

CCOs AND LIPs AS SAFE COLLATERAL FOR LOANS ON CUSTOMARY LAND

WHAT IS A CERTIFICATE OF CUSTOMARY OWNERSHIP-(CCO)?

A Certificate of Customary Ownership (CCO) is a legal document issued by the Government of Uganda recognizing customary land rights. A CCO is obtained from the Sub-county, and it can be acquired by an individual, a family, a clan, or a community that owns customary land.

While a CCO introduces new sets of rules for land governance by the state, it nevertheless allows for the continuation of land management on the basis of customary rules and norms.

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HOW CAN A CCO BE SAFELY USED AS COLLATERAL FOR LOANS ON CUSTOMARY LAND?

By seeking appropriate consent from family members and relevant clan leaders before applying for and obtaining such a loan.

The process of obtaining family and clan consent scrutinizes the purposes for which the loan is required, as well as the ability to repay the loan.

Family and clan consent also backs up the loan with social pressure on the borrower, should he or she fail to repay the loan within the stipulated period of time.

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HOW CAN A LIP BE SAFELY USED AS COLLATERAL FOR LOANS ON CUSTOMARY LAND?

Like the CCO, the best way to safely use the LIP as collateral for any loan on customary land is by obtaining the consent from family members and relevant clan leaders. The process of obtaining consent will function to ensure that the loan is required for justifiable reasons and that the borrower has a clear plan for paying back the loan.

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Family and clan consent also back up the loan with social pressure on the borrower, should he or she fail to pay back the loan.

WHAT IS A LAND INVENTORY PROTOCOL (LIP)?

A Land Inventory Protocol (LIP) is a cartographic database/digital land map detailing the structure and characteristics of land in any area at any given time. In Uganda, a Land Inventory Protocol (LIP) is a social document issued by institutions involved in land mapping to show evidence of land rights. It is not a legal document issued by the state.

The LIP documents ownership of the land, neighbours on the land, developments on the land, the map, and the actual size of the land, as well as geo-referenced boundary points of the land. Currently, GIZ and partners have facilitated the issuance of LIPs to tenants on Mailo land in central Uganda, and to owners of customary land, specifically in Teso and Lango.

LIPs provide individual smallholder farmers and groups with a more detailed and locally verifiable documentation of their land, making it easier for interested owners to use their land documents to access financial credit from financial service providers.

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WHERE IS A CCO AND LIP ISSUED FROM?

The LIP document is issued at (and is obtainable from) the Sub-County, and is signed by the Chairperson of the Area Land Committee.

Because it is issued at the Sub-County, the LIP document makes it easier to obtain the Certificate of Customary Ownership (CCO). However, there are circumstances where land owners may possess only one of the documents (either LIP or CCO), because of the following possible circumstances;

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- It is not mandatory for one to obtain a LIP before a (CCO)
- One may stop at getting a LIP and not proceed to a (CCO)