



Strengthening land rights for growth: Evidence and policy options for Uganda

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- Weak and fragmented land rights significantly constrain investment, credit access, and efficient land markets in Uganda, particularly under customary and mailo tenure systems where overlapping claims and lack of formal documentation reduce land productivity and value.
- Evidence from the National Land Information System (NLIS) shows that formal land registration is associated with more productive land-use and higher investment, but alone is insufficient to overcome deeper constraints such as tenure ambiguity, ownership concentration, and limited access to finance.
- Policy reforms should focus on scalable land registration, improved dispute resolution, land value capture, and formalising occupancy rights, to strengthen tenure security, unlock credit markets, and support inclusive economic growth.

Secure land rights can be a foundational enabler of economic transformation in low- and middle-income countries, yet in much of the developing countries, the absence of clearly defined and documented rights continues to impose large costs on investment and equitable growth. In Uganda, where less than 40% of land parcels are formally registered, weak land rights have severely hindered efficient rural growth. Recognising these constraints, the government has pursued land tenure reforms for decades, including constitutional provisions in 1995 and the landmark 1998 Land Act. However, land policy remains politically contentious, and weak land administration has constrained the design and implementation of effective policy.

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In response to longstanding gaps in land data and administration, the Government of Uganda, through the Ministry of Lands, Housing and Urban Development (MLHUD), launched the National Land Information System (NLIS) in 2015. Through a phased rollout, the NLIS has digitised millions of parcel records and modernised key elements of the land registration process. While the system remains under development, it has already become an increasingly valuable resource for policymakers within MLHUD and across government.

Leveraging the NLIS's rich administrative dataset, ongoing work by Casaburi et al. generates new evidence on how Uganda's plural tenure systems shape land markets and patterns of land use. Their analysis reveals substantial differences across tenure types in rates of land transfer, land use, and land value. This policy brief summarises the initial findings from this research, situates them within the broader literature on land markets and development, and discusses potential directions for policy reform.

Land rights and economic growth

A large literature emphasises the role of secure property rights in shaping economic development through three key pathways: **investment incentives from tenure security, market-based land allocation, and collateral-enabled credit access.**

The first mechanism, known as tenure security, refers to the extent to which households believe they can access the same plot in the future. Insecure rights, caused by overlapping claims or fear of expropriation, reduce the incentives for households to undertake longer-term investments. Several studies have found that farmers with weaker land claims invest less in their land and achieve lower land productivity (Goldstein and Udry, 2008; Abdulai et al., 2011; Fenske, 2011). In urban settings, stronger land rights also make future returns more predictable, leading to higher investment in housing and a shift of adult labour toward employment outside of the household (Field, 2007).

Second, strong land rights permit the efficient transfer of land through either ownership or rental markets. Ambiguous ownership and unenforceable land claims result in sticky land markets and structural misallocation, a major issue in settings where rising land scarcity and urbanisation make efficient reallocation increasingly important. Under customary tenure, communal ownership introduces collective decision-making and overlapping claims, making formal transfers slow or impossible. Rental markets do exist under customary regimes, but they are informal and largely restricted to extended kinship networks (Chimhowu and Woodhouse 2006), thereby not permitting broad reallocation.

The third benefit of strong land rights lies in their use as collateral for credit. Small and medium enterprises in African countries like Uganda rely almost entirely on debt-based financing for capital. Such financing instruments depend critically on the ability of lenders to recover collateral in case of default; in situations of tenuous land ownership, such as under customary or Mailo tenure with overlapping claims, formal lenders cannot reliably enforce foreclosure. As a result, large segments of the economy remain credit-constrained, and potentially productive investment remains suppressed.

Uganda's land sector

Uganda's land sector is characterised by a high degree of legal pluralism. Four tenure systems (Customary, Mailo, Freehold, and Leasehold) operate simultaneously – often within the same regions – producing heterogeneous rights and uneven degrees of documentation. These differences shape how land is transferred and used and determine the extent to which land can support investment or serve as collateral. Understanding these tenure regimes is therefore essential for interpreting the functioning of Uganda's land markets and the constraints they face.

Below, we briefly outline each of the four tenure types.

- **Customary tenure** covers the majority of land in rural Uganda and is governed by clan- or lineage-based rules rather than formal documentation. Rights are often overlapping and negotiable, creating ambiguity that undermines long-term investment and formal market transfers. **Most of the unregistered land in Uganda is customary.**
- **Mailo tenure**, concentrated in the central region, stems from the 1900 Buganda Agreement and assigns perpetual ownership to landlords while granting occupancy rights to tenants. This dual-rights structure produces chronic disputes and severely limits the use of mailo land as collateral, even in high-value urban areas.

- **Freehold tenure** provides the strongest form of private ownership, with clearly defined rights to sell, transfer, or use land as collateral. Although it is the most market-oriented tenure type, it is relatively uncommon and geographically concentrated in western and southwestern Uganda.
- **Leasehold tenure** grants time-bound land rights from either the state or private owners. While it is relatively secure and legally straightforward, leasehold land constitutes only a small fraction of Uganda's landholdings.

Customary tenure creates significant barriers to market-based land allocation in three ways (Figure 1). First, customary tenure often involves communal ownership and inheritance structures, creating overlapping claims that make formal transfers a difficult collective action problem. These rights, which are local and informal, introduce ambiguity and negotiability that distinguish customary land from market-oriented tenure systems (Chimhowu and Woodhouse 2006). Such land is also more vulnerable to appropriation. Where claims are not documented, external actors can challenge ownership, and households have weaker legal recourse. This vulnerability reduces incentives to undertake long-term investments and heightens the risk of land loss following shocks or disputes. Finally, informal rental markets do permit some reallocation

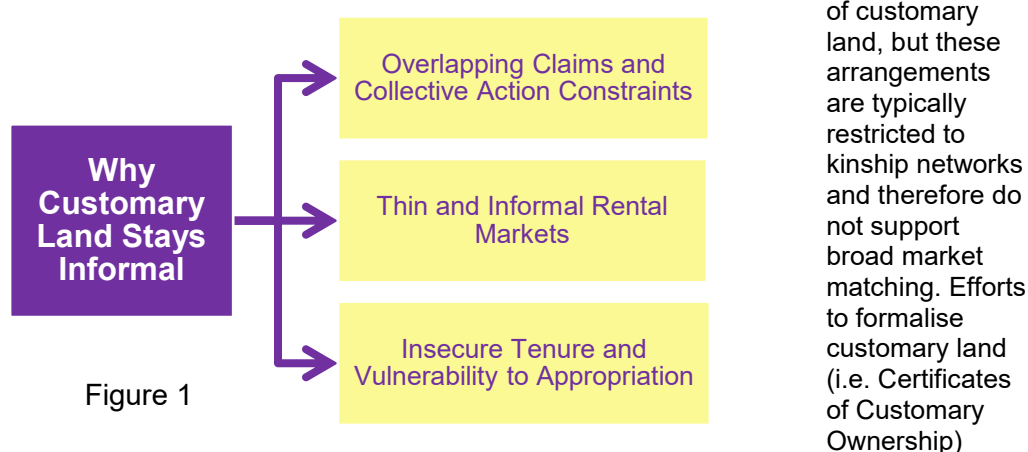


Figure 1

remain limited in scale, and there is little evidence that they meaningfully reduce the risks associated with unregistered land.

Mailo tenure also generates substantial frictions in land markets, though through a separate institutional structure. Because ownership and occupancy rights are split between landlords and lawful or bona fide tenants, transfers are often contested and land cannot easily be used as collateral. Even where mailo parcels are located in high-value urban areas, the prevalence of disputes and the difficulty of consolidating rights reduce investment incentives and limit formal market activity. Freehold and leasehold tenures, in contrast, offer significantly more well-defined and indisputable land rights. However, their limited prevalence means that these benefits apply to only a small share of landholders nationally.

New evidence from Uganda's land tenure system

Weak property rights and incomplete documentation, particularly under customary and mailo regimes, have long limited tenure security and the enforceability of land-related contracts. To address these gaps, the Ministry of Lands (MLHUD) launched the National Land Information System (NLIS) in 2015 as a nationwide digital registry. In partnership with MLHUD, Casaburi et al. combine NLIS records with satellite and administrative data to map tenure patterns, land markets, and land-use (see Box A.2). The NLIS dataset currently covers about 80% of Uganda's land area and 85% of its population

Figure 2 – Uganda by Land Tenure type and Urban-Rural Classification
(Source: Casaburi et al. (2025))



Panel 2a

Panel 2b

but contains tenure information for only about 35% of parcels. The remaining 65% predominantly customary land, remains unregistered (Figure 2a).¹

Mailo is the dominant registered tenure type, concentrated in the Central Region and Kampala owing to the legacy of the 1900 Buganda Agreement. In contrast, the northern and eastern regions remain largely unregistered, consistent with the prevalence of customary land. Freehold and leasehold appear in scattered pockets, especially in the West and Southwest, but represent a small share of total parcels. Rural-urban patterns (Figure 2b) show that mailo tenure represents the largest share even in rural areas, though this is partly because Buganda's rural areas are highly documented, biasing the rural composition in the NLIS data. In urban and peri-urban areas, higher land values have increased pressure for formal registration and driven a shift toward freehold and leasehold (Chimhowu and Woodhouse 2006). In rural settings, by contrast, lower returns to investment and fewer market transactions reduce the incentives for households to bear the costs of formalisation. As a result, large shares of customary land remain undocumented, with limited access to formal markets and limited protection against overlapping claims.

¹ The registry also omits mailo tenants, whose legally protected occupancy rights do not appear in the title records, and misses informal rental markets, which operate under customary tenure and within extended kinship networks.

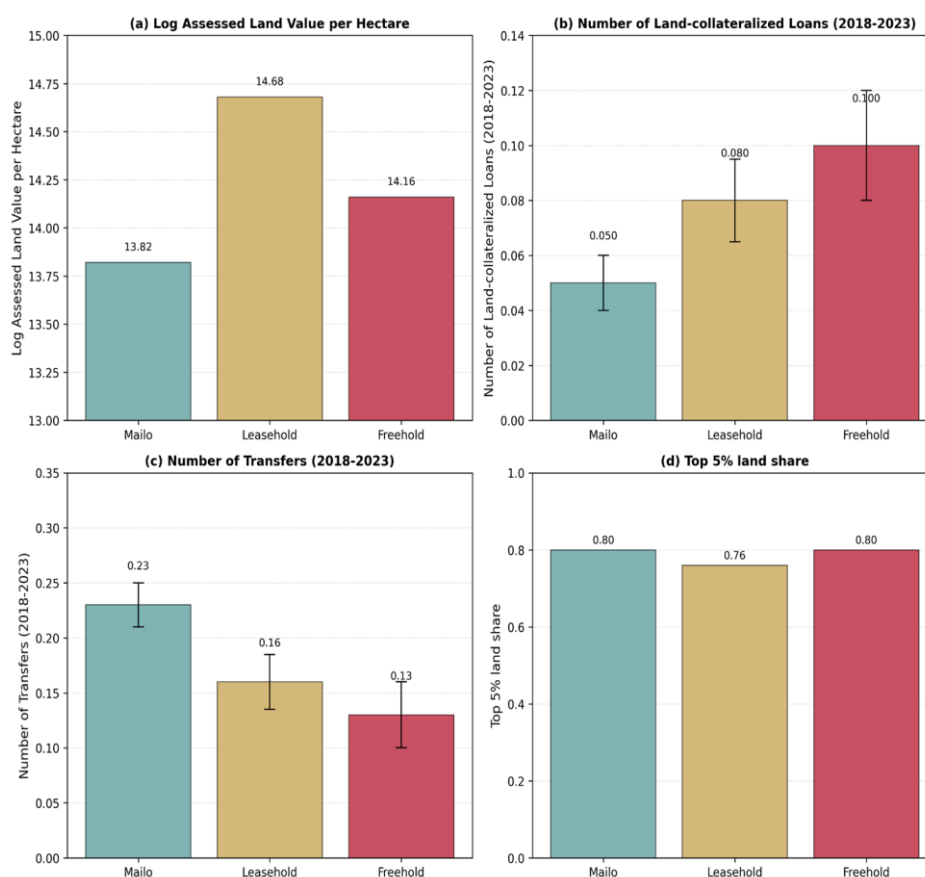


Figure 3 – Land Market Outcomes by Tenure Type in Uganda
Source: Casaburi et al. (2025).

Casaburi et al. find that land markets are active across tenure types. Mailo parcels record more transfers and more subdivisions than freehold or leasehold within the same parish – contrary to the expectation that mailo's overlapping claims would slow market activity (Figure 3c). While these counterintuitive results are not definitive, they do suggest that perhaps overlapping claims are not enough of a hindrance to stifle mailo land markets, or alternatively, there are navigable workarounds. It may even be that overlapping claims weaken tenure security, thereby catalysing land sales.

However, by other metrics, mailo parcels do appear to perform worse than freehold and leasehold tenure. Mailo parcels have significantly lower land values per hectare than freehold and leasehold (Figure 3a) and are far less likely to be used as loan collateral – roughly half as likely as freehold or leasehold parcels (Figure 3b). This is consistent with the idea that overlapping claims in mailo land are creating frictions in land transfers. When a bank lends on collateral, they will seize the land in the event of default; however, if the ownership of the land is uncertain prior to the default, the bank would be assuming the uncertain claim on the land from the borrower.

These frictions are especially consequential given mailo's dominance in Kampala and the broader Central Region, where land values and development pressures are highest. Although mailo parcels exhibit substantial market activity, recording more transfers and subdivisions than other tenure types within the same parish, overlapping rights still appear to depress the economic value of land and weaken its role in formal finance. The data also reveal an extreme concentration of ownership: the top 5% of owners hold roughly 80% of all registered land, a pattern that is similar across tenure types (Figure 3d). This suggests that much of the observed market activity may be driven by a small group of large landholders,

implying thin markets and limited participation by smaller owners. Such concentration likely reinforces existing frictions, constraining the reallocation of land toward more productive users.

To compare registered and unregistered land, the authors match each registered parcel to similar nearby unregistered “placebo” parcels, allowing them to isolate how formal registration correlates with land use outcomes. Registered parcels contain more buildings and substantially less tree cover, crops, and shrubland than comparable nearby unregistered areas. These differences are largest in semi-urban settings, where urban expansion is increasing demand for formal development and clear documentation. In rural areas, vegetation indices provide additional evidence: registered parcels have higher NDVI, indicating healthier crops and denser vegetation, consistent with stronger land management and investment incentives. Across contexts, registration is therefore associated with more intensive and economically productive land use.

To assess whether formalisation itself drives these changes, the authors exploit cases where customary parcels convert to freehold. Event-study evidence shows that conversions lead to modest increases in building activity over time, but the magnitude is far smaller than the cross-sectional gap between registered and unregistered parcels. This suggests that while formalisation can support investment, it does not fully relax other binding constraints, including limited credit access, unresolved local claims, or broader institutional frictions that continue to shape land outcomes even after titling.

The study also illustrates how land markets respond dynamically to economic shocks and structural change. Weather shocks appear to influence both land use and market behaviour, consistent with land serving as a buffer asset during periods of stress. There is also suggestive but noisy, evidence that road upgrading projects raise land valuations after completion, highlighting the potential for infrastructure to reshape land demand and distributional outcomes, though the sample remains small. Finally, subdivisions are followed by clear increases in built-up areas and corresponding reductions in other land uses, indicating intensified development following parcel fragmentation.

Overall, the NLIS evidence highlights both the promise and the limits of land formalisation in Uganda. Registration is strongly associated with greater investment and more productive land use, yet overlapping rights, particularly under mailo, and extreme ownership concentration continue to constrain collateralization and broad-based market participation. As Uganda expands and strengthens the NLIS, these findings underscore the importance of pairing titling efforts with reforms that reduce tenure ambiguity, improve credit linkages, and ensure that land markets can support inclusive structural transformation.

Policy options for Uganda

The results point to a land system where weak land rights continue to depress land values, constrain access to credit, and limit productive land use. Mailo’s dual-rights structure appears to reduce collateralization and investment even in high-value urban markets. Customary land remains largely unregistered, governed by informal and negotiable rules that restrict formal transfers and narrow rental markets to kinship networks. Though registration is strongly associated with higher land quality and more intensive land use, formalisation remains limited in scale. The evidence suggests that strengthening property rights would materially improve the functioning of Uganda’s land markets. The following areas present the most immediate opportunities for reform.

Adopt systematic land registration using the ‘Rwanda Model’

Parcel-by-parcel titling remains prohibitively expensive for most households and is widely viewed as an unsustainable pathway to achieve registration at scale in low-income settings. International experience suggests that systematic, area-based registration (implemented community-wide rather than plot-by-plot) can

expand coverage at a much lower cost. For example, Rwanda's national land tenure regularisation programme has registered millions of parcels over just 4 years using participatory adjudication and simplified surveying methods (Enemark et al., 2014).

Uganda should shift toward village-wide systematic adjudication by deploying mobile registration teams to demarcate boundaries across communities. This approach would reduce per-parcel costs through economies of scale while building local consensus around boundaries. Local para-surveyors can be trained to use satellite imagery and handheld GPS devices to support participatory demarcation, avoiding the expense of full cadastral surveys in low-value rural settings (Enemark et al., 2014).

Priority areas should include Northern and Eastern Uganda, where customary tenure dominates and large shares of land remain outside the formal registry. The NLIS evidence indicates that only a minority of parcels are currently documented, leaving most customary land excluded from formal legal protections and collateral-based finance. Scaling systematic registration over the next five years could bring millions of customary parcels into the registry at a fraction of current costs, extending tenure security to smallholders who cannot afford individual titling.

Implement land value capture to finance infrastructure and land administration

Uganda faces two constraints to strong land rights. First, weak land administration limits investment and market efficiency, while simultaneously, fiscal pressures restrict the government's ability to finance land reform and supporting infrastructure. Land value capture mechanisms can address both challenges by recouping part of the land value increases generated by public investments and recycling revenues into land administration (Peterson, 2009). Over the medium term, such policies could generate meaningful annual revenues for land administration, thereby helping overcome the fundamental infeasibility of comprehensive buyouts under current fiscal constraints.

The government should establish a betterment levy framework that charges landowners a share of documented land value gains following major infrastructure projects. The NLIS can support this by linking parcel records with geospatial infrastructure planning to identify parcels benefiting from road upgrades, utilities, or transport investments. While the current evidence on road completion effects is suggestive and noisy, the broader principle remains that infrastructure can generate localised land value appreciation that is appropriate to partially capture for public financing (Smolka, 2013). Other cities, like Bogotá, have raised substantial resources through betterment levies and related instruments, making urban infrastructure financing more sustainable (Smolka, 2013).

Establish alternative channels for land dispute resolution

Slow and costly dispute resolution remains a binding constraint on tenure security and land market functioning in Uganda, particularly in settings with overlapping and layered claims (including Mailo and customary systems). International guidance on land governance emphasises that mediation and other alternative dispute resolution (ADR) mechanisms can prevent escalation, reduce costs, and increase perceived legitimacy when they are designed to be accessible and locally credible – especially where disputes involve both statutory and customary norms (UN-Habitat, 2008). In Uganda, the Judiciary has already institutionalised mediation in civil procedure through the Judicature (Mediation) Rules, 2013,

creating a formal basis for routine referrals to mediation as part of case handling (Uganda Legal Information Institute, 2013).

Uganda should scale court-connected mediation as a standard pre-trial step for land disputes –starting in districts with high land-conflict caseloads – and operationalise it with a clear, time-bound workflow under the Judicature (Mediation) Rules, 2013 (Uganda Legal Information Institute, 2013). The Judiciary should designate trained mediators (and rosters that include professionals conversant in customary tenure and Mailo/bibanja arrangements), and prioritise early screening so that (i) straightforward boundary and occupancy disputes are settled quickly through mediation, while (ii) cases requiring authoritative legal determination are fast-tracked to the Land Division or relevant courts (UN-Habitat, 2008). To improve market transparency and reduce repeat claims, mediated settlements and key dispute outcomes should be systematically recorded in the land administration record (via NLIS linkages where feasible), consistent with best-practice guidance that emphasises ‘closing the loop’ between dispute resolution and land information systems (UN-Habitat, 2008; World Bank, 2018).

Formalise Bibanja occupancy rights

Mailo tenure presents a unique collateral constraint because ownership and occupancy rights are institutionally separated. Registered landlords hold formal title, while lawful occupants (bibanja holders) retain legally recognised use rights that are rarely documented in a way that is legible to financial markets. This dual-rights structure contributes to persistent under-collateralization: banks will not lend to tenants because they lack a registrable interest, and they are often reluctant to lend against Mailo titles where foreclosure and eviction are legally restricted in the presence of occupants. As a result, large areas of high-value Mailo land in peri-urban Kampala remain economically “dead capital” despite formal registration.

A fiscally realistic response is therefore to strengthen documentation of occupancy rights rather than waiting for comprehensive buyouts. Full rights consolidation through compensation is widely understood to be infeasible at scale given the magnitude of overlapping claims and the limited resources of the Land Fund. Instead, government can formalise bibanja interests through a standardised, registrable Certificate of Occupancy recorded directly in the NLIS. By converting lawful occupancy into a clearly defined and searchable interest attached to the parcel, this approach would reduce uncertainty for lenders, improve the bankability of Mailo land, and expand credit access for occupants without extinguishing landlord title.

Land buyout is another policy tool that is intended to address overlapping ownership claims, which occur not only under mailo but also in the large parts of the country where land titles are not held and/or are under customary tenure, making recognition of definitive ownership challenging. For buyouts, the government compensates one party to relinquish competing claims over land, consolidating ownership rights and resolving tenure ambiguities. In Uganda's mailo-bibanja context, this approach involves either compensating landlords to transfer full ownership to sitting tenants or compensating tenants to vacate land for landlord development. The National Land Policy 2013 established the Land Fund specifically for this purpose, but its disbursements and effectiveness have not been well documented. The strengths of buyout approaches in Uganda's context include their potential to definitively resolve overlapping claims that render land economically unproductive, facilitating credit access, enabling land

markets, and incentivising long-term agricultural investments. However, significant implementation challenges constrain this approach. According to the Ministry of Lands, Housing and Urban Development, an estimated UGX 67 trillion—a sum exceeding Uganda’s total annual national budget—is required to facilitate a comprehensive buyout of registered landowners and transfer registrable interests to lawful tenants and third-party licensees (The Observer, 2022). Moreover, valuation complexities arise when customary occupancy rights lack market prices, while political economy factors create resistance from both landlords seeking above-market compensation and tenants fearing displacement. The limited scale of current buyout programs relative to the magnitude of overlapping claims, combined with government expenditure of over UGX 500 billion on compensations and legal battles related to land disputes in the past decade, suggests that without substantial financial resources and political commitment, buyout mechanisms alone cannot comprehensively resolve Uganda's dual ownership challenges.

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Annex

Table A.1 – Uganda’s Land Tenure Types		
Tenure Type	Definition	Descriptive Findings
Customary	Covers the majority of land in rural Uganda and is governed by clan- or lineage-based rules rather than formal documentation. Rights are often overlapping and negotiable, creating ambiguity that undermines long-term investment and formal market transfers.	Dominates unregistered land, especially in the North and East. Most of the unregistered land in Uganda is customary.
Mailo	Concentrated in the central region, stems from the 1900 Buganda Agreement and assigns perpetual ownership to landlords while granting occupancy rights to tenants. This dual-rights structure produces chronic disputes and severely limits the use of mailo land as collateral, even in high-value urban areas.	Most common registered tenure type in the NLIS, concentrated in the Central Region and Kampala.
Freehold	Provides the strongest form of private ownership, with clearly defined rights to sell, transfer, or use land as collateral.	Relatively rare nationally, concentrated in Western and Southwestern Uganda.
Leasehold	Grants time-bound land rights from either the state or private owners. While it is relatively secure and legally straightforward, leasehold land constitutes only a small fraction of Uganda’s landholdings.	Small share of total parcels but important for commercial, industrial, and institutional uses.

Box A.2 – Data Preparation for the NLIS–Casaburi et al. Study

This study relies on administrative parcel-level data from Uganda’s National Land Information System (NLIS), developed by the Ministry of Lands, Housing, and Urban Development (MLHUD). The NLIS contains digital records of registered land parcels, including ownership information, tenure type, parcel size, and spatial coordinates where available. This project uses records from 17 Ministry Zonal Offices (MZO), covering approximately 80% of Uganda’s land area and 85% of its population. Across these MZOs, the dataset includes roughly 2 million parcels, of which about 65% are geolocated.

To examine relationships between registration, tenure, and land use, parcel data were combined with satellite-derived land-cover measures, including building footprints, surface vegetation indices (NDVI), and classifications of crops, trees, and scrub. Linking parcels to environmental and demographic characteristics required geocoding parcels into administrative units and computing spatial buffers around each plot. Additional integration with transactional data (transfers, subdivisions) enabled the study of land-market activity.