WHEREAS, it is provided by Article 40 of the Constitution of the Federal Democratic Republic of Ethiopia that land is the property of the State and the peoples of Ethiopia and that its use shall be subject to specific regulation by law;

WHEREAS, the sustainable rapid economic growth registered across all economic sectors and regions in the country has necessitated continuously and increasingly the demand for urban land which requires such an appropriate administration that it is efficient and responsive to land resources demand;

WHEREAS, the prevalence of good governance is a foundational institutional requisite for the development of an efficient, effective, equitable and well functioning land and landed property market, the sustenance of a robust free market economy and for building transparent and accountable land administration system that ensures the rights and obligations of the lessor and the lessee;

NOW, THEREFORE, in accordance with sub-article (2)(a) of Article 55 of the Constitution of the Federal Democratic Republic of Ethiopia, it is hereby proclaimed as follows:
PART ONE
GENERAL

1. Short Title

This Proclamation may be cited as the “Urban Lands Lease Holding Proclamation No. 721/2011.

2. Definitions

In this Proclamation unless the context otherwise requires:

1/ “lease” means a system of land tenure by which the right of use of urban land is acquired under a contract of a definite period;

2/ “urban land” means land located within an administrative boundary of an urban center;

3/ “urban center” means any locality having a municipal administration or a population size of 2000 or more inhabitants of which at least 50% of its labor force is engaged in non-agricultural activities;

4/ “region” means any state referred to under Article 47(1) of the Constitution of the Federal Democratic Republic of Ethiopia;

5/ “city administration” means the Addis Ababa City Administration or the Dire Dawa City Administration;

6/ “appropriate body” means a body of a region or a city administration vested with the power to administer and develop urban land;

7/ “public interest” means the use of land defined as such by the decision of the appropriate body in conformity with urban plan in order to ensure the interest of the people to acquire direct or indirect benefits from the use of the land and to consolidate sustainable socio-economic development;

8/ “urban plan” means structural plan, local development plan or basic plan of an urban center including annexed descriptive documents which are legally endorsed by the authorized body and have legally binding effect;
9/ “tender” means a modality of transferring lease of urban land to a bid winner fulfilling the competition requirements issued based on the rule of market competition of urban land tenure;

10/ “allotment” means a modality applied for providing urban lands by lease to institutions that could not be accommodated by way of tender;

11/ “lease benchmark price” means the threshold price determined by taking into account the cost of infrastructural development, demolition cost as well as compensation to be paid to displaced persons in case of built up areas, and other relevant factors;

12/ “grace period” means a time frame that a lessee is relieved from payment after effecting the advance lease payment and before the commencement of the annual lease payment;

13/ “standard” means parceling standard or standard of real property data base or any other standard;

14/ “construction start-up” means the construction of at least the foundation and erection of reinforcement bars to cast columns of the permitted construction or building on the place;

15/ “completion of foundation” means the construction phase based on the plan whereby the building site is dug, reinforcement concrete is filled in and its floor is completed and erection of its first wall is started;

16/ “half-completion of construction” means:

a) in the case of a villa, completion of foundation, columns and top beam;

b) in the case of a multi-story building, completion of foundation and 50% of the total number of floor slabs;

c) in the case of a real estate development, completion of the construction phase referred to, as the case may be, in paragraph (a) or (b) of this sub-article relating to the entire blocks.
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This Proclamation shall be applicable to all urban centers with in Ethiopia with regard to urban land.

17/ “completion of construction” means the full completion of a building and make it ready for use by installing basic utilities in accordance with the issued construction permit on a land permitted by lease;

18/ “old possession” means a plot of land legally acquired before the urban center entered into the leasehold system or a land provided as compensation in kind to persons evicted from old possession;

19/ “manufacturing industry premise” means plots of land reserved, developed or allotted, in accordance with the land use plan, for use of manufacturing industry;

20/ “mega real estate” means a housing development involving the construction of at least 1,000 residential units with a view to alleviating the shortage of housing in urban centers by way of sell or rent;

21/ “projects having special national significance” means development projects having outstanding contributions in the success of the country’s growth and transformation, or projects which, in the course of expanding the country’s cooperative relations with other countries, are intended to lay strong foundation for the relations between the countries;

22/ “Ministry” means the Ministry of Urban Development and Construction;

23/ “person” means any natural or juridical person;

24/ any expression in the masculine gender includes the feminine.

3. Scope of Application

This Proclamation shall be applicable to all urban centers with in Ethiopia with regard to urban land.
PART TWO
FUNDAMENTAL PRINCIPLES OF LEASE

4. General

1/ The right to use of urban land by lease shall be permitted in order to realize the common interest and development of the people.

2/ The offer of lease tender and land delivery system shall adhere to the principles of transparency and accountability and thereby preventing corrupt practices and abuses to ensure impartiality in the process.

3/ Tender shall reflect the prevailing transaction value of land.

4/ The urban land delivery system shall give priority to the interests of the public and urban centers to ensure rapid urban development and equitable benefits of citizens and thereby ensure the sustainability of the country’s development.

5. Prohibition of Land Possession and Permission other than Lease Holding

1/ Without prejudice to the provisions of Article 6 of this Proclamation, no person may acquire urban land other than the lease holding system provided under this Proclamation.

2/ No person may enclose and use any plot of land adjacent to his lawful possession without the permission of the appropriate body.

3/ No region or city administration may permit or transfer urban land in a manner contrary to the provisions of this Proclamation.

4/ Regional cabinets may specify urban centers to which this Proclamation remain inapplicable for a certain period; provided, however, that such transitional period, within which the Proclamation remain inapplicable in any urban center, may not be more than five years starting from the date of the coming into force of this Proclamation.
6. Conversion of Old Possessions to Lease Holding

1/ The modality of converting old possessions into leasehold shall be determined by the Council of Ministers on the basis of a detailed study to be submitted by the Ministry; provided however, that the process of such study may not preclude a revision of the existing rental rate applicable to old possessions.

2/ Where parceling of plots of urban land in accordance with the approved national standard and the urban plan, in the course of converting old possessions into leasehold pursuant to sub-article (1) of this Article, results in the reduction or increase of the size of a plot:

   a) compensation shall be paid in accordance with the appropriate law for any property to be removed from the land so reduced; or

   b) the payment to be made for the additional land obtained shall be treated in conformity with the relevant lease principles.

3/ Notwithstanding the provisions of sub-article (1) of this Article, where a property attached on an old possession is transferred to a third party through any modality other than inheritance, the person to whom the property is transferred becomes the possessor through lease holding.

4/ In order to regularize possessions held without the authorization of the appropriate body, the possessions which have found to be acceptable in accordance with urban plans and parceling standard following the regulations to be issued by regions and city administrations shall be administered by lease holding.

5/ Urban centers referred to in sub-article (4) of this Article may, within the transitional period, permit urban land holding through tender. The bid benchmark shall be the annual land use rent of the locality.
5/ The regularization process to be undertaken by regions and city administration in accordance with sub-article (4) of this Article shall only be effective with in four years of the coming into force of this Proclamation.

6/ Where an application to merge an old possession with a lease hold is permitted, the entire possession shall be administered as lease hold tenure.

7/ The lease rates applicable to possessions converted into lease hold tenures pursuant to the provisions of this Article shall be the lease bench mark price of the locality.

7. **Leasehold Permit of Urban Land**

An urban land shall be permitted to be held by leasehold:

1/ if its use is in conformity with the urban plan guidelines or, if the urban center does not have such guidelines, as per the regulations issued by the region or the city administration; and

2/ through the modality of tender or allotment.

8. **Urban Lands Prepared for Tender**

The appropriate body shall ascertain that:

1/ prior to advertizing urban lands prepared for tender, the lands:

   a) are free from legal claims of any party;

   b) are prepared in conformity with the urban plan;

   c) have access to basic infrastructure;

   d) are parceled, delineated, assigned with unique parcel identification numbers;

   e) have site plans and fulfill other necessary preconditions; and
2/ The tender process is implemented in a manner that secures the appropriate price of the land following the rules of transparency and accountability.

9. Information Relating to Urban Lands Prepared for Tender

1/ The information relating to urban land prepared for tender shall contain the land grade, the lease benchmark price and other detailed relevant data.

2/ Where the urban land prepared for tender requires a special development program and implementation action plan, such development program and action plan shall be included in the information.

10. Publicity of Urban Land Tender Plans

1/ The appropriate bodies shall:

   a) based on the demand for urban land and development priorities, publicize their annual plans indicating the quantity of urban land to be presented for tender; and

   b) make the information referred to in Article 9 of this Proclamation easily accessible to the public.

2/ The appropriate bodies shall be responsible for ensuring the timely supply of urban land in accordance with the plans publicized pursuant to sub-article (1) of this Article.

11. Tender Process

1/ The appropriate body shall advertize lease tender and forthwith put bid documents on sale.

2/ The sale of bid documents shall be in a manner accessible to anyone willing to bid; provided, however, that no single bidder may be allowed to buy more than one bid document for the same plot.
3/ The amount of bid bond shall be determined by regulations of regions and city administrations; provided, however, that it may not be less than five percent of the land lease benchmark price.

4/ A bid shall be cancelled if less than three bidders participate in the first round of tender.

5/ The highest bidder shall be declared a winner on the basis of his bid price and the amount of advance payment he offers.

6/ The list of winners with the details of their scores shall be made public on a notice board.

7/ Regions and city administrations shall prepare in advance plots of urban land, to be assigned through tender, for higher education institutions, hospitals, health research institutions, four star and above hotels and mega real estate developments, to be undertaken by the private sector.

8/ Notwithstanding the provisions of sub-article (4) of this Article, land may be assigned, through tender process, even to a sole bidder where his project falls under sub-article (7) of this Article and where his capability to implement the development project is verified by the relevant body.

12. Allotment of Urban Land

1/ Allotment of urban lands may, upon decisions of the cabinet of the concerned region or the city administration, be permitted for:

   a) office premises of budgetary government entities;

   b) social service institutions run by government or charitable organizations;
c) public residential housing construction programs and government approved self-help housing constructions;

d) places of worship of religious organizations;

e) manufacturing industries;

f) use of embassies and international organizations as per agreements entered into with the government;

g) projects having special national significance and considered by the president of the region or the mayor of the city administration and referred to the cabinet.

2/ A person displaced due to urban renewal program shall be entitled to a substitute plot of land.

3/ A lawful tenant of government or kebele owned residential house in a region or Dire Dawa shall be entitled to allotment of residential plot of land at benchmark lease price if displaced due to urban renewal program and could not be provided with access to substitute housing; provided, however that he shall deposit money, as determined by the appropriate body, in a blocked bank account to show his financial position.

4/ A lawful tenant of government or kebele owned residential house in Addis Ababa shall be entitled for facilitated purchase of condominium housing unit if displaced due to urban renewal program.

5/ A lawful tenant of government or kebele owned business house shall be accommodated as per the decision of the concerned region or city administration if displaced due to urban renewal program.
13. **Request for Urban Land Allotment**

Request for urban land lease holding through allotment shall be accompanied by:

1/ support letter from the supervising authority of the requesting institution or from pertinent sectoral bodies;

2/ detailed study of the project to be implemented at the requested site; and

3/ evidence showing the budget allocated for implementing the project.

14. **Urban Land Lease Price**

1/ Every plot of urban land shall have a benchmark lease price. The valuation method shall be determined on the basis of the objective conditions of each urban center in accordance with regulations issued by the respective regions and city administrations.

2/ A price map shall be prepared based on the benchmark prices of different locations computed in accordance with sub-article (1) of this Article.

3/ The benchmark lease price shall be updated at least every two years to reflect current conditions.

15. **Grace Period**

1/ Any person permitted urban land lease holding may be allowed grace period depending on the type of the intended development or service. The details shall be determined by regulations to be issued by the regions and city administrations.

2/ The grace period shall commence from the date of the conclusion of the lease contract and may not last beyond the date of completion of construction.
PART THREE
ADMINISTRATION OF URBAN LAND LEASEHOLDINGS

16. Lease Contract

1/ Any person permitted urban land lease holding in accordance with this Proclamation shall conclude a contract of lease with the appropriate body.

2/ The lease contract shall include the construction start-up time, completion time, payment schedule, grace period, rights and obligations of the parties as well as other appropriate details.

3/ A person permitted urban land lease holding shall be made aware of the contents of the lease contract and shall effect the down payment of the lease price prior to signing the contract.

4/ A person who has signed a lease contract shall be issued with a lease holding certificate prepared in accordance with Article 17 of this Proclamation and shall receive the plot of land by personally appearing on site.

5/ The appropriate body shall have the responsibility to follow up and ensure that the urban land handed over pursuant to sub-article (4) of this Article is developed in accordance with the lease contract and that the annual lease payment is effected timely.

17. Lease Holding Certificate

1/ Leasehold certificate shall be issued to a person to whom an urban land lease holding is permitted.

2/ The leasehold certificate shall include the following particulars:

a) full name of the lessee including grand father’s name;

b) size and location of the plot;
c) the type of service, land grade and plot number;

d) the total lease amount and down payment;

e) the amount of the annual lease payment and the time of the final lease payment to be effected;

f) the lease period.

18. Period of Lease

1/ The period of urban land lease shall vary depending on the level of urban development and sector of development activity or the type of service and shall have the ceiling of:

a) in any urban center:
   (1) 99 years for residential housing, science and technology, research and study, government offices, charitable organizations, and religious institutions;
   (2) 15 years for urban agriculture;
   (3) as per agreement entered with the government for diplomatic missions and international organizations;

b) in Addis Ababa:
   (1) 90 years for education, health, culture and sports;
   (2) 70 years for industry;
   (3) 60 years for commerce;
   (4) 60 years for others;

c) in other urban centers:
   (1) 99 years for education, health, culture and sports;
   (2) 80 years for industry;
   (3) 70 years for commerce;
   (4) 70 years for others.
2/ notwithstanding the provisions of sub-article (1) of this Article:

a) a lease period may be extended for period of time of not more than half of the specified ceiling for a development activity or service requiring an extended period of lease on account of its unique nature;

b) a ceiling of five years of lease period shall be applicable to short-term economic and social activities intended to be carried out on urban lands not designated for immediate development use. Such lease period may be renewed for the same period of time where it is necessary.

19. Renewal of Period of Lease

1/ The period of lease may be renewed upon its expiry on the basis of the prevailing benchmark lease price and other requirements; provided, however, that the lessee may not be entitled to compensation where the lease period could not be renewed.

2/ The period of lease shall be renewed pursuant to sub-article (1) of this Article, only if the lessee applies in writing to the appropriate body within 10 to 2 years before the expiry of the period of lease.

3/ The appropriate body shall notify to the applicant, in writing, its decision within one year from the date of submission of the application, and where it fails to communicate its decision within such period, it shall be deemed as though it has agreed to the renewal request. In such case, the contract shall be renewed on the basis of the prevailing benchmark lease price and for the period pertinent to the type of the service.

4/ The officer or employee who has failed to respond in accordance with sub-article (3) of this Article shall be held accountable for the adverse consequences of the renewal, if any.
## Period of Payment

1. **A person permitted urban land lease holding may be given a period of lease payment taking into account the payback period of the investment.**

2. **The amount of down payment, to be determined in accordance with the prevailing factors of the region or the city administration, may not be less than 10% of the total lease amount of the urban land.**

3. **The remaining balance of the lease amount shall be paid on the basis of equal annual installments during the payment term.**

4. **Interest shall be paid on the remaining balance as per the prevailing interest rate on loans offered by the Commercial Bank of Ethiopia. The appropriate body shall have the responsibility to follow up the current loan interest rate and to update the applicable interest rate accordingly.**

5. **Failure to pay the annual payment in time as originally scheduled shall result in penalty fee equivalent to the rate of penalty fee imposed by the Commercial Bank of Ethiopia on defaulting debtors.**

6. **Where a lessee has failed to make payments within the specified time limit and accumulated arrears for three years, the appropriate body shall have the power to seize and sale the property of the lessee to collect the arrears.**

7. **The provisions from sub-article (1) to (5) of this Article may not be applicable to urban land holding granted by allotment to a budgetary government entity or a religious institution pursuant to paragraph (a) or (d) of sub article (1) of Article 12 of this Proclamation; provided, however, that the budgetary government entity or the religious institution provided with urban land by allotment shall pay an amount equivalent to the compensation paid in the course of clearing the land.**

### Table: Period of Payment

<table>
<thead>
<tr>
<th>Article</th>
<th>Description</th>
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<tr>
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21. Utilization of Urban Land Leaseholding

1/ A lessee of urban land shall use the land for the prescribed purpose within the period of time stated in the lease contract.

2/ Notwithstanding the provisions of sub-article (1) of this Article, the lessee may apply to the appropriate body to convert the use of the land.

3/ The appropriate body may authorize the proposed land use where it ascertains that it is in conformity with the land use plan of the urban center.

22. Commencement of Construction

1/ Any lessee shall commence construction within the period specified in the lease contract.

2/ Notwithstanding the provisions of sub-article (1) of this Article, the period of commencement of construction may be extended depending on the complexity of the construction and in accordance with regulations to be issued by the concerned region or city administration.

3/ Without prejudice to the provision of sub-article (5) of this Article, where a lessee fails to commence construction within the period specified under sub-article (1) and (2) of this Article, he shall be liable to pay a penalty fee amounting to seven percent of the total lease price in addition to a lease amount that covers the period from the date he took possession of the land; and the appropriate body shall take back the land.

4/ Where a person permitted urban landholding in accordance with sub-article (3) of Article 12 of this Proclamation fails to commence construction within the period specified under sub-article (1) and (2) of this Article, he shall be liable to pay a penalty fee equivalent to three percent of the deposit in his blocked bank account; and the appropriate body shall take back the land.

5/ Where a lessee permitted urban land leasehold in accordance with paragraphs (a), (b), (c), (d) or (f) of sub-article (1) of Article 12 of this Proclamation fails to commence construction within the period specified under sub-article (1) and (2) of this Article, the leasehold contract shall be terminated; and the appropriate body shall take back the land.
Completion of Construction

1/ Any lessee shall complete construction within the period specified in the lease contract following the provisions of sub-article (2) and (3) of this Article.

2/ The time limit for completion of construction shall be as follows:
   a) up to 24 months for small construction projects;
   b) up to 36 months for medium construction projects;
   c) up to 48 months for large construction projects.

3/ The classification of construction projects shall be determined by regulations to be issued by regions and city administrations.

4/ Notwithstanding the provisions of sub-article (1) of this Article, the period of completion of construction may be extended depending on the complexity of the construction and in accordance with regulations to be issued by regions or city administrations; provided, however, that the total completion period may not exceed:
   a) two years and six months for small construction projects;
   b) four years for medium construction projects;
   c) five years for large construction projects.

5/ Where a lessee fails to complete construction within the time limit specified under sub-article (1) of this Article, the lease contract shall be terminated and the appropriate body shall take back the land.

6/ The person whose lease contract is terminated shall, at his own cost, remove his property from the land within six months. The appropriate body shall serve a written notice to such person to this effect.

7/ Where a person fails to remove his property in accordance with sub-article (6) of this Article, the appropriate body may:
a) upon ascertaining the conformity of the incomplete construction with the plan, transfer it, through open tender, to a person who can complete and use the building; or

b) clear the land at its own cost and recover such cost from the lease down payment or, in the case of a person permitted urban landholding in accordance with sub-article (3) of Article 12 of this Proclamation, from the deposit in his blocked bank account.

8/ The appropriate body shall recover the costs of the sale undertaken pursuant to sub-article (7)(a) of this Article from the proceeds of the sale and return the balance, if any, to the owner.

24. Transferring and Pledging of Leasehold Right

1/ Without prejudice to the period of lease determined pursuant to sub-article (1) of Article 18 of this Proclamation and the obligation to use the land for the prescribed purpose in accordance with sub-article (1) of Article 21 of this Proclamation, a lessee may transfer his leasehold right or use it as collateral or capital contribution to the extent of the lease amount already paid.

2/ If a lessee, with the exception of inheritance, wishes to transfer his leasehold right prior to commencement or half-completion of construction, he shall be required to follow transparent procedures of sale to be supervised by the appropriate body.

3/ In the event of transfer of leasehold right in accordance with sub-article (2) of this Article:

a) the effected lease payment including interest thereon, calculated at bank deposit rate;

b) value of the already executed construction; and

c) 5% of the transfer lease value;

shall be retained by the lessee, and the remaining balance shall be paid to the appropriate body.
4/ Notwithstanding the provisions of sub-article (1) of this Article, where a lessee uses his leasehold right as collateral prior to commencement of construction, the collateral value may not exceed the balance of the lease down payment after considering possible deductions to be made pursuant to sub-article (3) of Article 22 of this Proclamation.

5/ Where a lessee who has used his leasehold right as collateral in accordance with sub-article (4) of this Article is in default and a claim, supported by a court execution order, on the collateral is presented, the appropriate body shall, upon terminating the lease contract, take back the land and settle the claim to the extent of the balance of the lease down payment after retaining the deductions to be made pursuant to sub-article (3) of Article 22 of this Proclamation, and return the surplus, if any, to the lessee.

6/ Unless agreed otherwise, a building constructed on a leasehold and its accessories shall be subject to the collateral or transfer where the right to the use of land is made as collateral or transferred. Similarly, the right to the use of land shall be subject to the collateral or transfer where a building on leasehold and its accessories are used as collateral or transferred.

7/ If any person repeatedly transfers leasehold right, without completion of construction, in anticipation of speculative market benefits, the appropriate body may bar him from participation in future bids.

8/ The transfer of the leasehold right in any circumstance pursuant to the provisions of this Article shall unconditionally transfer all contractual obligations assumed by the lessee to the third party to whom the leasehold right is transferred.

25. **Termination of Leasehold and Payment of Compensation**

1/ The leasehold of urban land shall be terminated where:

   a) the lessee has failed to use the land in accordance with sub-article (1) of Article 21 of this Proclamation;
b) it is decided to use the land for other purpose due to public interest; or

c) the lease period is not renewed in accordance with sub-article (1) of Article 19 of this Proclamation.

2/ Notwithstanding the provision of sub-article (1)(a) of this Article where it is ascertained that the land has not been used for the intended purpose as a result of force majeure provided for under the civil code, the appropriate body may authorize time extension to compensate time lost due to the force majeure situation.

3/ The lease payment shall be returned subject to the deduction of costs incurred and penalty fee where the leasehold of urban land is terminated in accordance with sub-article (1)(a) of this Article.

4/ Where the leasehold of urban land is terminated in accordance with sub-article (1)(b) of this Article, the lessee shall be paid commensurate compensation in accordance with the relevant law.

5/ Where the leasehold of urban land is terminated in accordance with sub-article (1)(c) of this Article, the lessee shall hand over the land to the appropriate body by removing, within one year, the property situated on the land.

6/ The appropriate body may take over the land together with the property thereon without any payment where the lessee has failed to remove the property within the period of time set forth in sub-article (5) of this Article, and may order the police where it finds it necessary for the enforcement of the takeover.

7/ Where the leasehold of urban land is terminated pursuant to sub-article (1)(b) of this Article, the taking over of the land shall take place in accordance with the provisions of Article 31 of this Proclamation.
26. **Power to Clear Urban Land**

1/ The appropriate body shall have the power, where it is in the public interest, to clear and take over urban land upon payment of commensurate compensation, in advance, for the properties to be removed from the land.

2/ A person displaced due to an action taken pursuant to sub-article (1) of this Article shall be provided with a substitute plot of land within the urban centre the size of which shall be determined by the region or the city administration.

3/ Notwithstanding the provisions of sub-article (1) of this Article, no land leasehold may be cleared, prior to the expiry of the lease period, unless the lessee has breached the contract of lease, the use of the land is not compatible with the urban plan or the land is required for development activity to be undertaken by government.

4/ The appropriate body shall have the power, without the need to issue a clearance order pursuant to Article 27 of this Proclamation and payment of compensation, to clear an illegally occupied urban land by merely serving a written notice of seven working days to the occupant in person or by affixing it to the property situated on the land.

27. **Clearing Order**

1/ Where urban landholding is decided to be cleared in accordance with sub-article (1) of Article 26 of this Proclamation, the possessor of the land shall be served with a written clearing order stating the time the land has to be vacated, the amount of compensation to be paid and the size and locality of the substitute plot of land to be availed.

2/ The period of notification to be given in accordance with sub-article (1) of this Article shall be determined by regulations to be issued by the regions and the city administrations; provided, however, that it may not, in any way, be less than 90 days.
### Grievances Relating to Clearing Order or Notice

1. **A person served with a clearing order pursuant to sub-article (1) of Article 27 of this Proclamation or any other person alleging infringement of his right or benefit as a result of the order may submit his grievance to the appropriate body, together with evidences substantiating his cause, within 15 working days after receipt of the order.**

2. **The appropriate body shall properly examine a grievance submitted to it in accordance with sub-article (1) or (2) of this Article and notify its decision to the applicant in writing. Where the complaint is found to be unacceptable, the decision shall state the reasons thereof.**

### Appeals Against Decisions of the Appropriate Body

1. **An applicant who is aggrieved by the decision of the appropriate body rendered in accordance with sub-article (3) of Article 28 of this Proclamation may appeal to the Appellate Tribunal established under Article 30 of this Proclamation within 30 days from receipt of the decision.**

2. **Any person served with a notice pursuant to sub-article (4) of Article 26 of this Proclamation may submit his grievance to the appropriate body, together with evidences substantiating his cause, within seven working days after receipt of the notice.**

3. **A person served with a clearing order pursuant to sub-article (1) of Article 27 of this Proclamation or any other person alleging infringement of his right or benefit as a result of the order may submit his grievance to the appropriate body, together with evidences substantiating his cause, within 15 working days after receipt of the notice.**

4. **If a house subject to a clearing order issued pursuant to sub-article (1) of this Article is rented, the body which received the order shall take the necessary action to terminate the contract of rent prior to the expiry of the notice period.**

### Appeals Against Decisions of the Appellate Tribunal

1. **An applicant who is aggrieved by the decision of the Appellate Tribunal may appeal to the High Court within 15 days from receipt of the decision.**

### Grievances Relating to Notice

2. **Where the plot of land to be cleared has a government house on it, the clearing order shall be served to the body administering the house.**

3. **If a house subject to a clearing order issued pursuant to sub-article (1) of this Article is rented, the body which received the order shall take the necessary action to terminate the contract of rent prior to the expiry of the notice period.**
2/ The Tribunal shall examine the appeal and render its decision within 30 working days from submission of the appeal. It shall notify its decision in writing to the parties.

3/ Decisions of the Tribunal, except relating to compensation, on issues of law and facts including claims for substitute land shall be final.

4/ A person dissatisfied with the decision of the Tribunal on the issue of compensation may appeal, within 30 days from receipt of the decision, to the relevant municipal appellate court or, in the absence of municipal appellate court, to the regular high court.

5/ An appeal under sub-article (4) of this Article may be admitted only if the appellant has handed over the land subject to the clearance order to the appropriate body and attached evidence to this effect.

6/ The appellate court shall decide on an appeal submitted to it in accordance with sub-article (4) of this Article within 30 working days from its submission. The decision of the court shall be final.

30. Appellate Tribunal

1/ Urban land clearing and compensation cases appellate tribunals shall be established by regions and city administrations.

2/ A Tribunal established pursuant to sub-article (1) of this Article shall have the power, upon examining appeals submitted to it, to confirm, vary or reverse a decision rendered in accordance with sub-article (3) of Article 28 of this Proclamation and to enforce its decision.

3/ The Tribunal shall be accountable to the council of the region or the city administration, as the case may be.

4/ The Tribunal shall consist of not less than five members drawn from different relevant bodies.
5/ The Tribunal may, where it finds it necessary, order the relevant bodies to provide expert opinion or to produce evidence pertinent to a case before it.

6/ The Tribunal may order and use police force where it finds it necessary to execute its decisions and orders.

7/ The Tribunal shall be free of any influence except the law.

8/ The Tribunal may not be governed by the provisions of the ordinary Civil Procedure Code while conducting its functions. It shall, however, be governed by expedient procedures to be issued by the region or city administration.

9/ The term of office of members of a Tribunal shall be determined by the region or city administration.

31. Takeover of Land

1/ Without prejudice to the provisions of sub-article (2) of this Article, the appropriate body shall take over urban land from any person who has been served with a clearing order within 90 days from the date of payment of compensation, or if the person refuses to take the payment, from the date of depositing the compensation in a blocked bank account in the name of the appropriate body; provided, however, that the appropriate body shall pay the deposited amount whenever the entitled person intends to take the payment.

2/ The appropriate body shall take over a land in respect of which a clearing order or notice has been served:

a) where the person served with the clearing order or notice has not lodged a grievance against the action in accordance with sub-article (1) or (2) of Article 28 of this Proclamation;

b) where the grievance is dismissed in accordance with sub-article (3) of Article 28 of this Proclamation and no further appeal is made against the decision; or
where an appeal submitted in accordance with sub-article (1) of Article 29 of this Proclamation is dismissed in accordance with sub-article (2) of Article 30 of this Proclamation.

3. Notwithstanding the provision of sub-article (1) of this Article, where there is no crop, perennial crop or other property on a land in respect of which a clearing order has been served, the holder shall hand over the land to the appropriate body within 30 days from the date of receipt of the order.

4. The appropriate body may order police force when it finds it necessary to use force to take over the land.

5. The appropriate body may not be held responsible for any property situated on illegally held plot of urban land in the course of clearing the land.

PART FIVE
MISCELLANEOUS PROVISIONS

32. Powers and Duties of the Ministry

The Ministry shall have the powers and duties to:

1. follow up and ensure the proper implementation of this Proclamation in all regions and city administrations;

2. provide technical and capacity building support to regions and city administrations;

3. create, with the assistance of technology, a modernized and harmonized real property information system at the national level;

4. adopt and follow up the implementation of national standards of real properties database;

5. prepare model regulations, directives and manuals to be issued for the implementation of this Proclamation.
### Powers and Duties of Regions and City Administrations

Regions and city administrations shall have the powers and duties to:

1/ administer land, in all urban centers, in accordance with this Proclamation;

2/ issue regulations and directives necessary for the implementation of this Proclamation.

### Duty to Cooperate

Any person shall have the duty to cooperate for the implementation of this Proclamation.

### Penalty

1/ Unless the offence is punishable with more severe penalty under the Criminal Code:

   a) any officer or employee who is in charge of implementing this Proclamation and regulations and directives issued hereunder with intent to obtain for himself or to procure for another person undue advantage:

      (1) grants an urban land in contravention of the provisions of this Proclamation is punishable with rigorous imprisonment from 7 to 15 years and with a fine from Birr 40,000 up to Birr 200,000;

      (2) fails to disclose any information pertinent to a tender, restricts the sale of bid documents, distorts the process or reverses the outcome of a tender is punishable with rigorous imprisonment from 5 to 12 years and with a fine from Birr 30,000 up to Birr 150,000;

      (3) acts in violation of the provisions of this Proclamation or fails to take action required under this Proclamation is punishable with rigorous imprisonment from 5 to 12 years and with a fine from Birr 30,000 up to Birr 150,000;
A) whosever in violation of the provisions of this Proclamation or regulations or directives issued hereunder fences an urban land, undertakes construction on it or encloses it with his adjacent land is punishable with a rigorous imprisonment from 7 to 15 years and with a fine from Birr 40,000 up to Birr 200,000;

b) 

c) any bidder of urban land lease tender who presents a falsified documentary evidence or conceals any evidence which he should have disclosed or connives at an act of fake competition is punishable with a rigorous imprisonment from 5 to 12 years and with a fine from Birr 30,000 up to Birr 150,000.

2/ Where any officer or employee who is in charge of implementing this Proclamation and regulations and directives issued hereunder negligently commits the offence specified under sub-article (1) of this Article, he shall be punishable with imprisonment from 1 to 5 years and with a fine from Birr 10,000 up to Birr 30,000.

3/ Any asset which is the proceed of a crime committed in violation of the provisions of this Article shall be confiscated by a court order and shall be surrendered to the appropriate body.

36. Repealed and Inapplicable Laws

1/ The Re-enactment of Urban lands Lease Holding Proclamation No. 272/2002 is hereby repealed.

2/ No law or customary practice shall, in so far as it is inconsistent with this Proclamation, be applicable with respect to matters covered by this Proclamation.

37. Transitory Provisions

1/ Regions and city administrations shall render decisions, within three months after the coming into force of this Proclamation, on pending land holding requests in accordance with the former laws.
2/ All lease holding contracts which have been concluded with the appropriate body and all activities performed accordingly before the coming into force of this Proclamation shall be valid and remain intact.

38. Effective Date

This Proclamation shall come into force on the date of publication in the Federal Negarit Gazeta.

Done at Addis Ababa, this 28th day of November, 2011

GIRMA WOLDEGIORGIS

PRESIDENT OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA