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IMPLEMENTATION COMPLETION REPORT

THAILAND

SECOND LAND TITLING PROJECT
(LOAN 3254-TH)

April 15, 1997

Agriculture & Environment Operations Division
Country Department I
East Asia & Pacific Region

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CURRENCY EQUIVALENTS

(Baht per US\$)

<u>Year</u>		<u>Exchange Rate</u>
1990 (Appraisal Year)	=	B25.80
1996 (Completion Year)	=	B25.30

WEIGHTS AND MEASURES

1 rai	=	0.16 hectare
1 hectare (ha)	=	6.25 rai

FISCAL YEAR

October 1 to September 30

ABBREVIATIONS AND ACRONYMS

AIDAB	-	Australian International Development Assistance Bureau
AusAID	-	Australian Agency for International Development
BIT	-	Bangkok Institute of Technology
BLIS	-	Bangkok Land Information System
CVA	-	Central Valuation Authority
DOL	-	Department of Lands
ICR	-	Implementation Completion Report
NS2	-	Pre-emptive Certificate
NS3	-	Certificate of Utilization
NS3K	-	Certificate of Utilization based on aerial photography
NS4	-	Title Deed or Chanod
LACO	-	Land Acquisition Office
LTPO	-	Land Titling Project Office
LDD	-	Land Development Department
LIS	-	Land Information Systems
LTP I	-	Land Titling Project
LTP II	-	Second Land Titling Project
LTP III	-	Third Land Titling Project
LADT	-	Land Administration Development Team
RFD	-	Royal Forestry Department
RTSD	-	Royal Thai Survey Department
RTG	-	Royal Thai Government

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THAILAND

SECOND LAND TITLING PROJECT
(LOAN 3254-TH)

PREFACE

This is the Implementation Completion Report (ICR) for the Second Land Titling Project (LTP II) in Thailand, for which Loan 3254-TH in the amount of US\$30.0 million was approved on September 4, 1990 and made effective February 7, 1991. The Loan closed on September 30, 1996, twelve months after the original closing date of September 30, 1995. Final disbursement took place on December 9, 1996 at which time a balance of US\$647, 475.36 was canceled. The Australian Agency for International Development (AusAID) financed technical assistance and human resource development in the amount of AUD7.3 million on a parallel basis.

The initial draft of the ICR was prepared by the Bank's supervision mission in October 1994 and was finalized by Konrad von Ritter, with assistance from Frank Byamugisha of the Agriculture and Environment Operations Division, Country Department I, East Asia and Pacific Region and reviewed by Messrs. Jeffrey Gutman, Chief, EA1AE, and Walter Schwermer, Project Advisor, EA1DR. The Borrower and Cofinancier provided comments that are included as appendices to the ICR.

Report Parts I and III are based on the findings of World Bank missions that visited Thailand in September 1994 and December 1995. The ICR incorporated information obtained from Staff Appraisal Report (Report 8538-TH) dated August 7, 1990; the Loan Agreement dated October 12, 1990; Bank supervision reports and project files; field visits to selected project sites; discussions with the Borrower project staff and AusAID project advisers; and interviews with staff of government departments concerned with the project. Department of Lands (DOL) prepared the Government's evaluation of the project's execution and initial preparation which is included in the Appendices.

The Bank wishes to thank Borrower officials and AusAID project advisers for their valuable assistance in preparing this ICR.

IMPLEMENTATION COMPLETION REPORT

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SECOND LAND TITLING PROJECT (LOAN 3254-TH)

EVALUATION SUMMARY

PROJECT OBJECTIVES

1. This Project supported the second phase of the National Accelerated Cadastral Mapping and Land Titling Program. The principal objectives of the project were to provide secure land tenure to eligible land owners, to improve land administration, and to develop an effective national property valuation function.

IMPLEMENTATION EXPERIENCE AND RESULTS

2. This project made an important contribution to Thailand's 20-year Land Titling Program, under which so far about 5.5 million land titles have been issued to an estimated 2 million rural households. The program, which is in its third phase and planned to be completed in 2004, has been implemented very successfully, had a demonstration effect world-wide and served as an example to many of the land titling projects under implementation (with Bank support) and others under preparation. Building on the experiences of a successful first phase project, the Second Land Titling Project achieved its objectives, and its performance was highly satisfactory.

3. The project achieved or exceeded most of its physical targets. The cadastral map production exceeded appraisal estimates. About 2.0 million parcels of land were awarded title deeds. The original appraisal target of 3 million parcels was revised down over the first two years as the estimator factors became better known (population/household/parcel size) and because about 20 percent of parcels are difficult to adjudicate because of absent land holders, inheritance issues, undecided forest boundaries, deficient evidence and uncooperative mortgagees. The project team considered the revised targets for title issuance more appropriate and the titling rate highly satisfactory for a systematic adjudication process.

4. The institutional development program for DOL has been successful in establishing a decentralized and more efficient land administration function. Human resource management and development, however, is taking a longer time to address and is being supported under LTP III. Similarly, while progress has been made in building the institutional capacity of the CVA through training and incentive programs, the major part of the training effort remains to be implemented under LTP III.

5. At the planned time of project completion in September 1994, the project was substantially completed, as measured by the status of project investments and disbursements. Physical project targets had been achieved on time, except for the completion of a new building whose completion had been delayed by a change of contractors as the first one went bankrupt.
6. There were some minor problems with procurement, cost overruns, and project planning and management. A temporary shortage of photomaps as a result of delayed procurement of aerial photography slowed down land adjudication and titling activities. There also occurred a cost overrun when an increase in staff salaries and unit costs resulted in about a 15 percent increase in total project costs; but the Government covered the increased costs with additional funding. Project planning and management continue to need attention, due to the size and complexity of the land titling process. The institutional structure lacked flexibility to establish close inter-divisional coordination required for systematic land titling. Both at Department and project levels, project planning and management need strengthening which is being supported under the on-going Third Land Titling Project (LTP III). At the project level, the use of computerized project implementation planning is not yet operational, although its effectiveness has been demonstrated. It is receiving further support under LTP III.
7. It is too early to report on long-term impacts of title issuance; however, certain short-term effects were monitored in LTP I and II project areas through socio-economic studies. These studies reported improved access to institutional credit, increased land values, and land improvements resulting in higher land productivity, particularly in the rural areas of the Northeast and the Upper North where absolute poverty has been high (Baht 4,400 or US\$173 per capita).
8. Overall, the outcome of the project was highly satisfactory, and is expected to be sustainable.

SUMMARY OF FINDINGS, FUTURE OPERATIONS, AND KEY LESSONS LEARNED

9. A subsequent Land Titling Project (LTP III, Loan 3797-TH) which became effective in January 1995, supports follow-up activities, presented in the Operational Plan in Table 6B, to establish the physical infrastructure and the necessary technical and human capacity in DOL to sustain land administration activities. Financially, land administration has already become self-sustaining since the fiscal revenues generated from land transactions ensure full cost recovery.
10. The main lessons learned are:
 - (a) Systematic land adjudication remains the most effective approach to accelerated land titling under Thai conditions;
 - (b) Targets for land titling under the systematic land adjudication approach must consider constraints such as unclear boundaries with forestry, areas undergoing land reform, and lack of clear ownership evidence. A titling rate of 80 percent of parcels identified by the adjudication teams appears to be a realistic target;

- (c) Sustainable institutional changes require a long-term framework and sustained efforts, often beyond the time horizon of one project; and
- (d) The following factors are essential to project success as evidenced by the LTP II:
- strong management, particularly in planning and implementation of systematic adjudication and land titling;
 - continuous TA by a resident team of advisors; and
 - flexibility in project implementation.

IMPLEMENTATION COMPLETION REPORT

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SECOND LAND TITLING PROJECT (LOAN 3254-TH)

PART 1: PROJECT IMPLEMENTATION ASSESSMENT

A. PROJECT OBJECTIVES

1. When Thailand started its national land titling program in 1983, less than an estimated 13 percent of agricultural land was documented by a title deed. Most of the agricultural land was either undocumented, or covered by a number of pre-ownership certificates. This situation contributed to a number of well-recognized problems, including: (a) lack of secure tenure for many genuine land owners and consequently lower investments in long-term productivity of land; (b) increasing numbers of landless people and tenants, especially in rural areas; (c) increasing forest encroachment and environmental degradation; and (d) a high rate of squatter settlement in rural and urban areas.
2. To address this situation, the Government embarked on the implementation of a 20-year accelerated national land titling program under its Fifth National Economic and Social Development Plan (1982-86). The main objectives of the Plan for agriculture and the rural sector were to reduce rural poverty and to increase agricultural productivity while preventing environmental deterioration. These objectives were to be achieved by improving rural infrastructure and by implementing a land use and incentives policy to promote intensification. A key element of the policy was the issuance of title deeds to all legitimate land occupiers through implementation of an accelerated land titling program which included cadastral surveying and mapping, and adjudication of title deeds. The first of the four phases was supported by the Bank and AusAID under the Land Titling Project (LTP I), implemented between 1985 and 1991. The Second Land Titling Project (LTP II), the subject of this report, supported the second phase from 1991 to 1994. Phase 3 is currently being supported under the Third Land Titling Project (LTP III), which became effective in January 1995. The program initially covered nine provinces with high rural poverty but included later, in Phases 2 and 3, rapidly industrializing provinces with higher incomes.
3. The principal objectives of the project were to provide secure land tenure to eligible land owners, to improve land administration, and to develop an effective national property valuation function. Specifically, the project aimed at: (a) issuing secure land titles and thereby facilitating access to institutional credit, promoting investments in land, and increasing agricultural productivity and family incomes as a basis for poverty reduction; (b) improving land administration service delivery through institutional strengthening, decentralization of the Department of Land's (DOL) operations and completion of an improved national cadastre; and

(c) increasing government revenues from land through strengthening the Central Valuation Authority's capacity to provide more accurate and timely valuations for land tax and expropriation.

4. The objectives were well chosen. They were consistent with the priorities of Thailand's national program and they addressed underlying key issues of rural poverty, in line with the priorities of the Bank's country assistance strategy for Thailand.

B. ACHIEVEMENT OF PROJECT OBJECTIVES

5. The project substantially achieved its major objectives of providing secure land tenure, improving land administration services to the public, and increasing government tax revenues from land. It also made an important contribution to Thailand's very successful 20-year Land Titling Program, under which so far about 5.5 million titles have been issued to an estimated 2 million rural households, representing nearly half of the country's rural households.

Secure Land Tenure

6. **Socio-economic Impact.** An estimated 700,000 rural landholding families have benefited directly from the project. The much smaller urban program was concentrated in Bangkok and the municipalities of the aforementioned rural areas, where it helped to create an environment of secure property rights, which in turn facilitated the growth of manufacturing and service industries and employment generation. It is too early to report on long-term impacts of title issuance; however, certain short-term effects were monitored in LTP I and II project areas through socio-economic studies. These studies reported improved access to institutional credit, increased land values, and land improvements resulting in higher land productivity, particularly in the rural areas of the Northeast and Upper North where absolute poverty has been high (Baht 4,400 or US\$173 per capita). These results are based on findings from baseline surveys and follow-up studies in the Northeastern and Northern provinces and a post-evaluation survey undertaken in 1990-1991, about 2 years after the issuance of land titles^{a/}. After netting out the differences in land quality, and in agro-climatic and government infrastructure support, the studies concluded that land titling had the following impact:

- (a) legal title is the most significant factor in explaining the differences in land prices. Title-equivalent land was between 75 percent-192 percent more valuable than undocumented land, and between 113 percent-195 percent more valuable than state land occupied by squatters^{b/}. The direct costs of providing full title were equivalent to only 0.6 percent to 5.6 percent of the market value of untitled land. The resulting benefit/cost ratios of providing titles to occupants of undocumented

^{a/} Center for Applied Economics Research, Faculty of Economics, Kasetsart University, July 1993.

^{b/} See: (i) Feder et al (1988), *Land Policies and Farm Productivity in Thailand*, Johns Hopkins press; and (ii) Chalamwong and Feder (1988), *The Economic Implication of Land Documents in Rural Thailand*, Agriculture Administration and Extension, pages 123-133.

state land ranged from 4.5 to 12. Even if such ratios were discounted by half, the benefits still substantially outweigh the costs;

- (b) farmers with land titles (as compared to those without such documents) used farm inputs (including labor, draft power and other farm inputs) more intensively by 10 to 30 percent, resulting in an increase of agricultural output value by 8 to 27 percent.

7. The evidence on the impact of land titling on access to credit is not conclusive. Data on the number of farmers borrowing from formal credit sources indicated a small increase in one project area and a decline in another project area. Variables, other than the possession of land titles, such as the existence of a nearby branch office of a bank, assets of the household, and liquidity play an important role in explaining the supply of farm credit. However, compared to non-project areas, there was a marked shift away from informal towards formal sources of credit.

8. Some of the possible long-term effects of land titling are not yet fully understood and require more study, including the impact on rural income, the concentration of property, rural migration, and changes in the inheritance patterns and related intra-family conflicts. Further study is also required to analyze the use of increased loan funds. These issues will be addressed in follow-up studies under LTP III.

9. **Achievement of Physical Targets.** Physical targets for land titling and mapping have been substantially achieved. All physical targets of aerial photography and cadastral surveying and mapping have been achieved or exceeded (Table 5A), while annual production of title deeds was about 500,000 parcels, almost double the annual output (270,000) obtained under LTP I, although the original target at appraisal of 3 million title deeds had to be revised to 2.09 million (further discussed below).

Improving Land Administration Services

10. Land administration development objectives were not fully achieved. There was a marked improvement in service standards as a result of decentralization, process changes resulting in shorter processing times, and an improved land information system. Important organizational developments were initiated, e.g., in the field of human resource development, but will be fully implemented only under the follow-up LTP III.

11. Ready public access to land administration services has improved through the opening of 67 new branch land offices resulting in the reduction of distance and travel time for conducting land transactions. Survey backlogs have considerably decreased but remain a problem: due to staff shortages, provision of surveying services to the public remains slow and a new regulation in 1992 allowing private surveyors to undertake resurveys and land subdivision had only a very limited effect in some urban areas, due to the small number of private surveyors.

12. Improved service standards were achieved in land office operations where computerization of the transaction process reduced staff needs and transaction time. Some 22 land offices have been partially computerized under the project to handle transactions.

13. DOL's support to other government agencies and the private sector with land related information has substantially improved. The project has initiated an up-to-date and modern data base on land. The cadastral maps are available to DOL's branch offices and other public agencies for specific purposes. Title deed information is available to land owners. Efficiency has increased under the project by expanding the use of the new technology introduced in such areas as survey control, aerial photography and cadastral mapping. Other potential savings are likely to result from reduction and elimination of duplication of tasks among Government agencies. The pilot Land Information System (LIS) developed for Bangkok under LTP II, has demonstrated opportunities to significantly reduce duplication between various government agencies in the production of base and land use maps, road building and waterway information.

14. With the development of a LIS Policy and two pilot projects, DOL was able to improve data quality by comparing legal and property rights information held about a parcel and the graphical survey type information. If implemented at full scale, this will help integrate survey and registration processes and provide a better service to clients.

15. **Achievement of Institutional Development Targets.** Overall, physical targets in land administration, branch office development, and training were achieved, while human resource development targets were not fully achieved. As part of DOL's institutional development the project supported education and training programs for DOL staff. This has helped to develop public and private sector skills in surveying, mapping, land registration and management and valuation. During LTP II, formal academic courses in various fields were provided to a total of 76 staff in DOL. However, due to lack of sufficient financial incentives and career development, DOL has been unable to retain all of the scholars and fellows trained. But in a broader perspective, this has helped to develop a private sector surveying and valuation capability.

Increasing Tax Revenues from Land

16. The fiscal impact of LTP II has been very significant (see Table 9B). Land titling has emerged as one of the most cost-effective means of increasing government revenues without raising the unit rates of land taxation and transfer fee. The increased revenues are mainly attributed to: (a) a more active land market resulting from the title deeds issued; (b) an improved land administration system; and (c) more accurate and market-oriented valuations provided by CVA for the quadrennial production of district land office tax rolls for property transaction taxes. Average annual project costs of LTP II of about Baht 500 million amounted to less than 3 percent of the average annual revenue collection of Baht 22 billion.

Other Impacts

17. **Macroeconomic and Sectoral Policies.** The project design did not specifically address issues of macro and sectoral policy.

18. **Private Sector Development.** While this has not been one of its specific objectives, the project has contributed to private sector development. Project support to the implementation of survey engineering degree courses at Chulalongkorn University helped to develop core skills in this discipline that were previously lacking in Thailand. Many of these graduates ended up in the private sector. Similarly, project support to valuation scholarships for degree courses in Australia and diploma courses in Thailand at the Bangkok Institute of Technology helped to establish the core of the developing valuation profession in Thailand. The project also laid down the first steps for the establishment of a domestic degree course in valuation, which will be implemented under LTP III as a joint venture between Thammasat University and an Australian university. This is regarded as a key initiative for the development of both public and private valuation skills.

19. **Gender Issues.** Approximately 12 percent of all rural landholders are women who are expected to obtain a secure title through the project process. Since the proportion of female landholders in urban areas is over 20 percent, the impact on women from the urban component was even more significant. The expansion of DOL's staff in the project context generated important employment opportunities: at present, about 40 percent of all DOL staff are women and 15 percent of the middle-level management positions are held by women. Women also make up a significant percentage of the field adjudication teams.

20. **Environmental Objectives.** There was no specific provision under the project to protect forest and watershed lands in the project areas apart from excluding them from land titling. The socio-economic studies did not identify any negative project impact but indicated that there was less tendency for land owners with title deeds to encroach into the forest. Specific surveying of forests and watershed areas is envisaged under LTP III.

21. **Economic Analysis.** No conventional economic rate of return analysis has been undertaken. However, project benefits have been derived from the various "outputs" of the project (e.g. land titles, aerial photomaps, cadastral maps), the improved systems of land valuation and land information which can be derived from them, and efficient and timely land registration and administration services to the public.

C. MAJOR FACTORS AFFECTING THE PROJECT IMPLEMENTATION RECORD

Project Organization and Management

22. **Project Organization.** The project followed the same design as LTP I by strengthening existing DOL structures to implement the project, and with a Land Titling Project Office (LTPO) as an informal office for planning and monitoring of project implementation. While this arrangement helped to provide focus on the project, LTPO's temporary status was a disincentive to staff. Frequent staff turnovers affected LTPO's performance, especially at Project Manager level. In addition, the relatively junior grade of previous Project Managers hampered their relations with division directors. This issue was recently resolved with the promotion of the incumbent Project Manager, who is an experienced land officer, at civil service level 8 (level of division directors).

23. **Project Management and Planning.** While project management has been satisfactory overall, there is scope for improvement at both the Department and project level. Project management was complicated by the start up of the so-called 'four year project', a parallel, fully Government funded land titling project, which aimed at accelerating the issuance of titles in provinces originally scheduled for phase four of the national program. This project competed for resources and services of implementing divisions and caused a certain level of confusion among DOL staff since, at times, DOL's priorities in terms of resource allocation were uncertain. Unequal funding levels (LTP II activities typically received more funds) led to inconsistency in the adjudication and titling process and impinged on the effective use of human and physical resources. This experience provided a lesson which was incorporated under LTP III: DOL top management decided to maintain a common and consistent approach to land titling and administration, and to ensure that these activities are consolidated under a single program with the same management, irrespective of the source of financing.

24. Management and planning at the project level will need to be strengthened to overcome difficulties which have been experienced in coordinating and implementing LTP II activities. New planning and coordination techniques were introduced in LTP II to help overcome the lack of coordination between technical divisions in activities leading to title adjudication. As an example of the poor coordination (and the result of provincial pressure), systematic land adjudication commenced in at least two large provinces where no photomapping was available. At the same time, no adjudication was undertaken in another large province where photomaps were available. To address the problem of inadequate coordination, a Technical Planning Committee was formed in 1992 to provide a forum for better planning and coordination of activities across divisional boundaries. The widely represented committee has achieved some success, but improvement is still required in inter- and intra-divisional communication. The DOL tradition of vertical reporting still prevails. The use of a Project Implementation Plan (PIP), supported by computerized project management systems was introduced under the Project but is not yet fully operational. The benefit to project management and planning from PIP was clearly demonstrated under the project but the PIP has to be integrated into existing DOL management procedures, such as the annual Action Plan, and become a major tool in the reporting of project progress to the Project Executive and Administrative Committees before the PIP can be regarded as fully adopted. Monitoring and reporting by the LTPO management with timely and key information needed for decision-making could also be improved by using the PIP.

Project Implementation

25. **Implementation Period.** The project supported a time slice of the national land titling program and successfully adjusted its implementation period to the pace of the program. This resulted in a very short implementation period of about three and a half years from loan effectiveness to scheduled project completion in September 1994, at which time the project was substantially complete as measured by the status of project investments and physical targets. The two extensions of the project completion date, totaling one year, became necessary only because the construction of a new DOL building was delayed by the bankruptcy of the contractor and the need to select a new contractor. However, these delays did not affect the implementation of the overall national land titling program.

26. **Budget Allocation.** Government allocation of budgetary funds has been adequate and demonstrated Government commitment to the project. For example, in fiscal year 1993, the Government made additional budgetary resources available to compensate for increased project costs which resulted from a general surge of prices and salaries in the country.

27. **Procurement and Disbursement.** Procurement by DOL has been relatively trouble-free, except for bidding of the aerial photography contract in 1992 which was delayed due to lack of agreement on the selection of the successful bidder. While the issue was finally resolved, no flying was carried out that year due to the delay. The resulting shortage of photomaps in the following years affected project implementation. Disbursement of loan funds was ahead of the appraisal schedule, until September 1995 when delays were experienced in completing the survey and mapping building.

28. **Covenants.** Covenants have been complied with in a timely manner, and were appropriately designed during project preparation.

29. **Reports and Audits.** Regular progress reporting by LTPO to the Bank has been inadequate. This has been a recurrent problem under the project and is being addressed as a priority by DOL under LTP III. On the other hand, audit reports were generally completed on time.

Implementation of Project Components

30. **Land Titling and Mapping component.** Overall implementation of this component was excellent. Nonetheless, problems were encountered which required a downward adjustment of land title targets and an increased use of ground surveys resulting in cost increases.

31. The original appraisal target of 3 million land titles had to be revised to 2.09 million because the initial estimate was too high as estimators (population, household, parcel size) became better known and parcels could not be readily adjudicated for various reasons: (a) parcels were located in fringe forest areas where the forest classification status is unclear; (b) parcels were held by families where the owner is deceased and the inheritance not resolved; (c) absentee owners lived away from the area or were not traceable; (d) evidence or proof of land rights were insufficient, and (e) parcels scattered were in isolated areas. Where the parcel was mortgaged, it often proved difficult to distribute the title deeds because the financial institution would not release the old land document (usually an NS3K).

32. The lesson has been reflected in the design of the follow-up LTP III project through more realistic target estimates, new procedures, and closer institutional collaboration. Titling targets are now being set at 80 percent of the estimated number of parcels identified under the project. In 1993, a new procedure was adopted to deal with deceased owners which was successfully used during the field season in 1994. In 1994, DOL agreed with the Royal Forestry Department (RFD) and the Land Development Department (LDD) to jointly survey forest boundaries in FY 1995 with resources from LTP III and to complete pending title issuance through sporadic adjudication. Also in 1994 DOL increased pre-adjudication publicity by mass media to address the issues of absentee landlords and mortgaged parcels.

33. However, more effort is needed to resolve the issue of the non-titled parcels, and to comply with the policy on this issue established by DOL in 1993. Under this policy, titling activities are considered to be complete in a province when: (a) title deeds have been issued to all legitimate parcel owners with appropriate documentation; (b) the remaining eligible parcels have been identified; and (c) clear policy directions and an implementation plan have been prepared for these parcels. Such an inventory and plan for the completed nine LTP II provinces had yet to be undertaken at the time of project completion.

34. The distribution of completed title deeds to beneficiaries has improved under LTP II compared to LTP I. At the end of the field season in 1994, some 85 percent of completed title deeds had been issued. A major reason for this improvement is a policy change by DOL incorporating the timely establishment and operation of new branch land offices in the project timeframe. Thus, resources (staff for distribution, budgets, storage space, and transport) are available when the new title deeds are delivered from the systematic adjudication teams. DOL estimated that by loan closing all title deeds produced under LTP II would have been delivered.

35. Several unforeseen problems forced DOL to shift to a greater use of ground survey methods which resulted in higher unit costs, higher demand for staff and slower output. Problems included (a) the lack of timely aerial photography in certain provinces; (b) limited availability, at the start of the field adjudication season, of new maps of existing land use certificates (NS3Ks); these maps were to be produced by a computerized method, and (c) poor quality of the original NS3K photomaps made in the early 1970s, which did not reflect all the changes due to new infrastructure. Furthermore, expectations about the performance of computerized map transformation were overly optimistic and coordination between divisions not effective. As a result more NS3K land use certificates had to be converted by field methods, with higher unit costs and longer production times.

36. **Land Administration and Institutional Development Component.** Institutional development activities including: (a) capacity improvement; (b) human resource management; and (c) human resource development faced external and internal constraints. The major external constraints were the hiring freeze for the civil service (in force since the beginning of the project) and the shortage of skilled labor. Internal DOL constraints included a lack of attractive career paths and redeployment policies and a slow response to institutional change initiatives.

37. The hiring freeze limited DOL's three-year manpower plan to barely sustain the status quo instead of being an instrument to bring about the necessary expansion of the institution. Human resource management also suffered from lack of a redeployment program for DOL staff and for returning scholarship holders. As a result, DOL experiences an internal brain drain from these important new fields to more career attractive traditional land administration jobs. Much progress has been made in human resource development under the project. The Training Division has been strengthened with the provision of additional physical and budgetary resources. But curriculum development is still weak and training courses need to become more responsive to DOL's specific needs. The proposed establishment of the domestic degree course in valuation, which was prepared under LTP II and is being implemented under LTP III, is a major achievement of the human resource development program.

38. Only minor gains were made in institutional change which was supported under the Project with an Organization, Management and Operations Study. The numerous committees appointed to review land administration issues had little authority to propose or implement changes. Although a full-time Land Administration Development Team (LADT), headed by an adviser, was eventually appointed, progress in addressing issues was slow; but its work should be continued since it still represents the best mechanism to facilitate change. Its status as an independent unit reporting directly to the Director General should be preserved.

39. **Land Valuation and CVA Development Component.** Implementation of this component was successful in terms of increased fiscal revenues and improvements in valuation services. However, institutional development of the CVA faced similar external and internal constraints as described for DOL, namely a hiring freeze, shortage of skilled labor, lack of career paths and a human resource training program whose full implementation has been initiated under LTP III.

D. PROJECT SUSTAINABILITY

40. Several factors have contributed to a high level of sustainability. First, this project (and the preceding LTP I) have helped DOL to establish a physical infrastructure and the necessary technical and human capacity to enable DOL to sustain an effective national land administration and valuation function at the current level. DOL's operational capacity to deliver these services effectively has been demonstrated in the provinces completed under LTP I and LTP II. Second, Government's strong commitment to the project has been demonstrated by the provision of adequate budgetary resources for DOL's operations. This commitment is expected to remain strong as DOL and CVA continue generating net fiscal income. Third, continued technical assistance from AusAID under LTP III will support DOL to build the technical and human capacities which will be required to fully implement the program nationwide. Amidst all these supportive factors, the difficulty to find, hire, and retain qualified staff remains a significant concern. Overcoming this difficulty will be critical to ensure continued sustainability of the land administration and valuation function and will require the full attention of the Government.

E. BANK PERFORMANCE

41. Bank processing of project preparation and appraisal was timely and without problems. While supervision inputs have been lower than the average for Bank projects, supervision was facilitated by the experience with the earlier successful LTP I and its overlap with preparation and implementation of LTP III. Bank processing of procurement and disbursement matters was adequate.

F. BORROWER PERFORMANCE

42. The Royal Thai Government and the project implementing agencies provided their full support to the project. There were no major issues of borrower or implementing agency performance during project implementation.

G. COFINANCIER'S PERFORMANCE

43. Technical assistance cofinanced by AusAID was provided efficiently by a consulting firm and involved not less than 15 advisers in Thailand in the course of project implementation. Advisers included both short-term and long-term consultants whose overall performance was highly satisfactory. The technical assistance and training provided by AusAID played a critical role in the successful implementation of the project. The Australian advisers were successful in supporting project administration, introducing new technology and providing on-the-job training to their national counterparts. A lesson from both LTP I and II was the importance of structured follow-up by DOL (with support as necessary from continuing or subsequent advisers) on the reports and recommendations of individual advisers following the completion of their in-country assignment.

H. ASSESSMENT OF OUTCOME

44. The outcome was highly satisfactory, and is expected to be sustainable.

I. FUTURE OPERATIONS

45. The follow-up LTP III will pursue and complete various initiatives which were designed and started under LTP II. This is particularly true for the institutional and human resource development components which typically require a longer time frame stretching beyond the time horizon of a single project. The actions required to fully develop DOL's capacity to complete the final two phases of the National Land Titling Program are presented in the operational plan (Table 6B).

J. KEY LESSONS LEARNED

46. The main lessons learned are:

- (a) Systematic land adjudication remains the most effective approach to accelerated land titling under Thai conditions;
- (b) Targets for land titling under the systematic land adjudication approach must consider constraints such as unclear boundaries with forestry, land reform areas, and lack of clear ownership evidence. A titling rate of 80 percent of parcels identified by the adjudication teams appears to be a realistic target; and
- (c) Sustainable institutional changes require a long-term framework and sustained efforts, often beyond the time horizon of one project.

47. Factors essential to project success, as evidenced by LTP II, include: strong management, particularly in planning and implementation of systematic adjudication and land titling; continuous TA by a resident team of advisors; and flexibility in project implementation, as was demonstrated by the readiness to shift resources toward more ground surveys to achieve appraisal titling targets.

IMPLEMENTATION COMPLETION REPORT

THAILAND

**LAND TITLING II PROJECT
(LOAN 3254-TH)**

PART II: STATISTICAL ANNEXES

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- Table 3: Project Timetable
- Table 4: Loan/Credit Disbursements: Cumulative Estimated and Actual
- Table 5A: Key Indicators for Project Implementation
- Table 5B: Title Deeds Production By Provinces
- Table 5C: Technical Assistance
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- Table 6B: Operational Plan
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- Table 12: Bank Resources: Staff Inputs
- Table 13: Bank Resources: Missions

TABLE 1: SUMMARY OF ASSESSMENTS

<u>A. Achievement of Objectives</u>	<u>Substantial</u>	<u>Partial</u>	<u>Negligible</u>	<u>Not Applicable</u>
	(✓)	(✓)	(✓)	(✓)
Macro Policies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sector Policies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Financial Objectives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Institutional Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Physical Objectives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Poverty Reduction	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gender Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other Social Objectives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environmental Objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Public Sector Management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Private Sector Development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other (specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>B. Project Sustainability</u>	<u>Likely</u>		<u>Unlikely</u>	<u>Uncertain</u>
	(✓)		(✓)	(✓)
	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
<u>C. Bank Performance</u>	<u>Highly Satisfactory</u>		<u>Satisfactory</u>	<u>Deficient</u>
	(✓)		(✓)	(✓)
Identification	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Preparation Assistance	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Appraisal	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Supervision	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
<u>D. Borrower Performance</u>	<u>Highly Satisfactory</u>		<u>Satisfactory</u>	<u>Deficient</u>
	(✓)		(✓)	(✓)
Preparation	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Implementation	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Covenant Compliance	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Operation (if applicable)	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
<u>E. Assessment of Outcome</u>	<u>Highly Satisfactory</u>	<u>Satisfactory</u>	<u>Unsatisfactory</u>	<u>Highly Unsatisfactory</u>
	(✓)	(✓)	(✓)	(✓)
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

TABLE 2: RELATED BANK LOANS/CREDITS

Loan/credit title	Purpose	Year of approval	Status
<i>Preceding operations</i>			
1. Structural Adjustment I	To assist Government in macro-economic and trade policy changes, including the issuance of usufruct certificates by Royal Forest Department	March 1982	Closed (March 3, 1983) PCR No. 6805 dated December 12, 1984.
2. Structural Adjustment II (Ln. 2198-TH)	Same as above	March 1983	Closed (Jan 31, 1984) PCR No. 6805 dated December 12, 1984.
3. Land Reform Areas Project (Ln. 2198-TH)	To assist ALRO in the delivery of usufruct licenses in degazetted forest reserves	September 1982	Closed (September 19, 1989) PCR dated November 6, 1989.
4. Land Titling I Project (Ln. 2440-TH)	Land registration, titling and administration	June 1984	Closed (March 31, 1992) PCR No. 11896 (May 21, 1993)
<i>Following operations</i>			
1. Land Titling III Project (Ln. 3797-TH)	Same as above	September 1994	Under Implementation (SAR No. 12866-TH, August 1994)

TABLE 3: PROJECT TIMETABLE

Steps in Project Cycle	Date Planned	Date Actual
Identification	n.a.	May/June 1989
Preparation	n.a.	Sep 4-9, 1989
Initial Executive Project Summary	n.a.	Oct 1989
Pre-appraisal	n.a.	Nov 6-22, 1990
Appraisal	n.a.	Feb 23-Mar 13, 1990
Negotiations	June 18-20, 1990	June 18-20, 1990
Board presentation		Sep 4, 1990
Signing		Oct 12, 1990
Effectiveness		Feb 7, 1991
Project completion	Sep 30, 1994	Sep 30, 1996
Loan closing	Sep 30, 1995	Sep 30, 1996

TABLE 4: LOAN/CREDIT DISBURSEMENTS: CUMULATIVE ESTIMATED AND ACTUAL

(US\$ millions)

	FY91	FY92	FY93	FY94	FY95	FY96	FY97
Appraisal Estimate	2.4	7.5	15.0	24.0	30.0	30.0	30.0
Actual	0.1	8.6	19.4	26.2	27.7	28.9	29.4
Actual as % of Estimate	4	115	129	109	92	96	98
Date of Final Disbursement: December 9, 1996							

TABLE 5A: KEY INDICATORS FOR PROJECT IMPLEMENTATION

	Unit	Estimated		Actual (9/94)
		Appraised	Revised	
1. Photo Mapping				
<u>Aerial Photography</u>				
Rural Area	sq km	132,000	147,000	183,284
Urban Area		1,500	1,930	1,931
<u>Photomap Production</u>				
Rural Area	mapsheets	24,000	16,000	17,277
Urban Area		4,000	5,600	6,646
2. Transformation of Old Titles				
<u>Bangkok</u>				
Provinces	parcels		860,000	941,718
Total		1,400,000	1,161,000	1,272,649
<u>Provinces</u>				
Bangkok	mapsheets	2,000	2,147	4,226
Provinces		3,600	4,676	3,204
Total		5,600	6,823	7,430
3. Land Titling and Administration				
<u>Titling Issued</u>				
Ground Survey	parcels		902,330	892,315
Adj. by Aerial photo			449,460	418,736
Subtotal		1,800,000	1,351,790	1,311,051
<u>NS3K Conversion</u>				
		1,200,000	744,300	731,346
TOTAL		3,000,000	2,096,090 a/	2,042,397
Land Administration				
NO.				
New Surveying & Mapping building		1		1
Branch Land office establishment		62		67
Construction New BLO		-		15
Expansion land offices		62		49
Construction store rooms		62		64
Staff housing		186		137
4. Valuation				
BIT training program	staff-month	60		61.3
Overseas training	staff-month	183		148.5
5. Organization Management and Operation (DOJ)				
<u>Appointment of new officials</u>				
Overseas training:	position	509		1978
Short-term training				
Long-term training	staff-month	197		44.2
	staff-month	156		153.6
<u>Domestic training:</u>				
no. courses	courses			177
participants	no.			13,030
Socio-econ study	staff-month	30		43.5
Land Policy study	staff-month	75		49.5
6. Technical Assistance				
Long-term	staff-month	231.5		269.7
Short-term		40.0		13.2

a/ Targets were revised during various supervision missions and agreed between the parties. Revisions became necessary as a result of better data on the number of parcels per province.

TABLE 5B: TITLE DEEDS PRODUCTION BY PROVINCES

Provinces	Ground Survey		Adjudication by Aerial Photomap		NS3K Conversion		Total	
	Target	Output	Target	Output	Target	Output	Target	Output
	Parcels		Parcels		Parcels		Parcels	
A. LTP II								
Chachoengsao	2880	2763	5760	6903	14400	1066	23040	10732
Chainat	32220	30679	21120	20299	16200	16144	69540	67122
Chanthaburi	86400	65061	-	-	-	-	86400	65061
Chonburi	56160	56072	27840	25593	14400	7479	98400	89144
Kalasin	26370	29348	-	-	-	-	26370	29348
Lampang	91800	102742	57600	65577	96000	109975	245400	278294
Maharakham	72000	80341	-	-	-	-	72000	80341
Mukdahan	21510	16935	7440	7562	16200	13788	45150	38285
Nakhonsawan	-	-	32220	25851	69300	71818	101520	97669
Nan	47880	49493	23040	26825	28800	31165	99720	107483
Prachinburi	22900	21174	25320	21855	49500	27934	97720	70963
Phrae	53280	54492	18240	18326	24000	25407	95520	98225
Rayong	19120	18181	36480	37160	43200	29028	98800	84369
Roiet	86400	98468	-	-	-	-	86400	98468
Trat	43200	25801	-	-	-	-	43200	25801
Ubon Ratchathani	113940	118505	71520	55205	109500	121838	294960	295548
Uthaithani	14400	5826	7680	4347	4800	3743	26880	13916
Yasothon	46080	43305	17280	12946	43200	53606	106560	109857
Chiang Rai	2880	2235	3840	3372	-	-	6720	5607
Subtotal	839420	821421	355380	331821	529500	512991	1724300	1666233
B. LTP I 1/								
Lamphun	2520	2742	2100	2396	2100	2111	6720	7249
Phayao	2520	3119	5040	7110	8400	10251	15960	20480
Sisaket	29700	34816	29280	21708	79800	83066	138780	139590
Mae Hong Son	5040	4120	5580	3844	1500	656	12120	8620
Surin	23130	26097	52080	51857	123000	122271	198210	200225
Subtotal	62910	70894	94080	86915	214800	218355	371790	376164
Total (A+B)	902330	892315	449460	418736	744300	731346	2096090	2042397

1/ Titles issued under LTP I provinces using LTP II budgets which were included as achievements under LTP I Project.

TABLE 5C: TECHNICAL ASSISTANCE

Adviser Position	MOU Estimate (Staff-Months)	Actual (Staff-Months)
<u>Long Term</u>		
Technical Assistance Manager	44.5	44.5
Management Information System Adviser	18.0	15.5
Training Coordinator	12.0	18.0
Computing Adviser	42.0	48.0
Land Administration/Cadastral Surveying Adviser	42.0	-
Land Administration Adviser	-	45.0
Land Information Systems Adviser	24.0	24.0
Valuation Adviser	42.0	48.5
BIT Valuation Adviser	7.0	7.0
OMO Adviser	-	19.2
<u>Short Term</u>		
Project Administration Valuation	-	-
Photomapping	-	5.0
Socio-Economic Analysis	-	1.25
Training	-	-
Valuation Training Adviser	-	2.0
Records Management Technology Adviser	-	0.83
Sociologist	-	2.0
Technical Assistance Director	-	2.16

TABLE 6A: KEY INDICATORS FOR PROJECT OPERATION

I. Key operating indicators in SAR/President's Report	Estimated	Actual
1. Adjudication parties	30	30
2. Branch land offices	62	67
3. LIS center	1	1
4. CVA	1	1
II. Modified indicators (if applicable)	n.a.	n.a.
III. Modified indicators for future operation (if applicable)	n.a.	n.a.

TABLE 6B: OPERATIONAL PLAN

TOPIC	FULL DEVELOPMENT OBJECTIVE	ACTIONS REQUIRED BY DOL
Accelerated issue of land titles	All privately owned land parcels issued with a certificate of title	<p>Complete the aerial photography programme</p> <p>Complete the definition, demarcation and delineation of forest boundaries</p> <p>Complete the transformation of title deeds (NS4)</p> <p>Complete the land adjudication programme.</p>
Improved Service Delivery	Efficient and effective land related services to Government and the public	<p>Review and improved land records management</p> <p>Implement land register automation in all land offices</p> <p>Review, update, and consolidate all land related legislation and regulation</p> <p>Review and improve land office practices.</p>
Institutional Strengthening of DOL	<p>Effective human resource management</p> <p>Integrated and comprehensive information systems</p>	<p>Develop and implement human resource policy</p> <p>Implement DOL staff career development policy</p> <p>Introduce staff redeployment</p> <p>Finalize and implement recruitment and staff development policies</p> <p>Implement the LIS programme</p> <p>Consolidate the structure of the IS Centre</p> <p>Upgrade the administrative computer system</p> <p>Develop and implement the telecommunications plan</p> <p>Introduce capacity planning, contingency planning, and documentation standards.</p>
Development of the CVA	Equitable and consistent national property taxation and comprehensive land valuation	<p>Complete the construction and bring into operation 6 regional valuation centres</p> <p>Substantially increase CVA staff (to 100 in PY5)</p> <p>Establish a career structure for valuers in CVA</p> <p>Establish undergraduate and postgraduate courses in valuation in Thailand</p> <p>Implement computer assisted mass appraisal</p> <p>Develop and implement expropriation procedures and systems.</p>

TABLE 7: STUDIES

Study	Purpose as defined at appraisal/redefined	Status	Impact of study
Land Policy, management and Administration Study (SAR p 60)	DOL service operations and structure study to improve key service provision including factors such as further decentralization and the role of the private sector.	Final report completed in September 1995.	<p>Recommendations made for the future direction of DOL in regard to:</p> <ul style="list-style-type: none"> • criteria for selecting the sequence of provinces within the land titling project. • reengineering business processes to minimize delays in land surveying and registration, and to reduce the personal liability of staff. • accepting and implementing the strategic plan for human resource management and development. • working with the Department of Agriculture to resolve the land reform issues.
Socio-economic Impact Study (SAR p 64)	Follow-on sample surveys of the base-line study conducted in 1985 and 1988.	Final report completed in July 1995.	Influenced the design of the LTP III
Socio-economic Impact Study.	Base-line surveys in the eastern seaboard areas.	Final report completed in September 1995	The impact study would commence in the year 2000- the last year of LTP III, ready for uses after the impact Study finish.

TABLE 8A: PROJECT COSTS

ITEM	Appraisal estimate (US\$M)			Actual/latest estimate(US\$M)		
	Local costs	Foreign costs	Total	Local costs	Foreign costs	Total
Base Cadastral Map	6.81	6.82	13.61	10.33	11.42	21.75
Ground Survey Teams	36.10	2.03	38.13	38.43	2.64	40.07
Urban Mapping	2.67	0.56	3.23	3.00	0.63	3.63
Land Administration	5.05	1.15	6.20	7.52	0.74	8.26
Institution Building	2.13	0.36	2.49	3.53	0.25	3.78
TA & Training	0.23	5.22	5.45	0.11	5.44	5.55
CVA	2.96	0.93	3.89	0.49	0.15	0.64
Total Project Costs	<u>55.95</u>	<u>17.05</u>	<u>73.00</u>	63.41	21.27	84.68

Source: LTP and AIDAB Offices.

TABLE 8B: PROJECT FINANCING

Source	Appraisal estimate (US\$M)			Actual/latest estimate (US\$M)		
	Local costs	Foreign costs	Total	Local costs	Foreign costs	Total
IBRD	20.30	9.70	30.00	20.30	9.05	29.35
AIDAB	0.00	5.25	5.25	0.00	5.42	5.42
RTG	35.65	2.10	37.75	43.11	6.8	49.91
TOTAL	55.95	17.05	73.00	63.41	21.27	84.68

Comments: The increased costs of about 15% were absorbed by RTG. The actual financing percentages are 35% by IBRD, 6.3% by AIDAB and the remaining 58.7% by RTG as against 41%, 7.5% and 51.5% respectively estimated at appraisal.

TABLE 8C: PROJECT FINANCING BY EXPENDITURES

	Appraisal Estimate (US\$ Million)				Actual/Estimate(US\$ Million)			
	IBRD	AIDAB	RTG	Total	IBRD	AIDAB	RTG	Total
Civil Works	6.19		1.10	7.29	6.42	0.00	3.01	9.43
Aerial Photography	3.05		1.31	4.36	4.32	0.00	0.78	5.10
Vehicles, Furniture, Equipment	3.24		1.81	5.05	8.46	0.00	6.52	14.98
Development Costs	17.10		33.33	50.43	9.79	0.00	39.49	49.28
TA & Training	0.00	5.25	0.20	5.45	0.00	5.42	0.11	5.53
Studies	0.42		0.00	0.42	0.36	0.00	0.00	0.36
Total Project Costs	30.00	5.25	37.75	73.00	29.35	5.42	49.91	84.68

TABLE 9A: ECONOMIC COSTS AND BENEFITS

Not Available

TABLE 9B: TAX RECEIPTS OF DEPARTMENT OF LANDS

FY	No. of Transactions ('000)	Amount Collected (Baht Million)				Index of Collections (1986 = 100)			
		Transfer Fee	Income Tax	Stamp Duty	Total	Transfer Fee	Income Tax	Stamp Duty	Total
1984	5,976	2,117	1,461	199	3,777	109	109	97	108
1985	6,521	2,144	1,583	226	3,953	108	117	109	112
1986	6,290	2,009	1,391	213	3,613	100	100	100	100
1987	7,479	2,870	2,151	305	5,326	137	153	146	144
1988	8,926	5,775	5,115	620	11,510	273	342	188	300
1989	8,295	7,585	6,117	870	14,572	339	389	401	362
1990	11,751	13,136	9,997	1,499	24,632	558	614	601	582
1991	8,640	11,337	6,921	1,163	19,421	453	399	438	431
1992	7,146	11,260	6,515	1,456	19,231	425	355	518	403
1993	7,532	13,180	7,305	1,635	22,120	472	378	553	440
1994	7,217	15,436	9,388	2,139	26,963	522	459	683	507

TABLE 9C: BENEFICIARIES

Indicators	Appraisal Estimate	Estimated at Closing Date
No. Households Received Titles	700,000 1/	700,000 2/
DOL Permanent Staff	500	1,978
DOL Temporary Staff	300	1,684

1/ Approximately 4.3 parcels per family.

2/ Approximately 3 parcels per family based on the results of the socio-economic study.

**TABLE 9D: COSTS OF PRODUCTION OF TITLE DEED UNDER LAND TITLING PROJECTS
(Baht '000)**

	LTP I a/	LTP II b/	LTP II c/ ICR Figures
Base Cadastral Mapping	387,551	729,460	551,949 e/
Ground Survey (including NS3K Conversion)	421,157	1,182,740	1,026,590 e/
Depreciation of Equipment	26,964	57,480	57,480
Total	835,672	1,969,680	1,636,019
Number of Title Deeds	1,634,146 f/	3,000,000 d/	2,042,397
Cost per title deed current prices (in baht)	511	656	801
Cost per title deed (1994 constant prices)	603	774	801 baht US\$32
US\$1 = 25.1 Baht (1994)			

a/ Actual 1985-1990

b/ From SAR LTPII, Annex 4 Table 4

c/ Excluding the construction cost of the new Survey and Mapping Building

d/ The Appraisal estimate for land title deed issuance is 3,000,000 from SAR para 2.3(b))

e/ From Table 8A of this ICR

f/ This is the actual figure recalculated in 1995

TABLE 10: STATUS OF LEGAL COVENANTS

Section	Covenant type	Present status	Original fulfillment date	Revised fulfillment date	Description of covenant	Comments
3.03 (a)	10	C	-	-	DOL to issue title deeds to private occupiers of land promptly after survey.	-
3.03 (b)	10	C	-	-	DOL to issue documents for state land promptly after survey.	-
3.04	5, 12	C	10/1/91	-	DOL to submit master plan for strengthening Central Valuation Authority to the Bank.	-
3.05	9	C	2/1/94	-	Carry out studies in Part E and submit findings and recommendations to the bank.	-

Covenant Types:

5 = Management aspects of the project or executing agency

9 = Monitoring review and reporting

10 = Project implementation not covered by categories 1-9

12 = Sector al or cross sectoral policy/regulatory institutional action

C = covenant complied with

CD = complied with after delay

CP = complied with partially

NC = not complied with

TABLE 11: COMPLIANCE WITH OPERATIONAL MANUAL STATEMENTS

Statement number and title	Describe and comment on lack of compliance
NIL	

TABLE 12: BANK RESOURCES: STAFF INPUTS

Stage of project cycle	Planned		Actual	
	Weeks	US\$	Weeks	US\$
Through appraisal	70	na	41.6	88.2
Appraisal—Board	30	na	18.7	45.0
Board—effectiveness	3	na	8.1	19.2
Supervision	52	na	58.2	137.2
ICR	35	na	27.0	5.0
TOTAL	190	na	129.3	294.6

TABLE 13: BANK RESOURCES: MISSIONS

Stage of project cycle	Month/ year	Number of persons	Days i field	Specialized staff skills represented	Performance Rating		Types of problems
					Implementation status	Develop-ment objectives	
Through appraisal							
Identification		3	5	A,E,A	n.a.	n.a	n.a.
Preparation mission	9/89	3	5	A,E,LA	—	—	—
Pre-appraisal	11/89	4	16	A,LA,V,FA	—	—	—
Appraisal	2/90	3	18	A,E,L	1	1	
Appraisal through Board approval							
Pre-negotiation mission	12/90	2	1	A,V			
Supervisions							
I	6/91	2	10	A,V			
II	12/91	4	12	A,FA,LA,V	1	1	
III	9/92	3	9	A,V,LA	1	1	
IV	8/93	4	16	A,V,LA,E	1	1	
V	2/94	5	16	A,V,NRE,LA,E	1	1	
VI (ICR)	9/94	4	35	A,E,LA,V,SE	—	—	—
VII	1/95	5	2	SE,E,LA,FA,C	HS	HS	—
VIII	12/95	6	2	SE,E,LA,FA,C,V	HS	HS	—
IX (ICR)	10/96	5	2	SE,E,C,V,LA	HS	HS	—

- A = Snr Agriculturist
- C = Civil Engineer
- SE = Snr Economist
- E = Economist
- FA = Financial Analyst
- L = Lawyer
- LA = Land Administration and Registration Specialist
- NRE = Natural Resources Economist
- V = Valuation Specialist

APPENDICES

Appendix A: Mission's Aide Memoire

Appendix B: Borrower's Contribution to the ICR

Appendix C: Cofinancer's Contribution to the ICR

THAILAND

Land Titling II Project
(IBRD Loan 3254-TH)

Implementation Completion Mission
(Sept. 26 - Oct. 7, 1994)

Aide-Memoire

1. A World Bank mission, conducted by Messrs. Yves Wong (Task Manager, World Bank), Frank Byamugisha (Senior Economist, World Bank), Trithep Lohavisavapanich (Economist, FAO/CP), Lynn Holstein (Land Administration Specialist, Consultant), and Thaddeus Jankowski (Land Valuation Specialist, Consultant), carried out the Implementation Completion Mission for the Land Titling II Project (LTP II) at the Department of Lands (DOL) during the above-mentioned period. Mr. Andrew Rowell, representing the Australian International Development Assistance Bureau (AIDAB), which cofinances the project, participated in the mission. The mission visited the Survey and Mapping Building in Pakkret and land offices in Bangkok.

2. The mission thanks Khun Chanasak Yuvapurna (outgoing Director General, DOL) and Khun Prinya Nakchudtree (incoming Director General) and DOL staff for the assistance received. The cooperation of the Land Titling Project Office (LTPO) and AIDAB advisers is also warmly acknowledged. This Aide-Memoire summarizes the mission's findings and recommendations which were presented to DOL at a wrap-up meeting chaired by Khun Prinya on October 7, 1994. It reflects the mission's views only, and the Bank's comments and confirmation will be sent to DOL.

Project Completion

3. The mission agreed with DOL on a project implementation cut-off date of September 30, 1994. All activities after that date will be considered to be implemented under the Land Titling III Project, which was approved by the Bank's Board of Executive Directors on September 22, 1994. The Loan Agreement of that project was signed on September 27, 1994, and is expected to become effective by November 1994.

4. Disbursement. To date, about US\$26.4 million (88% of loan amount) has been disbursed. As the remainder is expected to be fully drawn down by the scheduled loan closing date of September 30, 1995, no extension of that date is envisaged.

5. Socio-Economic Impact Studies. The contract for baseline studies in the Eastern Seaboard has yet to be signed. Kasetsart University, the contractor, confirmed that it would start the study in March 1995 when students will become available and that the study will be completed and final reports submitted by early September to enable disbursements to be completed by September 30, 1995, if the contract is financed by direct payment.

Progress and Audit Reports

6. Progress has been made in the preparation and submission of progress reports by LTPO, but these still need to be improved under LTP III. The Project Implementation Plan (PIP) is not yet fully implemented, and LTPO should concentrate its efforts on the use of the PIP. The mission recommends that AIDAB advisers should provide further technical assistance to LTPO, if needed, to promote the intensive use of PIP.

7. The audit report for the fiscal year 1992/93 has not yet been submitted to the Bank. DOL confirms that the report is being completed and that it would be submitted to the Bank by November 1994. The audit report for the fiscal year 1993/94 will be submitted in early 1995.

Implementation Completion Report

8. The mission discussed a draft Implementation Completion Report (ICR) and its Operational Plan with DOL. It was agreed with DOL that it would send its comments on the ICR, together with the final version of the Operational Plan, by January 1995. Although the loan closing date is still about a year away, it was agreed to finalize the ICR after the Bank has received the Government's and DOL's comments.

Mission's Findings and Recommendations

9. The main findings are:

- (a) physical targets for cadastral surveying and mapping and title deed issuance have been substantially achieved;
- (b) institutional development has made slower progress and requires a longer timeframe together with sustained efforts;
- (c) Government commitment is essential for successful project implementation (additional budgetary funds were provided in a timely manner to address increased costs of about 15%);
- (d) flexibility in making greater use of ground survey methods, although more costly, to address inadequacies in computerized map transformation helped to achieve project targets;
- (e) the technical assistance performed efficiently, although more systematic follow-up of DOL actions to adviser recommendations could have been useful;
- (f) the main problems during project implementation were:
 - (i) procurement delays in aerial photography affected the land titling process;
 - (ii) lack of clear Department priorities in land titling activities resulted in the implementation of parallel activities to the project, with the risk of competing

demands for scarce management resources and establishment of uneven land administration systems; and

- (iii) weak project planning at inter-divisional level affected implementation of land titling activities; computerized project implementation planning by LTPO is not yet fully operational; and
- (iv) delays and uncertainty in the full implementation of the Land Administration Development Team.

10. The main recommendations are:

- (a) planning and management at the Department and project levels have to be strengthened;
- (b) Department priorities on land titling have to be clarified and actions taken to ensure that a uniform system of land administration is established for the whole country;
- (c) LTPO should use the computerized Project Implementation Plan as the basic tool for planning and monitoring of project activities and involve other divisions in these activities;
- (d) the Technical Planning Committee should play, together with LTPO, a more pro-active role in project planning and monitoring;
- (e) DOL should continue to seek technology improvement in its operations (surveying, survey control, parcel adjudication) with the technical support of AIDAB technical assistance in a structured manner;
- (f) AIDAB and DOL should consider implementation of systematic follow-up reviews of the main recommendations of the advisers;
- (g) DOL should continue to implement its 1993 policy on adjudication of parcels left over during the systematic adjudication process;
- (h) DOL should actively pursue its policy of seeking productivity improvements, such as in parcel adjudication and in computerization of land offices;
- (i) The continuance of the Land Administration Development Team must be guaranteed as the best mechanism to facilitate change; and
- (j) CVA should re-institute the information system planning team and use modern project planning tools (PIP) to assist management.

Supervision LTP III

11. The first supervision mission of this project is presently scheduled for the second half of January 1995.

October 7, 1994

PART II : PROJECT REVIEW FROM BORROWER'S PERFORMANCE

1. Comments on Part I

- 1.1 The descriptive and critical analysis of the Land Titling Project in Part I of this report illustrates clearly some important aspects concerning institutional development, organizational and managerial capacities and also some inherent constraints that DOL had faced in implementing the LTP II during 1991-1994. The analysis which has been prepared by the World Bank project completion mission and is based on the accumulative experiences during the course of the project addresses some fundamental problems that need to be recognized and resolved if the Land Titling Project is to be carried out at the maximum efficiency and generate the best benefits to the country. As the implementing agency, we would like to express our view as follows.
- 1.2 The Bank and DOL agreed that the project would follow the same design as for LTP I. This has been very effective in achieving project targets as can be seen from the fact that the annual production of title deed of LTP II was almost double the annual output of LTP I.
Land policy issues involving the roles and responsibilities of key collaborative agencies namely DOL, RFD, and LDD were underestimated. This, in consequence had some impact on the achievement of LTP's targets. For example, there are some innocent owners who own parcels in fringe forest area where the forest classification status is unclear and who have not been issued title deeds.
Recently, DOL has attempted to solve this problem by creating a Joint Committee between DOL, RFD and LDD to stimulate cooperative efforts between these agencies in FY 1995. The Governments land reform policy being implemented by ALRO is also having an impact on the project.
- 1.3 With regard to project organization, it is agreed that the informal status of the Land Titling Project Office which is responsible for planning and monitoring of project implementation, affected LTPO's performance. The lack of experience and skills of staff together with lack of staff commitment to the project led to poor project management. This weakness of LTPO needs to be strengthened if the project management is to be carried out at the maximum efficiency.
- 1.4 Part I also mentioned the lack of policy guidelines on several issues such as development and deployment of trained staff and coherence in provincial and branch land office practice. In reply, DOL accepts these as fair comments and they should be resolved on a rational basis.
- 1.5 The Bank and DOL agreed that project completion date was September 1994. The Bank also notes that at this date about 80% of eligible parcels have titles. Experience in LTP shows there are valid legal and practical reasons why it is simply not feasible to issue title to every eligible land parcel during the systematic adjudication process. DOL agreed on the application of the 1993 DOL policy on this issue and adopted a realistic approach to

define that titling activities are considered to be completed in a province when title deeds have been issued to all eligible parcels with appropriate documentation and the remaining legitimate parcels that have not been issued with title deeds have been identified, and policy directions and a time-bound implementation plan toward these parcels clearly determined. Agreement by the Bank to this definition will ensure a common understanding and will assist in project formulation and planning for the future phases of LTP.

2 Bank Performance

- 2.1 In general, the Bank has discharged its duties and responsibilities prescribed in the project design document satisfactorily both during the stages of project design and implementation. It should be noted that the Bank has not only been very enthusiastic and cooperative in delivering technical services to the project but also, as in the project Phase I, emphatically sensitive to norms and cultures of the country which is one of the key factors that are an important contribution to smooth implementation as well as success of the project.
- 2.2 As the co-financing partner of LTP, the Bank and AIDAB of the Australian Government continually put their best collaborative efforts to realize the achievement of the project at all important stages. AIDAB has provided an excellent technical assistance program as needed by LTP, covering provision of technical experts in certain areas, scholarships for DOL staff to study in Australian higher educational institution, and organizing short term training courses and study tours in Australian organizations for the project's operational staff and executives respectively. It has been widely acknowledged that AIDAB contribution to the project during the project Phase II supported the process and foundation of institutional innovation and change in DOL. However, evaluation on expert performance is needed to ensure maximum benefit from contribution of AIDAB to Thailand.

3 Borrower Performance

- 3.1 As described in Part I, DOL substantially achieved its major objectives of providing secure land tenure as a basis for poverty reduction for the less privileged rural population; and a more efficient land administration service to the public through decentralization of land administration and a more effective national property valuation function. The project has also helped develop DOL institutional development to ensure sustainability for effective national land administration and valuation functions.
- 3.2 It is noted that progress on technological and technical developments of the project have been highly satisfactory and sustainable. On the other hand, progress on institutional development including service delivery, enactment of CVA laws, organizational development and changes in managerial and operational practice have been rather slow and less effective. DOL has acknowledged that it needs policy guideline to address these issues. However, this institutional constraint is not due to the uniqueness for DOL itself but inherent within the Thai bureaucratic settings as a whole.

- 3.3 The achievement of physical targets was highly successful and work productivity increased significantly. One reason for this is because the Government has a strong commitment for the project as there was a provision of additional funds to cover the incremental cost due to the increase in staff salaries and unit cost throughout the country. However, there were some problems in areas of survey and mapping and systematic field adjudication due to delay in letting the aerial photography contract in 1992.
- 3.4 At the final stage of the project, DOL began to apply computerized project management (CPM) tools for program improvements in the areas of technical, administrative, and service delivery systems.
- 3.5 AS indicated in PART I of the report, project management and planning has been satisfactory. However, there is still a need for policy implementation on DOL priorities in the land title program for LTP III even though DOL has agreed to have a single national land title program.
- 3.6 With regard to institutional development areas which include reorganization, administrative development, human resource management, training and development and so on, there is some indication that change management has been made but in a bureaucratic manner. Specifically, as in LTP I, DOL was still unable to retain all the trained personnel and to deploy them more effectively. This human resource management constraint was due to the lack of clear policy direction of DOL. However, at the final stage of the project, DOL has been starting to seriously commit to the issue of institutional change and development in the future so that it helps sustain effective national land administration and valuation functions. Evidence of improvements in some areas can be seen as there is a strategic plan on human resource development, progressing development of institutional capacity for Central Valuation Authority; establishment of Information Centre; and introduction of computerized project management system.
- 3.7 As a key operational unit the Land Titling Project Office (LTPO) faced several problems in implementing the project. First, the status of the project office was still an informal division which does not have legal status and sectional heads are junior staff and there is a general lack of skills and commitment. These matters need to be addressed and LTPO needs to be strengthened to overcome difficulties in coordination, management and to cope with the size and complexity of the project.

4 Lesson Learned

- 4.1 A) Due to size and complexity of the land titling process, the project required close coordination between many external agencies and DOL internal agencies required close supervision, management and coordination. Some inter-agency issues have become absolute impediments to achieve the fundamental objective of the project which is the issue of title deed.

- B) Institutional changes require a clear policy implementation for human resource development and management in order to help sustain effective national land administration and valuation functions.
- C) Project management, planning and monitoring and evaluation need to be strengthened specifically within LTPO.
- D) Although the project has received strong support from the government by providing additional funds to cover the incremental cost, the project requires more flexibility in the budgetary system and institutional structure in order to respond to the needs of project management and close inter-division coordination respectively.
- E) DOL needs to ensure that public access to land administration service policy (decentralization policy) is in accordance with technology innovation policy.
- F) As there is an Act for DOL privatization, there should be a clear policy implementation to support this policy in order that private sector shall have more activities.

Thailand Land Titling Project, Phase II Cooperating agency report

Overview

AusAID considers that the Second Land Titling Project has been successful in achieving its objectives, as evidenced by the fact that the project has largely met or exceeded its targets. A major factor in this success has been the partnership between the RTG, the World Bank and AusAID. The participation of a skilled and dedicated consultant, BHP Engineering, was also very important to the success of the project.

The RTG commitment to the project, at all political and institutional levels, has always been strong. The socio-economic importance of the project is documented in the 6th and 7th National Social and Economic Development Plans. The Implementing Agency, the Department of Lands (DOL), demonstrated a very strong commitment to the project, particularly by the Directors General and DOL senior executives. This commitment is evident in the fact that DOL provided the large number of staff necessary to support project activities in an environment of increasing demand for DOL services and increasing impact from the RTG policy of zero growth in civil servants.

The regular World Bank Supervision Missions played a crucial role in the regular auditing of project implementation. AusAID relied on these missions to high-light the need for any changes in technical assistance inputs.

At the end of the first Land Titling Project, AusAID decided to directly negotiate a contract for the technical assistance program for the Second Land Titling Project with the Consultant that managed the technical assistance for the first project. This decision ensured that there was a quick mobilisation of technical assistance for the Project and ensured that the technical assistance built on the extensive knowledge and relationships established during first project.







The design of the Project was sound and built on the lessons learnt during the implementation of the first project. In particular, the Loan Covenant for the project included commitments to implement change. The design for the technical assistance for the project also built on strong, well established technical systems that were supported in the first project. Technical assistance in the Second Land Titling Project emphasised support for broad, institution-wide issues such as HRD, IT, land records management and improved service delivery.

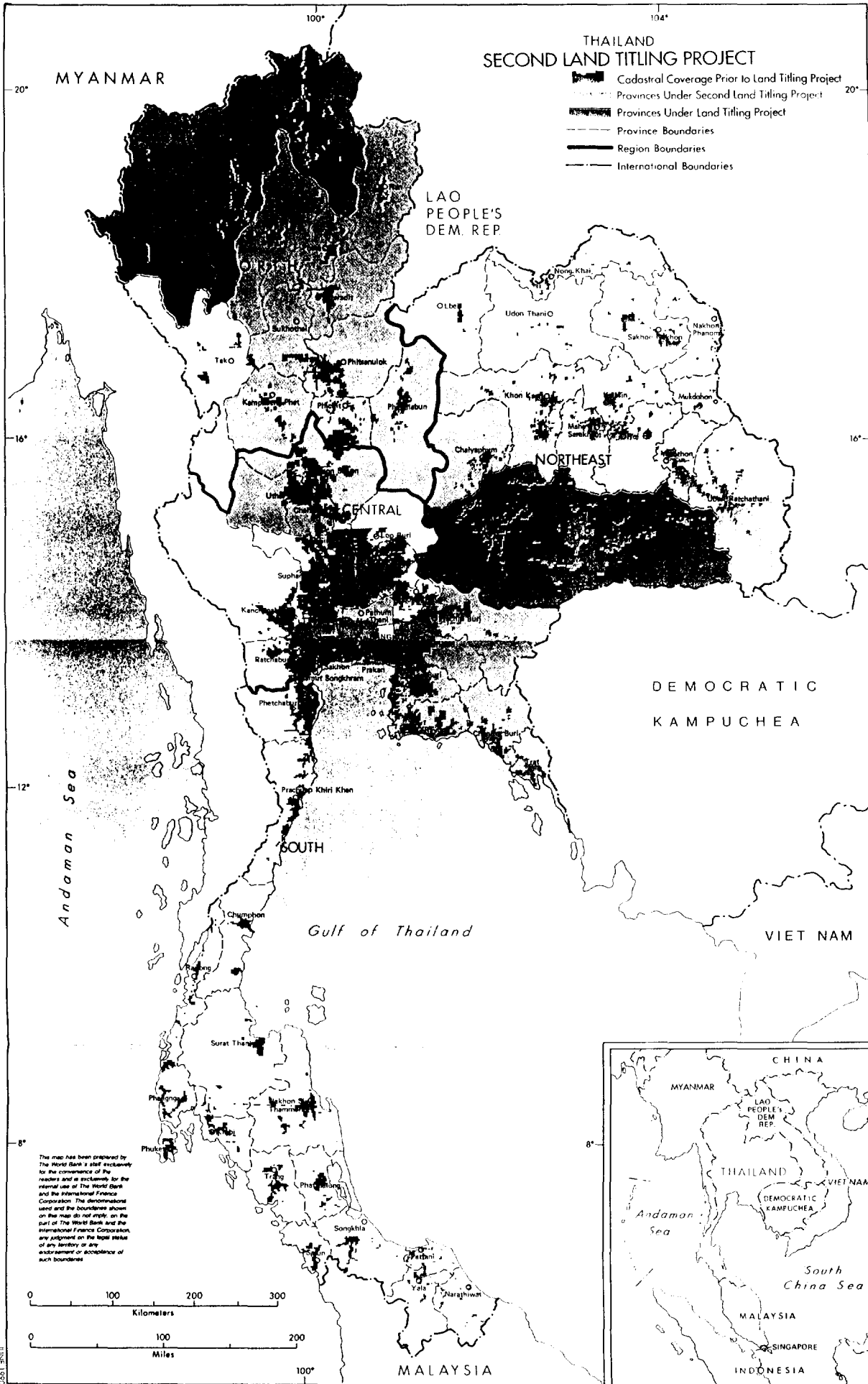
Lessons Learned

The following major lessons flow from AusAID's experience on the Second Land Titling Project:

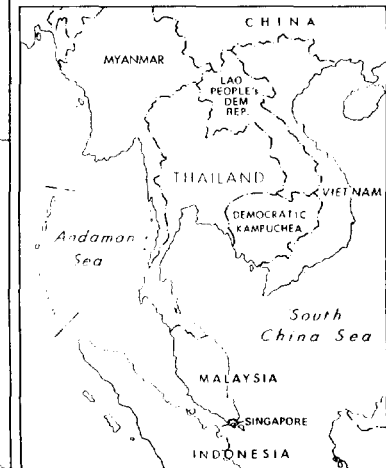
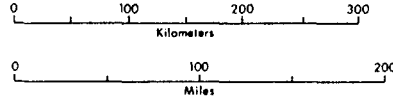
1. The Land Titling Project will have a significant impact on the Department of Lands. To minimise any adverse impact, change will be necessary. This change process will be evolutionary and will require the full support of senior and executive management to be successful.
2. As the Land Titling program becomes institutionalised, DOL needs establish better mechanisms to coordinate the resources necessary to support the project itself and the process of change. This will also require the full support from senior and executive DOL management.
3. Project Management tools such as the Project Implementation Plan (PIP) will only be successful where there is a recognition by DOL of the importance of better planning. Senior levels of DOL must be committed to planning, ensuring that adequate resources are allocated and there are appropriate reward systems for the staff supporting the planning function.
4. Close attention is required in the coordination of activities that cut across divisional boundaries. Land administration and policy development are not the domain of any one division in DOL, leading to the necessity to establish the Land Administration Development Team to provide cross-divisional analysis and linkages to provide a vehicle for change.
5. To support the evolution in the project environment, it is important that the emphasis for technical assistance inputs shift from analysis and recommendations for change to overseeing and guiding the change process. Advisers' final reports are now less important than the impact that the advisers have on their area of responsibility in DOL. Change will occur more readily while the advocate is present to follow up on recommendations.
6. The international training and education program to support the project needs to be adaptable and flexible and must be able to accommodate a diminishing number of suitably qualified trainees within DOL. Where possible, responsibility for planning and delivering short-term training in Australia should be arranged under an agreement for a fee for services with an appropriate organisation in Australia. The alternative of bringing the trainer to Bangkok warrants investigation.
7. While there are no grounds for concern on adverse gender impact, AusAID would like to see that statistics, such as a breakdown by gender of land title recipients, are maintained by the Project to demonstrate this fact.

THAILAND SECOND LAND TITLING PROJECT

-  Cadastral Coverage Prior to Land Tiling Project
-  Provinces Under Second Land Tiling Project
-  Provinces Under Land Tiling Project
-  Province Boundaries
-  Region Boundaries
-  International Boundaries



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IMAGING

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