

# CONTRIBUTION OF THE IMPLEMENTATION OF THE URBAN LAND REGISTER TO LOCAL DEVELOPMENT: CASE OF THE TOWNSHIP OF COTONOU

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## Abstract

*The Urban Land Registry ULR is a land information system set up in Cotonou since 1992. It was designed to enable this municipality to control its land tenure and to strengthen its tax revenue mobilization capacities. The central idea of this research was to show the relevance of the ULR in local development as a resource mobilization tool. An analytical method used: a descriptive analysis, which consists of using comparative curve to understand the behavior of our variables, which are emissions and recoveries of tax mobilized over time using ULR. The descriptive analysis showed out that the implementation of the ULR multiplied the tax base by 7 and the tax revenues by 9 over the period from 1992 to 2015. So, this showed out that the implementation of the ULR participated in a better urban management thanks to its urban and land applications. Nevertheless, tax revenue collection is too low and synergy of the municipal services in charge of the various urban management headings in Cotonou is not strong.*

**Keywords:** Urban Land Register, local development, urban emission and recoveries tax.

## Introduction

The development and spatial development tools are numerous and diverse. Some are more effective than others, but it all depends on the purpose. The ULR belongs to one of those tools, the use of whose contributes to better take ownership of space management. Since 1990, Benin experiences a new area in its territory management through decentralization in 2002. The creation of seventy-seven local communities, which now have the responsibility to autonomously manage the new delimited areas (Articles 151 and 153 of the constitution of 11th December 1990 of the Benin). The local communities are run by elected representatives of the population and operate under the supervision of the department through the decentralized services whose objective is to apply the programs of the central government within the communes. In this context, the challenge of resources mobilization is of paramount importance. Indeed, this proximity of the administration of the citizens reveals many difficulties, including the tax evasion, the high presence of the informal sector which escapes to the state and to all forms of control.

The various municipalities have taken initiatives by diversifying the sources of taxation and by strengthening forms of mobilization, but there is still the challenge of empowerment, which depends above all on own resources of local community and therefore on the territory capacity to mobilize the resources.

According to Delville and Durand-Lasserve, 2009, land ownership is to be understood as a key to development because land is one of the factors in the development of a nation. In Benin specifically, the land situation is relatively complex, characterized by a multiplicity of

land statutes. Access to land is by purchase, loan, pledge, sharecropping, inheritance and others to determine landowner status. This situation generates different kinds of conflicts and nuances the notion of ownership in the land as well as the respect of the legal framework and control of the territories (Simonneau, 2015).

This situation is also identified as a source of problems for the management of urban territories and for the generation of local tax revenues. After the colonial period, the system of local taxation is modeled on the French system of "four old" local taxes (Almeida-Topor, 1995). It is thus composed of the contribution of the built land, of the unbuilt land, of the patent applied to the economic activities, and of the license applied to the gaming houses. Recovery of these four local taxes accounted for 80% of municipal revenues in the early 1990s, but the finding is that the tax system is not profitable and does not necessarily correspond to the land system (Hountondji & Guerra, 1993). This was a new trigger for urban management reform projects. The Urban Land Register (ULR) was set up only in the three municipalities with special status such as Cotonou, Porto-Novo and Parakou (Simonneau, 2015). This land information system, based on an addressed parcel map, is a recognized tool for helping to develop territories and above all, to the urban land management (Global Land Tool Network, 2010). The various plots and thematic maps developed have been used in planning operations.

What is the impact of the implementation of the ULR on the evolution of Cotonou's tax revenues? What are the implications of the implementation of the ULR on the urban management of the commune of Cotonou?

The research hypothesis is that the ULR contributes to explain the local development in the commune of Cotonou. In other words, the use of the ULR increases the issuance and collection of local taxes within the commune of Cotonou.

## Research Methodology

This research is transversal. Quantitative economic data of the commune of Cotonou were used to apprehend the effect of ULR on the local development of this commune.

### *Data Collection*

The data used in this research come from the collection database of the commune of Cotonou. These data were collected over the period from 1990 to 2015 in relation to two variables: issuance and recovery.

### *Data Processing Techniques and Validation of Assumptions*

After collection, the data were grouped according to the dimensions of the theme: rate and collection level, urban management in order to compile statistics. The results of the treatment are presented in tables and graphs, followed by comments.

The results of the comparative analysis of tax revenues and recoveries before and after the implementation of the ULR and then the collected information on urban management were used as basis to verify the work hypothesis.

## Results of Research

### *Presentation of the ULR Tool*

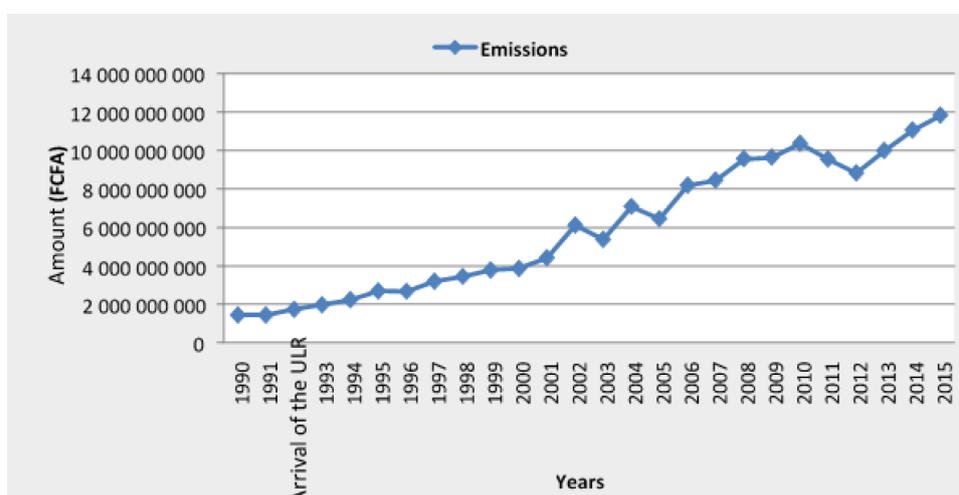
The ULR is a tool that facilitates the mobilization of resources within the communes. Indeed, it allows addressing which makes it easier to identify the objects to be taxed. It allows

a convenient and quick identification of the taxable matter and hence the taxpayers. Thus, the information of the land and fiscal data constitute major data. The ULR also needs a continuous follow-up of all the actors but especially the appropriation of the local authority which is the project owner. Then taking into account the geographical indicators of all the companies makes it easy to evaluate the tax portfolio, a good forecast of the revenues of the good project for the execution of the communal development plan. In total the ULR allows a more accurate annual budget from a good forecast of revenue.

Local taxation is understood as all the taxes levied for the benefit of the municipal and regional budget. It breaks down into taxes levied by the deconcentrated services of the State in favor of local budgets and in fiscal resources collected by the technical services of the municipality. This last category of resources falls under the exclusive competence of the local communities that institute them and fix the amounts by deliberation of the municipal council.

*Evolution of emissions of tax notices from 1990 to 2015.*

The emission curve shows an increasing trend (Figure 1).



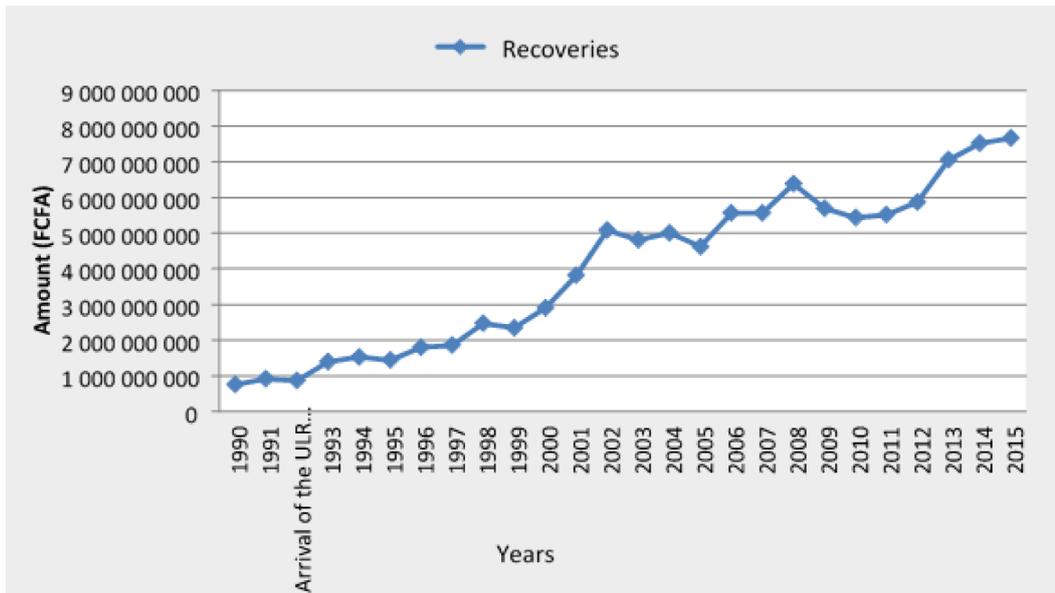
**Figure 1: Evolution of emissions from tax notices from 1990 to 2015.** Source: Realized by the authors, 2016

Before the introduction of the ULR, the emissions were below FCFA 2 billion. They were relatively low in those years because the tax data were not locatable, and the distribution of the opinions was based on the knowledge of the land by the receivers, collectors and not on an addressing of the municipality. Since the installation of the ULR in 1992, emissions have increased with a growth rate of 20.83% compared with 1990 and 1991 for which the recovery amount is less than one billion CFA francs. They have increased from FCFA 1,735,207,877 in 1992 to 6,103,423 325 FCFA in 2002. This growth is due to the ULR which is a tool of geographic localization, tax assessment of taxable units and thus allows a high tax collection. The enrollment of all the taxpayers of Cotonou for the four local taxes. From 2002 to 2006, the curve has remained upward but with some variations. Emissions decreased from FCFA 6,103,423,325 in 2002 to FCFA 5,360,039,923 in 2003 and increased from FCFA 6,439,601,797 in 2005 to FCFA 8,178,516,524 in 2006. The reduction is explained by the updating default of the first database which generated many problems making the use of the tool very difficult (misallocations or quality of material inadequacy of the ULR to certain technical applications for fiscal purposes etc.).

From 2007 to 2012, the ULR's property and tax database was periodically updated and so, emissions increased from CFA 8,445,546,068 to FCFA 11,822,295,223 over the period of 2007-2015, despite a fall registered in 2012 (CFA 8,816,210,842).

*Changes in the Collection of Tax Revenues in Cotonou from 1990 to 2015*

This figure shows the Trends in local tax revenue recoveries from 1990 to 2015.

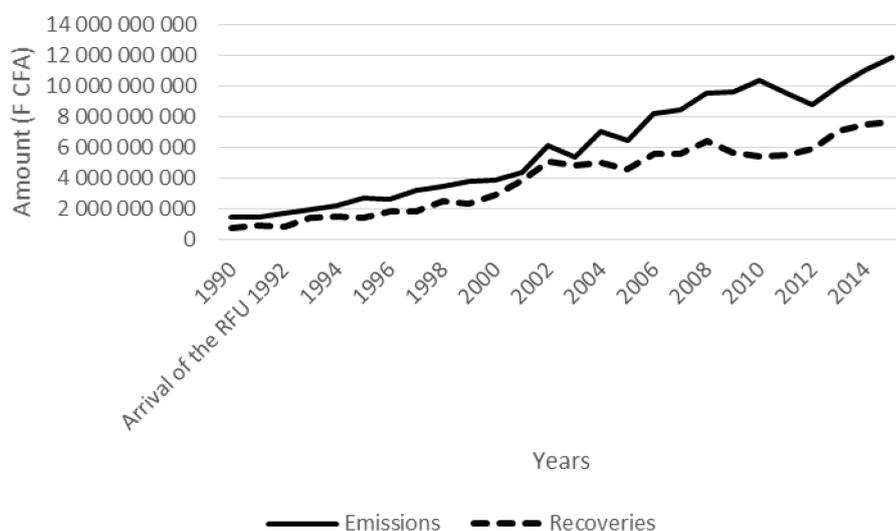


**Figure 2: Trends in local tax revenue recoveries from 1990 to 2015.** Source: Realized by the authors, 2016

The trend is increasing, reflecting a change in tax revenues (Figure 2). From 1990 to 1991, recoveries were below FCFA 1 billion (FCFA 758,600,000 in 1990 and FCFA 917,850,794 in 1991). On the other hand, revenues increased in subsequent years from FCFA 1,401,086,960 in 1993 to FCFA 5,086,338,218 in 2002. But with the problems caused by the non-updating of the ULR database, revenue fluctuation was from FCFA 4 812 412 179 in 2003 to FCFA 6 387 054 930 in 2008. Between 2008 and 2012, recoveries decreased from 6 387 054 930 to 5 879 711 150 FCFA, although the database ULR has been updated. But from 2013, they increased slightly reaching 7 665 771 911 FCFA in 2015.

*Comparative Analysis Emission / Recovery between 1990 to 2015*

The evolution of emissions and recoveries from 1990 to 2015 is shown by the following Figure.



**Figure 3: Emissions and recoveries from 1990 to 2015. Source: Realized by the authors, 2016**

Both curves show an increasing trend. It can be seen that since the introduction of the ULR, the emissions and recoveries of the tax revenues of Cotonou have increased. This implies that the implementation of the ULR contributes to a better knowledge of the fiscal potential and to a better mobilization of tax revenues.

Compared to the 1990s and 1991s, the implementation of the ULR has made significant progress in tax revenue mobilization. Thus, the ULR has multiply the tax base by seven ( $11\,822\,295\,223 / 1\,735\,207\,877 = 6.817$ ) and the ULR tax revenues by 9 ( $7\,665\,771\,911 / 868\,971\,976 = 8.829$ ) between 1992 and 2015.

However, recoveries have not changed significantly compared to emissions. This is justified by the fact that the ULR does not oblige taxpayers to pay their taxes even if they have received the tax notices. The multiplier effect of the ULR on tax revenues would have been greater if these mechanisms were strengthened.

## Discussion

The analyzed URL is a tool that has an impact on the mobilization of local resources, the management of the urban space and infrastructures of the municipality of Cotonou. The management of urban space and infrastructure represents a challenge for the municipalities because it consists of managing the space well to avoid certain difficulties such as insalubrity, traffic jams and the anarchic establishment of social and community infrastructures in certain areas, territory to the detriment of others. The ULR is also a decision support tool in land-use planning operations and contributes to the control of the tax base (Lawadoun, 2011).

Before 1992, when the URL was introduced, the low mobilization of resources is due to the inefficiency of the mobilization strategy, the delays in the emissions, the bad evaluation of the taxable objects and the weak capacity of the actors to pay the fees (Adda, 2010). The results show that during this period the emission is low as well as the recovery. There is still a gap between the two showing that the recovery rate is not total. After the introduction of the ULR, the tools used increased (very fast ascending curve) emissions and recoveries with a very small difference suggesting that recovery is total over twelve years. But from 2002 the two curves are always ascending but the gap between the two increases denoting either

a tax evasion, a weakness recovery or resource mobilization circuits. However, the ULR has positively influenced the rate of tax issue and the rate of coverage despite these difficulties.

## Conclusion

Local and regional authorities with decision-making power and financial autonomy must work for the harmonious development of their territories. It is in order to manage the territory and to mobilize more resources for autonomy that the ULR has been in place since 1992. It takes into account the tax component, the land inventory component and the urban management component. The study tried to analyze the contribution of the implementation of this tool to local development through a descriptive analysis, the results of which show a positive net effect of the ULR as a tool on tax mobilization. However, the impact is lower with recovery than with emission. The deficiencies linked to the poor coordination of the actors during the activities could explain this difference between emission and recovery. Efforts still need to be made in the area of synergy between departments in charge of the different sections of the urban management of this municipality for a centralization of information and for a more practical updating. The level of the recovery strategy of tax revenues can be reviewed later.

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