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Report No: PAD3431

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF SDR 17,400,000

(US\$25,000,000 EQUIVALENT)

AND A GRANT

IN THE AMOUNT OF US\$6,375,000

FROM THE SWISS AGENCY FOR DEVELOPMENT AND COOPERATION

TO THE

LAO PEOPLE'S DEMOCRATIC REPUBLIC

FOR AN

ENHANCING SYSTEMATIC LAND REGISTRATION PROJECT

August 12, 2021

Urban, Disaster Risk Management, Resilience and Land Global Practice
East Asia And Pacific Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective May 31, 2021)

Currency Unit = Lao Kip (LAK)

LAK 9,444.65 = US\$1

US\$1.444 = SDR 1

FISCAL YEAR

January 1 - December 31

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ABBREVIATIONS AND ACRONYMS

ASA	Advisory Services & Analytics
CORS	Continuously Operating Reference Stations
CERC	Contingent Emergency Response Component
CPF	Country Partnership Framework
CSO	Civil Society Organization
DA	Designated Account
DOF	Department of Forestry
DOL	Department of Lands
DONRE	District Office of Natural Resources and Environment
EAP	East Asia & Pacific Region
ECA	Europe & Central Asia Region
EGDF	Ethnic Group Development Framework
ESA	Environmental and Social Assessment
ESCP	Environmental and Social Commitment Plan
ESF	Environmental & Social Framework
ESLRP	Enhancing Systematic Land Registration Project
ESMF	Environmental & Social Management Framework
FM	Financial Management
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GFDRR	Global Facility for Disaster Reduction and Recovery
GIZ	<i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i> // German Agency for International Cooperation
GOL	Government of Lao People's Democratic Republic
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
ICR	Implementation Completion & Results Report
ICT	Information & Communications Technology
IFMIS	Integrated Financial Management Information System
IFR	Interim Financial Report
ISP	Implementation Support Plan
JSDF	Japan Social Development Fund
KfW	<i>Kreditanstalt für Wiederaufbau</i> // Credit Institute for Reconstruction
KWPF	Korea-World Bank Partnership Facility
KWPFTA	Korea-World Bank Partnership Facility funded 'Digitalization of land administration in Lao PDR' Technical Assistance
LAK	Lao Kip
Lao PDR	Lao People's Democratic Republic
LECS	Laos Expenditure & Consumption Survey
LIS	Land Information System

LIWG	Land Information Working Group
LLMS	Laos Land Management System
LMP	Labor Management Plan
LSSWG	Land Sub-Sector Working Group
LTP-I	First Land Titling Project
LTP-II	Second Land Titling Project
LWU	Lao Women's Union
LX	Korea Land and Geospatial InformatiX Corporation
M&E	Monitoring & Evaluation
MAF	Ministry of Agriculture and Forestry
MFD	Maximizing Finance for Development
MOF	Ministry of Finance
MOLIT	Ministry of Land, Infrastructure and Transport
MONRE	Ministry of Natural Resources and Environment
MOU	Memorandum of Understanding
MPI	Ministry of Planning and Investment
NGD	National Geographic Department
NSDI	National Spatial Data Infrastructure
NSEDP	National Socio-Economic Development Plan
PDO	Project Development Objective
PMU	Project Management Unit
POM	Project Operational Manual
PONRE	Provincial Office of Natural Resources and Environment
PPA	Project Preparation Advance
PPP	Purchasing Power Parity
PPSD	Project Procurement Strategy for Development
RETF	Recipient Executed Trust Fund
RPF	Resettlement Policy Framework
SDC	Swiss Agency for Development and Cooperation
SLR	Systematic Land Registration
SEP	Stakeholder Engagement Plan
SOE	Statement of Expenditure
SOP	Standard Operating Procedures
SORT	Systematic Operations Risk-rating Tool
USD/US\$	United States Dollar
VCC	Vientiane Capital City
VCMC	Village Conflict Mediation Committees



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DATASHEET

BASIC INFORMATION

Country(ies)	Project Name	
Lao People's Democratic Republic	Enhancing Systematic Land Registration Project	
Project ID	Financing Instrument	Environmental and Social Risk Classification
P169669	Investment Project Financing	High

Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input checked="" type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Enhanced Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
02-Sep-2021	30-Sep-2026

Bank/IFC Collaboration

No

Proposed Development Objective(s)

The objective of the project is to support the Government of Lao PDR in improving tenure security and land administration services in selected areas, and to provide immediate and effective response in case of an eligible crisis or emergency.



Components

Component Name	Cost (US\$, millions)
1. Systematic Registration of Land Use Rights	20.58
2. Modernization of Land Administration and Service Delivery	6.18
3. Implementation, Policy and Legal Framework Development	1.00
4. Project Management	3.61
5. Contingent Emergency Response	0.00
Refund of Project Preparation Advance	2.50

Organizations

Borrower: Lao People's Democratic Republic
 Implementing Agency: Ministry of Natural Resources and Environment

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	31.38
Total Financing	31.38
of which IBRD/IDA	25.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	25.00
IDA Credit	25.00

Non-World Bank Group Financing

Trust Funds	6.38
Miscellaneous 1	6.38



IDA Resources (in US\$, Millions)					
	Credit Amount	Grant Amount	Guarantee Amount	Total Amount	
Lao People's Democratic Republic	25.00	0.00	0.00	25.00	
National PBA	25.00	0.00	0.00	25.00	
Total	25.00	0.00	0.00	25.00	
Expected Disbursements (in US\$, Millions)					
WB Fiscal Year	2022	2023	2024	2025	2026
Annual	2.78	3.74	5.50	6.85	8.51
Cumulative	2.78	6.52	12.02	18.87	27.38
					31.38

INSTITUTIONAL DATA					
Practice Area (Lead)	Contributing Practice Areas				
Urban, Resilience and Land					

Climate Change and Disaster Screening					
This operation has been screened for short and long-term climate change and disaster risks					

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)					
Risk Category	Rating				
1. Political and Governance	● Moderate				
2. Macroeconomic	● Substantial				
3. Sector Strategies and Policies	● Substantial				
4. Technical Design of Project or Program	● Substantial				
5. Institutional Capacity for Implementation and Sustainability	● High				
6. Fiduciary	● Substantial				
7. Environment and Social	● High				



8. Stakeholders	● Substantial
9. Other	● Substantial
10. Overall	● Substantial

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

[] Yes [✓] No

Does the project require any waivers of Bank policies?

[] Yes [✓] No

Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
Cultural Heritage	Relevant
Financial Intermediaries	Not Currently Relevant



NOTE: For further information regarding the World Bank's due diligence assessment of the Project's potential environmental and social risks and impacts, please refer to the Project's Appraisal Environmental and Social Review Summary (ESRS).

Legal Covenants

Sections and Description

IDA Financing Agreement | Schedule 2 | Section I.A.1.a | The Recipient shall maintain throughout the implementation of the Project, the Project Management Unit (the PMU) for the purposes of day-to-day Project management and coordination, with staffing, functions, and resources satisfactory to the Association.

Sections and Description

IDA Financing Agreement | Schedule 2 | Section I.A.1.b | The Recipient shall, not later than [three (3)] months after the Effective Date, establish a Program Steering Committee (the Project Steering Committee) thereafter maintain it throughout the implementation of the Project, for the purposes of providing cross-agency coordination and strategic guidance, with composition, functions, staffing and resources satisfactory to the Association.

Sections and Description

IDA Financing Agreement | Schedule 2 | Section I.A.2 | The Recipient shall retain the consultants engaged as needed to support the functions of the Project Management Unit and the Program Steering Committee, all with terms of reference and qualifications and experience acceptable to the Association as further detailed in the Project Operations Manual.

Sections and Description

IDA Financing Agreement | Schedule 2 | Section I.B.1 | The Recipient shall through MONRE ensure that the Project is carried out in accordance with the arrangements and procedures set out in the Project Operations Manual.

Sections and Description

IDA Financing Agreement | Schedule 2 | Section I.D.1 | Environmental and Social Standards. The Recipient shall through MONRE ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.

Sections and Description

IDA Financing Agreement | Schedule 2 | Section I.D.2 | Environmental and Social Standards. Without limitation upon Section I.D.1 of the Financing Agreement, the Recipient shall through MONRE ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Association.

Sections and Description

IDA Financing Agreement | Schedule 2 | Section I.E.1 | Contingent Emergency Response. The Recipient shall ensure that:

- (a) the CERC Manual is prepared and adopted in form and substance acceptable to the Association;
- (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association;



(c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan.

Sections and Description

IDA Financing Agreement | Schedule 2 | Section I.E.3 | Contingent Emergency Response. The Recipient shall ensure that:

- (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Association; and
- (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.

Conditions

Type	Financing source	Description
Effectiveness	IBRD/IDA	The Co-financing Agreement has been executed and delivered and all conditions precedent to their effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) has been fulfilled.
Effectiveness	IBRD/IDA	The Recipient through MONRE has adopted the Project Operations Manual acceptable to the Association for Project implementation.
Effectiveness	IBRD/IDA	The Recipient has established the PMU and has engaged, as the core staff of the PMU, a procurement specialist, a financial management specialist, an environmental and social specialist, all with terms of reference, qualifications, and experience acceptable to the Association.
Disbursement	IBRD/IDA	<p>No withdrawal shall be made for Emergency Expenditures under Category 4 of the Financing Agreement, unless and until all of the following conditions have been met in respect of said expenditures:</p> <p>(a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category 4;</p>



(b) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and

(c) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.



I. STRATEGIC CONTEXT

A. Country Context

1. With two thirds of its population living in rural areas, Lao People's Democratic Republic (Lao PDR) is an agrarian economy with low population density, and is classified as a lower-middle income country. Since 2000, the country has experienced an average economic growth rate of 8 percent, although this has tapered in recent years, with average annual percent growth rate of 4.8 percent during 2017-2020. In 2020, growth declined to 0.4 percent due to the COVID-19 pandemic. Growth in the mid-2000s was primarily driven by the mining sector; however, its contribution to growth has decreased due to the decline in prices as well as a weak regulatory environment. In recent years, hydropower projects, which are largely expected to meet energy demands in neighboring countries, are the main sources of growth. Lao PDR has increased installed capacity ten-fold between 2000 and 2016 to above 6,000 megawatts.
2. Lao PDR's economy is largely driven by the leveraging of natural resources, but few socio-economic benefits have reached the country's rural areas. The average poverty headcount in 2018-2019 was 23.8 percent for rural areas compared to 7 percent in urban areas. The COVID-19 pandemic is estimated to increase poverty by 1.4 to 3.1 percentage points in 2020. According to the multidimensional poverty index¹, poverty is concentrated in upland areas and among ethnic minorities, as well as the less educated. Ethnically Lao-Tai (13 percent) face significantly less poverty than Chinese-Tibetan (61 percent), Hmong-Lumien (51 percent) or Mon-Khmer (46 percent). Due to weak governance systems, the rural poor are also subject to the potential negative impacts of large-scale development projects (e.g., mining and hydropower) such as loss of land access. Reaching the World Bank goal of reducing extreme poverty to less than 3 percent would mean reducing the number of poor people in Lao PDR by more than 800,000.
3. Lao PDR is also highly vulnerable to the slow onset of climate change that affects food production and extreme weather events, such as floods, landslides, drought, tropical storms and cyclones. According to the ND Gain Index², Lao PDR ranks 136 out of 181 of the most vulnerable and least prepared countries to respond to climate change. Lao PDR's economy and 70 percent of the population depend on natural resources for their livelihoods and to ensure food security. Flooding and drought are a major risk in the country, with 14 out of 18 provinces exposed to high risk of flooding, and 6 out of 18 provinces exposed to high risk of drought. From 1970 to 2010, 33 natural hazard events (mostly floods and droughts) were registered, affecting almost 9 million people and causing economic damage of more than US\$400 million. More recently, widespread floods between July and September 2018 affected over 600,000 people and resulted in 16,700 evacuees and estimated damage and losses of US\$371.5 million, equivalent to 2.1 percent of Lao PDR's gross domestic product (GDP) for 2018, and 9.6 percent of Lao PDR's annual budget in 2018.³ The frequency and intensity of climate related hazards such as floods, droughts and extreme temperatures are expected to increase. The wet season is expected to become wetter and the dry season drier. These changes are anticipated to have a significant negative impact on agricultural productivity and livelihoods of those who reside in rural areas.⁴ In this context, land administration (including tenure security and reliable land information) is a critical enabling environment for climate change mitigation and adaptation in forested land, agricultural land, and urban and peri-urban land as it provides security during disasters and the foundation for good land zoning, land management,

¹ Bader, C., Bieri, S., Wiesmann, U., Heinemann, A. (2016). Is Economic Growth Increasing Disparities? A Multidimensional Analysis of Poverty in the Lao PDR between 2003 and 2013. *The Journal of Development Studies*.

² <https://gain.nd.edu/our-work/country-index/rankings/>

³ Government of Lao People's Democratic Republic. Post-Disaster Needs Assessment 2018 Floods, Lao PDR. December 2018.

⁴ Government of Lao People's Democratic Republic. National Adaptation Programme of Action to Climate Change. April 2009.



investment and disaster response.

4. In response to the challenges faced by the rural poor, the Government of Lao PDR (GOL) seeks to improve the quality of its public services and mechanisms to solicit feedback, and consultations are gradually being introduced. In many instances, however, the few options that exist to provide a voice to citizens are not effectively implemented. The opportunities for the development of a dynamic and vibrant private sector are also limited, and it has become apparent that while the leveraging of natural resources will continue to be a key driver of economic growth in Lao PDR, without an improved system to sustainably manage natural capital the resulting negative socio-environmental impacts may be irreparable and may soon outweigh the economic benefits of exploration and reduce opportunities.
5. Lao PDR continues to face challenges in economic and social integration of rural residents, especially women⁵. In general, the legal framework ensures equal rights to men and women, but its implementation is limited by customs and traditions and poor socio-economic conditions. Women still have lower literacy rate than men, especially in poor rural communities, where the literacy gap between the genders is 23 percentage points. Women also have poor representation in local level decision-making. These challenges are cumulative for ethnic women. On the other hand, Lao PDR has one of the highest rates of female labor force participation (76 percent) in the region.
6. Lao PDR has adopted land tenure security improvement as a strategy for ensuring a transparent and accountable system of governance in rural areas that also protects the country's natural capital and helps to provide greater socio-economic opportunities for citizens. The absence of land tenure security and the lack of enforcement of land use regulations in many provinces, and poor-quality land administration services have hampered economic development opportunities while simultaneously causing social tensions, exclusion and poverty.

B. Sectoral and Institutional Context

7. In 2017, the Lao People's Revolutionary Party's Central Committee passed *Resolution on the Enhancement of Land Management and Development in New Period*. It aims to accelerate land titling, modernize land services and strengthen individual, collective and customary land tenure. The Resolution highlights many problems with the current land administration system, including: (i) unlawful transfer and sale of land use rights; (ii) increases in land-related disputes; (iii) unsuccessful use of land for social and economic development; (iv) implementation of land expropriation via non-transparent means, which negatively affects land tenure security and creates tension between the Government and citizens; and (v) reduced citizen trust in government due to the mismanagement of land administration. The Resolution's principles to achieve its goals include expanding recognized land rights to collective and customary lands, enhancing access to justice in relation to expropriation, strengthening regulations on land concessions, improving land dispute resolution mechanisms to promote fairness and transparency, and strengthening land institutions.
8. The GOL has developed a new *Land Law* and *Forest Law* to support the Resolution. The *Land Law* approved in September 2020 recognizes the land use rights of individuals, legal entities, collectives and organizations of citizens, and stipulates that these rights are managed "by registering land books, certifying land use, issuing land titles and registering transfer and changes of land use rights". Land titles can be issued to land parcels previously not certified and free of encumbrances owned by Lao citizens, legal entities or organizations with certificates of acquisition of the

⁵ The World Bank and the Asian Development Bank (2012). Lao PDR Country Gender Assessment.



land use right⁶. If the land owner does not have certificates of the acquisition of the land, it can be still titled under Land Law Article 130 (Acquisition of Customary Land Use Right) if the village administration and neighbors certify that the land parcel has been occupied by the owners for more than 20 years without disputes. Land use certificates can be issued to those individuals, legal entities, organizations and collectives with land use rights in state lands. They can be permanent or temporary, and some of them, such as those granted to individuals with Laos citizenship, can be converted to land titles. Land use certificates granted to individuals and legal entities can be sold, transferred, inherited and leased, while use as collateral is allowed only in certain cases. Land use certificates issued to collectives should be under land use recognized in the Land Law Article 81⁷, and they cannot be transferred, sold, exchanged or leased, granted as concessions or used as collateral. Lands that are not transferred to the previously described entities are considered public lands, which can be granted to Party organizations, state agencies and local administrative authorities through titling. Land titles and land use certificates are issued by the District Offices of Natural Resources and Environment (DONRE) in paper format, which is the only legally binding version of these documents.

9. The Land Law and Forestry Law are partly in conflict with the land rights of those residing in state forestlands. State forestlands “are all land plots with or without forest cover, which are determined by the State as forestlands”, according to the 2019 Forestry Law. These cover 62 percent of Lao PDR’s land mass, and about 34 percent of villages and 24 percent of the population; many who belong to ethnic groups are estimated to be located within state forestlands. There is lack of legal clarity related to land rights of those residing in state forestlands. According to the Land Law, land within state forestlands can be granted to individuals with temporary land use certificates, if they have occupied it before it was classified as state forestland, while the Forestry Law stipulates that state forestlands ought to be managed centrally by the state, and does not mention the possibility to certify these lands. The Land Law articles on customary land, forestlands and land use certificates are significantly amended or new additions to the law; the related regulations and decrees under the Land Law are still under preparation.
10. Out of the estimated the 3-3.5 million public and private land parcels in Lao PDR, about 1.5 million parcels, primarily in urban and peri-urban areas, have been registered and titled. As part of its goal to complete the registration process, the GOL has set concrete targets in the Eighth National Socio-Economic Development Plan (NSEDP) and Vision 2030 to issue 400,000 new titles by 2020 and a further 800,000 titles by 2025. The World Bank funded Lao Land Titling Project (LTP-I, 1996–2005, P004208) and Laos: Second Land Titling Project (LTP-II; 2003–2009, P075006) issued 123,000 and 395,279 land titles, respectively. Since then, MONRE’s Department of Lands (DOL) has been conducting land registration work mainly with government resources. While many of the processes introduced by LTPs have been maintained, registrations happen primarily in urban and peri-urban areas, and the costs of titles are too high for many citizens. MONRE needs considerable additional resources to scale-up land registration activities to achieve the Eighth NSEDP targets, and simultaneously reduce the costs of titles to make registration affordable to land holders.
11. The Lao national geodetic network required for systematic land registration (SLR) is well established, but requires a technology update to reduce the time and costs associated with surveying land parcels. LTP-I and II established approximately 200 first-order geodetic control points across the country, and DOL has upgraded 22 control points as

⁶ Certificates of acquisition of land use right are certificate of land granted by the State; agreements of transfer, donation, sale or certificate of inheritance; land survey certificate; certificate of land development; or certificate of land guarantee according to the Land Law Article 100.

⁷ The land uses listed in Article 81: Cemeteries, sacred forest, common ponds, temples, schools, health centers, village administrative office and village markets



Continuously Operating Reference Stations (CORS) that categorically increase the speed and accuracy of land surveys. However, an additional 55 CORS' are required for the network to cover most of Lao PDR.

12. Access to land administration services remains a challenge in rural areas as distances to the Province Offices of Natural Resources and Environment (PONRE), previously responsible for processing transactions, are long. As a result, transactions are often conducted informally in areas far from provincial capitals, which undermines the long-term sustainability of the land administration system. To alleviate this problem, the 2020 Land Law transferred the responsibility for first-time registration and transaction services to DONREs, and thus closer to the public. Capacities, facilities, equipment, and procedures of DONREs need to be enhanced to implement this transition successfully and enhance land administration services. Simultaneously, DOL is developing a Service Center concept(s) to address service delivery challenges in large remote districts, as well as in urban districts with high transaction numbers.
13. Information technology for recording and maintaining land registration data presents a challenge for achieving and ensuring the sustainability of the land administration system. Lao PDR currently has three Land Information Systems (LISs) for one purpose. An LTP-II-developed BC Account was used in all provinces, until a lack of maintenance pushed it into disuse. Between 2012-15, the BC Account was further developed in the Vientiane Capital City (VCC) office to the currently used Laos Land Management System (LLMS). In order to replace the BC Account and LLMS by a single harmonized system for the entire country, MONRE has developed Lao LandReg with the support of the German Agency for International Cooperation (GIZ). Lao LandReg has been installed in 15 out of 18 provinces and covers 111 out of 148 districts. However, there are significant variations in the level of Lao LandReg use in the PONRE and DONRE offices across the country. Also, questions remain about data flow between districts, provinces and the central level, as well as on MONRE's capacity to sustain Lao LandReg in the long term, including software updates and data maintenance. Furthermore, there is a general need to enhance the digitalization of land administration services in Lao PDR, as land registration and cadastre records and services are still largely paper based, making service delivery cumbersome, ineffective, and unprotected from disasters.
14. Secure land tenure for vulnerable persons remains an issue in Lao PDR. The legal protection of land use rights of communal land holders and those who reside in state forestlands is limited, which primarily affects minorities, indigenous persons and the poor. These vulnerabilities are amplified by climate change, as evacuation of land due to climate-disasters may lead to permanent loss of land. Although women face no legal obstacles to owning, inheriting, or transacting land, social norms prevent women from accessing land on the same basis as men. Minority women, poor women and women using forest lands or land under customary tenure, are at additional risk of exclusion. At present, MONRE is not able to provide comprehensive disaggregated data on women's land ownership. As part of LTP-II, the World Bank partnered with the Lao Women's Union (LWU) to ensure that women benefitted from the project's titling activities. Out of all titles issued under LTP-II, nearly 67 percent were issued jointly or solely in the name of a woman. However, the system for disaggregating land titling data by gender has not been continued and information on the total number (or percentage) of land titles held solely or jointly by women is no longer up to date. In 2018-2019, 38 percent of titles were issued jointly or solely in the name of a woman. The significant decline from LTP-II figures is caused largely by the expansion of land registration from urban and peri-urban areas to rural areas with more conservative gender norms and practices.

C. Relevance to Higher Level Objectives

15. The Enhancing Systematic Land Registration Project (ESLRP) is closely aligned with the World Bank Group's twin goals of ending extreme poverty and promoting shared prosperity by improving beneficiaries' tenure security, access to



credit and participation in land markets. The ESLRP contributes to the 2017–2021 World Bank Group's Lao PDR Country Partnership Framework (CPF)⁸'s cross-cutting theme of strengthening institutions and systems for improved policy implementation. The project also contributes to the CPF's Focus Area 3: Protecting the Environment, via Objective 3.1: Promoting environmental protection and sustainable natural resources management. Strengthening land and property rights in Lao PDR's rural areas will provide legal protection against encroachment by large development projects and illegal exploitation of natural resources. They will protect beneficiaries and their livelihoods and will mitigate carbon emissions caused by uncontrolled peri-urban and agricultural land-use change.

16. The project also supports the World Bank's East Asia Pacific (EAP) Regional Strategy. The advancement of land registration and reform of the service sector for better services and increased transparency will contribute to renewing the social contract and enable private sector investments. The focus on enhancing and securing women's land rights will provide additional opportunities for women and other vulnerable persons through increased tenure security, access to finance and participation in land markets. The automation of the DOL/MONRE functions, including digital archiving, will contribute to creating a modern and efficient land sector and help businesses, and support digital transformation in public services. The project is in line with the World Bank Climate Action Plan 2016-2020 that calls for climate-smart land use, including land tenure arrangements that are incentivizing development, environmental, and climate action.
17. Climate change adaptation and mitigation, forestry, land use change and urban development have all been identified by the National Steering Committee on Climate Change (NSCCC) as major strategic priorities.⁹ The GOL has also identified providing incentives for dense settlements through improved land-use planning as a key driver to support national mitigation efforts, and an emphasis on green growth in the Eighth NSEDP underlines this ambition.¹⁰ Laos ratified the Paris Agreement on September 7, 2016 and this operation is in line with the country's Nationally Determined Contribution (NDC). The NDC defines mitigation and adaptation actions in the sectors of agriculture, forestry, land use change and water resources. The update to the NDC is being developed and is expected to enhance its ambition.¹¹

II. PROJECT DESCRIPTION

A. Project Development Objective (PDO)

PDO Statement

18. The objective of the project is to support the Government of Lao PDR in improving tenure security and land administration services in selected areas, and to provide immediate and effective response in case of an eligible crisis or emergency.

⁸ CPF for the period FY2017-FY2021, Report No. 110813-LA.

⁹ Government of Lao People's Democratic Republic. Strategy on Climate Change of the Lao PDR. March 2010.

¹⁰ Government of Lao People's Democratic Republic. Second National Communication to the UNFCCC. 2013.

¹¹ <https://www4.unfccc.int/sites/ndcstaging/Pages/LatestSubmissions.aspx>

**PDO Level Indicators**

19. The key results indicators for the project are:

Improving tenure security will be measured by:

- Land titles or use certificates issued in Lao PDR (disaggregated by titles/certificates, gender and ethnicity) (Number).
- Coverage of cadastral index maps showing all land holdings, including communal lands. (Hectare(Ha))

Improving land administration services will be measured by:

- Number of annual land transactions registered, excluding first time registration (disaggregated by transfers, mortgages, leases and inheritance; disaggregated by gender) (Number)
- Customer satisfaction with land administration services in selected offices (disaggregated by gender) (Text)

B. Project Components

20. The project comprises of five components, as described below.

21. **Component 1: Systematic Registration of Land Use Rights (US\$20.6 million, of which US\$17.5 million IDA and US\$3.2 million SDC).** This component will support the GOL, MONRE and DOL in enhancing and scaling-up systematic land registration and issuance of 1,000,000 land titles and use certificates outside state forestlands in all 18 provinces of Lao PDR. Land titles and use certificates are considered issued when they have been prepared and printed, regardless of whether or not the land holder collects them from the DONRE. The component will be implemented through:

- a. **1.1: Scaling-up Systematic Land Registration (US\$19.7 million, of which US\$16.8 million IDA and US\$3.0 million SDC).** This subcomponent will finance: (i) the implementation of systematic land registration, including associated environmental and social risk management activities, public awareness campaigns, technical assistance, related operational support; (ii) goods required for the implementation of the land registration process such as vehicles, survey equipment, Continuously Operating Reference Stations (CORSs), ICT equipment, boundary markers and stationery; and (iii) surveying and/or mapping land parcels by piloting use of private sector surveyors in land registration. Under this subcomponent, land parcels will be surveyed and/or mapped systematically based on their occupancy. Land parcels eligible for land titles or land use certificates will be registered to the land registry, while other land occupancy, such as certain forms of communal land holdings not listed in Land Law Article 81, will be recorded to the cadastre as possessions. State forestlands will be excluded from land registration activities due to the lack of clarity in the legal framework. The state forestland boundaries will be defined based on data provided by the Ministry of Agriculture and Forestry (MAF), the Department of Forestry (DOF) and their province and district offices. Final selection and phasing of target villages and land parcels will be done as part of DOL's annual work and budget planning. To guide this process, a negative list of the No-go Villages (provided in the ESMF), including villages that have been or will be consolidated or resettled within five years from project approval, and a specific spatial prioritization tool to target land registration activities to the poorest and most disaster-prone areas, have been developed



through separate WBG and GFDRR¹² support.

- b. **1.2: Training and Capacity Building (US\$0.9 million**, of which US\$0.7 million IDA and US\$0.2 million SDC). This subcomponent will finance the planning and implementation of systematic land registration trainings to enhance the capacity of the Government and contract staff through developing a training and capacity building plan for SLR and implementing the SLR trainings.

22. Component 2: Modernization of Land Administration and Service Delivery (US\$6.2 million, of which US\$5.4 million IDA and US\$0.8 million SDC). This component will support the GOL, MONRE and DOL in improving the delivery of land administration services (surveying, registration, transactions, subdivisions, etc.) This will be achieved through:

- a. **2.1: Enhanced Service Delivery (US\$3.8 million**, of which US\$3.6 million IDA and US\$0.2 million SDC). This subcomponent will finance improvements to service delivery through: (i) Business Process Reengineering Assessment and Customer Satisfaction Surveys; (ii) planning and piloting of land administration service centers; (iii) construction and renovation of PONREs, DONREs and land administration service centers; (iv) procurement of goods such as office equipment, furniture, stationary and ICT equipment; and (v) recruitment and training of staff.
- b. **2.2: Scanning, Digitization and Archiving of Existing Land Records (US\$0.6 million**, of which US\$0.3 million IDA and US\$0.3 million SDC). This subcomponent will finance digitization of existing land records to ensure their safety, accelerate transition to a digital land administration system and enhance the use of office space through the preparation of a document management and digital archive strategy, and scanning, digitizing and archiving the documents.
- c. **2.3: Lao LandReg Development and Rollout (US\$1.8 million**, of which US\$1.5 million IDA and US\$0.3 million SDC). This subcomponent will support further development and roll-out of Lao LandReg to enhance digitalization of land administration system and service delivery through: (i) preparing an ICT Strategy, conducting a Technical Quality Review of Lao LandReg and carrying out Data Protection and Cyber Security Studies; (ii) renovating offices to enhance the server room facilities of DOL, PONREs and land administration service centers; (iii) providing ICT equipment; (iv) further developing the Lao LandReg system; and (v) providing training of Lao LandReg operators.

23. Component 3: Implementation, Policy and Legal Framework Development (US\$1.0 million, of which US\$0.6 million IDA and US\$0.4 million SDC). This component will support the further development of inclusive and comprehensive land policies and regulatory framework, as well as their implementation procedures, through: (i) preparing policy to address, *inter alia*, issues related to survey and registration of customary and communal lands as well as registration of lands within state forestlands, and relevant technical guidelines and manuals; (ii) disseminating relevant policies, laws and regulations; and (iii) organizing training workshops for government staff.

24. Component 4: Project Management (US\$3.6 million, of which US\$1.5 million IDA and US\$2.1 million SDC). This component will support overall project management and coordination through: (i) provision of operating costs associated with project implementation; (ii) supporting technical assistance for financial management, procurement, coordination, environmental and social risk management, public awareness raising, training, information and communications, project management and evaluation, and audits; (iii) supporting training programs and study tours;

¹² Improving Resilience and the Resilience Impact of National Land and Geospatial Systems - Phase II Implementation Support TA (TF0A9866)



and (iv) provision of office equipment and furniture.

25. **Component 5: Contingent Emergency Response Component (CERC, US\$0.0 million).** This Component will provide immediate response to an eligible emergency, as needed. In the event of such eligible emergency (to be defined in the CERC Operational Manual, an annex to the POM), and at the request of the Government, this component would finance emergency activities and expenditures through the reallocation of funds from the Project.

Table 1. Project Cost by Component

Component Name	IDA (US\$)	PPA (US\$) ¹³	SDC (US\$)	Total (US\$)
Project Preparation Advance	0	2,500,000	0	2,500,000
Component 1: Systematic Registration of Land Use Rights	15,794,200	1,649,400	3,137,500	20,581,100
1.1: Scaling-up Systematic Land Registration	15,114,200	1,649,400	2,967,500	19,731,100
1.2: Training and Capacity Building	680,000	0	170,000	850,000
Component 2: Modernization of Land Administration and Service Delivery	4,841,800	585,000	757,500	6,184,300
2.1: Enhanced Service Delivery	3,161,800	410,000	200,000	3,771,800
2.2: Scanning, Digitization and Archiving of Existing Land Records	250,000	75,000	250,000	575,000
2.3: Lao LandReg Development and Rollout	1,430,000	100,000	307,500	1,837,500
Component 3: Implementation, Policy and Legal Framework Development	600,000	0	400,000	1,000,000
Component 4: Project Management	1,264,000	265,600	2,080,000	3,609,600
Component 5: Contingent Emergency Response	0	0	0	0
Total	22,500,000	2,500,000	6,375,000	31,375,000

26. **Citizen Engagement.** ESLRP's citizen engagement activities will seek to promote active stakeholder and citizen participation in the systematic land registration process. The project will apply participatory and inclusive citizen engagement tools, such as public awareness raising, public displays, community consultations and meetings, conflict resolution, and the Grievance Redress Mechanism (GRM). The project will include a project-specific GRM system and will support the development and implementation of public awareness campaigns to inform people and communities in the project areas of the systematic land registration process and of the options available to them to voice their concerns. Cadastral maps will be provided to the village authorities to ensure pragmatic local access to land information. The land information recorded into Lao LandReg will be made available to individuals, legal entities and organizations for a service fees as stipulated in the Land Law. The project will also finance customer surveys to monitor beneficiary satisfaction with land administration services, which will provide a venue for citizen engagement and inform project implementation. The submitted grievances, results of customer satisfaction surveys and feedback received during public awareness raising and public display activities will be used to update the citizen engagement activities and build MONRE's/DOL's related capacity during project implementation. The Public Information and Awareness Services for Vulnerable Communities in Lao PDR Project (P170640; PIASVC), under preparation to be financed by a complementary grant from the Japan Social Development Fund (JSDF), will allow for the development of information, awareness and counseling services related to land rights, based on community input into design and implementation.

¹³ The undisbursed amount of PPA will be re-allocated to Components as described in this column after the PPA is closed



27. **Gender Gap Mitigation.** Despite the excellent outcomes of LTP-II in urban and peri-urban areas, rural women seldom have their names on land titles or use certificates, unless they are heads of the household. There have been adverse regulatory and institutional developments in the protection of women's land rights since the closing of LTP-II. The new Land Law removed an article requiring joint registration of matrimonial property that was included in the 2003 Land Law. Detailed monitoring of land rights registered in women's name (or jointly) has been discontinued after the closing of LTP-II. To reverse this negative trend, the ESLRP will increase the percentage of women having their name on land titles and re-establish the monitoring systems. The following activities will be adopted to achieve these targets: targeting information and awareness campaigns to women, including through the Helvetas and Land Information Working Group (LIWG), supported by a grant from the JSDF, and the LWU; ensuring women participate in the design and implementation of registration activities; systematic collection and recording of gender-disaggregated data on land rights; and training for PONRE and DONRE staff and systematic land registration teams on women's land rights and relevant procedures for women's joint/individual registration. The above activities should help to ensure sustainability of these important interventions. The success of these activities will be measured through the following indicators: (i) land titles or use certificates issued in Lao PDR (disaggregated by titles/certificates, gender and ethnicity); (ii) number of annual land transactions registered (disaggregated by transfers, mortgages, leases and inheritance; disaggregated by gender); (iii) customer satisfaction with land administration services in selected offices (disaggregated by gender); (iv) land titles or use certificates issued in the name of women or jointly in Lao PDR (disaggregated by titles/certificates and ethnicity); and (v) female beneficiaries who participate in public awareness campaigns from total village population.
28. **Climate Co-Benefits and Disaster Resilience.** ESLRP contributes to climate change adaptation and mitigation, as well as to disaster resilience (see also Annex 2 and Annex 3). Losses of property and land records can be a ruinous side effect of disaster events such as floods and storms. Components 1 and 2, and all their subcomponents, will enhance land holders' tenure security, which will help them to feel secure enough to leave their land and property during severe climate disasters, while also ensuring that they can reclaim their property after displacement or apply for adequate compensation or insurance payments. Therefore, formalized and registered land rights reduce loss of land, land grabs and elite capture during and after climate-disasters, which especially rural households are extremely vulnerable to. Furthermore, selling property is a common coping mechanism for households experiencing shortfalls in income caused by extreme events, such as disasters or pandemics¹⁴. Formalizing land tenure gives them the legal right to sell their land, while also potentially increasing its value, thus enhancing adaptive capacity and resilience of households and communities. During project preparation, a spatial prioritization tool was developed with Global Facility for Disaster Reduction and Recovery (GFDRR) funding to target land registration activities to lands with the highest need, such as those in disaster-prone areas. This tool will be used to target systematic land registration works as part of DOL's annual work planning. Secure land tenure also reduces land holders' incentives for encroachment and conversion of existing high-carbon ecosystems, and incentivizes them to engage in long-term investments in climate-smart agricultural practices, forest management and reforestation, all of which are crucial for adaptation and mitigation.¹⁵ Secondly, the *Post-Disaster Needs Assessment of 2018 Floods* argues that without proper mapping and re-establishment of land boundaries after disasters, '*building back better*' will be impossible, and disputes and conflicts are likely to increase. Component 1 contributes directly to this by surveying and recording parcel boundaries, and training the staff for the process; Subcomponent 2.2 converts the coordinates of already surveyed and registered land boundaries to digital format; and Subcomponent 2.3 allows making this data available for disaster recovery and

¹⁴ Government of Lao People's Democratic Republic. Post-Disaster Needs Assessment 2018 Floods, Lao PDR. December 2018.

¹⁵ IPCC, 2019: Summary for Policymakers. In: Climate Change and Land: an IPCC special report on climate change, desertification, land degradation, sustainable land management, food security, and greenhouse gas fluxes in terrestrial ecosystems [P.R. Shukla, J. Skea, E. Calvo Buendia, V. Masson-Delmotte, H.-O. Pörtner, D. C. Roberts, P. Zhai, R. Slade, S. Connors, R. van Diemen, M. Ferrat, E. Haughey, S. Luz, S. Neogi, M. Pathak, J. Petzold, J. Portugal Pereira, P. Vyas, E. Huntley, K. Kissick, M. Belkacemi, J. Malley, (eds.)]. In press.



other agencies. Thirdly, establishing a digital land information system (Subcomponent 2.3) with accurate land records (Subcomponents 1.1 and 2.2) allows for better integration of land-related climate change considerations into spatial, land use, forest and disaster risk management planning as requested by key national climate strategies.^{16,17,18} Fourthly, existing land records and delivery of land administration services are protected from natural disasters through digitizing new (Component 1) and old (Subcomponent 2.2) land records, climate and disaster resilient design and construction of new and renovated land offices (Subcomponent 2.1), and securing the servers maintaining records from natural disasters (Subcomponent 2.3).

29. A key challenge to low-carbon development and climate change adaptation in Laos is its fragmented peri-urbanization, fueled by weak land administration systems. Despite having a comparatively slowly growing urban population, Laos' land consumed by urban growth has increased 37 percent from 2000-2010, having a faster annual growth rate than any other East and Southeast Asian country.¹⁹ As peri-urban growth is often not subject to urban jurisdictions, it escapes the attention of land use planning and growth management, which can lead to uneven infrastructure investment and inconsistent land use permitting. Subsequently, this expansive peri-urbanization has materialized in fragmented patterns, hampering the ability of Laos' urbanization to benefit climate change mitigation.²⁰ The land registration activities (Component 1) of land in peri-urban areas, which has not been subject to a registration program under LTP-I and LTP-II, will fill an important gap in land administration becoming a conducive environment for climate-smart land use planning to lead the path to a low-carbon urbanization scenario. The enhancing of service delivery (Component 2) will cater to the same goal for both already registered peri-urban parcels and those to be registered under the project. In addition, insufficiently planned urbanization and new land uses around Vientiane and down-stream peri-urban cities are likely to exacerbate peri-urban flooding and there is already a growing need to consider alternative safe habitats for populations located in such areas. Future efforts on land-use planning and potential resettlement from flood-prone areas will build on the land registration of Component 1.²¹

C. Project Beneficiaries

30. The primary beneficiaries of systematic land registration will be landholders of primarily rural areas in all 18 provinces of Lao PDR, excluding those living in state forestlands and villages defined in the list of No-go Villages, while the beneficiaries of improved land administration services will also include those in urban areas, peri-urban areas and rural residents who have their land rights already registered. The systematic land registration activities will have three types of beneficiaries: (i) those receiving land titles; (ii) those receiving land use certificates, including those individuals, legal entities and collectives²² with land holdings in state lands; and (iii) those getting their land recorded as possession to the cadastre, including mainly those communal land holders with lands not recognized in Land Law Article 81. Special attention will be paid to the rights of women and vulnerable persons as is possible under the current legal framework. All land holders in state forestlands will be excluded from systematic land registration activities due to the lack of clarity in the legal framework and procedures. However, the policy component of the

¹⁶ Government of Lao People's Democratic Republic. National Adaptation Programme of Action to Climate Change. April 2009.

¹⁷ Government of Lao People's Democratic Republic. Strategy on Climate Change of the Lao PDR. March 2010.

¹⁸ Government of Lao People's Democratic Republic. Intended Nationally Determined Contributions. September 2015.

¹⁹ Schneider, A., Mertes, C. M., Tatem, A. J., Tan, B., Sulla-Menashe, D., Graves, S. J., & Dastur, A. (2015). A new urban landscape in East–Southeast Asia, 2000–2010. *Environmental Research Letters*, 10(3).

²⁰ Hudalah, D., Winarso, H., & Woltjer, J. (2007). Peri-urbanisation in East Asia: A new challenge for planning?. *International Development Planning Review*, 29(4), 503-520.

²¹ EcoLao (2012). Scoping Assessment of Climate Change Adaptation Priorities in the Lao PDR. Regional Climate Change Adaptation Knowledge Platform for Asia, Partner Report Series No. 6. Stockholm Environment Institute, Bangkok. Available online at www.asiapacificadapt.net or www.weADAPT.org.

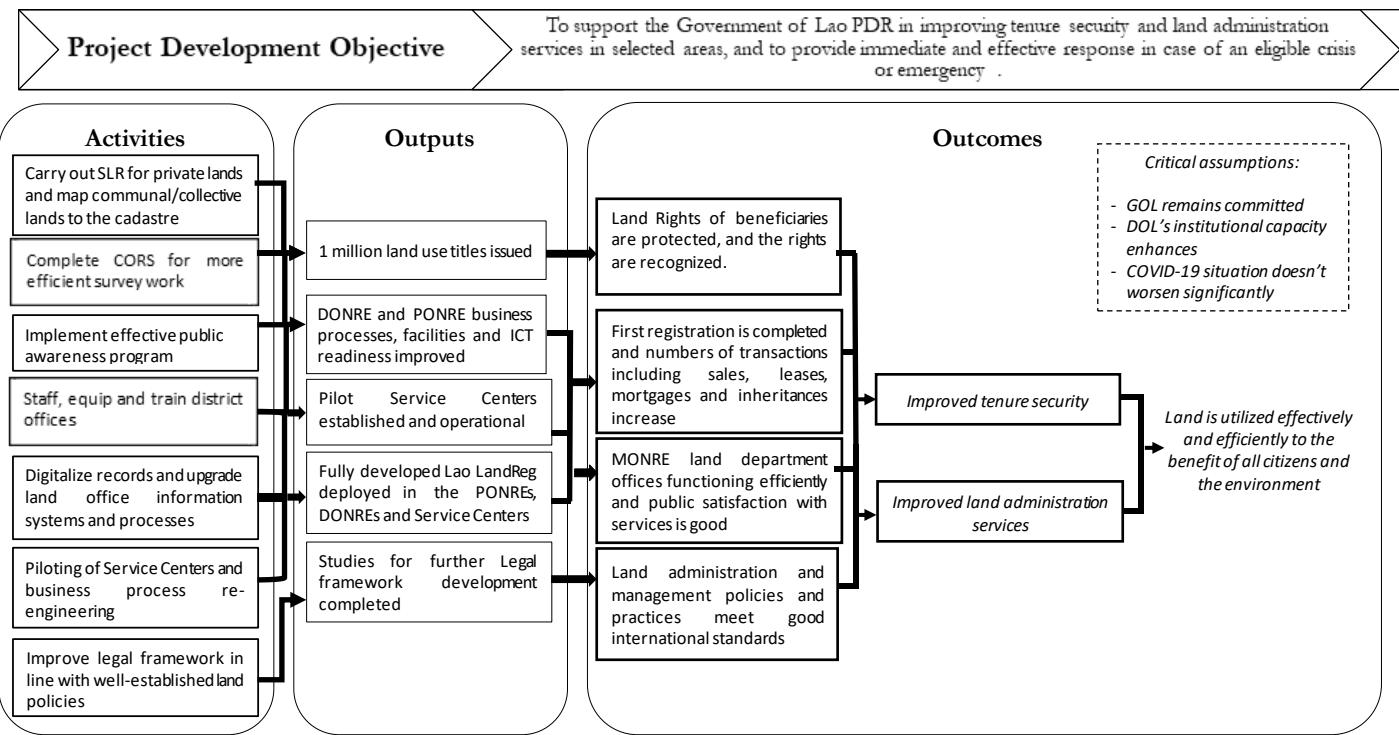
²² Collectives with land holdings under land uses recognized in Land Law Article 81.



project aims to address the limitations of both communal land rights and land rights within state forestlands. Also, a negative list of the No-go Villages (provided in the ESMF), including villages that have been or will be consolidated or resettled within five years from project approval, has been developed to guide the final selection of project villages. Investors will benefit from secure access to real estate, improved access to credit, and improved speed of registration. Additional beneficiaries will include land market professionals (surveyors, lawyers, valuers) and organizations associated with mortgaging (commercial banks), who will benefit from more accurate and accessible real estate data and the ability to provide improved, more informed services to the public. Government institutions and agencies, including MONRE and the Ministry of Finance (MOF), will benefit from increased revenues from land and real estate taxes and fees (e.g., property tax, transfer tax, and transaction fees). Improved land data information will also improve the GOL's ability to provide services. More generally, the Project is expected to benefit the country's population by increasing the capacity to respond to emergencies through CERC.

D. Results Chain

Theory of Change Diagram – Lao PDR: Enhancing Systematic Land Registration Project (P169669)



E. Rationale for Bank Involvement and Role of Partners

31. Value Added of the World Bank Support. The World Bank is uniquely placed to support the GOL in executing the project due to its global experience, financial resources and technical expertise. The World Bank has over forty years of experience in supporting land administration systems and land registration processes around the world and can therefore provide global best practices and knowledge to support project design and implementation. The World Bank has accumulated extensive experience in land administration globally and in the EAP region dating back to the 1980s with the Thai Land Titling Project, and with other Southeast Asian countries since the 1990s. More recent



experience includes the previous First Land Titling Project (LTP-I) and LTP-II projects, ongoing projects in Indonesia, Vietnam and the Philippines. The ESLRP is complemented by the ongoing World Bank executed *Lao PDR: Digitalization of Land Administration* technical assistance grant (TF0B2449, US\$580,000) funded by the Korea-World Bank Partnership Facility (KWPF) and the potential *Securing Customary Tenure in Lao PDR* technical assistance grant under preparation for funding by the Forest Carbon Partnership Fund (FCPF).

32. **SDC co-financing** (US\$6.375 million), blended with IDA, will support: (i) scaling-up systematic land registration; (ii) enhancing beneficiary engagement and handling of grievances; (iii) improving land administration service delivery; (iv) development of policies and regulations related to customary and communal land rights and land rights of those residing in state forestlands; and (v) capacity building and technical assistance to DOL and its regional agencies, all key SDC priorities. The SDC co-financing will also enhance the implementation support provided by the WB, especially on aspects related to ESF implementation.
33. **KfW parallel financing.** KfW is developing the Land Management Project Lao (LMPL, EUR 7 million grant) parallel to ESLRP with an expected implementation period of three to four years (i.e., 2022 – 2025). The LMPL aims to: (i) accelerate land registration in up to four provinces in Northern Lao PDR (Xieng Khouang, Houaphan, Oudomxay, and Sayaboury) and issue about 125,000 titles or use certificates; (ii) improve the service delivery of PONREs and DONREs; (iii) support Lao LandReg development; and (iv) digitize and migrate existing land records to Lao LandReg. The LMPL and ESLRP preparation has been closely coordinated, and they will share the systematic land registration method and the Program Steering Committee, and will have their Project Management Units in the same location. The ESLRP will support LMPL implementation by expanding the CORS network to LMPL target areas and will allow flexible use of survey equipment. The two projects will collaborate in training, public awareness and ESF related activities.
34. **Public Information Awareness and Service for Vulnerable Communities (PIASVC) Project (P170640) funded by a grant from JSDF.** PIASVC with total funding of US\$2.5 million funding from the JSDF was approved on June 30, 2021. The PIASVC project will provide awareness raising services (public information, legal awareness and village-level counseling) on natural resources, land and livelihood rights to the most remote and vulnerable communities in Lao PDR, and will thus complement the ESLRP. The grant will be implemented by Helvetas Swiss Intercooperation (international CSO) and CSO members of the LIWG, which is an umbrella CSO of international and local CSOs working in the land sector of Lao PDR. The approach to engage with CSOs is unique in Lao PDR, where traditionally top-down and centralized approaches have been the norm. To ensure government support and sustainability of PIASVC, field activities implemented by LIWG member CSOs will be conducted in coordination with DOL, Lao Women's Union and Lao National Front for Development. MONRE/DOL will also participate in the PIASVC steering committee and will assign a focal point for the project. DOL will share the ESLRP annual work plan information with PIASVC to ensure that activities of the two projects can be coordinated. It is expected that this grant will be implemented during the first three years of ESLRP implementation.
35. **Other Development Partners.** The land sector is also receiving parallel support from the GIZ, SDC, LuxDev and the Korean Ministry of Land, Infrastructure and Transport. The World Bank has coordinated closely with Development Partners during the preparation of the project to scale-up piloted approaches, align parallel support and avoid the duplication of activities. The GIZ is implementing Land Management and Decentralized Planning 3 (LMDP 3, 2019-2021) and Enhanced Land Tenure Security II (ELTeS II, 2021-2023) projects. The previous LMDP and ELTeS projects have been responsible for developing the systematic land registration approach that is now being scaled-up by ESLRP and LMPL. The LMDP 3 focuses on strengthening the capacity of government officials and other stakeholders in land-use planning and management at the national level, and pilots land-use planning procedures in Xayaboury province.



The GIZ's ELTeS II project will focus on customary tenure rights, land use planning in forest areas and responsible investments on land. The GIZ, SDC and LuxDev funded Mekong Region Land Governance (MRLG) Project is supporting the recognition of customary tenure and responsible agricultural investment in Lao PDR, Cambodia, Myanmar and Vietnam. In Lao PDR, MRLG supports the recognition, formalization and protection of the customary tenure rights of smallholder farmers, local communities and ethnic groups in the forests and in forestlands, including land registration pilots in state forestlands in Khammouane province. The Korean Ministry of Land, Infrastructure and Transport (MOLIT), together with the Korea Land and Geospatial InformatiX Corporation (LX), is also implementing grant projects of US\$4.2 million to: (i) convert analog land records to digital format; (ii) develop the LIS and data sharing; and (iii) reengineer land administration business processes. The Land Sub-Sector Working Group, consisting of government agencies, projects, partners and CSOs, is used as a platform to coordinate the activities of the various projects.

F. Lessons Learned and Reflected in the Project Design

36. The project design incorporates lessons learned from the World Bank's previous land administration engagements in Lao PDR, particularly from LTP-I and LTP-II. These are summarized below.
37. **Public Outreach.** The Implementation Completion and Results Reports (ICRs) for both LTP-I and LTP-II stress the importance of public outreach activities, including the participation of communities, their individual members and their leadership, in raising awareness among beneficiaries of the benefits of participation in a land administration project, as well as their rights and obligations with respect to land management and taxation. Additionally, best practices demonstrate that consultative approaches to policy formulation, together with open and transparent information dissemination, provide the best outlook for achieving project outcomes. Outreach activities from LTP-II clearly demonstrate the benefits of improved consultation, for example in terms of women's access to titles and overall public awareness raising. ESLRP, and the complementary JSDF activities, will continue implementing these lessons from LTP-I and LTP-II by promoting public outreach and information dissemination in order to help project beneficiaries understand their rights upon title issuance under Lao PDR's existing legal framework.
38. **Donor Coordination.** Given the complexity and long-term nature of land institutions, the forging of strong partnerships with a wide range of Development Partners, civil society organizations and academic institutions must be emphasized during land administration projects. Successes under LTP-II can be directly attributed to partnerships with organizations such as LWU and the National Geographic Department (NGD), both of which also benefitted from the project's activities. ESLRP will build on these partnerships, particularly during public outreach and dissemination activities, and will seek to develop partnerships with other institutions, such as the MAF, Helvetas and LIWG, among others. Collaboration with other Development Partners engaging in Lao PDR's land sector, such as GIZ, KfW, SDC and the Korean Ministry of Land, Infrastructure and Transport will also help to ensure that duplication is minimized. ESLRP aims to use the Land Sub-Sector Working Group (LSSWG) as a formal structure for coordination, while also emphasizing informal daily coordination between departments, ministries, donors, projects and other stakeholders.
39. **Government Ownership.** The ICRs for LTP-I and LTP-II highlight that the reform of the land administration system requires decades of capital and human resources and sustained commitment by the Government. The path towards land reform, however, is rarely straightforward, and commitment on the part of authorities is often neither sustained nor consistent. LTP-I demonstrated low commitment of GOL agencies to the Project Steering Committee, which weakened high-level coordination and strategic guidance, while LTP-II demonstrated that greater project benefits could have been leveraged had there been a more stable policy framework and closer engagement between



Development Partners and the GOL. ESLRP will therefore build on and support MONRE's mandate of completing 1.2 million land titles by 2025, as stated in the Eighth NSEDP and Vision 2030. Component 3 will continue to provide support to the development of Lao PDR's policy and legal framework in the land sector as a means of avoiding the problems faced by LTP-II. Close donor coordination and active communication with MONRE will also help to ensure transparency concerning donor activities and help to bolster partnerships between the World Bank, Development Partners and the GOL.

40. **Institutional Development.** One of the challenges that LTP-II faced was consistently overestimating the capacity of staff at MONRE to plan and manage resources to meet the project timetable. Procurement and financial management capacity of MONRE/DOL remained low during the entire project period, partly due to inadequate training. ESLRP has incorporated will therefore provide targeted training to MONRE/DOL staff to help ensure that their capacity to implement and maintain the outcomes and outputs of the project can be sustained upon its completion. The trainings will encompass not only component activities, but also training on fiduciary, financial management (FM), procurement, and Environmental and Social Risk mitigation.
41. **Environmental and Social Standards.** LTP-I faced challenges related to community participation, as described earlier. However, these issues were addressed, and LTP-II was compliant with environmental and social safeguards. Neither LTP-1 nor LTP-2 caused any resettlement, as titling fundamentally confirmed the existing rights of possession of land holders. LTP-II design did not include the provision of land titles to customary lands of ethnic groups, and village profiling was conducted prior to land titling activities to ensure compliance with this design. The main social concerns related to: (i) land holders' use of land titles after registration; and (ii) respect and recognition of people's land rights by investors and developers from both the public and private sectors. Based on these lessons, ESLRP will utilize risk screening before conducting land registration activities, conduct public outreach activities described earlier, and ensure that adequate in-house capacity and human resources are in place for ESF implementation and public consultations. The PIASVC project will provide additional support for public awareness raising and for legal counseling services to poorest and most vulnerable communities on their rights.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

42. Overall implementation and management of the project will be carried out by MONRE/DOL. MONRE/DOL will be responsible for technical supervision, management of procurement, FM, environmental and social risks and impacts, and reporting on the project. This will include: (i) management of project funds; (ii) preparation of financial statements; (iii) organization of project audits; (iv) signing and issuance of procurement notices, advertisements, and contracts with suppliers and consultants; (v) environmental and social risk management; (vi) preparation of, and updates to, the Project Operational Manual (POM); and (vii) compilation of results reports and submission to the World Bank. MONRE/DOL will be responsible for ensuring that the project implementation activities listed above are completed in a timely manner.
43. MONRE/DOL will establish a Project Management Unit (PMU) to support the implementation. The Director General of DOL is responsible for all land projects within the Lao PDR, and as such will be the Project Director. DOL has assigned two Deputy Director Generals (DDG) to be Project Managers (PMs). The two DDGs will give direction to DOL staff at headquarters, the provinces and districts and will manage the PMU. One DDG will be responsible for fiduciary matters, while the other will be responsible for operational aspects. The PMU will hire a Project Coordinator (using



project funds) to work full-time under the direction of the two PMs. The Project Coordinator will be responsible for the daily operations of the PMU and for ensuring good cooperation with other land project teams within MONRE.

44. Through Component 4, the project will support MONRE with overall project management. As indicated above, overall, day-to-day coordination, monitoring of the workplan and procurement plan, M&E, and reporting within and across MONRE will be facilitated by the Project Managers and the Project Coordinator. ESLRP will also hire environmental and social safeguard specialists (including to advise on public communications) for the PMU to provide the technical skills that are currently weak or lacking at MONRE. The project will also finance additional technical staff as needed and as listed in the project description section in Annex 1 for added implementation support.
45. A Program Steering Committee (PSC) will be established at the national level as an advisory body to assist MONRE/DOL in cross-agency coordination and strategic guidance. The existing Steering Committee for the Environmental Protection Fund, that was appointed by the Prime Minister and is chaired by the Minister of MONRE, may also act as the Steering Committee for ESLRP. Besides MONRE and DOL, the Ministry of Planning and Investment (MPI), MOF, NGD, DOF, the Department of Agricultural Land Management of MAF, Lao Women's Union and Lao Front for National Development will be members of the PSC, as well as other government agencies as needed. The Land Sub-Sector Working Group, consisting of government agencies, projects, partners and CSOs, will be used to coordinate and disseminate information among Development Partners and NGOs.

B. Results Monitoring and Evaluation Arrangements

46. MONRE will prepare a POM and submit biannual monitoring tables and progress reports to the World Bank, including the Annual Work and Budget Plan, targets and results, budget, FM plan, and overall Procurement Plan. The formats of these reports will be described in the POM, along with the M&E arrangements. Customer satisfaction surveys to be conducted at the beginning, mid-term and close of ESLRP will provide a venue for citizen engagement and will be an important feedback loop on progress for the project and GOL. The survey results will influence further capacity building efforts at MONRE, and relevant customer suggestions or complaints will inform improvements to registration services. Where there are yes/no indicators, interim checkpoints will be set to monitor progress towards the achievement of the respective indicators.
47. A project GRM will be set up at MONRE to monitor feedback (including appeals) received from beneficiaries, including citizens, specialized users (e.g., surveyors, notaries) and government agencies. The GRM will be supported by an information campaign and training for responsible MONRE staff. MONRE will respond to all feedback and the information gathered will also be used to improve services provided and to mitigate any negative social impacts on individuals. The GRM will increase transparency and accountability, and aims to reduce the risk of potentially adverse, yet unintended, effects on citizens. It will also serve as an important feedback and learning mechanism for improving project impacts.

C. Sustainability

48. Sustainability of project results will be ensured through GOL's enhanced and continued commitment to project implementation, as well as institutional capacity building (including the ability of MONRE to provide land and property information to the Government and private sector in accordance with national laws) coupled with a customer focus and improvements in service delivery. Financial sustainability of the results is aimed to be enhanced by making the land administration system more self-sustaining through fees. ESLRP will also help MONRE to promote



institutional transformation through the development of improved workflows, automated systems and capacity building. Support to the DONREs and Service Centers will ensure the sustainability of the local use of systems and the reduction in numbers of informal transactions, because there will be one local, accessible place for the public to visit.

IV. PROJECT APPRAISAL SUMMARY

A. Technical

49. **Institutional.** The land administration sector is well established, as DOL/MONRE has the mandate for all key land administration functions required for implementing this project. The mandate of geodetic infrastructure lies with NGD under the Ministry of Home Affairs, but DOL has joint Memoranda of Understanding (MOU) and working groups with NGD on technical matters. Thus, significant institutional reforms are not required to ensure the sustainability of the land administration system and the implementation of ESLRP. DOL employs 1,369 land administration professionals at all administrative levels, and has access to a pool of 688 land administration contractors that can be contracted for the project, thus ensuring the availability of adequate human resources for project implementation.
50. **Systematic land registration.** The project design builds on the existing systematic land registration methodology developed by DOL with the support of GIZ. The methodology enables low-cost, fit-for-purpose, efficient and scalable land registration, and is based on international good practice. However, there is a need to streamline processes, reduce costs and digitize workflows to achieve the GOL titling targets, which will be addressed by the project and the KWPF TA. DOL also needs to further develop its approach to map communal and individual lands and integrate ESS related processes to its regular SLR approach. Adequate implementation support resources shall be allocated to monitor these developments. Besides methodological developments, scaling-up systematic land registration to rural areas will also require the recruitment of new contract staff, capacity development, enhancing quality assurance and oversight, and expanding the coverage of the CORS network, which are all addressed in the project. Based on DOL's estimate, there are altogether 1,857,000 untitled land parcels, of which about 512,000 are estimated to be within state forestlands, and thus outside the project²³. The remaining 1,345,000 untitled parcels eligible for titling are sufficient to achieve the project target of 1,000,000 new titles. The MONRE Letter No. 003/2021 to the National Assembly exempts the registration fee for first-time registration, while MONRE Letter No. 1237/2020 to the National Assembly reduces the survey fees (US\$0.011-0.027/m² for construction land and US\$5.35-26.75/parcel for agricultural land smaller than five ha). DOL will also survey, register and prepare titles/use certificates for all eligible lands, regardless of whether the land holders pay the fee or not. However, due to the remaining survey fees, it is likely that some land holders will not collect their titles. Therefore, land titles and use certificates are considered to be issued when they are prepared and printed, regardless of whether the land holder collects them or not.
51. **Land administration service delivery.** MONRE/DOL will improve service delivery by enhancing accessibility to services, re-engineering business processes and digitizing land administration services; these are all measures of international good practice. Under the new Land Law, the responsibility to oversee the registration of land rights is moved from PONREs to DONREs, in order to make services more accessible and responsive to local populations. As there are 148 DONREs and some are quite small, it is planned to establish land administration Service Centers between province and district-levels at some of the larger districts on a pilot basis with project funding to facilitate and improve services. Business process re-engineering will be conducted to enhance the effectiveness of land offices by identifying unnecessary steps and inconsistent execution between offices. The Service Centers may also act as

²³ WB (2019). Technical Note: Assessment of untitled parcels eligible for titling in Laos



'one-stop-shops' for other government services, if agreed. Lao LandReg has been endorsed as the national LIS, and it has been assessed as providing a good basis for further development. However, further testing will be needed to ensure that the system can maintain millions of land records and function effectively in dozens of districts simultaneously. The system will also be rolled out to new PONREs and DONREs, and significant ICT procurement and capacity development program are included into the project to ensure its success. Lessons learned from other projects indicate that LIS developments and roll-out are often challenging, delayed and difficult to implement within five-year projects²⁴. Therefore, adequate implementation support resources will be allocated to follow-up this particular sub-component. The Lao LandReg development and roll-out and business process re-engineering activities are further supported by the KWP TA. Digitalization of the existing paper records is currently under way in DOL, but not systematically, with inadequate equipment and staff resources and without proper standardization of procedures. The project will therefore conduct a Digital Document Management Strategy and outsource the digitization to a professional service provider.

52. **Project Management.** DOL/MONRE's capacity to manage large-scale projects such as ESLRP has not improved since the implementation of LTP-II, when it was also considered inadequate. Progress with implementing the activities and utilizing the funds provided under the Project Preparation Advance has been slow, as dedicated staff were not available and there was a reluctance to use loan funds to hire consultants. The PMU requires additional staffing to fill the technical and project management capacity-related gaps, especially for project management, procurement, FM, training, ESF and certain technical aspects. A significant proportion of SDC grant co-financing will therefore be allocated to key PMU consultants. MONRE and DOL are systematically aiming to enhance their capacity and reduce reliance on external consultants. Therefore, it needs to be ensured that the transfer of skills is emphasized in the Terms of Reference of the PMU consultants and that their need is evaluated on an annual basis.

B. Economic and Financial Analysis

53. At the time of appraisal, LTP-II tried to estimate the economic benefits based on expected increases in the price of urban land covered by systematic titling. The rationale of using the increase in land prices as a proxy for the benefits accruing to land titling is a standard practice^{25,26 & 27}. However, at the time of the project completion it was not possible to attribute the increase in land prices to land titling, as it required data to compare the change in the price of titled land with the change in the price of otherwise identical land that has not been titled. Based on this previous experience, it was decided that the ESLRP economic analysis would estimate the potential economic benefits from: (i) access to lower interest loan enabled by land title as collaterals; and (ii) efficiency from the systematic land registration process.
54. According to De Soto²⁸, more secure and formal tenure rights to a parcel of land will increase the willingness of banks to accept that parcel as collateral for a loan, thereby increasing the owner's access to credit. In Lao PDR, secured lending is based on official land titles as collateral, but because of the limited (or lack of) formal land titling in rural

²⁴ Törhönen, Mika-Petteri (2016). Keys to Successful Land Administration Lessons Learned in 20 Years of ECA Land Projects.

²⁵ Pagiola, Stefano. "Economic analysis of rural land administration projects." Washington, DC: World Bank (1999).

²⁶ Feder, Gershon, and Akihiko Nishio. "The benefits of land registration and titling: economic and social perspectives." Land use policy 15, no. 1 (1998): 25-43.

²⁷ Baird, Ian G., and Philip Dearden. "Biodiversity conservation and resource tenure regimes: a case study from northeast Cambodia." Environmental management 32, no. 5 (2003): 541.

²⁸ De Soto, Hernando. The mystery of capital: Why capitalism triumphs in the West and fails everywhere else. Civitas Books, 2000.



areas, people either do not have access to credit²⁹ or they pay higher interest³⁰. Following Wongpit *et al*³¹, it is estimated that ESLRP will unlock access to loans for project beneficiaries that currently do not have access to formal banking and are required to pay at least 25 percent interest premiums due to the lack of titles as collaterals. Consequently, ESLRP is expected to generate financial savings of US\$19.6 million.

55. Since the finalization of LTP-II in 2010, DOL has been implementing a systematic land registration process using government resources. MONRE has been producing about 100,000 titles per year at an estimated operational cost of US\$21.3 per parcel. ESLRP activities (i.e., modernization of the land administration system) will improve the Systematic Land Registration process by increasing the efficiency of land administration activities, such as surveying, registration, operation of service centers, and transitioning towards digital land administration system. It is estimated that ESLRP activities will reduce the cost of registering a parcel to US\$17 and increase the number of parcels MONRE can register. These efficiencies are estimated to generate cost savings of US\$16.2 million during the project's life.
56. Assuming a five-year implementation and a five-year post-project period as well as a discount rate of 10 percent, the net present value (NPV) of ESLRP is estimated at US\$12.3 million and the internal rate of return (IRR) is estimated at 64 percent. The Project is therefore economically viable.

	Present Value
Expected financial savings from access to lower interest rates loans	\$19.6 million
Expected cost savings from improved systematic registration process	\$16.2 million
Total Project Costs (in present values)	\$23.5 million
Net Benefits	\$12.3 million
Internal Rate of Return (IRR)	64%

C. Fiduciary

(i) Financial Management

57. The Financial Management (FM) capacity assessment confirmed that the FM risks previously identified are still valid, i.e., overall weak FM technical capacity at DOL and at the provincial level; lack of experienced staff; and lack of documented FM procedures and controls. In order to mitigate these risks, DoL will: (i) recruit a qualified and experienced FM consultant for six months to provide support for setting up project FM systems and to provide training to staff assigned by DOL; assign a qualified and experienced DOL or MONRE's Department of Finance staff full time to the PMU to work alongside and be trained by the consultant³²; (iii) recruit qualified accountants to be placed at provincial offices; (iv) have in place a revised and acceptable FM manual to guide staff no later than one

²⁹ The banking formal sector is estimated to made loans to less than 3% of rural households, while the semiformal sector reached 4% of rural households. Coleman, B. E., and J. Wynne-Williams. "Rural finance in the Lao People's Democratic Republic: demand, supply, and sustainability." *Results of Household and Supplier Surveys. Asian Development Bank, Financial Reform and Strengthening Initiative. Manila* (2006).

³⁰ There are many different practices, including microfinancing, loans between households, informal moneylending, or lending based on land titles deeds certified by the Village Head, the so-- called "white border" land certificates. In this form of "soft title" based lending, the interest is higher than in the case with a "hard collateral".

³¹ Wongpit, P., Inthakesone, B., Sisengam, K., Insisiengmait S., and Bouphakaisone, S. (2019). Farmers' access to credit in Lao PDR, NAFRI Research Report, Ministry of Agriculture and Forestry.

³² The staff assigned must be an accounting or finance graduate with at least 5 years of professional experience, experience working with ODA projects, experience using accounting software and good command of English. The Bank team requested that DoL shares the TORs of the positions and CVs of the assigned staff with the Bank team.



month after the credit is declared effective; (v) provide training in FM procedures prior to fund transfers or being made available to provinces or other implementing units; (vi) purchase and install accounting software for recording and producing project financial statements at central and provincial level no later than three months after the credit is declared effective; (vii) ensure that project accounts are audited annually by an independent qualified auditor, who will be contracted no later than six months after credit is declared effective; and (viii) prepare and submit semi-annual interim financial report to the Bank in form and content acceptable to the Bank no later than 45 days after the end of each period. The Bank will assess the capacity of the assigned DOL finance staff prior to the end of the FM consultant's services to determine if staff capacity is sufficient to implement the project. The Bank will also assess during periodic implementation support missions whether the agreed FM arrangements are in place and that expenditures incurred are for intended project purposes.

(ii) Procurement

58. Procurement under ESLRP, including the SDC financed parts, will be conducted in accordance with the requirements set forth or referred to in the World Bank Procurement Regulations for IPF Borrowers dated November 2020 (Procurement Regulations). Approaches to national markets (request for bids and request for quotations) will be carried out in accordance with national regulations, including Lao PDR's Law on Public Procurement, No. 30/NA November 2, 2017; Instruction on Implementation of Law on Public Procurement, No. 0477/NA February 13, 2019; and harmonized bid documents and request for quotations for the procurement of works, goods and non-consulting services agreed with the World Bank.
59. The procurement capacity and risk assessment reviewed the procurement performance of DOL during the implementation of the PPA, and identified the following procurement risks: (i) lack of experience with World Bank procurement procedures, that may lead to delays and non-compliance; (ii) limited allocated time, limited procurement experience and language skill of the assigned project procurement team; (iii) limited contract monitoring, technical and management skills and tools to ensure efficient and timely contract implementation; (iv) limited in-house capacity for international competitive selection and reluctance to hire an international procurement consultant for assistance; (v) lack of capacity to develop technical specifications and Terms of Reference for the CORS network and other technical equipment; and (vi) governance risks associated with conflicts of interest, which may adversely affect the efficiency and effectiveness of project implementation. To mitigate the risks, the following actions have been or will be implemented: (i) procurement training has been provided to DOL's assigned procurement team, including initial training during project preparation by the World Bank, and in-depth on-the-job procurement trainings will be provided by the procurement consultant during project implementation; (ii) DOL will appoint at least two fulltime government staff with English language skills to the project procurement team; (iii) a full-time national procurement consultant and an intermittent international procurement consultant will be hired as soon as possible to provide procurement support to DOL and build capacity during project implementation; (iv) an international project coordinator will be hired to assist DOL in the management of major contracts; and (v) enhanced disclosure of procurement information on the DOL website, including publication of the annual procurement plan and a summary of contract award information for all procurement packages. The residual procurement risk is rated Substantial.

D. Legal Operational Policies**Triggered?**



Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

E. Environmental and Social

60. **Environmental.** The overall Environmental and Social risk is classified as High with Environmental risk is classified as Substantial and Social risk as High. The project will finance construction and renovation civil works; per diem and field equipment for land registration teams; office equipment, and community and worker to support project implementation. ESLRP will not support systematic land registration in any type of state forestland due to the lack of clarity in the legal framework and implementation procedures, but will support the development of the regulatory framework to address this lack of clarity. Environmental risks and impacts are expected from: (i) civil works for construction and renovation, such as transportation of construction material, removal and disposal of top soil from excavation work, construction waste, disturbance to local residents, noise and dust; (ii) health and safety of staff and workers supporting project activities; (iii) generation of solid waste by land registration teams while staying and working in villages; (iv) potential involvement of project personnel in consuming and trading in wildlife and other non-timber forest products (NTFP); (v) community health and safety for those involved in the land titling, such as bush clearance; (vi) exposure to unexploded ordinance (UXO), especially for activities associated with earthwork in provinces along the border with Vietnam (namely Houphanh, Xiengkhouang, Bolikhhamxay, Khammouane, Savannakhet, Saravanh, Sekong and Attapeu); (vii) issues related to the COVID-19 pandemic; and (viii) policy development addressing land registration in the forest lands may create a platform for future expansion of activities in the forestland. These risks and impacts will be managed through proper project design, and the preparation and implementation of related mitigation measures. The mitigation measures, guidelines for their development and procedures for their implementation have been provided in the environmental and social management framework (ESMF).
61. **Social.** The project is expected to deliver a range of social benefits from the systematic land registration process, including economic development and community livelihood improvements. Potential social risks and impacts (direct and indirect) are: (i) the inability to formally register some forms of tenure (e.g., certain types of communal and individual customary rights), which may negatively impact ethnic groups, minorities, and other vulnerable communities disproportionately, since excluding such communities from the benefits of land registration could increase inequality; (ii) registering land in areas with other informal forms of land tenure and customary rights, where such tenure and existing practices are ignored or overruled; and (iii) raising potential disputes between the State and private as well as collective land users, causing access restriction and/or displacement of local land users. Informal settlers in State land and/or private concessions in non-forest areas may face increased pressure regarding the legal status of their occupation, with possible eviction if government agencies and/or concession holders seek to reclaim land ownership; (iv) labor and Gender-Based Violence (GBV) risks related to the temporary influx of workers, mainly land registration staff and field surveyors in rural areas; (v) insufficient public information and awareness among the project's beneficiaries and the weak existing system of grievance redress for land-related issues; (vi) risk of exacerbating gender inequality, if women's rights to land are not systematically protected, for example through joint titling; and (vii) labor and Occupational Safety and Health (OHS) risks associated with the construction and renovation of some buildings to be used for improved land registration work.
62. ESLRP will exclude forest lands from land registration activities. The definition and location of forestlands will be based on the National Forest Inventory of MAF and the Forest Law, 2019. Through survey and mapping exercises at



the local level, ESLRP will identify and map all state, private and collective landholders and the types of land uses of non-forest areas in the selected districts. The project will promote policy dialogue and a process whereby all mapped landholders will be eligible to benefit from the project, even if only some of them receive land title certificates (under the current national land legal framework). In addition, the systematic land registration process will be participatory and transparent, and any claims related to land tenure made during the mapping exercise would be recorded in the project maps and documents.

63. The Environmental and Social Framework (ESF) instruments have been prepared and applied to manage and mitigate project risks and impacts. The following documents were prepared, consulted and disclosed on the WB and the MONRE webpage on June 2, 2021: (i) Environmental and Social Commitment Plan (ESCP); and (ii) a Stakeholder Engagement Plan (SEP), including stakeholder analysis and the project's GRM, while following documents were disclosed on May 12, 2021: (iii) Environmental and Social Management Framework (ESMF); (iv) Labor Management Procedures (LMP); and (v) Ethnic Group Development Framework (EGDF);

V. GRIEVANCE REDRESS SERVICES

64. **Grievance Redress Mechanism.** Communities and individuals who believe that they are adversely affected by a World Bank supported project may submit complaints to existing project-level grievance redress mechanisms or the World Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the World Bank's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of World Bank non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

VI. KEY RISKS

65. The overall risk to achieving the PDO is rated **Substantial**. The risk categories that are rated either High or Substantial are discussed below.³³
66. **Macroeconomic: Substantial.** Lao PDR's macroeconomic situation is challenging, with high fiscal and current account deficits and debt levels, keeping the macroeconomic risk substantial. COVID19 has further challenged the macroeconomic situation with declining growth and increasing fiscal deficit and debt level. These risks are partly mitigated by the government's announced fiscal consolidation through stronger revenue collection and continued control over spending. These efforts may impact project implementation through lack of MOF's support for sustained reduction and/or exemption of registration fees, establishment of service centers and overall tight control over expenditures. These risks will be mitigated by including MOF to the PSC and emphasizing the land administration sectors potential for financial self-sustainability.

³³ This section discusses the principal risk elements and the corresponding risk management measures of only those risk categories that are rated Substantial or High (per the Agile Template).



67. **Sector Strategies and Policies: Substantial.** All the decrees, regulations and other normative documents guiding the implementation of the 2020 Land Law are still pending. ESLRP's technical investment agenda can advance in parallel while these documents are prepared, but achieving its long-term goals and maximizing its impact will require some of these regulations (especially the decrees defining how customary and communal lands will be surveyed, mapped, registered and titled) being developed early on during project implementation. Component 3 will provide support to the new policies, legislation and regulations on these issues, and additional technical assistance will be provided by the World Bank in coordination with other Partners (SDC, GIZ, KfW, FAO).
68. **Technical Design of Project or Program: Substantial.** The technical design of the project has been developed in consultation with key stakeholders and independent experts, and builds on lessons from past and ongoing World Bank operations (see Lessons Learned). Continued consultations, technical assistance, and hands-on implementation support will drive revisions of the project design as necessary throughout project implementation.
69. **Institutional Capacity for Implementation and Sustainability: High.** DOL/MONRE lacks capacity, especially on FM, procurement and overall management of the project, and have been unable to address these capacity limitations during the PPA. This risk will be mitigated through the establishment of a PMU with adequate expertise. SDC co-financing will be used to recruit TA consultants to the PMU. Targeted training will be provided to DOL/MONRE staff throughout project implementation, and additional hands-on implementation support will be provided by the World Bank. The PSC has been established for cross-agency coordination and LSSWG will be used for broader coordination in the land sector.
70. **Fiduciary: Substantial.** The risks in FM and procurement are substantial due to the limited capacity and language skills, as well as the inadequate internal control environment. To mitigate these risks, the project management will: (i) approve the recruitments of procurement and FM consultants at the central level; (ii) appoint additional skilled full-time government officers to the project procurement and finance teams; (iii) adopt computerized systems for procurement, accounting and reporting; and (iv) provide support to strengthen internal and external control through training and capacity development, as well as internal and external audits.
71. **Environment and Social: High.** Environmental risk is classified as Substantial and Social risk is rated High. Issues related to environmental aspects include the generation of solid waste by project staff while staying and working in villages, induced impacts from construction and renovation, impacts on community health and safety in the participating villages, and Unexploded Ordinance (UXO) in some project areas. The systematic land registration process can affect some vulnerable land users and encroachers, including women and ethnic groups, if proper mitigation measures are not taken. Forestlands will be excluded from the project. The systematic land registration process will apply an inclusive approach, promoting a process where all the mapped landholders will be eligible to benefit from this project. Those land holdings not eligible for titles or use certificates will still be recorded to the cadaster as possessions to improve their tenure security. Public awareness campaigns will be conducted to engage all beneficiaries and stakeholders of systematic land registration and a robust GRM system will be established based on the existing national system. The mandatory documents were prepared, consulted and disclosed, and will be used to develop assessments and instruments to address and mitigate the identified risks.
72. **Stakeholders: Substantial.** ESLRP requires cooperation among numerous stakeholders, including the central and provincial governments, customary institutions and communities with limited social, economic and political empowerment. Local elites and private sector actors benefitting from the status quo may attempt to undermine



reforms. This risk will be mitigated through the development and implementation of an SEP that will promote inclusive dialogue between all actors involved in the systematic land registration process, and an extensive public awareness program engaging the beneficiaries and stakeholders at the local level early on.

73. **Other Risks (Impact of COVID-19 on project implementation): Substantial.** The COVID-19 pandemic may impact the project through: (i) restrictions in organizing large trainings, workshops or public awareness meetings; (ii) supply problems of ICT, CORS and survey equipment, and vehicles; and (iii) travel restrictions that make implementation of field activities, recruitment of international consultants, and organization of implementation support missions difficult. DOL will prioritize development of plans, strategies, TORs, bid documents, training programs and other activities not requiring field work or import of equipment during the initial months of implementation. The WB and DOL will continue virtual meetings to provide implementation support.

**VII. RESULTS FRAMEWORK AND MONITORING****Results Framework**

COUNTRY: Lao People's Democratic Republic
Enhancing Systematic Land Registration Project

Project Development Objectives(s)

The objective of the project is to support the Government of Lao PDR in improving tenure security and land administration services in selected areas, and to provide immediate and effective response in case of an eligible crisis or emergency.

Project Development Objective Indicators

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Improving tenure security							
Land titles or use certificates issued in Lao PDR (disaggregated by titles/certificates, gender and ethnicity) (Number)		1,514,831.00	1,650,000.00	1,850,000.00	2,050,000.00	2,250,000.00	2,500,000.00
Coverage of cadastral index maps showing all land holdings, including communal lands. (Hectare(Ha))		0.00	337,500.00	787,500.00	1,237,500.00	1,687,500.00	2,250,000.00
Improving land administration services							
Number of annual land transactions registered, excluding first time registration (disaggregated by transfers, mortgages, leases and		36,780.00	37,000.00	38,000.00	41,000.00	44,000.00	48,000.00



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
inheritance; disaggregated by gender) (Number)							
Customer satisfaction with land administration services in selected offices (disaggregated by gender) (Text)	n/a				3.50		4.00

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Systematic Registration of Land Use Rights							
Land titles or use certificates issued in name of women or jointly in Lao PDR (disaggregated by titles/certificates and ethnicity) (Percentage)		38.43	39.00	40.00	41.00	42.00	42.50
Number of Continuously Operating Reference Stations (Number)		22.00	22.00	38.00	38.00	77.00	77.00
Beneficiaries who participate in public awareness campaigns (disaggregated by ethnicity) (Percentage)		50.00	54.00	58.00	62.00	66.00	70.00
Female beneficiaries who participate in public awareness campaigns from total village population		28.50	30.50	32.50	34.50	36.50	37.50



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
(Percentage)							
Average cost of issuance of new land title (Amount(USD))	25.00	25.00	25.00	20.00	20.00	17.00	
Individuals within SLR teams trained (Number)	0.00	300.00	600.00	700.00	750.00	780.00	
Modernization of Land Administration and Service Delivery							
Titles or use rights in digital land information system (Lao LandReg) (Number)	482,233.00	630,000.00	930,000.00	1,240,000.00	1,550,000.00	1,920,000.00	
Districts with digital land information system (Lao LandReg) operational and in systematic use (Number)	26.00	30.00	45.00	60.00	80.00	100.00	
Number of old paper land records scanned, linked to Lao LandReg and archived. (Number)	59,000.00	59,000.00	160,000.00	270,000.00	380,000.00	500,000.00	
Number of pilot service centers established, staffed and operational (Number)	0.00	0.00	1.00	2.00	2.00	2.00	
Time taken to register a simple land transaction (Days)	28.00	26.00	23.00	20.00	17.00	15.00	
Number of institutions with online link to LaoLandReg (Number)	0.00	0.00	1.00	2.00	3.00	4.00	
Income generation to government through DOL (excluding first registration fees) (Amount(USD))	85,000.00	95,000.00	110,000.00	125,000.00	140,000.00	160,000.00	
Implementation, Policy and Legal Framework Development							



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Regulations or studies amended or produced (Number)	0.00	1.00	2.00	3.00	4.00	5.00	
Normative documents (sub-legislation, decrees, instructions or regulations) on i) customary tenure registration; and ii) land registration in state forestlands issued (Number)	0.00	1.00	2.00	2.00	2.00	2.00	
Project Management							
Project Management rated as Satisfactory (Yes/No)	No	Yes	Yes	Yes	Yes	Yes	Yes

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Land titles or use certificates issued in Lao PDR (disaggregated by titles/certificates, gender and ethnicity)	This indicator will measure the number of properties and land parcels in Lao PDR that have received land title or use certificate. Land titles and use certificates are considered to be issued when they are prepared and printed, regardless if the	Every 6 months	Lao LandReg. Progress reports provided by DOL, PONREs and DONREs.	Extract from Lao LandReg or DOL, PONRE and DONRE progress reports.	DONREs/PONREs/DOL



	land holder collects them from DONRE or not. The information on ethnicity is not available in Lao LandReg and must be collected through other means, such as reports of the mobile units or DONREs. The ethnicity information is not expected to be collected in the first year of project implementation.				
Coverage of cadastral index maps showing all land holdings, including communal lands.	This indicator shows the coverage of the cadastral index maps prepared in the project. The indicator measures the mapped land holdings, including those tenure forms not receiving legal land titles or land use certificates to improve also their tenure security.	Every 6 months	Cadstral Index maps	DOL Land Information System extract of the digital cadastre	DOL/MONRE
Number of annual land transactions registered, excluding first time registration (disaggregated by transfers, mortgages, leases and inheritance; disaggregated by gender)	The indicator measures the increase in land administration service delivery in Lao PDR. The data will be disaggregated by transfer, mortgages, leases and inheritance. The baseline data is based on 2019 information from all provinces, except	Every 6 months	DOL Land Information System / PONRE reports	DOL Land Information System extract / PONRE report extract	PONREs



	Phongsaly, Luangnamtha, Khammouane and Salavan due to lack of data provided to central level.				
Customer satisfaction with land administration services in selected offices (disaggregated by gender)	This indicator will measure the level of customer satisfaction with (subsequent) land administration services in selected offices. The indicator will be measured with a scoring from 1 to 5. This indicator is proposed to be used as the citizen engagement indicator of the project.	Baseline survey at year 1, mid-term survey year 3 and final survey year 5	Dedicated survey by DOL	Customer Satisfaction Surveys	PMU

Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Land titles or use certificates issued in name of women or jointly in Lao PDR (disaggregated by titles/certificates and ethnicity)	This indicator will measure the percentage of female or jointly received land titles or use certificates issued in Lao PDR between 2022-2026. Baseline is based on Lao LandReg information from 2018-19. Land titles and use certificates are considered to be issued when they are	Annually	DOL Land Information System and PONRE/DON RE progress reports.	Extract from DOL Land Information System and PONRE/DONRE reports.	PMU



	prepared and printed, regardless if the land holder collects them from DONRE or not. The information on ethnicity is not available in Lao LandReg and must be collected through other means, such as reports of the mobile units or DONREs. The ethnicity information is not expected to be collected in the first year of project implementation.				
Number of Continuously Operating Reference Stations	This indicator will measure the number of CORSs in Lao PDR under the mandate of DOL.	Annually	PMU progress reporting	PMU progress monitoring	PMU
Beneficiaries who participate in public awareness campaigns (disaggregated by ethnicity)	This indicator measures the number of beneficiaries participating in the project public awareness campaigns.	Every 6 months	PMU progress reporting	PMU progress monitoring	PMU
Female beneficiaries who participate in public awareness campaigns from total village population	This indicator measures the percentage of female beneficiaries participating in project public awareness campaigns.	Every 6 months	PMU progress reporting	PMU progress monitoring	PMU
Average cost of issuance of new land title	This indicator will measure the average cost of issuing a new land title.	During MTR and Project Completion	MTR and Project Completion Reports	Extract from MTR and Completion Reports	PMU



Individuals within SLR teams trained	This indicator measures the number of government and contract staff trained in SLR processes.	Every 6 months	PMU reporting	Training reports	PMU
Titles or use rights in digital land information system (Lao LandReg)	This indicator will measure the number of titles or land use certificates recorded in the digital land information system as an outcome of first-time registration and digitization of existing documents.	Every 6 months	DOL Land Information System	DOL Land Information System extract	PMU
Districts with digital land information system (Lao LandReg) operational and in systematic use	This indicator measure the number of districts where Lao LandReg is fully operational and in systematic use. Systematic use refers to use where Lao LandReg is used in both first-time registration and subsequent registration. It also means that the data is frequently updated to central level database directly or via the provincial database. Baseline is formed by the districts of Houaphan, Luang Namtha and Xaignabouly.	Every 6 months	PMU progress reporting	PMU progress monitoring	PMU
Number of old paper land records scanned, linked to Lao LandReg and archived.	This indicator measures the number of land titles or use certificates that are	Annually	PMU progress reporting	PMU progress monitoring	PMU



	scanned, linked to the land parcel in Lao LandReg and archived.				
Number of pilot service centers established, staffed and operational	This indicator measures the number of pilot land administration services centers established, staffed and operational.	Every 6 months	PMU progress reporting	PMU progress monitoring	PMU
Time taken to register a simple land transaction	The indicator measures days taken to do simple land transaction based on WB's Doing Business Registering Property Indicator. Definition of 'simple land transaction' is defined also by the DB Indicator.	Annually	WB's Doing Business Report	Independent data collection for the WB Doing Business Report	WB
Number of institutions with online link to LaoLandReg	The indicator measures number of institutions with online link to Lao LandReg outside DOL.	Annually	PMU Progress Reporting	PMU progress monitoring	PMU
Income generation to government through DOL (excluding first registration fees)	The indicator measures amount of annual income generated to the government by DOL through land administration fees excluding first-time registration fees.	Annually	DOL Land Information System and PMU progress reporting	DOL Land Information System extract and PMU progress monitoring.	PMU
Regulations or studies amended or produced	This indicator measures the number of official regulations amended or studies produced as an outcome of the project	Annually	PMU progress reporting	PMU progress monitoring	PMU



Normative documents (sub-legislation, decrees, instructions or regulations) on i) customary tenure registration; and ii) land registration in state forestlands issued	The indicator measures normative documents (sub-legislation, decrees, instructions or regulations) developed for i) customary tenure registration; and ii) land registration in state forestlands.	Annually	PMU Progress Reports	PMU progress monitoring	PMU
Project Management rated as Satisfactory	This indicator measures the rating of project management	Every 6 months	World Bank Implementation Status Reports	WB	World Bank

**ANNEX 1: Implementation Arrangements and Support Plan****Project Institutional and Implementation Arrangements**

1. MONRE/DOL will be responsible for overall implementation and management of the project. The Director General of DOL will have overall responsibility as the Project Director, with a project management team consisting of four Deputy Directors General to manage different aspects of the entire program of land reform, of which ESLRP is a part. Two of the deputies have specific responsibility for ESLRP: one for overall project performance and the other for administration and management, focusing on fiduciary matters and monitoring. MONRE/DOL will establish a Project Management Unit (PMU) that will report to the deputies; this will be a joint unit made up of the company that will be hired by KfW under its project and additional specialists hired under funding from ESLRP.
2. DOL staff at headquarters, the provinces and districts will be fully engaged in all project activities under the direction of the Project Director and his deputies. A team from GIZ is working in one province in the north and is also focusing on the development of the Lao LandReg. A project to be funded by KfW will focus on four more provinces in the north, and a firm hired by KfW will be responsible for its implementation. This firm will have a team leader and a specialist with expertise in cadastre, GIS, IT and safeguards. A Project Coordinator (who is also a land registration specialist) will be hired using ESLRP funds and will oversee experts responsible for monitoring and evaluation, safeguards, public awareness, training, financial management and procurement. The Project Coordinator will closely coordinate with team leaders from other projects in order to ensure that all project targets and outcomes are jointly achieved and to oversee PMU staff on a daily basis. He/she will report to the project management team described above.
3. MONRE/DOL will be responsible for technical supervision, management of procurement, FM, environmental and social risks and impacts, and reporting on the project. This will include: (i) management project funds; (ii) preparation of financial statements; (iii) organization of project audits; (iv) signing and issuance of all procurement notices, advertisements, and all contracts with suppliers and consultants; (v) environmental and social risk management; (vi) preparation of, and updates to, the Project Operational Manual (POM); and (vii) compilation of results reports and submission to the World Bank.
4. Through Component 4, the project will support MONRE in overall project management via a PMU that will be housed under DOL. Day-to-day coordination, monitoring of the workplan and the procurement plan, M&E, and reporting within and across MONRE will be facilitated by the Project Managers and the PMU. ESLRP will also hire ESF specialists (including to advise on public communications) to provide the technical skills that are currently weak or lacking in MONRE. The project will also finance additional technical staff as needed (and as listed in the project description section) to provide additional implementation support. The extent of facilitation support needed will be assessed and determined by MONRE.
5. A Program Steering Committee (PSC) will be established at the national level as an advisory body to assist MONRE/DOL in cross-agency coordination and strategic guidance. Besides MONRE and DOL, the Ministry of Planning and Investment (MPI), MOF, NGD, DOF, the Department of Agricultural Land Management of MAF, the Lao Women's Union and the Lao Front for National Development will be requested to join the PSC, as well as other government agencies as needed. The PSC will meet once every quarter. The steering committee for the Environment Protection Fund, which was appointed by the Prime Minister and is chaired by the Minister of MONRE, may be asked to include ESLRP in their mandate. The Land Sub-Sector Working Group will be used to coordinate and disseminate information



among Development Partners and NGOs.

6. **Institutional.** Lao PDR's land administration sector is well established institutionally, as DOL/MONRE has the mandate for all key land administration functions (surveying, registration and valuation) required for implementing the project. The mandate of geodetic infrastructure lies with NGD under the Ministry of Home Affairs, but DOL has joint MOUs and working groups with NGD on technical matters. Significant institutional changes are therefore not required to ensure sustainability of the land administration system and the implementation of ESLRP. The PSC will be established for cross-agency coordination. DOL employs land administration professionals and has access to a pool of land administration contractors that can be employed as contract staff for the project, thus ensuring the availability of adequate human resources for project implementation.

Financial Management

7. **Staffing.** A finance team at DOL will be responsible for the project's financial management. Recruitment of a short-term (for six months) qualified and experienced FM consultant is an effectiveness condition for the credit. For internal capacity building purposes, DoL will assign qualified and experienced staff to work alongside and be trained by the FM consultant. The staff assigned must be an accounting or finance graduate with at least five years of professional experience, experience working with ODA projects, experience using accounting software and with a good command of English. The Bank team will reassess the capacity just before the end of the FM consultant services. Should the assessment indicate inadequate capacity, DOL will consider an extension of the consultancy services or hire a full-time FM consultant. DOF will continue to be responsible for review and approval of payments. The project will hire an accountant to be placed at each participating province. These accountants should be on board prior to the flow of funds to the provincial project offices. The Terms of reference for all FM/accounting positions shall be reviewed and cleared by the Bank team. The responsibilities of each party will be documented in the FM manual (FMM). The FMM used under the PPA will be revised for use in this project. The revised FMM shall be in place and approved by the Bank prior to credit effectiveness.
8. **Budgeting and Planning.** DOL will be responsible for consolidating the annual project budget based on the project's approved annual workplan. Each province and service unit will prepare and submit its workplan and budget to DOL for review and consolidation. The budget shall be broken down into budgets for subcomponents/components, listing activities related to each subcomponent/component and by different sources of funds financing the project. The project annual budget and workplan shall be submitted to the World Bank for no objection by November each year. Details of the template, the timeline for preparation and approval of the annual project budget, including review and revision, will be elaborated in FMM.
9. **Accounting Policies, Procedures, and Internal Controls.** Cash basis of accounting will be used by the project. The project will follow generally accepted accounting principles that apply to ODA financed projects in the Lao PDR, as there is no national standard and IPSAS Cash is not fully implemented. The project will purchase an accounting software for use at the central and provincial levels, and have it installed and ready for use no later than three months after credit effectiveness. Staff at the central and provincial levels shall be trained in the use of the accounting software, and FM staff at DOL will be responsible for ensuring that the financial data is up to date. FM policies and procedures, including internal controls to be used under this project, will follow the relevant sections of the FM Manual. Original supporting documents will be retained where transactions occur.
10. **Fund Flows and disbursement arrangements.** The same designated account (DA), denominated in US Dollars,



opened for the PPA will be retained to receive funds from IDA and SDC. The DA will have a variable ceiling. Funds advanced to the DA shall be based on a six-monthly cash forecast prepared for the different sources of funds after Bank approval. Reporting on the use of funds from the DA shall be quarterly, based on the Statement of Expenditure (SOE). Disbursement methods applicable to this project shall include advance, reimbursement, direct payment and special commitment. The minimum value for reimbursement, direct payment and special commitment shall be US\$200,000 (or equivalent) for each source of financing.

11. Funds will be disbursed against the following disbursement categories:

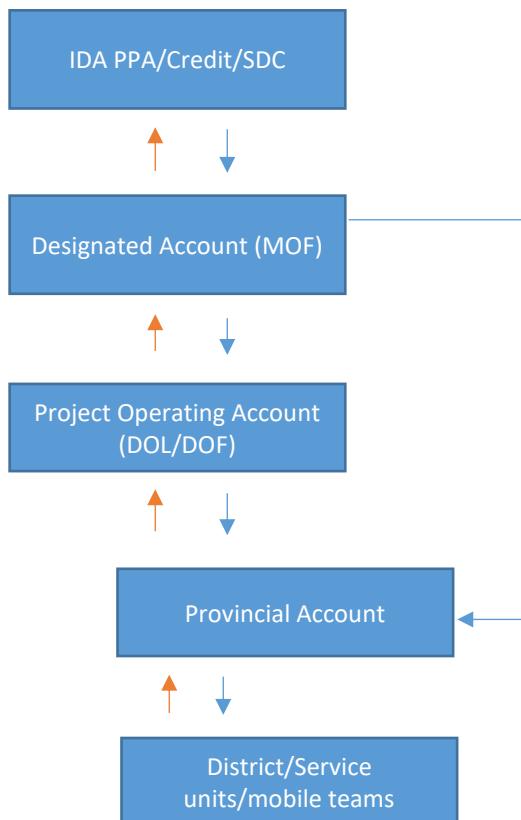
Expenditure Category	Amount of IDA Credit Allocated (US\$)	Amount of SDC Grant Allocated (US\$)	Percentage of IDA Expenditure to be Financed (inclusive of taxes)	Percentage of SDC Expenditure to be Financed (inclusive of taxes)
Civil works and goods (vehicles, motorbikes, CORS, UAVs, office equipment, furniture, and filing cabinets)	3,731,800	0	100	0
Consulting services under Part 4 of the Project (excluding costs for audits, short term consultants, and mid-term and final reviews)	0	1,980,000	0	100
Consulting services under Parts 1-3 and Part 4 (only for costs for audits, short term consultants, and mid-term and final reviews under Part 4), Training and Workshops, Operating Costs, and other goods (except for vehicles, motorbikes, CORS, and UAVs, office equipment, furniture, and filing cabinets)	18,768,200	4,395,000	81	19
Refund of Preparation Advance	2,500,000	0	100	0
Emergency Expenditures under Part 5	0	0	100	0
Total	25,000,000	6,375,000		

12. **Operating costs.** Reasonable expenditures directly related to the project that are incurred by the recipient (which expenditure would not have been incurred in the absence of the project), including expenditures on contract staff salaries, travel, lodging and per diems, office supplies, translation services, advertising costs, communication services (internet, telephone, postage/courier), bank fees and charges, routine repairs and maintenance of project



equipment and vehicles, vehicle insurance, cost of contracted staff directly supporting the project, but excluding consulting fees, salaries, bonuses, fees, and honoraria or equivalent payments of members of the recipient's civil service.

13. The project will have a **Disbursement Deadline Date** (final date on which IDA will accept applications for withdrawal from the Recipient or documentation on the use of Credit proceeds already advanced by IDA) of four months after the Closing Date of the project. Expenditures incurred between the Closing Date and the Disbursement Deadline Date are not eligible for disbursement. All documentation for expenditure forwarded to IDA for disbursements will be retained and be made available to the external auditors for the annual audit, and to the IDA and its representatives if requested. In the event that the auditors or the IDA implementation support missions find that disbursements made were not justified by the supporting documentation or are ineligible, IDA may, at its discretion, require the Borrower to: (i) refund an equivalent amount to IDA; or (ii) exceptionally, provide substitute documentation evidencing other eligible expenditures.
14. At central level, an Operating Account (OA) opened during the PPA shall continue to be used to facilitate day to day operations and emergency needs of the project. Each provincial office shall also open an OA to facilitate funds flow to implement activities at provincial, service unit and district levels. Service units and districts will receive advances to carry out activities. The detailed requirements and procedures for requesting and reporting on the use of funds from the OA at each level will be elaborated in the FMM.
15. Funds advanced to and reporting are depicted in the following diagram.





16. **Financial Reporting and Audit arrangements.** The project will follow the GoL fiscal year (January to December). Staff and consultants at DOL will be responsible for preparing the Interim Unaudited Financial Reports (IFRs). The IFRs will report on receipts, expenditures and fund balances for all sources of funds financing the project, in accordance the reporting format agreed with the World Bank. Each IFR will cover a period of six months. The IFR will be submitted to the World Bank no later than 45 days after the end of each six-monthly period in the agreed format. The Project's receipts and expenditures shall be audited annually by an independent qualified auditor under Terms of Reference acceptable by the Bank. The auditor shall be recruited no later than six months after credit effectiveness. The audit report and the management letter shall be submitted to the Bank no later than six months after the end of each fiscal year or a specified date notified by the Bank. The audit report shall be disclosed to the public in accordance with the World Bank's Access to Information Policy.
17. **Supervision Plan.** Implementation support and supervision of project financial management will be performed at least twice a year. The review will also include random reviews of financial transactions. Where possible, the financial transaction review will be conducted as a joint review with procurement. The project's financial management risks will be assessed at each review and will influence the frequency of subsequent supervision.

Procurement

18. Procurement under all sources of funds financing ESLRP will be conducted in accordance with the requirements set forth or referred to in the World Bank Procurement Regulations for IPF Borrowers document dated November 2020 (Procurement Regulations). Approaches to national markets (request for bids and request for quotations) will be carried out in accordance with national regulations, including the Lao PDR Law on Public Procurement, No. 30/NA November 2, 2017, Instruction on Implementation of Law on Public Procurement, No. 0477/NA February 13, 2019, and harmonized bid documents and request for quotations for procurement of works, goods and non-consulting services agreed with the World Bank. For procurement involving the international market, the World Bank's standard procurement documents will be used. The World Bank planning and tracking system, STEP, on the use of which DOL staff have already been trained, would be used to communicate all procurement requests and information to the World Bank.
19. **Procurement capacity and risk assessment.** Procurement risk is assessed as Substantial. A procurement capacity and risk assessment reviewed the procurement performance of DOL during the implementation of the PPA. The following procurement risks have been identified: (i) lack of experience with World Bank procurement procedures that may lead to delays and non-compliance; (ii) limited allocated time, limited procurement experience and language skill of the assigned project procurement team; (iii) limited contract monitoring and technical and management skills and tools to ensure efficient and timely contract implementation; (iv) limited in-house capacity for international competitive selection and reluctance to hire an international procurement consultant for support; (v) lack of capacity to develop technical specifications and Terms of Reference for the CORS network and other technical equipment; and (vi) governance risks associated with conflicts of interest, which may adversely affect the efficiency and effectiveness of project implementation. To mitigate the risks, the following actions have been agreed: (i) procurement training has been provided to DOL's assigned procurement team, including initial training during project preparation by the World Bank, and in-depth on-the-job procurement trainings will be provided during project implementation by the procurement consultants; (ii) DOL will appoint at least two fulltime government staff with English language skills to work in the project procurement team; (iii) a full-time national procurement consultant and an intermittent international procurement consultant will be hired as soon as possible to provide procurement



support and capacity building to the DOL during project implementation; (iv) an international project advisor will be hired to assist DOL with the management of the major contracts, including key performance indicators to allow for the monitoring of performance and addressing issues that arise in the course of contract implementation; and (v) enhanced disclosure of procurement information, including publication of the annual procurement plan and a summary of contract award information for all procurement packages on the DOL website.

20. **Procurement strategy and procurement approach.** DOL has prepared a Project Procurement Strategy for Development (PPSD) for ESLRP with support from the World Bank team; the document is available in separate project files. The PPSD includes the rationales for procurement decisions, including selection of the approach to market and procurement methods. The PPSD and ESLRP's Procurement Plan will be regularly updated as appropriate during project implementation.
21. The PPSD identified the ICT equipment (US\$2.29 million), CORS network (US\$1.74 million), survey equipment (US\$1.58 million) and vehicles (US\$1.18 million) as the major procurement activities likely to be of interest to the international market. There is one non-consulting service for scanning and digitizing existing land records (US\$500,000). Market research as part of the PPSD showed that there are sufficient potential suppliers/contractors in the country with the capacity to supply these types of goods and non-consulting services. It is therefore proposed to use a request for bids method for contracts that cost US\$600,000 and above, the national market approach for contracts between US\$100,000 and US\$600,000 and the request for quotations method with a national market approach for contracts worth less than US\$100,000.
22. The other portion of the project budget will finance procurement for office renovations and construction for PONRE, DONRE offices, server rooms and Service Centers all over the country (total amount: US\$1.67 million). The market research as part of the PPSD showed that there are sufficient potential local contractors in the country with the capacity for these types of works. The project sites are scattered, so international construction firms are unlikely to participate. It is therefore proposed to use the request for bids method for contracts, with the national market approach for contracts worth between US\$200,000 and US\$2 million, and the request for quotations method with a national market approach for contracts worth less than US\$200,000.
23. Consulting services under the project are relatively small assignments, such as the contracts for Land Registration System Development and Improvements (US\$200,000), private sector survey pilots (US\$250,000), Business Process Re-engineering and Service Center assessment (US\$150,000), development of ICT Strategy (US\$100,000), development of Digital Document Management Strategy (US\$75,000), mid-term and final review consultation (US\$60,000), and Financial Audit (US\$125,000). Most of the other consulting assignments that are small-scale, with cost estimates below US\$300,000 for international and national technical expertise. The PPSD analysis concluded that most small consulting services could be carried out by international and national consulting firms and will be considered as appropriate using the Selection Based on the Consultants' Qualifications selection method. For contracts with individuals for some positions that do not require international experience and for which there are individuals with the qualifications and experience in the national market, the national approach would be used.
24. **Procurement Plan.** Based on the PPSD, an initial Procurement Plan covering the first 18 months of project implementation has been developed. The initial Procurement Plan will be available as a separate project document that will be updated at least annually, or as needed, to reflect the current status of implementation of each procurement activity/contract or to modify/delete or add activities/contracts. Updates of the Procurement Plan will be submitted to the World Bank for its review and approval before implementation. Contracts below the prior-review



thresholds as captured in the approved Procurement Plan shall be subject to post-review by the World Bank team on an annual basis, in accordance with the procedures set forth in the Procurement Regulations. The sampling rate of post-review is at least 10 percent of the total World Bank-financed contracts awarded across the World Bank portfolio that have not been subject to prior review by the World Bank.

Strategy and Approach for Implementation Support

25. The Implementation Support Plan (ISP) describes World Bank support for the implementation of the risk mitigation measures identified in the Systematic Operations Risk-rating Tool (SORT) and will provide the technical advice necessary to facilitate the implementation of project activities for achieving the PDO. The main objective of the ISP is to ensure the timely award of contracts and the quality of consultants' outputs, including timely review and decision-making on outputs by MONRE, effective knowledge transfer, and adherence to the implementation schedule. The ISP also identifies the minimum requirements to meet the World Bank's fiduciary obligations. Emphasis will be placed on upstream reporting, auditing and accountability, and technical compliance measures to ensure the early detection and remedy of problems.
26. MONRE will prepare and submit to the World Bank a detailed project implementation progress report on a biannual basis, which will provide the status of project activities and identify implementation issues. These reports, combined with site visits, will be used as the basis for undertaking substantive reviews of implementation progress and reaching agreement with the MONRE on: (i) the outcome of the reviews; (ii) project areas requiring strengthening and more targeted capacity building; (iii) approaches for the resolution of implementation issues; and (iv) revision of the implementation schedule and verification of the consistency between project activities as planned and the financing plan, as needed. MONRE will also submit at the end of the calendar year for World Bank No Objection an annual work plan, updated budget, training and procurement plan for the following year.
27. The World Bank's project team will provide timely and effective implementation support through a combination of regular supervision and liaison with the client from the Washington office (via audio/video) and semi-annual implementation support missions in-country. Key members of the World Bank's team, including the FM, social and environmental specialists, are based in the World Bank Country Office in Vientiane and will also provide timely support and guidance.

Implementation Support Plan and Resource Requirements

28. **Technical Inputs.** Technical knowledge of land registration and cadastre, ICT, geographic technical standards and engineering works and site supervision are required for reviewing bid documents to ensure fair competition through proper technical specifications and fair assessment of the technical aspects of bids/contracts. During project implementation, technical supervision is required to ensure that contractual obligations are met. The World Bank's project team will conduct site visits with MONRE staff to PONREs and DONREs as well as land sector agencies on a regular basis through the duration of the project to review systematic land registration progress, automation and digitization processes, and other project activities.
29. **Fiduciary Requirements and Inputs.** Training will be provided by the World Bank's FM specialist and the procurement specialist during project implementation. Supervision of FM arrangements will be carried out semi-annually as part of project implementation support. The World Bank will provide risk-based FM implementation support within six months of credit effectiveness, and thereafter at appropriate intervals. The World Bank will supervise the project's



FM arrangements in the following ways: (i) review the project's semi-annual IFRs, as well as ESLRP's financial statements and the auditor's management letters and remedial actions recommended in the auditor's management letters; and (ii) review of the project accounting and internal control systems, budgeting and financial planning arrangements, disbursement arrangements and financial flows (including counterpart funds, as applicable), and any incidents of corrupt practices involving project resources. Procurement supervision will be carried out on a timely basis as required by the client.

30. **Environmental and Social Aspects.** The World Bank will continue to provide guidance on mitigating any environmental and social risks that were identified by the Environmental and Social Management Framework (ESMF). This includes any potential for undermining the rights of women and vulnerable groups. The World Bank's environmental and social specialists will provide regular support to strengthening the environmental and social risk management capacity of MONRE and will participate in field visits on a regular basis to maintain a good and ongoing understanding of the situation on the ground.
31. **Required Skills and Resources for Implementation Support.** The tables below indicate the focus of implementation support during the various stages of implementation, as well as the skills required for implementation support.

Time	Focus	Skills Needed
First twelve months	Start-up of large consultant support contracts, and review of bidding documents; M&E arrangements/defining baselines; Support with implementation of institutional capacity building	Project Management / Operations/M&E Cadastral ICT Legal FM Procurement Social Environmental
12 – 48 months	Supervision and M&E	Same as above
Other	Supervision and M&E	Same as above

32. Skills Mix Required

Skills Needed	Number of Staff Weeks	Number of Trips	Comments
Project Management	15/year	2/year	
Operations	4/year	2/year	
Land Administration /Legal Cadastre Specialist	5/year	2/year	
IT expertise	5/year	2/year	
Social	6/year	3/year	
Environmental	2/year	1/year	
Procurement	2/year	1/year	
Financial Management	1/year		
Communications	1/year		

To be adjusted annually

**ANNEX 2: Detailed Project Description**

1. The **Project Development Objective** is to support the Government of Lao PDR in improving tenure security and land administration services in selected areas, and to provide immediate and effective response in case of an eligible crisis or emergency.
2. The **Project Area** is divided between the components. Activities under Component 1: Systematic Registration of Land Use Rights will take place in the unregistered territories of all 18 provinces of Lao PDR, which are outside state forestlands. As there are about 1.35 million unregistered land parcels within these areas, the project aims to cover 74 percent of them. The selection and phasing of target districts and villages will be done by MONRE/DOL as part of their annual work and budget planning process. A negative list of the No-go Villages (provided in the ESMF) and a specific spatial prioritization tool to target land registration activities to poorest and most disaster-prone areas has been developed through the Improving Resilience and the Resilience Impact of National Land and Geospatial Systems - Phase II Implementation Support funded by GFDRR. For Component 2: Modernization of Land Administration and Service Delivery, activities benefit land holders who have their lands registered in ESLRP and those who have their lands registered previously. The selected offices that will be expanded, updated or renovated will be decided by MONRE/DOL as part of their annual work and budget planning process. Activities under Component 3: Implementation, Policy and Legal Framework aim to benefit land holders nationwide, especially those who reside in state forestlands and are not expected to benefit from Component 1 activities.
3. **Component 1: Systematic Registration of Land Use Rights (US\$20.6 million**, of which US\$17.4 million IDA and US\$ 3.1 million SDC). The objective of this component is to support the MONRE and DOL in enhancing systematic land registration and to contribute to the GoL's NSEDP titling targets. This will be done by accelerating DOL's ongoing land registration activities and the issuance of 1,000,000 land titles and use certificates in Lao PDR, while KfW Land Management Project Lao will provide parallel support to some northern provinces (*preliminary Xayaboury, Oudomxay, Huoaphan and Xiengkhouang*). To support land registration activities, this component will also finance the expansion of the geodetic network with new Continuously Operating Reference Stations (CORS) and SLR trainings to government and contracted staff. It will also focus on guaranteeing the rights of women and vulnerable groups by ensuring their participation in the SLR process, tailoring public awareness campaigns to their needs and generally promoting the joint registration of properties.
4. **Subcomponent 1.1: Scaling-up Systematic Land Registration (US\$19.7 million**, of which US\$16.8 million IDA and US\$3.0 million SDC). Under this sub-component, land parcels will be surveyed and/or mapped systematically based on their occupancy. Those land parcels eligible for land titles or land use certificates will be registered in the land registry, while other land occupancy, such as communal holdings in state lands, excluding state forestlands, will be recorded in the cadastre as possessions to encourage participation of all land holders in the process. However, certain types of communal land holdings are not recognized by the Land Law and their recording as possessions has not been done previously in Lao PDR. Thus, its positive impacts on tenure security is dependent on how these land rights are recognized in the developing legal framework in the future. Registration will be done in a systematic manner; all land parcels will be surveyed and recorded village-by-village in selected target areas. State forestlands will be excluded from the land registration activities due to the lack of clarity in the legal framework. The state forestland boundaries will be defined based on data provided by MAF, DOF and their province and district offices. Final selection of target villages will be done during implementation based on the annual work planning of DOL, and based on the findings of the risk and impact screening process to be carried out before land registration activities can commence. To guide this process, a negative list of the No-go Villages (provided in the ESMF), including villages that have been or will be



consolidated or resettled within five years from project approval, and a specific spatial prioritization tool to target land registration activities to the poorest and most disaster-prone areas have been developed through separate WBG and GFDRR support. The land information recorded in Lao LandReg will be made available to individuals, legal entities and organizations against service fees as stipulated in the Land Law³⁴. Cadastral maps used in public display will remain with the village authorities for local and easy access to the information, and DONREs will deliver the final land title and land use certificates to the villages after their issuance.

5. Land registration will be done mainly by government staff, or contracted staff under the supervision of government staff. The work will be organized through the establishment of mobile units that work in the villages and report back to the DONREs and PONREs. The number of mobile units will vary between two to five per province. Contract staff will be hired and trained for the mobile units (and possibly other tasks) by DONREs and PONREs. Each mobile unit is expected to have four staff, two of whom will be contracted and trained specifically for the task, and two government staff. Besides the main registration process implemented by the government and contract staff, use of private sector survey companies will be piloted to estimate their potential to scale-up annual titling targets and reduce the costs of survey work. The existing dispute resolution mechanism, with defined roles for Village Conflict Mediation Committees (VCMC), DONREs and PONREs, will be used to solve land disputes as they arise.
6. The SLR work has been ongoing in Lao PDR for many years, but with a requirement that the public pays the fees and costs of the work. In many instances this has proven to be very difficult for poorer members of the community, as these costs accrue and can add up to US\$38³⁵ or more for a parcel. It was found that many members of the community will pay this cost for their title to the land on which their house is built, but not for the agricultural land or paddy fields. To avoid this problem, the MONRE Letter No. 003/2021 to National Assembly exempts registration fee for first-time registration, while the MONRE Letter No. 1237/2020 to National Assembly reduces the survey fees (0.011- US\$0.027/m² for construction land and US\$5.35-26.75/parcel for agricultural land smaller than 5 ha). DOL will also survey, register and prepare titles/use certificates for all eligible lands, regardless of the land holders' willingness or ability to pay the fee. However, due to the remaining survey fees, it is likely that some land holders will not collect their titles. Therefore, land titles and use certificates are considered to be issued when they are prepared and printed, regardless of whether the land holder collects them or not.
7. An update of the national geodetic network through the expansion of the CORS network will be funded by this sub-component. There are currently 22 CORS, while DOL has estimated that full national coverage will be achieved with 77 stations. Thus, the Project will finance design, procurement and installation of 55 additional stations in all areas of Lao PDR to accelerate SLR. Also, the control center and related trainings will be financed by this sub-component. The CORS network and control center design, installation and related trainings will be procured as one procurement package, which will also include procurement of survey equipment. The work will be coordinated with the National Geographic Department through an already established CORS working group and a signed MOU between the two departments.
8. Adapting to climate-related hazards and other disasters, the formalized and registered land rights will allow people to evacuate their land during climate-disasters without fear of losing it or leaving anybody behind to protect the land and risking themselves, and subsequently to safely reclaim their land after climate-disasters. Land rights holders will

³⁴ Land Law 2019. Unofficial translation. *"Individuals, legal entities or organizations can access and use land information/data in the National Land Information System, subjected to payment of service fees in accordance with regulations. Relevant sectors shall be responsible for the provision of land-related data to individuals, legal entities or organizations in accordance with regulations"*

³⁵ Includes costs of registration and survey fees, title certificate printing and four boundary markers for one-hectare agricultural parcel located in lowland peri-urban area.



also be able to apply for insurance and compensation after climate-disasters and will be incentivized to invest in climate adaptation measures. Long-term, climate-smart agriculture investments will be much more feasible for farmers, as they do not have to fear losing their land because of disasters, land grabs and elite capture.³⁶ The availability of land rights information is also a key prerequisite for low-carbon land use management and peri-urban development, as prioritized by the GOL in its climate change mitigation efforts.³⁷ On the demand side, formalized and registered land rights reduce people's incentives to encroach to high carbon ecosystems. Formalized and registered land rights will also enable Lao PDR to implement anti-deforestation policies, such as REDD+, whose impact currently remains limited due to challenges in agricultural land management and the lack of tenure security of local communities.³⁸

9. **Subcomponent 1.2: Training and Capacity Building (US\$0.9 million**, of which US\$0.7 million IDA and US\$0.2 million SDC). Significant first-time registration training programs will be needed to train all the SLR team members. These trainings will cover all aspects of first-time registration process, such as public awareness raising, surveying, adjudication, data entry, public display and requirements stemming from the ESF. Specific trainings will be organized for government staff responsible for ESF and GRM management, dispute resolution, quality control and other aspects. A Training and Capacity Building Plan will be prepared to define the detailed modalities for the training. Possibilities to partner with the National University of Laos and the Polytechnic College in organizing the trainings will be investigated. This subcomponent will also cover the costs of training facilities, equipment and materials, transportation, per diems, costs of external trainers and other incidental costs related to the SLR trainings. It will support climate mitigation and adaptation benefits of Subcomponent 1.1.
10. **Component 2: Modernization of Land Administration and Service Delivery (US\$6.2 million**, of which US\$5.4 million IDA and US\$0.8 million SDC). This component will focus on enhancing land administration services provided to the public, so that sales, mortgages, leases, inheritance, subdivisions, etc., can be processed reliably, more effectively and at a reasonable cost. It is common for people, especially in more remote communities, to avoid using the official procedures because of the distances required to travel to the provincial registration offices, the cost and other delays that occur. This causes the land records to become outdated over time, and thus undermine the sustainability of the land administration system. Avoidance of official transactions also reduces the revenue generated by DOL through fees that could make the land administration system financially self-sustaining. Furthermore, the offices have slow and complex procedures that rely on paper-based processing, keeping multiple ledgers and archiving the documentation. There are computer systems in use or are being developed, but these are updated as the paper records are processed, rather than being the process in a largely paperless environment. This component will fund customer satisfaction surveys, re-engineering business processes, improvements of DONRE and PONRE offices, development and piloting of service centers, sequenced transition to a fully digital land administration system through scanning and archiving of paper documents, and further development and roll-out of Lao LandReg.
11. **Sub-Component 2.1: Enhanced Service Delivery (US\$3.8 million**, of which US\$3.6 million IDA and US\$0.2 million SDC). A Business Process Re-Engineering Study will be done to streamline service delivery, improve customer service and cut operational costs. PONREs and DONREs will be expanded, renovated, refurbished, equipped, staffed and trained to better cater to the needs of the public. Regular customer satisfaction surveys will be conducted in years 1, 3 and 5 to monitor improvements. DOL will also develop and pilot land administration service centers to provide

³⁶ Quan, J., & Dyer, N. (2008). Climate change and land tenure. The implications of climate change for land tenure and land policy.

³⁷ Government of Lao People's Democratic Republic. Second National Communication to the UNFCCC. 2013.

³⁸ Lestrelin, G., Trockenbrodt, M., Phanvilay, K., Thongmanivong, S., Vongvisouk, T., Thuy, P. T., & Castella, J. C. (2013). The context of REDD+ in the Lao People's Democratic Republic: Drivers, agents and institutions (Vol. 92). CIFOR.



more accessible service to the public. A Service Center Design Study will be conducted to plan their administrative structure, required numbers, responsibilities, ICT infrastructure and staffing. DOL has initially planned to place them administratively between PONREs and DONREs to cater to the residents of two to four districts. The project will fund the construction and renovation of buildings and any furniture, office equipment, ICT equipment, stationary contract staff or other resources required for the pilot service centers.

12. **Subcomponent 2.2: Scanning, Digitization and Archiving of Existing Land Records (US\$0.6 million, of which US\$0.3 million IDA and US\$0.3 million SDC).** DOL archives currently hold about 1.3 million paper land files, with around 15,000 paper map sheets. Of these, about 59,000 land files and about 4,500 land map sheets have been scanned. The facilities at PONREs and DONREs are often old and the space for land file and register storage is limited. DOL has difficulty in allocating the necessary budget needed to renovate the office facilities to assure safe and sound record keeping of all land documents. These records must be scanned, linked to the land parcel in Lao LandReg and archived to ensure their safety, in order to accelerate the transition to a digital land administration system and to release office space to more relevant land administration functions. This subcomponent will fund the planning and implementation of this process. A Document Management and Digital Archive Strategy will be prepared to estimate the cost, identify the documents that require digitization, and prepare guidelines on how the process can be conducted in an integrated and uniform manner, with clearly defined rules. About 440,000 records will be digitized under this subcomponent. Implementation will be outsourced to a professional service provider with the required equipment, software and staff to ensure quality implementation of the process. Converting paper land records to a digital format will protect them from climate-disasters and will enable better integration of land-related climate change considerations into spatial, land use, forest and disaster risk management planning, as required by key national climate strategies.³⁹
13. **Sub-Component 2.3: Lao LandReg Development and Rollout (US\$1.8 million, of which US\$1.5 million IDA and US\$0.3 million SDC).** MONRE has endorsed Lao LandReg as the national the Land Information System and has ordered all PONREs and DONREs to utilize its full functionality; however, the transition process is going slowly. In practice, there are still two other LISs, BC Account and Laos Land Management System (LLMS), operating besides Lao LandReg, while records are simultaneously kept in paper. Records are slowly migrated from other systems to Lao LandReg, but there are challenges to doing this systematically, especially for graphic records. There is also a lot of variation between the provinces: some still rely on a fully paper-based system, others use Lao LandReg only as a cadastral database, while others utilize it in all registration processes. There is a need therefore to accelerate the transition through the funding of an ICT Strategy and a Technical Quality Review of Lao LandReg; a Data Protection and Cyber Security Study; office renovations to enhance the server room facilities of DOL, PONREs, DONREs and pilot service centers; ICT equipment; further developments of the Lao LandReg; and training of Lao LandReg operators. This subcomponent will also support climate change adaptation and mitigation by protecting land information from climate-disasters and make it more available and accessible for spatial, land use, forest and disaster risk management planning, as required by key national climate strategies.^{40,41,42}
14. An ICT strategy will be developed to review the existing hardware and communication infrastructure, and to provide estimates and technical specifications for the supply of hardware and communication infrastructure, including provincial and central data servers to maintain and back-up the data, adequate space, electricity and cooling systems

³⁹ Government of Lao People's Democratic Republic. Second National Communication to the UNFCCC. 2013.

⁴⁰ Government of Lao People's Democratic Republic. National Adaptation Programme of Action to Climate Change. April 2009.

⁴¹ Government of Lao People's Democratic Republic. Strategy on Climate Change of the Lao PDR. March 2010.

⁴² Government of Lao People's Democratic Republic. Intended Nationally Determined Contributions. September 2015.



for these servers, computers to utilize the system and internet connections allowing data transfer between offices. A significant training program will be prepared to ensure that staff at all levels are able to utilize Lao LandReg in their daily duties. The cost of this training program, including contracted trainers, training facilities, equipment, materials, transportation, per diems and other incidental costs will be covered by this subcomponent.

15. The subcomponent will fund further development of Lao LandReg, such as enhancements on cyber security, user-friendliness, first-time registration modules, and synchronization and integration capabilities. A technical review of Lao LandReg will be conducted to identify possible limitations related to response times, source code and architecture of the system that may evolve to major challenges when the system is rolled out to all provinces and maintains all land records of Lao PDR. The required modifications to address the challenges identified by the technical review will also be funded under this subcomponent. As GIZ is continuing Lao LandReg development in parallel to ESLRP, some of these activities may be conducted even before the credit becomes effective.
16. The KWPF funded Lao PDR – Digitalization of Land Administration TA will support this component by conducting: (i) an ICT needs assessment; (ii) the Lao LandReg technical review; (iii) a land administration e-governance study; (iv) an SLR digitalization study; and (v) a study on digitalization of subsequent registration services.
17. **Component 3: Implementation, Policy and Legal Framework Development (US\$1.0 million**, of which US\$0.6 million IDA and US\$0.4 million SDC). This component will support the further development of inclusive and comprehensive land policies, laws and regulatory frameworks, as well as their implementation procedures and piloting. Specific technical experiments, studies and policies and related capacity building will be developed. The policy developments will address at least survey and registration of customary and communal lands as well as lands within state forestlands, but will likely also include procedures for registering condominiums, regulations for monitoring private sector surveyors, land valuation and taxation, and other updates of normative documents following the approval of the 2020 Land Law. However, the specific normative documents that require updating will be defined during implementation. This component will fund the related consulting services, operating costs, workshops, dissemination of policies and regulations, as well as trainings related to their implementation.
18. The JSDF funded PIASCV will support this component by (i) providing public awareness raising and (ii) legal counseling services to poor communities on natural resource rights, including land use rights. The PIASCV will be implemented through an international CSO (Helvetas Swiss Intercooperation) and a network of local CSOs (Land Information Working Group) to expand the reach of these activities to the most remote and marginalized communities.
19. **Component 4: Project Management (US\$3.6 million**, of which US\$1.5 million IDA and US\$2.1 million SDC). The project will be managed and implemented by MONRE through the establishment of a Project Management Unit (PMU) that will be housed at DOL. Project officials will be required for overall project management, financial management and procurement, and additional officials that might be responsible for monitoring and evaluation (M&E), training and communications shall be included. A Project Manager will report to MONRE on the use of funds and project accomplishments on a monthly basis. A Program Steering Committee (PSC) will be established at the national level as an advisory body to assist MONRE/DOL in cross-agency coordination and strategic guidance. The PSC will be shared with the KfW LMPL. The aim of this component is to support overall project implementation by strengthening capacities in project management and M&E through the funding of: (i) operating costs associated with project implementation, PMU and PSC; (ii) consultancy services for financial management, procurement, coordination, ESS, public awareness raising, training, ICT, mid-term and final evaluation, and audits as well as short-term consultants based on needs; (iii) training programs and study tours; and (iv) office equipment and furniture.



20. **Component 5: Contingent Emergency Response Component (CERC, US\$0.0 million).** This Component will provide immediate response to an eligible emergency. In the event of a disaster, and at the request of the Government, this component would finance eligible activities and expenditures through the reallocation of funds from the Project. The CERC Operational Manual (an annex to the POM) will be completed and adopted by the Government during project implementation. This manual will detail the financial management, procurement, safeguard, and other arrangements for the CERC to ensure that funds are disbursed in a rapid and efficient manner following an eligible emergency.



ANNEX 3: Climate Change Contributions of the Project

Sub-component/Activities	Adaptation Measures	Mitigation Measures
Subcomponent 1.1: Scaling-up Systematic Land Registration	<ul style="list-style-type: none">• Formalized and registered land rights allow people to evacuate their land during climate-disasters without fear of losing it or leaving anybody behind to protect the land and risking their selves.• Formalized and registered land rights allow people to safely reclaim their land after climate-disasters.• Formalized and registered land rights reduce loss of land, land grabs and elite capture during and after climate-disasters.• Formalized and registered land rights enable land holders to apply for insurance and compensation after climate-disasters.• Formalized and registered land rights give legal right for land holders to sell their land, which is a key coping mechanism after climate-disasters.• Land registration will be targeted to disaster prone districts.• Newly registered land records will be in both digital and paper formats, which protects them from climate-disasters.• Digital land records enable integration of land considerations into spatial, land use, forest and disaster risk management planning, as requested by key national climate strategies.	<ul style="list-style-type: none">• Secure land tenure incentivizes land holders to engage in long-term investments in forest management and reforestation.• Formalized and registered land rights will enable Lao PDR to implement deforestation projects, such as REDD+, which is currently hampered by weak land management.• Formalized and registered land rights reduce people's incentives to encroach to high carbon ecosystems.• Formalized and registered land rights enable climate-smart land use planning and urban growth management in peri-urban areas.



Subcomponent 1.2 - Training and Capacity Building (pro-rated)	<ul style="list-style-type: none">Training government and contract staff in systematic land registration enables the co-benefits described in Sub-component 1.1.	<ul style="list-style-type: none">Training government and contract staff in systematic land registration enables the co-benefits described in Sub-component 1.1.
Sub-component 2.2 - Scanning, Digitization and Archiving of Existing Land Records	<ul style="list-style-type: none">Converts existing paper land records to digital format, providing the benefits described under Sub-component 1.1.Converting paper land records to digital format will protect them from climate-disasters, as they are stored in multiple locations (paper and databases)Converting paper land records to digital format enables better integration of land-related climate change considerations into spatial, land use, forest and disaster risk management planning, as requested by key national climate strategies.	<ul style="list-style-type: none">Converting paper land records to digital format enables better integration of land-related climate change considerations into spatial, land use, forest and disaster risk management planning, as requested by key national climate strategies.
Subcomponent 2.3 - Lao LandReg Development and Rollout	<ul style="list-style-type: none">Development and roll-out of digital land information system enables digitization of land records and co-benefits described under Sub-component 2.2.Development and roll-out of digital land information system enables protecting land records from climate-disastersDevelopment and roll-out of digital land information system enables better integration of land-related climate change considerations into spatial, land use, forest and disaster risk management planning, as requested by key national climate strategies.	<ul style="list-style-type: none">Converting paper land records to digital format enables better integration of land-related climate change considerations into spatial, land use, forest and disaster risk management planning, as requested by key national climate strategies.
Component 4: Project Management	<ul style="list-style-type: none">Enables all co-benefits described under other components.	<ul style="list-style-type: none">Enables all co-benefits described under other components.

**ANNEX 4: Swiss Agency for Development Cooperation Co-financing Grant****BACKGROUND**

1. The US\$6.375 million SDC co-financing grant to the Enhancing Systematic Land Registration Project through a single donor World Bank Trust Fund is part of Switzerland's engagement in the Land Governance sector in the Lao PDR, which includes the Mekong Region Land Governance Project (MRLG) and the Knowledge for Development Project (K4D) that aim to improve policies and practices that contribute to the strengthening of land tenure security in Lao PDR, and to increase access to evidence-based decision-making. The grant to ESLRP would support the national roll-out of the SLR in Lao PDR. Specific areas of interest for SDC include: (i) systematic land registration and titling to increase the number of land titles in the most vulnerable districts and provinces, also focusing on women's and ethnic groups' tenure security; and (ii) supporting institutional and capacity building for MONRE, PONREs and DONREs, including digitalization of land administration; and (iii) effective implementation of awareness raising campaigns, user feedback surveys, GRM and ESSF to enhance citizen participation, ensure transparent processes and mitigate social and environmental risks related to the project.
2. SDC is particularly interested in close coordination and synergies between the ESLRP and the "Public Information and Awareness Services for Vulnerable Communities" (PIASVC) project, which is funded by the Japan Social Development Fund (JSDF) through a recipient executed grant of US\$2.5 million. SDC has planned a contribution to the PIASVC project to expand the provision of awareness raising and legal counselling on natural resource rights, including land, to vulnerable communities. PIASVC SDC funds will be channeled to Helvetas through a separate arrangement between SDC and Helvetas (i.e., direct contribution).

BENEFICIARIES

3. The SDC grant will add 200,000 land parcels to the end target and their holders to the beneficiaries of ESLRP. It will also enable the project to become more inclusive, as it finances: (i) development of policies and procedures related to land rights of those residing in forestlands, who are currently excluded from land registration due to a lack of clarity at the policy and legislation levels; (ii) development and implementation of the project Grievance Redress Mechanism (GRM); (iii) separate public awareness activities aimed at women, ethnic and other vulnerable groups; and (iv) expansion of land administration modernization and service delivery activities that target those land holders who already have their rights registered. The DOL, PONRE and DONRE permanent and contract staff will also benefit from SDC co-financing through capacity building activities and Technical Assistance from the Project Management Unit (PMU) consultants.

COMPONENT ACTIVITIES AND INVESTMENTS

4. **Component 1: Systematic Registration of Land Use Rights (US\$20.6 million, of which US\$17.4 million IDA and US\$ 3.1 million SDC).** The SDC grant will fund scaling-up land registration activities and issuance of additional 200,000 land titles or use certificates to land holders. It will finance the following specific activities directly related to the systematic land registration process: (i) operating costs, such as salaries, per diems and field work expenses; (ii) goods such as survey equipment, land title certificate paper, boundary markers, stationary and ICT equipment; (iii) public awareness campaigns, focusing on women and ethnic groups in target villages; and (iv) capacity building of government and contract staff.



5. **Component 2: Modernization of Land Administration and Service Delivery (US\$6.2 million, of which US\$5.4 million IDA and US\$0.8 million SDC).** The SDC grant will fund the following activities to modernize the land administration system and service delivery: (i) business process re-engineering and service center development related studies; (ii) scanning, digitizing and archiving existing paper land records; (iii) goods such as ICT equipment for national land information system, Lao LandReg; (iv) renovations of server rooms enabling Lao LandReg roll-out; and (v) capacity building of government and contract staff in service delivery and Lao LandReg.
6. **Component 3: Implementation, Policy and Legal Framework Development (US\$1.0 million, of which US\$0.6 million IDA and US\$0.4 million SDC).** The SDC grant will fund the following specific activities: (i) development of policy studies, regulations, procedures, technical guidelines, manuals and workshops related to the recognition and formalization of customary land rights and land rights within state forestlands; and (ii) dissemination of policies, laws and regulations to beneficiary communities.
7. **Component 4: Project Management (US\$3.6 million, of which US\$1.5 million IDA and US\$2.1 million SDC).** The SDC grant will fund the following specific activities: (i) PMU consultants such as Project Coordinator, FM Specialist, Procurement Specialist, ESF Specialist, Public Awareness Specialist, Training Specialist, M&E Specialist and International Procurement Specialist; and (ii) development and operation of the project Grievance Redress Mechanism.

IMPLEMENTATION ARRANGEMENTS, ENVIRONMENTAL AND SOCIAL STANDARDS AND FIDUCIARY REQUIREMENTS

9. The Bank, acting as trustee on behalf of SDC, will have overall responsibility for the administration of the funds in accordance with the terms of the Administration Agreement. The administration of the grant will be the responsibility of the Task Team Leader.
10. SDC's contribution to ESLRP steering and monitoring will be based on bi-yearly project progress reports, and through participation in bi-yearly joint-field Implementation Support Missions facilitated by the World Bank and held ahead of Program Steering Committee Meetings.
11. The recipient executed (RE) activities will follow the ESLRP Project Operations Manual (POM) and the provisions of the Grant Agreement between the Bank and the Recipient and will be implemented under operational policies and procedures that apply to IBRD and IDA financing. The RE activities will be managed by the Project Management Unit (PMU) under the supervision of the Director General of the Department of Lands (DOL) who has overall responsibility, as well as the Project Director. All systems and procedures will adopt the provisions of the ESLRP POM.
12. The SDC grant will finance eligible expenditures in accordance with the Bank's applicable policies and procedures. All activities financed from the grant will be subject to standard Bank financial management, procurement, quality assurance, and environmental and social standards.