3.10. Land legislation and policy in practice .............................................................................. 45

3.11. Informal Kampala Today .................................................................................................... 46

3.12. Land-Grabbing ....................................................................................................................... 48

3.13. Land disputes ......................................................................................................................... 49

3.14. Challenges in the Ugandan land and housing sectors ...................................................... 49

Housing supply .............................................................................................................................. 49
Affordability and access to finance ............................................................................................... 50
Lack of infrastructure ....................................................................................................................... 51

3.15. Summary ............................................................................................................................... 53

References ........................................................................................................................................ 54

4. Transport in Kampala ................................................................................................................... 57

4.1. History ..................................................................................................................................... 58

4.2. Transport Patterns ................................................................................................................... 58

4.3. Recent Investments in the Road System ............................................................................. 61

References ........................................................................................................................................ 62
Figures

Figure 1-1: Urban Expansion in Kampala, 1990-2010 ................................................................. 4
Figure 1-2: The Historic District of Kampala & Adjacent Informal Settlements ................. 6
Figure 1-3: Districts Boundaries for the Greater Kampala Area ............................................. 7
Figure 1-4: Parish Boundaries ................................................................................................... 8
Figure 1-5: Road Network in GKMA ....................................................................................... 9
Figure 1-6: Population Density in Cities across the World ....................................................... 10
Figure 1-7: Population Density in GKMA, 2002 ..................................................................... 11
Figure 1-8: Population Density in Kampala District, 2002 ....................................................... 11
Figure 1-9: Population Density in Metropolitan Area, 2002 ................................................... 12
Figure 1-10: How People Get to Work in Uganda ................................................................. 13
Figure 1-11: Urbanization & Development ............................................................................. 14
Figure 1-12: Exports & Development ..................................................................................... 14
Figure 1-13: Distribution of employment in Kampala by distance to the CBD ....................... 18
Figure 1-14: Kernel density map of jobs in Kampala District .................................................. 19
Figure 1-15: Employment by Sector, 2011 ............................................................................. 19
Figure 1-16: Industrial parks in Greater Kampala .................................................................. 21
Figure 2-1: Growth in Uganda Districts, 1986-2010 ............................................................... 25
Figure 2-2: Local Governance Structure In Uganda ............................................................... 26
Figure 3-1: Plan and Drawing of Mengo Hill, Site of the Bugandan Capital ......................... 33
Figure 3-2: May's original schematic plans for Kampala ......................................................... 34
Figure 3-3: Vacant Land in Kampala ....................................................................................... 46
Figure 3-4: Land Tenure in Kampala's Slums ....................................................................... 47
Figure 3-5: The Location of Slums in Kampala ................................................................... 48
Figure 3-6: Growth of the Urban Population, 1950-2050 ....................................................... 50
Figure 3-7: Access To Electricity, Comparison with East African Neighbours ................. 52
Figure 3-8: Sanitation, Comparison with East African Neighbours ....................................... 52
Figure 4-1: Road Network in Kampala .................................................................................... 57
1. Kampala at a Glance

1.1. Pace and Magnitude of Urbanization

Kampala is urbanizing fast. The city’s population has increased from 775,000 residents in 1990 to nearly 1.9 million residents today (UN, 2015). As its population has increased, so has its spatial footprint (Figure 1-1). The Greater Kampala Metropolitan Area (GKMA) is estimated to house over 4 million people.

![Figure 1-1: Urban Expansion in Kampala, 1990-2010](image)

Source: Author’s calculations based on Landsat satellite imagery.

While Uganda’s cities are growing fast, the country as a whole is only about one-third of the way through its urbanization process. This gives policy makers a window of opportunity to design new policies which avoid the mistakes of the past. From global experience, we know that urbanization can bring large benefits by enabling firms and
workers to reap the productivity gains associated with agglomeration economics. To date, the evidence suggests that Kampala is not taking full advantage of these benefits.

In this policy narrative, we examine the major policies which have influenced the city’s economic and spatial development. Special emphasis is given to the historical development of the city’s governance structure, land and housing markets, and transportation networks.

1.2. Brief History

Kampala is the political and commercial capital of Uganda. Historically, the city was founded as the seat of power for the Buganda people and their King (the Kabaka) who maintained a palace on one of the city’s seven hilltops. When the British entered the city in 1890, the Kabaka’s palace was located on Mengo Hill—and it has remained there to the present day. Foreigners were not allowed to live or work in the Kibuga (the Bugandan Capital) so, when the British arrived, they set up camp on adjacent hills (now the site of Old Kampala). Within a few decades, this site had become the colony’s administrative centre as well as a thriving commercial hub for its Asian residents. “From a small township reserved exclusively for European settlement...the city expanded in size from 170 acres gazetted in 1902 to 3,200 acres by 1929. By 1959 the city covered 8 ¼ square miles or 5,376 acres” (Omolo, 2010, p. 154).

Uganda gained its independence from Britain in 1962. At this time, the city was the home to 50,000 residents who lived in residential neighborhoods, segregated by race and economic status. The most exclusive areas were those spread around Kololo Hill where elite Europeans and Asians lived. In these areas, land taxes (first collected by the Township and later by the Municipality) were sufficient to support a wide range of infrastructure investments. “Roads were paved, storm drains and sewers installed, street lighting provided, the swamps in the valleys drained, and a water supply extended” (Weeks, 1962, p. 6). Even today, more than fifty years after independence, homes in the Kololo parish are still among the most sought after in the city.

<table>
<thead>
<tr>
<th>BOX 1: VOICES FROM THE PAST</th>
</tr>
</thead>
<tbody>
<tr>
<td>In 1962, a local from Kampala described the stark difference between African and European neighbourhoods:</td>
</tr>
<tr>
<td>When one goes from the Municipality into the Kibuga there is a sharp and abrupt change. There the sidewalk ends, the street light ceases, the roads are dusty in dry weather, but when it rains the red soil washes away and the streets are etched with rivulets.</td>
</tr>
</tbody>
</table>

Before independence, Africans who worked in Kampala were not allowed to live in Kololo or any other residential area within the Municipality unless they were servants (Weeks, 1962). As a result, African neighborhoods began to emerge just outside of the Municipality boundaries. Initially, these African settlements
spread westward from Mengo Hill and were bordered to the north by Nakasero, the commercial centre of the city.

Within the Kibuga, the residents obtained land by traditional means—that is, they were allocated land by one of the local chiefs or the Kabaka. Typically, these chiefs did not collect land taxes. Without a system of public finance, African settlements had no means for investing in infrastructure or public services. This resulted in a large difference in public amenities. This area of early African settlement (Figure 1-2) encompasses Kisenyi, one of the largest informal settlements in Kampala.

![Figure 1-2: The Historic District of Kampala & Adjacent Informal Settlements](image)

Source: Based on ESRI and KCCA data.

1.3. City Layout

As Kampala has grown, its population has spread far beyond the central district of Kampala, extending into neighbouring districts of Mukono and Wakiso (Figure 1-3). Today, Greater Kampala Metropolitan Area (GKMA) extends from Entebbe in the far south west to Mukono in the east with Wakiso and Kira to the north of the city. Administratively, these three districts operate separately—with the Kampala Capital City
Authority (KCCA) managing only Kampala district. Increasingly, however, efforts are being made to include all of the metropolitan area into future urban planning.

**Figure 1-3: Districts Boundaries for the Greater Kampala Area**
*Source: based on ESRI and KCCA data.*

For administrative purposes, each district within the GKMA is divided into sub-counties which are divided further into parishes. Currently, there are 174 parishes in the GKMA. Each parish covers about 9.5 square kilometres of land. Within the Kampala district, there are 96 parishes which are administered by the KCCA (**Figure 1-4**). Within Mukono and Wakiso districts, there are 7 parishes and 71 parishes, respectively. Some of these parishes, however, extend beyond the boundaries of the GKMA.
Kampala’s major roads (Figure 1-5) lead out radially from its centre towards the other sub-centres across Greater Kampala. The connection between Kampala district and Entebbe is currently being improved by the construction of a new toll road. Major roads lead to Wakiso (to the northwest) and Kira (to the northeast). Similarly, there are roads extending to Lake Victoria and the Ggaba suburb which lie to the south of the city centre.
Along the east-west corridor is a major international trade route—East Africa’s Northern Trade Corridor— which runs from Mombasa on the Kenyan coast, past Jinja, and through Kampala westwards to the Democratic Republic of Congo, Rwanda, and beyond. Until recently, this transit route also ran though the centre of Kampala. In 2009, however, a new Northern Bypass was completed which diverted transit traffic out of the CBD. This bypass is located about 6 to 10km from the city centre and acts as a partial inner ring road which is used for local passenger trips. The eastern end of this road, leading onto the Jinja road, is a focal point for much of the industrial activity which takes place within Kampala.
1.4. Population Density

Kampala is not a dense city. On average, its population density is about 3,600 people per square kilometre for the Greater Kampala area, though rising to 10,500 people per square kilometre in the urban core of Kampala district (Population Census). This density is lower than that in other African cities—like Addis Ababa, Dar es Salaam, Kigali, Lusaka, and Nairobi— which are at similar levels of economic development (FIGURE 1-6). Part of this gap is likely explained by the smaller total population of Kampala relative to these cities. All are larger except Kigali. Recent research reveals that a doubling of city population is associated with a 19 percent increase in density (Angel, 2011). While Kampala’s population is growing fast (at about 4% per year), the city is still in its early stages of urbanization. This is good news—it means that policy makers have time to prepare for much of the city’s future growth.

![Average Population Density (population/km²) in Selected Cities](image)

**FIGURE 1-6: POPULATION DENSITY IN CITIES ACROSS THE WORLD**


Population density varies widely across the metropolitan area. The most densely populated areas are located within the residential and commercial areas near the CBD (FIGURE 1-7). Population falls off steeply moving away from the CBD, however further residential centres extend eastward towards Jinja and southward towards Entebbe.
Figure 1-8 provides a more detailed look at population density within Kampala district. This map is measured at the village level rather than at the parish level. Nakasero—which lies at the heart of the city—has a very low residential density because it serves mainly as the city’s business and government hub. Immediately beyond this area, there are denser neighbourhoods, including many informal settlements. The area just to the south and east of Lubiri palace—the Buganda King’s palace—has the highest population density within Kampala district. This area also includes many informal settlements.

Figure 1-7: Population Density in GKMA, 2002
Source: Population Census

Within Kampala district, average densities peak at about 30,000 people per square kilometre. Residential neighbourhoods are scattered among commercial areas throughout the city, lowering average density. Most residential buildings in Kampala remain relatively flat (i.e., single story rather than multi-storied). Therefore, the only way to increase population density with the current building stock is through reducing floor space per resident. To ensure densification does not lead to deteriorating housing conditions, increase population densities need to be provided for through increased building height, and therefore more floor space per land area.

A high proportion of firms and jobs are located within the central business district (CBD) although other economic centres exist as well. Entebbe—which is located about 37 kilometres (23 miles) to the southwest of Kampala—is a growing centre for commercial...
activity and is where the International Airport is located. Historically, Entebbe was the seat of government for the British colonial administration and a major entrepôt for trade being carried across Victoria Lake.

**Figure 1-9** shows how population density changes as distance from the CBD increases. Notice that the slope declines sharply beyond 2km from the CBD, with very few residents living beyond 10km. Most residents prefer to live within easy commuting distance to the urban core.

One of the reasons why people prefer to live close to the CBD is because public transport is so costly. Most workers (70%) choose to walk to work rather than take public transport (World Bank, 2015). The same pattern can be seen in other urban areas in Uganda (**Figure 1-10**). While most workers choose to live near their jobs in the city, commuting times are not short for those who commute to work by foot. About two-thirds of the population live further than 5km from the CBD.
Table 1-1 shows the average population density at different distances from the city centre. What stands out from this graph is how low the population density is near the urban core. This pattern arises because the urban core—which is the government hub of the city—has few residential properties.

**Table 1-1: Population Distribution across Kampala**

<table>
<thead>
<tr>
<th>Percentage of Population living further than</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1km from the center</td>
<td>99.63%</td>
</tr>
<tr>
<td>3km from the center</td>
<td>87.25%</td>
</tr>
<tr>
<td>5km from the center</td>
<td>65.65%</td>
</tr>
<tr>
<td>10km from the center</td>
<td>27.25%</td>
</tr>
<tr>
<td>16km from the center</td>
<td>12.82%</td>
</tr>
</tbody>
</table>

Source: Author’s calculations based on Uganda Population & Housing Census, 2002.

To summarize, Kampala is a city with a non-residential core which is surrounded by many populated areas. These areas are connected to secondary centres which lie several kilometres from the city. While nearly the entire city population lives beyond 1km from the city centre, about 60% are clustered between 3 and 10 km from the centre. However, 27% of residents live beyond this point, choosing to locate in secondary centres away from the CBD.
1.5. Why Cities Matter

Evidence from today’s developed countries and rapidly emerging economies shows that urbanization is a source of dynamism that can lead to enhanced productivity and increased economic integration. In fact, no country in the industrial age has achieved high income status without urbanization, and there exists a strong association between per capita income and urbanization (Figure 1-11) and per capita income and export shares (Figure 1-12). Well managed cities can “open the doors” to global markets in two ways: 1) by creating productive environments which attract international investment and increase economic efficiency; and 2) by creating liveable environments which keep in check rising urban costs that arise from increased densification.

![Figure 1-11: Urbanization & Development](image1)

![Figure 1-12: Exports & Development](image2)

History shows that the industrial development of modern economies almost always begins in cities. The benefits of being around other people and other businesses are typically labelled ‘agglomeration economies’ which is the starting point for understanding how cities enhance productivity. The most basic agglomeration economy is the reduction of transport costs for goods. If a supplier locates near customers, the costs of shipping decline. In the early 1900s, New York and London were manufacturing powerhouses, places where factories located to be close to customers and transport infrastructure. And, in the late nineteenth century, four fifths of Chicago’s jobs were compactly located within four miles of State and Maddison streets, close to where people lived and infrastructure was located (Grover and Lall, 2015). Many of these benefits increase with scale: towns and small cities cannot generate the same productive advantages as larger cities. International evidence reveals that the elasticity of income with respect to city population is between 3% and 8% (Rosenthal and Strange, 2004). Each doubling of city size increases productivity by 5%.

Productivity gains are closely linked to urbanization through their ties to structural transformation and industrialization. As countries urbanize, workers move from rural areas to urban areas in search of higher paying and more productive jobs. Similarly,
Entrepreneurs choose to locate their firms in cities where agglomeration economies increase their productivity. Close spatial proximity has many benefits. Certain public goods—like infrastructure and basic services—are cheaper to provide when populations are large and densely packed together. Firms that are located near each other can share suppliers which lower input costs. Thick labor markets reduce search costs as firms have a larger pool of workers to choose from whenever they need to hire additional labor. And spatial proximity makes it easier for workers to share information and learn from each other. International evidence shows that knowledge spillovers play a key role in determining the productivity of successful cities. In US cities, for example, a 10% rise in the percentage of workers with a college degree leads to a 22% rise in per capita metropolitan product (Glaeser, 2011).
1.6. Structure of the Urban Economy

Africa’s failure to industrialize is a cause for concern because much of the growth in developing countries since the 1980s has been linked to the expansion of industrial production and high-technology exports (Nallari et al, 2012). All else equal, countries are better off when they export goods that rich countries export (Hausmann, Hwang, and Rodrik, 2007). Fast growing countries, like China, have switched from exporting mainly resource and agro-based products to exporting high-technology products like optical devices, transport equipment, and white goods. As noted by Nallari et al. (2012): the big gainers in China “were exports of electronic and telecommunications products and office equipment, the shares of which grew from 5.4 percent in 1985 to more than one-third in 2006.” Other Southeast Asian countries experienced a very similar transition in their export-mix during the last decade (Table 1-2). By contrast, the exports of Uganda—like most other African countries—remain largely resource and agro-based (Table 1-3).

### Table 1-2: Top Ten Commodities Exported by Asia in Terms of Value, 2000-2010

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Trade value, billion USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electrical, electronic equipment</td>
<td>7412.3</td>
</tr>
<tr>
<td>Nuclear reactors, boilers, machinery, etc.</td>
<td>5049.8</td>
</tr>
<tr>
<td>Vehicles other than railway, tramway</td>
<td>2179.4</td>
</tr>
<tr>
<td>Mineral fuels, oils, distillation products, etc.</td>
<td>2059.4</td>
</tr>
<tr>
<td>Optical, photo, technical, medical, etc. apparatus</td>
<td>1088.0</td>
</tr>
<tr>
<td>Plastics</td>
<td>905.3</td>
</tr>
<tr>
<td>Articles of apparel, accessories, knit or crochet</td>
<td>800.7</td>
</tr>
<tr>
<td>Articles of apparel, accessories, not knit or crochet</td>
<td>782.6</td>
</tr>
<tr>
<td>Pearls, precious stones, metals, coins, etc.</td>
<td>773.0</td>
</tr>
<tr>
<td>Iron and steel</td>
<td>746.0</td>
</tr>
</tbody>
</table>

**Source:** Author’s calculations based on UN Comtrade Database.  
**Note:** Asia includes East Asia, South Asia, and Oceania. Missing values in the original data were imputed through linear interpolation and constrained to be non-negative.
### Table 1-3: Top Ten Commodities Exported by Uganda in Terms of Value, 2000-2010

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Trade value, million USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coffee, tea, mate and spices</td>
<td>2690.3</td>
</tr>
<tr>
<td>Fish, crustaceans, molluscs, aquatic invertebrates</td>
<td>1128.3</td>
</tr>
<tr>
<td>Pearls, precious stones, metals, coins, etc.</td>
<td>602.7</td>
</tr>
<tr>
<td>Mineral fuels, oils, distillation products, etc.</td>
<td>554.7</td>
</tr>
<tr>
<td>Tobacco and manufactured tobacco substitutes</td>
<td>516.7</td>
</tr>
<tr>
<td>Electrical, electronic equipment</td>
<td>441.2</td>
</tr>
<tr>
<td>Live trees, plants, bulbs, roots, cut flowers, etc.</td>
<td>341.1</td>
</tr>
<tr>
<td>Iron and steel</td>
<td>292.1</td>
</tr>
<tr>
<td>Salt, sulphur, earth, stone, plaster, lime and cement</td>
<td>276.9</td>
</tr>
<tr>
<td>Animal, vegetable fats and oils, cleavage products, etc.</td>
<td>262.0</td>
</tr>
</tbody>
</table>

**Source:** Author’s calculations based on UN Comtrade Database. **Note:** Missing values in the original data were imputed through linear interpolation and constrained to be non-negative.

### 1.7. Employment in the City

Kampala is by far the largest city in Uganda, and the Greater Kampala Metropolitan Area acts as the main centre of economic activity within the country. Government jobs are based predominantly in Kampala although some are based further out in Entebbe. Historically, manufacturing jobs were located in Jinja, a town to the east of Kampala, which lies along the Lake Victoria shoreline. However, increasingly industry has spread into Kampala and its industrial zones. This change in the distribution of industry is likely linked to the road improvements between Kampala and Jinja.

Within the Greater Kampala Metropolitan Area, employment is heavily concentrated in the urban core. Employment densities around the CBD are between 5000 and 10,000 workers per square kilometre. This falls off rapidly as distance from the CBD increases (Figure 1-13). While there are secondary centres of employment, including Entebbe, the employment densities in these areas are only about 10% of those in the urban centre.
Employment density decreases rapidly as the distance from the CBD increases. According to the Census of Business Establishment (COBE) data, 55% of all firms and 62% of all jobs are located within 5km of the CBD. This concentration has declined since 2002 when 65% of all firms and 73% of jobs were within a 5km radius. As the city has expanded, firms are locating further from the urban core. This is likely the result of increasing congestion and the falling supply of urban land near that CBD that can be used for development (COBE, 2002 and 2011, UBOS).

**Figure 1-15** divides employment by firm type. Most jobs near the CBD are in the public sector (e.g., government) and in the tradable sector (e.g., manufacturing, business services). There are few firms that engage in tradable activities that choose to locate far away from the CBD. Indeed, 57% of manufacturing jobs and 80% of business services jobs are located within 5km of the CBD.

Throughout the city, employment is dominated by the provision of local services, including retail, hairdressing, and food services. In fact, three-quarters of all urban employees in 2011 worked in non-tradable services. While local services are necessary for urban inhabitants, they do not usually generate jobs which pay high wages.
**Figure 1-14: Kernel density map of jobs in Kampala District**
*Source: Author’s calculations based on COBE, 2011.*

**Figure 1-15: Employment by Sector, 2011**
*Source: Authors’ calculations based on COBE, 2011 data.*
1.8. Firm Size and Location

Firms in Kampala—like in many other African cities—are typically small. Over 55% of firms in Kampala employ one or fewer employees while 36% employ between two and four employees. Nearly all of the remaining firms employ between 5 and 49 employees. Only 0.2% of firms employ 50 or more people.

The small size of firms suggests that they are not managing to exploit the potential for economies of scale and specialization. This is troubling because specialization enables skills to develop. Skills develop through time spent doing the same task—a process known as 'learning by doing'. By specializing on one task, a worker is able to concentrate his learning on acquiring the corresponding narrowly-defined skill. As a result, the workforce accumulates far more human capital than if it were unspecialized. A large and dense city, such as Kampala should provide substantial consumer demand, allowing firms to specialize and grow.

The government is trying to address the lack of scale and clustering of firms in Kampala through the provision of industrial parks (FIGURE 1-16). In 2000 the Uganda Investment Authority (UIA) began a database which recorded all government and privately owned land in the city in order to provide information to firms that wanted to acquire land for investment in the city. In addition the UIA established three industrial parks at Luzira, Nalumunye and Namanve. These parks are located on major roads and offer plots which are connected to planned services and major roads. Namanve — which is located 11km to the East of the CBD — is the largest park. It covers 894 hectares and is well connected to the main road which leads to Jinja and the Kenyan border.

1.9. Firm Clustering

Paul Krugman's New Economic Geography theories explain how economies of scale in production combined with reduced transport costs can lead to increased geographic concentration of people and economic activities (Krugman, 1991). There are many well-known examples of industrial clustering: the Silicon Valley and Bangalore technology hubs, the automobile industry in Detroit, the diamond industry in Antwerp, or the wine industry in Mendoza.

When firms cluster together, spatial proximity is beneficial to firms. Localization economies arise when firms within the same industry benefit from locating near each other. Increased efficiency can result from labor market pooling, sharing inputs, specialization in the course of production, and/or the exchange of information and knowledge (Marshall, 1890; Duranton and Puga, 2004; Rosenthal and Strange, 2004; WDR, 2009). In locations characterized by a high concentration of economic activity, investment in infrastructure is likely to generate high returns and attract additional investment, provided such investment relieves the congestion costs associated with a greater number of firms (Lall, Schroeder, and Schmidt, 2008).
In addition, proximity can also act as a disciplining mechanism. Less efficient firms find it difficult to remain in business when nearby firms are able produce output at a lower cost. “If consumers were unencumbered by substitution barriers, production would be reallocated to a select few, highly productive plants” (Syverson, 2004). In reality, large barriers to substitution exist across producers (caused by product differentiation, physical barriers, or high transport costs) which enable inefficient firms to survive, even in the long-run. Lower prices benefit consumers. Firm clustering makes it easier for consumers to switch between suppliers and buy from the firm with the cheapest goods or services. In addition, consumers like variety and prefer to shop where there are many sellers located near each other. Spatial proximity can also benefit firms that are not in the same industry. For example, a management consulting company might benefit from locating near business schools, financial service providers, and manufacturers.

In the presence of agglomeration effects, concentration has been shown to be stable over time: old plants are replaced by new plants. Historical accidents therefore lock mobile firms in existing areas and/or inefficient patterns (Arthur, 1986; Krugman, 1991). The effects of infrastructure policies are likely to be insignificant unless coordination allows the gains from relocation to exceed the gains from staying (Lall, Schroeder, and Schmidt, 2008).

Why firms cluster is an important policy question. Are firms constrained in their location choice by the existence of infrastructure networks, such as roads and electricity? Or are they exploiting natural advantages and/or physical and intellectual spillovers? (Ellison and Glaeser, 1999). In the former case, policies aimed at expanding infrastructure in the periphery such as the establishment of special economic zones or growth poles should be
considered. If well regulated, special economic zones can help promote agglomeration economies by allowing firms to move outside of cities, where land is cheaper, without losing access to markets. If on the contrary, natural advantages are more important, these advantages may soon lose importance relative to the negative effects of increased congestion costs. This can happen if infrastructure does not improve in congested areas, which will limit the positive spillovers associated with economic development (Lall, Schroeder, and Schmidt, 2008).

The Ellison Glaeser index gives an indicator of how clustered a particular industry is. What evidence is there of firm clustering in Kampala? Within Greater Kampala, the most clustered sector (of those with greater than 0.1% of city employment) is the flower industry (Table 1-4). This is not surprising as producers often co-locate near vital infrastructure—in this case, the international airport at Entebbe—to ensure rapid access to global markets for their produce. Other industries that are clustered include printing and printing services, and wholesale suppliers of textiles, clothing and footwear.

<table>
<thead>
<tr>
<th>Four-digit industry code</th>
<th>Share of firms</th>
<th>Share of labor</th>
<th>EG index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growing of Flowers</td>
<td>0.00%</td>
<td>0.18%</td>
<td>0.90</td>
</tr>
<tr>
<td>Service activities related to printing</td>
<td>0.19%</td>
<td>0.24%</td>
<td>0.57</td>
</tr>
<tr>
<td>Printing</td>
<td>0.20%</td>
<td>0.37%</td>
<td>0.44</td>
</tr>
<tr>
<td>Wholesale of textiles, clothing and footwear</td>
<td>0.73%</td>
<td>0.70%</td>
<td>0.40</td>
</tr>
<tr>
<td>Retail sale via stalls &amp; markets of second hand clothes, textiles, shoes</td>
<td>3.27%</td>
<td>1.64%</td>
<td>0.31</td>
</tr>
<tr>
<td>Retail sale of textiles in specialized stores</td>
<td>0.31%</td>
<td>0.25%</td>
<td>0.30</td>
</tr>
<tr>
<td>Cargo handling</td>
<td>0.04%</td>
<td>0.18%</td>
<td>0.29</td>
</tr>
<tr>
<td>Non-specialized wholesale trade</td>
<td>0.26%</td>
<td>0.36%</td>
<td>0.20</td>
</tr>
<tr>
<td>Sale of motor vehicles</td>
<td>0.05%</td>
<td>0.18%</td>
<td>0.17</td>
</tr>
<tr>
<td>Coffee Processing</td>
<td>0.01%</td>
<td>0.27%</td>
<td>0.17</td>
</tr>
</tbody>
</table>

Source: Author’s calculations based on COBE, 2011 data.

At the other extreme, there is no sign of clustering in restaurant and mobile food services, hairdressing, beverage retailers, and pharmacies. Firms in these sectors are spread throughout the city in order to be near to the consumers who buy their products on a frequent basis.
References


2. Governance

2.1. Institutional Framework

During the past three decades, Uganda has undergone an ambitious decentralisation program. As a result, it has one of the most decentralized political systems in the developing world. Like many of its institutions, Uganda’s current system of governance is linked to its colonial past. During colonial times, decentralisation was one of the strategies used by the British to maintain political control. It allowed them to empower local governments, albeit under their indirect influence (Goodfellow, 2010). In this system, centrally appointed district commissioners would work with local authorities to govern via sufficiently collaborative traditional chiefs (Francis and James, 2003).

When President Museveni took power in 1986, he reinvigorated the decentralisation process that had stalled after independence. This started with the Mamdani Commission’s recommendation that four new districts be created (Awortwi et al., 2014). Initially the implementation was slow, with only one district being created in the following decade. By 1997, however, the government’s approach had changed, and new districts were created at a rapid pace so that by 2005 the country had 67 districts. Today there are 112 districts although it is likely that more will be created in the near future (Monitor, December 2015).

As a result of the decentralization process, the governance structure that is currently in place is divided into multiple sub-units ([Figure 2-1](#)). Each district is divided into sub-counties/ towns, parishes/ wards, and villages/ zones—each with its own political and civil service structure. Cities, which are given equal function and authority as districts,
are further divided into municipalities and then grouped into towns. The only exception to this structure is Kampala which, in 2010, was given the designation of a capital city and thus elevated above the status of a district (Figure 2-2).

![Figure 2-2: Local Governance Structure in Uganda](image)

2.2. Urban Governance in Kampala

At the time of Uganda’s independence in 1962, Kampala was split between two different authorities: the Buganda Kingdom (around Mengo Hill) and the areas formerly under direct colonial control (the rest of Kampala). During colonial times, the former had grown haphazardly without extensive planning while the latter had a municipal authority and several urban plans.

In 1966, Uganda’s new Prime Minister—Milton Obote—abolished the Buganda Kingdom which had administered the indigenous areas of Kampala since pre-colonial times. A new city administration was created—the Kampala City Council (KCC)—to govern the whole city. At this time, Kampala was given the status of a district. The ensuing two decades of political turmoil in Uganda meant that very little effective governance and management of the city took place, despite its growth. For example, even though there was a 1972 Urban Master Plan, it remained unimplemented and ineffective.
The Buganda Kingdom was re-established by President Museveni in 1996. The Kingdom was expected to act in a cultural or figurehead capacity. However, as a result of its extensive ownership of land in Kampala and traditional authority, it has become a significant political actor in the city. The Kingdom owns many of the city’s market places and controls other local revenue sources. Politically, it has been a strong advocate against Kampala’s geographic expansion into new urban and peri-urban areas which are considered the heart of Buganda territory (Goodfellow, 2010). In addition, the Kingdom has pressured the central government to institute a federal system of devolved powers so that it can increase its own political power. In this regard, it has even appointed its own shadow ministers. This has become known as the Federo Movement, which has substantial support within Kampala, although there is minimal support elsewhere in Uganda (Goodfellow, 2010). While the government has sought to devolve certain administrative functions to the Kingdom, it has been resistant to the consolidation of their authority.

The interactions between the ruling NRM and the opposition Democratic Party (DP) have had an important effect on Kampala’s governance as well. Within the city, the DP have considerable support. Since urban local government elections were introduced in 1998, these have become bastions for the DP. As a result, urban centres have emerged as the first formal avenues for opposition to the NRM. However, this trend, has begun to wane, with the NRM gaining more than 60% of the city council’s seats in the 2011 election compared to only 35% in 2006 (Lambright, 2014).

In June 2009 the central government decided to restructure how the city was governed by introducing the Kampala Capital City Authority Bill. This bill stipulated that Kampala would cease to be a local government entity—it was designated as a capital city and thus elevated above the designation of “district.” What did this bill did was to transfer many of the responsibilities of city government to politically appointed officials. Locally elected politicians had their powers largely removed. For example, the mayor was reinstated as Lord Mayor, a position that is largely ceremonial. Currently, the Lord Mayor oversees 34 elected councillors as well as the divisional mayors of Kampala’s five divisions. These positions are seen to be the primary interaction points between the residents of the city and local government. For example, the divisional mayors can make recommendations and proposals, on behalf of Kampala city, for inclusions into its development plans. The Lord Mayor answers to the Minister for Kampala, which is a central government position that was also created by the Act. The Minister, like other Ministers, is appointed by the President. S/he can veto or rescind any decisions taken by the divisional mayors, along with being able to issue directives.

One of the most significant changes introduced by the Act was to replace the KCC with a quasi-corporate entity, the Kampala Capital City Authority (KCAA), headed by an Executive Director (ED). The ED, who is also appointed by the President and reports to the Minister, is tasked with heading the city’s public service as both the accounting officer and head of administration (Uganda, 2011: 18-19; in Lambright, 2014: 52). Jennifer Musisi was appointed the first Executive Director for Kampala and took office in April 2011. She oversees ten directorates and a current staff of over 400 members (Shevel
2015). Musisi’s approach has been to revamp KCCA completely. For example, she only retained about 1% of the staff from the former KCC. Her overarching aim has been to apply modern, efficient managerial techniques to govern the city, underpinned by a Strategic Plan. The current Strategic Plan (2014/15-2018/19) is arranged by four themes (KCCA, 2015: 2):

1. A planned and green environment;
2. Economic growth;
3. Social development, health and safety;
4. Operational excellence and urban governance.

2.3. Service Delivery and Financing

Under the 1997 Local Government Act, districts were given responsibility for service delivery in a broad range of areas, including healthcare, education, water and roads. They also were put in charge of their annual budgeting and planning (Lambright, 2014: 41). Urban areas were given further responsibility for providing uniquely urban services such as street lighting, fire brigades, solid waste collection and management, and regulation and licensing of commercial and business activities, predominantly around trading and markets (Lambright, 2014: 41). In Kampala alone, roughly 80% of services were devolved to the KCC and then subsequently to KCCA. Initially, this meant everything except education and national roads (Goodfellow, 2010: 11). However, under KCCA, this has been extended to education and all roads except one, which still falls under the National Roads Authority.

Decentralisation also introduced new processes for expenditure planning. Prior to 2000, planning and expenditures were decided by the line ministries and departments in local government and done on a sectoral basis (Lawasa and Kadilo, 2010: 38). After 2000, under the Local Government Development Plan, local governments work from the lowest level of the district structure upwards to identify projects for investment which are used this to create investment plans (Lawasa and Kadilo, 2010: 38). This process is meant to be more inclusive and draw different segments of the community together to elicit budget priorities (Lawasa and Kadilo, 2010). The same approach has been extended to the city’s spatial planning unit which engage communities and stakeholders in a consultative manner. To date, these consultative processes have been implemented with varying levels of success (Onyaach-Olaa, 2003 and Lwasa and Kadilo, 2010).

Local governments receive three categories of transfers from the central government, namely equalisation, unconditional and conditional grants. Equalisation grants are mainly meant to cover recurrent and maintenance costs while unconditional grants are mostly put towards administration and staffing costs Conditional grants— which are targeted toward delivery of services— make up the largest share of the transfers and amount to around 30% of the total national budget.

The 1997 Local Government Act also gives local government substantial revenue generating authority. This includes collection of graduated personal taxes, product taxes,
market dues, licences and district-specific taxes (Francis and James, 2003: 6). However, in practice, the capacity of local governments to raise revenues has been very limited. In most cases, own-revenues do not make up more than 10% of total revenues for local governments (Francis and James, 2003: 6). Furthermore, the graduate tax, which was the largest component of locally-raised revenues for local governments, was abolished in 2006 (Goodfellow, 2010).

KCCA’s current budget is arranged in six project streams, which correspond to the four objectives from the Strategic Plan (KCCA, 2014):

1) Integrated Neighbourhood planning: US$ 53.75 million,
2) Integrated City Transportation Infrastructure: US$ 1.5242 billion,
3) City Resilience and Sustainable Drainage Management Programme: US$ 80.72 million.
4) Health, Social Development and Inclusive growth Programme: US$ 59.66 million
5) Economic Growth Programme: US$ 37.635 million
6) Institutional Development Programme: US$ 17.56 million.

Their main source of funding is still grant funding from the central government, which makes up about 60% of total funding. It is expected that this will remain the case in the short to medium term (Sheval 2015). Initially, when KCCA was established, most of the government grants were used to set up the institution. However, now there is an increasing shift to capital expenditures. Although funds are earmarked for KCCA from the National Treasury, they are not provided to them directly, rather KCCA invoices them following service delivery. This is also the case for paying salaries for KCCA staff.

The risk with this structure of public finance is that KCCA’s funding is linked to the central government’s finances. Therefore, one of the main focuses for KCCA has been to raise its own-source revenues. To date, KCCA has been successful in doing this—its own-source revenues have increased from around 40 billion UGX in 2011 to 85 billion UGX in the 2015 fiscal year. This has mainly been the result of greater field collection efforts in the areas where the Local Government Act and the Constitution permit KCCA to collect taxes. Such taxed include: local service taxes, hotel taxes, property taxes, cess on produce, and licensing fees. The largest increase in revenues has come from 1) trading licenses, 2) road user fees (including taxi fees and street parking), 3) property rates, and 4) local service taxes. These four revenue sources provide for over 80% of KCCA’s total revenues (Kopanyi 2015). See Table 2-1.

Since the rehabilitation of the KCCA in 2010, development partners also have taken an increased interest in the institution. KCCA has received grant funding from several outside donor. Major funders include the Chinese Government and the World Bank (as part of its Kampala Institutional and Infrastructure Development Plan (KIIDP)). Overall, KCCA’s goal is for all locally generated revenues to cover 80% of the operational and maintenance budget over the next five years.
Financing constraints, however, remain a challenge. One potential source of revenue is from property taxes but the central government exempted all owner-occupied residences from paying property taxes in 2005. This applies to most properties in Kampala. Furthermore, a comprehensive property valuation has not taken place since 2004 so the property tax base is very out-dated. In fact, no new properties have been added to it since the last supplementary valuation that took place in 2009 (Kopanyi 2015). It is estimated that the city loses 10 billion UGX each year from the exemption of owner-occupied properties from the tax base (Goodfellow, 2010).

**TABLE 2-1: KCCA SOURCES OF FUNDING**

<table>
<thead>
<tr>
<th>Sources of Income</th>
<th>FY12</th>
<th>FY13</th>
<th>FY 14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million UGX</td>
<td>%</td>
<td>Million UGX</td>
</tr>
<tr>
<td>Property Rates</td>
<td>11,325.0</td>
<td>10.0</td>
<td>14,516.4</td>
</tr>
<tr>
<td>Parking Fees</td>
<td>5,390.3</td>
<td>4.7</td>
<td>12,530.4</td>
</tr>
<tr>
<td>Business Licenses</td>
<td>8,776.3</td>
<td>7.7</td>
<td>13,268.4</td>
</tr>
<tr>
<td>Service Taxes</td>
<td>9,076.7</td>
<td>8.0</td>
<td>8,697.4</td>
</tr>
<tr>
<td>Other</td>
<td>4,964.7</td>
<td>4.4</td>
<td>6,529.2</td>
</tr>
<tr>
<td>Total Own Source Revenue</td>
<td>39,523.0</td>
<td>34.8</td>
<td>55,541.8</td>
</tr>
<tr>
<td>Grants</td>
<td>71,895.6</td>
<td>63.3</td>
<td>88,160.3</td>
</tr>
<tr>
<td>Other</td>
<td>2,170.7</td>
<td>1.9</td>
<td>21,485.6</td>
</tr>
<tr>
<td>Total Income</td>
<td>113,589.3</td>
<td>100.0</td>
<td>165,187.7</td>
</tr>
</tbody>
</table>

**SOURCE: ADAPTED FROM GLOBAL CREDIT RATING CO. KAMPALA CAPITAL CITY AUTHORITY (SHEVAL 2015)**

Since it was established, KCCA has not taken on any new debt although it is still servicing debt which dates back to 1991 (Sheval 2015). KCCA is now looking at options to issue its first city bond as a way to finance large capital projects. To do this, would require an amendment to current legislation. Currently, the law restricts the amount of debt that a municipality can take on to a value of 10% of its internal revenue.
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3. Land and Housing Markets

Uganda has one of the most complex systems of land tenure in the world. Much of the current system is based on past laws and institutions, so a historical overview is useful for understanding its complexities.

3.1. The Pre-colonial Period

Within the Buganda Kingdom, whose territory now comprises much of modern day Uganda, the Kabaka (King of the Buganda) was the principal holder of land. During pre-colonial times, land was not only an economic asset but a political instrument used by the Kabaka to govern his territory. Land grants were given to chiefs—an administrative position rather than a hereditary one—as part of political appointments. Chiefs had usufructory land rights and they could allocate land to peasants. The system, however, was not feudal as peasants were permitted to move between chiefs and had few duties or restrictions once they had exchanged a reasonable amount of tribute or service for land access (Nukurunzira, 2006).

Despite the central importance of land, property rights remained weak. The allocated usufructuary rights of chiefs and their peasants were affected by the Kabaka’s hiring and firing of chiefs. As a result, land that was not claimed by the either the Kabaka or his chiefs was in high demand. Such land, however, remained scarce.

![Figure 3-1: Plan and Drawing of Mengo Hill, Site of the Bugandan Capital](image)


The Kabaka played an important role in the development of Kampala. The Kabaka’s capital was located on Mengo Hill in what is now present day Kampala. While statistics are scarce, it is likely that this settlement was the largest interior agglomeration in 19th century East Africa (Nukunzira, 2006). See Figure 3-1. As no foreigner could be present in the Buganda kingdom without the Kabaka’s consent, Mengo Hill also became the focal point for European arrivals.
3.2. The colonial period

During pre-colonial times, foreigners were forbidden from entering the palace area of the Buganda Kingdom. Therefore, early missionaries and traders set up camp on the adjacent hills. Captain Lugard, an agent of the British East African Company, constructed a fort on one of these hills which he called “Hill of the Impala.” This area became known as “Kampala” which is a rough translation of the name in Luganda (the local language). Other Europeans soon settled in this area as well. Thus, a duality emerged in the city with the Kabaka and Buganda living in Mengo while the Europeans and Asians settled in other areas of the city.

This duality was soon formalised by the Uganda Agreement of 1900 which divided all land in the Protectorate (some 16,000 square miles) between the Crown and the Buganda Kingdom (Lwasa, 2010). In Mengo, most of the land was owned by a few absentee landlords. Plots were continually being divided into smaller plots, called bibanji, and rented out. In most cases, bibanji holders were prohibited from building permanent structures which led to the emergence of shanty towns – a dynamic fuelled by the rising demand for housing from native peoples who worked in the European quarters of the city but were forbidden from living there.

Unlike in Mengo, the European part of the city evolved with careful physical planning (Omolo-Okoleba et al. 2010). The colonial government hired a modernist German, Ernst May, to create a plan for the city which was to be based on the popular concept of “the garden city”—the idea that towns would be centres of activity that were encircled by agricultural or rural “greenbelts” (Adengo, 2014). The plan detailed how mixed-use settlements would be spread across nine hills, with each hill being its own centre (Figure 3-2). This layout persists today—as well as the residential pattern where wealthier people occupy areas near the top of hills while poorer people reside near the bottom.

Despite many dramatic changes during the immediate post-colonial period, the urban form of the city remains largely the same.

![Figure 3-2: May’s original schematic plans for Kampala](source: Adengo (2014))
3.3. Land Tenure since Colonial Times

Today’s land institutions are largely a by-product of those set-up by the British during the early 1900s. The British used land as an instrument to gain political support among the Kabaka and his chiefs. Large tracts of land (about 8,000 square miles) were given to the Buganda as part of the Uganda Agreement of 1900 (Lwasa, 2010). Such land was called mailo land—a name derived from the fact that it was parcelled out in square “miles.” The Buganda received perpetual rights to this land, thus converting it from customary land into freehold.

Mailo Land

The problem was that much of mailo land was not vacant but, instead, settled by peasant farmers who believed that they had rights under customary law to the same land. As the 1900 agreement did not recognize usufructuary rights, these peasants lost their land rights (in some cases to lands they had occupied for generations). Local peasants (bibanja holders) became tenants who had to pay ground rent (busuulu) and/or a share of their profits (envujjo) from the crops they cultivated. By the mid-1920s these rents had increased substantially, leading to riots and the passage of the 1927 Busuulu and Envijjo Law. This law placed fixed limits on how much landlords could charge their tenants and at the same time “stipulated that no bibanja holder could be evicted by the owner except under court order and save for public purpose or for other good and sufficient causes” (Schwartz, 2008, p. 9). One consequence of this legislation is that it gave landowners an incentive to sub-divide their land so that they could collect more land rent.

Crown Land

Peasant farmers were also living on Crown land. As the 1900 Agreement did not recognize customary tenants, the Crown Land Ordinance Act of 1903 “granted indigenous Ugandans the ‘right’ to occupy ‘unalienated’ land (i.e., land that had not been granted to someone else through freehold or leasehold) in accordance with their customary law” (Foley, 2007, p. 8). Customary tenants, however, had weak tenure security as the Governor could sell or lease Crown land without their consent (Mugambwa, 2007). It was not until the Public Lands Act of 1969 that customary tenants gained some degree of tenure security. This act stipulated that “any person applying for public land was required to state in the application whether or not the land was occupied by customary tenants and, if so, whether these had freely consented to the proposed alienation” (Foley, 2007, p. 8). In addition, the Act gave customary tenants the right to apply for a lease over the lands they occupied and prohibited alienation without compensation (Baland et al., 2007; Lastarria-Cornhiel, 2003).

Early Titling

The East Africa Royal Commission (EARC, 1953-1955), which was tasked with investigating how to promote economic development in Britain’s East African colonies, considered customary tenure to be a severe impediment to economic development and,
thus, recommended that all colonial land be privatized. The Commission’s report faced strong political opposition by the Native Councils. Despite this opposition, three of the most populated districts (Kigezi, Ankole and Bugisu) agreed to implement a pilot titling and registration programme. Under this program, customary tenants applied to the Director of Lands and Survey and were registered as proprietors. After their land was surveyed, they received a certificate of title. In these districts, land transactions have been governed by statutory law rather than customary law for much of the post-colonial period (Lastarria-Cornhiel, 2003; Mugambwa, 2007).

3.4. Post-independence Period

The emergence of an independent Uganda in 1962 was marked by a fierce, political battle between the central government and the Buganda Kingdom which sought its own independence. Although this battle was over in less than four years, it generated a number of headlines including an attempted assassination of the Kabaka, the abolition of Kingdoms, and the transfer of all royal and Buganda land to the Uganda Land Commission (ULC). In addition, the Kampala City Authority was formed to administer the city. For the first time in its history, the entire city was governed by a single authority.

Land Decree of 1975

Government control over the city was further deepened by the 1975 Land Reform Decree. This law nationalised all land, converting freeholds into leaseholds (99 years for private individuals and 199 years for public bodies, religious organizations, and charitable trusts). Perhaps most damaging, it revoked all previous land legislation without providing any replacement. This meant that landowners no longer had the right to charge busuulu or envujjo and tenants were no longer protected against arbitrary evictions. In addition, squatting became a criminal offense. Anyone who settled on public lands without the Government’s permission could be jailed for up to one year. The granting of land titles was also a criminal offense which carried a punishment of up to two years in jail (Foley, 2007). While all of these laws remained on the statute books until the passage of the Land Act of 1998, most were never implemented due to the collapse of state capacity during the 1970s and early 1980s (Joireman, 2007; Mugambwa, 2007).
3.5. The Most Recent Period

The relative calm and stability in Kampala following the National Resistance Movement’s assumption of power under Museveni in 1986 has been accompanied by several policy changes with regard to land, most notably the return of much of the Kabaka’s land (along with the reinstatement of the Ugandan Kingdoms in 1993), a new Constitution, and the passage of the 1998 Land Act. Many of these policies, however, have been highly controversial, resulting in some of the government’s hardest fought political battles (Green, 2006). Today, the major laws governing land in Uganda are the 1995 Constitution, and the 1998 Land Act:
1995 Constitution
While several sections of the 1995 Constitution address land issues, Article 26 and 237 are the most relevant for understanding how land markets function today. The Constitution changed land markets in three major ways.

First, Article 26 overturned the 1975 Land Decree which vested all land in the State. This Article provides every Ugandan with “the right to own property either individually or in association with others” and restricts the State’s power to annex private property for its own use. Specifically, the State may annex land only if it is “in the interest of defence, public safety, public order, public morality, or public health.” In such cases, the State must pay “fair and adequate compensation” prior to the acquisition of private property.

Second, Article 237(3) restored the four tenure systems that had existed at independence—that is, customary, freehold, leasehold, and mailo. Once again, the Constitution makes it clear that the 1975 conversion of mailo rights to leasehold rights has been revoked. However, the Constitution leaves open the politically sensitive question of how landlord/tenant relations should be structured. As pointed out by McAuslan (2003): “commitments were made to the peasants in Buganda on this matter by the National Resistance Movement (NRM) during the civil war that preceded the collapse of the Obote II regime and the coming to power of the NRM in early 1986” (p. 5). To avoid political backlash, the question of landlord/tenant relations was left to future legislation. The Constitution stipulates that “lawful” or “bonafide” occupants on mailo land, freehold, and leasehold land will receive tenure security until a new land law is drafted.

Third, clauses (4b) and (5b) provide for the privatization of public lands. Article 237(4b) states that: “land under customary tenure may be converted to freehold landownership by registration. This clause confers statutory rights of ownership to customary tenants who had legally settled on public lands. Similarly, Article 5(b) declares that “any lease which was granted to a Uganda citizen out of public land may be converted into freehold in accordance with a law which shall be made by Parliament.” The details of how such conversion should take place were left to future legislation. The Constitution sets a time limit of two years (from the time of the first sitting of Parliament elected under the new Constitution) for the legislation to be enacted.

1998 Land Act
A new land bill was passed on July 2, 1998. This bill outlines the legal framework for how land markets in Uganda are structured, planned, and managed. Perhaps most importantly, it details: 1) the process for converting land held under customary law into freehold land; 2) the structure of land administration; and 3) tenant and landlord rights.
3.6. Conversion of Land to Freehold Status

Customary Ownership

While the Constitution declares that customary tenants may convert their land to freehold status, the 1998 Land Act outlines the procedures for obtaining statutory rights. The first route is to obtain a Certificate of Customary Ownership (CCO) which is documentary evidence of land ownership. The Land Act requires that financial institutions accept CCOs as proof of title, enabling landowners to obtain credit by using their title as collateral when borrowing money to invest. In reality, there is no evidence that this had taken place as not one CCO had been issued in Kampala before 2013 (Muinde, 2013).

Obtaining a CCO is a long process which involves several steps. First, the applicant must fill out an application form which is submitted (along with a fee) to the District Land Committee in the Parish where the land is located. Second, the District Land Committee surveys the land, confirms its boundaries, and places a notice in a prominent place making others aware of the claim. “The notice should invite all concerned persons to a meeting, not less than two weeks from the date on which it was posted, to consider the claim” (Foley, 2007, p. 15). Third, the Land Committee hears any counter claims and, if needed, postpones the proceedings in order to collect additional evidence. Fourth, the Land Committee writes a report which outlines its concerns and recommendations. And finally, this report is then submitted to the District Land Board which decides whether or not to issue the CCO. The Land Board, however, is not required to uphold the Land Committee’s recommendations.

After receiving a CCO, the landowner can apply for freehold status. It is not necessary, however, to obtain a CCO first. Customary tenants are permitted to apply directly for a leasehold. The conversion of customary land to leasehold is very similar to that described above.

Conversion of Leasehold to Freehold

The Land Act (Section 28) outlines the procedures for converting leasehold to freehold. Applications are made to District Land Boards which verify the validity of the lease and that all development conditions and covenants have been applied. Compensation must be paid to any customary tenants who reside on the land at the time of acquisition. Conversion of leaseholds of less than 100 acres is free while the leaseholder must pay market value on land which exceeds 100 acres. All proceeds from such transactions are to be placed in the Land Fund. Appeals can be made to a Land Tribunal. In accordance with the 1995 Constitution, leaseholds can also be obtained by customary tenants residing on public lands. As of 2013, however, no “certificates of customary ownership” had been issued in Kampala (Muinde, 2013).
3.7. Structure of Land Administration

Land under Leasehold Tenure
Land under leasehold tenure in Kampala covers all land which was formerly held by the colonial government. Today this land is managed by the Kampala District Land Board (KDLB) and is located mainly in the Central and Nakawa Divisions of Kampala (Muinde, 2013). Leases are issued by the KDLB to individuals who receive “certificates of leasehold title” as documentary evidence of ownership. These titles are recorded centrally with the Registrar. Land owners have full rights to their leasehold including those of usage, transfer (sale, lease, mortgage, sub-divide), and disposal subject to the consent of the KDLB. Most of this land is currently under lease, leaving little room for new development (Gibbons, 2009, Muinde, 2013).

Land under Freehold Tenure
Land under freehold tenure in Kampala covers all land which is used by public institutions like schools, churches, and mosques as well as land converted from leasehold tenure to freehold tenure in accordance with Section 13 of the Land Act. It also includes any land which has been converted to freehold status by customary tenants. Those with freeholds have perpetual rights over their land.

Land under Mailo Tenure
Land under mailo tenure in Kampala is held by private individuals (private mailo) and the Buganda Kingdom (public mailo). Public mailo land is classified as any land which was returned to the Buganda Kingdom in 1993 under the Traditional Ruler’s Restitution of Assets and Properties. This land is managed by the Buganda Land Board (BLB) and is located mainly in the Rubaga, Kawempe, and Makindye Divisions of Kampala (Muinde, 2013).

Importantly, the 1998 Land Act (Art 3(4)) permits a “separation of ownership” between land and structures on mailo land which has resulted in overlapping claims on the same land.
### Table 3-2: Types of Land Tenure

<table>
<thead>
<tr>
<th></th>
<th>Mailo</th>
<th>Leasehold</th>
<th>Freehold</th>
<th>Customary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Landholdings (% of total)</td>
<td>52%-71%</td>
<td>26%-30%</td>
<td>3%-7%</td>
<td>0%</td>
</tr>
<tr>
<td>Owners</td>
<td>Comprised of public <em>mailo</em> land owned by the Buganda Kingdom &amp; private <em>mailo</em> land owned by individuals.</td>
<td>Comprised of public land owned by the government &amp; managed by the KDLB.</td>
<td>Comprised of land owned by public institutions, NGOs, &amp; charities.</td>
<td>Comprised of land held under customary law.</td>
</tr>
<tr>
<td>Length of Ownership</td>
<td>Land owned in perpetuity.</td>
<td>Land leased to individuals by KDLB.</td>
<td>Land owned in perpetuity.</td>
<td>Land ownership derived from usage.</td>
</tr>
<tr>
<td>Structure of Ownership</td>
<td>DUAL: Separates ownership of land from ownership of structures.</td>
<td>SINGLE: Land owner has rights to land &amp; structures.</td>
<td>SINGLE: Land owner has rights to land &amp; structures.</td>
<td>USUFRUCTUARY: Land owner has rights over land for as long as he or she uses it.</td>
</tr>
</tbody>
</table>


### 3.8. Tenant and Landlord Relations

**Tenants’ Rights**

Both the Constitution (Art 237(8) and 237(9)) and the 1998 Land Act (Article 31(1)) guarantee security of occupancy to so-called “lawful” and “bona fide” occupants who reside on registered *mailo*, freehold, and leasehold land (Table 3-3).

“Lawful” occupants are those who initially occupied land as legal tenants with the consent of the owner. *Bona fide* occupants are those who occupied land without the consent of the owner for 12 or more years before the Constitution (i.e., since 1983) but were never challenged. Importantly, they include squatters who occupied land illegally, even those who settled after the 1975 Degree (when squatting was a criminal offense). Tenants can obtain documentary evidence that they are legal tenants by applying for a “certificate of occupancy.”¹ Applicants are made to the local Land Committee by the land owner. Land owners, however, have little incentive to submit these applications.

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¹ Not to be confused with a “certificate of customary ownership” which gives customary tenants ownership rights to the lands they occupy on former public lands.
TABLE 3-3: CATEGORIES OF TENANTS

<table>
<thead>
<tr>
<th>“Lawful” Occupants</th>
<th>Bona fide Occupants</th>
<th>Customary Tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Those who occupied land with the consent of the owner, including those who have purchased land (freehold owners).</td>
<td>1) Those who occupied and utilised or developed land unchallenged by the registered owner or agent of the registered owner for 12 years of more before the enactment of the 1995 Constitution.</td>
<td>Customary tenants are those living on customary land or former public land.</td>
</tr>
<tr>
<td>2) Those who entered land as customary tenants but whose tenancy was not disclosed or compensated for when a certificate of leasehold was issued.</td>
<td>2) Those who had been settled on land by the Government, which may include a local authority.</td>
<td></td>
</tr>
</tbody>
</table>

SOURCE: 1995 CONSTITUTION and 1998 LAND ACT.

Landlords’ Rights
Under the 1998 Land Act, registered landowners on mailo land who have obtained a certificate of title to their land have perpetual rights. In theory, this means that they have the right to use, transfer (sell, lease, mortgage, pledge) or sub-divide their land. But, in practice, this is not the case. Under the current law, there is a “separation of ownership of land from the ownership of structures owned by bona fide or lawful occupants” (Land Act, Art. 3). This creates overlapping claims on the same piece of land. As described by one land expert: “The problem with mailo land is that it creates legal ownership of land which the owner does not occupy and occupation of land which the occupant does not own.” (cited in Ruleker, 2006).

Given the current legal environment, tenants’ rights “trump” those of landowners. Landowners, for example, cannot sell their land without their tenants’ consent who, if they agree to the sale, must be compensated for their loss and resettled. In practice, this means that buyers must negotiate two prices—one for the land and one for the structures. To complicate matters, the law stipulates that “tenants by occupancy” must be compensated for their structures at “market value.” However, there are no legal guidelines in place which outline how the “market value” of structures is to be determined.

The only means of evicting a bona fide or “lawful” occupant is if he or she does not pay rent for one year. Landowners must give tenants six months’ notice and obtain a court

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2 Article 33 of the Land Act defines tenant by occupancy as those who are “lawful” or bona fide tenants.
order before the eviction can take place. In addition, *mailo* landowners are also prohibited from charging a market rate for land rents. Section 14 of the 2004 Amendment Act stipulates that tenants must pay a nominal fee to landowners of a “non-commercial” nature. This fee—which does not vary with either the size or location of the plot—is determined by the Land Boards with approval of the Minister of Land. Under the 1998 Land Act, the approved land rent could not exceed 1000 shillings per year. This rate was supposed to be revised every five years by the District Land Boards but, in reality, few districts made any revisions. This meant that land rents remained at about US $2.00 per year (at 1998 values) for many years. Not surprisingly, as the value of land has increased, landowners have become increasingly frustrated with their inability to increase land rents.

Recent newspaper reports claim that some landowners (or their agents) are making it hard for tenants to pay their rent by continually being “absent” when the rent is due. In January 2016 President Museveni vowed to introduce a new Amendment to the Land Act which allows *bonafide* occupants to pay rents at sub-county offices in cases where the landlord refuses to accept tenants’ rents (*The Monitor*, January 16, 2016).

**Objections to the 1998 Land Act**

Uganda’s current land policies are not popular with many landowners who feel that they have no real authority over their land. Under current law, tenants have the right to block land sales and development. “As a consequence, landowners have tried to circumvent the restrictions imposed by the law by selling of the titles to people who have either the money to compensate the occupants or the army muscle to evict them forcefully” (Schwartz, 2008, p. 12). The result has been an escalation of evictions across Uganda and reduced tenure security (Rugadya, 2009). According to Dobson et al. (2014), 69% of slum residents in Kampala have faced eviction threats.

Land conflicts arise because of the complicated system of land tenure. It is not uncommon for three parties to claim ownership over the same piece of land. Take the case of a *mailo* land owner who has one leaseholder on his land. The fact that he has a leasehold should not reduce land transferability as long as there is an up-to-date registrar. Complications, however, arise, when “legal” occupants reside on the land. The law requires that “legal” tenants’ must consent to any land development or sale. While “legal” occupants are supposed to be listed as an encumbrance on the landowners’ title (and the leasehold), this information is often missing. As a result, land sales (and the transfer of leaseholds) often occur without the new owner or leaseholder aware that there are tenants on the land. Before 2013, the new landowner could evict the tenants if they did not have a “certificate of occupancy.” The National Land Policy of 2013, however, guarantees tenants’ rights without legal documentation.

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3 There have also been allegations that landowners collude with magistrates in order to secure eviction orders (*The Monitor*, Jan. 16, 2016).
In addition, land policies are unpopular with some Buganda who believe that the 1998 Land Act and its amendments have strengthened the economic status of the non-Buganda in Kampala, particularly those from the West, like Museveni (Goodfellow, 2010). This has fuelled ethnic tensions, and resulted in increased calls for federo – a federal system sought by the Buganda Kingdom. The tension between the central government and the Buganda Kingdom remains high, with the latter hostile towards government efforts to alter Mailo land. It has been argued that a failure to appreciate the ethnic dimension to land in Kampala has undermined the government’s efforts at land reform (Green, 2006). Indeed, despite vociferous opposition from the Kingdom, the government passed the Land Amendment Bill in 2010 which further enhanced occupants’ rights on Mailo land.

Since 1998, there has been a decline in the rental market in Kampala, suggesting that these policies have had adverse economic impacts (World Bank, 2015). Furthermore, UNHS 2010 data reveal that in Uganda, 37% of land could not be sold, 34% could not be rented, and 44% of land could not act as security for a loan (World Bank, 2015).

3.9. Recent Land Legislation

The most recent land legislation was the National Land Policy which was adopted in 2013 (Table 3-4). The policy contains two noteworthy features. First, it explicitly recognises the Government’s intention to support the continued expansion of freehold rights. Second, it expands the role of the State in land matters. Under the new legislation, the State is given greater powers to exercise sovereignty on behalf of the public interest in order to improve land use. Moreover, it reiterates the need to clarify property rights by moving towards a system of registered landownership (Pederson et al., 2012). This is a much needed change, as it currently takes 77 days to register property in Kampala (World Bank, 2015).

Moreover, the National Land Policy takes a first step towards the introduction of land taxation in tasking the government with undertaking relevant studies and informing the public of the issue. It also adds to the categorisation of tenure systems in Uganda. The policy introduces a supplementary category for defining the use of land: private, public or government land. Finally, the new land policy reiterates the initiative in the Constitution and Land Act by stating that customary tenure enjoys the same status as other forms of tenure and that the State will establish a land registry for land rights held under customary tenure (Ministry of Lands, Housing and Urban Development, 2013).
### Table 3-4: Major Land Laws in Uganda: 1995 to Present

<table>
<thead>
<tr>
<th>Law or policy</th>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
</table>
| Constitution                 | 1995  | - Land vested in citizens  
- Four tenure systems: customary, freehold, leasehold and mailo  
- Customary occupants can acquire certificates of ownership |
| Land Act                     | 1998  | - Customary tenure grants ownership in perpetuity  
- Customary certificates of ownership are taken as conclusive evidence of ownership rights and can be used to lease, sell or mortgage land. |
| Land (Amendment) Act         | 2004  | - Increased security of tenure to spouses to family land  
- Transactions prohibited without spousal consent |
| Land (Amendment) Act         | 2010  | - Forbids eviction of tenants and squatters except under court order |
| National Land Policy         | 2013  | - Government tasked with considering land taxation and informing the public of the issue  
- Additional categorisation of land: private, public and government  
- Customary tenure is recognised at the same level as other forms of tenure  
  - Envisages the establishment of a land registry for customary tenure |

**Sources:** Various cited in text.

#### 3.10. Land legislation and policy in practice

Most of Kampala’s land is currently being used or occupied (Dobson et al., 2014). See **Figure 3-3:** Vacant Land in Kampala. Like in many other African cities, there is a wide discrepancy between land that is registered and land that is used. Currently, only 15-20% of land is formerly registered (World Bank, 2015). Formalizing land remains a challenge. Despite land being an important source of wealth (constituting around 60% of households’ assets), formal land markets are small and land conflicts remain common (Deininger and Castagnini, 2001). Indeed, Deininger and Castagnini (2001) found that a third of the households which they sampled in Uganda had experienced land conflicts, and that this was double the amount that had engaged in sales transactions.
During the last decade, there has been a significant increase in demand for land in Kampala as its population increased. Kampala’s population is estimated to have grown from 700,000 in 1991 to 1.92 million today. This number, however, does not include the additional two million people who commute to the city each day for work and then return to their homes outside of the city (UBOS, 2002 and 2014). Land development, however, remains hampered by the fact that land and tenure rights are not clear. "According to the Draft Final Report for ‘Updating Kampala Structure Plan and Upgrading the Kampala GIS Unit,’ one of the major factors contributing to the unmanageability and unserviceability of the city is the land tenure system" (Dobson et al, 2014).

3.11. Informal Kampala Today
Kampala is overwhelmingly dominated by people living in informal housing. Currently, there are 62 recognised slums although the exact size of the slum population remains a
matter of debate. KCCA estimates the slum population at 500,000 residents while the National Slum Dwellers Federation of Uganda, a NGO working in the city, claims a much larger population of 2.5 million (Dobson et al., 2014). There are two noteworthy features of the slums in Kampala. First, they can be found on all forms of land tenure but are disproportionately located on mailo land (Figure 3-4). Secondly, they are dispersed throughout the city and can be found in areas close to the CBD where land values are high (Figure 3-5).

![Land Ownership in Kampala's Slums](image)

**Figure 3-4: Land Tenure in Kampala's Slums**
*Source: Dobson et al., 2014*

Some attempts have been made at slum upgrading but these have not been very successful. One project implemented by the KCC was to upgrade the Namuwongo slum. The main outcome of this project, however, was simply a gentrification of the area as poorer residents sold their property to wealthier citizens and relocated to a nearby swamp, extending the geographic area of the slum (Dobson et al., 2014). Similar gentrification dynamics have been at play elsewhere.

Indeed, tenure insecurity has not only inhibited progress and development, it has led to conflict, such as the attempted upgrading of Kasokoso slum in 2013 which descended into anarchy with riots, teargas and even mayor’s car being set on fire (Dobson et al., 2014). Tenants were reluctant to allow the upgrading take place because they feared that the improvements would price them out of their homes and they distrusted the government’s motives for the upgrading, believing it would lead to their eventual eviction.
3.12. Land-Grabbing

Cases of land-grabbing have been documented in Kampala as well. These cases appear to involve land and properties being given to high-profile individuals for either their personal use or commercial and development purposes (Lambright, 2014). A prominent case was the provision for redevelopment of several of the city’s most significant marketplaces (Lambright, 2014). The city’s wetlands have also been a victim, despite it being illegal to occupy wetlands or construct upon them. Notably, more ‘formal’ encroachments usually invite informal occupation from citizens. For instance, when the central government allowed the National Water and Sewage Corporation to construct a new sewage treatment plant in the Lubigi wetlands, thousands of residents took over a large part of the swampland, clearing it and erecting structures (Lambright, 2014).

Given the rising value of land in the city, there are large gains to acquiring land. Between the mid-1990s and the early 2000s, some properties in the city centre increased ten-fold in value (Goodfellow, 2010). Indeed, the creation of the KCCA (and the dissolution of the KCC) was in response to a report by the Ministry of Local Government which vociferously accused the KCC of involvement in nefarious land-grabbing (Goodfellow, 2010).
3.13. Land disputes

Land disputes are very common in Uganda. These disputes originate in part from increased pressure on land due to population growth and generally take place in highly populated areas. Political and cultural tensions play a significant role as well. Northern Uganda, where many people were displaced during the civil war, saw a surge in land disputes following the return of people to their lands which had been in many cases occupied in their absence (Rugadya, 2008, 2009).

In a study of 3,754 households across 18 districts, Rugadya et al. (2008) found that 34.9% of households were affected by land conflicts. This share was slightly higher in rural than urban locations (36% vs. 33%). The prevalence of land conflicts was higher in eastern Uganda (48%), followed by the central region (42.3%) and the north (33.5%). Most disputes took place under customary tenure (59.8% of the total); while 14.6% occurred under freehold tenure. The three most frequent causes of land conflicts were found to be encroachment (29.5% of cases), the removal of boundary markers (25.9%) and the lack of proof of ownership (20.2%).

The same study found that, when involved in a dispute over land, 57.7% of respondents took their case to Local Council Courts levels 1 and 2. Local Council Courts (LC Courts) are state-sponsored local tribunals which apply customary norms and provide a forum for dispute resolution at the local level. They are established at the village level (LC1), parish level (LC2) and sub-county Level (LC3) (Adonyo, 2012). The most popular alternative after the LC Courts for resolving land disputes are the clan and community leaders to which 27.5% of cases were taken.

3.14. Challenges in the Ugandan land and housing sectors

Housing supply

In Kampala, there is a serious shortage of adequate housing. In 2014, 15.8% of Uganda's population of 37.8 million people lived in urban centres with 31.3% of these living in Kampala (WDI, 2014). As the urban population continues to grow, the housing shortage is likely to worsen. It is estimated that, in 2050, 32.1% of Ugandans will live in urban agglomerations (WDI, 2014). FIGURE 3-6 shows the actual and estimated shares of Uganda's population living in urban areas from 1950 to 2050.

To meet the needs of its increasing population, Uganda will need to increase its housing supply in both rural and urban areas. New housing has to accommodate three types of housing needs: 1) those arising from population growth, 2) those deriving from housing units becoming degraded over time, and 3) those resulting from overcrowding of existing houses (UN-HABITAT, 2012). The number of houses needed to accommodate population growth in Kampala alone is estimated at 18,400 new houses per year until 2020 (UN-HABITAT, 2012).
Affordability and access to finance
The development of a thriving housing sector in Kampala is hindered by the fact that a large majority of its population cannot afford to buy a house on serviced land. Based on data from the Uganda National Household Survey 2012/2013, the Uganda Bureau of Statistics (UBOS, 2014) estimates that 19.7% of all Ugandans (6.7 million people) live below the poverty line for their region. Although this fig. is lower in urban regions (9.3%) and much lower in Kampala (0.7%), real incomes in the capital city are still very low. Indeed, when nominal wages are deflated by urban prices, there is no wage premium in Kampala relative to rural areas (Bernard, D’Aoust, and Jones, 2016).

In 2012/2013, the average monthly income in Kampala was just UGX 976,000 (approximately USD 280 at current rates) (UBOS, 2014). This average, however, is significantly driven by the highest earners. In fact, over 75% of the city’s population earns less than this amount while 52.6% earn less than approximately USD 140 per month. Similarly, UN Habitat (2012) estimates that more than half of all urban dwellers in Uganda live on less than USD 50 cents per day.

Housing prices in planned areas in Kampala are not affordable to the majority of its population. According to the Centre for Affordable Housing Finance in Africa (CAHF), the cheapest house (80m², one-bedroom) built by a formal developer in 2015 cost USD 13,500. CAHF calculated that a seven-year mortgage on this house would require a monthly income of approximately USD 770, which less than 2% of the population earns (Centre for Affordable Housing Finance in Africa, 2015). Likewise the International Housing Coalition reported in 2009 that a new serviced house can cost over USD 60,000 while rent for a standard house is typically be between USD 185 and 250 per month (Giddings, 2009). According to CAHF, no affordable housing projects have been undertaken on a large scale to date. Moreover, housing prices have increased significantly in recent years, making houses even less affordable to the middle class. The Bank of Uganda reports that between June 2009 and June 2014 their residential property price index increased by 115.3% (Bank of Uganda, 2014).
The lack of affordable housing is exacerbated by limited access to mortgage finance. Even though some of the cheapest houses seem to be just within the reach of the top quarter of earners, the fact that the mortgage market is very small makes formal housing unaffordable for the overwhelming majority of Ugandan citizens. The Bank of Uganda reported at the end of 2011 that only 7.6% of the credit granted by banks to the private sector was destined to finance residential mortgages. The size of this market was approximately 0.8% of GDP in 2011, much lower than that for other developed economies. According to UN-HABITAT (2012), the Ugandan mortgage finance market is dominated by five financial institutions which charge interest rates of 16 to 23% and demand that up to 30% of all costs be paid for up-front. This restricts access to formal credit to a very small proportion of households which the organisation estimates to be 0.68%. Interest rates continue to be high today: according to the Bank of Uganda, in October 2015 the average lending rate by commercial banks was 23.9% while headline inflation was 8.8%.

**Lack of infrastructure**

Kampala lacks adequate infrastructure such as electricity, water and sewerage connections, paved roads, and waste disposal. See Figure 3-7 and Figure 3-8. While these services are provided to some areas, they fail to meet the needs of the city and are often not well maintained. Different ministries and institutions are responsible for the provision and monitoring of the different services and the lack of coordination between them has contributed to poor delivery.

The majority of households in Kampala still lack adequate sanitation. More than 80% list “pit latrine” as their main source of sanitation while only 14% have access to a flush toilet. Only Kigali scores worse in terms of access to a flush toilet. The percentage of households with a flush toilet is much higher in both Dar es Salaam (38%) and Nairobi (59%). By contrast, Kampala has made large strides (as have other African cities) in providing electricity to households. More than three-quarters of households in 2002 were able to use electricity in their homes.

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4 Author’s calculations based on data from the Bank of Uganda and the World Development Indicators.
The poor are especially affected by a lack of infrastructure. The services provided are often unaffordable and may be rationed or not supplied in poorer areas. This is particularly the case in informal settlements where it is estimated that over 60% of the city’s population lives. In the various slums located across the city the lack of piped water, adequate sanitation and effective waste disposal mechanisms is especially severe and can pose public health risks (UN-HABITAT, 2007, 2012).
Roads are also an important issue in Kampala and their poor condition contributes to severe traffic congestion. Most of the existing roads were built in the 1940s and 1950s and have not been fully rehabilitated since their original construction. Only about a quarter of the city’s 1200km of roads are paved and those outside the central district are in a particularly poor condition with many potholes. The collection and disposal of waste is an additional problem which has even led to public discontent in informal settlements. The City Council, which is responsible for providing this service, is only able to remove less than 40% of the city’s waste, which it collects and takes to land fill sites. The lack of effective and comprehensive waste collection has led many people to dispose of their waste by burning it or placing it in water streams, drainage channels along roads or empty parcels of land. In addition to pollution and the increased potential for disease outbreaks, these informal methods of disposing of waste often cause the blockage of water drainage channels and streams, which can lead to flooding during the rainy season (UN-HABITAT, 2012; World Bank, 2014a, 2014b).

3.15. Summary

Uganda is currently saddled with a complicated land tenure system. This has led to insecure land and tenure rights, rising land disputes, evictions, and poorly functioning land and housing markets. The current situation is a by-product of a number of historical processes, many political, which have created strong coalitions (both inside and outside of government) who are reluctant to change the current system. Due to the prevalence of multiple and overlapping claims on land, a useful, first step would be for the government to compile an up-to-date database on land holdings, land values, and property values in the city which identifies the various ownership claims of its residents. Only by recognizing these claims can the government begin to move forward toward reconciliation and stronger property rights, facilitating greater investment in the city.
References


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4. Transport in Kampala

The transport network in Kampala has been shaped by the city’s geography and history. Kampala’s landscape is marked by numerous hills. At the top of these hills lie a number of historic monuments and commercial centres with roads running between them. Lake Victoria, to the south of the city, acts as a geographical constraint which limits further growth. As a result, the city has spread out along roads running to the West, East and North.

The road network follows a radial pattern. Major roads lead east towards Jinja and the Kenyan border; southwest towards the international airport and historic commercial town of Entebbe; and west towards the Democratic Republic of Congo, Rwanda and Burundi. Kampala sits on the North Transport corridor in East Africa, and until recently, transit traffic from the Kenya coast had to pass through the CBD to be transported westwards to these countries. **Figure 4-1** below shows the major roads within the city.

**Figure 4-1: Road Network in Kampala**

*Source: ESRI data*
4.1. History

In 1972, a Structural Plan for the city was established. However, little of this plan was carried out due to the intense political turmoil which ravaged Uganda and its capital, Kampala. The 1970s were a period of economic contraction, reducing the government’s ability to make new investments in infrastructure. Existing roads and public transport deteriorated in quality, and new investments were insufficient to meet the growing needs of the city.

By the late 1980s, with the political situation stabilizing, the government was able to regain some control over the city’s development. In 1994, the Kampala Urban Study was published which outlined plans to improve the quantity and quality of the city’s transport infrastructure. Unfortunately, while the plan was detailed, few of its proposed schemes were actually implemented. The only sizable investment to be completed, albeit after the end of the plan’s investment period, was the Northern Bypass. This road was built to relieve the urban core of international transit traffic generated from Kampala’s position along East Africa’s Northern Transport Corridor.

In 2008, a new National Transport Master Plan was published which included a specific Transport Plan for the Greater Kampala Metropolitan Area, establishing a development framework. The Master Plan outlined key areas for investment until 2023. It adopted a ‘Transit Orientated’ model in which areas of land are developed within the city for specific uses and the main arterial routes out of the city are enhanced with the construction of dual carriageways, public transit systems, and pedestrian walkways. Following the publication of the Master Plan, some investments have begun, including a major project to develop the Entebbe Highway. In addition, the provision of a public transit system is still under much debate. For example, reports have been written to determine the suitability of the city for a Bus Rapid Transit system, while others have advocated a cable car system which would connect the various hills of Kampala. In December 2015, a Memorandum of Understanding was signed between Kampala and China for the building of a Light Rail Transit System.

Today the responsibility for developing and maintaining national roads falls under the Uganda National Roads Authority. Local urban roads are the responsibility of the Kampala City Council Authority (KCCA) and other local district governments. The construction and maintenance of roads are financed primarily by the Uganda Road Fund which generates revenues from a fuel levy. Until 2007, the Uganda Revenue Authority issued driving licenses, which were an additional source of revenues. This, however, was discontinued in 2007 due to the high number of forgeries.

4.2. Transport Patterns

A detailed study of urban transport uses was conducted before the developing the Transport Master Plan for Greater Kampala. According to these studies, roads are the most important form of transport, both within Kampala and across the country. Nationally, over 95% of cargo is transported by road, and nearly all passenger transport
is by road or on foot. There are no passenger rail services in Uganda, and very limited rail and water cargo transport services.

In 2003, Greater Kampala had a total of 618km of roads, of which 290km were paved. At that time, the condition of roads was described as “good” in 28% of cases, “fair” in 46% of cases, and “poor” in the remaining 26%. Within Kampala, only 3% of roads are dual carriageways. There are no toll roads and there is only limited separation between pedestrians and motorized traffic (Transport Master Plan for Greater Kampala, 2008). The poor condition of Kampala’s roads and the relatively low density of its road infrastructure has led to lots of traffic congestion, particularly during peak hours and rainy periods.

The road system is predominantly radial, and most users travel in and out along these arterial roads from their residences to jobs and services elsewhere in the city. The most common modes of transport within the city are by foot, private car, motorbike (called ‘boda-bodas’) and by using the fleet of privately-owned and operated minibuses. In 2003, 800,000 daily trips were made using this bus system within the Gak (Transport Master Plan for Greater Kampala, 2008). This is equivalent to 146 trips per person per year, a low number attributed to three factors: insufficient capacity, low accessibility, and high cost. Most minibuses in Kampala have 14 seats, although a few larger 25 seater buses exist. The routes along which they operate are not regulated. Instead, they are allocated in the short term by the Uganda Taxi Operator and Driver Association (UTODA), an association of drivers operating independently from the government.

The UTODA manages both the two central taxi parks in the city (on a fee-based franchise for the KCCA) and the routes for the privately-owned minibus fleet. Private minibuses have to pay a fee when they pass certain check-points across the city. This fee is transferred to the KCCA. There is little route protection for drivers which limits their incentives to improve or extend services. This has resulted in many small scale operators which operate an old fleet of small minibuses. Consequently, the average costs of service provision are high—and these costs are passed on to passengers through higher ticket prices.

Currently, the privately-owned fleet is not regulated so ticket prices vary widely, both within the city and across days. The average fare ranges from 0.30 to 0.80 USD within the city (Travel Time Household Survey, Ministry of Works and Transport, 2012). Typically a single trip may require 1 to 3 changes between bus routes. There is no standard ticketing which means that the passenger is required to pay multiple times. As a result, the use of mini buses is an expensive and complex service. Up to 70% of households report to only travelling around the city by foot, which limits the number of jobs and services they can access (UNHS, 2010).

In addition, the high level of congestion within the city slows down bus service and discourages users. According to a recent study, 64% of congestion problems are due to frequently stopping minibuses. The lack of coordinated routes and stops—as well as the large number of small capacity vehicles—means that the number of times a vehicle has
to stop in order to pick-up or put-down passengers is high. This slows down the speed of the service and has knock-on effects to other forms of motorized transport.

Private car ownership is still low within the city. While there is no city-wide registration process which give accurate car numbers, the Master Plan estimates that there are about 90 cars per 1000 people. However, the size of this fleet has been growing rapidly. The European Commission estimates that the compound annual growth rate in the road fleet between 1998 and 2010 was 14.3% for the country as a whole (European Commission, 2011). As the country’s primate city, it is likely that a high proportion of these vehicles are located in Kampala. As the number of cars operating within Kampala increases, it obviously puts increased pressure on urban roads. The growth rate of the car fleet has in no way been matched by a similar growth rate in the provision of roads.

Trips to the urban centre are also limited due to a lack of parking facilities in the CBD. Parking management is franchised out by the KCCA to a private company on a 4 year basis. This company, in turn, pays a monthly fee to the KCCA. While this had led to effective ticketing, the lack of adequate off-street parking spaces means that cars are frequently blocking side roads which further limits the flow of traffic.

According to a recent survey by the Ministry of Works and Transport (2012), cars travel at an average speed of only 24km per hour within the city. Like elsewhere, travel speeds vary widely across the city. Travel times on some roads are much lower. For instance, the average speed on the Ggaba is estimated at under 20km per hour. As the number of vehicles in the city continues to rise, it is likely that travel speeds will decline even further unless major investments are made in Kampala’s road system.

Motorbikes, or boda-bodas, are increasingly used to bypass the congestion in urban areas. Estimates suggest that between 8,000 and 20,000 boda-bodas operate within the city (Transport Master Plan for GKMA, 2008). While some of these are private vehicles, many operate as taxis. Boda-bodas are regulated. Each operates within a specific area of the city which is determined by the Uganda Association of Motorcycle and Bicycle Operators.

Currently, many residents in GKMA have limited access to motorized transport: either public or private. This limits the number of jobs and services they can access, thus limiting the potential benefits of the city. One of the main benefits of a “well-functioning” city is that it provides opportunities for labour pooling (through dense labour markets) and cheaper public goods (through scale economies). In Kampala, local markets are connected—but only for those who can afford access to minibuses or private vehicles. However, even these groups are constrained by the poor system of roads.
4.3. Recent Investments in the Road System

The KCCA and the Uganda National Roads Authority, however, are working to improve the quality of transport. There have been two significant investments in road infrastructure over the past 15 years.

First, the 1994 Urban Plan proposed the construction of a bypass to remove transit traffic and heavy-goods vehicles from the city centre. This plan was then developed over the coming years, leading to an announcement in 2002 of the EU funded Northern Bypass. In 2009, the first 15km of this bypass was opened. While much of the route was dual carriageway, this was not the case along its entire length. In 2015, the Uganda National Roads Authority (with the support of further EU financing and a loan from the European Investment Bank) began construction to improve and widen the road, thus ensuring that the complete bypass will be a dual carriageway.

Initial studies on the impact of the bypass have shown it to have a limited effect on freight traffic. In 2011, the European Commission conducted a travel study which found that heavy goods vehicles accounted for only 10 to 14% of the by-pass traffic. In fact, most transit vehicles continued to pass through central Kampala, despite it not being their final destination. The bypass, at a distance of just 8-10km from the CBD, is carrying increasingly large numbers of passenger traffic. In addition, private vehicles and minibuses are using the bypass for short trips in order to skirt around the urban core.

The second major road infrastructure project has been the new Entebbe-Kampala highway. The connection between Kampala and Entebbe is crucially important for the city as it provides access to the Entebbe International Airport. The current road is of mixed quality with bottlenecks often occurring on the sections which have single-lanes. Eventually, the new 37 km route will connect the airport to the Kampala Northern Bypass. It will be a toll road with double lanes which will run alongside the existing roads. The US$476 million project is being financed predominantly by a loan from China which will cover US$350 of the costs. Construction is being carried out by the China Communication Construction Company.
References


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