



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 13-May-2021 | Report No: PIDA27387



BASIC INFORMATION

A. Basic Project Data

Country Lao People's Democratic Republic	Project ID P169669	Project Name Enhancing Systematic Land Registration Project	Parent Project ID (if any)
Region EAST ASIA AND PACIFIC	Estimated Appraisal Date 30-Apr-2021	Estimated Board Date 30-Jul-2021	Practice Area (Lead) Urban, Resilience and Land
Financing Instrument Investment Project Financing	Borrower(s) Lao People's Democratic Republic	Implementing Agency Ministry of Natural Resources and Environment	

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

1. Systematic Registration of Land Use Rights
 2. Modernization of Land Administration and Service Delivery
 3. Implementation, Policy and Legal Framework Development
 4. Project Management
 5. Contingent Emergency Response Component
- Refund of Project Preparation Advance

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

Other Sources	6.38
SWITZERLAND: Swiss Agency for Dev. & Coop. (SDC)	6.38

Environmental and Social Risk Classification

High

Decision

The review did authorize the team to appraise and negotiate



B. Introduction and Context

Country Context

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 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 during 2017-2020. In 2020, the growth declined to 0.4 percent rate due to the COVID-19 pandemic. 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 for rural areas was 23.8% compared to 7.0% in urban areas in 2018-2019. Furthermore, poverty is concentrated in upland areas and among ethnic minorities and less educated. Ethnically Lao-Tai (13%) face significantly less poverty than Chinese-Tibetan (61%), Hmong-Lumien (51%) or Mon-Khmer (46%). Due to weak governance systems, the rural poor are also subject to 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.

Sectoral and Institutional Context

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, and improving land dispute resolution mechanisms to promote fairness and transparency and strengthening land institutions.

The GOL has developed a new *Land Law* and *Forest Law* to support the Resolution. The *Land Law* approved in September 2020 recognizes land use rights of individuals, legal entities, collectives and organizations of Lao 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 land use right¹. If the land owner doesn't 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 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 individual with Laos citizenship can be converted to land titles. Land use certificates granted to individuals and legal entities can be sold, transferred, inherited, 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 81², 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. The land titles and land use certificates are issued by District Offices of Natural Resources and Environment (DONRE) in paper format, which is the



only legally binding version of these documents.

The Land Law and Forestry Law are partly conflicting on 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% of Lao PDR’s land mass, and about 34% of villages and 24% of population, many belonging 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, and related regulations and decrees following the Land Law are still under preparation.

Out of the estimated 3 to 3.5 million public and private land parcels in Lao PDR, roughly 1.5 million parcels have been registered and titled primarily in urban and peri-urban areas. As part of its goal to complete the registration process, the GOL has set concrete targets in its 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, 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 extra resources to scale-up the land registration activities to achieve the 8th NSEDP targets and simultaneously reduce the costs of titles to make registration affordable to land holders.

The Lao national geodetic network required for systematic land registration is well established but requires a technology update to reduce 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 Continuously Operating Reference Stations (CORS) that categorically increase the speed and accuracy of land surveys. However, additional 55 CORSs are required for the network to cover most of Lao PDR.

Access to land administration services remains a challenge in rural areas as distances to 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 on 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 successfully implement this transition 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.

Information technology for recording and maintaining land registration data presents a challenge for achieving and ensuring sustainability of the land administration system. Lao PDR currently has three Land Information Systems (LISs)

¹ 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.

² The land uses listed in Article 81: Cemeteries, sacred forest, common ponds, temples, schools, health centers, village administrative office and village markets



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 with one harmonized system for the entire country, MONRE has developed Lao LandReg with the support of 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 central level as well as 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.

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 affects primarily minorities, indigenous persons and the poor. 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 land in forest lands or under customary tenure, are at additional risk to 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% of titles were issued jointly or solely in the name of a woman. The significant decline from LTP-II figures is largely caused by expansion of land registration from urban and peri-urban areas to rural areas with more conservative gender norms and practices.

C. 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.

The key results indicators for the project are:

For part one of the PDO – improving tenure security will be measured by:

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

For part two of the PDO - 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); and
- Customer satisfaction with land administration services in selected offices (Percentage; disaggregated by gender).



D. Project Description

The project comprises of five components, as described below.

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). 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 if 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 ESF activities, public awareness campaigns, technical assistance, contract staff recruitment and operating costs; ii) goods required in the process such as vehicles, survey equipment, Continuously Operating Reference Stations (CORSs), ICT equipment, boundary markers and stationery; and iii) 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 the land registration activities due to lack of clarity in legal framework. The state forestland boundaries will be defined based on data provided by Ministry of Agriculture and Forestry (MAF), 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 poorest and most disaster-prone areas have been developed through separate WBG and GFDRR³ 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 i) consultancy service to develop training and capacity building plan for SLR; and ii) implementation of the SLR trainings.

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 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 service centers; iv) procurement of goods such as office equipment, furniture, stationary and ICT equipment; 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 about 440,000 existing land records to ensure their safety and resilience to climate change, accelerate transition to a digital land administration system and enhance the use of office space. This is achieved through i) preparation of Document Management and



Digital Archive Strategy; and ii) 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 finance further development and roll-out of Lao LandReg to enhance digitalization of land administration system and service delivery. This is achieved through i) preparation of ICT Strategy and Technical Quality Review of Lao LandReg and Data Protection and Cyber Security Study; ii) office renovations to enhance the server room facilities of DOL, PONREs and service centers; iii) ICT equipment; iv) further development of the Lao LandReg system; and v) training of Lao LandReg operators.

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) preparation of policy and system studies, technical guidelines and manuals; ii) dissemination of policies, laws and regulations; and iii) organizing training workshops. The implementation, policy and legal framework development will be related at least to survey and registration of customary and communal lands as well as registration of lands within state forestlands.

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 the overall project management, coordination with Development Partners and operations of the PMU and the Project Steering Committee (PSC), through 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, audits as well as short term consultants based on needs; iii) training programs and study tours; and iv) goods such as ICT equipment, office equipment and furniture.

Component 5: Contingent Emergency Response Component (CERC, US\$0.0 million). Reflecting the strategic approach taken in Lao PDR across the Bank's portfolio, this Component will provide immediate response to an eligible emergency. As such, 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, the Component would finance emergency activities and expenditures through the reallocation of funds from the Project.

Legal Operational Policies

Triggered?

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

Summary of Assessment of Environmental and Social Risks and Impacts

Environmental. 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 activity implementation. ESLRP will not support systematic land registration in any type of state forestland due to the lack of clarity in the legal framework

³ Improving Resilience and the Resilience Impact of National Land and Geospatial Systems - Phase II Implementation Support TA (TF0A9866)



and implementation procedures but will support development of the regulatory framework to address this lack of clarity. Project activities will be dispersed in all 18 provinces; environmental risk and impact expected from (1) physical construction and renovation civil works, such as, transportation of construction material, removal and disposal of top soil from the excavation work, construction waste, disturbance local residents, noise and dust etc., (2) health and safety of those staff and worker supporting project activity, (3) generation of solid waste by land registration teams while staying and working in the village areas, (4) potential involvement of project personnel in consuming and trading of wildlife and other non-timber forest product (NTFP), (5) community health and safety for those involved in the land titling process such as bush clearance and/or porter; (6) expose to unexploded ordinance (UXO) risk, especially, for activities associated with the earthwork, particularly, in provinces along the border with Vietnam namely Houphanh, Xiengkhouang, Bolikhhamxay, Khammouane, Savannakhet, Saravanh, Sekong and Attapeu; (7) issue related with COVID-19; and (8) policy development addressing land registration in the forestland area which may create a platform for future expansion of activity into the forestland. The risk and impact will be managed through proper project design, prepare and implement related mitigation measures. Mitigation measures and their suggested development guideline and procedure have been provided in the environmental and social management framework (ESMF) to address anticipated environmental risk and impact during project implementation.

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 related to (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, minority, and other vulnerable communities disproportionately, since excluding such communities from the benefits of land registration could worsen 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; (iii) raising potential disputes between the State and private and State and collective land users, causing access restriction and/or displacement to the local land users. Informal settlers in the State land and/or private concessions in non-forest areas may face increased pressure regarding their occupation's legal status, with possibilities for evictions if government agencies and/or concession holders seek to reclaim land ownership; (iv) labor and Gender-Based Violence (GBV) risks related to the temporary labor influx of workers, mainly land registration staff and field surveyors in rural areas; (v) risk of insufficient public information and awareness among the project's beneficiaries and weak existing system of grievance redress for land-related, which needs to be strengthened; (vi) risk of exacerbating gender inequality if women's rights to land are not systematically protected, for example through joint titling; (vii) labor and Occupational Safety and Health (OHS) risks associated with the construction and renovation of some buildings to be used for the improved land registration work.

ESLRP will apply an inclusive approach but will exclude forestlands 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 exercises of survey and mapping at the local level, ESLRP will identify and map all state, private and collective landholders and types of land uses of non-forest areas in the selected districts. The project will promote policy dialogue and a process where all the mapped landholders will be eligible to benefit from this project, even if only some of them receive land title certificates (following the current national land legal framework). In addition, the systematic land registration process will be participatory and transparent and, if there are claims related to land tenure during the mapping exercise, then they would be recorded in the project's maps and documents.

The Environmental and Social Framework (ESF) instruments are prepared and applied to manage and mitigate risks and impacts under the project. The World Bank is working with the Borrower to ensure risks and impacts mitigation measures are in place and comply with the relevant Environmental and Social Standards (ESSs) in order to address or minimize risks and negative impacts and to enhance development outcomes of the project. Prior to Appraisal, the



following documents have been prepared, consulted and disclosed on 12th of May 2021: (i) Environmental and Social Commitment Plan (ESCP); (ii) Environmental and Social Management Framework (ESMF); (iii) Labor Management Procedures (LMP); (iv) Ethnic Group Development Framework (EGDF); and (v) a Stakeholder Engagement Plan (SEP), including stakeholder analysis and the project's GRM.

E. Implementation

Overall implementation and management of the project will be carried out by MONRE/DOL. 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 in overall responsibility as the Project Director. DOL has assigned Deputy Director Generals (DDG) to be Project Managers for the projects being implemented by DOL and two of the DDGs will have specific responsibilities for the ESLRP. The two DDG's will give direction to DOL staff at headquarters, the provinces and districts as the project is implemented and will manage the PMU. One will be responsible only for fiduciary issues while the other will be responsible for operational issues. The PMU will have a project coordinator who will be hired using project funds and will work full-time under the direction of the two responsible DDGs. This person will be responsible for the daily operations of staff within the PMU and for ensuring good cooperation with other project teams working on land issues within MONRE. As the implementing agency of ESLRP, 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) project fund management; (ii) preparation of financial statements; (iii) organization of project audits; (iv) signing and issuance of all procurement notices, advertisements, and contracts with suppliers and consultants; (v) environment 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.

Through Component 4, the project will support MONRE with overall project management. 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 financed by ESLRP. ESLRP will also hire environmental and social safeguard specialists (including to advise on public communications) to 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 I for added implementation support.

A Project Steering Committee (PSC) will be established at 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 and the Department of Agricultural Land Management of MAF will be members of the PSC, as well as other government agencies as needed. The Vice President of the Lao Women's Union is already a member of the existing Steering Committee for the Environmental Protection Fund. The Land Sub-Sector Working Group, consisting government agencies, projects, partners and CSOs, will be used to coordinate and disseminate information among Development Partners and NGOs as needed.

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APPROVAL

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The World Bank

Enhancing Systematic Land Registration Project (P169669)
