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STAFF APPRAISAL REPORT

LAO PEOPLE'S DEMOCRATIC REPUBLIC

LAND TITLING PROJECT

FEBRUARY 21, 1996

**Agriculture and Environment Operations Division
Country Department I
East Asia and Pacific Regional Office**

CURRENCY EQUIVALENTS

(As of June 30, 1995)

Currency Unit = Kip

US\$1.00 = Kip 780

Kip 1.00 = US\$0.00128

WEIGHTS AND MEASURES

Metric System

FISCAL YEAR

Government: October 1 - September 30

IDA: July 1 - June 30

ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
AIDAB	Australian International Development Assistance Bureau
AusAID	Australian Agency for International Development (formerly AIDAB)
CPC	Committee for Planning and Cooperation
CRS	Customer Relations and Services
CSA	Civil Service Administration
DOLHM	Department of Land and Housing Management, MOF
DSA	Department of State Assets, MOF
FDI	Foreign Direct Investment
FIMC	Foreign Investment Management Committee
GDP	Gross domestic product
GIS	Geographic information system
GOL	Government of Lao PDR
GPS	Global Positioning System, US satellite system for accurate positioning
HRD	Human Resource Development
ICB	International Competitive Bidding
IDA	International Development Association (part of World Bank)
LHMO	Land and Housing Management Office at Provincial Level
LRMC	Land Re-Management Committee
LWU	Lao Women's Union
MAF	Ministry of Agriculture and Forestry
MCTCP	Ministry of Communications, Transport, Construction and Posts
M&E	Monitoring and Evaluation
MOF	Ministry of Finance
MOJ	Ministry of Justice
MOU	Memorandum of Understanding
NEM	New Economic Mechanism
NGD	National Geographic Department, PMO
NGO	Non-Government Organization
OMO	Organization and Management Operations
PDR	People's Democratic Republic
PIP	Public Investment Plan
PA	Project Administrator
PMO	Prime Minister's Office
POC	Provincial Oversight Committee
PPFU	Provincial Project Facilitation Unit
PrIP	Project Implementation Plan
PSC	Project Steering Committee
PSU	Project Support Unit
UNDP	United Nations Development Program
UTM	Universal Transverse Mercator map projection

LAO PDR LAND TITLING PROJECT

CREDIT AND PROJECT SUMMARY

<u>Borrower:</u>	Lao PDR
<u>Implementing Agency:</u>	Ministry of Finance
<u>Beneficiary:</u>	Not Applicable
<u>Poverty:</u>	The project does not fall under a program of target interventions. However, while poverty is not a specific focus of the project, low income landholders would benefit particularly from the project; without the project, only the higher income landholders tend to have their real estate titled and registered.
<u>Amount:</u>	SDR 14.0 million (US\$20.7 million equivalent)
<u>Terms:</u>	Standard IDA terms with 40 years maturity
<u>Commitment Fee:</u>	0.50% on undisbursed credit balances, beginning 60 days after signing, less any waiver
<u>Financing Plan:</u>	See para. 2.23
<u>Economic Rate of Return:</u>	Not applicable (see paras. 4.1 - 4.9)
<u>Map:</u>	IBRD No. 27260
<u>Project Identification No.:</u>	4208

LAO PDR
LAND TITLING PROJECT

Table of Contents

	<u>Page No.</u>
CREDIT AND PROJECT SUMMARY.....	iii
1. BACKGROUND	1
A. THE ECONOMY AND LAND USE.....	1
B. NEED FOR EFFICIENT LAND USE AND ADMINISTRATION	1
C. THE COUNTRY’S LAND ADMINISTRATION STRATEGY	3
D. INSTITUTIONAL FRAMEWORK FOR LAND ADMINISTRATION.....	4
E. LESSONS FROM PREVIOUS IDA INVOLVEMENT	6
2. THE PROJECT	8
A. RATIONALE FOR IDA INVOLVEMENT	8
B. PROJECT OBJECTIVES AND DESCRIPTION	8
C. DETAILED PROJECT FEATURES.....	9
<u>Completion of a Policy and Legal Framework for Land Management and</u>	
<u>Administration</u>	9
<u>Implementation of an Accelerated Land Titling Program</u>	10
<u>Land Administration</u>	12
<u>Project Implementation and Capacity Building</u>	13
<u>Technical Assistance and Overseas Training</u>	15
D. PROJECT COSTS AND FINANCING	16
<u>Project Costs</u>	16
<u>Financing</u>	19
E. PROCUREMENT	20
<u>Procurement Framework</u>	20
<u>Procurement Arrangements</u>	22
<u>IDA Prior Review</u>	23
F. DISBURSEMENTS.....	25
G. ACCOUNTS AND AUDITS	26
3. ORGANIZATION	27
A. PROJECT MANAGEMENT AND IMPLEMENTATION.....	27
B. MONITORING AND EVALUATION	29

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4. BENEFITS, COSTS AND RISKS	31
A. EXPECTED BENEFITS AND BENEFICIARIES.....	31
B. FISCAL IMPACT	32
C. COST RECOVERY.....	34
D. ENVIRONMENTAL IMPACT.....	35
E. SOCIAL IMPACT	35
F. GENDER ISSUES	35
G. SUSTAINABILITY	36
H. RISKS	37
5. AGREEMENTS REACHED AND RECOMMENDATION.....	38
<u>Agreements Obtained During Negotiations</u>	38
<u>Conditions of Credit Effectiveness</u>	40
<u>Conditions of Disbursement</u>	40

TABLES IN TEXT

2.1(a)	Project Cost Summary by Components.....	17
2.1(b)	Project Cost Summary by Expenditures	18
2.2	Financing Plan	20
2.3	Summary of Proposed Procurement Arrangements.....	24
4.1	Projection of Revenues From Land-Related Taxes	33

ANNEXES

Annex 1:	Summary Cost Tables	41
Annex 2:	Disbursement Schedule.....	43
Annex 3:	Projections of Title Production.....	44
Annex 4:	Estimate of Government Revenue Generated by the Project	45
Annex 5:	Key Performance Indicators	46
Annex 6:	Technical Assistance and Terms of Reference.....	47
Annex 7:	TORs for PA.....	63
Annex 8:	TORs for Studies	75
Annex 9:	Summary of Procurement Packages and Scheduling.....	83
Annex 10:	Bank Supervision Plan.....	85
Annex 11:	Organization Plan and Description of the Functions of Various Units Involved in Project Management and Coordination	87
Annex 12:	Organizational Chart.....	96
Annex 13:	Documents in the Project File.....	97

MAP IBRD 27260

1. BACKGROUND

A. THE ECONOMY AND LAND USE

1.1 The Lao economy is among the least developed in the world, with an average per capita income of about US\$290 (1994). With a population of about 4.5 million people for a total area of 236,000 sq. km, the country has a low population density of 17 persons per sq. km, but population is growing at 2.9 percent per year. About 89 percent of the people live in some 11,000 rural villages, engaged mainly in agriculture which accounts for about 55 percent of GDP. Approximately 87 percent of employment is in agriculture which dominates land use.

1.2 In 1993-94, there was a total of 394,417 hectares (ha) of land in use and subject to tax. Paddy and rice fields comprised 65 percent of the total area. Some 15 percent of the Lao households were in possession of irrigated land and 64 percent possessed dry land. The average size of cultivated holdings for Lao households is 1.4 ha. Only 29,928 ha of land were utilized for construction.

1.3 While the country is predominantly agricultural, it is the urban areas that are experiencing the fastest growth, both in total population and household formation. For example, the national population grew from 3.6 to 4.5 million or an increase of 24 percent, in the period 1985 to 1993, but the Vientiane municipality increased by 32 percent, from 381,000 to 503,000 people. The difference is more pronounced in terms of household or family numbers. Nationally, the number of families or households increased from 601,797 to 685,230, or 14 percent, from 1985 to 1993, compared to an increase of 33 percent for Vientiane, which increased from 61,561 to 81,643 households. As the population and economic activities increase in urban areas, so does demand for land and the need to improve efficiency of land use and land administration.

B. NEED FOR EFFICIENT LAND USE AND ADMINISTRATION

1.4 Since around 1986, the economy has been in transition from a centrally planned to a market system. A major element of the Government's policy in supporting the transition has been the development of efficient markets for land, capital and labor to complement improvements in the capacity of the public sector to both plan and implement development programs. Efficient land markets and security of land tenure, on which they depend, are important in order to permit land to get allocated to its most efficient use and users and to encourage land-related investments and sustainable use of land. While land markets are now in existence, the difficulty is that they do not operate efficiently, effectively or openly. Commercial investors are finding it difficult to obtain access to land that is most appropriate for their investments. Land is being traded but the turnover figures, as measured by recorded land transactions, are not high and transactions are hampered by the problems of establishing occupancy and use ownership rights. There is a prevalence of illegal possession, sale and use of land and a large number of court cases relating to land, many of which are hampered by lack of ascertainable rights to and

clear information on land; all these represent symptoms of an inefficient land market. Moreover, the great majority of the sale transactions are not registered. And since land registration is not common, there are foregone opportunities of using land as collateral to obtain loans from banks.

1.5 Another missing link in the necessary framework for efficient land use has been the absence of a land valuation profession and capacity in Lao PDR. A land valuation function is important for both the Government and the private sector in their activities related to economic development. The Government would benefit from an improved valuation capacity, as it needs it to determine the values of land and other properties for purposes of assessing rental tax, land registration fees and land tax. The Ministry of Finance's (MOF) Department of State Assets (DSA) needs to develop a valuation capacity to enable it to determine the most appropriate lease terms for the properties that are being leased out to the private sector as well as compensation values for properties acquired by the Government. On the private sector side, the banking industry represents the largest known demand for valuation related services. Mortgage lending activity is very small, due in large part to the lack of a complete and trusted system of registration but also due to the lack of reliable estimates of value on which to base the loan.

1.6 Land titles were originally established with the creation of the Land Book in SR 1,912 and were kept in force under the Royal Order - Law No. 135 of 23 May 1958. These titles certified ownership of land and were supported by cadastral plans and maps for the towns of Vientiane, Pakse, Savannakhet, and Luang Prabang. While these original records were not maintained, there were a number of subsequent initiatives made for the establishment and maintenance of cadastral systems but they could not be sustained and were eventually abandoned after 1975. After 1975, despite the fact that all land became vested in the State, land use rights were informally recognized and a process of administering and recording transactions with those rights developed. This basic process is still in place today and, although the land use rights now have legal standing and registration of transactions with those rights is required by law, the system is one of registration of transactions not involving certification of title. Furthermore, even this system is not in place uniformly in all areas of the country and, even in those areas in which it is in place, it is not being fully used by the people.

1.7 The number of land parcels in Lao PDR is not known as data to determine the exact number are not currently available. However, an estimate of 1.6 million land parcels has been made. Although legislation to fully support registration of title to land is not yet in place, the Lao PDR Government commenced in June 1994 a pilot project to issue titles to land in Vientiane Prefecture, but only about 300 titles were issued. A follow up Pilot Project issued about 1,000 titles between July 1995 and February 1996. In Savannakhet province, a total of just 2,400 titles were issued by the end of 1995. Part of the cause of low registration rates was lack of documentary evidence which will be addressed under the proposed project. Approaches to addressing it are being tested in operational trials which were initiated in July 1995 ahead of the project (see paras. 2.8-2.11).

1.8 Two important land administration and management challenges to the country are: (i) the need for accelerated land registration and titling to enable the provision of incentives to landholders to manage land resources efficiently and sustainably; and (ii) the need to expand land titling programs so as to facilitate the development of mortgage markets that are essential for financial sector development. The two challenges are central to the justification and design of the proposed project.

C. THE COUNTRY'S LAND ADMINISTRATION STRATEGY

1.9 Since 1990, the Government has addressed the lack of comprehensive and consistent land management and administration policy with increasing urgency. The focus is on the need for more efficient and transparent land markets and their regulation and for improvement in the sustainable management of land, water and forest resources in rural areas. The Constitution promulgated in 1991 affirmed the rights of individuals to use the land. The Fifth Party Congress (March 1991) identified the need to accelerate land registration and issue land title certificates so that each plot will have a legal owner. The policy elements outlined in the following paragraphs represent the next steps towards achieving the goal of efficient land markets. Land management and administration policies are reflected in the decrees that followed the promulgation of the Constitution in 1991. The five basic decrees are: Property Law (1990), Land Decree (99 PM), Land Tax Decree (50 PM), Document Registration Decree (52 PM) and the Forest Management and Land Use Decree (169 PM). A recently promulgated Decree (186 PM) covers the allocation of forest lands with reference to allocation of lands to plantation forestry.

1.10 Key elements of land management policy, as reflected in the Decrees, are as follows:

- (a) provision of a system of tradable occupancy and use rights and secure and legally enforceable title for selected categories of land use (Decree 99);
- (b) increased emphasis on provision of incentives in the form of land rights for community groups and villages in exchange for tax breaks and a commitment to manage particular land categories such as community forest land in a sustainable manner (Decrees 169 and 186); and
- (c) change in the role of the Government to emphasize zoning, demarcation and provision of assistance to rural land users to improve productive and sustainable land use practices (Decree 169).

1.11 For land administration, the key elements of policy are

- (a) improving resource mobilization from the allocation and transfer of land through the introduction of a new set of land taxes and collection arrangements including a registration and titling program (Decrees 50 and 99); and

- (b) establishing the institutional arrangements and capacities of the agencies responsible for the implementation of land administration programs including registration and titling (Decrees 52, 104 and 128).

1.12 The twin land management and administration policy objectives are to improve resource management and the more productive use of land resources through provision of incentives to users, and to improve the regulatory capacity of the Government to ensure that the benefits of more efficient land markets are more equitably shared.

1.13 The Government's strategy has as its next step the implementation of a land registration system and the issuing of titles to all landholders. This is recognized in the current Public Investment Program 1994-2000 (PIP), which nominates Land Titling as a key project requiring capital investment funds. The PIP states the Government's commitment to the development of a land titling system so that clear land use rights can be provided, private sector investment encouraged, credit markets developed and a source of government revenue provided through the sale of land use rights and taxes on land transactions.

D. INSTITUTIONAL FRAMEWORK FOR LAND ADMINISTRATION

1.14 Department of Land and Housing Management (DOLHM). DOLHM is the core national agency responsible for the design and implementation of land management and administration programs. The mandate as defined by the Prime Minister's Office Decree (No. 104) dated 6 July 1993 is to carry out, under the direction of the Land Re-Management Committee, the design and supervision of national land registration and titling programs through the offices of the provincial services. The DOLHM has limited resources and capabilities, a factor that needs to be fully recognized in the formulation of a national land registration program. The total staff of DOLHM are 19, of which 5 have had university level training (3 with specific land related training), 9 have technical level training (1 with land training) and 4 have on the job training (3 with land related training).

1.15 Department of State Assets (DSA). The DSA is responsible for the registration, supervision and maintenance of the assets in the form of property, land and enterprises owned by the State. The DSA is the holder of the national Government shares in enterprises which are divested through privatization. The DSA has been the major player in the privatization program and maintains a register of national Government entities that have been privatized. The DSA is responsible for registering leases between foreign investors and Lao entities relating to state property. It also maintains the register of all leases between parties. Provincial level state assets divisions carry out the same functions for provincial Government owned assets; so considerable overlap in functions occurs particularly in Vientiane Prefecture where DSA carries out a hands on registration program in parallel with the Prefecture administration.

1.16 Land Re-Management Committee. The Land Re-Management Committee (LRMC) was established in March 1994 under Prime Ministerial Decree No. 42/PM to

provide policy direction and implementation assistance across institutions at all levels. The eleven person committee is chaired by the Deputy Prime Minister and Chairperson of CPC supported by the Ministers of Finance and Agriculture. These are all ex-officio members. Additional representation consists of Vice Ministers of Industry and the Ministry of Interior. The Director of DOLHM acts as secretariat to the Committee and is supported by an officer of the Vientiane Municipality. The core technical support to the LRMC is limited to that provided by the DOLHM and the municipality staff which, given the number of ex-officio members, limits the effectiveness of the Land Re-Management Committee in policy and strategy formulation and oversight of its implementation.

1.17 The mandate of the Committee is to oversee the implementation of Decree 99 on land (issued December 19, 1992) and Decree 52 on document registration (issued March 13, 1993) and guide the preparation of land management policy and programs at national and provincial level. These activities are directed through the DOLHM with direct operational linkages to the provincial financial services. Each province is required to establish a Land Re-Management Committee to oversee activities at that level.

1.18 The National Land Re-Management Committee is proposed to have an important land management policy making function. The objectives of the Land Re-Management Committee are to provide policy and program design guidance to DOLHM in the areas of demarcation, registration and titling, adjudication and resolution of land disputes and the compilation of a land administration data base.

1.19 Provincial Agencies. Administratively, the country is divided into 17 Provinces plus one special region and further divided into 129 Districts (see Map). At the provincial level the Division of Finance carries out the major functions relating to land management. The Divisions of Finance have 7 offices with tax, lands and housing and state assets, the three units involved in land management. The Financial Services Division mirrors the functions of the national level MOF and is responsible for conducting field programs such as registration and related activities and tax assessment and collection through the offices of the district administration. Provincial and district agencies are implementing arms of central government agencies which are responsible for providing policy and technical guidance.

1.20 The Land and Housing Management Office (LHMO) is responsible for the implementation of the DOLHM policies and programs specifically, operating the current registration system and assessment of land taxation requirements. The LHMO has two units: Land titling records and cadastral survey; and land tax.

1.21 The district level administration provides an important function in the formal document registration and land tax collection system. The district office follows the procedures defined in the formal procedures pertinent to the particular transaction and the type of land classification. The formats and the process are controlled by the head of the district LHMO. The district level land officer represents the provincial administration in carrying out land registration activities including the preparation of the necessary plans

and documentation. The district officer provides the access to the service users and village level and carries out programs designed by the provincial administration. The district is responsible for the identification of 8 classifications of land based on information from formal and informal transactions.

1.22 The district lands officer supported by the village headman (nai baan) provides the documentation including tax certification and proof of ownership together with the required witnesses and documentation to the provincial office which certifies and signs the document to the land. The provincial level maintains the register although copies are kept at the district level office. The district office plays an important role in the dispute resolution process if it cannot be resolved at the village level, invariably with the assistance of the village head man.

1.23 Other Agencies Involved in Land Management. Other agencies involved in land management are the Ministry of Agriculture and Forestry (MAF) and the Ministry of Communications, Transport, Constructions and Posts (MCTCP). MAF is responsible for agriculture and forest land use management. A major focus has been on land demarcation between forests and agricultural land and attempting to develop incentives for communities to manage land resources sustainably in exchange for community land use rights to traditionally controlled village lands. The linkages to a formal land titling program and the role of incentives (including possible provision of title) in improving resource management in rural areas need to be addressed as a priority; a study to address these will be supported under the proposed project (see para. 2.15 (c)). MCTCP, through the Department of Housing and Town Planning, has a mandate to facilitate the urban planning and development activities at provincial level.

1.24 Also having a key role in a titling program is the National Geographic Department (NGD). The Department has the responsibility for carrying out mapping within the country and is administered separately from DOLHM, coming under the auspices of the Prime Minister's Office. In addition, the Ministry of Justice (MOJ) is responsible for the drafting of laws and decrees and will play a role in the further development of land laws.

E. LESSONS FROM PREVIOUS IDA INVOLVEMENT

1.25 IDA has had no experience with land administration projects in Lao PDR. However, it has supported and is currently supporting projects in the agricultural and natural resources sector. A review of project performance in Project Completion Reports and in Operations Evaluation Department's (OED's) Project Audits has rated all past projects as unsatisfactory. Implementation has generally been constrained by inappropriate macro and sectoral policies, weak institutions, and a poor human resource and infrastructure base.

1.26 The World Bank's experience with supporting land titling projects world-wide has been mixed, with success recorded primarily in the Thailand projects, but with less success recorded in most of the other projects. According to the review of these projects by the World Bank's Environment Division in a report entitled The World Bank's

Experience with Rural Land Titling (report no. 1992-35, March 1992), the factors which contributed to poor performance of land projects include: (i) lack of political support; (ii) conflicting bureaucratic priorities and/or infighting; (iii) lack of institutional capacity or unwillingness to commit adequate resources; and (iv) underestimation of complexity and/or costs, or other design weaknesses. On the other hand, the factors responsible for success in the Thailand land titling projects include: (i) simple project design, with only one single objective of land titling and one single agency responsible for project implementation; (ii) strong government commitment to the project; (iii) a graduated increase in cost recovery; (iv) specially formed and trained systematic adjudication teams which involved the communities concerned; and (iv) use of efficient new technologies.

1.27 The key lessons drawn from Bank experience with land titling projects would point to the following factors to enhance project success. First, projects should be designed simply, with minimal objectives and a single implementing agency, with clear and well functioning management links at provincial or regional level. Second, projects should be designed on the basis of the borrower's existing human skills and institutional arrangements, augmented by training and technical assistance, and appropriate staff incentives. Third, projects should focus on existing land rights, and not on addressing reallocation of existing rights, and should be consistent with the Government's own plans to address land use questions.

1.28 The above lessons have been used in project design in the following ways. First, a simple project design has been followed, with the project objectives limited to land titling and valuation and with one lead agency responsible for project implementation. Second, in order to overcome human resource problems and lack of experience in project implementation, the project has been preceded by grant funding in support of pre-implementation activities including a land titling pilot, project management training, development of a legal and policy framework, and technical assistance. In addition, a lot of emphasis is given to use of private contracting (domestic and international) to overcome human resource constraints in project management and implementation, though ensuring continuous cooperation with the public sector, working with local government officials, and training of counterparts to ensure sustainability. Third, the project is focused on registration of existing rights, and does not attempt to address land reform issues.

2. THE PROJECT

A. RATIONALE FOR IDA INVOLVEMENT

2.1 The Country Assistance Strategy for Lao PDR (dated January 18, 1996, and discussed by the Bank's Board of Executive Directors on February 22, 1996) lists poverty alleviation and the improvement of the standard of living for the Lao people as its main objectives. Economic growth, which is a necessary condition for poverty alleviation, requires that the appropriate economic infrastructure and enabling environment for private investment be in place. The lack of land markets poses a problem for domestic and foreign investors. The country assistance strategy highlights the importance of alleviating the present uncertainties associated with the lack of clear titles and recording of land transactions in order to create an enabling environment for economic growth.

2.2 IDA involvement in the project has been guided by two principles: (i) comparative advantage; and (ii) partnership with Government and other donors. The Bank has considerable experience in supporting land titling projects (see paras. 1.25-1.28) and is therefore well positioned to support the proposed project. Furthermore, the Bank has, in partnership with AusAID, supported successful land titling projects in Thailand and Indonesia, and this partnership, in the form of co-financing, will continue in the proposed project. The project itself has evolved out of the dialogue between the Government and donors in the framework of supporting the country's transition from a centrally planned to a market economy. Support for the development of efficient land markets is included as a priority activity in the country's Public Investment Program to the Year 2000.

B. PROJECT OBJECTIVES AND DESCRIPTION

2.3 The overall goal of the project is to strengthen the basis for long term sustainable economic and social development. In conformity with this goal, the objectives of the project are to foster the development of efficient land markets and to facilitate domestic resource mobilization by providing a system of clear and enforceable land use ownership rights, and by developing a land valuation capacity.

2.4 The project would support the first seven years of a longer term national land titling program (which would be developed during implementation) aimed at extending secure land ownership and developing land administration and valuation systems, including compiling a cadastral mapping system. The main components of the project are:

- (a) completion of the policy and legal framework for land management and administration (US\$0.4 million);
- (b) implementation of an accelerated land titling program (US\$19.9 million including US\$4.0 million for base mapping, US\$15.2 million for systematic registration and US\$0.7 million for sporadic registration);

- (c) improvements in the infrastructure, facilities and systems for land administration (US\$2.7 million);
- (d) improvements in land valuation (US\$0.8 million);
- (e) support for project management and implementation, and institutional strengthening (US\$4.0 million); and
- (f) studies on community land tenure and registration, definition of forest boundaries, cost recovery, land rights issues on nationalized lands and socio-economic impact of land titling (US\$0.6 million).

2.5 The systematic titling program would be undertaken in Vientiane Prefecture and in the urban and peri-urban areas of the four provinces of Luang Prabang, Vientiane, Savannakhet and Champassak. The Prefecture and the four provinces were selected to provide a wide range of locations throughout the country. Other criteria for selection were: (i) potential high economic and population growth; (ii) high rate of payment of land tax; and (iii) minimum forest areas.

2.6 Districts within the provinces were selected based on the same criteria as for the selection of the provinces. For the first phase of the Project, districts which contain major urban areas would be undertaken, followed by adjacent districts.

2.7 The sporadic titling program, which involves issuance of titles on a demand basis, would be started initially in three provinces where there is potential high demand. Specific provinces to be covered by sporadic titling would be selected annually by the Project Steering Committee as part of the approval process for the annual work plan and budget.

C. DETAILED PROJECT FEATURES

Completion of a Policy and Legal Framework for Land Management and Administration

2.8 This sub-component would support the current activities of the MOF and Ministry of Justice (MOJ) in applying existing regulations and preparing future land legislation to improve the legal basis for land management and administration by providing an overall policy framework within which such laws may be developed. Land management and administration policy would be reviewed and action taken to address deficiencies and inconsistencies starting with the areas to be studied as listed in paragraph 2.4 (f) above. Laws and regulations would be developed, continuing from the work commenced under the Pilot Project initiated in 1994, to: (i) address the legal constraints to the titling program; (ii) ensure secure legal status of land titles; and (iii) support the on-going registration of transactions.

2.9 The first pilot project resulted in the issuance of titles for only 300 parcels out of a target number of about 2,900 parcels (about 10 percent registration rate). The results of

the pilot highlighted some problems which have influenced the design of the proposed project and prompted the Government to seek support for operational trials ahead of the main project. The key problem was the ineligibility of parcels for registration either because the landholders had no documents (50 percent) or had unregistered documents (30 percent). In addition, some landholders who had unpaid land taxes and transfer taxes were reluctant to participate in land registration, fearing they would be required to pay outstanding taxes.

2.10 To achieve registration rates of successful land titling programs (e.g., the Thailand Land Titling Project achieved a 79 percent registration rate), the Government has decided to use more realistic standards of evidence of land possession (including consideration of non-documentary evidence) and to introduce an option to issue provisional/qualified titles with a provision for their automatic maturation into full land use rights after a specified number of years (about three) if no successful challenge has been made against the titles.

2.11 A Ministerial Instruction (MD 990) on new procedures for land registration was issued on September 27, 1995. To reflect the above policy considerations, the Instruction includes provisions for: (i) the empowerment of systematic adjudication teams; (ii) the regulation of the issuance of titles; (iii) issuance of provisional titles; and (iv) clarification of institutional arrangements. The new procedures of land registration included in the Ministerial Instruction were tested under the Second Pilot Land Titling Project which commenced during July 1995 and was completed in February 1996. Under the Pilot, a systematic adjudication approach was successfully introduced and used to register 80 percent of the targeted 1,200 parcels, including state land. During negotiations, assurances were obtained that the Government would not later than September 30, 1996 submit to IDA for prior approval the proposed time-bound action plan for implementing the lessons learned and recommendations derived from the Project Preparation operation trials undertaken prior to credit effectiveness. Once approved by IDA, the Government would immediately undertake all necessary measures to implement the recommendations duly taking into account IDA's comments. The Government would issue not later than January 31, 1997, Implementing Regulations to the land-related decrees satisfactory to IDA, incorporating the lessons learned from the operational trials. The Regulations would set forth the procedures for the issuance, registration, adjudication, and enforceability of land transfer, occupancy and use rights. Already, there is a Government Committee which has started drafting a Land Law that will be furnished to IDA for review as soon as a draft is ready. If the Land Law supersedes the decrees, regulations to the Land Law will be prepared under the project..

Implementation of an Accelerated Land Titling Program

2.12 A major objective of the project is to support the Government's initiatives in accelerating the issuance of land titles and building up DOLHM's capacity in land registration and administration. This would be assisted through: (i) the production of base maps; (ii) the development and conduct of a systematic adjudication and registration program of land parcels in five jurisdictions; and (iii) support in selected provinces for

improvements in the on-going sporadic adjudication and registration activities. In the first two years, the emphasis would be on building and improving the institutional, technical, human resource and regulatory foundation of systematic adjudication and registration. Support for sporadic adjudication and registration would include staff training, regulatory and procedural improvements and provision of equipment, vehicles and development funds for land registration. This component would include the following five sub-components:

- (a) **Base Mapping.** This would support production of maps using a photo base, including map control, aerial photography, and photogrammetric mapping. Funds would be provided for NGD's building extension/renovation, training, mapping equipment and map production. For the first three years of the project, most of the base mapping would be contracted out while NGD's capacity is being strengthened. Upon its evaluation, NGD would then be considered to undertake a significant proportion of the mapping thereafter if it can do it efficiently. Aerial photography would be undertaken to cover a total surface area of about 465,000 ha, with about 2,300 rectified and enlarged mapsheets made for the project. During negotiations, assurances were obtained that all required security clearances, approvals, licenses, permits and permissions would be provided promptly for undertaking aerial photography and, if necessary, for processing outside the territory of Lao PDR of photographic negatives produced as a result of aerial photographic activities. In addition, assurances were also obtained that MOF and NGD would enter into a Memorandum of Understanding (MOU) providing for the transfer of project funds to NGD before disbursement can be made to support aerial photography and the production of maps under NGD. A draft MOU was reviewed during negotiations.
- (b) **Systematic Adjudication and Registration.** This would involve: (i) development, testing and refinement of new systematic adjudication and registration procedures; (ii) field work for systematic registration in project areas; (iii) preparation of records and certificates and their distribution to land holders; and (iv) filing of the records in the Provincial land offices. The project would provide assistance for the development of a legal and institutional framework for registration, and meeting the costs of vehicles, equipment, field work and registration of documents in the provincial offices. The build up of a large number of permanent staff to carry out this work is not feasible or sustainable, because of current civil service hiring restrictions, and as this first time registration work is a one time activity. Therefore, a combination of public and private sector approaches and the use of temporary employees have been incorporated into the project design. Based on limited staff in the project provinces and staff available in other agencies including NGD, MAF and MCTPC who can be seconded to the project and the contracting of personnel from the

private and public sectors, about 19 adjudication teams (350 staff) would be mobilized to survey and adjudicate about 300,000 parcels over seven years. They would undertake work in Vientiane Prefecture and Province, and in the provinces of Savannakhet, Champassak and Luang Prabang.

- (c) Sporadic Adjudication. At least three selected provinces not included in the systematic registration component would receive support to improve their existing sporadic first time registration procedures and facilities. Sporadic adjudication and registration would include a review of procedures, their improvement and their implementation. In addition, each provincial land office would be provided with a vehicle, survey and office equipment, and development funds to better carry out sporadic registration. A total of about 22,900 parcels would be surveyed and adjudicated under this sub-project.
- (d) Training in Support of Systematic and Sporadic Adjudication. Training would be provided: to NGD staff on the use of GPS; on management of systematic and sporadic registration processes for provincial land offices; and on systematic registration process to surveyors, registration parties and land offices, including the training of trainers in systematic registration, community relations and services, and briefing sessions for local government officials. For the non-systematic provinces, the training would be in sporadic registration and customer relations and services only.
- (e) Customer Relations and Services (CRS). This sub-component would support the implementation of the systematic adjudication and registration activities by ensuring that landholders and other people involved in the project have the necessary information to effectively participate in the land titling program. This would be achieved through town, village, and door step meetings, radio and newspaper advertisements and announcements, training in CRS for the systematic adjudication teams and briefings for local government officials. Funds would be provided for training, staff development, transport, and equipment.

Land Administration

2.13 The land titling program will place new and additional pressures on the Vientiane Prefecture and the four provincial and district offices in project provinces in terms of increasing volumes of land transactions and records. The project would support the long-term development of land administration systems to improve efficiency and service delivery, ensure the security of land records and sustain the land titling program after project completion. It would support: (i) reviews of systems and procedures; (ii) improvement of records management systems and security, including the development of a computerized land registration system in selected provinces and development of a land records management policy which would include consideration for safety of land

documents and timely access to the documents for use in land transactions and land management and administration; (iii) improvement in provincial land office facilities, including new provincial land offices and provision of secure office storage, equipment and materials; (iv) training land office staff; and (v) development and implementation of customer relations services. Similar support would also be provided for sporadic registration activities in other selected provinces.

Land Valuation

2.14 The project would assist the MOF in increasing its revenue collection from land registration services, state land management including leasing and, in the medium term, from land taxes, through the development of improved and more equitable systems of valuation. A major focus of the component would be human resource and skills development, especially by the establishment of a valuation course in a Lao institution. Use would also be made of the Bangkok Institute of Technology's valuation course for both education and training. Another component would establish a sales and rental valuation data base, initially for Vientiane Municipality and subsequently for other major urban areas, followed by development of valuation systems, preparation of manuals for valuation staff development and training. In addition, support would be given to the development of a land valuation policy and legislation. International and national valuation specialists would be supported under the Project to work with the staff of MOF.

Project Implementation and Capacity Building

2.15 The project would strengthen DOLHM's capacity in project planning, management, and monitoring and evaluation of the land titling program. It would support the following sub-components:

- (a) Project Management. It would strengthen the PSU in DOLHM which would be established prior to project effectiveness. It would provide vehicles, office equipment and training of staff and funds for project management, procurement, disbursement and support in project planning, budgeting, coordinating, monitoring and evaluation, and the preparation of progress reports. In addition, funds would also be provided for contracting the Project Administrator (PA), whose responsibilities would be to assist the Project Director and Manager in the management of the project, including procurement, contract supervision, implementation planning and monitoring, and financial management (see para. 3.7 for details on the responsibilities of PA).
- (b) General Strengthening of the Institutions. This would aim to strengthen the organizational capabilities of DOLHM and of the project provinces to effectively implement the Government's land titling program. An important input would be the undertaking and implementation of a human resources development strategy and operation and management studies which would guide DOLHM to achieve the most effective and efficient

use of its human resources and to build an organizational and management structure that can support a modern land titling and administration system. During negotiations, assurances were obtained that the Government would, by November 30, 1996, prepare and submit to IDA for its prior approval the terms of reference of the socio-economic baseline survey and impact study, the community land tenure study, the forest boundary definition study, the land fees and cost recovery study, the study on efficiency and land rights issues of nationalized land, the human resource development study and the organizational management and operation study and a time-based plan for undertaking them. Upon receipt of IDA's approval, the Government would promptly carry out each study and submit to IDA for review and comments the draft report of each study together with the proposed work plan and related budget for implementing its recommendations. Once approved by IDA, the Government would immediately take all measures necessary to implement the recommendations with due diligence and efficiency.

- (c) Long-Term Development of Land Administration. This would support a number of studies that would investigate issues relating to land administration, the results of which will assist the GOL and DOLHM in the formulation of procedures to sustain the development of a long term land administration system. There are five studies. First, a community land tenure study would be initiated during the first year of the project to investigate and recommend appropriate registration procedures for areas with community land tenure arrangements. Second, a land fees and cost-recovery study would be initiated during the second year of the project to review the fees being charged for land titling and transfer in order to generate options for recovering the costs of land registration. Third, a forest boundary definition study would be initiated during the second year of the project to investigate and recommend appropriate procedures of delineating and registering land adjacent to forests. Fourth, a socio-economic baseline survey would be initiated during the first year of the project and a follow-up survey initiated during the final year of the project to measure the socio-economic impact of land titling. And a fifth study would deal with efficiency and land right issues on nationalized lands; this would be initiated during the second year of the project. The draft terms of reference for these studies can be found in Annex 8. During negotiations, assurances were obtained that: the Government would, by November 30, 1996, submit to IDA for review and comments the terms reference of these studies and a time-based plan for undertaking them. Upon completion, the draft Reports of each study and a plan to implement the recommendations of each study would be furnished to IDA for review and comments before the recommendations are implemented.

- (d) Education and Training. This sub-component would aim at raising the skill levels of the staff of DOLHM, DSA, NGD, Vientiane Prefecture and provincial land offices. Project support would include in-country training on project management, IDA's procurement procedures, and basic computer and English courses.

Technical Assistance and Overseas Training

2.16 Technical Assistance. Detailed technical assistance arrangements are presented in Annex 6. The technical expertise would be involved in the introduction and implementation of base mapping and systematic adjudication and registration, land administration and land valuation. The responsibilities of technical assistance would include technology transfer to counterparts, and support of the actual implementation. Project administration training would be undertaken by the staff of the PA (see Annex 7).

2.17 The TA has been designed in such a manner that minimal additional administrative demands would be placed on DOLHM to support the program itself. Sufficient resources have been budgeted to support the mobilization, management, coordination and support of the various technical assistance activities. The TA encompasses 216 man-months of international expertise and 296 man-months of expertise to be obtained locally.

2.18 Overseas Education, Training, Work Experience, and Study Tours. The overall plan for overseas education and training is contained in Annex 6 (Table 2). The project would support investments in the staff development necessary to ensure the successful implementation and sustainability of this land titling program. Because of staff shortages, the need for counterpart staff, and the presence of most of the international specialists in the first two years of the project, most of the short term training and scholarships have been designed to occur in the last two years of the project. Overseas scholarships include 226 person-months, plus 107 person-months of short term training and study tours. Long-term overseas education includes undergraduate and diploma courses in surveying, digital mapping, valuation, land administration, land information systems, valuation, and public administration. Staff selected for the education and training courses would be from DOLHM, DSA, Vientiane Prefecture, the provincial offices, and NGD. Training for project management would be included in the PA sub-component.

2.19 The short-term training includes formal courses and a series of two month's work experience training in international organizations with comparable responsibilities in a range of technical areas. A series of group study tours have also been planned, where groups of personnel would travel to international agencies to study selected land administration matters and review current initiatives for improved efficiency in land administration. During negotiations, assurances were obtained that the Government would provide to IDA for prior approval by August 31 of each year beginning August 31, 1996 a proposed training program and budget for the central government and provincial

staff involved in the project; once approved by IDA, the Government would immediately take all measures to implement the program taking into account IDA's comments.

D. PROJECT COSTS AND FINANCING

Project Costs

2.20 The total project costs are estimated at US\$28.38 million, including taxes and duties (US\$1.15 million), and physical and price contingencies (US\$3.68 million). The foreign exchange component is estimated to be million (60 percent). A large proportion of the total project costs (over 45 percent) relate to investments in the legal and policy framework, institutional and physical infrastructure and in capacity building that would support a longer term program of land titling and administration that goes beyond the project's time frame; therefore only about 55 percent of the costs relate directly to the immediate production of land titles.

2.21 Project costs are summarized in Tables 2.1(a) and (b), and further details are provided in Annex 1. Project costs include about US\$28.07 million (99 percent) in investment and development costs and US\$0.31 million (1 percent) in recurrent costs. Project costs include costs defined as capital costs in economic terms, including those costs involved in creating an asset in the form of a new property cadastre, which is expected to produce a stream of benefits over a number of years, and development costs needed to develop the land titles. The recurrent costs include salaries and allowances, operation and maintenance of vehicles and equipment, office operating costs related to the strengthening of DOLHM's service delivery and capacities in project planning and

implementation, and MOF's land valuation operations. These recurrent expenditures are a key to successful implementation; they represent a small proportion of the project costs (1 percent) and their financing by IDA is on a declining basis. There are strong cost recovery measures that would enable the Government to take over their financing upon completion of the project (see para. 4.9).

Table 2.1 (a). Project Cost Summary by Components

	(K Million)			(US\$ Million)			% Foreign	% Total Base Costs
	Local	Foreign	Total	Local	Foreign	Total		
Legal Framework	28.5	312.5	341.0	0.04	0.40	0.44	92	1.8
Land Titling								
Base Mapping	1,345.6	2,994.2	4,339.8	1.72	3.84	5.56	69	22.5
Systematic Adjudication	4,337.6	3,750.0	8,087.6	5.57	4.61	10.38	46	42.0
Sporadic Adjudication	272.9	180.6	453.5	0.35	0.23	0.58	40	2.4
Subtotal	5,956.1	6,924.8	12,880.9	7.64	8.88	16.52	54	66.9
Land Administration	413.4	1,511.9	1,925.3	0.53	1.94	2.47	79	10.0
Land Valuation	67.4	548.2	615.6	0.09	0.70	0.79	90	3.2
Inspection Building	226.1	2,841.6	3,067.7	0.30	3.64	3.94	93	16.0
Studies	3.1	429.8	432.9	0.00	0.55	0.55	100	2.2
Total Baseline Cost	6,694.6	12,568.9	19,263.5	8.58	16.12	24.70	65	100.0
Physical Contingencies	16.6	101.9	118.5	0.02	0.13	0.15	86	0.6
Price Contingencies	2,117.3	636.2	2,753.5	2.71	0.82	3.53	23	14.3
Total Project Cost	8,828.6	13,306.9	22,135.5	11.32	17.06	28.38	60	114.9

Table 2.1 (b). Project Cost Summary by Expenditures

	(K Million)			(US\$ Million)			% Foreign	% Total Base Costs
	Local	Foreign	Total	Local	Foreign	Total		
Civil Works	165.9	387.0	552.9	0.22	0.51	0.73	70	2.9
Equipment	146.7	1,320.5	1,467.2	0.19	1.69	1.88	90	7.6
Vehicles	256.7	599.1	855.8	0.33	0.77	1.10	70	4.5
Furniture	40.8	13.6	54.4	0.05	0.02	0.07	25	0.3
Development Costs								
Aerial Photograph	0.0	632.0	632.0	0.00	0.81	0.81	100	3.3
Map Production	1,183.3	1,158.9	2,342.2	1.52	1.48	3.00	49	12.1
Land Adjudication	4,266.9	2,467.1	6,734.0	5.47	3.16	8.63	37	34.9
Local Training	102.2	102.1	204.3	0.13	0.13	0.26	50	1.1
Overseas Training	0.0	1,034.9	1,034.9	0.00	1.33	1.33	100	5.4
Technical Assistance	330.6	2,586.6	2,917.2	0.42	3.31	3.73	89	15.1
Computerized Land Registration	83.1	193.8	276.9	0.11	0.25	0.36	70	1.5
Project Administrator	0.0	1,560.0	1,560.0	0.00	2.00	2.00	100	8.1
Studies	3.1	429.8	432.9	0.00	0.55	0.55	100	2.2
Recurrent Costs	115.3	83.5	198.8	0.15	0.10	0.25	41	1.0
Total Baseline Costs	6,694.6	12,568.9	19,263.5	8.58	16.12	24.70	65	100.0
Physical Contingencies	16.6	101.9	118.5	0.02	0.13	0.15	86	0.6
Price Contingencies	2,117.3	636.2	2,753.5	2.71	0.82	3.53	23	14.3
Total Project Costs	8,828.6	13,306.9	22,135.5	11.32	17.06	28.38	60	114.9

2.22 Unit costs for works, goods and services are based on recent contract prices for civil works and aerial photography, prices quoted by local and international suppliers for vehicles, equipment and furniture, and rates of international and local consultants for PA, development of computerized land registration and studies. Project base costs are calculated in constant 1995 prices. Physical contingencies of 10 percent have been included for civil works and aerial photography. Except for technical assistance, overseas training, PA and studies, price contingencies of US\$3.53 million, equal to about 14 percent of base costs, have been included to accommodate annual projected domestic inflation rates of 10 percent in 1996 and 6.5 percent thereafter, and 2.6 percent per year for international inflation. Cost estimates for the technical assistance and overseas training components to be funded by AusAID are based on current rates of Australian and national consultants and overseas training courses.

Financing

2.23 The proposed IDA Credit of US\$20.73 million would finance 76 percent of project financing requirements, exclusive of taxes (Table 2.2). The Credit would include US\$12.39 million (73 percent) of the foreign exchange requirements and US\$8.34 million of local costs. It would finance civil works, equipment, vehicles, furniture, aerial photography, map production, development costs of land titling, computerized land registration, PA, local training, studies and recurrent costs on a declining basis. AusAID would contribute US\$5.06 million (19 percent of total project costs, net of taxes) which would cover 100 percent of foreign exchange costs for technical assistance and overseas training, and would be financed on a parallel basis. The Government would provide the balance of US\$1.44 million, 5 percent of total project costs exclusive of duties and taxes (US\$1.15 million). Project financing arrangements are summarized below. The Government would provide adequate annual budgetary allocations to DOLHM, the project provinces, Vientiane Prefecture, NGD and DSA to meet the counterpart funding requirements for the project. During negotiations, assurances were obtained that AusAID's Memorandum of Subsidiary Arrangement (which governs AusAID's funding) would become effective before the IDA credit may be declared effective.

Table 2.2. Financing Plan (US\$ Million)

	Government	IDA	AusAID	TOTAL
Civil Works	0.12	0.74		0.86
Vehicles	0.35	0.82		1.17
Equipment	0.20	1.78		1.98
Furniture	0.01	0.07		0.08
Development Costs:				
Aerial Photography	0.00	0.97		0.97
Map Production	0.38	3.40		3.78
Land Adjudication	1.39	9.50		10.89
Local Training	0.04	0.28		0.32
TA & Overseas Training	0.00	0.00	5.06	5.06
Computerized Land Registration	0.00	0.40		0.40
Project Administrator	0.00	2.00		2.00
Studies	0.00	0.55		0.55
Recurrent Costs	0.10	0.22		0.32
Total	2.59	20.73	5.06	28.38

E. PROCUREMENT

Procurement Framework

2.24 Procurement would be handled by DOLHM. Given the lack of experience by DOLHM in handling international and local procurement and the hiring of consultancy services, and its institutional limitations including having only eleven active staff members, the Government has agreed in principle that a Project Administrator (PA) would be contracted during the initial years to carry out the procurement and administration of the contracts under the Project, including coordination and administration of services provided by relevant Government Departments.

2.25 Project Administrator (PA). The services of a consulting firm will be engaged to act as a project administrator. In addition to filling the project administration void and providing badly needed institutional strengthening, the services of the PA would allow DOLHM to focus on policy issues as well as on the implementation of the administration and valuation activities. The PA consultancy would have three major components; (a) procurement; (b) financial control and project monitoring; and (c) formal training of DOLHM and other government staff related to project administration.

2.26 The procurement function would cover all tasks involved in the procurement processes of the project, from the preparation of advertising notices and invitations to bid through evaluation of contracts (except awarding and signing of contracts unless delegated to do so) which are to be financed with IDA or GOL funds. These include: 12 ICBs for works, goods, service and consultancy contracts, of which one has prequalification; 5 International Shoppings; 10 NCBs; and 6 Local Shoppings. Technical specifications would be prepared by the technical experts whose services would be included in the AusAID financing package for TA.

2.27 The project administration function will cover, as a minimum, the following tasks: contract administration; project planning, budgeting and monitoring; measurements, certifications and payments to suppliers, contractors and consultants; handling of project accounts and statement of expenses; withdrawals from the IDA credit; management training for government counterpart staff; and production of reports.

2.28 The formal training function comprises seminars to DOLHM and other GOL staff on: (a) international and national procurement; (b) contract administration and monitoring; (c) planning and budgeting; (d) receiving, storing and delivering; (e) financial control; (f) processing disbursement and withdrawal requests; (g) processing claims; (h) managing project accounts and statements of expenses; and (i) reporting.

2.29 As the PA's services would be financed by the IDA credit, the selection and hiring process would be in accordance with the IDA/World Bank's Guidelines for the Use of Consultants, and the letters of invitation, TORs and draft contract would require IDA's prior clearance. The procurement function and formal seminars, having measurable outputs in terms of procurement processes undertaken and completed and of seminars delivered, respectively, will be paid on the basis of these outputs. On the other hand, the project administration function, including on-the job training of counterpart staff, will be paid on the basis of inputs, i.e., actual time and material expended. In view of the above, technical and price aspects will be taken into account in the evaluation of offers, with corresponding weighting which will depend on the measurability of the outputs.

2.30 Acting for and on behalf of the Project Director of DOLHM, the PA would initially take over the administration function of the project, which will include all tasks related to the procurement of goods, works, service contracts and consulting services which are to be financed with IDA and/or GOL funds (except for contract award and signing and excluding the contracts which are to be financed with AusAID funds), project planning and monitoring, as well as all physical and financial aspects of contract and project administration.

2.31 The duration of the PA consultancy initially will be two years after which some of its functions may be extended, as needed, on a year-to-year or month-to-month basis. It is envisioned that the PA's work will taper off as GOL staff are trained, in such a manner that after the first two years, only advisory services will be required.

2.32 The PA will be expected to assign at least one resident expert for each of the following fields: procurement, financial control; and project/engineering management. DOLHM will assign one senior and one junior staff of the Project Support Unit (PSU) to work with each PA resident expert in all day-to-day activities. Transfer of skills being a key element of the PA consultancy and as a result of the formal and on-the-job training to be provided, it is envisioned that after the first year, each PA expert will assume the role of supervisor and relinquish his/her functions to the local counterpart and, finally, that towards the end of the second year, the experts will become advisors to the PSU staff. During negotiations, assurances were obtained that the PA would be hired not later than September 30, 1996. A draft letter of invitation, TORs and a contract for PA were reviewed during negotiations.

2.33 Bidding Documents and Contract Documents. Neither ICB nor NCB documents are available in DOLHM for review as the Department has no project implementation experience. Given the mandatory use of the Bank's Standard Bidding Documents for ICB and the fact that, except for the aerial photography contract and civil works, few bidding activities would take place in the first year of implementation, preparation of bidding documents does not appear to be a constraint to timely project implementation.

Procurement Arrangements

2.34 Civil Works. Contracts for civil works in Vientiane City and Vientiane Province, for the construction of two new buildings and the renovation and extension of the NGD building, valued at (US\$0.45 million), would be procured through ICB with prequalification of bidders, utilizing the Bank's Standard Bidding Documents (SBDs). Qualified domestic contractors participating in the ICB would be eligible for a margin of preference of 7.5 percent in the evaluation of bids. In view of the small value (US\$137,000 each) and of their being located in remote areas, a condition which will likely attract only local contractors and not even national ones, civil works contracts for the construction of two new buildings and the renovation of an existing building in the other provinces estimated to cost US\$410,000 in aggregate, would be procured through NCB procedures acceptable to IDA..

2.35 Goods. Contracts for vehicles and scientific equipment, valued at a total of US\$2.77 million, would be procured through ICB procedures in accordance with IDA Guidelines. Domestic manufacturers participating in ICB would be eligible for a margin of preference of 15 percent or the rate of import duties, whichever is less in accordance with IDA Guidelines. Boundary markers and furniture (US\$0.37 million) and minor equipment (US\$0.2 million), all of which are available in the local market and estimated to cost US\$290,000 or less per contract, would be purchased through NCB procedures acceptable to IDA. Materials for mapping and land titling (US\$0.13 million), which will be spread out over the five year implementation period of the project and estimated to cost US\$50,000 or less per contract, would be procured through International Shopping, obtaining at least three prices from qualified suppliers in accordance with IDA Guidelines. Minor contracts for goods and supplies with an estimated value of US\$

25,000 or less and an aggregate value not to exceed US\$0.18 million, may be procured through the UN Inter-Agency Procurement Services Office (for urgently needed supplies), direct contracting with IDA's prior agreement or on the basis of national shopping, as described above.

2.36 Service Contracts for Aerial Photography, map production and Computerized Land Registration Management System, valued at a total of US\$5.02 million, would be procured through ICB, in accordance with IDA Guidelines.

2.37 Consultancies and Training. Consulting services totaling 216 staff-months of international and 296 staff-months of national expertise, and overseas education and training totaling 333 staff-months, all estimated to cost US\$5.06 million, would be funded in parallel by AusAID and procured according to its own procedures. Five studies totaling 28 staff-months (US\$0.55 million) and the PA (US\$2.0 million) would be procured on the basis of IDA Guidelines for the Use of Consultants.

2.38 Miscellaneous. For the balance of US\$11.24 million, which includes systematic and sporadic adjudication, local training and recurrent costs, procurement is inapplicable since implementation will be by force account.

IDA Prior Review

2.39 For all contracts with a value of US\$200,000 equivalent or more per contract for civil works, goods and service contracts (aerial photography, map production and computerized land records) each set of bid documents would be subject to prior review by IDA before issuing to bidders, and evaluation reports would be reviewed by IDA before award of the contract. This would cover about 65 percent of the value of works and 80 percent for goods contracts and 100 percent of the value of the service contracts. All other contracts of goods would be subject to IDA post review procedures. All consultancy contracts with firms valued at the equivalent of US\$100,000 equivalent or more will be subject to IDA prior review procedures; so would contracts with individuals valued at the equivalent of US\$50,000 or more. Prior review procedures would apply regardless of the value of contracts with respect to draft letters of invitation and contracts, terms of reference, sole source selection, qualification criteria, evaluation reports, award proposals and final contracts when substantial differences to the original draft are made. For individual consultants, simplified review procedures would apply as per IDA Guidelines. All post review contracts for civil works, goods and consultants would be subject to sample review. In order to ensure timely award of contracts, the PSU should ensure all required information is provided to IDA promptly, and evaluation and contract award proposals are also submitted to IDA in a timely manner.

Table 2.3. Summary of Proposed Procurement Arrangements ^{a/} (US\$ Million)

	ICB	NCB	Other ^{d/}	NIF ^{c/}	Total Costs
1. Civil Works					
1.1 Building	0.45 (0.39)	0.41 (0.35)	-	-	0.86 (0.74)
2. Goods					
2.1 Equipment	1.60 (1.44)	0.20 (0.18)	0.18 (0.16)	-	1.98 (1.78)
2.2 Vehicle	1.17 (0.82)	-	-	-	1.17 (0.82)
2.3 Furniture	-	0.08 (0.07)	-	-	0.08 (0.07)
2.4 Material ^{b/}	-	-	0.13 (0.12)	-	0.13 (0.12)
2.5 Boundary Marker	-	0.29 (0.26)	-	-	0.29 (0.26)
3. Services Contracts					
3.1 Aerial photography	0.97 (0.97)	-	-	-	0.97 (0.97)
3.2 Map Production	3.65 (3.28)	-	-	-	3.65 (3.28)
3.3 Computerized Land Registration	0.40 (0.40)	-	-	-	0.40 (0.40)
4. Consultancies					
4.1 TA & Overseas Training ^{c/}	-	-	-	5.06	5.06
4.2 Project Administrator	-	-	2.00 (2.00)	-	2.00 (2.00)
4.3 Studies	-	-	0.55 (0.55)	-	0.55 (0.55)
5. Miscellaneous					
5.1 Recurrent Costs	-	-	0.32 (0.22)	-	0.32 (0.22)
5.2 Land Adjudication	-	-	10.60 (9.24)	-	10.60 (9.24)
5.3 Local Training	-	-	0.32 (0.28)	-	0.32 (0.28)
Total	8.24 (7.30)	0.98 (0.86)	14.10 (12.57)	5.06	28.38 (20.73)

^{a/} Figures in parenthesis represent IDA financing.

^{b/} Materials for maps and titles by international shopping.

^{c/} NIF (not IDA financed): Cofinanced by a grant from AusAID using its own procurement procedures.

^{d/} Includes shopping, direct contracting, force account, consultant services, and the UNDP inter-agency procurement services.

F. DISBURSEMENTS

2.40 The proposed IDA credit of SDR 14.0 million (US\$20.7 million equivalent) would finance about 76 percent of the total project costs, net of taxes and duties. Disbursements would be as follows:

- (a) 95 percent of expenditures for civil works;
- (b) 100 percent of foreign expenditures and 80 percent of local expenditures for aerial photography;
- (c) 100 percent of foreign expenditures, 100 percent of local expenditure (ex-factory cost) and 80 percent of local expenditures for locally procured vehicles, furniture, materials and equipment;
- (d) 100 percent of expenditures for system development (computerized land records), PA and studies;
- (e) 90 percent of expenditures for the development costs of mapping and titling and local training; and;
- (f) on a declining basis for recurrent expenditures: 100 percent up to September 30, 1999 and 50 percent thereafter.

2.41 MOF and NGD would enter into a Memorandum of Understanding as a condition of disbursement of funds for aerial photography and map production (see para. 2.12 (a)). Full documentation would be required for disbursements against all contracts for civil works, goods, and service contracts (aerial photography, contract land titling, and computerized land registration) above US\$200,000, consulting firms above US\$100,000 and individual contracts above US\$50,000. Disbursements for all other items below these levels, including training, would be made against SOEs prepared by the PSU. Documentation supporting the SOEs would be retained by the executing units and made available for review by IDA supervision missions. The project would be physically completed by March 31, 2003, and Credit closing would be on September 30, 2003. Disbursements will therefore be completed in seven and a half years as opposed to eight years which is the average for all IDA projects in Lao PDR. An estimated schedule of disbursements is presented in Annex 2.

2.42 Special Accounts. In order to facilitate timely payments of project expenditures, a Special Account would be established in a bank acceptable to IDA and on terms and conditions satisfactory to IDA. The account would be established in US currency with an authorized allocation of US\$600,000 equivalent. The account would be replenished monthly or when it is drawn down by 30 percent of the initial deposit, whichever occurs first. Sub-accounts would be established to enable the channeling of funds to support field activities in the project provinces.

G. ACCOUNTS AND AUDITS

2.43 Under the project, DOLHM would maintain separate project accounts covering all financial transactions for project activities and would prepare annual statements of receipts and expenditures based on the project accounts. DOLHM would also maintain the accounting and internal control systems for disbursements by IDA against statement of expenditures. During negotiations, assurances were obtained that the Government would ensure that separate records and accounts would be maintained for the project, including the Special Account, and would be audited each fiscal year by an independent auditor acceptable to IDA; the audit would include a separate opinion on the use of the SOE as well as the status of audit compliance; a detailed audit report would be submitted to IDA within six months of the closing of the Government's fiscal year.

3. ORGANIZATION

A. PROJECT MANAGEMENT AND IMPLEMENTATION

3.1 The project would be implemented by DOLHM of the Ministry of Finance except for the production base maps which would be carried out by NGD. The Director of DOLHM will operate as the Project Director, supported by a Project Support Unit (PSU). The Project Director would contract the services of a Project Administrator (PA) who would assist in managing the project during its initial years. At the Provincial level, the project would be implemented through the Land and Housing Management Offices, in the Division of Finance. A detailed description of the functions of PSU, PA and other units involved in project management and coordination can be found in Annex 11. Documentation of these organizational arrangements and a staffing plan were reviewed at negotiations and found satisfactory by IDA.

3.2 Project Steering Committee. An overall Project Steering Committee (PSC) will be formed under the chairmanship of the Vice Minister of Finance. Its members will include representatives at the level of chief of cabinet of the Ministries of Finance, Justice, Communication, Transport, Posts and Construction, and Agriculture and Forestry; representatives of the Prime Minister's Office, the Prefecture of Vientiane, and the project provinces; and the Project Director. DOLHM would serve as the Secretariat of the PSC. The Steering Committee would be responsible for overall project supervision and coordination, including the approval of annual workplans and budgets, and the review of semi-annual progress reports. It would also act as a link to the Land Re-management Committee for advice on policy decisions impacting the implementation of the project. In each province, there would be a Provincial Oversight Committee (POC) chaired by the Vice-Governor in charge of development and including representatives from relevant provincial agencies (including Agricultural and Forestry Services, the Lao Women's Union and the MCTPC Service at the province) to coordinate project implementation in the provinces. During negotiations assurances were obtained that the Government would establish and thereafter maintain until completion of the project, with membership and terms of reference satisfactory to IDA: (1) by September 1, 1996, a Project Steering Committee; and (2) by October 15, 1996, a Project Oversight Committee in each province within the Project Area.

3.3 Responsibilities of the Project Director. The position of the Project Director would be ex-officio filled by the Director of DOLHM. The Project Director would have overall responsibility for ensuring that the project achieves its stated objectives. He/she would provide overall direction for the project and manage the co-ordination of the PSC, Land Re-management Committee, IDA and AusAID.

3.4 Responsibilities of the Project Manager. The Project Manager would be a full-time position, reporting to the Project Director, and would be directly responsible for project management. Responsibilities would include: the submission of work plans, budgets and progress reports, through the Project Director, to the PSC and funding

agencies; and the management of the PSU. The Project Manager would act on behalf of the Project Director in project matters during the absence of the Director. He/she would be assisted by the Team Leader of the Technical Assistance to coordinate TA activities. The Project Manager will rely on the PA for management support and training during the initial years of the project.

3.5 Responsibilities of the Project Support Unit. The PSU would be established in DOLHM to support the Project Director in his various responsibilities, including: (i) monitoring of project implementation including the preparation of progress reports; (ii) planning of project implementation including preparation of workplans and budgets; (iii) financial management and control including verification of payment requests by contractors, submission of withdrawal applications, compilation of project accounts and arrangements for their auditing; (iv) coordination with concerned agencies for the implementation and supervision of the project; and (v) acting as the Secretariat to the PSC. The PSU would consist of at least nine full time national professional staff responsible for procurement, disbursement, monitoring, planning, accounting and financial controls. Support staff and additional technical experts would be hired as needed to cover specific project activities. During negotiations, assurances were obtained that the Government would establish and maintain a PSU prior to project effectiveness, under the Project Director, and staff it with at least a qualified project manager, a procurement officer and a project accountant, before the credit is effective.

3.6 Technical Assistance. The national staff of the PSU would be complemented by technical consultants who would provide technical expertise and training to the national staff and serve as resource persons to address project-related policy and technical issues (see paras. 2.16-2.19).

3.7 Project Administrator. Given the lack of experience of DOLHM to manage donor-funded projects, a PA would be hired to assist DOLHM in managing the project during the initial years while also providing it with the necessary training to fully take-over the management functions. Overall, the functions of the PA will be to set up management systems for the PSU; initially handle management in selected areas on behalf of the Project Director and Project Manager; and, actively transfer the relevant skills and technologies to PSU staff in such a manner that subsequently, the PSU can fully assume responsibility for project management. Specifically, the PA will perform the following functions: procurement; project accounting and financial control; project management including planning, monitoring and reporting; and capacity building and training of PSU. A detailed description of the functions of PA can be found in Annex 11; arrangements for the hiring of PA and its terms of reference are contained in paras. 2.25 - 2.32 and in Annex 7.

3.8 Responsibilities of the Provincial Project Facilitation Unit (PPFU). A PPFU would be established in each project province, in the office of the provincial lands and housing chief; it would be staffed with two local professionals plus support staff. It would be directed by the head of the Land Housing Office of the province. The PPFU

would co-ordinate and facilitate project implementation at the provincial level. It will have the following functions: (i) serve as a Secretariat to the Provincial Oversight Committee (POC), including preparation of the annual work plans and budgets for POC endorsement before they are forwarded to the Project Director; (ii) coordinate and liaise with the central, provincial, district and village officials, in project implementation; (iii) plan, monitor and evaluate project activities in the province; and (iv) maintain project accounts and verify expenditures at the provincial level. During negotiations assurances were obtained that the Government would establish by October 15, 1996 and thereafter maintain until completion of the project, with membership and terms of reference satisfactory to IDA; a Provincial Project Facilitation Unit in Vientiane Province and each province within the Project Area.

B. MONITORING AND EVALUATION

3.9 The PSU would be responsible for the preparation of progress reports and monitoring and evaluation of project implementation. Semi-annual reports would be prepared using the key performance indicators identified for the project as the basis for assessing the progress of project implementation; an indicative list of the key performance indicators is contained in Annex 5. These reports would detail the progress of the project, identify possible problems or impediments and detail specific recommendations for remedial action, if necessary, and would be presented to the PSC and to the Bank. The reports would be submitted within two months of the end of the six month period being reported upon. During negotiations assurances were obtained that the Government would through the PSU: (a) submit to IDA by May 31 and November 30 in each fiscal year, beginning on November 30, 1996, a semi-annual progress report on the implementation of the Project; (b) organize and carry out joint annual project review meetings with representatives of the Government and IDA and prepare an annual progress report on the implementation of the project, under terms of reference satisfactory to IDA to be reviewed at these meetings; (c) as part of each annual review, prepare and carry out a follow-up time based action plan satisfactory to IDA to remedy any deficiencies in project implementation identified during such review.

3.10 In addition, a mid-term review of the project would be jointly undertaken by the Government and IDA by December 31, 1999. It would focus on: (i) progress made in implementing the various components of the project; (ii) progress in overcoming implementation problems particularly those related to project management and the hiring, training and supervision of personnel to undertake systematic Land adjudication and registration; (iii) the requirements by the Government to develop a long term national land titling program; and (iv) redesigning the project if necessary. Furthermore, the Government would contribute to the preparation of an Implementation Completion Report within six months of the Credit Closing. During negotiations, assurances were obtained that the Government would carry out not later than December 31, 1999, based on TORs acceptable to IDA, a comprehensive midterm review of the project and of the implementation of the national land titling program. Based on the findings of the mid-term review, the Government would undertake all necessary actions to achieve the

objectives of the project and further develop its national land titling program. Within six months after the closing date, the Government would furnish a plan for the future operation of the project and contribute to the preparation of an Implementation Completion Report.

3.11 Key Performance Indicators. Project progress would be tracked against key performance indicators and targets which would be refined annually and would be of two broad types: straight forward project output indicators, and efficiency and financial indicators though introduced at a later stage (see Annex 5). Output indicators include: base maps produced; parcels identified, surveyed and titles issued; gender distribution of beneficiaries; offices built; staff trained; scholarships and studies completed. Efficiency indicators are those related to land office operation improvements, including: registration costs relative to staff numbers, days taken to register sales and mortgage transactions; and transactions completed against staff numbers. These would be introduced as DOLHM's systems and staff become able to handle these concepts. A third type of indicators would measure the impact of the project by assessment and data collection during the socio-economic impact studies on at least a semi-annual basis. These include costs per title; government real estate taxes generated; credit obtained using land titles as collateral; value changes of registered land in areas covered by the project; and changes in the use of agricultural inputs.

3.12 Bank Supervision. The Bank would conduct supervision missions at six-monthly intervals during the implementation of the project, with a mid-term review after project year two to review the progress made (see Annex 10). Joint annual reviews of project implementation would be conducted by the Government, IDA and AusAID, and action plans developed to address implementation problems. These would be coordinated with the semi-annual and annual reviews of the work plans, budgets, and project targets.

4. BENEFITS, COSTS AND RISKS

A. EXPECTED BENEFITS AND BENEFICIARIES

4.1 The project is aimed at registering about 258,500 parcels (80 percent of the targeted parcels) corresponding to an equal number of families (a total of about 1.3 million people out of a population of 4.5 million) in urban and peri-urban areas who would benefit directly from the project. Low income land holders would benefit particularly from the project; without the project, only the higher income land holders tend to have their real estate titled and registered. Project benefits are derived from titles and other "outputs" of the project (e.g., aerial photomaps and cadastral maps), the improved systems of land valuation and land information which can be developed from them, and a more accessible, efficient and timely land administration service to the public. While they do not lend themselves to a conventional economic rate of return analysis, some of these benefits have been quantified through socio-economic impact studies done for land titling projects in other countries.

4.2 According to socio-economic impact studies of land titling projects particularly for Thailand, direct benefits to beneficiaries would include: improved tenure security against unfair land acquisition; the possibility to sell land rights at fair prices; the ability to use land as collateral; and reduction in conflicts over land rights. Development of efficient land markets would lead to broader economic benefits including: more efficient and transparent land transactions; easier access to the desired type of land for commercial investment; mobilization of investable resources through use of land as collateral; and provision of incentives for longer term investment in land-based activities and land improvement. Socio-economic impact surveys that were undertaken to measure the impact of the First Thailand Land Titling Project (1985-1991) found that:

- (a) farmers having titles increased their borrowing from institutional credit sources by 27 percent while borrowers providing land as collateral received 75 - 123 percent more institutional credit than those without;
- (b) farmers with land titles (as compared to those without such documents) used inputs (including labor, draft power and other farm inputs) more intensively by 10-30 percent, their agricultural output value was higher by 8-27 percent, their rate of capital formation was also higher by 28 - 67 percent, and the rate of land improvements was higher by 37 - 100 percent; and
- (c) title-equivalent land was 75 - 192 percent more valuable than undocumented land while the direct cost of providing full title were equivalent to only 0.6 - 5.6 percent of the marketed value of untitled land.¹

¹ Center for Applied Economics Research, Faculty of Economics, Kasetsart University, July 1993.

4.3 Development of land valuation capacity would improve: (i) land tax administration by enabling a more objective and realistic assessment of land values (currently, land values are assessed through negotiation) and by making land taxes responsive to changes in land values particularly in urban areas; (ii) compensation mechanisms for land acquired by the state; administration of state enterprises and assets leased to the private sector; and (iii) decision making by lending institutions in regard to values of land offered for collateral.

4.4 The above benefits would be monitored and evaluated during project implementation. The key project performance indicators that will be monitored include: (i) changes in the use of improved agricultural inputs; (ii) use of land titles to acquire institutional credit; (iii) values of registered land; and (iv) government revenue generated (see para. 3.11). Funding has been included in the project to support the required socio-economic studies and other monitoring and evaluation activities.

B. FISCAL IMPACT

4.5 It is expected that the project would result in increased government revenues. The main sources for incremental Government revenues would be (i) transfer fees from a larger number of transactions and based on higher land values; (ii) higher land tax revenues as a result of better collection rates due to more accurate land records and a more realistic assessment of land values; and (iii) income taxes on capital gains from land value increases. Although the revenues from cadastral fees, payment for title certificate and land tax can be estimated, it is at this stage difficult to quantify revenues from land transactions with accuracy, but experience from other countries may serve as reference. In Thailand, revenues from land-related taxes, including transfer fees and income tax, in 1994 amounted to about US\$1 billion, an increase of over 500 percent in the ten year period of 1984 to 1994 during which the Government issued over 4 million land titles to landholders in rural areas, and adopted a more realistic valuation system for land taxation purposes. Transfer fees accounted for about 55 percent of total revenues, followed by income taxes (40 percent) and stamp duty (5 percent).

4.6 As a first effort to estimate the revenue potential to the GOL resulting from the issuance of about 258,500 titles, a simple model has been developed based on the following conservative assumptions:

- (a) production of 258,500 titles, including 242,000 titles generated under the systematic and 16,500 titles under the sporadic titling program assuming a titling rate of 80 percent of the total identified parcels of 323,100 titles);
- (b) cadastral fee and cost of title certificate of US\$7.6 per parcel, based on the cost of certificate of US\$2.6/parcel and an average cadastral fee of US\$5/parcel. The average cadastral fee is estimated on the basis of a tax regime of Kip 4,000 plus a fee of Kip 0.5/sq. m on an average parcel of 300 sq. m in urban areas, Kip 2,000 plus a fee of Kip 0.3/sq. m on an average parcel of 1 ha in peri-urban areas and Kip 1,000 plus a fee of Kip

0.1/sq. m on an average parcel of 2 ha in rural areas, assuming relative shares of 20 percent, 35 percent and 45 percent respectively for urban, peri-urban, and rural parcels to be covered by the project;

- (c) an average land value of US\$3,635 per parcel, based on the assumptions that land parcels average US\$10,000 in urban, US\$3,000 in peri-urban and US\$1,300 in rural areas, weighted by their relative shares of 20 percent, 35 percent, and 45 percent respectively and that land values increase by 5 percent annually in nominal terms;
- (d) an average land tax rate of 0.12 percent of land value or U\$4.2/average parcel, based on the assumptions that average land tax for an urban parcel is Kip 4/sq. m times 300 sq. m, for a peri-urban parcel Kip 6000/ha times one ha, and for a rural parcel Kip 1000/ha times two ha, weighted by 20 percent, 35 percent and 45 percent, respectively;
- (e) a collection rate for land taxes which is 30 percent in year 1 (national average) which has been assumed to rise to 75 percent in year 6 as a result of institutional strengthening, more complete cadastral records, and improved equipment and infrastructure provided under the project;
- (f) a land transfer fee of 2.5 percent on the parcel land value; and
- (g) a turnover of titled land parcels (transactions) at a rate of 2 percent per year.

4.7 Based on the above assumptions, the results of the analysis are presented in Annex 4 and summarized in Table 4.1 below.

Table 4.1: Projection of Incremental Revenues from Land-Related Taxes (US\$ Million)

	Year 5	Year 10	Year 15	Year 20
Incremental Annual Gross Revenues	1.06	1.54	1.96	2.5
Incremental Cumulative Gross Revenues	1.89	9.54	18.44	29.81
Incremental Annual Net Revenues	0.71	1.38	1.14	1.71
Incremental Cumulative Net Revenues	0.70	7.10	11.85	19.21

4.8 Our conclusion from the analysis is that the Government would benefit significantly from the project in terms of enjoying a strong positive net cash flow

particularly after the tenth year of the project. This conclusion is drawn from an analysis of incremental net fiscal revenues, which represent the difference between incremental gross revenues resulting from the project and total project expenditures incurred by GOL. The gross incremental revenues equal gross fiscal revenues from the parcels for which titles would be issued, less the land taxes which would have been raised without the project. The project expenditures incurred by the Government are the sum of interest payments on the IDA credit (0.75 percent service charge on the outstanding balance), repayment of principal (US\$0.69 million per year over 30 years from project year 11 to year 40) and GOL's project contributions (5 percent of total project costs). Incremental annual net fiscal revenues amount to US\$0.71 million in year 5 while cumulative incremental net revenues total US\$0.7 million after five years, and increase to over US\$7.1 million by year 10 and to US\$19.2 million by year 20. The analysis shows that the project would generate a positive incremental annual net cash flow of fiscal revenues for the Government, except for the first two years.

4.9 Government revenues derived from the project have been conservatively estimated, providing for potential additional revenues in case, for example, land values increase faster and collection rates are higher than assumed. In the worst case scenario, should for example land registration rates fall from the assumed 80 percent to 40 percent, cumulative net cash flow to Government would fall from US\$19.2 million in year 20 to about US\$13.5 million; this would still represent a comfortable position for the Government. As for the private beneficiaries, they would obtain project benefits which would include: increased borrowing from institutional credit sources; increased use of improved agricultural inputs; higher rates of capital formation; improvements in land; and appreciating values of land. While these benefits cannot be quantified at this stage, they would be expected to exceed by a multiple amount the revenue benefits expected to be enjoyed by the Government (see paras. 4.1 and 4.2).

C. COST RECOVERY

4.10 The cost recovery analysis in this section is based on an analysis of payments to the Government made by beneficiaries of land titles and the costs incurred by the project in producing and delivering those titles. The payment for the cost of certificate and cadastral fee, amounting to about US\$7.6 per parcel, is direct cost recovery for the land registration. This represents about 20 percent of the average unit cost of the land registration (average of US\$40/title). Moreover, cost recovery of land registration and associated services provided by DOLHM is achieved not only through taxes charged for first time land registration but also through taxation of subsequent land registration. With these taxes, it has been demonstrated in paragraphs 4.8 and 4.9 that the Government would realize a significantly positive cash flow from the project. This cash flow would be available to support the operation and maintenance of the infrastructure and facilities supported by the project. A review of cost recovery will be conducted in the second year of the project (see para. 2.15(c)); the results of the review will be used as a basis to revise cost recovery arrangements, if necessary, taking into account the need for full cost recovery on one hand and minimizing disincentives to land registration on the other hand.

D. ENVIRONMENTAL IMPACT

4.11 The impact of the project on the environment would be neutral in the short and medium term. Experience in the Bank-supported Land Titling Projects in Thailand and the Northeast Region Land Tenure Improvement Project in Brazil do not indicate any significant impact on the environment. In the long term though, land registration could have positive impacts on the environment in a number of respects. The long term land titling program to be further defined under the Project, would provide incentives to invest for long term land use (e.g., soil conservation in rural areas, and investments in environmental infrastructure such as kitchens and bathrooms in urban areas) and provide information, such as aerial photography and maps, which could be useful in environmental management. In addition, the project would support studies on community land use rights and recommend procedures for demarcation of forest boundaries in project areas, in close coordination with the demarcation of protected forest and conservation areas being undertaken under the IDA-funded Forest Management and Conservation Project (Cr. 2856-LA).

E. SOCIAL IMPACT

4.12 The accelerated land titling and registration is expected to result in a reduction of disputes over land rights in the project areas, representing a significant positive social impact. Such an impact was observed in the Thailand Project and is documented in its socioeconomic evaluation study.

4.13 Within Lao PDR, most farmers own or have traditional access to their farm lands. Most rural and peri-urban families own their household land through customary acknowledgment, rather than formal registration, while most urban dwellers also own their own homes, with the incidence of registration being higher. A major objective of the project is to legalize and register land rights of long term occupants and it is proposed to reduce the emphasis on documentary evidence requirements to enable the occupants to obtain titles. The impact of these measures would also be positive in the sense of minimizing the potential for displacement of long term occupants.

4.14 It is known that communal tenure exists within the project areas. However, this relates to sites regarded as communal lands for common use by villagers and such lands would not be targeted for registration of title at this stage. Because of its urban focus the project, at this stage, will not face other issues relating to communal land tenure existing in outlying rural lowland and upland areas. These issues will be the subject of a special study during this stage of the project in order to prepare for further stages of the titling program (see Annex 8 for the terms of reference).

F. GENDER ISSUES

4.15 Women in the Lao PDR comprise 51 percent of the population and 53 percent of the agricultural labor force. In comparison to women in other Asian countries, Lao women enjoy good opportunities for access and control of land resources, both legally

and customarily. Well over 50 percent of the women live in areas which have strong matrifocal and matrilineal traditions including female land inheritance, while at the same time the constitution and the laws of the country promote equality. Under these laws men and women are equally entitled to hold property. The Family Law specifies that any property acquired during marriage is regarded as joint property. Land owned by a woman prior to her marriage remains her individual property, and is not included in the joint property acquired during marriage. Registration of title should reflect such traditional property rights and hence would not be detrimental to the interests of women but rather strengthen their position.

4.16 However, concern has been expressed that the adjudication process could be carried out in such a way that it does not fully recognize women's rights. This view is based on the experience with the filling of land tax declaration forms, where the data were sometimes collected in such a way as to infringe on the rights of women. This occurred not through any fundamental desire to reform rights in land but was due to a combination of poorly worded forms, a lack of awareness of gender issues by officials, a high incidence of illiteracy and a lack of understanding by villagers of the requirements and implications of the official processes. As the land tax declaration will be used as strong proof of ownership in the land titling process, addressing this issue was made a priority in the design of the project.

4.17 Consequently, the following preventive and corrective measures have been incorporated in project design so as to preserve women's rights: (i) the Lao Women's Union has been included as a member of the Project Oversight Committee at provincial level; (ii) provision has been made for gender awareness training, firstly for staff of the PSU and subsequently for all staff and members of the adjudication teams as part of their systematic adjudication training; (iii) efforts would be made to ensure that as far as possible, there is female representation in each adjudication team: the initial under representation should be rectified over time when additional staff are being recruited and more women have obtained training under the project; and (iv) provision has been made to monitor gender statistics of land registration, together with other key performance indicators, during project implementation.

G. SUSTAINABILITY

4.18 Project sustainability would be enhanced by at least four actions. First, the project would initially focus on areas with the highest current and potential demand for registration of land transactions; a special study would be conducted under the project to review the fee structure of land administration with regard to the affordability of land transactions, the incentive to use formal rather than informal registration procedures, and the recovery of the full cost of land administration. Second, the project would support the development of institutional and human resource capacity that would continue Project operations after project completion; in particular, the project's support for land administration would help build a capacity to manage title transfers on an on-going basis once properties are registered in the land offices. Third, the public sector would manage

the issuing of titles and the project at least in its last four years, and would work with the contractors at the local government and agency level in many of the project activities. And fourth, project preparation has involved a series of participatory and interactive workshops with national, provincial and district participation of stakeholders in project design with a view to fostering local ownership of the project which is critical for project sustainability.

H. RISKS

4.19 There are two project risks: over-stretching DOLHM's implementation capabilities; and inability to obtain high rates of land registration due to the ineligibility of many landholders. The first risk has been minimized through project design in at least three ways: (i) adopting a simple project design and preceding the project with project management training and technical assistance; (ii) contracting out project administration in the first three years of the project; and (iii) providing for adequate capacity building support under the project. The second risk has been addressed by proposed new procedures of land registration to overcome issues that have held down land registration rates (see para. 2.9); these would be tested as part of the pre-implementation activities before being incorporated into the main project. The project would start small, with a gradual build-up, and is flexibly designed to incorporate lessons from implementation experiences. Initially, the project would operate in areas of strong economic activity, and hence with the largest potential for generating demand for land titling and economic benefits. While the project risks cannot be entirely eliminated, the potential benefits from the project make it worth taking the risks.

5. AGREEMENTS REACHED AND RECOMMENDATION

5.1 The conditions of credit effectiveness and disbursement as well as the agreements obtained during negotiations are as follows:

Agreements Obtained During Negotiations

- (a) the Government would carry out its project through DOLHM, except for the production of base maps which would be carried out through NGD, according to a project implementation plan satisfactory to IDA (paras. 3.1 - 3.12);
- (b) the Government would, by November 30, 1996, prepare and submit to IDA for its prior approval the terms of reference of the socio-economic baseline survey and impact study, the community land tenure study, the forest boundary definition study, the land fees and cost recovery study, the study on efficiency and land rights issues of nationalized land, the human resource development study and the organizational management and operation study and a time-based plan for undertaking them. Upon receipt of IDA's approval, the Government would promptly carry out each study and submit to IDA for review and comments the draft report of each study together with the proposed work plan and related budget for implementing its recommendations. Once approved by IDA, the Government would immediately take all measures necessary to implement the recommendations with due diligence and efficiency (para 2.15(b) and (c));
- (c) the Government would provide to IDA for prior approval by August 31 of each year beginning August 31, 1996 a proposed training program and budget for the central government and provincial staff involved in the project; once approved by IDA, the Government would immediately take all measures to implement the program taking into account IDA's comments (para. 2.19);
- (d) the Government would ensure that separate records and accounts would be maintained for the project, including for the Special Account, and would be audited each fiscal year by an independent auditor acceptable to IDA; the audit would include a separate opinion on the use of the SOE as well as the status of audit compliance; a detailed audit report would be submitted to IDA within six months of the closing of the Government's fiscal year (para 2.43);
- (e) the Government would through the PSU: (a) submit to IDA by May 31 and November 30 in each fiscal year, beginning on November 30, 1996, a semi-annual progress report on the implementation of the Project; (b)

organize and carry out joint annual project review meetings with representatives of the Government and IDA and prepare an annual progress report on the implementation of the project, under terms of reference satisfactory to IDA, to be reviewed at these meetings; (c) as part of each annual review, prepare and carry out a follow-up time based action plan satisfactory to IDA to remedy any deficiencies in project implementation identified during such review; (para 3.9);

- (f) the Government would carry out, not later than December 31, 1999, based on TORs acceptable to IDA, a comprehensive midterm review of the project and of the implementation of the national land titling program. Based on the findings of the mid-term review, the Government would undertake all necessary actions to achieve the objectives of the project and further develop its national land titling program. Within six months after the closing date, the Government would furnish a plan for the future operation of the project and contribute to the preparation of an Implementation Completion Report (para. 3.10);
- (g) the Government would ensure that all required security clearances, approvals, licenses, permits and permissions are promptly provided for undertaking the aerial photography and, if necessary, for processing outside the territory of Lao PDR (para. 2.12 (a)) of photographic negatives produced as a result of such aerial photography activities;
- (h) the Government would ensure that the PA is hired not later than September 30, 1996 (para. 2.32);
- (i) the Government would not later than September 30, 1996 submit to IDA for prior approval the proposed time-bound action plan for implementing the lessons learned and recommendations derived from the Project Preparation operation trials undertaken prior to credit effectiveness. Once approved by IDA, the Government would immediately undertake all necessary measures to implement the recommendations duly taking into account IDA's comments. The Government would issue not later than January 31, 1997, Implementing Regulations to the land-related decrees satisfactory to IDA, incorporating the lessons learned from the operational trials. The Regulations would set forth the procedures for the issuance, registration, adjudication, and enforceability of land transfer, occupancy and use rights (para. 2.11); and
- (j) the Government would establish and thereafter maintain until completion of the project, with membership and terms of reference satisfactory to IDA: (1) by September 1, 1996, a Project Steering Committee; (2) by October 15, 1996, a Project Oversight Committee in each province within the Project Area; and (3) by October 15, 1996 a Provincial Project

Facilitation Unit in Vientiane Province and each province within the Project Area (para. 3.2 and 3.8).

Conditions of Credit Effectiveness

- (a) the Government would establish and thereafter maintain throughout the duration of the project a Project Support Unit in DOLHM, under the Project Director, and staff it with at least a qualified project manager, a procurement officer and a project accountant (para. 3.5); and
- (b) the Government would ensure that AusAID's Memorandum of Subsidiary Arrangement is effective (para. 2.23).

Conditions of Disbursement

- (a) the Government would ensure that MOF and NGD have entered into a Memorandum of Understanding before disbursement of funds can be made to support aerial photography and the production of maps under NGD (paras. 2.41 and 2.12 (a)).

Recommendation

5.2 Subject to the above agreements and conditions, the project would be suitable for a Credit to the Government of the Lao PDR in the amount of SDR 14.0 million (US\$20.7 million equivalent), on standard IDA terms with 40 years maturity.

LAO PDR
LAND TITLING PROJECT
K 000

Project Components by Year

	Base Costs					Total	
	1996	1997	1998	1999	2000	K000	US\$000
A. Legal Framework	114582.0	101712.0	83772.0	28470.0	12480.0	341016.0	437.2
B. Land Titling							
1. Base Mapping	809390.2	670570.2	713949.6	1254970.4	890957.0	4339837.4	5563.9
2. Systematic Adjudication	260967.8	336358.9	1438205.1	2922288.5	3129776.4	8087596.7	10368.7
3. Sporadic Adjudication	0.0	180897.6	45066.9	114072.8	113507.3	453544.6	581.5
Sub-total	1070358.0	1187826.7	2197221.6	4291331.7	4134240.7	12880978.7	16514.1
C. Land Administration							
1. Land Admin-Systematic	86580.0	674351.6	680429.1	217498.6	116855.2	1775714.5	2276.6
2. Land Admin-Sporadic	0.0	25974.0	99738.3	13730.7	10178.2	149621.2	191.8
Sub-total	86580.0	700325.6	780167.4	231229.3	127033.4	1925335.7	2468.4
D. Land & Property Valuation	127465.6	116727.0	156312.0	124098.0	91026.0	615628.6	789.3
E. Institution Building							
1. Project Mgt. & Training	358448.4	315552.6	258382.2	302159.4	273143.4	1507686.0	1932.9
2. Project Administrator	520000.0	520000.0	520000.0	0.0	0.0	1560000.0	2000.0
Sub-total	878448.4	835552.6	778382.2	302159.4	273143.4	3067686.0	3932.9
F. Studies	253500.0	80340.0	0.0	99060.0	0.0	432900.0	555.0
Total BASELINE COSTS	2530934.0	3022483.9	3995855.2	5076348.4	4637923.5	19263545.0	24696.9
Physical Contingencies	3900.0	40750.6	33795.9	40041.6	0.0	118488.1	151.9
Price Contingencies	35316.2	119851.1	423013.2	958294.7	1217022.6	2753497.9	3530.1
Total PROJECT COSTS	2570150.2	3183085.6	4452664.3	6074684.7	5854946.1	22135531.0	28378.9
Taxes	135278.4	165958.4	196062.3	203568.6	198854.8	899722.6	1153.5
Foreign Exchange	2248046.4	2695356.5	2828919.4	3067503.4	2467154.2	13306979.9	17060.2

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LAO PDR
LAND TITLING PROJECT
K 000

Summary Accounts by Year

	Base Costs					Total	Foreign Exchange	
	1996	1997	1998	1999	2000		£	Amount
I. INVESTMENT COSTS								
A. Civil Works	39000.0	171226.0	337959.0	4680.0	0.0	552865.0	70.0	387005.5
B. Equipment	529154.0	608326.0	249865.6	70056.0	9840.0	1467241.6	90.0	1320517.4
C. Vehicles	238992.0	237978.0	198276.0	122070.0	58500.0	855816.0	70.0	599071.2
D. Furniture	2309.0	25516.4	25548.4	967.4	0.0	54341.2	25.0	13585.3
E. Aerial Photography	0.0	236280.0	0.0	395736.0	0.0	632016.0	100.0	632016.0
F. Development Costs								
1. Salaries & Allowance	30281.0	29735.0	245178.0	697674.0	765680.0	1768548.0	0.0	0.0
2. Transport Expenses	2496.0	3588.0	4118.0	2558.0	2558.0	15318.0	70.0	10722.6
3. Vehicle Maintenance	2398.5	2398.5	11045.0	31320.0	34050.0	81212.0	70.0	56848.4
4. Material	32658.0	43851.0	89374.9	167414.8	176641.8	509940.5	53.2	271045.9
5. Other Development Costs	43524.0	42432.0	727428.0	1805544.0	1981200.0	4600128.0	48.9	2247847.7
6. Map Production	36496.2	65824.2	451971.0	644592.0	673530.0	1872413.4	49.5	927411.6
7. GPS/Control Points	1801.8	1801.8	36036.0	90090.0	98982.0	228711.6	49.0	112068.7
Sub-total	149655.5	189630.5	1565150.9	3439192.8	3732641.8	9076271.5	39.9	3625944.8
G. computerized Land Registr	0.0	97500.0	179400.0	0.0	0.0	276900.0	70.0	193830.0
H. TA & Overseas Training								
1. Local Advisor	30030.0	44616.0	73788.0	73788.0	42900.0	265122.0	0.0	0.0
2. Foreign Advisor	652080.0	631020.0	618150.0	443040.0	307827.0	2652117.0	97.5	2586597.0
3. Overseas Training	81120.0	123864.0	126672.0	323856.0	379392.0	1034904.0	100.0	1034904.0
Sub-total	763230.0	799500.0	818610.0	840684.0	730119.0	3952143.0	91.6	3621501.0
I. Project Administrator	520000.0	520000.0	520000.0	0.0	0.0	1560000.0	100.0	1560000.0
J. Local Training & Education								
1. Local Training	21937.5	37401.0	59330.7	46265.7	45563.7	210498.6	50.0	105249.3
K. Studies	251940.0	77220.0	0.0	97500.0	0.0	426660.0	100.0	426660.0
Total INVESTMENT COSTS	2516218.0	3000577.9	3954140.6	5017151.9	4576664.5	19064752.9	65.5	12485380.6
II. RECURRENT COSTS								
L. Salaries & Allowance	6228.0	8616.0	13137.6	16638.0	16638.0	61257.6	0.0	0.0
M. Other Operating Costs								
1. Travel Allowance	3180.0	3180.0	5676.0	7296.0	7296.0	26628.0	90.0	23965.2
2. Material	0.0	1170.0	1170.0	390.0	390.0	3120.0	50.0	1560.0
3. Vehicle O & M	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Equipment Maintenance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Office Operating Costs	5308.0	8940.0	18306.0	26312.5	28375.0	87241.5	50.0	43620.7
6. building maintenance	0.0	0.0	3425.0	8560.0	8560.0	20545.0	70.0	14381.5
Sub-total	8488.0	13290.0	28577.0	42558.5	44621.0	137534.5	60.7	83527.4
Total RECURRENT COSTS	14716.0	21906.0	41714.6	59196.5	61259.0	198792.1	42.0	83527.4
Total BASELINE COSTS								
Physical Contingencies	2530934.0	3022483.9	3995855.2	5076348.4	4637923.5	19263545.0	65.2	12568908.0
Price Contingencies	3900.0	40750.6	33795.9	40041.6	0.0	118488.1	86.0	101902.1
	35316.2	119851.1	423013.2	958294.7	1217022.6	2753497.9	23.1	636169.7
Total PROJECT COSTS	2570150.2	3183085.6	4452664.3	6074684.7	5854946.1	22135531.0	60.1	13306979.9
Taxes								
	135278.4	165958.4	196062.3	203568.6	198854.8	899722.6	0.0	0.0

LAO PDR
Land Titling Project
Disbursements (US\$ Million)

IDA FY	Annual	Cumulative
FY96 a/	0.00	0.00
FY97	0.80	0.80
FY98	1.30	2.10
FY99	2.70	4.80
FY00	3.50	8.30
FY01	3.80	12.10
FY02	4.00	16.10
FY03	4.00	20.10
FY04 b/	0.63	20.73

a/ second semester of FY96.

b/ September 30, 2003.

LAO PDR
Land Titling Project
Phasing of Adjudication ('000 parcels)

Targets	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Total
A. Systematic Adjud.								
Vientiane Prefecture	3.3	7.7	12.1	23.1	26.4	26.4	26.4	125.4
Veintiane Province				3.3	7.7	7.7	7.7	26.4
Savannakhet			3.3	7.7	15.4	15.4	15.4	57.2
Luang Prabang				3.3	11.0	11.0	11.0	36.3
Champasak			3.3	7.7	15.4	15.4	15.4	57.2
Subtotal	3.3	7.7	18.7	45.1	75.9	75.9	75.9	302.5
B. Sporadic Adjud.			2.2	4.6	4.6	4.6	4.6	20.6
Total Targeted	3.3	7.7	20.9	49.7	80.5	80.5	80.5	323.1
Total Issued a/	2.6	6.2	16.7	39.8	64.4	64.4	64.4	258.5

a/ About 80% of targeted parcels.

LAO PDR
Land Titriling Project
Key Performance Indicators

Annex 5

	unit	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Total
1. Base mapping									
NGD-Building Renovation	no	1	0	0	0	0	0	0	1
NGD-Building Extension	no	0	0	1	0	0	0	0	1
Aerial Photography:urb.sc. 1:5,500	ha	0	26000	0	25000	0	0	0	51000
rur.sc. 1:12,500	ha	0	215000	0	200000	0	0	0	415000
Map Production: urb. sc. 1:1,000	ha	900	2500	10000	10000	10000	10000	0	43400
rur. sc. 1:4,000	ha	8000	16000	40000	40000	40000	40000	0	184000
2. Adjudication									
2.1 Adjudication									
Systematic adjud & survey	parcels	3300	7700	18700	45100	75900	75900	75900	302500
Titles issued	parcels	2640	6160	14960	36080	60720	60720	60720	242000
Sporadic adjud & survey	parcels	0	0	2200	4600	4600	4600	4600	20600
Titles issued	parcels	0	0	1760	3680	3680	3680	3680	16480
Total Titles issued	parcels	2640	6160	16720	39760	64400	64400	64400	258480
2.2 Systematic Adjud & Survey staff	no	24	45	120	288	456	456	456	456
3. Provincial Land Office buildings									
	no	0	2	3	0	0	0	0	5
4. Valuation Incremental staff									
	no	1	2	3	3	3	3	3	18
5. Institutional Building									
5.1 PSU Staff		7	13	13	13	13	13	13	13
5.2 PPFU Staff		8	8	12	20	20	20	20	20
5.3 Sporadic Provincial staff		0	0	6	6	6	6	6	6
6. Local training for systematic adjudication									
Adjudication	no	24	21	75	168	168	20	20	496
Train the Trainers	no	10	5	5	2	0	2	0	24
Briefing Local officials	no	2	4	10	12	12	12	12	64
7. Technical Assistance & Overseas Training									
Foreign Advisors	mm	54	57	56	30	19	0	0	216
National Advisors	mm	31	53	82	77	53	0	0	296
Fellowships	mm	0	46	58	104	98	0	0	306
Short Term training	mm	13	12	11	31	40	0	0	107
8. Studies									
Fees & Cost recovery	mm	0	6	0	0	0	0	0	6
Community land tenure	mm	0	6	0	0	0	0	0	6
Forest Boundary Definition	mm	0	6	0	0	0	0	0	6
Nationalized Lands	mm	6							6
Soci-economic Impact	mm	6	0	0	9	0	0	0	15
Total months for studies	mm	12	18	0	9	0	0	0	39
9. Efficiency & Financial Indicators									
REPORTING AND TARGETS TO BE DEVELOPED									
9.1 Adjudication Cost of one Title	Kip								
9.2 Time required for									
Adjudication of one title/team	days								
Transaction regist. of one title	hour								
9.3 No. titles produced/team/mth	titles								
9.4 No. titles regist. by landholder	titles								
Male									
Female									
Male & Female									
other (companies etc)									
size - urb & rur by province	ha								
9.5 Annual Revenues									
No. titles issued/year	title								
revenues from cadastral &									
Revenues from land taxes/year	Kip								
Revenues from outstanding	Kip								
taxes/year	Kip								
No. titles transacted/type/year	titles								
	Kip								

REPORTING AND TARGETS TO BE DEVELOPED

TARGETS TO DEVELOPED IN PY2 AND 3

MONITOR

TARGETS TO BE DEVELOPED IN PY2/3

total trans/total land office staff/prov

Mapping Information

Each urban map sheet = 25 hectares

Each rural map sheet = 400 hectares

Note: about 36,000 ha was flown under AusAID pilot project (scale 1:12,500)

Also the Finmap 1991 large scale aerial photography (1:6000)is available to use for PY1 & PY2

LAO PDR
LAND TITLING PROJECT
TECHNICAL ASSISTANCE

Terms of Reference

February 13, 1996

1. Director, Technical Assistance Coordination. (7 months) This expert should have an appropriate tertiary qualification and at least ten years experience, part of which would have been in the management of large projects involving high levels of planning and coordination. The main responsibilities would be:

- (a) the direction and overall coordination of the technical assistance program;
- (b) assisting the Team Leader with the project and TA administration including planning, coordination, monitoring, and evaluation;
- (c) overview of the project's training programs particularly that funded by AusAID; and
- (d) fostering liaison with DOLHM, and other GOL agencies, AusAID, and IDA.

2. Team Leader. (60 months). This specialist should have an appropriate tertiary qualification and at least 10 years experience in land registration, systematic adjudication, land law, or cadastral survey. Must have particular experience and skills in the management of large projects and multiple discipline consultant teams. International experience is essential. The main responsibilities would include:

- (a) Management of the project technical assistance advisers and co-management with the Project Director of the overall technical assistance program;
- (b) assist PSU and GOL in project management, especially in the technical aspects of the project, coordination of project activities and in the preparation of project reports; especially before the start of work of the contracted Project Administrator;
- (c) assistance in the establishment and operations of the Project Support Unit particularly in the technical planning for the project and agency coordination between NGD, DOLHM, PA, the field adjudication teams, the provincial administration units;
- (d) coordination of the in-country and international training program; also the IDA funded studies outlined in Annex 8;

- (e) assist DOLHM, PA, the adjudication teams in organizing a M & E system at least on a six monthly basis as well as a quality assurance process for the project products;
- (f) with DOLHM support the project in its operation in provinces especially with the support of provincial advisers, and their initial training in Vientiane; and
- (g) ensure close relations are maintained with the Lao Women's Union (LWU) particularly at the provincial level concerning gender and related issues and that its views are considered in the project.

3. Systematic Adjudication Adviser. (15 months). This specialist should have an appropriate tertiary qualification and at least 10 years experience in systematic adjudication and/ or registration. Must have particular experience and skills in systematic adjudication and registration. International experience is essential. The main responsibilities would include:

- (a) with DOLHM after reviewing the first two pilot projects, develop and support the implementation of the operational trials for the first two years of the project and refine the proposed systematic adjudication and registration process focusing on the technical aspects, with the support of the cadastral survey and mapping specialists;
- (b) with DOLHM prepare procedure manuals to support the systematic registration process, establish the systematic training program, participating in the first program;
- (c) with DOLHM plan and support the annual recruitment, training, and deployment of the staff for the public sector systematic registration teams, as well as the management of those teams.
- (d) with DOLHM develop, document, and support implementation of quality assurance measures for each stage of the systematic adjudication and registration process, capitalizing where possible on self proving or downstream checks by other parties;
- (e) assist PSU and the Team Leader in the coordination of the national provincial advisers;
- (f) assist DOLHM and the land registration law adviser in further refining the Ministerial Direction on systematic land titling and the development of a piece of legislation for land registration;
- (g) assist DOLHM and the land registration adviser in the development and planning for the transfer of the records and titles to the provincial offices;
- (h) develop and plan the implementation of production reporting procedures for the systematic registration teams in terms of the key project indicators, and ways to

track parcels that were not included in the process together with the reasons for this, and those titles that cannot be issued to land holder; also monitor the percentage of parcels with inheritance issues, evidence held by mortgagee, absentee owners, and land holder/parcel details including gender, size, and broad land use category.

4. GPS/Geodetic Adjustment Specialist. (8 months). This expert would have a tertiary qualification in surveying or geodesy, with at least five years experience in satellite surveying and the field of GPS equipment, both in kinematic and static mode, the reduction of GPS data, the integration of GPS data into geodetic adjustments, particularly in support of mapping programs. Experience in the establishment of primary control networks is essential. International experience is desirable. The main responsibilities would be:

- (a) after review with NGD, establish training programs in GPS and geodetic adjustments as agreed and for NGD staff;
- (b) with DOLHM, NGD, the mapping adviser, and the systematic registration adviser, recommend to the Director, DOLHM, a suitable map projection for the project (the cadastral mapping under the project), which closest results in a scale factor of 1.0 for a maximum number of areas in Lao PDR; this decision should be made as soon as possible, before NGD starts on the mapping using the 1995/96 pilot project aerial photography;
- (c) with NGD undertake the development of specifications and contract documents for the purchase of GPS receivers and computer equipment, and assist as necessary PA and PSU with related procurement;
- (d) with NGD develop procedures and methodologies for establishing and coordinating photo control points using GPS technology including integration with other data acquisition tools such as EDM, plus building in quality assurance techniques, and support NGD in putting the new procedures into operation;
- (e) with the Mapping Adviser develop procedures to efficiently establish mapping control especially using GPS and write a specification for contracting out this work, and work with NGD in developing methods to allow NGD or others to supervise such contracts;
- (f) provide advice to NGD and DOLHM on matters relating to GPS including the future use of hand held GPS receivers for cadastral surveys;
- (g) with NGD develop procedures and methodologies for densifying the existing control network using GPS technology; and
- (h) incorporate supervision procedures into all of the above operations for supervisors, and develop an operational manual consisting of all the above topics.

5. Mapping Specialist. (4 months). This expert would have a tertiary qualification in surveying, photogrammetry, cartography or related discipline, with at least 5 years experience in photogrammetry including its applications to cadastral mapping programs. It is desirable that the specialist be a qualified cadastral surveyor. Main responsibilities would be:

- (a) provide professional assistance and advice to NGD, DOLHM, and the project;
- (b) with NGD and DOLHM review or plan the aerial photography to be flown under the project in PY1/2 and give technical support as necessary to the PA and PSU in the ICB procurement process, including the preparation of technical specifications and any special conditions necessary for the contract, gain approval for the package, and pass onto PA for procurement; NGD should be supported with the development of contract supervision and quality assurance measures;
- (c) with NGD prepare the technical specifications for contracting the photomapping by ICB, and support NGD in developing contract supervision methods all incorporating quality assurance procedures;
- (d) support NGD in the supervision of the aerial photography and mapping contracts in PY1/2, arranging a supervision and quality assurance plan for the products and assist NGD in the execution of the quality checking and certifying the products ready for payment;
- (e) with NGD undertake the preparation of the technical specifications for the equipment to be procured for NGD in the first two years of the project, with timing according to the project's annual work plan or procurement plan, liaising with PA and PSU; and ensuring adequate training programs in the contracts;
- (f) assist NGD in the preparation of the project's annual mapping program;
- (g) with the geodetic specialist and others recommend a suitable map projection which would serve the project and country best for cadastral mapping and surveying purposes;
- (h) undertake the development of training programs on map usage for DOLHM staff at head office and project supported provincial offices;
- (i) assist NGD, DOLHM, and the Education adviser, and the National Polytechnic Institute in plans for the establishment of suitable photogrammetric, cartographic, cadastral surveying, and land administration courses and the development of subject content;
- (j) working with DOLHM and in a team with the systematic registration adviser and cadastral surveying specialist; develop improved methods to use the photomaps for parcel boundary identification and ways of integrating tape measurements with the photomaps;

- (k) work with the GPS/Geodetic Adviser in the establishment of procedures to efficiently acquire photo control; and
- (l) investigate for NGD improved utilization of photogrammetry for the preparation of base maps.

6. Cadastral Survey Specialist. (15 months) This expert should have a tertiary qualification in surveying and be a qualified cadastral surveyor. The specialist should have ten years of cadastral survey experience at a management and systems design level. International experience is essential. The main responsibilities would be to:

- (a) review the cadastral survey techniques used in the pilot studies;
- (b) further develop the cadastral survey methodology for both urban and rural areas;
- (c) Recommend suitable boundary marking techniques and responsibilities;
- (d) Develop cadastral map compilation techniques for the systematic field adjudication teams, and parcel diagram drawing especially supporting the computer-assisted techniques;
- (e) working with DOLHM and in a team with the systematic registration adviser and mapping adviser; develop improved methods to use the photomaps for parcel boundary identification and ways of integrating ground based surveys with the photomaps;
- (e) develop training courses for cadastral survey and present the first one, and train at least two trainers;
- (f) assist the systematic adjudication adviser with development of the total systematic procedure aiming at simultaneous operations for the adjudicators and surveyors;
- (g) document the procedures in the form of a handbook for field and office staff;
- (h) Investigate the potential, costs and benefits of the use of low cost sub meter GPS systems for the project (capitalize on the Indonesian LAP investigation); and
- (i) support the Education adviser in the investigation of suitable education alternatives for the advancement of cadastral survey in Lao PDR.

7. Land Registration - Law. (6 months) This expert should have a degree or diploma in law with at least 10 year work experience in the review and improvement of land legislation, particularly in the development of land registration laws. International experience is essential, and experience with civil code or continental law systems desirable. The main duties would include:

- (a) with DOLHM, and MOJ, the land law adviser, the policy adviser, and selected advisers, review the current land registration law and procedures and make

recommendations for improvements (see b. below); work with government to agree relevant policy directions and develop an action plan for drafting, reviewing, and gaining approval of a draft law;

- (b) with DOLHM, the land law adviser, the land registration adviser and others, undertake the development of land registration legislation and regulations in accordance with the GOL agreed action plan; moving from the present system of document/transaction registration toward a registration of title system, concerning parcels registered by systematic and sporadic first-time registration;
- (c) before the end of the assignment, work with the team to develop a work and action plan to address outstanding registration issues, and for the drafting of regulations.
- (d) From home base support the review of the community land tenure study when available, relative to land law.

8. Land Registration System Adviser. (18 months) This specialist should have an appropriate tertiary qualification and at least 10 years of experience in land registration including in the international sphere. Of particular importance is experience in up-grading registration systems. For both the systematic and sporadic provincial and prefecture offices to be supported under the project, the main responsibilities would be:

- (a) with DOLHM and the TA land registration law adviser, support a review of the land law, and support the adoption of legislation, regulations and ministerial directions for land registration by mid 1997, particularly moving from the present document/transaction registration system toward a registration of title system;
- (b) in parallel with (a), prepare recommendations for improvements in the land registration systems, especially in streamlining document checking, land records, and customer contact including by using product organization of the office rather than functional, also by using "business risk techniques," multi-skilled staff, information technology, all with minimum customer contact and visits. Include quality assurance provisions in the processes. With DOLHM commence implementation in a model office, then develop a timebound action plan for other offices;
- (c) with DOLHM and the TA architect/ engineer specialist and MCTCP as appropriate, support a review of existing land office designs and develop standard designs for new buildings and renovations using appropriate criteria, and support the approval of the designs by the appropriate authorities;
- (d) with DOLHM and the systematic adjudication adviser, plan and help guide the smooth transfer of land records from the systematic registration teams to the provincial land offices, as well as the distribution of the certificates to the land holders;

- (e) assist the information system analyst with the development of a first stage of computerized land registration system in the Vientiane prefecture, also investigate the feasibility of microfilming or other suitable technology for land records management, for the provincial land offices supported under the project;
- (f) with DOLHM review the present provincial DOLHM reporting procedures and support the implementation of improvements, including the data acquired for the key project indicators; and
- (g) assist DOLHM in the feasibility study, development and implementation of a program to compile cadastral maps of existing registered parcels in project supported land offices; and
- (h) assist DOLHM in the commissioning and the writing of guidelines for all the above procedures.

9. Primary Valuation Adviser. (15 months) The adviser should have appropriate tertiary qualifications, eligibility for corporate membership of a recognized valuation institute, and have a demonstrated ability and experience in designing and implementing new valuation systems. The main responsibilities include:

- (a) with DSA and DOLHM, review the valuation pilot study results especially its applicability to the whole of Lao PDR and particularly in each of the major cities in the four areas of the project;
- (b) with DSA, support the implementation of the new system in four districts of Vientiane, with valuations produced responding to the demand for valuation on the occurrence of transactions;
- (c) with DSA and the provinces, design and assist in the implementation of the new valuation system in a phased manner, in the central districts of Savannaket, Pakse, and Luang Prabang, with full controls and monitoring;
- (d) design and support the implementation of quality control procedures on valuations - also support the adoption of procedures to improve the quality of valuation records;
- (e) with the support of the HRD adviser, design new training courses and support the conduct of the first course making sure of the "training of trainers"; also support the education adviser in the investigation and start-up of valuation education; and
- (f) support the study on Land Administration fees and cost recovery consultancy; also the work of the land law adviser to assure that a legal framework is established in support of DSA and DOLHM valuations.

10. Valuation Policy. (4 months) The adviser should be a senior land/or valuation adviser with appropriate tertiary qualifications, and have a demonstrated ability to work at a policy level with governments preferably dealing with land and valuation issues. International experience is essential. The main responsibilities include:

- (a) review the role and objectives of the Valuation Committee and support it to better address its policy, review and oversight functions;
- (b) support GOL in appreciating the important roles of real property valuations in a market economy and the roles of both public and private sector valuers;
- (c) review the issues relating to access to valuation information and develop options and incentives for its wider availability especially to land holders;
- (d) develop options and means for a public appeals process against government valuations and present same to DSA and GOL;
- (e) with the land policy adviser, devise improvements in the management of government lands which fall under the jurisdiction of DSA, and support DSA in their adoption and the first steps of implementation; and
- (f) support DSA with policy advice as necessary.

11. Valuation Computer Systems Adviser. (6 months) The adviser should have an appropriate tertiary qualification either in computer sciences, land information systems, management information systems, or other relevant discipline, with considerable experience in the design and implementation of information systems. Direct experience in computerized valuation or land records management would be desirable. The main areas of responsibilities include:

- (a) review the computer-assisted valuation system implemented for the pilot project and design and implement improvements for the PC based system including: adequate capacity; better reporting, inquiry and up-dating routines; access by external users; ease of database management system up-grade, and ease of user programming; and useful analysis routines;
- (b) conduct full user training in the use of the system to DSA, MOF, and the Prefecture and district staff as well as training in the operation of the system to at least two DSA staff and others; conduct awareness workshops to potential users as identified; and specific user oriented skills training with the system;
- (c) document the system in manuals - one for users, and one for the technical operators and systems maintenance staff; and
- (d) other technical advise as requested by DSA.

12. Land Law. (12 months) This expert should have a degree or diploma in law with at least 10 years work experience in the review and improvement of land legislation, tenure, land transactions,

and land administration systems. International experience is essential, and most desirably in civil code or continental law systems. The main duties would include:

- (a) working with DOLHM, the Ministry of Justice and a selected adviser team, develop a work and action plan to address outstanding land law legislation and regulations issues;
- (b) in a team with DOLHM and the Ministry of Justice, the national law adviser, and the land registration adviser, and others, undertake law improvements as identified in (a) above to include: (i) land law legal framework completion; (ii) in support of the land registration law to complement the systematic adjudication direction (MD 990); (iii) land professionals legislation and regulation to assure quality and standards in the work of lawyers, surveyors, and others, under the land laws, and (iv) the proposed mortgage law. In all this work, start with the development of papers addressing policy issues and seek GOL guidance on their resolution; and the development of agreed action plans to draft the laws; and
- (c) with the team review the overall land laws and propose improvements addressing amendments, additions, gaps, and overlaps. Also review the current mortgage laws and make recommendations for improvements not only on the operation but also on their registration.

13. Land Policy Adviser. (6 months). This expert should have appropriate tertiary qualifications and extensive experience in the formulation of policy for government consideration. International experience is essential and experience in Lao PDR is desirable. The main responsibilities would be:

- (a) in conjunction with DOLHM and other relevant Government agencies, undertake a review of land management and administration policy issues identifying key areas for further development, writing a position paper presenting and examining options for improvement and making recommendations, incorporating where appropriate the studies in (b) below; with a first draft due at the end of PY2 for review, and the final report in PY3;
- (b) with DOLHM and other relevant Government agencies, oversee, review the TORs, review the first draft reports, and to the extent possible, coordinate the planned policy studies on community land tenure, forest boundary issues, the efficiency of use of nationalized lands, as well as on cost recovery in land registration, and the socio-economic baseline; and support the presentation of the final reports in a series of seminars and workshops in order to be generate awareness and to foster consensus in the development of policy in these key areas; and
- (c) assist the Land Law Adviser by ensuring that the necessary laws under development, especially those for land adjudication and registration, have the support of policy makers and are in terms of the overall policy framework.

14. Customer Relations and Service Adviser (CRS). (6 months). This expert should have at least ten years experience in public sector public relations activities. International experience is desirable. Experience with agencies responsible for land administration is also desirable. The main responsibilities are:

- (a) with DOLHM review CRS in all pilot projects to-date, and develop land holder relations requirements in support of the systematic adjudication and registration teams. also the public relations necessary with local government at the province, district and village levels; and improve the current Project's CRS design for the systematic program, and the meeting structure proposed and suggest improvements; appropriate methods should be suggested for both urban and rural areas; the procedures developed and implemented should include CRS quality assurance measures;
- (b) with DOLHM develop the organizational and resource requirements to support the customer relations and service activities being undertaken as part of the Project, review against the project design, and develop an action plan for implementation;
- (c) develop a strategy to enhance land holder participation in the systematic registration program starting in the Vientiane Prefecture and the four provinces;
- (d) with DOLHM design public relations programs and schemes to educate the public on the importance of land registration and land administration systems and in so doing support the development of the land administration system; develop national and provincial initiatives along these lines, and recommend to DOLHM, and start implementation of same; and
- (e) with DOLHM set up systems to monitor CRS service performance particularly tracking the key project indicators concerned with efficiency.

15. Community Development and WID Adviser. (5 months). This expert should be a qualified sociologist/ anthropologist with an appropriate tertiary qualifications and extensive experience in community development especially involving gender issues. International experience is essential and experience in Lao PDR is desirable. The main responsibilities would be:

- (a) review the plans for addressing gender and ethnic minority requirements in the project particularly in the systematic adjudication and registration process, and make recommendations for improvement;
- (b) with the national consultant develop a gender awareness training course for the systematic adjudication teams, present the first course making sure trainers will be able to continue the presentation;
- (c) during PY3 and PY4 arrange the monitoring of the way the project is handling gender issues and make recommendations to the Project Director for improvements; and

- (d) as a contribution to the community land tenure study due to start in PY1, working closely with the national community development adviser, prepare a position paper on gender and minorities in land administration in Lao PDR, contrasting the traditional and modern frameworks, present options and make recommendations, due at the end of PY2.

16. Architect/Civil Engineer. (2 months) The specialist should have tertiary qualifications in architecture or civil engineering and have at least 10 years experience in the design and supervision of civil works, including considerable experience in the design of government office buildings. The main responsibilities of the consultant include:

- (a) with DOLHM and the land registration advisor and others, review and further develop the design requirements for the proposed land offices based on existing and planned numbers of staff, planned number of land parcels, expected number of documents, expected number of transactions, and considering information technology (IT);
- (b) with DOLHM, develop the TOR for the architect/engineering consulting firm which would design and supervise the civil works funded under the project;
- (c) assist the Government in the design of the bid evaluation and the selection procedures of a suitable consulting engineering firm;
- (d) assist the government in evaluating and approving the architectural/engineering designs and the bills of quantities;
- (e) design the evaluation criteria for the selection of the actual building contractors; and
- (f) develop a work plan for the national consultant to enable a continuous supervision process of the civil works.

17. HRD. (13 months). This expert should have appropriate tertiary qualifications in human resource development and training or education, with at least five years experience with human resource development in the public sector, and with good experience in designing and conducting training courses and in personnel management. International experience is essential and experience in South East Asia desirable. The main responsibilities would be:

- (a) with DOLHM, review and assess the current human resource of DOLHM and the LHMOs, and any initiatives to introduce HRD programs;
- (b) with DOLHM and where appropriate with the education adviser, assess the potential benefits of associations between DOLHM and educational and training institutions in Lao PDR;

- (c) with DOLHM, develop HRD programs to support the various components of the project; particularly isolating staff incentives to undertaking training, and institutional disincentives that impede training and education;
- (d) with DOLHM, develop short, medium and long term strategies for HRD including personnel management, especially promotion systems and career planning;
- (e) with project agencies and appropriate advisers, identify training needs and design appropriate in-service and out-service training programs; culminating in a training strategy and program for the project;
- (f) assist the Systematic Registration Advisers, the mapping adviser, cadastral surveying, and others in designing training programs to support the project;
- (g) assist the Adviser working on the OMO study in defining the strategies for HRD, and to implement improved training programs in DOLHM;
- (h) in association with the Team Leader and DOLHM, the preparation of a detailed program of international training for Lao personnel to support the Project objectives; and
- (i) in association with appropriate international government agencies, design and implement special work experience training courses to achieve defined training requirements.

18. Education Specialist. (3 months) This expert should have post graduate tertiary qualifications in surveying or land administration or a related field, appropriate tertiary experience in education and training, with at least ten years experience in a cadastral/land management topics, as well as vast experience in curriculum development. International experience is desirable. The main responsibilities would be:

- (a) undertake a rapid educational needs requirements study for DOLHM and the project, and then review the current educational possibilities that exist in Lao PDR and beyond, for land administration topics including valuation;
- (b) devise a strategy to enable the project to be best served by any appropriate courses and subjects, or if none, should the project assist in their development or use those elsewhere;
- (c) explore the potential for the development of a land administration course or similar in Lao PDR, or the option of using established overseas courses; develop course concepts, content, and topic outlines;

19. Information Systems Analyst. (4 months) The consultant should have an appropriate tertiary qualification either in Computer Sciences, Land Information Systems, Management Information Systems, or other relevant discipline, with considerable experience in the design and implementation of computerized land records management systems. The main areas of responsibilities include:

- (a) with the DOLHM, design and program macros in support of field teams for computer assisted certificate production and other requirements as necessary;
- (b) with DOLHM, design and program of a simple computerized management system in support of the systematic adjudication field teams;
- (c) with MOF and the valuation systems analyst achieve linkages between the systems being established for land registration purposes and valuation purposes, especially common data standards, data maintenance strategy, and data input; technology architecture; and if possible in the actual logical and physical designs of the systems, for the computerized land registration and valuation management systems in Vientiane Prefecture;
- (d) with Vientiane prefecture, develop a preliminary conceptual design for land registration system and have it reviewed and agreed;
- (e) develop the technical specification for the computerized land registration system bidding document;
- (f) assist the PA in the bid evaluation and the selection of consultants; and
- (g) assist Vientiane prefecture in testing the system once it is implemented.

20. OMO Adviser. (3 months in PY4). This expert should have appropriate tertiary qualifications and at least ten years experience in management, with experience in organization, management and operations studies and public sector administrative reform. International experience is essential and experience in SE Asia desirable. Experience with an agency responsible for land administration is also desirable. The main responsibilities would be to:

- (a) conduct an Organization, Management, and Operations Study, producing a report with detailed options and recommendations; review the current roles of DOLHM and the LHMOs and assess the impact of any foreseeable changes;
- (b) identify the mandates functions of the agencies that are not well supported by the existing DOLHM and LHMOs organizational structure, particularly the areas of policy review and formulation, LHMO's support functions and the collection and maintenance of reliable statistical data;
- (c) review the current DOLHM and LHMOs organizational structure, and how they address the defined roles, particularly looking at the linkages between activities and how these linkages can be improved and supported, yet preserve flexibility in the allocation of DOLHM resources;

- (c) review the current DOLHM and LHMOs organizational structure, and how they address the defined roles, particularly looking at the linkages between activities and how these linkages can be improved and supported, yet preserve flexibility in the allocation of DOLHM resources;
- (d) review the impact of the Land Titling Project on DOLHM and LHMOs and prepare detailed recommendations on organizational changes for consideration by MOF; and
- (e) make a presentation of the issues, options, and recommendations to MoF, DOLHM and the project, on the findings of the OMO consultancy, and define an action plan for implementation.

TORs for the National Advisers.

The TORs for the national advisers are contained in the project file.

LAO PDR
LAND TITLING PROJECT

Annex 6 -
Table 1
Page 1

Technical Assistance Specialists To Be Financed By AusAID

INTERNATIONAL SPECIALISTS	person months					Total
	PY1	PY2	PY3	PY4	PY5	
Director, TA	2	1	1	2	1	7
Team Leader/Manager TA	12	12	12	12	12	60
Systematic Adjudication	3	8	4	0	0	15
GPS/Geodetic Adjustment	3	5	0	0	0	8
Mapping	2	2	0	0	0	4
Cadastral Survey	3	6	6	0	0	15
Land Registration - Law	4	2	0	0	0	6
Land Registration - System Implementation	0	0	12	6	0	18
Valuation System	5	5	5	0	0	15
Valuation Policy	2	2	0	0	0	4
Valuation System Analyst - Computer	0	3	3	0	0	6
Land Law	6	4	2	0	0	12
Land Policy	4	2	0	0	0	6
Customer Relation Services	0	0	2	2	2	6
WID Specialist	1	1	2	1	0	5
Architect/Engineer	1	1	0	0	0	2
HRD	3	3	4	3	0	13
Education Specialist	3	0	0	0	0	3
Information System - Registration	0	0	3	1	0	4
OMO	0	0	0	3	0	3
Unallocated	0	0	0	0	4	4
Subtotal	54	57	56	30	19	216
NATIONAL SPECIALISTS						
Systematic/Registration	3	12	12	12	9	48
Geodetic/Survey Control	3	6	3	0	0	12
Cadastral Survey	3	6	12	12	3	36
Valuation	6	12	12	6	0	36
Land Law Specialist	9	6	6	0	0	21
Provincial Advisors (3)	0	0	24	36	36	96
Specialist CRS/WID	2	3	6	4	2	17
HRD	3	6	6	6	3	24
Architect/Engineer	2	2	1	1	0	6
Subtotal	31	53	82	77	53	296
TOTAL	85	110	138	107	72	512

LAO PDR
Land Titling Project

Annex 6
Table 2
Page 2

OVERSEAS EDUCATION, TRAINING, WORK EXPERIENCE, AND STUDY TOURS FUNDED BY AUSAID

Scholarships	Person Months					Total Mths
	Py1	Py2	PY3	PY4	PY5	
Survey		8	8	16	16	48
Digital mapping		8	8	12	12	40
Land Admin/ reg		4	6	16	18	44
Work experience		6	6	20	22	54
Land Information systems				10	10	20
Public administration				10	10	20
Valuation (4 in BIT, Bangkok))		20	30	20	10	80
Totals (Australia)	0	26	28	84	88	226
All Scholarships	0	46	58	104	98	306
Short Term						
Land law study tour	2					2
Land Policy training				2	2	4
GPS training	2		2		2	6
GPS study tours	2	3				5
Photographic development	1	1		1		3
Valuation study tour			3	8	8	19
Valuation training		2		2	2	6
Land administration				8	8	16
Adj & regist	6	2	2	4	6	20
Adj & regist Study tour		2	2	4	6	14
Cadastral survey		2	2	2	6	12
Total Short Term	13	12	11	31	40	107
Grand Total	13	58	69	135	138	413

LAO PDR
LAND TITLING PROJECT
DRAFT TERMS OF REFERENCE

PROJECT ADMINISTRATOR

I. BACKGROUND

1. The Government of the Lao People's Democratic Republic (referred to in this document as "Lao PDR", "Laos" or "GOL") is undertaking a Land Titling Project for the Prefecture of Vientiane and the province of Vientiane, Luang Prabang, Savannakhet and Champassak. The project will be implemented by the Department of Lands and Housing Management (DOLHM) which is a dependency of the Ministry of Finance (MOF).

2. The project, estimated to cost US\$28.4 million, would support the first seven years of a longer term national land titling program aimed at extending secure land ownership and developing land administration and valuation systems including compiling a cadastral mapping system. The main components of the project are:

- (a) strengthening of the policy and legal framework for land administration and management;
- (b) implementation of an accelerated land titling program including base mapping, systematic registration and sporadic registration;
- (c) improvements in the infrastructure, facilities and systems for land administration;
- (d) improvements in land valuation;
- (e) support for project management and implementation, and institutional strengthening; and
- (f) studies on community land tenure and registration, definition of forest boundaries, cost recovery, efficiency and land rights issues on nationalized lands and socioeconomic impact of land titling.

3. The Government of Lao PDR has applied for a credit from the International Development Agency (IDA). Once the credit is approved, the proceeds will be utilized for various expenditures of the project including the hiring of a consulting firm to provide support to the project management, implementation and support as well as the institutional strengthening of the implementation agency. DOLHM.

4. In parallel, the Government of Lao PDR has requested a Technical Assistance grant from the Australian Agency for International Development (AusAID) for the technical support in the area of land titling, mapping and related activities.

II. CONSULTANCY SERVICES REQUIRED

1. The support mentioned in I.2(e) above, is critical for the success of the project as the implementation agency, DOLHM, has had very little experience in the area of project management and implementation techniques and has never carried out a project of this magnitude. To this end, the project envisions the contracting of a consulting firm to act as Project Administrator (PA) which will provide services including, but not limited to the areas of:

- (a) procurement, contract administration & monitoring;
- (b) disbursements and financial control; and
- (c) training DOLHM's Project Support Unit (PSU) staff.

2. The magnitude of the project and of the work to be done can be understood from the following information:

- (a) the total project cost is estimated at approximately US\$28.4 million which includes a technical assistance provided by funds from AusAID for technical work including designs and specifications and expert training in the field of land titling, mapping, aerophotography, systematic adjudication, valuations, etc. (US\$5.1 million equivalent). The IDA credit will be for US\$20.7 million and the balance represents counterpart funding.
- (b) 16 major procurement packages for a total estimated value of the equivalent of approximately US\$20 million shown in Annex 1;
- (c) bar graph of procurement stages shown in Annex 2; and

- (d) the PSU staff which will be comprised of one Project Manager (head of the PSU), 1-2 procurement officer trainees, 1-2 financial/disbursement officer trainees, 1-2 project supervisor/controller trainees and administrative and support staff, are to be trained in all areas of project management, which will include the following, as a minimum:
- international and national procurement
 - contract administration and monitoring
 - planning and budgeting
 - receiving, storing and delivering
 - financial control of project
 - processing disbursement requests
 - processing claims
 - managing project accounts
 - managing statements of expenses
 - reporting

III. OBJECTIVES AND SCOPE OF WORK

1. Externally, the PA will act for and on behalf of the Project Director and Project manager whereas internally, it will assume the overall responsibility to manage the project implementation. The PA will train the staff of the Project Support Unit of DOLHM to assume the overall responsibility and administration of the project.

2. Procurement, Contract Administration and Monitoring.

- (a) The PA will be responsible for carrying out procurement functions on behalf of DOLHM in accordance with the procedures outlined in the World Bank Guidelines and specified in the Credit Agreement with the Borrower.
- (b) For procurement conducted according to procedures of International Competitive Bidding (ICB), the PA will:
- (i) arrange advertising and provide information to interested suppliers;
 - (ii) prepare bidding documents in all respects, including the review of technical specifications in coordination with the AusAID technical experts when this is called for, using the World Bank's Standard Bidding Documents (SBDs) with appropriate adjustments to suit individual procurement packages; seek approval of documents from IDA which would involve discussions, meetings or prior review;

- (iii) prepare documents for the selection of consultants complying with IDA requirements;
 - (iv) distribute/sell bidding documents to prospective bidders at a nominal cost, crediting the funds received to the Borrower's account;
 - (v) prepare and send out letters of invitation;
 - (vi) provide clarifications in response to potential bidders' questions;
 - (vii) conduct the bid opening process and prepare the minutes of bid opening;
 - (viii) evaluate bids and consultants' offers and submit a bid evaluation report to the Project Director or the GOL Evaluation Committee, through the PSU, with award recommendation. Provide any clarification or analysis required by IDA;
 - (ix) guide the PSU and Project Director on the approvals and clearances required from the Government and from IDA;
 - (x) when designated to do so, sign and finalize the contract, follow-up and monitor the delivery schedule and status of goods which could include visits to suppliers;
 - (xi) when required, arrange and witness pre-shipment inspections; and
 - (xii) receive goods at entry, clear customs, and deliver to final destination.
- (c) For non-ICB procurement, the PA would follow the appropriate procedures specified in the Credit Agreement, including:
- (i) soliciting written quotations from a list of potential suppliers broad enough to secure competitive prices and informing DOLHM, through the PSU, of the results in writing; evaluating the quotations and negotiating the resulting contracts;
 - (ii) soliciting quotation on sole source basis, after required approvals, and negotiating with supplier for spare parts or other proprietary items at reasonable cost; and

- (iii) when designated to do so, placing purchase orders and contracts with selected suppliers, including follow-up for delivery of goods according to schedule.
 - (d) in the area of contract administration services, the PA will:
 - (i) collect documentation, such as inspection certificates, certificates of origin/manufacture, manufacturer/suppliers' guarantees, bills of lading, beneficiary insurance certificates, and manufacturers' invoices;
 - (ii) forward documentation to the forwarding agent;
 - (iii) setting and controlling the contracts' quality assurance in the various project sites;
 - (iv) inspection and acceptance of works and goods delivered in the various project sites;
 - (v) monitor the progress of construction works in the various project sites, measure, certify quantities when necessary, variation adjustments and monitor the supply and delivery of goods and the work of consultants, in relation to the schedules;
 - (vi) propose to the Project Director through the PSU, remedial measures to take when delays are noted in the progress of works contracts, manufacturing and shipment of goods and in the carrying out of consulting services; and
3. **Project Planning**. The PA will establish project planning, budget, performance indicators, monitoring and evaluation systems and reports. During the first year of its consultancy, the PA will prepare the Project Plan, budget, monitoring systems and reports with the assistance of and while training PSU staff. During the second year these functions should be prepared by the PSU staff under the supervision of the PMA which, if necessary, will assume the role of advisors to PSU subsequently.
4. In the area of **disbursements and financial control**, the PA will:
- (a) establish all project accounting and management control systems, including budgets, which conform to the requirements of the project, guidelines of IDA and regulations of GOL;

- (b) during the first year of project implementation, maintain accounting and financial management including the project accounts while training PSU staff in the management of the system.
- (c) during the second year or as soon as the PSU staff acquire the necessary skills, supervise the PSU staff managing the system. Subsequently and if necessary, the PA should be available to advise PSU on accounting and financial matters.
- (d) Financial Management will include, inter alia, the following:
 - (i) handle warranty and insurance claims;
 - (ii) evaluate and process invoices presented by contractors, suppliers and consultants;
 - (iii) arrange payments to contractors and suppliers through the PSU;
 - (iv) prepare and submit to the Project Director through the PSU, disbursement requests from the IDA credit, with the required supporting documentation;
 - (v) maintain strict control of the project costs versus the budget, linking costs to project outputs, and propose remedial measures when overruns are detected; and
 - (vi) prepare financial statements required for project accounting.

5. In the area of training, the PA will undertake the training of the PSU staff in the following areas:

- (a) international commercial practices and WB/IDA procurement procedures, including familiarization with the Standard Bidding Documents so that the said staff can eventually handle the procurement work in the future.
- (b) monitoring the progress of works contracts, supply and delivery of goods and the carrying out of consulting services;
- (c) monitoring project costs, project accounting and preparation of financial statements;
- (d) evaluating and processing invoices from suppliers, contractors and consultants;

- (e) preparing and submitting disbursement requests from the IDA credit;
- (f) other project management aspects such as coordination, planning, work plan development, budgeting, quality management, monitoring implementation, evaluating progress ; and
- (g) preparing progress and final reports.

6. The PA will carry out the **technology transfer** through on-the-job-training and through formal seminars. In organizing the seminars, the PA will take advantage of and coordinate with the training services provided by the Foreign Currency Department of the Ministry of Finance.

- (a) **On-the-job-training** will be carried out on a one on one basis by having the PSU staff understudy the corresponding PA expert. Initially and for a period estimated to last one year, the PA experts will perform all the functions with the assistance of the local understudy but, over time (expected to occur after the first year), as each PSU staff is trained, the PA expert will relinquish the function and assume first the role of supervisor over the PSU staff and later, of an adviser.
- (b) The number, content, frequency and approximate timing of the **Project Administration Seminars** should be proposed by the PA but these should, as a minimum, cover the following areas:
 - international and national procurement
 - contract administration and monitoring
 - planning and budgeting
 - receiving, storing and delivering
 - financial control of project
 - processing disbursement requests
 - processing claims
 - managing project accounts
 - managing statements of expenses

IV. PA STAFFING, DOLHM/GOL PROVISION AND TIMETABLE

1. In their proposal, bidders would propose a staffing plan for the PA acceptable to IDA and GOL to address the TOR. However, the following is a guide of what is required:

- (a) Project Administrator(s) or Project Engineer(s). Typically a holder of a professional degree in engineering or business administration, preferably at graduate level or equivalent experience, with at least 10 years experience in the management of projects which are financed by multilateral development institutions and a working knowledge on the project management techniques including PERT/CPM, scheduling, materials management, cost control, contract negotiation, contract administration and crash programs.
- (b) Procurement Specialist(s). Typically a holder of a professional degree in engineering, law or business administration, preferably at graduate level or equivalent experience, with at least 7 years experience in international procurement practices including contract administration and a working knowledge of the World Bank's Procurement Guidelines, Guidelines for the Use of Consultants of the World Bank and its Standard Bidding Documents.
- (c) Disbursement and Financial Controller(s). Typically a professional in accounting or business administration, preferably at graduate level, with at least 5 years experience in the financial control of investment projects financed by a multilateral development bank.
- (d) **Expediter(s) and other specialized support staff.**

2. Provision by DOLHM and GOL. It is understood that DOLHM will provide adequate office accommodations, including direct telephone and fax connections and GOL will facilitate entry and exit visas for the experts and their dependents.

3. The project timetable is estimated to last seven years from April 1996, which corresponds to the expected "effectivity date" and the PA consultancy is envisaged to take place during the first two years with a possible extension.

V. PAYMENTS

1. Where payment is concerned, the PA's service will be divided into the following six categories which may be subject to payments on an output (performance) basis or on an input (time, travel and expenses) basis.

Function or Category	Basis for Payments (output/input)	Parameter
Procurement	output	number and/or value of procurement processes
Contract administration, project monitoring and delivery/receipt of goods, works and services; including payments to suppliers, contractors and consultants	input	10% Advance 80% in accordance with a pre-arranged monthly payments schedule bases mainly on the PA's plan of activities and corresponding human resource assignation and travel schedule 10% Retention to be paid upon acceptance of Final Report
Handling of Project Accounts (SA) and Statements of Expenses (SOEs), payments to suppliers and contractors and Withdrawal from the IDA credit		
On-the-job training of PSU staff		
Reports and other matters		
Seminars to PSU staff	output	number and quoted price of each seminar

2. The consultancy contract with the PA will itemize the price of the services on the basis of the above categories and establish the parameters to be used.
 - (a) Procurement services should be based on an agreed procurement plan and payment scales which will relate to completed procurement processes. The attached list (Annex 1) which shows the major procurement packages will serve as a guide for the elaboration of the PA's procurement plan.
 - (b) The seminar should be priced on a lump sum or per seminar basis and paid accordingly as each one is delivered.
 - (c) All other items should be expressed on the basis of honoraria and rates, travel and related costs including overhead. The offer should show a total price estimate based on the PA's preliminary plan of activities and corresponding human resource assignation schedule, with a minor adjustable component expressed in rates for consultant-days or consultant-weeks, to cover slippages and delays in the implementation of the project.
 - (d) Payments on all the above shall be made with a 10 percent advance, progress billings and a 10% retention, as shown in the above table. The amortization of the advance will start after 20% of the contract is paid and will be completed when 80% of the contract value has been paid.

VI. REPORTS

1. Initial Report and Plan of Activities. Not less than one month after initiating the work, the PA will submit for consideration of the Project Director, through the PSU, an initial report which will contain a draft plan of activities showing how it proposes to carry out the objectives of the three year consultancy. Since the training of the PSU staff is of particular interest, the plan of activities will show achievement targets of the technology transfer to the PSU staff over the three year period which, to the extent possible, will be expressed in measurable quantities.
2. Periodic Reports. Every six months, i.e., to the extent possible, one month prior to each IDA Supervision Mission, the PA will send to the Project Director a progress report showing the overall progress and status the project, detailed by procurement package; contract for works, goods or consultancy; financial position and disbursements by source of fund and by contract; and the training of the PSU staff including the targets achieved and to be achieved.

3. **Final Report.** One month prior to the termination of the contract period, the PA will submit a final report showing the same information required in the periodic reports as well as whatsoever recommendations it may deem appropriate to make for the remainder of the project period and for the sustainability of the work in DOLHM.

V. **EVALUATION OF OFFERS**

1. The evaluation of offers will take into account the bases for the payments which are shown in IV.1 above. Technical aspects of each offer, covering the consulting firm's general experience in the field of project management for similar projects, work methods and work plan for each of the six functions shown in IV.1 above, qualifications and competence of the personnel proposed, will be the dominant factors for consideration.

2. Price will be a minor consideration, although its significance will depend on the complexity and measurability of the outputs of each category. For the procurement and formal training aspects, price will have a relative weight of 40% whereas for the others, only 10%. The relative weighting is summarized below:

	Overall Weight, Points	Evaluation, %		Max. Points	
		Tech.	Price	Tech.	Price
PROCUREMENT	30	60%	40%	18.0	12.0
Contract Administration; project monitoring and delivery/receipt of goods, works and services; certifications, measurements and payments to suppliers, contractors and consultants; handling of project accounts and statements of expenses; withdrawals from IDA credits; on-the job training for PSU staff; and reports	55	90%	10%	49.5	5.5
SEMINARS	15	60%	40%	9.0	6.0
TOTAL POINTS	100	-	-	76.5	23.5

LAO PDR

LAND TITLING PROJECT

DRAFT TERMS OF REFERENCE OF STUDIES

I. STUDY ON LAND ADMINISTRATION FEES AND COST RECOVERY

1. **Background.** In the context of the proposed Land Titling Project, the Government would develop a land administration and valuation system capable of providing clear and enforceable land use rights which are the basis for developing efficient land markets. This will require the re-examination of fees currently charged for land registration and land transactions with regard to their impact on affordability, incentives, and cost recovery.

2. **Objective of the Study.** The objective of the study is to analyze all fees, taxes and charges related to land administration and to recommend changes to the fee structure to ensure the affordability of land transactions, strong incentives to use formal rather than informal procedures, and the recovery of land administration costs.

3. **Tasks.** In preparation of the study, the following tasks would be undertaken.

A. Review and Analysis

- (a) Document and analyze fees, taxes, charges, and any other financial obligation related to land registration and land transactions (short 'land fees'), including a description of the historic development of fee structures and revenue levels.
- (b) Analyze the affordability of land registration and transactions, including a comparison of land fees with income levels and land values.
- (c) Analyze the incentive impact of the level of land fees on the decision to use informal rather than formal land registration and transaction procedures, including a comparison costs and the possible risks of informal and formal transactions in rural and urban areas as well as an analysis of the impact of outstanding tax payments on the willingness to formally register land.
- (d) Analyze the recovery of land administration costs through land fees, including an analysis of past and present levels of expenditures and revenues and of collection rates. Examine the impact of inadequate land valuation methods on revenues.

- (e) Project and analyze the impact of land fees on the future development of land markets, including acceleration of land titling, improvement of land administration, changing values of land, and flow of investments in land urban and rural land development.

B. Options and Recommendations

- (a) Formulate short term options (implementable in less than one year) for adjusting land fees to facilitate the process of accelerated land titling.

Formulate medium term options for the adjustment of the land fee structure by taking into account the need for: (i) affordable fee levels to make land registration and transactions accessible to all income groups; (ii) attractive fee levels which do not deter from using formal land transaction procedures and which encourage land registration under both the systematic and sporadic land titling programs; (iii) recover all or part of the land administration costs from fee revenues. Propose options for simplification of the fee structure and their potential impact on reducing administrative costs and increasing collection rates.

Implementation of the Study. DOLHM would be the responsible Government agency to supervise the preparation of the study. DOLHM would also ensure that there is close cooperation and exchange of information between the consultants for this study and the adviser on land valuation. Recommend a best set of options and propose an action plan including a timeframe, a responsible division, and how these measures would be guided and promoted for passage in government.

- (b) The approximate duration of the study is 3 months.

II. STUDY ON COMMUNITY LAND TENURE

4. The objective of this study is to develop options to formally register community land use rights and where appropriate, associated individual land use rights; and this should be done such that land rights holders do not lose by this modern government process. This would then allow the Lao Land Titling Project or a future project to support such arrangements if found necessary.

5. The study would be undertaken by a consultant company (ideally a joint venture between an international and national company) research institute, or university. The team of professionals would be skilled in land tenure studies, land law, land economics, and sociology. International and national consultants would be necessary. A small but selected sample survey in areas of known occurrence of community tenure would be included in the study.

6. The team would:
 - (a) Review appropriate literature and interview knowledgeable professionals in this topic, and analyze:
 - (i) the characteristics of the tenure used in villages for both individual holdings and community holdings, in both rural and urban areas;
 - (ii) the types of village tenure used in non-forest areas, and from this map out the rough geographic locations where the various types are used;
 - (iii) review the administrative players and arrangements for the tenures and the processes of sale, exchange, inheritance, lease, and mortgage equivalent; and
 - (iv) include a review of the community land study undertaken in the context of the Laos PDR Forest Management and Conservation Project looking for potential linkages; and review the gender and cultural study funded by AusAID in 1996;
7. In undertaking the above, analyze the gender, ethnic, and traditional dimensions of community tenure.
8. Assess the applicability of current laws, regulations, and procedures, and their application to community lands and any constraints they imposed on the registration of those lands; Also review applicable traditional land laws and conflicts with modern law.
9. Assess the present demand or otherwise by land holders and by village heads for formal land registration under various scenarios (e.g., new investment, expropriation) by conducting representative surveys of selected representative village land holders and village leaders including women and NGO's;
10. Develop formal registration options or models that fit the requirements which might include individual land use right holdings coupled with rights to other property held in common with other villagers or the whole village, including exploring the applicability of the condominium models and leasehold models among others; and explain the preferred option in terms of legal requirements, simplicity, and operational costs, and training demands for villagers and officials.
11. Develop for various circumstances, administrative options for the formal registration of lands including those controlled by provincial and district governments with little or no village participation, to those conducted still by the community but with provincial and district oversight; and recommend preferred options.

12. Develop various implementation options (if appropriate) that would allow village community lands to be titled, if necessary under a future land titling project, and outline a time based action plan for implementation.

Implementation

The study will be guided by a lead group of agencies including DOLHM, MAF, MOJ, and the Lao Women's Union. They will be kept informed of progress and through regular meetings seeking their guidance.

III. FOREST BOUNDARIES DEFINITION STUDY

Background

Objective and Scope of Study

13. The aim of this study is to investigate and recommend efficient procedures for:

- (a) delineating and demarcating of forest boundaries in project areas; and
- (b) registering land parcels adjacent to forests, to eligible holders.

14. Options to Delineate and Demarcate Forest Boundaries. To do this, the study team would undertake the following tasks:

- (c) working with DOLHM, and the Ministry of Agriculture and Forestry (MAF) and building on the study undertaken under the Forest Management and Conservation Project, investigate the existing laws and regulations, and associated procedures for delimitation and demarcation of forest boundaries;
- (d) in conjunction with DOLHM, and MAF, identify policy, institutional, and administrative issues that apply when forest boundaries are defined in the field; indicating the role of each level of government, each agency; and the people; identify by inquiry the constraints and the impact on land holders adjacent to forests;
- (e) if necessary, design pilot projects, to be implemented by DOLHM and MAF, to further investigate the most favored options; and
- (f) prepare a detailed report setting out options, preferred options and procedures which could enable the demarcation of forest boundaries.

15. Registration of Land Adjacent to Forest Boundaries. Once the forest boundaries are defined, it more likely to be able to grant titles to eligible land holders adjacent to the forest. However, the study should:

- (g) recommend options and procedures to guide granting full titles for eligible land rights holders adjacent to forest land in a manner acceptable to all parties, and with due regard to the environment (e.g., some restrictions may be necessary, such as not granting title for land on slope exceeding 30 degrees);
- (h) with DOLHM, and MAF, investigate the Government policy towards those who have encroached on forest lands, and propose options to improve the situation in order to minimize the encroachment in the future; and
- (i) study the implications of forest occupation on land management policy in the framework of any proposed new procedures.

Time Frame and Budget

16. The study would be initiated no later than September 30, 1997, and completed by the end of March 1998.

Skill Requirements

17. The team required to undertake the study should be a mix of international and national experts. International experts should have previous experience in Lao PDR. The following skills maybe appropriate to undertake the study: forestry specialist, land tenure specialist, survey and mapping specialist, and a Sociologist/Antropologist.

IV. STUDY ON THE EFFICIENCY AND LAND RIGHTS ISSUES ON NATIONALIZED LANDS

Objective of the Study

18. The objective of the study is to develop options for consideration by GOL PDR and others to allow the people and GOL PDR to make more efficient and equitable use of the land nationalized after the change in government in 1975. At present many lands are held by third parties neither the former land holder nor the GOL PDR with varying degrees of insecurity, resulting in under utilization of the land and a loss of production. GOL PDR is interested in the generation of various options.

19. A multi-discipline team of international and national specialists should undertake the study including a land economist, a tenure expert, a land developer/entrepreneur/urban planner, and a land law specialist.

20. Working with DSA and PSC, the team would:
- (a) provide the background to the situation in terms of history, past and present policies, and trends, by a review of the literature and the conduct of interviews with a broad range of informed people;
 - (b) analyze the extent of the nationalization of these lands by undertaking guided sample survey using questionnaires and interviews to allow an analysis to categorize (undertaking surveys as necessary), the types of situation land holdings, the types of land involved, the types of land holdings and land holders involved, current land use, the timeframe of the present situation involved; and the particular circumstance in major cities; develop a classification system to assist in the analysis; isolate the key issues that are acting as barriers to the productive use of these lands;
 - (c) develop options to allow the various situations to be addressed. Options may include: retention; renting; simple privatization; bidding potentially valuable sites to the private sector requesting financial and technical proposals for development of the site and bids to lease the land under GOL defined conditions; development; etc.,
 - (d) hold a workshop to review the draft report and present the most viable and acceptable options. Derive an action plan and the next steps; and
 - (e) prepare a final report presenting all the above information, preferred options, and an action plan for implementation.

V. SOCIO-ECONOMIC IMPACT STUDY

Objective of the Study

21. The objective of the study would be to measure the project's social, economic, fiscal and selected environmental impacts on the land holders in the areas the subject of the project, and on the actual land. By so doing, the results of the study would confirm or otherwise the benefits and impacts of land titling in Lao PDR circumstances and help provide justification in the future for any continuation of the land titling program.

Background

22. The study would build on the methodologies developed under the Thailand Land Titling Project and that to be used in the Indonesian Land Administration project. The Thai studies, however, relate to rural areas and agricultural circumstances; also such studies and their results are often country specific. Therefore, as the Lao Land Titling

Project is mostly aimed at urban and peri-urban lands and the recent history of Laos, this study is considered essential.

Method and Implementation

23. The baseline and follow-up study method would be used in at least two project provinces, with two other provinces not in the project surveyed as control areas. The baseline study would be undertaken in the second year of the project to provide a base against which the project impacts would be assessed. The follow-up survey to measure the impacts, would be undertaken in the last year of the project or in 2002, whichever is later. The study would be undertaken by a consultant company, a research institute, or university, ideally a joint venture of international and national professionals. The disciplines of the team members should include economics, sociology/ anthropology, financial analysis, and environmental science. The study would be guided by an inter-ministerial team (a lead group) appointed by the Project Steering Committee, and with the advice of the technical assistance team as appropriate.

24. The terms of reference would be finalized by DOLHM with the support of the technical assistance (TA) team under the guidance of the team leader of the TA.

Indicators Suggested for the Study

25. The study team would isolate and derive applicable indicators of socio-economic change attributable in part or wholly to land titling, and these over time would be assessed. These include: land value changes to parcels; credit usage patterns and changes; input use; improvements in productivity especially in the construction sector; investment trends attributable to the project - e.g., more housing and environmental infrastructure investment in urban areas, any urban to rural investment change; income impacts on land holders and expenditures; investments in physical infrastructure attributable to the project at the city, suburb and household levels, and any indicators of associated health improvements; social impacts such as land dispute trends and rates; inheritance tradition changes (very difficult to detect in the timeframe of the study); gender consequences; ethnic consequences; and the overall social well being of land holders.

The Tasks

26. The study team would undertake the following tasks: a baseline study including a baseline report (including a consultative workshop); the follow-up study together with a draft final report, followed by a seminar to present the results to interested parties; evolution of an action plan in consultation with GOL; and the final report.

27. The baseline study steps and tasks would include: formation of a lead group for guidance and review purposes; design refinement; review of existing related international socio-economic studies and isolation of possible project impacts; selection of representative areas that may produce these impacts; formulation of questionnaires; consultative workshop; training of the interviewers; testing of the questionnaire; consultation of local government and village heads in the survey areas; conduct of the survey; analysis of results; consultation with lead group of preliminary conclusions, and

baseline final report. A minimum of two areas would be surveyed , two to be titled in PY2 or PY3, with follow-up surveys not before the Year 2002.

28. The follow-up study, would be conducted in the same areas as the baseline ideally covering the same parcels and houses, managed by the same team of professionals and undertaken by the same contractors. The steps would include: reformation of the lead group; a preliminary survey of the original areas surveyed in the baseline study to ensure expectations of titling and non-titling; review of the questionnaire; training of interviewers; follow-up survey; analysis; reality check with knowledgeable people; draft final report; in consultation with GOL the development of an action plan to achieve changes arising from the study; a well publicized seminar to discuss findings, and the final report. The report should be published and made available internationally to allow other nations to benefit from this work.

29. The study team would include in their reports an assessment of their findings for land and social policy, government revenues, and the further implementation of the land titling program.

LAO PDR
LAND TITLING PROJECT
MAJOR PROCUREMENT PACKAGES

Description	Location	Procurement Method	Procurement Proj. Yr	Cost US (000)
Renovation/Extension; 2 NGD Bldgs & Construction 2 New Bldgs	VTE & VTE Prov.	ICB with Prequalification	PY1	450
Construction of 2 New Buildings (2 bids @ \$137k)	Luang/Pr & Savannak.	NCB	PY2	273
Renovation of existing offices in MOF Bldg.	Champassak	NCB	PY2	137
Vehicles (20) and Motorcycles (15) for NGD, System. Adjud. & Provincial Offices	VTE/Prov.	ICB	PY1	1,170
Photogrametric Equipment for NGD	VTE	ICB	PY1	1,600
GPS Receivers (4)	VTE	ICB	PY1	
Boundary Markers, Minor Equipment and Furniture	VTE/Prov.	NCB	PY 1-5	570
Materials for Mapping and Land Titling	All	Int'l. Shopping	PY 1-5	130
Minor Contracts, Office Supplies, other Goods	All	Local Shopping UN Proc. Svcs. & other methods	PY 1-5	180
Aerial Photography (2 separate bids)	VTE/Prov. Prov.	ICB	PY2 PY4	920
Studies (5 contracts)	VTE/Prov.	ICB	PY1-5	550
Computerized Land Registration Management System	VTE	ICB	PY3	400

BAR GRAPH OF PROCUREMENT STAGES

Annex 2

Procurement Packages	PY1	PY2	PY3	PY4	PY5
Contract arch/engineer	bb				
TA (AUSAID financed)	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
Contract Project Administrator	bbbxx	xxxxxx	xxxxxx	xxx	
Renovation/Extension, 2 NGD Bldgs & Cons-truction 2 New Bldgs	pp dd b	bbxxxx			
Photogrametric equipment for NGD	dd	bbbs			
GPS Receivers	dd	bbbs			
Vehicles & Motorcycles	bbb	s			
Studies		ddbxx	xxxxxx	xxxxxx	xxxxxx
Minor Equipment, Furniture, etc. and Materials for Mapping etc.		bbss	bbss	bbss	bbss
Aerial Photography	d	dbbxx	x	bbbxx	x
Technical Audits for Contract Land Titling (financed by AUSAID)	ddbxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
Public Land Titling (by Force Account)	dddx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
New Bldg in L/Prabang		dddxxx	xxxxxx		
New Bldg in Savannakh.		dddxxx	xxxxxx		
Bldg renovation Champ.		dddxxx	xxxxxx		
Computerized Land Registration Management System			dddxxx	xxxxxx	

Legend:

- d = design and prepare specifications
- p = prequalification
- b = bidding
- x = implementation
- s = supply (manufacture, transport and deliver)

LAO PDR
LAND TITLING PROJECT
BANK SUPERVISION PLAN

Approx Date	Duration (weeks)	Skills	Activities - Major Focus
1. 2/96	2.5	Task manager; land registration; procurement; Implementation	Credit effectiveness; TA briefing; results of operational trial; management and staffing of PSU; procurement of PA, mapping equip., two land policy studies, civil works design process; MOU between NGD and DOLHM; TOR finalization for systematic registration. Request formation of PSC.
2. 9/96	2.5	Task manager; valuation; legal; land registration mapping; procurement/ engineer	Procurement of civil works, equipment, vehicles, contract systematic registration, and two studies; review up-dated project implementation plan; staffing plan for public sector roles; draft work plan and budget; legal review; valuation review; technical reviews especially technical cooperation between units, and the mapping program for at least two years; TOR review of systematic registration.
3. 2/97	2.5	Task manager; land registration; legal; Management	Land legislation progress review; procurement of aerial photography, civil works, one study, systematic TORs and procurement; review project management; establishment of 1st PPFU and POC; HRD strategy, and training plan; training program for project managers;
4. 9/97	2.5	Task manager; valuation; legal; land registration; accountant/financial analyst	Review systematic registration public sector results; valuation review; work plan and budget review; sporadic adjudication action plan review; review results of 1st land policy study; review financial and disbursements systems.
5. 2/98	2	Task manager; land policy; mapping; land registration; information systems (IS).	Land policy review; draft work plan and budget review; review TOR of computerized land registration; review land policy study results and action plans; review results of aerial photography and revision of mapping plan for the coming two years.
6. 9/98	2	Task manager; valuation; cadastral survey; and mapping; financial analyst; IS	Field visit to Luang Phabang, Vientiane province; valuation review; review of mapping program: all technology and methodology review; review of computerized land registration system and related IS strategy; financial and disbursement systems review; review of land registration transaction systems improvements.
7. 2/99	2	Task manager; registration; institutional and HRD; land policy; economist.	Review of provincial implementation with field visits to Savannakhet, Champassak and Vientiane provinces for systematic registration; procurement of aerial photography; review of technical audit progress along with overall project reporting; annual work plan and budget reviews; HRD progress; institutional development review; review civil works; review studies.
8. 9/99	2.5	Task manager; land registration/ surveyor/mapping; HRD; legal; economist/financial; valuation	Mid term review: including review of up-dated project implementation plan; review of management esp., PA and PSU; systematic registration especially public sector staff mobilization; valuation review and TA review. Procurement of land registration computerization consultant team; CRS review; gender issues.

9. 2/2000	2	Task manager; land policy; mapping; land registration	Review of systematic and sporadic registration progress especially provincial implementation with field visits to Savannakhet, and Champassak provinces in Vientiane; possible start of preparation of a follow on project; annual work plan and budget reviews; institutional development review.
10. 9/2000	2.5	Task manager; land registration; survey/mapping; valuation; financial analysis/economist; land policy.	Systematic registration field review incl. study visit to Luang Phabang and Vientiane provinces; valuation review; HRD and training program review; TA review; financial and disbursement review.
11. 2/2001	2	Task manager; land registration; financial analyst/economist	Annual work plan and budget reviews; review of land registration transaction systems; if no follow-up project then review action plans for all project agencies
12. 9/2001	2	Task manager, valuation, land registration; land policy	Project completion date. Land registration review including sporadic; valuation progress; IS strategy revision review; land policy review.
13. 2/2002	2	Task manager; economist; and land registration	Land records and office management; capacity review.
14. 9/2002	2	Task manager; land registration; land policy	Land registration review; review of land policies.
15. 2/2003	2.5	Task manager; land registration; land valuation	Land registration and valuation review; initial drafting of ICR.
16. 9/2003	2	Task manager; land registration; and economist	Preparation of ICR.

The Credit closing is Sept 30, 2002.

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LAO PDR LAND TITLING PROJECT

DRAFT ORGANIZATION PLAN AND FUNCTIONAL DESCRIPTION OF THE PROJECT STEERING COMMITTEE (PSC), THE PROVINCIAL OVERSIGHT COMMITTEE (POC), THE PROJECT SUPPORT UNIT (PSU), THE PROJECT ADMINISTRATOR (PA) AND THE PROVINCIAL PROJECT FACILITATION UNIT (PPFU)

This annex describes the proposed functions, organization, and staffing of the key institutions involved in the project management, i.e. the PSC, POC, PSU, PA and PPFU.

A. PROJECT STEERING COMMITTEE

Purpose. The proposed Land Titling Project is a project of the Government of Lao PDR and forms part of a broader Government program to develop a market economy and to foster the development of efficient land markets by providing a system of clear and enforceable land use rights. The project needs to be closely linked and integrated into the broader Government program and at the same time provide assistance to the policy makers on land related issues. The inter-agency Project Steering Committee hence serves as an instrument for the overall Government supervision of the project and for coordination of Government policies affecting the implementation of the project.

Functions. The PSC will have the following functions:

- (a) Provide guidance to the Project Director for the overall direction of the project and on policy decisions of the Government.
- (b) Review and approve the annual workplan, the annual budget and the progress reports for the project.
- (c) Act as a liaison to the Land-Remanagement Committee and recommend to that Committee changes in policies and regulations which affect the implementation of the project.
- (d) Coordinate between Government agencies, including provincial governments, to ensure adequate support for a smooth implementation of the project.
- (e) Use DOLHM, and in particular its Project Support and Technical Assistance Unit as Secretariat, to develop policy recommendations on critical issues of land management.

Membership. The PSC will have the following members:

- (a) Vice Minister of Finance, Chairman;

- (b) Chief of Cabinets of the following Ministries: Ministry of Finance (MOF), Ministry of Justice (MOJ), Ministry of Communication, Transport, Posts and Construction (MCTPC) and Ministry of Agriculture and Forestry (MAF);
- (c) a representative of the Prime Minister's Office (PMO);
- (d) the Vice Mayor of the Prefecture of Vientiane, and the Vice-Governors for Development of the provinces covered under the Project; and
- (e) the Project Director.

Mode of Operation. The PSC will meet at least twice a year to review the semi-annual progress reports and to approve draft budgets and workplans. The Chairman may request non-members to attend the meeting if so required. The Project Director with the help of the Project Support Unit and the Technical Assistance Unit will prepare the meetings.

B. PROVINCIAL OVERSIGHT COMMITTEE

Purpose. Many of the project activities will take place in the provinces and need to be closely coordinated with the provincial and local governments and their agencies and organizations representing relevant interest groups in the province. The main purpose of the Provincial Oversight Committee is hence to ensure such cooperation and to oversee project activities in the respective province.

Functions. The POC would have the following functions:

- (a) Review and approve the annual provincial workplan, the annual budget and the provincial progress reports; these documents will subsequently be submitted to the Project Manager for project-wide consolidation and final approval by the Project Steering Committee.
- (b) Coordinate between provincial government agencies to ensure adequate support for a smooth implementation of the project.
- (c) Report through the Vice-Governor to the Project Steering Committee any major issue which could substantially affect the successful implementation of the project.
- (d) Use the Provincial Project Facilitation Unit under the Chief, Office of Land and Housing Management, as Secretariat to support the activities of the POC and to follow up on decisions of the POC.

Membership. The POC will have the following members:

- (a) Vice Governor (for Development), Chairman

- (b) the Heads of the following Provincial Services: Finance, Agriculture and Forestry; Communication, Transport, Construction and Posts;
- (c) a representative of the provincial Lao Women Union;
- (d) the Provincial Project Facilitator/Chief, Office of Land and House Management

Mode of Operation. The POC will meet at least twice a year to review the semi-annual progress reports and to approve draft budgets and workplans. The Chairman may request non-members to attend the meeting if so required. The Head of Provincial Finance Services, with the help of Provincial Project Facilitation Unit and the Provincial Technical Adviser will prepare the meetings.

C. PROJECT SUPPORT UNIT

Rationale. The implementation of the proposed Lao PDR Land Titling Project poses a significant challenge for the Government, and in particular DOLHM which has no previous experience with the management of foreign funded development projects. Substantial external support will be provided through Technical Assistance and a contracted Project Administrator. The purpose of the PSU, which is to be located in DOLHM and to be staffed with national staff, is hence to strengthen the implementation capacity within DOLHM, initially by absorbing skills and know how transferred from the PA, eventually by assuming full responsibility for the management of the project.

Functions. The PSU will have the following functions:

- (a) **Project Administration**, including the preparation and implementation of operational plans and budgets, liaison and coordination of activities with other agencies, particularly with provincial authorities, the provincial project facilitation offices, and NGD.
- (b) **Secretariat to the Project Steering Committee** and to the Project Director, including the preparation of the annual workplans and budgets, semi-annual progress reports, and ad-hoc information which the PSC may require.
- (c) **Planning, monitoring, and evaluation** of project activities, including the preparation of annual workplan and budgets for submission to the PSC, incorporating plans submitted by the provinces; the monitoring of implementation of approved plans and performance indicators and preparation of semi-annual progress reports and other reports which may be required by the GOL, IDA, and AusAID; and the evaluation of project implementation and preparation of recommendations for possible remedial action.
- (d) **Financial control of project accounts**, including the preparation of disbursement plan, management of project accounts and the Special Account, submission of applications of withdrawal and replenishment from IDA, verification of payments for project expenditures, and documentation of

statement of expenditures; also including the financial management of GOL counterpart funds.

- (e) **Procurement of goods, services, and works**, including an estimated US\$5 under non-ICB procedures; procurement of an estimated US\$16 million under IDA international competitive bidding procedures (ICB) will be the primary responsibility of the Project Administrator.
- (f) **Administration of human resources**, including the payroll for project funded staff, management of the human resource development plan for the recruitment, re-allocation and training of project staff. In addition, administration of other project activities (e.g., studies, legal component) and project facilities (e.g., vehicles, equipment).

Organizational Structure. The PSU will be headed by a **Project Manager**. The Project Manager reports to the **Project Director**, who, ex-office, is the Director of the DOLHM. The PSU will have four functional areas: **(a) Planning, Monitoring and Evaluation, (b) Accounting and Financial Controls, (c) Procurement, and (d) Administration.** The PSU will be located in DOLHM to ensure an adequate integration of project activities into DOLHM's regular activities and to facilitate the transfer of skills from the PSU to DOLHM.

Staffing Plan. In addition to a Project Director (part-time), the PSU would be staffed with one Project Manager, 8 local professionals, including 2 in each functional area, and 5 support staff, including 1 clerk/typist per functional area and 1 driver. The rationale for hiring 2 local professionals in each functional area lies in the need to facilitate an effective transfer of know how from the Project Administrator to the PSU, the need to provide adequate back-up while local professional are tied up in training or field work and the risk of losing acquired skills for the PSU as a result of rotation. The Project Manager, a first group of 4 professionals (one per functional area) and support staff would be hired in the first year. A second batch of 4 professionals would be hired in the second year. A selected group of professionals will obtain training during the pre-implementation pilot program.

Description of Key Personnel. The PSU staff positions would have the following functions:

- (a) **Project Director.** The position of the Project Director will be ex-officio filled by the Director of DOLHM. Hence the position of the Project Director will be part-time only. The Project Director has overall responsibility for ensuring that the project achieves its stated objectives. The Director would provide overall direction for the project, manage the coordination with the Project Steering Committee, senior GOL officials, IDA and AusAID. When necessary, the Project Director could seek advice directly from the Team leader for the Technical Assistance team or from the Project Administrator.
- (b) **Project Manager.** The Project Manager is a full-time position, reports to the Project Director and is directly responsible for project management and day-to-day operations. Responsibilities include the submission of work plans, budgets

and progress reports through the Project Director to the PSC and the funding agencies and management of the PSU staff. The Project Manager would act on behalf of the Project Director in project matters during the absence of the Director for training or field visits. The Team leader of the Technical Assistance will closely coordinate with the Project Manager all TA activities and provide assistance as required by the Project Manager. The Project Manger will rely on the Project Administrator for management support and training during the first project years.

- (c) **Planning, Monitoring, and Evaluation Officer; the Accounting and Financial Control Officer; the Procurement Officer; and the Administrative Officer** are full time positions with responsibility for the functions described above (para. 3).

Transfer of Know How Arrangements. There are three arrangements for transferring managerial skills and know how to the PSU:

- (a) the AusAID funded pre-implementation Pilot Project includes a training component to prepare managerial staff for the PSU;
- (b) the IDA funded Project Administrator will have responsibility for setting up project management systems and transferring the necessary management skills to the PSU staff. It will use on-the-job training complemented with workshops, seminars and short-term training courses;
- (c) the AusAID funded TA team will provide through national counterparts and international experts training and skills in technical areas and management of Human Resource Development.

Phasing In of Staff. The following table describes the number of staff by project year.

Table : Number of Staff for the PSU by Project Year

No. Staff	PY1	PY2	PY3	PY4	PY5
Incremental staff:					
- professionals	5	9	9	9	9
- support staff	2	4	4	4	4
Total	7	13	13	13	13

D. PROJECT ADMINISTRATOR

Rationale. As mentioned above, the management of the proposed Lao PDR Land Titling Project poses a significant challenge to DOLHM which has no previous experience with complex project administration. To complement DOLHM's capacity, a Project Support Unit will be set up in DOLHM and will be staffed with national staff (see above). However, the PSU in itself will need to develop management skills and set up management systems. In the interest of a well organized project start and effective transfer of relevant management capacity to the PSU, it is planned that the Project will contract a consulting firm to act as Project Administrator (PA).

Functions. Overall, the function of the PA will be to set up management systems for the PSU, initially handle project administration functions in selected areas on behalf of the Project Director and Project Manager, actively transfer the relevant skills and technologies to PSU staff, in such a manner that, subsequently, PSU can assume full responsibility for project administration. Specifically, the PA would have the following functions:

- (a) **Procurement.** Carry out with full responsibility procurement functions on behalf of the Project Manager, including (i) processing of procurement following ICB and non-ICB procedures; (ii) contract administration, in close collaboration with the consultant for technical supervision of contracts; and (iii) training of PSU staff in the procurement procedures;
- (b) **Project Accounting and Financial Controls.** Establish financial and account management systems which conform to the needs of the Project, the guidelines of IDA, and the regulations of the GOL; initially, operate the system with full responsibility, while training PSU staff; subsequently, supervise PSU staff operating the system, and eventually assume the role of an adviser
- (c) **Project Administration, Including Planning, Monitoring, and Reporting.** Establish project management, monitoring and reporting systems which respond to the needs of the Project; initially, operate the system with full responsibility, while training PSU staff; subsequently, supervise PSU staff operating the system, and eventually assume the role of an adviser.
- (d) **Capacity Building and Training of PSU.** Transfer skills, technologies, and management systems in all areas where PSU carries management responsibilities; undertake this capacity building through on-the-job training, formal training, and seminars.

Organization. The PA would report to the Project. The PA would closely coordinate its activities with the Project Manager and the concerned PSU staff to ensure a maximum on-the-job learning effect. The PA would maintain a permanent representation in the PSU office, while the overall level of staffing may vary according to demand. The PA will also cooperate with the Technical Assistance team which may provide technical advice in its

areas of expertise. The PA will initially be hired for 2 years with the possibility for extension.

Staffing. In their proposals, bidders would propose a staffing plan for the PA acceptable to IDA and the GOL. However, the following staffing plan provides a guide of what may be required:

- (a) **Project Administrator(s) or Project Engineer(s).** Typically a holder of a professional degree in engineering or business administration, preferably at graduate level or equivalent experience, with at least 10 years experience in the management of projects which are financed by multilateral development institutions and a working knowledge on the project management techniques including PERT/CPA, scheduling, materials management, cost control, quality assurance and Total Quality Management, contract negotiation, contract administration and crash programs.
- (b) **Procurement Specialist(s).** Typically a holder of a professional degree in engineering, law or business administration, preferably at graduate level or equivalent experience, with at least 7 years experience in international procurement practices including contract administration; and an extensive experience with the World Bank's Procurement Guidelines, Guidelines for the Use of Consultants of the World Bank and its Standard Bidding Documents.
- (c) **Disbursement and Financial Controller(s).** Typically a professional in accounting or business administration, preferably at graduate level, with at least 5 years experience in the financial control of investment projects financed by a multilateral development bank.
- (d) Expediter(s) and other specialized support staff.

E. PROVINCIAL PROJECT FACILITATION UNIT

Rationale. The Land Titling Project supports a national program and hence the primary management of the project lies with DOLHM and its Project Support Unit. However, the many of the project activities take place in the provinces and need to be closely coordinated with the provincial and local government and their agencies responsible for land management. Furthermore, strengthening of the provincial land administration is critical to ensure sustainability of the project and the development of efficient land markets. Hence the purpose of setting up a Provincial Project Facilitation Unit (PPFU) is to facilitate smooth project implementation at the provincial level and to ensure support from provincial and local authorities.

Functions. The PPFU will have the following functions:

- (a) Serve as Secretariat to the Provincial Oversight Committee (POC), including the preparation of annual workplans and budgets for POC endorsement.

- (b) Facilitate project implementation in the province, through (i) adequate information of and solicitation of support from concerned provincial, district, and village authorities; (ii) briefing of project staff and contractors on the specific situation of the province or district; (iii) close coordination with the Project Manager, Project Support Unit, the systematic registration contract team, the TA team and the Project Management Agent and (iv) liaison with the Provincial Technical Adviser.
- (c) Planning, monitoring, and evaluation of project activities in the province, including the preparation of annual workplans and budgets for endorsement by the POC and submission to the Project Manager; the monitoring of implementation of approved plans and performance indicators and submission of monthly provincial progress reports to the PSU for compilation of project progress reports and other reports which may be required by the GOL, IDA, and AusAID; and the evaluation of project performance in the province and preparation of recommendations on possible remedial action for the PSU.
- (d) Maintenance of project accounts and verification of payments for expenditures under provincial authority, such as salaries for PPFU staff and equipment, including the financial management of GOL counterpart funds and submission of consolidated monthly financial statements to the Project Manager.

Organizational Structure and Staffing. The PPFU will be headed by the **Chief of the Office of Land and Housing Management**, who will report to the **Head of Finance Services**. The unit will have two functional area: (a) **Project Facilitation** and (b) **Planning/Monitoring/Accounting**. Each area would be staffed with one local professional. The unit would have also two clerical support staff and one driver.

Transfer of Know How Arrangements and Technical Assistance. Each PPFU will be supported by a local Provincial Advisers to be funded under AusAID which will assist in the implementation of project activities, specifically with regard to systematic land titling and training.

Phasing In of Staff. The following table describes the number of staff by project year, considering the phasing in of provinces/prefectures during project implementation from initially two to eventually five.

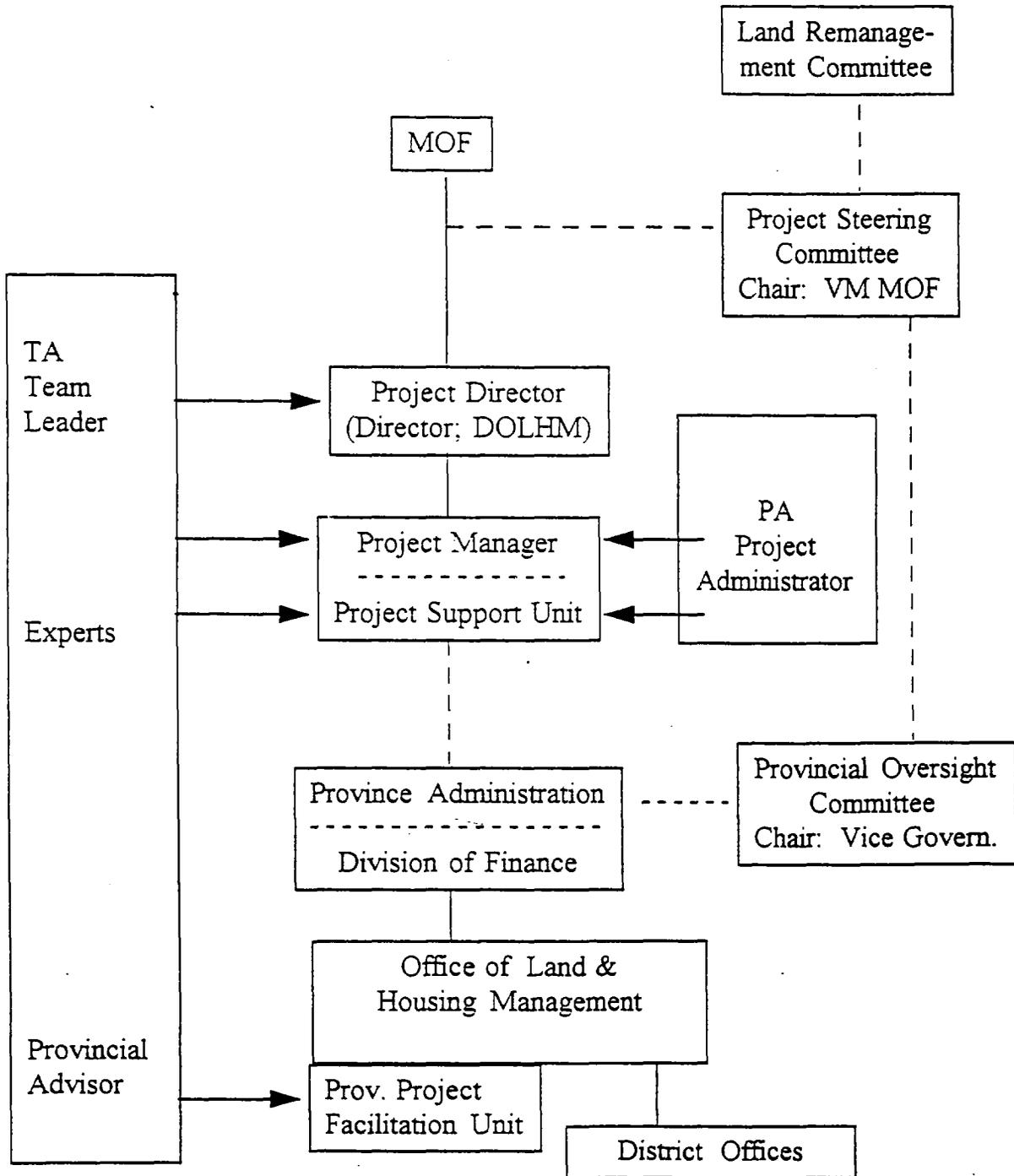
Table: Staffing for Provincial Project Facilitation Units

Project Year	PY1	PY2	PY3	PY4	PY5
No. of Provinces/Prefectures	2	3	5	5	5
Existing Staff (Chief DOLHM)	2	3	5	5	5
Incremental Staff:					
- Professionals	4	6	10	10	10
- Support Staff	4	6	10	10	10
Total Staffing for PPFUs	10	15	25	25	25

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LAO PDR LAND TITLING PROJECT Project Management Structure

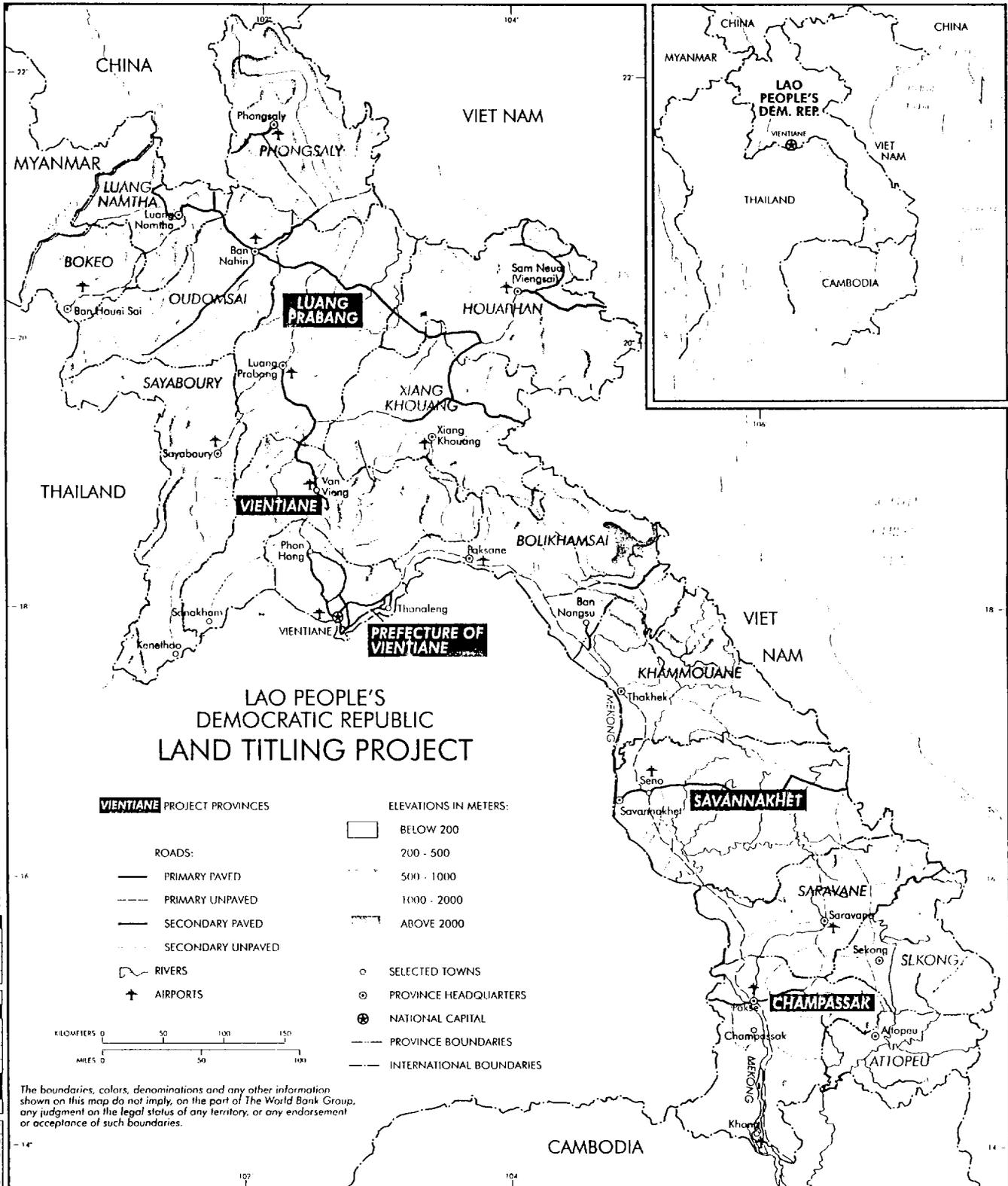


**LAO PDR
LAND TITLING PROJECT**

DOCUMENTS AVAILABLE IN THE PROJECT FILE

1. Lao PDR/World Bank/BHP Engineering, Land Titling Project Preparation Report, May 31, 1995;
2. Detailed Project Cost Tables
3. Draft Plan for Systematic Adjudication Teams.

MAP SECTION



08/21/1995

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The boundaries, colors, denominations and any other information shown on this map do not imply, on the part of The World Bank Group, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries.

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