

Document of
The World Bank

Report No: 36607

IMPLEMENTATION COMPLETION REPORT
(IDA-27420 IDA-27421)

ON A

CREDIT

IN THE AMOUNT OF US\$23.7 MILLION

TO THE

REPUBLIC OF BOLIVIA

FOR A

National Land Administration Project

June 28, 2006

CURRENCY EQUIVALENTS

(Exchange Rate Effective June 28, 2006)

Currency Unit = Bolivianos

7.99 = US\$ 1

US\$ 0.12 = 1 Boliviano

FISCAL YEAR

January 1 December 31

ABBREVIATIONS AND ACRONYMS

CAS	Country Assistance Strategy
DANIDA	Danish Development International Agency
GOB	Government of Bolivia
IDA	International Development Association
IDB	Inter-American Development Bank
INRA	Instituto nacional de Reforma Agraria (National Institute of Agrarian Reform)
PDO	Project Development Objective
PNAT	National Land Administration Project
RLC	Legal Cadastral Registry
SIST	Sistema Iformatica de Saneamiento de Tierras
TCO	Tierras Comunitarias de Origen

Vice President:	Pamela Cox
Country Director	Marcelo Giugale
Sector Manager	Mark Cackler
Task Team Leader/Task Manager:	Malcolm Childress

BOLIVIA
National Land Administration Project

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<i>Project ID:</i> P006197	<i>Project Name:</i> National Land Administration Project
<i>Team Leader:</i> Malcolm D. Childress	<i>TL Unit:</i> LCSER
<i>ICR Type:</i> Core ICR	<i>Report Date:</i> June 29, 2006

1. Project Data

Name: National Land Administration Project *L/C/TF Number:* IDA-27420; IDA-27421
Country/Department: BOLIVIA *Region:* Latin America and the Caribbean Region

Sector/subsector: Central government administration (92%); Sub-national government administration (6%); Law and justice (2%)

Theme: Land administration and management (P); Personal and property rights (P); Law reform (S); Legal services (S)

KEY DATES

	<i>Original</i>	<i>Revised/Actual</i>
<i>PCD:</i> 12/18/1992	<i>Effective:</i> 09/25/1995	12/22/1995
<i>Appraisal:</i> 06/29/1994	<i>MTR:</i> 10/12/1999	10/12/1999
<i>Approval:</i> 06/13/1995	<i>Closing:</i> 12/31/2001	06/30/2005

Borrower/Implementing Agency: GOV OF BOLIVIA/National Institute of Agrarian Reform
Other Partners: Property Registry, Agrarian Tribunals (Judicial Sector)

STAFF	Current	At Appraisal
<i>Vice President:</i>	Pamela Cox	Shahid Javed Burki
<i>Country Director:</i>	Marcelo Giugale	Yoshiaki Abe
<i>Sector Manager:</i>	Mark E. Cackler	Nicholas J. Krafft
<i>Team Leader at ICR:</i>	Malcolm Childress	Pierre Werbrouck
<i>ICR Primary Author:</i>	Malcolm Childress	

2. Principal Performance Ratings

(HS=Highly Satisfactory, S=Satisfactory, U=Unsatisfactory, HL=Highly Likely, L=Likely, UN=Unlikely, HUN=Highly Unlikely, HU=Highly Unsatisfactory, H=High, SU=Substantial, M=Modest, N=Negligible)

Outcome: S
Sustainability: L
Institutional Development Impact: SU
Bank Performance: S
Borrower Performance: S

Quality at Entry: QAG (if available) ICR
Project at Risk at Any Time: Yes

3. Assessment of Development Objective and Design, and of Quality at Entry

3.1 Original Objective:

The project objectives are to achieve a more efficient and transparent land administration system, clarify the land tenure situation, identify public land suitable for small farmer settlements and promote a more sustainable use of the country's land resources. To achieve these objectives the project helped the Government to formulate land administration and policy reforms, obtain accurate land ownership information, carry out land studies, alleviate land conflicts and improve land transaction registration.

The project addressed inter-related problems of a poorly functioning system for land administration and the need to implement legal and institutional land administration reforms based on the Law 1715 of 1996. The project also sought to address deficiencies in the real property registration system and the strengthening of the Legal Cadastre for the graphic, geo-referenced record of property boundaries linked to ownership data.

The project objectives were aligned with the priorities of the Government of Bolivia and the Bank's Country Assistance Strategy (CAS), as well as with the sector assistance strategy, all of which regarded as primary priorities poverty alleviation, public sector modernization and sustainable environmental and natural resource management. The project addressed some of the most complicated development challenges in Bolivia in areas where unclear land tenure situations had been the source of social tension.

3.2 Revised Objective:

The project objective was appropriate and was not revised during the project implementation.

3.3 Original Components:

The project included two components. These consisted of: 1) a major component improving the land administration system, and 2) a minor component implementing the legal and institutional land administration reforms. The major component of land administration improvement consisted of activities relating to: i) Technical Assistance for the Formulation of a New Legal Framework and Land Policy; ii) Land Management Improvement and Cadastre; iii) Identification of Land for Settlement; and iv) Strengthening of the Property Registry. The minor component of implementation of Legal and Institutional Reforms included activities related to: i) Strengthening of the National Land Institute (later the National Institute of Agrarian Reform, INRA); ii) Title Regularization; iii) Land Settlement Program (later dropped from the Supplemental Credit); and iv) Strengthening of the Legal Cadastral Registry (RLC). In practice, the two components came to be quite closely linked because the institutional reforms of the agencies and their operational activities were inseparable. Furthermore the unification of title and cadastre in the land regularization methodology and reforms to the land registry carried out under the project created a single set of activities/institutional reforms for the Property Registry. For this reason, the project expenditures relate more closely to the three main agencies' activities (i.e., INRA, Property Registry, Agrarian Tribunal) and are reported as such.

3.4 Revised Components:

A Supplemental Credit project was signed on October 17, 2001. In addition to adding financial resources to the original project components, the Supplemental Credit revised part of Component

2, dropping the activity described as “carrying out of a land settlement program to benefit about 10,000 migrant farmers, including, *inter alia*, the provision of land titles, and the orientation and training of future colonists in basic agriculture and health in the tropical lowlands.” The Supplemental Credit replaced this with a new component, the “establishment of a reliable and accessible national legal cadastre registry through: a) development and installation of a computerized integrated system containing geo-references for registered titles; and b) increased access to such legal cadastre registry in rural and urban areas by linking of the nine department offices and thirteen regional offices of the Property Registry into an automated system.” As noted, the component of assistance to land settlement was revised at the moment of the agreement for Supplemental Credit (October 17, 2001) and replaced by greater assistance for the creation of the cadastre and its integration with the property registry.

To understand the chronology of the original credit and the Supplemental Credit, the following table is provided. The table shows the two credit agreements along with their modifications, which included two extensions of the closing date of the Supplemental Credit.

Number	Date	Signers	Time period	Objective
Credit Agreement 2742-BO	26/June/1995	- International Development Association (IDA)	From 26/June/1995 to	Project execution
First amendment		- Republic of Bolivia	31/December/2001	Modify financing %
Second amendment	03/June/1996			Reassignment of DEG / categories
Third amendment	23/Aprill/1997			Reassignment DEG / categories
Fourth amendment	31/January/2000			Reassignment de DEG / categories
	15/May/2001			
Supplemental Credit Agreement 2742-1-BO	17/October/2001	- International Development Association (IDA)	From 17/October/2001 To	Project Execution
First amendment		- Republic of Bolivia	31/December/2003	Extension of closing date to 30/January/2005.
Second amendment	13/January/2004			Modify % of financing and extend closing date to 30/June/05
Letter of Acceptance	17/February/2005			Grace period until 28/October/05
	03/May/2005			
Subsidiary Agreement	19/December/1995	- Ministry of Finance	Termination of credit	Designates INRA as executing agency of PNAT
	15/May/2002	- CI / CNRA-INC	2742-1-BO	

3.5 Quality at Entry:

The project was not rated at entry.

4. Achievement of Objective and Outputs

4.1 Outcome/achievement of objective:

The performance of the original credit is rated as “moderately satisfactory and the Supplemental Credit is rated as “satisfactory.”

Although the project required more time to implement than was originally expected, the project activities were successfully implemented and their outcomes were positive for the country. However, government has expressed the opinion, and the Bank concurs, that the procedures were slower and more expensive than expected and that it will be necessary in the future to speed the land regularization process and make it more accountable through greater on-site monitoring.

In pursuit of its objectives the project assisted with the creation of a new agrarian reform institute, the procedures for implementing the government’s centerpiece agrarian reform law (Law 1715), supported the automation of the property registry, supported the creation of a special agrarian tribunal for land disputes, and assisted in the creation of the Agrarian Superintendence. It also pioneered the registration of title in an automated database and the integration of cadastral and registry records in an integrated system. It assisted in the creation of the procedures for land regularization for private and communal lands and financed regularization of nearly three million hectares of land.

4.2 Outputs by components:

Component of Land Administration Improvement:

The project component outputs by subcomponents provide indicators of the achievement of the project objectives.

Component 1. Achievement of a more effective and transparent land administration system. Concerning the first component, the achievement of a more effective and transparent land administration system, the original credit and the Supplemental Credit performed satisfactorily. This satisfactory performance is evidenced by the legal and procedural reforms enacted and their enablement of the land regularization and land registration processes. The legislation and regulations necessary for carrying out streamlined land regularization under the project were enacted in 1996 and updated by means of Presidential Decree in 2003. These regulations and procedures dealt with the fundamental provisions of property law and agrarian reform. Further regulations also included the Manual for the Design of Human Settlements, the design of the technical specifications for cadastral mapping required from third parties, INRA instructions on inclusion of women in the titling process, and regulations for Internal Regularization (*saneamiento interno*).

The National Agrarian Tribunal was established in November of 1999 as a special part of the judicial branch of government for resolving land conflicts. By November of 2004, having finished five full years of operation, it has opened 50 tribunals in the country's territory and resolved 1684 cases of agrarian land rights disputes.

The *Superintendencia Agraria* was also strengthened by PNAT activities, including a land market study and a study of land use classifications in Bolivia, as well as organizational strengthening. These outcomes reflect the expected performance and therefore the subcomponent is rated as satisfactory.

Identification of public land suitable for distribution. Regarding the second sub-component, the identification of public land suitable for distribution, the project's performance is rated as moderately unsatisfactory. Although it is possible to argue that the objective was not realistically scoped, because it was impossible to accurately predict the amount of public land suitable for distribution which would be found *ex ante* in populated areas designated for regularization, the component accomplished little identification of public lands for distribution. INRA has identified about 30,000 hectares of land which is confirmed available for distribution. This is less than 10 percent of what was expected in project preparation. Furthermore the support for land settlement was dropped from the project at the time of the establishment of the Supplemental Credit agreement in October, 2001, which led to a de-prioritization of the identification of public lands. The difficulty in identifying public lands for distribution suggests that very few such lands remain in settled areas. Most public lands are actually virgin natural forests under protected area status or concessions which makes them complicated for distribution for agricultural use. Innovative schemes of community-managed forestry and agro-forestry would need to be developed to make the distribution of public forest lands viable as an agrarian reform model.

Clarification of the land tenure situation. Regarding the third subcomponent, the clarification of the land tenure situation, the project performed in a satisfactory manner, as evidenced by the quantitative progress in land regularization in the project areas. The original credit was used to regularize approximately 2 million hectares, primarily in the areas of San Julian, San Pedro in Santa Cruz and Ixiamas, San Buenaventura in La Paz (see Table 1). The supplemental project progress regularized a further 540,000 hectares in the province of Ichilo, Santa Cruz and in the province of Pocona in Cochabamba. The Andean TCOs included for regularization in the supplemental credit have been fully regularized except for the TCO Marka Camata in which there is a conflict over one parcel. Thus the project succeeded in regularizing a total of approximately 2.9 million hectares out of an original goal of 3 million hectares. Taking into account the delays by government in approving procedures during 1997 and 1998, and the political turmoil of 2002-2004, the overall achievement of the component is viewed as moderately satisfactory.

Table 1. Land Regularization Results of National Land Administration Project.

Department	Location	Area in Hectares	Area by Phase	Result	Modality	Phase of Project
Santa Cruz	San Julián - San Pedro y Pailón	1,118,483	410,233	Titled	CAT-SAN	Initial
			708,250	In process		
La Paz	Caranavi - Palos Blancos	139,564	95,645	Titled	CAT-SAN	Initial
			43,919	In process		
La Paz	Ixiamas - San Buenaventura	447,919	159,292	Titled	CAT-SAN	Initial
			288,627	In process		
La Paz	Ixiamas - San Buenaventura (TCO Takana)	371,933	371,933	Titled	SAN-TCO	Initial
La Paz	Ixiamas - San Buenaventura (San José de Uchupiamonas)	165,411	165,411	Titled	SAN-TCO	Initial
Santa Cruz	Municipalities: Buenavista, San Carlos and Yapacani (Provincia Ichilo)	543,591	40,354	Titled	CAT-SAN	Supplemental
			503,237	In process		
Cochabamba	Municipality of Pocona	64,757	16,168	Titled	CAT-SAN	Supplemental
			48,589	In process		
La Paz	TCO: Jesús de Machaca (Provincia Ingavi)	2,490	2,490	Titled	SAN-TCO's	Supplemental
La Paz	TCO: Chorocona (Provincia Inquisivi)	1,455	1,455	Titled	SAN-TCO's	Supplemental
La Paz	TCO: Marka Camata (Provincia Muñecas)	47,490	47,490	In process	SAN-TCO's	Supplemental
TOTAL		2,903,093	1,262,981	Titled		
			1,640,112	In Process		

Note: "In process" refers to a status of completion in which the Final Resolution of Regularization has been emitted, but Title is not yet signed. INRA resources are being used to finalize these properties' regularization.

Component 2. Institutional development of the National Agrarian Reform Institute (INRA). INRA was strengthened significantly in its ability to provide regularization services for the country. It developed regulations, operating procedures and became increasingly adept in carrying out land regularization on a broad scale. It broadened its scope of action in regularization to include focused assistance to women to make them aware of their land rights and to provide them with the supporting documentation required, such as civil identification cards. The development of the automated information system (*Sistema Informática de Saneamiento de Tierras—SIST*) for managing land regularization documentation and monitoring status was developed under the project and introduced in nine departmental INRA offices and the central office. This system has allowed INRA to operate more efficiently, to have greater transparency in its business and to monitor its programs much more rapidly than before the project.

Improvement of the organization and management of four property registries. With respect to Component 2, the improvement of the organization and management of the property Registries in Santa Cruz, La Paz, Chuquisaca and Cochabamba, the project exceeded its original objectives. The land registries in nine departmental capitals and three regional centers have completely transferred the INRA data on boundaries and land rights holders to their records, have received

and installed the computerized system TEMIS, and have engaged in training for staff and are carrying out transactions with the new system and migrating records into the system. Furthermore, thirteen sub-regional offices installed the geo-referenced GEO-TEMIS system which links registry and cadastral data. For this reason the PDO is rated as highly satisfactory.

4.3 Net Present Value/Economic rate of return:

The original Project Appraisal Document did not attempt to quantify a predicted net present value or economic rate of return for the project. It set out a table of potential benefits which listed six categories of benefit: better land prices and marketability of land, facilitation of land as collateral for credit, increased planning horizon for on-farm investments, lowered land transaction costs, prevention of encroachment on protected areas, and slowing of the deforestation process. During the final year of the project an impact evaluation was carried out which addressed the first three of these potential benefits. The impact evaluation was only able to make simple comparisons in the economic indicators of properties/households regularized under the project and similar properties not affected by the project and to collect qualitative indicators. The time between project activities and the impact evaluation was very short, making it difficult for investment and marketability indicators to manifest much change.

The first potential benefit area is the change in market value of land. The *Superintendencia Agraria* indicates that land subject to regularization has a market value 70 percent higher than land not subject to regularization. If generalizable across all areas of the country, this would suggest a very high economic rate of return and a clear achievement of the land price benefits. Other indicators also provide evidence that the expected potential benefits were achieved. The impact evaluation records that 47 percent of the sample of smallholder beneficiaries responded that they had perceived economic benefit up to the moment of evaluation, either through land value increases, investments on the land made secure or through other means. Fourteen percent of the sample indicated that the value of their land had increased, and 6 percent indicated that their access to credit had improved. A total of 74 percent believed that the benefits have exceeded the costs and 83 percent expected economic benefits to materialize in the future (these included access to credit, increased land price, greater income from the land, and greater security). Property investments between regularized and unregularized parcels in the smallholder group showed little difference, although it appeared that regularized properties had about 56 percent greater investment in farm machinery than unregularized properties. These indicators portray a picture of positive, but limited economic impact up to the moment. However, it should be emphasized that most of the properties in the sample have only been regularized for 1-3 years, and in many cases do not have their final title. Especially in light of the high expectation of future benefits, it appears likely that the lack of reported economic impact may be related to the short time span elapsed between the regularization activity and the survey. Encroachment into protected areas and rates of deforestation were not measured by the impact assessment. According to government statistics, between 1990 and 2000, Bolivia lost an average of 270,400 hectares of forest per year or an average annual deforestation rate of 0.43 percent. Between 2000 and 2005, the rate of forest change increased to 0.45 percent per annum.

4.4 Financial rate of return:

The project was planned so that cost recovery and administrative fees would cover the main share of recurrent costs to the government budget. The project did not achieve this level of cost

recovery. A total of \$200,000 in fees were charged in Ixiamas and Caranavi for land regularization and in San Julian, Pailon and Ichilo \$239,500 in fees were charged. Total government contribution was \$6.74 million.

4.5 Institutional development impact:

As noted, major institutional development impacts were achieved under the project. INRA was strengthened significantly in its ability to provide regularizations services for the country. It developed regulations, operating procedures and became increasingly adept in carrying out land regularization on a broad scale. It broadened its scope of action in regularization to include focused assistance to women to make them aware of their land rights and to provide them with the supporting documentation required, such as civil identification cards. The development of the automated information system (*Sistema Informática de Saneamiento de Tierras—SIST*) for managing land regularization documentation and monitoring status was developed under the project and introduced in nine departmental INRA offices and the central office. This system has allowed INRA to operate more efficiently, to have greater transparency in its business and to monitor its programs much more rapidly than before the project.

In the area of property registration the development and installation of TEMIS information system under the project has permitted the Real Property Registry to automatically incorporate new property information provided by INRA, to link graphic and textual data on each property, handle transactions automatically and to perform title searches or other data retrieval with greatly improved efficiency. The system was installed in nine departmental offices, thirteen regional offices and one office in El Alto, together covering most of the demand for real property registration services in the country.

In a similar way, the project's support for the Agrarian Tribunals (*Tribunal Agrario*) has extended the reach of this institution into all regions of the country. The component strengthened the tribunals by assisting with their formation, equipped them with furniture and office machinery for 41 offices, promoted a training system for judges and other professionals in the system directed toward conflict resolution and agrarian law, and created a automatic system for case management. These strengthening inputs resulted in the current functionality of 41 tribunals in nine departmental capitals, and 32 in provinces, each one operating with a judge, secretary and recorder of acts.

5. Major Factors Affecting Implementation and Outcome

5.1 Factors outside the control of government or implementing agency:

Two different types of factors out of the control of government impacted the project. With respect to public lands, the project could only identify public lands which field teams encountered during land regularization surveys. Thus no more public land for distribution could be identified than that which was found by the teams. Political chaos marked by widespread closure of major roads during 2003, 2004 and 2005 negatively affected the pace of the project by preventing contractors and project personnel from reaching field sites on numerous occasions. However, each of these blockages was temporary, and did not disrupt operations permanently in any case.

5.2 Factors generally subject to government control:

The project's implementation in the latter part of 1997 and 1998 was stalled when government

commitment to the project and INRA temporarily faltered. In July 1998 the acting director of INRA resigned amid controversy about the correct application of the Law 1715. INRA remained one month without a Director, paralyzing decision-making and payments. In June of 1998 the Ministry of Finance (Public Investment) informed INRA that it could no longer finance salaries from the IDA Credit. The Ministry of Finance further indicated that it did not have funds to finance the counterpart contribution to INRA. These problems provoked an exodus of qualified staff from the Institute. By late 1999 these problems had been largely solved and the project was back on track, with strong governmental support. A further complication was the fact that the involvement of the President's office in signing titles created an enormous backlog of unsigned titles which continued for the life of the project.

5.3 Factors generally subject to implementing agency control:

As the executing agency, INRA demonstrated over time a great commitment to accomplishing the goals of land regularization, which is born out by the achievement of the land regularization objectives. The pace of execution of the project was slower than expected, largely due to the implementation regulations requiring a longer time-frame than planned and on contracting issues which required substantial amounts of time to negotiate and carry out.

5.4 Costs and financing:

The following set of four tables summarizes the overall project costs in dollars. It divides the credit and counterpart expenditures across the three major institutional actors involved (INRA, Property Registry and Agrarian Tribunal). The final table is the overall total.

INRA Expenditures for Land Regularization Component by Category (000s of \$US)

Expenditure Category		Implementation Phase				TOTAL	
		INITIAL (2742-BO)		SUPPLEMENTAL (2742-1-BO)			
		CREDIT	CPL	CREDIT	CPL	CREDIT	CPL
1	Goods	1,059	307	527	26	1,585	333
2	Consulting Services	3,217	469	395	60	3,612	529
3	Training	250	8	28	3	278	11
4	Works	24	5		0	24	5
5	Incremental operating costs	3,549	1,252	1,325	493	4,874	1,745
6	Service contracts	8,709	1,751	1,993	158	10,702	1,909
TOTAL		16,808	3,791	4,267	741	21,075	4,532

Property Registry Expenditures by Category

Expenditure Category		Implementation Phase				TOTAL	
		INITIAL (2742-BO)		SUPPLEMENTAL (2742-1-BO)			
		CREDIT	CP	CRÉDIT	CP	CRÉDIT	CP
1	Goods	830	124	472	33	1,301	157
2	Consulting services	536	110			536	110
3	Training	59	10	10	2	68	12
5	Incremental operative costs	206	64	267	228	473	292
6	Service contracts			14		14	0
TOTAL		1,631	308	761	263	2,392	571

Agrarian Tribunal Expenditures by Category

Expenditure Category		Implementation Phase				TOTAL	
		INITIAL (2742-BO)		SUPPLEMENTAL (2742-1-BO)			
		CRÉDIT	CPL	CRÉDIT	CPL	CRÉDIT	CPL
1	Goods	148	22	4	1	152	23
3	Training	75	12	28	5	103	17
6	Service Contracts			12	2	12	2
TOTAL		223	34	44	8	266	42

Overall Project Expenditures by Category

Expenditure Category		Implementation Phase				TOTAL	
		INITIAL (2742-BO)		SUPPLEMENTAL (2742-1-BO)			
		CRÉDIT	CPL	CRÉDIT	CPL	CRÉDIT	CPL
1	Goods	2,036	453	1,003	60	3,039	513
2	Consulting Services	3,754	579	395	60	4,149	639
3	Training	384	30	65	10	449	41
4	Works	24	5	0	0	24	5
5	Incremental Operating Costs	3,755	1,316	1,592	721	5,347	2,037
6	Service Contracts	8,709	1,751	2,018	160	10,727	1,911
TOTAL		18,662	4,133	5,072	1,011	23,734	5,144

CP=Counterpart Financing

6. Sustainability

6.1 Rationale for sustainability rating:

The overall sustainability of the project's achievements is rated as likely for the reasons described below. From the outset the project was seen as a long-term contribution to establishing a strong legal, informational and institutional basis for land tenure in Bolivia. A number of other donors including IDB, DANIDA, and the Netherlands have joined to support the effort. The current government, civil society and social movements, as well as the commercial agricultural sector remain strongly supportive of the overall effort, although the current government and representatives of civil society are critical of the perceived slowness of the land regularization activity and the small quantities of land identified for redistribution. Government seems certain to extend the lifetime of Law 1715 for another five years to complete the land regularization process country-wide.

Government commitment:

Government commitment to the goals of the project remains strong, although government has expressed frustration with the slowness and perceived lack of accountability of the processes of land regularization in certain cases. Government has signaled that it intends to finish the remaining areas of the country which have not yet been subject to regularization on an accelerated basis and to continue the strengthening of the registry and cadastre with the goal of transferring the cadastral databases to municipalities where they will be used for multiple purposes including land use planning, local infrastructure planning and maintenance, and property taxation. Government has also signaled a strong commitment to finishing the regularization of the outstanding indigenous land claims, based on the methods developed under the project.

Strengthened INRA and Property Registry:

The investment made under the project in INRA and the Property Registry has significantly enhanced the institutional capacity of each. INRA's financial management systems are now regarded as completely functional, its regional offices are fully staffed and its central departments are viewed as capable by other government agencies. There is some perception, particularly by civil society, that INRA's field operations and technical-judicial evaluations lack credibility, particularly in the Department of Santa Cruz. Government is pledging to reduce outsourcing and increase transparency through public monitoring of its processes to deal with these issues. The capacity of INRA to address policy issues has been strengthened, but is still not sufficient to address all of the challenges it faces, such as a functional policy on land distribution, and its strategy for finalizing land regularization and processing highland indigenous land claims. The Property Registry has increased its ability to handle transactions and has reduced title search time significantly through automation. The completeness and accuracy of its records has been increased dramatically. However, it must be noted that neither land regularization nor land registration are currently self-supporting through fees and financial plans for future activity rely heavily on continued support from multi-lateral and bi-lateral donors.

6.2 Transition arrangement to regular operations:

The land regularization process is still incomplete in Bolivia. About 15 percent of the overall land area of the country has been completed, and a further 31 percent is in process. Many important

agricultural areas, forest areas and lands claimed by indigenous groups remain to be regularized. The new government estimates that five more years of work will be necessary to complete the task. This estimate appears reasonable. Formal land markets are functioning in parts of Bolivia, but there is an active informal land market which over time will tend to undermine the accomplishments of the project if unchecked. Protected areas are still subject to encroachment by a variety of actors including loggers, large scale agricultural operations and small-scale farmers. The land distribution element of the Law 1715 is widely considered to have fallen short of its goals and social demands for productive land remain strong, particularly in the eastern part of the country. In the highlands, most indigenous land claims are unmet. Therefore, it is expected that government will need to devote considerable attention over the next 5-10 years to these issues before routine operations of land use, land markets and land administration will be the norm.

7. Bank and Borrower Performance

Bank

7.1 Lending:

The overall Bank performance in identification, preparation assistance and appraisal has been rated satisfactory. The project was consistent with the GOB and Bank development priorities and strategies, as well as Bank's CAS. The Bank's inputs in terms of staff and skill-mix were considered as adequate during the preparation and implementation of the project. The project pioneered the implementation of a new legal framework for land rights in Bolivia and as such the Bank team was obliged to make various adjustments during implementation, including dropping the land settlement subcomponent in agreement with government. The lack of a baseline evaluation datum made impact evaluation difficult, particularly to measure economic and financial impacts. The long lifespan of the project also meant that management responsibility was shared across three task managers which complicated the transmission of lessons learned over the course of implementation. The Bank demonstrated a high degree of flexibility in carrying out four amendments to the original credit agreement, arranging a Supplemental Credit and administering two additional amendments of the Supplemental Credit, including two extensions.

7.2 Supervision:

Overall Bank supervision is rated satisfactory. Semi-annual progress reports exhibit a clear quantitative assessment and detailed qualitative analysis of project performance over the life of the project. However, some ambiguity is displayed in the progress reporting with respect to the changing of performance indicators after the supplement credit was signed. It was not always clear that progress reporting after the signing of the supplemental credit referred only to the progress of the supplemental credit. Supervision missions were composed of an appropriate mix of international and local professionals. The core supervision team changed over the life of the project but always incorporated some members from previous teams into the new ones. A total of 19 supervision missions were carried out.

7.3 Overall Bank performance:

Overall Bank performance is rated satisfactory.

Borrower

7.4 Preparation:

The project preparation by the borrower was rated satisfactory. The borrower committed

adequate resources to the preparation efforts. A national preparation team composed of many professions in the areas of land administration and land law, and natural resource management was assembled by the government and a major effort was mounted to design and promulgate the Law 1715 which the project implemented.

7.5 Government implementation performance:

The performance of the GOB is rated satisfactory. With the exception of the period noted above in 1998, GOB committed full resources to the project, and consistently took actions to improve performance of the project, albeit at a slower pace than was foreseen in the design. Uncertainty in executive decisions about INRA caused by the political upheavals of 2003-2005 created some delays in moving ahead with institutional and staffing reforms which also contributed to the project being implemented more slowly than originally expected.

7.6 Implementing Agency:

The chief implementing agency INRA, is rated as performing moderately satisfactorily. The Bank reiterated concerns about institutional weakness in INRA consistently over the course of the project and planned reorganizations were only partially fulfilled. Key regional directorships were unfilled for substantial periods during project implementation and concern was expressed by the Bank at different points about the transparency of the selection processes for the regional directorships. Actions to improve management systems within INRA were partially completed. Nevertheless, INRA made great strides in improving the procedures for land regularization, for introducing streamlined procedures applicable in some cases, in improving its supervision of contractors, in making public information available to beneficiaries and in emphasizing women's property rights in its procedures, particularly during the final three years of implementation. While the Bank expressed concern about the lateness of audit reports, these were all satisfactory. Procurement and disbursement procedures were strictly complied with throughout the life of the project.

7.7 Overall Borrower performance:

Overall Borrower performance was rated moderately satisfactory in the execution of the original credit and satisfactory in the Supplemental Credit.

8. Lessons Learned

Land regularization is necessary but not sufficient for land distribution.

A major lesson of the project is the land regularization process in Bolivia has not led to any significant progress on land distribution, which was one of the chief motivations of the Law 1715 and certainly an expectation of the social movements which advocated for the law. The nearly 10 years of progress in land regularization show that while regularizing land tenure status is clearly a necessary precondition for land distribution, it is not sufficient. This lesson suggests that there is a need for a more directly proactive land policy on distribution which is less driven by the process of land regularization, but rather by specific objectives, and which seeks the policy tools necessary to meet those objectives.

Overall framework for prioritizing and targeting is needed;

Although about 46 percent of Bolivia's total land area is either regularized or in process, the perception that regularization has not been effective persists. This appears to be a result of the

lack of an adequate framework for prioritizing and targeting the land regularization process. This issue was flagged on repeated supervision missions, and a plan was created, but operationalization of the plan has not yet occurred. Although impact evaluation data is not of sufficient quality to make precise judgments, the perception of current policy-makers is that many important areas have been ignored. Furthermore the continuing frequency of (often violent) land conflicts in the eastern lowlands suggests that areas of high social concern have been by-passed. It seems clear that to make the most out of further exercises in land regularization, a more clear framework for prioritizing and targeting areas is necessary.

Andean indigenous communities represent very different issues and require a modified strategy;

The project encountered a very different set of issues in the highland indigenous areas than were found in lowlands, including disagreements among communities and territorial claims. Progress in their regularization was very slow for these reasons. The project synthesized a number of procedural lessons learned during its course. In some cases—such as the desire by certain highland landholders to maintain individual ownership—it is clear that the resolution of these issues can only be through higher-level political decisions. In other cases, procedural refinements specifically for Andean TCO's are called for, particularly in establishing consensus for formation of the TCO. The main lesson learned is that issues of territorial administration must be resolved prior to establishing property rights in highland areas.

Maximize local ownership of process and community participation for results;

As the project matured, it became increasingly clear that local ownership of the process and community participation facilitated the field work, improved the quality of information and improved the involvement of women in the process. Multiple consultations, involvement of social organizations in the contacting of property holders, well-publicized displays and provision of materials to communities all contributed to satisfaction and improved efficiency, particularly in the use of “internal regularization” (*saneamiento interno*) as a tool to permit communities to provide INRA teams with most of their property rights information at the moment of field work.

Build in research/policy analysis, piloting and evaluation schemes ahead of full-scale implementation;

The project accomplished a great deal of learning through its large-scale contracts (for field work, technology). But the project did relatively little policy analysis and research to compare methodologies, prioritize areas, pilot innovations or evaluate itself. For these reasons institutional learning processes were slow.

9. Partner Comments

(a) Borrower/implementing agency:

(b) Cofinanciers:

(c) Other partners (NGOs/private sector):

10. Additional Information

Annex 1. Key Performance Indicators/Log Frame Matrix

Outcome / Impact Indicators:

Indicator/Matrix	Projected in last PSR ¹	Actual/Latest Estimate
<p>The preparation of draft laws and regulations on land tenure policy and administration including a decentralized out-of-court land dispute resolution system.</p> <p>Identification and assessment of about 500,000 hectares of public lands suitable for distribution to small-holders.</p> <p>Improvement of the organization and management of the Property Registries in Santa Cruz, La Paz, Chuquisaca and Cochabamba.</p> <p>Regularization of titles to land in rural areas covering about three million hectares including, inter alia, the resolution of conflicts between landholders, topographical surveys for the demarcation.</p> <p>Establishment of the Agrarian Tribunal for resolution of land conflicts within agreed institutional service standards.</p>		<p>Four laws/decrees enacted to enable land regularization and conflict resolution.</p> <p>30,000 hectares.</p> <p>The automated TEMIS (i.e., electronic Folio Real or title system) system and the additional Geo-TEMIS module for geo-referencing title information have been installed in nine departmental offices and three regional offices. All updated INRA information has been transferred to the Property Registry in the TEMIS system.</p> <p>2.79 million hectares regularized.</p> <p>By November of 2004 having finished five full years of operation, it has opened, equipped and trained staff of 50 tribunals in the country's territory and resolved 1684 cases of agrarian land rights disputes.</p>

Output Indicators:

Indicator/Matrix	Projected in last PSR ¹	Actual/Latest Estimate

¹ End of project

Annex 2. Project Costs and Financing

INRA Expenditures by Category

Expenditure Category		Implementation Phase				TOTAL	
		INITIAL (2742-BO)		SUPPLEMENTAL (2742-1-BO)			
		CREDIT	CPL	CREDIT	CPL	CREDIT	CPL
1	Goods	1,059	307	527	26	1,585	333
2	Consulting Services	3,217	469	395	60	3,612	529
3	Training	250	8	28	3	278	11
4	Works	24	5		0	24	5
5	Incremental operating costs	3,549	1,252	1,325	493	4,874	1,745
6	Service contracts	8,709	1,751	1,993	158	10,702	1,909
TOTAL		16,808	3,791	4,267	741	21,075	4,532

Property Registry Expenditures by Category

Expenditure Category		Implementation Phase				TOTAL	
		INITIAL (2742-BO)		SUPPLEMENTAL (2742-1-BO)			
		CREDIT	CP	CRÉDIT	CP	CRÉDIT	CP
1	Goods	830	124	472	33	1,301	157
2	Consulting services	536	110			536	110
3	Training	59	10	10	2	68	12
5	Incremental operative costs	206	64	267	228	473	292
6	Service contracts			14		14	0
TOTAL		1,631	308	761	263	2,392	571

Agrarian Tribunal Expenditures by Category

Expenditure Category		Implementation Phase				TOTAL	
		INITIAL (2742-BO)		SUPPLEMENTAL (2742-1-BO)			
		CRÉDIT	CPL	CRÉDIT	CPL	CRÉDIT	CPL
1	Goods	148	22	4	1	152	23
3	Training	75	12	28	5	103	17
6	Service Contracts			12	2	12	2
TOTAL		223	34	44	8	266	42

Overall Project Expenditures by Category

Expenditure Category		Implementation Phase				TOTAL	
		INITIAL (2742-BO)		SUPPLEMENTAL (2742-1-BO)			
		CRÉDIT	CPL	CRÉDIT	CPL	CRÉDIT	CPL
1	Goods	2,036	453	1,003	60	3,039	513
2	Consulting Services	3,754	579	395	60	4,149	639
3	Training	384	30	65	10	449	41
4	Works	24	5	0	0	24	5
5	Incremental Operating Costs	3,755	1,316	1,592	721	5,347	2,037
6	Service Contracts	8,709	1,751	2,018	160	10,727	1,911
TOTAL		18,662	4,133	5,072	1,011	23,734	5,144

Annex 3. Economic Costs and Benefits

Annex 4. Bank Inputs

(a) Missions:

Stage of Project Cycle	No. of Persons and Specialty (e.g. 2 Economists, 1 FMS, etc.)		Performance Rating		
	Month/Year	Count	Specialty	Implementation Progress	Development Objective
Identification/Preparation					
04/1994	NA				
Appraisal/Negotiation					
08/1994	NA				
11/1994	NA				
03/1995	NA				
Supervision					
09/22/1995	3	TEAM LEADER (1); NAT. RESOURCE ECON. (1); AGR. ECONOMIST (1)			
02/20/1996	2	TEAM LEADER; RURAL DEV. SPECIALIST (1)			
08/12/1996	2	TEAM LEADER (1); RURAL DEV. SPECIALIST(1);			
12/17/1996	2	TEAM ELADER (1); RURAL DEV. SPECIALIST (1)			
06/27/1997	2	TEAM ELADER (1); RURAL DEV. SPECIALIST (1)	S	S	
12/00/1997	3	TEAM ELADER (1); LAND MANAGEMENT SPEC. (1); RURAL DEV. SPECIALIST (1)	S	S	
06/08/1998	4	TEAM ELADER (1); CADASTRE SPECIALIST (1); RURAL DEV. SPECIALIST (1); PROCUREMENT SPEC. (1)	S	S	
11/25/1998	6	TEAM LEADER (1); CADASTRE SPECIALIST (2); RURAL DEV. SPECIALIST(1); PROCUREMENT SPEC. (1); INFORMATION SPECIALIST (1)	U	U	
03/23/1999	4	TEAM LEADER (1); SECTOR LEADER (1); RURAL DEV. SPECIALIST (1); PROCUREMENT SPECIALIST (1)	U	U	
06/25/2000	4	TEAM LEADER (1); RURAL DEV. SPECIALIST (1); LAND SPECIALIST (1); PROCUREMENT SPECIALIST (1)	S	S	
12/21/2000	4	TEAM ELADER (1);	S	S	

		ANTHROPOLOGIST (1); FINANCIAL SPECIALIST (1); INFORMATION SPECIALIST (1)		
06/27/2001	4	TEAM LEADER (1); RURAL DEV. SPEC. (1); PROCUREMENT SPEC. (1); INFORMATION SPEC. (1)	S	S
09/27/2001	7	TEAM LEADER (1); RURAL DEV. SPECIALIST (1); INFORMATION SPECIALIST (1); AUDIT/FINANCIAL SPEC (1); PROCUREMENT SPEC (2); LAND ADM. SPEC. (1)	S	S
05/18/2002	6	TEAM LEADER (1); RURAL DEV SPEC (1); FIN MGMT SPEC (1); INFORMATION SPECIALIST (1); PROCUREMENT SPECIALIST (1); LAND ADM SPECIALIST (1)	S	S
11/09/2002	5	LAND ADM SPEC (2); RURAL DEV SPEC (1); INFORMATION SYS SPEC (1); FINANCIAL MGMT SPEC (1)	S	S
05/28/2003	3	LAND ADM. SPEC. (1); RURAL DEV. SPEC. (1); TEAM LEADER (1)	S	S
08/06/2003	6	TEAM LEADER (1); LAND ADM SPEC. (2); CIVIL SOCIETY SPEC. (1); FINANCIAL MGMT SPEC (1); RURAL DEV SPEC (1)	S	S
03/17/2004	3	LAND ADM SPEC (1); INST DEV SPEC/TTL (1); FIN MAGMT SPEC (1)	S	S
11/11/2004	3	TEAM LEADER (1); LAND ADM SPEC (1); FIN MGMT SPEC (1); CIVIL SOC SPEC (1)	S	S
ICR				

(b) Staff:

Stage of Project Cycle	Actual/Latest Estimate	
	No. Staff weeks	US\$ ('000)
Identification/Preparation		
Appraisal/Negotiation		
Supervision		

ICR		
Total		

Annex 5. Ratings for Achievement of Objectives/Outputs of Components

(H=High, SU=Substantial, M=Modest, N=Negligible, NA=Not Applicable)

	<u>Rating</u>				
<input type="checkbox"/> <i>Macro policies</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input type="checkbox"/> <i>Sector Policies</i>	<input type="radio"/> H	<input type="radio"/> SU	<input checked="" type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Physical</i>	<input type="radio"/> H	<input checked="" type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Financial</i>	<input type="radio"/> H	<input type="radio"/> SU	<input checked="" type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Institutional Development</i>	<input type="radio"/> H	<input checked="" type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Environmental</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input checked="" type="radio"/> N	<input type="radio"/> NA
<i>Social</i>					
<input type="checkbox"/> <i>Poverty Reduction</i>	<input type="radio"/> H	<input type="radio"/> SU	<input checked="" type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Gender</i>	<input type="radio"/> H	<input checked="" type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Other (Please specify)</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input type="checkbox"/> <i>Private sector development</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input type="checkbox"/> <i>Public sector management</i>	<input type="radio"/> H	<input checked="" type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Other (Please specify)</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA

Annex 6. Ratings of Bank and Borrower Performance

(HS=Highly Satisfactory, S=Satisfactory, U=Unsatisfactory, HU=Highly Unsatisfactory)

6.1 Bank performance

Rating

- | | | | | |
|--------------------------------------|--------------------------|------------------------------------|-------------------------|--------------------------|
| <input type="checkbox"/> Lending | <input type="radio"/> HS | <input checked="" type="radio"/> S | <input type="radio"/> U | <input type="radio"/> HU |
| <input type="checkbox"/> Supervision | <input type="radio"/> HS | <input checked="" type="radio"/> S | <input type="radio"/> U | <input type="radio"/> HU |
| <input type="checkbox"/> Overall | <input type="radio"/> HS | <input checked="" type="radio"/> S | <input type="radio"/> U | <input type="radio"/> HU |

6.2 Borrower performance

Rating

- | | | | | |
|--|--------------------------|------------------------------------|-------------------------|--------------------------|
| <input type="checkbox"/> Preparation | <input type="radio"/> HS | <input checked="" type="radio"/> S | <input type="radio"/> U | <input type="radio"/> HU |
| <input type="checkbox"/> Government implementation performance | <input type="radio"/> HS | <input checked="" type="radio"/> S | <input type="radio"/> U | <input type="radio"/> HU |
| <input type="checkbox"/> Implementation agency performance | <input type="radio"/> HS | <input checked="" type="radio"/> S | <input type="radio"/> U | <input type="radio"/> HU |
| <input type="checkbox"/> Overall | <input type="radio"/> HS | <input checked="" type="radio"/> S | <input type="radio"/> U | <input type="radio"/> HU |

Annex 7. List of Supporting Documents

1. Estudio de Evaluación de Impacto del Proceso de Saneamiento: Informe Final. (2005). Prepared for the Instituto Nacional de Reforma Agraria by Reingenieria Total S.r.l. La Paz. Processed.
2. Informe Final (PNAT): “Componente Judicatura Agraria”. (2005). Poder Judicial Tribunal Agrario Nacional. Processed.
3. Ley No. 1715 y su Reglamento (2003) Instituto Nacional de Reforma Agraria. La Paz.
4. Plan Estrategico Institucional 2006-2010. (2005). Instituto Nacional de Reforma Agraria. La Paz.
5. Dzur, R.S. (2001) Challenges of land administration and Bolivian colonization: beyond technical cadastral mapping. *Computers, Environment and Urban Systems* 25 (2001) 429-443.
6. Informe Final Politicas en la Region Andina para el Tratamiento de las Demandas de Tierras Comunitarias de Origen (2004). INRA. Processed.
7. World Bank. (1995) Staff Appraisal Report Bolivia National Land Administration Project. Processed.

