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PROJECT PERFORMANCE ASSESSMENT REPORT

LAO PEOPLE'S DEMOCRATIC REPUBLIC

**SECOND LAND TITLING PROJECT
(CREDIT NO. 3801)**

December 2, 2013

IEG Public Sector Evaluation
Independent Evaluation Group

Currency Equivalents (annual averages)

Currency Unit = Lao Kip (K)

2002	US\$1.00	=	K10, 056
2003	US\$1.00	=	K10, 569
2004	US\$1.00	=	K10, 585
2005	US\$1.00	=	K10, 655
2006	US\$1.00	=	K10, 159
2007	US\$1.00	=	K9, 603
2008	US\$1.00	=	K8, 744
2009	US\$1.00	=	K8, 516
2010	US\$1.00	=	K8, 258
2011	US\$1.00	=	K8, 030

Abbreviations and Acronyms

AusAID	Australian Agency for International Development
CES	Community Education and Support
CRS	Customer relations and Services
ERR	Economic rate of return
GIZ	German Technical Cooperation Agency (formerly GTZ)
IDA	International Development Association (World Bank)
ICR	Implementation Completion and Results report
IEG	Independent Evaluation Group
IEGPS	IEG Public Sector Evaluation
M&E	Monitoring and Evaluation
NLMA	National Land Management Authority
PPAR	Project Performance Assessment Report

Fiscal Year

Government: October 1 – September 30

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Principal Ratings

	ICR*	ICR Review*	PPAR
Outcome	Moderately Satisfactory	Moderately Satisfactory	Unsatisfactory
Risk to Development Outcome	Significant	Significant	High
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	Moderately Unsatisfactory
Borrower Performance	Moderately Satisfactory	Moderately Satisfactory	Unsatisfactory

* The Implementation Completion and Results (ICR) report is a self-evaluation by the responsible Bank department. The ICR Review is an intermediate IEG product that seeks to independently verify the findings of the ICR.

Key Staff Responsible

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IEG Mission: Improving World Bank Group development results through excellence in independent evaluation.

About this Report

The Independent Evaluation Group assesses the programs and activities of the World Bank for two purposes: first, to ensure the integrity of the Bank's self-evaluation process and to verify that the Bank's work is producing the expected results, and second, to help develop improved directions, policies, and procedures through the dissemination of lessons drawn from experience. As part of this work, IEG annually assesses 20-25 percent of the Bank's lending operations through field work. In selecting operations for assessment, preference is given to those that are innovative, large, or complex; those that are relevant to upcoming studies or country evaluations; those for which Executive Directors or Bank management have requested assessments; and those that are likely to generate important lessons.

To prepare a Project Performance Assessment Report (PPAR), IEG staff examine project files and other documents, visit the borrowing country to discuss the operation with the government, and other in-country stakeholders, and interview Bank staff and other donor agency staff both at headquarters and in local offices as appropriate.

Each PPAR is subject to internal IEG peer review, Panel review, and management approval. Once cleared internally, the PPAR is commented on by the responsible Bank department. The PPAR is also sent to the borrower for review. IEG incorporates both Bank and borrower comments as appropriate, and the borrowers' comments are attached to the document that is sent to the Bank's Board of Executive Directors. After an assessment report has been sent to the Board, it is disclosed to the public.

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IEG's use of multiple evaluation methods offers both rigor and a necessary level of flexibility to adapt to lending instrument, project design, or sectoral approach. IEG evaluators all apply the same basic method to arrive at their project ratings. Following is the definition and rating scale used for each evaluation criterion (additional information is available on the IEG website: <http://ieg.worldbankgroup.org>).

Outcome: The extent to which the operation's major relevant objectives were achieved, or are expected to be achieved, efficiently. The rating has three dimensions: relevance, efficacy, and efficiency. *Relevance* includes relevance of objectives and relevance of design. Relevance of objectives is the extent to which the project's objectives are consistent with the country's current development priorities and with current Bank country and sectoral assistance strategies and corporate goals (expressed in Poverty Reduction Strategy Papers, Country Assistance Strategies, Sector Strategy Papers, and Operational Policies). Relevance of design is the extent to which the project's design is consistent with the stated objectives. *Efficacy* is the extent to which the project's objectives were achieved, or are expected to be achieved, taking into account their relative importance. *Efficiency* is the extent to which the project achieved, or is expected to achieve, a return higher than the opportunity cost of capital and benefits at least cost compared to alternatives. The efficiency dimension generally is not applied to adjustment operations. *Possible ratings for Outcome:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

Risk to Development Outcome: The risk, at the time of evaluation, that development outcomes (or expected outcomes) will not be maintained (or realized). *Possible ratings for Risk to Development Outcome:* High, Significant, Moderate, Negligible to Low, Not Evaluable.

Bank Performance: The extent to which services provided by the Bank ensured quality at entry of the operation and supported effective implementation through appropriate supervision (including ensuring adequate transition arrangements for regular operation of supported activities after loan/credit closing, toward the achievement of development outcomes. The rating has two dimensions: quality at entry and quality of supervision. *Possible ratings for Bank Performance:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

Borrower Performance: The extent to which the borrower (including the government and implementing agency or agencies) ensured quality of preparation and implementation, and complied with covenants and agreements, toward the achievement of development outcomes. The rating has two dimensions: government performance and implementing agency(ies) performance. *Possible ratings for Borrower Performance:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

Preface

This is the Project Performance Assessment Report (PPAR) for the Lao PDR Second Land Titling Project (Credit Number 3801; P075006). The assessment aims, first, to serve an accountability purpose by verifying whether the operation achieved its intended outcome. Second, the report draws lessons that are intended to inform future operations of this nature.

A credit of US\$14.8 million was approved by the Bank's Board on June 24, 2003 and made effective on February 3, 2004. The operation closed, as expected, on June 30, 2009, after the Bank decided not to approve a request for Additional Financing. Actual project costs were US\$25.9 million, compared to the appraisal estimate of US\$23.9 million.

As part of the assessment, IEG visited Lao PDR in November-December 2012. In addition to Vientiane, the mission traveled to the provinces of Borikhamxay, Luangprabang and Champasack, conducting interviews in provincial capitals with officials and beneficiaries.

The findings of the report are based on a review of project documents, Bank electronic files, academic books and articles, and interviews with Bank staff, government officials, and representatives of donor agencies (listed in Annex C).

IEG much appreciates the assistance of all those who participated in the assessment, including staff at the Bank's office in Vientiane and the mission's interpreter, Mr. Khamsouane Sisouvong.

Following standard IEG procedures, the Government of Lao PDR was invited to comment on the draft PPAR, but no comments were received.

Summary

Between 1997 and 2009, the World Bank supported two land titling projects in Lao PDR, the second of which is the subject of this assessment. The Second Land Titling Project was co-financed with grants from Australia and Germany. Although preparation of a long-term government program of land administration was an explicit aim of the first project, when the second project was approved in 2003 the government had still not developed such a program. Today, even though the government still says it will title all the estimated 1.6 million parcels in the country by 2020, the promise of a land administration program remains unrealized, and about 1 million parcels remain without title.

According to the Development Credit Agreement, “The objective of the Project is to support the achievement of the Borrower’s economic and poverty reduction goals by improving land tenure security, developing transparent and efficient land administration institutions, and increasing the Borrower’s revenues from land-related taxes and fees.” Project components included support for policy and regulatory reform, capacity-building of land offices at the center and in the provinces, training of staff, and a campaign of systematic land titling. The project aimed to consolidate systematic titling conducted under the first project, with same geographic scope—limited to Vientiane Capital City and eight provinces. However, during project implementation, the government pressed to expand the project and, by closing, the project was operating in all of the nation’s 17 provinces. However, in each province, eligibility for systematic titling was limited to urban and periurban areas and agricultural lowlands, excluding the highland areas where communal land rights were widespread.

The project issued 395,279 titles to landowners, 24 percent more than the appraisal target. More titles were issued to women than to men, appearing to support the project’s aim of achieving gender equity. In the areas eligible for systematic titling, coverage was patchy. One study found that in some villages 10-50 percent of all eligible land was still untitled when surveying halted, with even higher proportions of agricultural land omitted. Shortfalls in government funding hampered the progress with land registration in the provinces and, in particular, support for community outreach services was less than expected, possibly reducing the scope for developing demand for land registration services—and failing to foster the willingness to pay fees for registering land transactions subsequent to the initial title issue (which was free of charge under the systematic campaign).

IEG rates project outcome as unsatisfactory. The project development objectives were still relevant to the strategy of the Borrower and the Bank at the time of project closing (although, by the time of IEG’s mission three years later, the Bank had withdrawn its support for further land titling). The project did not address the core problem of tenure insecurity and the beneficiary population was not the most tenure insecure. Although the proposed mix of components and activities was adequate to achieve the objectives, the results chain did not spell out how tenure security would be increased. Therefore, the relevance of design is rated modest. Although titling targets were amply exceeded, the achievement of each of the three objectives is rated modest, because it was impossible to

assess the difference in development outcome between land that was titled under the project and land that was not titled.

With respect to the first objective, if the incidence of land disputes and access to bank loans are taken as proxies for tenure security, the evidence does not show that titling made a difference. Moreover, the documented cases of titled landowners receiving inadequate compensation when their properties were expropriated, suggests that land tenure is not fully secure. The second objective of increasing the efficiency of land administration was compromised by staffing cutbacks (particularly for community outreach services) and the data on land transaction fees and processes do not show that efficiency improved in the course of project implementation. The third objective of increasing revenues from land taxes and fees was achieved, driven by increases in land values; but it is not clear that the rise in land values was, first and foremost, the result of titling, and, moreover, net gains in revenue were probably low by international standards because of abnormally high administrative costs. Efficiency was modest because there is no hard evidence that the observed rise in land values was primarily attributable to titling and the indicators of registration efficiency did not improve under the project.

The risk to development outcome is rated high. In the absence of donor funding—both the Bank and Australia have ended their support for land titling projects—government funding has proved to be insufficient to maintain the structure built by the two titling projects. Some of the titling work done under the second project has been undone as title holders have had their land compulsorily acquired without adequate compensation. The governance of land rights is erratic, with central, provincial and district governments exercising considerable discretion in how they respond to opportunities offered by domestic and foreign investors wishing to develop land.

Bank performance is rated moderately unsatisfactory, mainly because the Bank was insufficiently diligent in assessing the impact of land titling and because, contrary to a risk mitigation plan agreed at appraisal, the Bank allowed the geographic scope of the project to be expanded at a point when the government's commitment to the original project concept was increasingly in doubt. Borrower performance is rated unsatisfactory, owing to the substantial delay in addressing counterpart funding arrears, the lack of commitment to advancing policy and regulatory reform and the shortcomings in financial management and procurement.

IEG draws seven lessons from the assessment:

- If the government is not willing to commit to a long-term program of land administration and to allocate the necessary budget, the benefits from land titling projects may not be achieved or sustained.
- In a country like Lao PDR where there is little or no transparency in reviewing the status of land rights and limited enforcement of these rights, the security offered by land titles will always be qualified, and the scope for expropriation in the interest of the “public good” is likely to be substantial.
- The Bank's decisions to support land administration interventions should not be made without a full appreciation of the broader political context in which land rights are defined.

- It may prove more effective for policy reforms and regulatory changes to be completed before a campaign of systematic land titling is launched.
- Systematic land titling does not necessarily ensure a significant and sustained increase in tenure security in the absence of impartial and efficient enforcement of the new land titles.
- It is always important to probe just how “systematic” it is feasible for land titling to aspire to be, and to recognize that meeting or exceeding titling targets does not necessarily mean that the process achieved full coverage of parcels eligible for systematic titling.
- The increase in land values is not a sufficient indicator of the benefits resulting from a land titling project.

Richard G. Scobey
Acting Director-General
Evaluation

1. Background

1.1 There is a body of economic theory that suggests that efficient land markets and secure land tenure make it more likely that land will be allocated to its most efficient use, and that this will be associated with increased land-related investments and more sustainable use of land (Demsetz 1967; North 1990; Feder and Feeny 1991). When the Bank began its support for land titling in Laos in the mid-1990s, land markets operated but were not considered to be efficient or open. Recorded land transactions were few in number and often hampered by the lack of documented rights to land. Land was often informally occupied, used and sold and there was a backlog of land-related court cases. In the absence of land registration, it was argued that there were fewer opportunities to use land as collateral to obtain bank loans (World Bank 2003a: 5).

1.2 In Lao PDR, according to the 1997 Land Law, all land in the nation is vested in the state but the state may grant permanent, transferable use rights to citizens (World Bank 2003: 8). Land policy has followed separate paths for rural and urban areas. In rural areas, the Ministry of Agriculture and Forestry allocated state land to community organizations and individual users. This program involved the delineation of community boundaries and the classification of community lands. The Ministry issued land use certificates to community members for agricultural and forest land, accompanied by rough survey plans. In urban and periurban areas, the Department of Lands issued titles for all non-agricultural and non-forest land that had construction on it. The aim was ultimately to extend this initiative to agricultural land (Lastarria-Cornhiel 2006).

1.3 Neither the 1997 Land Law nor the current version of 2003 recognizes communal and customary rights to land. In recent years, the people of Lao have voiced growing discontent with the insecure state of land rights, resulting in protests expressed through the National Assembly that have increased pressure on the executive branch of government to clarify policy on customary rights to land and communal land titling. During the June 2012 session, 70 percent of the hotline calls received by the National Assembly were related to land rights grievances, often involving cases of expropriation with little or no compensation. These matters are now receiving increasing attention in the international media (The Economist 2013). Some progress has been made. Under the Bank-supported Second Nan Theun project, there was a communal land titling component (applied to 16 resettled villages in Khammouane province). Lessons from this project have fed into the debate about land rights in Lao and may ultimately help inform a new national policy that explicitly addresses communal and customary rights.

1.4 The lack of clarity about communal and customary rights helps to explain why land administration projects have largely skirted the issue, focusing on titling land in areas where rights are less contested. From the 1990s until 2009, the World Bank (IDA) and the Government of Australia (through AusAID) supported land administration in Lao, co-financing two land titling projects. Starting in 2005, the Government of Germany (through GTZ—now GIZ) has funded technical assistance for land policy development, contributing to the Second Land Titling Project and remaining engaged in a dialogue on land policy until the present day. Between 1994 and 2010, total commitments from these three sources

designated as bearing on land administration amounted to: Bank, US\$45.7 million; Australia, US\$27.2 million; and Germany, US\$5.8 million (Annex B, Table B3).

1.5 Unlike in neighboring Thailand, the government of Lao PDR has not developed a long-term program of land titling. Since approval of the first Bank-supported land titling project in 1996, government's approach has been: "(a) to start in urban and periurban areas where there was land market activity and high economic growth, and gradually extend titling and registration into the rural areas; and (b) to use the project to generate experience and information on which to base a long-term program that would include the development of the legal and regulatory frameworks and the human resources necessary to implement it" (World Bank 2006:3). However, although preparation of a long-term program was an explicit aim of the first project (1997-2005), when the second land titling project was approved in 2003, the government had still not developed such a program.

2. Objectives, Design, and their Relevance

Objectives

2.1 According to the Project Appraisal Document, "The objectives of the project are to (i) improve the security of land tenure; (ii) develop transparent and efficient land administration institutions at the national and provincial levels; and (iii) improve the government's capacity to provide social and economic services through broader revenue base from property related fees and taxes" (World Bank 2003a: 2). The Development Credit Agreement formulates the third objective in a way that is more evaluable: "The objective of the Project is to support the achievement of the Borrower's economic and poverty reduction goals by improving land tenure security, developing transparent and efficient land administration institutions, and increasing the Borrower's revenues from land-related taxes and fees" (World Bank 2003b: 16). IEG bases this assessment on the statement in the credit agreement. However, the economic and poverty reduction goals referred to in this statement are treated as just that—overarching goals, not specific project objectives.

Geographic Coverage

2.2 For this second project, there was strong demand from provincial governors to expand coverage beyond the area in the first operation, embracing all 17 provinces (and Vientiane Capital City). The Bank judged, however, that the Department of Land did not have the capacity to tackle all parts of the country at once. It therefore decided that the project would consolidate land titling and registration activities in the 8 provinces (and Vientiane Capital City) that had been covered by the first project.¹ "Expansion to other provinces would only be considered once the government completes the needed institutional reform of the Department of Lands and demonstrates that it has the capacity and budget to support systematic registration in a larger number of provinces" (World Bank 2003a:18).

¹The provinces were: Luangprabang; Vientiane; Khammuane; Savannakhet; Champasack; Xayaboury; Borikhamxay; and Saravane.

2.3 At the pre-appraisal review meeting held in April 2003 it was agreed that the project would be limited to urban, periurban and lowland agricultural areas. There was no poverty reduction rationale for this choice. This decision was made in response to concerns expressed at the review meeting that there might not be a strong economic rationale for providing land title in rural areas, and that the interests of ethnic minorities living in rural areas might be harmed by titling. The project team responded that the project would not issue individual titles in areas where ethnic groups exercised communal rights to land. The consultations and community mapping preceding land titling would help to ensure that ethnic interests were respected.

2.4 The aim was to extend titles to 200,000 households, bringing the total number of households having benefited from land titling since the beginning of the program to about 300,000 families.

Relevance of Objectives

2.5 The project objectives were consistent with the development path of the country. After introducing reforms under the New Economic Mechanism in 1986, the government of Lao PDR began a long process of transforming the economy from a centrally planned to a market-oriented system. A major element of the government's policy was the development of efficient markets for land, capital and labor to complement improvements in the capacity of the public sector to both plan and implement development programs.

2.6 The 1997 Land Law created an authorizing environment for the two Bank-supported land titling projects, establishing that all land in the nation is ultimately owned by the state, which in turn grants use rights to citizens, including the right to buy and sell land, and inheritance rights. The same law defined the framework for land administration in Lao, laying the basis for systematic land titling. The Seventh Congress of the Party (2001) highlighted the need to develop the land policy framework as regards land use and land allocation, in particular in agricultural areas. It further emphasized the potential impact of land management in laying the foundation for the country's economic development (World Bank 2003a:8).

2.7 In 2005, the Bank considered progress on land administration to be an important part of its program to support private sector development. According to the FY05 Country Assistance Strategy (which was still current when the project closed in 2009), one of the expected outcomes in four years was improved security of tenure, leading to increased investment (World Bank 2005: 22). The CAS results matrix went into more detail, listing the following expected outcomes: “improved land tenure through strengthened land administration institution; National Land Policy adopted; titles provided within 4 months after adjudication at less than US\$25/title” (World Bank 2005: 58). In striking contrast, the FY12-16 Country Partnership Strategy makes no reference either to land administration specifically, or to land rights and land use planning policy in general, despite (or perhaps because of) the growing controversy about the government’s approach to allocating long-term leases to domestic and foreign investors (World Bank 2012b). A land administration project in neighboring Cambodia had recently prompted an Inspection Panel enquiry related

to a claim that the resettlement safeguard had been violated, helping to explain perhaps why the Bank chose not to extend its support for land titling in Lao.

2.8 The project development objective avoided sweeping claims. At the pre-appraisal review meeting held in April 2003 the project team argued that the proposed project would contribute to economic growth and poverty reduction. They said that the first land titling project in Lao, as well as similar projects in other countries, showed that the poor benefited most from land titling projects because often the rich already had land titles. These claims were not reiterated in the final wording of the project's objectives. Indeed, by focusing on urban, periurban and lowland agricultural areas, the project left out the poorest parts of the country. The social impact assessment carried out when the project was prepared found signs of a widening social and economic fissure between those inhabiting the plains and those in the highlands. Though there had been an expansion of the market economy and improved access in the lowlands in recent years, concurrently there was widespread isolation and consequently increased poverty in many of the remote areas (World Bank 2003a).

2.9 The objectives were congruent with Bank and Borrower strategy but, because they did not seek to increase the tenure security of those outside urban, periurban and lowland agricultural areas (whose needs were greater), and because the target population were simply the easiest to reach (not necessarily the poorest) the relevance of objectives is rated **modest**.

Components

2.10 There were five components. (See Table 1 for the planned and actual costs of each component.)

Component 1: Development of the Land Policy and Regulatory Framework

This component sought to strengthen the government's capacity to formulate land administration and management policies, to facilitate the actual preparation of these policies, related decrees and implementing instructions, and to set up a National Land Information Center (initially focusing on Vientiane Prefecture). The component aimed to build up the newly-created Department of National Land Use Planning and Development, which housed the secretariat of the National Land Policy Committee, an umbrella institution representing each of the agencies involved in land administration and management. The intention was to support preparation of a National Land Policy that would address: (i) land administration; (ii) land allocation and settlement; (iii) land use planning; and (iv) land taxes, fees and valuation. The component financed the recruitment of an international consultant as Land Policy Advisor.

Component 2: Institutional Development

This component supported implementation of a previously-agreed restructuring plan that was intended to strengthen the Department of Land and the provincial and district land offices. This included improved coordination between the central authority and the provinces, recruitment of new staff (mainly in the provinces and districts), and stronger monitoring by the provincial land taxation units. The component also financed training of staff at the center and in the provinces and the strengthening of

human resources management. It supported an educational program in land administration, land management, and property valuation, leading to the High Diploma in Survey and Land Administration, issued by the Ministry of Education's Polytechnic School.

Component 3: Development of a Modern Land Registration System

This component supported the development and application of service standards for land offices, leading to improved work procedures. This entailed investment in staff training, computer hardware and software, and offices and equipment. Particular attention was given to providing better services in the districts. A community education strategy was implemented, coordinated by the provincial land offices. This included provisions to improve outreach and service to women (through the Lao Women's Union), as well as advisory services for land title holders. The component also financed training of land valuers and strengthening of the Valuation Information System. Finally, the component helped increase the capacity of the Department of State Assets Management, the unit in the Department of Land that was responsible for registering leases of state land.

Component 4: Accelerated Land Titling through Systematic Registration

This component provided additional support to community education by financing the community mapping and mobilization associated with systematic registration. Community mapping was used to identify land use rights (including communal rights and the rights of indigenous groups), a prerequisite for deciding whether it was appropriate to issue individual titles. The component supported the work of 22 systematic adjudication teams, financing the aerial photos, maps and Geographical Positioning System equipment they needed to work with.

Component 5: Support to Project Management and Implementation

This component financed provision of technical assistance (particularly by the Australian Agency for International Development), assistance that was essential if institutions were to be strengthened. The advice given included project management and planning, human resources development, community education, surveying, valuation, and monitoring and evaluation. The component also supported selection of areas to be covered by systematic titling, forward planning, and work program preparation. Finally, provision was made for a socioeconomic impact study and development of an M&E system in the Department of Land that would track technical and financial performance and progress toward project objectives.

Relevance of Design

2.11 The project's objectives were supported by, and congruent with, the list of expected outcomes, which included : "reduction in land disputes, increase in certainty and security of tenure, increase in formal land transactions, increase in investment in the property sector, increase in lending using mortgages as collateral, increase in government revenue, [improved] access and impact on women and other vulnerable groups such as ethnic minorities...and [increased] service satisfaction" (World Bank 2003a: 108). The sustainability of this titling initiative presupposed that, once they had received a land title,

owners would be motivated to register all subsequent land transactions; this would require a continuing program of community outreach, accessible offices and affordable fees.

2.12 All project components and activities were necessary, but not entirely sufficient, to deliver these outcomes. The proposed legal and regulatory reforms (Component 1) were needed to improve information about land use planning and land use rights, and to increase the transparency of government decisions bearing on land allocation, including concessions to domestic and foreign investors. The appraisal document could have been more specific about the need to change laws and regulations to protect the rights of titled land owners to fair compensation if their property was compulsorily purchased by government. Weak laws and policies precluded the project from issuing titles in areas under shifting cultivation, in uplands, and in places where ethnic minorities practiced communal systems of land use. This left out a large share of the rural population and a large proportion of the rural poor. The specification of Component 1 could have emphasized the need for legal and regulatory changes to address this issue by clarifying policy, thereby allowing for land administration to encompass marginalized rural areas at a later stage.

2.13 Component 2 made appropriate provision for more and better trained staff in the Land Offices, particularly in the provinces and districts. It committed to recruiting outreach (Community Education and Service) workers to the Survey and Adjudication Teams, help that was needed to inform villagers about the importance of registering land transactions. It supported the development of tax databases in the provincial land taxation units, this being essential to support the objective of expanding the revenue base. The strengthening of the Polytechnic School and the development of a specialized land administration curriculum and diploma were vital aspects of institutional development.

2.14 A first step toward increasing the efficiency of Land Offices was to define service standards that would apply at the center, and in the provinces and districts. Component 3 took care of this need. Arrangements were made to test where land offices were best located to ensure reasonable access and operating efficiency: a decision on whether to provide further support to district offices would be made at mid-term. Component 3 also financed Community Education and Services (CES), including support to the Lao Women's Union and recruitment of female workers—steps that were important to improve services offered to the many female clients dealing with Land Offices.

2.15 Project design with respect to women's needs sought to make up for the failings of the first project. "The Social Assessment Survey (2002) indicated that women had not been able to participate fully in the First Land Titling Project (LTP1) or to understand their rights with respect to land. Noting the importance of the Customer Relations and Services (CRS) component and of the Lao Women's Union in implementing the LTP1 (on the one hand) and the lack of support actually provided to the Lao Women's Union in implementing the CRS (on the other), an improved approach was designed for the Second Land Titling Project; the Community Education and Support (the re-named CRS) actions were to be introduced into all of the project's components" (AusAid 2009:7; Burapha Development consultants 2003).

2.16 Consistent with the expanded role of CES, a special communication strategy would be developed to help create awareness of, and demand for, systematic titling. CES was

needed to help develop a land registration culture, making it more likely that subsequent transactions would be registered. Steps were also taken to shore up the Valuation Information System, expanding the provinces and districts in which it operated. Accurate land valuation was an adjunct to increasing tax revenues.

2.17 But there was a significant gap in the project results chain. No attempt was made to spell out the steps needed to increase tenure security (the project's first objective).

2.18 Based on a standard definition of land tenure security, and recognizing that the precise interpretation of security varies from one context to another (Box 1), IEG deduces that, in the case of Lao PDR, any attempt to increase land tenure security would require :

- Legal recognition both that there is a continuum of rights to land (with varying degrees of formality) and that the same piece of land may be subject to overlapping and conflicting claims;
- A national inventory of all types of land and a commitment to make all land records publicly available and easily accessible;
- A participatory and transparent process for resolving cases where land rights are unclear or subject to competing claims;
- Protection of occupants from forced eviction, with recourse in law for those faced with eviction;
- More cost-effective mechanisms for registering interests in land, with special provision for those (typically, women, ethnic minorities and the poor) who, by virtue of ignorance, powerlessness or insufficient means, are deterred from registering their interest.

Box 1: A Definition of Land Tenure Security

“Security of tenure is the certainty that a person’s rights to land will be recognized by others and protected in cases of specific challenges. People with insecure tenure face the risk that their rights to land will be threatened by competing claims, and even lost as a result of eviction. Without security of tenure, households are significantly impaired in their ability to secure sufficient food and to enjoy sustainable rural livelihoods. Security of tenure cannot be measured directly and, to a large extent, it is what people perceive it to be. The attributes of security of tenure may change from context to context. For example, a person may have a right to use a parcel of land for a 6 month growing season, and if that person is safe from eviction during the season, the tenure is secure. By extension, tenure security can relate to the length of tenure, in the context of the time needed to recover the cost of investment. Thus the person with use rights for 6 months will not plant trees, or invest in irrigation works or take measures to prevent soil erosion as the time is too short for that person to benefit from the investment. The tenure is insecure for long-term investments even if it is secure for short-term ones. The importance of long-term security has led some to argue that full security can arise only when there is full private ownership (e.g., freehold) as, under such tenure, the time for which the rights can be held is not limited to a fixed period. It is argued that only an owner enjoys secure rights, and holders of lesser rights, such as tenants, have insecure tenure because they are dependent on the will of the owner. It is then implied that security of tenure comes only with holding transfer rights such as the rights to sell and mortgage. Equating security with transfer rights to sell and mortgage is true for some parts of the world but it is not true in many others. People in parts of the world where there are strong community-based tenure regimes may enjoy tenure security without wishing to sell their land, or without having the right to do so, or having strictly limited rights to transfer (e.g., transfers may be limited to heirs through inheritance, or sales may be restricted to members of the community).”

Source: Food and Agriculture Organization of the United Nations 2002: 18-19

2.19 The project under review took a less comprehensive approach to increasing tenure security, presupposing that security of tenure could be significantly increased by providing title to a subset of land users (in urban and periurban areas), and by granting only individual titles. The impact on tenure security might have been greater if all land tenure types had been recorded and provision had been made for different types of title (including communal title). Where systematic registration is attempted, ignoring certain types of tenure may make excluded land more vulnerable to invasion by the subset of land users that have received title.² In the present case, leaving out upland and forest areas significantly reduced the scope for strengthening land tenure. When titling projects do not register forest areas, forest land is more likely to be informally occupied and converted to other uses. Experience in other countries³ has demonstrated that if rights to forest land are not titled or registered deforestation is likely to occur. Moreover, even in the territory covered by the project there were gaps. Component 3 made no provision for addressing the needs of ethnic minorities *in the project area*, or the needs of lowland communities where communal land rights existed.

2.20 Given these limitations, IEG rates the relevance of design as **modest**.

² Observation by Mika-Petteri Torhonen, based on experience with land titling in Thailand.

³ For example, Macedonia (Real Estate Cadastre Project).

Safeguards Category

2.21 The project was assigned a safeguard category of B/S2 because it was not expected to have significant adverse environmental or social impacts. The safeguard policies applicable to the project were: Environmental Assessment (OP4.01); Cultural Property (OPN 11.03); Indigenous Peoples (OD 4.20); and Involuntary Resettlement (OP/BP 4.12). A partial environmental assessment was conducted. Other than rehabilitation or construction of Land Offices in the provinces and districts, the project did not support civil works; and buildings were located on land zoned for government use, reducing the likely need for any resettlement. Also, it did not finance conversion of forest land to other uses, resource extraction, industrial production or any other activity that might have damaged the environment. The project did not provide titles in upland areas or areas covered by forest, protected areas or other sensitive natural habitats. Nor did it extend individual title to ethnic minorities, reducing the likelihood that communal land rights might be disrupted. Titling was limited to urban and periurban areas, and lowland agricultural areas adjacent to urban villages.

Design of Monitoring and Evaluation

2.22 It was agreed at appraisal that responsibility for monitoring would be vested in the Planning and Finance Division of the Department of Lands. The project results framework specified a large number of indicators, not all of which were readily measurable and most of which were not linked to targets. No hint was given as to how increased tenure security would be measured. On the other hand, the outcome, “increase in government revenues from land and property taxes and fees,” was easily measurable but had no baseline or target values attached to it. The indicator, “increase in investment in the property sector” assumed that it would be possible to isolate the effect of titling from other factors bearing on investment, such as economic growth and investor confidence that contracts would be honored. Anticipating this, the project design included provision for an impact evaluation to be conducted in the fourth year of implementation (World Bank 2003: 108).

2.23 The Credit Agreement included a covenant stipulating that the follow-up survey to the 2003 socioeconomic baseline study should be delivered by October 2006, thus permitting the project’s impact to be evaluated. This allowed too short a time for results to be realized. (The project was not scheduled to close until June 2009.)

Implementation Arrangements

2.24 Overall responsibility for project implementation initially fell to the Department of Lands, which formed part of the Ministry of Finance. The Director General of the Department of Lands was the Project Director. The project management unit was located in the Planning and Finance Division of the Department of Lands. A central Project Steering Committee (chaired by the Minister of Finance) and the provincial Project Oversight Committees gave formal representation to, and ensured coordination between, the diverse agencies involved in land administration. Specific responsibility for implementing Component 1 lay with the Department of National Land Use Planning and Development, which was located in the Office of the Prime Minister. This newly-formed department was

expected to play a central role in developing land policy, laws and regulations, as well as coordinating land information. Components 2-5 were handled directly by the Department of Lands, in coordination with other institutions: the Polytechnic School (responsible for administering the High Diploma in land administration); the Lao Women's Union (in charge of community education); the National Geographic Department (aerial photography and base mapping); and the Department of State Assets Management (state land registration). The Provincial Land Offices were made responsible for project management, accounting and monitoring in the eight provinces covered by the project.

2.25 The Prime Minister's Decree 67 of May 2005 established the National Land Management Authority (NLMA), which started operating in December 2006 and took over as project implementing agency. This organizational change, which appears to have been politically motivated, was not on the horizon when the project was appraised. (NLMA's predecessor, the Department of Lands, was subsumed within NLMA.) In addition, NLMA took over the functions of the Department of National Land Use Planning and Development and the Department of State Assets Management. A primary purpose in creating the NLMA was to ensure that government would have a single agency advising on land matters, overcoming the former institutional duplications and gaps, and streamlining land administration services. Under the new arrangements, government land policy coordination was assumed by the Cabinet, chaired by the Prime Minister, with the NLMA acting as secretariat. (The Project Steering Committee was dissolved.) In principle, this restructuring raised the political profile of project implementation, and should have been more conducive to the land policy reform contemplated by Component 1. In practice, NLMA remained weak. It had a broader mandate than its predecessor but it was subject to the same staffing and skills gaps, and underfunding by government.

3. Implementation

3.1 The credit was signed on September 4, 2003 and became effective on March 3, 2004. There were two mid-term reviews, the first in May 2006, and the second in December 2007. The project closed, as planned, on June 30, 2009.

Project Financing

3.2 At appraisal, it was envisaged that the project would be co-financed with Australian bilateral aid (AusAID) to the extent of US\$6.8 million; by closing, its contribution amounted to US\$8.2 million. In 2005, the German Agency for Technical Cooperation (GTZ) joined the project, providing a grant of US\$1.25 million for Component 1 (substituting for Bank support).

3.3 Spending on policy and regulatory reform (Component 1) was less than half the expected amount. In contrast, spending on Component 5 (which included monitoring and evaluation) was 50 percent higher than expected, despite the failure to commission the anticipated impact assessment (Table 1); this component—which mainly financed project administration—was costly by any standards, accounting for 49 percent of all project costs at

closing. By comparison, spending on land titling (Component 4) made up only one-third of actual costs. There was a continuing shortfall in counterpart funding. By 2007 (over three years into implementation), the government had paid only US\$11,207 on counterpart funding arrears of US\$304,105. (Expected counterpart funding for the whole project was US\$2.3 million.) The arrears were not cleared until late 2008.

Table 1. Planned vs. Actual Costs

COMPONENTS	COSTS (US\$ millions)	
	PLANNED (AT APPRAISAL)	ACTUAL (AT CLOSING)
1. Development of the Land Policy and Regulatory Framework	3.13	1.48
2. Institutional Development	2.13	1.12
3. Development of a Modern Land Registration System	2.24	2.06
4. Accelerated Land Titling through Systematic Registration	7.98	8.60
5. Support to Project Management and Implementation	8.44	12.64
TOTAL	23.92	25.90

Source: World Bank, 2003a:14 and 2010:35.

Factors Affecting Implementation

3.4 After responsibility for project implementation was transferred to the National Land Management Authority in 2006—a change that the Bank was given no reason to expect—there was an erosion of support for legal and regulatory reform. This loss of commitment emanated from the highest levels of government and does not appear to have been driven by NLMA, whose wide remit would have allowed for adequate implementation of the project if the political will had not evaporated. The National Land Policy Committee was rarely convened. There were delays in preparing the policy studies that were needed to underpin legal reform. Ultimately, thirteen policy studies were completed—thanks to funding and technical assistance from German bilateral aid—but the draft land policy paper had not been submitted when the project closed, partly owing to lack of follow up by NLMA. (Nevertheless, the policy papers provided a wealth of insights about the constraints to land administration in Lao PDR, and were a critical source of evidence for the IEG evaluation). Following the shift of responsibility to NLMA, there was a loss of continuity: officials from the Department of Lands trained under project auspices were switched to non-project activities in NLMA, thereby necessitating the rebuilding of capacity and institutional relationships that had taken many years to develop.

3.5 The budget that government granted to NLMA was insufficient, leading it to rely on project funds to support its operations—including activities outside the remit of the project. Also, the attention of NLMA officials was needlessly diverted to pilot activities outside the project—including a questionable attempt in Sangthong District to use balloons for

surveying, a pilot initiative that sowed confusion about the priorities for, and the approach to, land adjudication. Also, under NLMA, there was a loss of commitment to the community profiling, outreach and awareness-raising activities that were an integral part of the project design.

3.6 Under NLMA auspices, community outreach—a key project component—was starved of budget. As a result, less care was taken in selecting the villages where systematic titling was deemed appropriate and less attention was paid to informing villagers about the importance of registering land transactions. Nineteen of the 27 officers assigned to community education were transferred to other duties; and the staff still working in this area often had to combine these responsibilities with other duties. Agreed budgets for the Lao Women's Union—which was central to community outreach—were often released late, leading it to cancel some of its activities.

3.7 The implementation of systematic land titling sometimes deviated from project guidelines. Rules for site selection were not always observed, owing to weak supervision by the provincial land offices. In aide-memoires, the Bank expressed concern about the distance separating the provincial land offices from many areas where titling was being carried out. Special outreach services were needed for these remote areas to ensure that subsequent land transactions would be registered. Supervision missions encountered repeated reports about the high frequency of informal land transactions, reducing the scope for accurate registration and limiting the recovery of costs through collection of taxes and fees.

3.8 The project became overextended geographically during implementation. The Bank faced continuous pressure from government to expand the area covered, despite the palpable lack of capacity in many of the provincial land offices, and the falling off in implementation standards that occurred when the NLMA replaced the Department of Lands as the lead implementing agency. The project originally covered eight provinces and Vientiane Capital City. The Credit Agreement was twice amended to allow the addition of new provinces. In October 2007, five new provinces were added (Oudomxay, Luangnamtha, Bokeo, Attapeu and Sekong). Expansion of the project to these five provinces had been anticipated at appraisal, but was contingent on implementation progress. NLMA advised the Bank that the government wanted to complete first time land registration for the entire country by 2020. In order to achieve this, the government wanted to expand project implementation to all provinces. At the second mid-term review in December 2007 the Bank stressed that it would only support further expansion (to include the remaining three provinces in Lao: Phongsaly, Huaphanh and Xiengkhuang) if the government was more diligent in conducting the site selection, village profiling and public awareness raising that were essential prerequisites for systematic titling. Although there is no evidence that the government complied with these requests, the expansion went ahead, and in August 2008 the final three provinces were added. However, although some training was conducted in these three provinces, no systematic survey and adjudication was carried out.

3.9 Toward project closing, implementation was hampered by several problems. In January 2009, the Bank reported that there were delays in the procurement of equipment and vehicles, delays in payments to contract staff, insufficient budget provision to the Polytechnic College, together with no available funding to support training and community education.

3.10 Additional financing for the project was initially approved by the Bank but ultimately dropped. The completion report attributes the Bank's decision to a lack of commitment by the National Land Management Authority to respecting existing land rights and "a disproportionate reallocation of resources to some of its constituent units" (World Bank 2010:10). In addition,, the Bank also opposed any extension of the closing date.

Implementation of Monitoring and Evaluation

3.11 The first supervision mission highlighted several weaknesses in the M&E system, shortcomings that it took a couple of years to rectify. Eventually, efficiency increased as processes were computerized; regular reports were produced on project outputs, such as the number of parcels adjudicated per day and the degree of compliance with service standards; and annual work plans were developed and monitored. But there is no indication that monitoring resulted in closer coherence with project rules, such as the criteria for selecting villages to be systematically titled, and the areas within villages that would be given first priority. Also, although monitoring tracked the number of titles issued, it did not report on whether the titled parcels referred to building land or agricultural land. Nor did it map the coverage of titling, making it hard to assess how large an area had been left out, and where titled land was located in relation to roads and other infrastructure. (The cadastral maps were not published, or made available online.)

3.12 Based on a sample of villages, a socioeconomic baseline study was conducted and the results were released in October 2003. The covenant in the Credit Agreement stipulating delivery of a follow-up impact evaluation by October 2006 was not amended, even though it became apparent early on that this deadline was unrealistic. The Bank repeatedly pressed for the impact assessment to be carried out but none had been completed by closing—nor was any such evaluation completed subsequently.

Safeguards Compliance

3.13 In 2006, the mid-term review mission found that the procedures put in place to ensure compliance with the Bank's Policy (OP 4.20) on Indigenous People had not been effective in identifying groups covered by this policy and, as a result, titling had taken place in villages with vulnerable ethnic communities. Titling had been conducted in villages where several communities from different ethnic groups had been encouraged to congregate as a result of government policies on village consolidation and stabilization of shifting cultivation.

3.14 The aide-memoire from the Bank's mission in December 2007 noted that socioeconomic profiling of villages was only being carried out *after* site selection, rather than forming the basis for determining which sites to select. This mission also noted the concerns expressed by the National Land Management Authority and provincial officials about the increasing pressure on land conversion for concessions and leases, pressure that might compromise the project's attempts to increase tenure security.

3.15 In December 2007, a supervision mission reported that the changes in procedures for subsequent registration, and the registration of legal documents in accordance with Article 51 of the Land Law, threatened to undermine transparency and tenure security. Specific

concerns were: (a) a change to the format of the land title certificate, removing the listing of mortgages; and (b) a requirement for contracts of sale, transfers, inheritance and mortgages to be certified by the notary of the province, district or village in accordance with Article 10 of the Law on Contracts (1990).

3.16 The Bank’s final supervision report noted that “transparency” (Objective (ii)) had increased less than expected, citing the uncertainties about how land concessions were awarded to foreign investors, and concerns that land users were not properly compensated when their holdings were expropriated by government.

Fiduciary Issues

3.17 Some financial audits were heavily-qualified. In 2005-06, the external auditors reported that project vehicles did not have up-to-date log books, recording distances travelled, fuel consumed and vehicle servicing dates. When the National Land Management Authority was created, there were gaps in the accounting of project assets (vehicles, motor-cycles and computers) that were transferred from the Department of Lands. Other aides-memoires refer to repeated mistakes in the procurement documents that the government submitted to the Bank, delaying implementation.

4. Achievement of the Objectives

Objective 1: Improve the security of land tenure

OUTPUTS

4.1 The project addressed security through separate components that aimed to strengthen laws and regulations on the one hand, and to title part of the national territory through systematic adjudication on the other.

4.2 Under project auspices, and with technical assistance from German bilateral aid, thirteen land policy studies were prepared, but their contribution to policy reform was limited—the National Land Management Authority did not use their findings and recommendations as a basis for drafting new legislation. In line with a covenant in the credit agreement, a National Land Policy Committee was set up at project startup; but once project implementation was transferred to the newly-created National Land Management Authority, the Committee was dissolved and not replaced by any equivalently consultative institution. Various drafts of a national land policy were prepared during project implementation but none prospered, particularly because these were not based on widespread consultation and, in particular, because they lacked support in the National Assembly. It was expected that a white paper on the National Land Policy Framework would be presented to the National Assembly but this had not happened by project closing—or by the time of IEG’s mission over three years later.

4.3 To the extent that the Second Land Titling Project systematized the documents used to prove the existence of a claim to land, it may have enhanced tenure security. A 2009 study commented on the bewildering variety of land documents:

Practices and even the colors of documents vary from province to province and are subject to vagaries of local government interpretation. In Wapi, for example, between 1991 and 1999 villagers were issued with yellow documents as tax certificates, and these were graded into three types according to distance from the village. This system is different from elsewhere. In Sepone, three wealthier households in one village have bought pink certificates" (Hirsch et al. 2009: 22).

4.4 By September 30, 2009, the cumulative number of titles registered under systematic titling since the initiative was launched in late 1995 was 550,256. Of this total, 395,729 titles had been issued under the second project; the target was 320,000. The aim was to *distribute* titles (i.e. ensure delivery to the owner) on at least 80 percent of the parcels that were surveyed and adjudicated; actual coverage achieved was 93 percent. A separate target was to issue an equal number of titles to men and women. By project closing, 38 percent of the titles issued were in the woman's name and 29 percent were conjugal titles; 23 percent were in the man's name alone. This inclusiveness of women exceeded what has been achieved in many other countries where the Bank has operated: for example, a project in Bosnia and Herzegovina registered only 30 percent of real properties fully or partially to women—compared to 67 percent under the Lao PDR project. (On the other hand, the project's coverage of ethnic minorities is unclear: there is no breakdown of data by ethnic group—there are around 150 ethnic groups in Lao PDR and the non-Lao made up 45 percent of the population in the 2005 population census)

Table 2. Estimates of Eligible Land Remaining Untitled at Close of Adjudication

<i>Province</i>	<i>District</i>	<i>Village</i>	<i>Villagers' estimates of % of eligible land left untitled at close of adjudication</i>
Vientiane	Thoulakom	Thin Kham	10-15% of all eligible land left untitled
	Vienkham	Na Kheua	10-15% of all eligible land left untitled
Luangprabang	Nambak	Phonsavanh	50% of all eligible land left untitled
		Huay Hok	50% of all eligible land left untitled
	Nane	Sibounheung	50% of all eligible land left untitled
Savannakhet	Atsaphongthong	Palao	30% of eligible agricultural land left untitled
Champasack	Paksong	Pak Song	Only residential land titled, all eligible agricultural left untitled
	Champasack	Thangbaeng	Only residential land titled, all eligible agricultural left untitled
	Khong	Ban Muang Senh	<i>All eligible land titled</i>
Borikhamxay	Bolihanh	Simongkhoun	"Some" agricultural land left untitled
		Phousy	98% of eligible agricultural land left untitled
	Thathabath	Oudomxay	70% of eligible paddy land left untitled
		Thouay Baeng	50% of eligible agricultural land left untitled
		Thouay Ngay	60% of eligible agricultural land left untitled

Source: Village Review Survey (Mann and Onevathana 2007a: 34)

4.5 By the end of the second project, the area that had been systematically titled varied substantially between different parts of Lao PDR, according partly to whether the zone in question had been treated under both projects (Annex B, Table B1). There are two aspects to this: first, the percentage of all villages in the province that were included in the project—that is, what proportion of villages were deemed eligible for titling based on the selection criteria (detailed in Annex B, Table B2); second, what proportion of the eligible land in a given village was actually titled. In terms of the first criterion, Vientiane Capital City had the densest coverage (71 percent). For the eight provinces treated under both projects, coverage varied from 18 percent to 56 percent. For the remaining provinces—those added toward the end of the second project—coverage did not exceed 16 percent.

4.6 With respect to the second criterion, there is some survey evidence suggesting that coverage was patchy. In April 2007, a survey of all villages scheduled for titling in the fourth year of project implementation (N=28) included ten villages where the adjudication teams had reportedly finished their work: in nine of the ten villages significant parts of the area eligible for titling had not been titled (Table 2). It is not clear if there was any pattern to the areas omitted—for example, if better-off villagers were more likely to receive a title than the less well-off. Also, there is no indication if the patchy coverage is the result of underestimating the number of parcels that were eligible for titling; given that the appraisal target for titles issued was exceeded by 24 percent, underestimation of the number of parcels was probably a factor.

4.7 The reasons given for non-completion of systematic adjudication included: difficulties of wet season access; staff reductions; insufficient budget (lack of boundary markers); impossibility of completing work by the agreed deadline; unforeseen need to clear unexploded ordnance; households that lacked tax declarations making it impossible to verify ownership; and mistakes in defining the area to be adjudicated—inclusion of land that did not meet the eligibility criteria (for example, land that was at a higher elevation than permitted by project rules).

4.8 The insufficient number of adjudication staff was reason enough to account for the incomplete coverage of eligible land. According to the baseline survey, the average number of parcels owned per household was 2.6, with an average parcel size of 7,152m². The average number of households per village was 211. Thus, the average number of parcels per village was 548. There were 340 villages approved for adjudication in the fourth year of implementation, adding up to 186,320 parcels scheduled for titling. One team was able to title an average number of 3 parcels per day.⁴ There were 100 adjudication teams working for 250 working days per year. Therefore, the titling capacity was 75,000 parcels per year, or 40 percent of the number of parcels scheduled. Faced with this capacity constraint, it appears that the adjudication teams opted to reduce coverage per village rather than cut the number of villages scheduled for adjudication (Mann and Onevathana 2007a: 66). Given this shortfall, it is not clear why the government pressed for, and the Bank acceded to, expansion of the project to include more provinces than envisaged at appraisal—ultimately embracing all the provinces in the nation.

⁴This is low by international standards: ten to twenty parcels per team per day is the norm.

4.9 There is some evidence that land which, according to the selection criteria of the Second Land Titling Project, should have been designated top priority for adjudication was left out at government behest—because this land was scheduled for development by the state and government wished to avoid the higher compensation claims that might result if the land were titled. The 2009 study found this to be true for land in the Sepone special economic zone and, more generally, for roadside locations with the strongest development potential (Hirsch et al. 2009: 22-23).

4.10 The AusAid completion report contained mixed messages on gender achievements under the second project. On the one hand, it observed that, “The objectives for gender equality, however, were only partially achieved. Despite its best endeavors, the Lao Women’s Union has been obstructed and marginalized in its attempts to implement planned and agreed upon activities.” And yet, in the same paragraph, it concluded that, “The outputs of the project, wherever these were discriminated by gender, were generally very satisfactory” (AusAid 2009: 7; see also Figure 1 below). As noted previously, the proportion of titles registered fully or partially in the woman’s name was high by international standards.

OUTCOMES

4.11 The expected outcomes bearing on tenure security were defined at appraisal as: increasing resolution of land-related disputes; equal access of women to land titling; and an increase in the number and size of loans from banks (assuming that land titles would be used to secure loans).

4.12 The 2003 baseline survey examined whether households that had received title were less likely to be involved in land-related disputes than those without title. Irrespective of whether or not they had a title, the great majority of households (89 percent) had not experienced a land-related dispute in the previous 12 months. Of those households involved in disputes, slightly more were in villages where land titling had been completed than in villages outside the project: the average incidence of disputes was 4 per titled village and 3.7 per untitled village (Lahmeyer International 2003). This difference is not statistically significant, suggesting that possession of a land title was not a strong predictor of the propensity for entering into disputes over land.

4.13 If the frequency of disputes over land is a reflection of the level of tenure security then it appears that there is a high level of security in Lao PDR. Only 2 percent of respondents to the 2009 survey reported a land-related dispute in the previous five years (Table 3). While there are documented cases of people losing their land as a result of expropriation by the state or by private companies, it would seem that the proportion of land users who face disputes of this nature is small, based on the 2009 survey evidence. More surprisingly, the frequency of disputes did not vary significantly with land claim status: respondents without a document to back up their claim to land actually reported experiencing proportionately fewer disputes than those who had been issued with a land title, or were in the process of obtaining one. It could be that the untitled are less informed of their rights, or so insecure that they are not willing to initiate a dispute.

Table 3. Incidence of Disputes Over Land in the Five Years before 2009

Percent of respondents (N=720) reporting that in the previous five years there was...	<i>LAND CLAIM STATUS</i>					
	No Document	Land Title (Issued)	Land Title (In progress)	Temporary Land Use Certificate	Land Tax Declaration	Other Document
At least one land dispute	2	14	2	7	15	0
No land dispute	133	872	64	402	682	23
Total	135	886	66	409	697	23
% with dispute	1.5	1.6	3.0	1.7	2.2	0.0

Source: Sacklokham 2012

4.14 Contrary to expectations, the 2003 baseline survey found that land disputes took longer to resolve for land title holders than for those without title; and in the case of disputes over boundaries, intra-household disagreements and environmental disturbance, title holders had a larger share of unresolved disputes than the untitled (Table 4).

Table 4. Time Taken to Resolve Land-Related Disputes in 2003

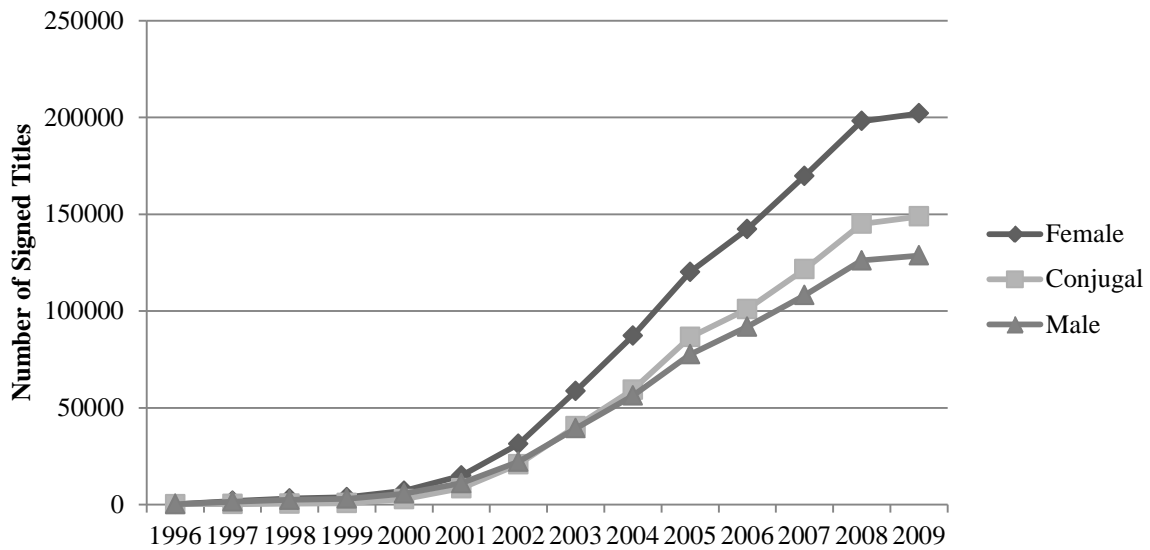
DISPUTE CATEGORY	<i>Time taken to resolve dispute (%)</i>						TOTAL
	1 WEEK	1 MONTH	3 MONTHS	6 MONTHS	>6 MONTHS	NOT RESOLVED	
INHERITANCE CLAIMS							
Titled Villages (N=22)	39.0	4.0	9.0	0.0	13.0	35.0	100.0
Untitled Villages (N=18)	12.0	6.0	17.5	18.0	6.0	40.0	100.0
RIGHTS OF WAY							
Titled Villages (N=22)	30.0	10.0	0.0	0.0	10.0	50.0	100.0
Untitled Villages (N=18)	37.0	0.0	13.0	0.0	0.0	50.0	100.0
LAND RIGHTS							
Titled Villages (N=22)	14.0	9.0	4.0	0.0	9.0	64.0	100.0
Untitled Villages (N=18)	26.0	0.0	0.0	0.0	7.0	67.0	100.0
BOUNDARIES							
Titled Villages (N=22)	33.0	4.0	4.0	12.0	4.0	43.0	100.0
Untitled Villages (N=18)	54.0	7.0	9.0	7.0	0.0	23.0	100.0
INTRA-HOUSEHOLD							
Titled Villages (N=22)	33.0	0.0	0.0	0.0	0.0	67.0	100.0
Untitled Villages (N=18)	50.0	25.0	0.0	0.0	0.0	25.0	100.0
ENVIRONMENT							
Titled Villages (N=22)	20.0	0.0	0.0	0.0	0.0	80.0	100.0
Untitled Villages (N=18)	100.0	0.0	0.0	0.0	0.0	0.0	100.0

Source: Lahmeyer International 2003

4.15 The project did not lead to changes in laws and regulations bearing on women’s tenure security. Before the project, legislation in Laos was, for the most part, gender neutral with respect to land rights. Although the 1997 Land Law did not stipulate rights for women over land, Article 43 stated that the names of the husband and wife must be on the land registration certificate if the land is matrimonial property. It also stated that a husband, wife or children of both sexes may inherit land use rights. Also, Article 17 of the Law on Development and Protection of Women (2004) provided for equal rights of men and women over matrimonial property and inheritance.

4.16 The project target was to issue an equal number of titles to men and women. By closing, the cumulative number of titles registered exclusively in a woman’s name exceeded the number of conjugal titles, which was in turn greater than the number of titles registered exclusively in a man’s name (Figure 1). The balance shifted decisively in favor of women after 2002. Some caveats are in order: the 2003 baseline study found that, in the villages surveyed, titles among ethnic minorities were, at that time, all distributed in the names of the male household head (Lahmeyer International 2003; Mann and Rock 2008). It is not clear how much this was still the case at credit closing.

Figure 1. Gender Distribution—Name on Title under Systematic Land Titling



Source: National Land Management Authority

4.17 Although increased access to credit was not an explicit project objective, the list of project outcomes cited at appraisal included “Increase in formal lending, increase size of loans, and reduction in interest rate” (World Bank 2003: 37). The evidence that land titling increased the use of credit is inconclusive. The 2003 baseline survey found that the titled were more likely to take loans from banks than other sources; but also that banks gave the same number of loans to the untitled as they did to the titled (Table 5). These data are hard to evaluate in the absence of information about how many of the titled and untitled applied for a loan, and without knowing what proportion of applications from each group were rejected. The average loan size for the titled (US\$8,526) was larger than for the untitled (US\$988),

and the term of the loan was typically longer for the titled. Fifteen percent of the titled who received credit used the funds for construction, compared to 7 percent for the untitled; but for both groups the primary use of credit—accounting for 40 percent of the number of loans taken—was for petty trading and handicrafts (Lahmeyer International 2003). On the other hand, the 2003 study also found that, according to the records of commercial banks, persons without land title received, on average, much larger loan amounts than those with title in 1998-2001, although in 2002 the difference between the two groups was insignificant. IEG was unable to find more recent evidence, so it is not possible to say what the position was when the project closed—or whether changes in credit use were driven by the project.

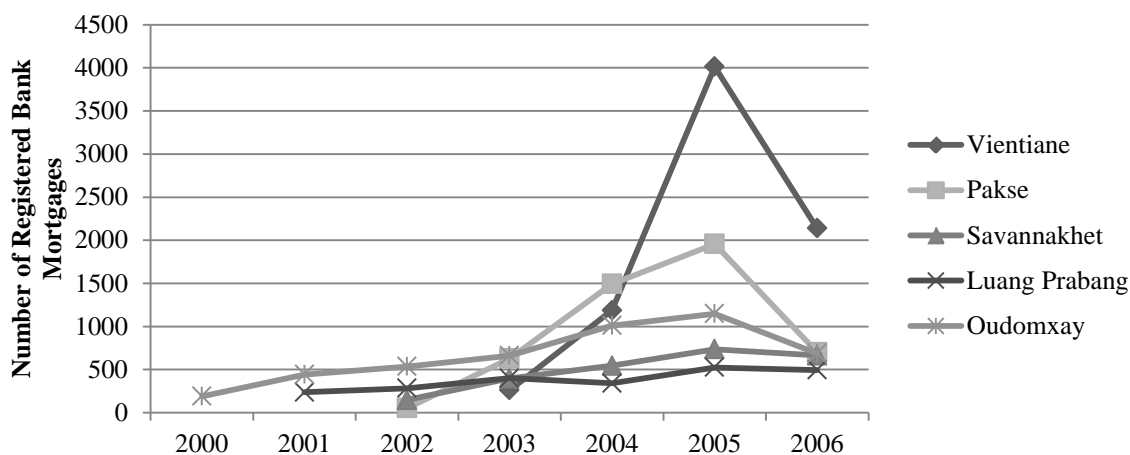
Table 5. Relationship between Titling and Credit Source

Source of Credit	Credit to Persons with Land Title		Credit to Persons without Land Title	
	No	%	No	%
Relatives	5	14.7	21	27.3
Moneylender	6	17.6	33	42.9
Bank	23	67.6	23	29.9
Total	34	100.0	77	100.0

Source: Lahmeyer International 2003

4.18 There has been a steady upward trend in the number of registered bank mortgages in the five main cities of Lao PDR (Figure 3). But the upward trend in 2000-05 was as discernible for Oudomxay as for the other four cities, even though Oudomxay province was not covered by systematic land titling until *after 2007*. It is not clear why the number of registered mortgages dropped so sharply in 2006—whether it reflected a change in the type or accuracy of data recording or a “shock”, such as a policy change or an economic downturn. (IEG was unable to obtain data for the period after 2006.)

Figure 2. Registered Bank Mortgages in Five Cities Covered by the Project



Source: Wehrmann et al. 2006: 33.

Note. The five cities were: Vientiane, Pakse, Savannakhet, Luang Prabang and Oudomxay. The study collected data from Provincial Land Offices, notaries, the Lao Development Bank and the Agricultural Promotion Bank.

4.19 The staff of systematic adjudication teams reported in 2007 that few villagers outside Vientiane Province were interested in taking advantage of bank credit, even though this was accessible in all but one of the 28 villages surveyed (Mann and Onevathana 2007a). Some villages said that a title was not strictly necessary in order to obtain bank credit; but that titles made it possible to obtain larger loans. Contrary to textbook wisdom, a small number of villagers told the IEG mission that acquiring a title would make them *less likely* to request credit because titled land is more valuable (because inheritance rights are more secure), making them more afraid of losing their land to the bank in the event of default. In general—the case of Thailand excepted (Feder and others 1998)—research in various developing countries has found little association between holding a land title and obtaining credit, partly because land registry data is incomplete and because it is expensive (and sometimes politically impossible) for creditors to repossess land in the event of default (Deininger 2013).

4.20 A 2009 study of ten villages in different areas of Laos found no indication that titling had a significant impact on credit use. “The uptake of bank loans on the basis of title as collateral is minimal in the villages studied, and most of those who are using it in this way had taken out loans based on land tax certificates previously. Most farmers simply are not thinking in terms of borrowing to invest in land or of going through the process of accessing bank loans for other productive activities” (Hirsch et al. 2009: 14). The same study also found that villagers were less likely to borrow against residential land than they were against farmland, for fear of losing their house in the event of foreclosure—an observation repeated by other key informants interviewed by IEG. Given the urban and periurban focus of the first and second land titling projects (the high incidence of building land relative to farmland), credit uptake following these interventions may have been correspondingly muted.

Box 2. Land Title Doesn't Always Guarantee Fair Compensation in the Event of Compulsory Purchase: An Example from Luang Prabang

“A proposal for the construction of a large golf course and resort complex in Luang Prabang District, a few kilometers from Luang Prabang city, is having a significant impact on the lives of villagers in Pong Vaang, Xiengkeo, Phonesay and Houay Euad villages. There are a total of 626 families and an approximate population of 3,860 people living in this area. The land area in which the developers are interested is approximately 900 hectares. The collective production land area that will be affected in the four villages is approximately 163 hectares, mainly paddy and orchard lands, *most of which have land titles*. [Italics added.] The land is very valuable because of its close proximity to Luang Prabang. A Provincial Committee has been formed to deal with the approval and development of the golf course and resort complex by the Korean company. The villagers explain that *there have been very few direct consultations between the committee and the villagers regarding acquisition of land and compensation*. [Italics added.] For example, the boundaries of the concession area were marked out by the authorities without village involvement, and there has been little negotiation regarding compensation for categories of land to be resumed [compulsorily purchased], villagers being offered between US\$700 per hectare for irrigated land and US\$600 for rain-fed paddy. Pong Vaang villagers stated that the market price for irrigated paddy is about US\$15,000 per hectare. The people of Pong Vaang and Houay Euad are adamant that they will not be coerced into selling land, as there is little other land available in the area and their livelihood systems will be ruined. On the other hand, some villagers in both Xiengkeo and Phonesay villages have already accepted compensation, which has compromised the position of resistance taken by Pong Vaang and Houay Euad villages. For example Mr. Bountong received US\$140 for 0.40 hectares, Mr. Bounthay who has a land title received US\$180 for 0.30 hectares, Mr. Saen received US\$130 for 0.30 hectares and Mr. Keodeuan received US\$400 for 0.76 ha for which he has a land title...*The company has never held public consultations with the concerned population, and the ‘compensation’ was paid under the condition that those who refuse would lose their rights to their land and to the entire compensation*. [Italics added.] Compensation was paid in sealed envelopes that those who were willing to accept could only open once at home, after giving up their rights by handing in their respective Land Titles. No other measures were prepared, such as resettlement or improvement of life of the resettled population” (pp. 16-20).

Source: Ngaosrivathana and Rock 2007. The villages referred to above were covered by the systematic titling initiative under the Second Land Titling Project.

4.21 As discussed in the section on design relevance, a key aspect of tenure security is protection from forcible eviction. In all countries, states reserve the right to compulsorily acquire land, but this should be a transparent process that offers those affected recourse to the law and reasonable compensation. In Lao PDR, there is some evidence that state-sanctioned actions have displaced people from titled land for the purpose of granting economic land concessions. A 2007 policy study sponsored by the Second Land Titling Project cited examples of properties titled under the project that had been compulsorily acquired without fair compensation (Box 2). (A Bank consultant who had worked on the project told IEG that the findings were correct for Luang Prabang; but it is not clear how widespread such cases of expropriation have been.) Another study reached similar conclusions: “It is increasingly proving that a title does not guarantee any additional tenure security than any other type of land use document in view of compulsory acquisition practices for business and development purposes” (Mann and Onevathana 2007b:11). This clearly casts doubt on any claim that the

project enhanced tenure security. IEG was unable to assess how many cases of this nature bore directly on properties covered by the project.

4.22 Summing up, taking into account the gaps in coverage of land eligible for systematic titling, and also considering evidence on the outcome indicators that the project selected as proxies for tenure security—fewer land disputes, land titled in women’s name, and increased lending from banks—there is no strong indication that the project increased tenure security, or whether increased tenure security, even when achieved, led to increased income and reduced poverty. Achievement of the tenure security objective is rated **modest**.

Objective 2: Develop transparent and efficient land administration institutions at the national and provincial levels

OUTPUTS

4.23 The Land Offices that had been set up in eight provinces and the capital city during the first project continued to operate effectively. Capacity-building was launched in the eight provincial offices added during the course of the second project. The features of a “Model Land Office” were defined, and registration service standards were developed and applied to each of the Provincial Land Offices. Capacity building by the Polytechnic College also met the target. Over 250 students (including 93 women) obtained Higher Diplomas of Surveying and Land Management under project auspices. Australian Aid reported that the support for tertiary education in land administration was extremely effective (AusAID 2009).

4.24 However, there is some evidence of overstretch. A 2007 safeguards review examined how well project implementation was adjusting to the addition of three new provinces. It found that the resources provided for community education and support were less than in the pre-expansion phase when only 8 provinces and the capital city were covered. The project no longer had the means to adequately “inform, consult and ensure participation” in the eligible villages. “Shortage of Community Education and Support (CES) staff is seriously compromising the safeguards framework” (Mann and Onevathana 2007b:11). When project implementation was transferred to the National Land Management Authority in 2006, there was a sharp drop in the number of community outreach workers and the share of these that were women (Table 6).

Table 6. Number of Community Outreach (CES) Staff Up to 2006-07

	<i>Before Transfer to NLMA</i>			<i>After Transfer to NLMA</i>		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Central Unit	4	2	6	2	-	2
Provincial Units (N=9)	9	9	18	4	2	6
Total	13	11	24	6	2	8

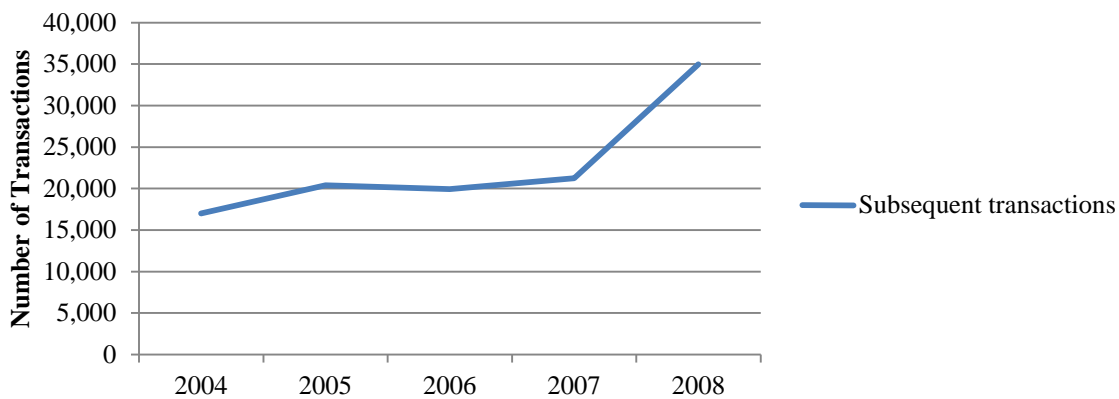
Source: Mann and Onevathana 2007b:39

4.25 It could be argued that community outreach had a critical role in developing a land titling culture in the villages. Once such a culture had developed it was more likely that

villagers who received land title for free under the systematic titling initiative would be willing to incur the expense of registering subsequent transactions.

4.26 In any event, the cutback in community outreach staff does not seem to have affected the volume of subsequent transactions, which increased by 106 percent between 2004 and 2008, exceeding the project's 30 percent target (Figure 4). Not all types of transactions increased. The number of registered sales rose from 0 to 2,687 but registered leases fell from 671 to 98 (World Bank 2010: 16). This may be because those buying land placed a monetary value on formally registering the transaction (a value exceeding the transaction cost) and were willing to pay the associated fees. Landlords and tenants were possibly not willing to bear the transaction cost.

Figure 3. Increase in the Number of Transactions Registered after Titling (All Types)



Source: World Bank 2010: 16

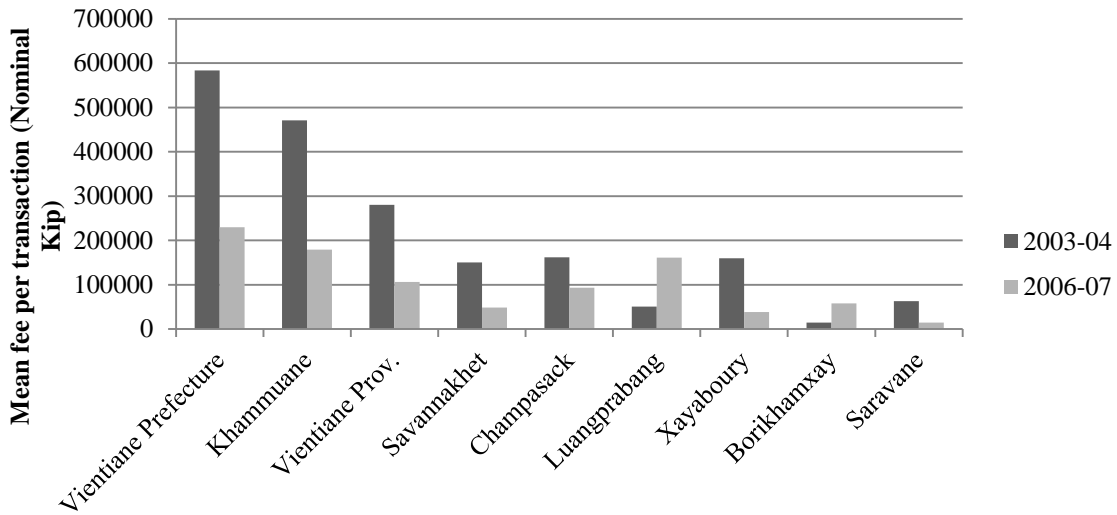
Transaction types include: sale, mortgage, inheritance, transfer, lease, subdivision and consolidation.

OUTCOMES

4.27 A mixed picture emerges on efficiency outcomes. One of the policy studies commissioned by the project found that, between 2004 and 2007, the mean fee for all types of property transactions, averaging across the 9 provinces initially covered by the second project, fell by 52 percent *in nominal terms*, suggesting increased efficiency. However, there was considerable variation among provinces in the mean fee (and fees rose in two of the nine provinces). The most obvious explanation for inter-provincial differences is the variation in property values—indeed, fees in the capital city were much higher than in the provinces (Figure 5). But is this efficient? While land taxes might reasonably be assessed proportional to the property value, a flat (panterritorial) fee might arguably be appropriate for the different transaction fees. Another of the policy studies found that there were significant variations between provinces—and sometimes between offices in the same province—in the fees charged for the same type of transaction. Thus, in Vientiane capital city, the fee for processing a land use sale document was K100,000 at the Ban Sihom office and K30,000 at the Ban Donkoy office; and in Luang Prabang the fees for this transaction were K5,000 at Ban Don Kao, K10,000 at Ban Xiengmouane and K20,000 at Ban Phone Heuang (Wehrmann et al. 2006: 35). The authors of this study note that “the system of taxes and service-related fees is very complex which leads to reduced transparency and favors corruption. The absence of posters

and other information on fee-related announcements in the Provincial Land Offices reduces transparency...too many transactions are conducted informally to avoid high transaction costs. This has a negative impact on overall tenure security” (Wehrmann et al. 2006: 10).

Figure 4. Variations in the Mean Fee per Property Transaction



Source: Ngaosrivathana and Keomanivong 2007

4.28 Using another metric, during the span of project implementation, there was no significant increase in the efficiency of land administration in Lao PDR. This is documented by the annual world-wide Doing Business survey, which includes a module on property registration, taking a warehouse in a periurban area as the reference transaction (Table 7). The project closed in June 2009. The steep drop in the number of procedures and the time taken to register property did not occur until 2011 (although there was a slight drop in the cost of registration in the last year of the project). Obviously, the observed improvement may have been a lagged response to changes brought about by the project. However, neither the Bank completion report nor the Australian Aid completion report cited the Doing Business data, nor did they discuss the project actions that may have resulted in the aspects of improved efficiency measured by Doing Business. There may have been some grounds for this omission, based on limitations of the Doing Business data. To facilitate comparison between countries, these data consider just one type of transaction—registration of a warehouse in a periurban area. Also, they give only mean values for time taken and costs; these are hard to interpret without knowledge of the range. Finally, it is unclear if interview respondents took account of bribes when estimating the cost of registration.

Table 7. The Efficiency of Property Registration in Lao PDR, 2005-13

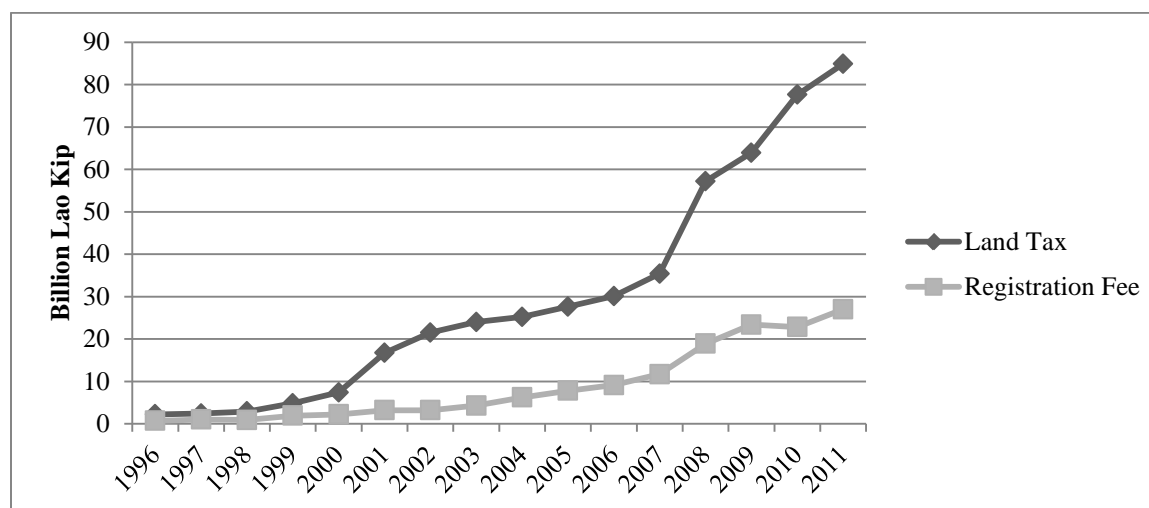
	<i>Procedures (Number)</i>	<i>Time Needed (Days)</i>	<i>Cost (% of property value)</i>
2005	9	135	4.2
2006	9	135	4.2
2007	9	135	4.2
2008	9	135	4.2
2009	9	135	4.1
2010	9	135	4.1
2011	5	98	1.1
2012	5	98	1.1
2013	5	98	1.1

Source: World Bank 2012

4.29 Achievement of the second objective is rated **modest**.

Objective 3: Increase the revenues from land-related taxes and fees

OUTCOMES

Figure 5. Revenues from Land Tax and Property Registration

Source: Ministry of Natural Resources and Environment

4.30 The revenues from land taxation have risen, growing at a faster rate after 2006 (Figure 6). Titling probably contributed to the increase in tax revenues, but it was not necessarily the main driver. After the systematic titling survey, the dimensions of properties were better documented than previously, making it harder for land users to underreport the area on which they paid tax. The increase in tax revenues was also caused by the increase in land values, driven in part by the shift of people from countryside to town and the growing influx of foreign investment. Speculation has pushed up property values. “In the case of Vientiane and some of the rapidly developing provincial towns such as Pakse, Luangprabang and Oudomxay, speculative land purchases have been reported. Government staff possessing insider knowledge on new road development projects or the location of new industrial zones

based on urban planning either purchase land themselves or provide the information to potential investors in order to take advantage of booming land prices in these zones” (Chanthasay et al. 2005: 9). IEG was unable to obtain the data on the number of people paying taxes and the increases in land values. The ideal would be to control for the increase in land values in order to assess the residual increase in tax revenues attributable to the increase in the number of people paying taxes (an increase that may plausibly be attributed to the effect of titling).

4.31 According to a land policy study completed under project auspices, infrastructure development exerted a bigger upward pressure on land values than titling: “titling by itself does not lead to increased land prices” (Wehrmann et. al. 2006: 9). Another study of ten villages throughout Lao PDR found that no strong evidence that titling served to push up land values:

“In Luang Prabang, there has been a rapid rise in land purchases in the village on the opposite bank of the river and in other surrounding areas, but this is reported not to discriminate between titled and untitled villages. In general in the surveyed villages, though, once title has been issued, titled land is more expensive than land with tax certificates only, although it is not possible to determine the premium on title. Infrastructure and accessibility are more important than title in determining land values, evidenced by information from villagers that, given the choice between roadside land without title and less accessible land with title, the former would have higher values” (Hirsch et al. 2009: 19).

4.32 In relation to GDP, land revenues (from land taxes, property fees and other sources) remained fairly constant, rising from 0.1 percent to 0.2 percent between 1996 and 2011. But, as a share of the total tax take, there was a sharp increase in recent years: rising from 0.5 percent in 2006 to 4.4 percent in 2011. AusAid estimated that in FY12-13 the government will generate over US\$8.5 million from land transactions, compared to less than US\$0.7 m in 2004-05 (AusAID 2009).

4.33 Based on trends in revenue collection from land, the government’s capacity to provide social and economic services was enhanced, although probably for reasons (rising land values) that were not driven, first and foremost, by the project. It might have been appropriate to earmark some proportion of the revenue increment for spending on land administration itself (thereby creating an incentive for the concerned agencies to increase the efficiency of revenue collection). It seems, however, that the government made no such allowance for earmarking. The Bank observed that “a portion of land tax revenues, between 4 to 60 percent, depending on the area [*note the spread*], remains at the village level, where 60 percent is used to pay the salary of the tax collector and the remaining 40 percent is used to finance administrative expenditures of the village. The district’s share is transferred to the district’s Finance Office with supporting documentation from the district Land Management Authority. It is used mainly to pay for recurrent expenditures, including salaries and operational costs” (World Bank 2010: 20).

4.34 Given that tax revenue increases were driven by several factors and that with the available data it is impossible to establish attribution to the project, IEG rates achievement of this objective as **modest**.

5. Efficiency

5.1 At appraisal, the estimation of benefits was based on expected increases in the price of urban land covered by systematic titling; periurban areas and agricultural lowlands were also covered by the project but were excluded from the economic analysis. Since it was not known what proportion urban land represented of all the land scheduled for systematic titling, the implication of this exclusion for the accuracy of the net benefits estimate is unclear. By project close, this position had not changed—there was still no information on how titled land was distributed between urban, periurban and lowland areas.

5.2 Using the increase in land prices as a proxy for the benefits accruing to land titling is standard practice (Pagiola 1999; Feder and Feeny 1991). However, to attribute the increase in land prices to land titling requires a comparison between the change in the price of titled land with the change in the price of otherwise identical land that has not been titled. Such comparative data was not presented either at appraisal or at completion. There is a further caveat. The increase in land price alone may or may not be associated with a broad-based rise in incomes and employment: if land is purchased for speculative purposes and is not fully employed, the price increment will largely be captured by the speculator. An economic rate of return (ERR) estimated solely on changes in the land price may overvalue the net benefits from the perspective of society as a whole.

5.3 At appraisal it was assumed that the titling of urban land would lead to a 15 percent increase in land prices over the course of five years, after which prices would remain constant. This was estimated to yield an ERR of 21 percent. At completion, the approach taken was to assume that an ERR of over 12 percent was needed to make the project economically viable, and then to ask how many land titles needed to be issued, and by how much land prices needed to rise as a result of titling, to cover the project cost—after an assumption was made about the average price of land *without* title. “A conceivable 4.8 percent one-time increase in land value adjusted for inflation coming from titling 395,279 titles [the actual number of titles issued and registered under the project] would lead to an ERR above the threshold ERR of 12 percent” (World Bank 2010: 51). The completion report stated that land prices during project implementation increased by much more than 4.8 percent—therefore, the project was economically viable. Data from a source other than the completion report confirm the stratospheric increase that took place during part of the implementation period (Table 8).

Table 8. Increases in the Price of Land, 2000-05

SITE	<i>Price per m², Lao Kip</i>		<i>Average annual increase (%)</i>	
	2000	2005	LAO KIP	US\$
Oudomxay (area of new market)	30,000	200,000	133	100
Luang Prabang (residential area)	100,000	400,000	80	61
Luang Prabang (city center)	50,000	300,000	120	91
Luang Prabang (periurban area)	20,000	130,000	130	99
Pakse (area of market)	600,000	1,300,000	43	33
Pakse (periurban area)	12,000	50,000	83	63
Sekong (urban)	15,000	40,000	53	40

Source: Chanthasaly et al. 2005: 17

Note: The difference in the average annual increase reflects the 33 percent depreciation of the Lao Kip relative to the U.S. dollar between 2000 and 2005.

5.4 But this approach to estimating project benefits is of questionable merit, as a recent Bank report on Lao PDR appears to concede.⁵ Based on anecdotal evidence, various studies have argued that land prices in Lao respond more to the prospect of infrastructure development than to titling (Hirsch et al. 2009; Wehrmann et al. 2006). Moreover, the 2003 baseline study showed that price trends for titled land under the *first* project were not consistently different from trends for untitled land (Table 9). In the villages where survey and adjudication were scheduled but had not yet been completed, only 27 percent of village headmen reported that land prices had increased for titled land, compared to 61 percent of village headmen reporting that land prices had increased for untitled land. The same survey also found that increases in land rents were not consistently higher for titled relative to untitled land. Given that there was no follow-up to the 2003 survey it is impossible to know if this outcome also applied to the second project. But there is corollary evidence that the return to land titling may have been smaller than expected. Data already presented in this report (see Figures 2 and 3 above) have cast doubt on whether titles resulted in a significant increase in access to bank credit, another common measure of titling's impact.

Table 9. Land Price Trend under the First Titling Project (1997-2003)—Assessment by Village Headmen

	<i>Villages Already Adjudicated</i>				<i>Villages Not Yet Adjudicated</i>			
	TITLED LAND		UNTITLED LAND		TITLED LAND		UNTITLED LAND	
Land Price Trend	N	%	N	%	N	%	N	%
Increase	18	81.8	6	60.0	6	27.3	11	61.1
Decrease	0	0.0	0	0.0	2	9.1	0	0.0
No change	1	4.5	2	20.0	11	50.0	5	27.8
Don't know	3	13.6	2	20.0	3	13.6	2	11.1
Total	22	100.0	10	100.0	22	100.0	18	100.0

Source: Lahmeyer International 2003

⁵ "Attribution of increases in land values due to land titling alone, without considering other factors, may be flawed" (Lao PDR Stocktaking, in World Bank 2012c).

5.5 Several factors raise doubts about the efficiency of resource use under the second project. First, the target of issuing 320,000 titles was exceeded by a somewhat larger proportion (24 percent) than the proportionate increase in the cost of systematic titling (21 percent), based on the expected and actual costs of Component 4. On the other hand, there are no data on the number of hectares covered by the project, nor on the total number of parcels eligible for systematic titling. If the bar was set low at the outset—if the target was significantly lower than the actual number of parcels in the zone covered, exceeding the target would not necessarily point to satisfactory coverage, particularly since “systematic titling” connotes universal—or near universal—coverage. There is at least one study that found substantial gaps in the coverage of titling in villages where adjudication had been declared complete—with 10-50 percent of all eligible land left untitled, and with even higher proportions of agricultural land omitted (Mann and Onevathana 2007a; see Table 2 above). The output evidence already presented—which includes reference to budget shortfalls, staffing cutbacks, delays in paying staff—coupled with the references in safeguard reports to non-compliance with rules for village selection, casts further doubt on the efficiency of the survey and adjudication process. Project resources were arguably overstretched—the government pressed to include more provinces and yet in the last three provinces (added in 2008) no titles were issued before closing.

5.6 The rise in government revenues resulting from increased land taxes and fees from land transactions exceeded targets. But these data are hard to interpret without information on the cost of collecting the revenue—not reported at completion. One of the policy studies produced under project auspices found that, in 2003-04, it cost US\$1.3 million to collect US\$2.7 million in land taxes—roughly 50 cents for every dollar collected. The study reported that, in the “developing world” it would be reasonable to expect collection costs to be equivalent to 5 percent of revenues—in the United Kingdom the proportion is 2 percent and in Sweden it is 1 percent (Keith et al. 2006: 15). The same report concluded that the fees charged for land registration were “not greatly excessive,” but it was unable to find the data needed to estimate how the cost of systematic titling differed from sporadic (on-demand) titling; it is the sporadic titling cost which will influence whether transactions *subsequent* to systematic titling are registered—which is key to the sustainability of the overall investment in land registration. The completion report presented data showing a substantial increase in subsequent transactions (see Figure 4 above) but this is hard to interpret without information about what proportion these transactions represent of all land transactions (many of which may go unregistered).

5.7 In light of the incomplete evidence, and the mixed picture emerging from the limited data that do exist, IEG rates efficiency as **modest**.

6. Ratings

Outcome

6.1 The project development objectives were still relevant to the strategy of the Borrower and the Bank at the time of project closing (although, by the time of IEG’s mission three

years later, the Bank had withdrawn its support for further land titling). The project did not address the core problem of tenure insecurity and the beneficiary population was not the most tenure insecure. Thus, design relevance was modest. Although the proposed mix of components and activities was adequate to achieve the objectives, the results chain did not spell out how tenure security would be increased. Therefore, the relevance of design is rated modest. Although titling targets were amply exceeded, the achievement of each of the three objectives is rated modest, because it was impossible to assess the difference in development outcome between land that was titled under the project and land that was not titled. With respect to the first objective, if the incidence of land disputes and access to bank loans are taken as proxies for tenure security, the evidence does not show that titling made a difference. Moreover, the documented cases of titled landowners receiving inadequate compensation when their properties were expropriated, suggests that land tenure is not fully secure. The second objective of increasing the efficiency of land administration was compromised by staffing cutbacks (particularly for community outreach services) and the data on land transaction fees and processes do not show that efficiency improved in the course of project implementation. The third objective of increasing revenues from land taxes and fees was achieved, driven by increases in land values; but it is not clear that the rise in land values was, first and foremost, the result of titling, and, moreover, net gains in revenue were probably low by international standards because there is some evidence that administrative costs were abnormally high. Efficiency was modest because there is no hard evidence that the observed rise in land values was primarily attributable to titling and the indicators of registration efficiency did not improve under the project, as noted.

6.2 IEG rates outcome as **unsatisfactory**.

Risk to Development Outcome

6.3 When the project closed in 2009, the Bank and the co-financier, AusAID, separately acknowledged the significant risk that project investments would not be sustained now that both donors had decided not to continue funding land administration in Lao PDR (World Bank 2010; AusAid 2009). In the first place, in the absence of donor funding, government funding was inadequate to maintain the structure that had been built. Staffing was substantially reduced: there were 4,700 vacancies, amounting to 85 percent of the planned complement of roughly 5,600 staff (AusAID 2009:7). Contract employees that had been financed by the project were the first to be laid off, reducing the capacity for registering subsequent transactions, particularly in the provinces. According to one estimate, the expected shortfall in the registration of subsequent transactions made it likely that in the space of seven years half of the land registration records would be obsolete (Keith et al. 2006). This was partly the result of a marked erosion of government support for the community outreach component of the second project.

6.4 More recently, the government has delivered mixed messages about its commitment to land administration. On the one hand, the official position remains that the aim is to title the entire country by 2020—an estimated 1.6 million parcels of which roughly 550,000 were titled under the first and second land titling projects. This is unrealistic given the budgetary constraints. On the other hand, towards the end of the second project, the government sent signals that more titling was *not* the first priority:

“It became very apparent during the final year of implementation of the Second Land Titling Project, and especially for the consideration of possible Additional Financing, that National Land Management Authority wished to change the focus of the project from land titling to land classification and completion of a national master plan, prior to undertaking land titling. The Bank’s concern was that this would lead to requiring a regularization of existing land use to the new land classifications, which could undermine long-established possessory rights. Such concerns are especially relevant given the growing pressures from foreign direct investment involving land development, where land classifications may be changed to meet the needs of investors; and land owners without formal title would receive no compensation for land that was acquired using public powers of land acquisition.⁶ In addition, even those that have title may have their land compulsorily acquired with inadequate compensation” (World Bank 2012c: Annex 1).

6.5 The National Land Management Authority was disbanded in July 2011, responsibility for land administration being assumed by the Ministry of Natural Resources and Environment. IEG was unable to obtain data about the budget of the new agency but the impression received was that operations remain severely constrained. Land offices visited in Bolikhamxay, Luang Prabang and Pakse were not well equipped.

6.6 Shortly after project closing the Bank prepared an informal discussion paper on land policy with the Ministry of Investment and Planning (World Bank and MIP 2011). This paper focused exclusively on the matter of concessions, offering no guidance on the overall framework of land administration, including the day-to-day business of registering transactions in land. As the final sentence of the above quotation acknowledges (and as Box 1 in this report confirms), some of the titling work done under the second project was being undone as title holders have had their land compulsorily taken away without adequate compensation.

6.7 Land use planning decisions are only partly determined by central government and donor strategies. The central government and its agencies sketch out the broad strategic outline but actual outcomes are often based more on semi-autonomous initiatives by provincial and district authorities (Li 2005). “Central decisions are systematically negotiated and reinterpreted at the provincial, district and local levels” (Lestrelin et al. 2012: 597). Nowhere is this more clearly illustrated than in the policy on land concessions: despite central government moratoria on the granting of land leases to investors, local authorities have continued to grant concessions.

6.8 In any event, pursuing further titling in the absence of a clearly defined policy and regulatory environment and a sounder governance framework presents serious risks, as the Bank implicitly acknowledged by refusing to approve further financing for land administration. Also, the Bank is no longer an active player in the land policy dialogue in

⁶ According to a recently released inventory, over 2,600 land lease and concession agreements have been granted in Lao PDR, covering 1.1 million hectares, or 5 percent of the territory. Today, one out of five villages in the country is affected by these investments. They exceed the area used for wet rice production (Schonweger et al. 2012).

Lao PDR. At the time of the IEG mission in December 2012, Germany was taking the lead on policy dialogue. This builds on the series of thirteen land policy studies that were produced with German co-financing under the auspices of the second project. But, considering that these thirteen papers did not lead to the expected policy reforms, this is a rather small legacy for an investment of almost US\$80 million—the combined amount committed to land administration by the Bank, Australia and Germany in 1994-2010 (Annex B, Table B3).

6.9 IEG rates risk to development outcome as **high**.

Bank Performance

QUALITY AT ENTRY

6.10 The project objectives were closely aligned with Borrower and Bank strategy. The development objective statement in the appraisal document was suitably cautious, not promising to reduce poverty. The mix of components was, for the most part, appropriate to achieving the objectives. The criteria for defining which parts of each province would be eligible for systematic land titling were set out in training manuals developed to support safeguards implementation (Annex B, Table B2). Risks were accurately identified. The appraisal document made it clear that the geographic scope of the project would only be expanded if there was sound implementation in the provinces already chosen for coverage. Compared to the first titling project, more attention was paid to realizing equitable access to land administration services for men and women, and more provision was made for community outreach.

6.11 Limiting the project's scope to urban, periurban and lowland areas amounted to "pursuing the low hanging fruit": this approach was taken because it was perceived as the easiest option. It did not mean that the tenure security needs of the population in these areas were greater than those in other areas; nor were the poor targeted by this approach. During preparation, the Bank recognized that additional policy dialogue and an agreed National Land Policy Framework were needed before land titling efforts could proceed in all rural areas, especially those under complex systems of traditional land use rights, including shifting cultivation and communal land ownership. Due attention was given to securing cross-sector coordination by setting up a Project Steering Committee and a National Land Policy Committee that represented the various government agencies involved in land use planning.

6.12 Provision for monitoring and evaluation was sketchy. While the support for an impact assessment was appropriate it was ill-advised to schedule it for mid-way through implementation when project results would only be partially realized. There were too many covenants in the Credit Agreement, some of them ill-advised. For example, it was required that the National Assembly formally adopt the National Land Policy Framework that the project would elaborate—a condition that lay outside the control of the executive arm of government or the project implementing agency.

6.13 Recent experience in Bank-supported land administration projects around the world suggests that work on policy and regulations is best tackled by providing technical assistance *before* an investment project is launched. Given the complexity of land administration institutions, a five-year project span is too short for developing a policy and regulatory framework in parallel with land titling.

6.14 Quality at entry is rated moderately satisfactory.

SUPERVISION QUALITY

6.15 The project was supervised by three task team leaders. Between March 2005 and March 2007, supervision intensity dropped to one mission per year. This was a critical period, coinciding with a change in project implementation responsibility from the Department of Lands to the National Land Management Authority (NLMA). Closer Bank engagement was probably needed at this time because, with the switch to NLMA there was an erosion of government support for the project objectives, and project funds began to be diverted to support the day-to-day running of the new agency.

6.16 Supervision reporting was candid. Between June 2005 and August 2008 both the development objective and the implementation progress rating remained at moderately satisfactory.

6.17 There were two mid-term reviews, the first in May 2006, and the second in December 2007. Neither of these two reviews resulted in decisive action by the Bank in response to weak implementation and weak progress toward achieving the development objectives. Following recommendations made at a National Land Conference in May 2007, the government requested that the project be extended to the whole country and the Bank went along with this even though progress on policy reform had stalled and capacity building was stymied by the lack of counterpart funding. This was contrary to the terms of the risk mitigation plan prepared at appraisal, which stipulated that “the project will be scaled back if commitment to reforms flags” (World Bank 2003a: 33). Also, the project team deferred the necessary rescheduling of the impact assessment, apparently waiting for additional financing to be approved; when Bank management decided against additional financing, plans for the impact assessment were dropped.

6.18 After March 2007, supervision intensity was stepped up. The monitoring of safeguard compliance was well staffed and particularly thorough. The evidence that site selection criteria were not always being observed and growing concerns about unfair compensation of title holders whose land had been expropriated should have helped persuade the Bank not to accede to government’s request to expand the geographic scope of the project. On the other hand, the task team leader at closing took the initiative to launch informal analytic work on the growing problem of land concessions.

6.19 Supervision quality is rated moderately unsatisfactory.

6.20 IEG rates overall Bank performance as **moderately unsatisfactory**⁷.

Borrower Performance

GOVERNMENT PERFORMANCE

6.21 Government proved unwilling to commit to a long-term program of land administration and did not provide the budget needed to cover the recurrent cost of the various land offices. It pushed to expand project coverage to all provinces even though this meant that resources were spread too thinly to be effective. There were longstanding delays in counterpart funding that were not resolved until 2008. Several legal covenants in the credit agreement were not complied with. Under project auspices, thirteen policy studies were financed by GTZ, but there is no evidence that these were used by the government to inform legal and regulatory reform. Coordination between the various line ministries involved in land use planning was limited; and coordination between the center and the provincial governments was weak. The government did not fully implement Decree 192 which called for adequate compensation to title holders whose land was compulsorily purchased by the government. In this respect government has not demonstrated its full commitment toward honoring the half million or so land titles issued under the two projects supported by the Bank.

6.22 Government performance is rated unsatisfactory.

IMPLEMENTING AGENCY PERFORMANCE

6.23 Implementation by both the Department of Lands and its successor, the National Land Management Authority, was uneven. Financial management and procurement were not well handled and several audits were heavily qualified. Community outreach was cutback, making it harder to embed a culture of land registration in the villages. The impact assessment was shelved, making it impossible to reach any firm conclusions about the difference made by the project.

6.24 Implementing agency performance is rated unsatisfactory.

6.25 IEG rates overall Borrower performance as **unsatisfactory**.

Monitoring and Evaluation

6.26 M&E is rated **modest**. Design was sketchy and included an unrealistic commitment to assess impact by mid-term. Implementation was uneven, with little evidence that monitoring findings were used to support management decision-making. Although a baseline survey had been conducted in the last year of the first project (2003), the expected follow-up survey never materialized, partly because the M&E unit did not make a sound enough case

⁷ According to the IEG/OPCS harmonized project evaluation criteria, when the rating for one dimension is in the satisfactory range while the rating for the other dimension is in the unsatisfactory range, the rating for overall Bank Performance depends on the Outcome rating.

for it, and the Minister deemed that the cost was not justified. This means that there is little evidence on which to base a decision about scaling-up.

7. Lessons

7.1 ***If the government is not willing to commit to a long-term program of land administration and to allocate the necessary budget, the benefits from land titling projects may not be achieved or sustained.*** In Lao PDR, land registration became donor-dependent. The importance of a program commitment was recognized in the completion report for the first land titling project. Nothing changed with the second project. Now that the two main donors (the Bank and AusAID) have withdrawn, there are concerns that the capacity created by the two titling projects may not be consolidated. The creation of an omnibus land agency—the National Land Management Authority—did not lead to increased efficiency because the new structure was understaffed and underfunded, and ultimately disbanded and replaced by the government.

7.2 ***In a country like Lao PDR where there is little or no transparency in reviewing the status of land rights and limited enforcement of these rights, the security offered by land titles will always be qualified, and the scope for expropriation in the interest of the “public good” is likely to be substantial.*** In no country does possession of a land title guarantee uncontestable right to the land; governments retain the right of eminent domain and may reclaim land from owners if this is deemed to be in the public interest. But there are large variations between countries in the security of tenure attaching to possession of a land title. In Lao PDR, systematic land registration is a highly qualified process. When governments—provincial as much as central—deem that the public benefits accruing from economic growth trump private or communal rights to land, and are willing to allow outside investors to compulsorily acquire (or seize) land without transparent review or fair compensation, the integrity of land registration is called into question.

7.3 ***The Bank’s decisions to support land administration interventions should not be made without a full appreciation of the broader political context in which land rights are defined.*** Land administration projects often require a decision to be made about whether to proceed with systematic titling while there is uncertainty about the location and extent of areas that might subsequently be claimed by the state for reasons of the public good; or whether to complete land use classification and zoning before systematic titling is launched. In Lao PDR, with the strong support of government, the Bank chose to press ahead with titling well before there was an inventory of the different claims to and uses of land. Midway through the second project, the government appeared to change direction, sending signals that classification should now take precedence over titling. There was a concern that this reversal might allow government to arbitrarily reclassify land that individuals or communities had occupied for many years.

7.4 ***It may prove more effective for policy reforms and regulatory changes to be completed before a campaign of systematic land titling is launched.*** In Lao PDR, the lack of clarity in the policy and regulatory framework took longer to resolve than the five years allotted for the investment project. It may have been more appropriate to tackle policy and regulatory matters through a technical assistance project before investing in land titling.

7.5 *Systematic land titling does not necessarily ensure a significant and sustained increase in tenure security in the absence of impartial and efficient enforcement of the new land titles.* Tenure security means that claims to land are documented and protected by the state. In Lao PDR, the incremental benefit from systematic titling was possibly not that great. First, before systematic titling, land tax declarations were widely used to document land claims and were often accepted by banks as adequate security for loans. Second, the first and second projects deliberately avoided upland areas where, owing to the prevalence of shifting cultivation and the overlap of communal and individual claims to land, there was greater uncertainty about land tenure. Once titles had been issued under the projects there was the possibility that subsequent transactions would not be registered, rendering the database obsolete in a relatively short time. This was always a risk given inadequate government funding for the infrastructure of land administration, and more specifically, given the scaling back of community outreach initiatives intended to increase the public's awareness of, and access to, land registration services. Finally, irrespective of the guarantees provided by laws and regulations (incomplete in the case of Lao PDR), there are concerns that government will not always provide adequate recognition of the rights of the titled, or ensure fair compensation in the event of compulsory acquisition. This is all the more likely in a country where central, provincial and district governments do not always act in concert, each exercising discretionary powers in responding to the opportunities offered by domestic and foreign investors wishing to develop land.

7.6 *It is always important to probe just how "systematic" it is feasible for land titling to aspire to be, and to recognize that meeting or exceeding titling targets does not necessarily mean that the process achieved full coverage of parcels eligible for systematic titling.* In the absence of an inventory of parcels, any estimate of the number of parcels to be titled is necessarily approximate; by the same token, target setting and the reporting about the extent to which targets were achieved needs to take into account information gaps about the universe that is scheduled for titling. Systematic titling proceeding "block by block, section by section and district by district" (Addai et al. 2011) was never contemplated in the first and second land titling projects in Lao PDR. To begin with, the process excluded people without an existing documented claim to land; and it was also limited to urban, periurban and lowland areas. These limitations were explicitly acknowledged in the project design and, from the standpoint of operational feasibility, they can be defended. On the other hand, the village profiling that was needed to decide which areas would be eligible for titling was not always carried out before titling areas were designated; and there is survey evidence to show that a significant part of the designated areas had not been titled by the time survey and adjudication work was declared to be complete.

7.7 *The increase in land values is not a sufficient indicator of the benefits resulting from a land titling project.* Land prices are driven by a variety of factors, including economic growth, government policies that influence the rents derived from land, and speculative investments. In Lao PDR, a simplistic assumption was made that rising land prices were sufficient evidence of the benefits to land titling, without adequate consideration of the counterfactual. In appraising a land titling project, it is important to establish the relative weight of the diverse factors underpinning land values. To do this effectively, a systematic comparison needs to be made between the development outcomes experienced by title holders and by holders of land of comparable characteristics that has not yet been titled.

A panel study is indicated, involving a baseline survey, conducted before the project becomes effective and a follow-up survey, conducted once titling is well advanced.

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Annex A. Basic Data Sheet

LAO PDR, SECOND LAND TITLING PROJECT (C3801; P075006)

Key Project Data

	Appraisal estimate	Actual or current estimate	Actual as % of appraisal estimate
Total project costs (US\$ million)	23.9	25.9	108%
Loan amount (US\$ million)	14.8	16.1	109%
Cofinancing (US\$ million)	6.8	9.4	138%
Cancellation (US\$)		US\$53,539	

Cumulative Estimated and Actual Disbursements

	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10
Appraisal estimate (US\$M)	0.6	2.4	2.4	2.6	3.1	2.8	1.0	0.0
Actual (US\$M)	0.0	1.0	2.0	0.8	4.2	4.8	3.1	0.7
Actual as % of appraisal	0%	42%	83%	31%	135%	171%	310%	--
Date of final disbursement: November 1, 2009								

Project Dates

	Original	Actual
Initiating memorandum	--	06/05/2002
Negotiations	--	05/27/2003
Board approval	--	06/24/2003
Signing	--	09/04/2003
Effectiveness	02/03/2004	02/03/2004
Closing date	06/30/2009	06/30/2009

Project Administrative Costs (US\$ '000)

	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	Total
Staff time	123.7	31.3	36.6	42.5	54.2	50.2	42.1	21.1	401.7
Other	138.1	56.4	26.8	59.8	67.9	79.5	87.8	53.5	569.8
Total	261.8	87.7	63.4	102.3	122.1	129.7	129.9	74.6	971.5

Task Team Members/Specialization

Name	Role/Specialization
Wael Zakout	Task Team Leader/ Land Administration (2002-2004)
Marianne Grosclaude	Task Team Leader/Agricultural Economics (2004-2005)
Keith Clifford Bell	Task Team Leader/Land Administration (2006-2009)
Gillian M. Brown	Social Development
Sybounheung Phandanouvong	Social Development
Guo Li	Agricultural Economics
Viengkeo Phetnavongxay	Environment
Paul Munro-Faure	FAO/Land Administration
Nettle	FAO/Land Administration
Davies	AusAID
Barber	AusAID
Nipa Siribuddhamas	Financial Management
Donald Herrings Mphande	Financial Management
Chinnakorn Chantra	Procurement
Simmalavong	Procurement
Oithip Mongkolsawat	Procurement
Siriat Sirijaratwong	Procurement
Ahsan Ali	Procurement

Other Project Data

Borrower/Executing Agency: National Land Management Authority

Annex B. Other Data

Table B1a: Coverage of Systematic Titling under First and Second Land Titling Projects

Provinces	Project Span		Entry Year	Districts Covered			Villages Covered		
	First Project	Second Project		All	Treated	%	All	Treated	%
Vientiane Capital City	☑	☑	1996	9	8	88.9	500	355	71.0
Khammuane	☑	☑	1996	9	3	33.3	601	111	18.5
Vientiane Prov.	☑	☑	1996	13	5	38.5	524	158	30.2
Savannakhet	☑	☑	1996	15	8	53.3	1,006	286	28.4
Champasack	☑	☑	1996	10	10	100.0	637	356	55.9
Luangprabang	☑	☑	1996	11	7	63.6	792	220	27.8
Xayaboury	☑	☑	1996	11	4	36.4	448	81	18.1
Borikhamxay	☑	☑	1996	6	4	66.7	328	66	20.1
Saravane	☑	☑	1996	8	5	62.5	631	124	19.7
Luangnamtha		☑	2007	5	1	20.0	357	7	2.0
Oudomxay		☑	2007	7	1	14.3	490	9	1.8
Sekong		☑	2007	4	1	25.0	239	14	5.9
Bokeo		☑	2007	5	1	20.0	292	13	4.5
Attapeu		☑	2007	5	1	20.0	157	25	15.9
Huaphanh *		☑	2008	8	-	-	738	-	-
Phongsaly *		☑	2008	7	-	-	563	-	-
Xiengkhuang *		☑	2008	8	-	-	502	-	-
TOTAL	9	17		141	59	41.8	8,805	1,825	20.7

Table B2b: Progress of Systematic Titling until November 30, 2008 (Projects 1 and 2)

Provinces	N of Parcels Adjudicated	N of Titles Signed	N of Titles Distributed
Vientiane Prefecture	178,640	161,920	158,034
Khammuane	29,749	23,882	23,505
Vientiane Province	79,023	75,687	74,862
Savannakhet	95,475	89,458	86,918
Champasack	87,324	77,775	76,306
Luangprabang	50,355	47,391	43,967
Xayaboury	29,257	29,125	28,797
Borikhamxay	24,554	21,084	19,170
Saravane	22,925	21,436	21,339
Luangnamtha	1,487	85	--
Oudomxay	1,847	779	685
Sekong	1,374	216	--
Bokeo	2,297	344	167
Attapeu	1,986	1,074	--
Huaphanh *	--	--	--
Phongsaly *	--	--	--
Xiengkhuang *	--	--	--
TOTAL	606,293	550,256	533,750

Sources: World Bank 2010: 48; National Land Management Authority.

*These provinces received training but—given the lateness of their entry to the second project—they were not given a budget for fieldwork: no systematic land titling was carried out.

The transliteration of province names in English is taken from the Lao Population Census 2005.

Table B2: Criteria for Selecting Villages for Systematic Adjudication under the Second Land Titling Project.

No.	Village Selection Criteria	Assumptions for the Land Titling Project
1	Urban, peri-urban and lowland agricultural areas	Residential land and lowland agricultural areas will be the first to be titled, including such lowland parcels as paddy, orchard and garden land. Systematic registration must not be undertaken in rural areas where there are limited or no land transactions, or in areas in which there are known problems and for which appropriate solutions and procedures have not yet been developed
2	High population density and growth	Areas with higher population numbers are the first priority for titling
3	High revenue for property and land related fees and taxes	Areas where there are good opportunities for Government revenue from land related fees and taxes are priority.
4	Large number of commercial or industrial establishments and high rate of employment	Areas of current or future Government interest and locations where there is already or may be future ribbon development along a major highway or road, are priority for titling. These locations may not necessarily fulfill the high population criterion, but should be included.
5	Potential high concentration of economic activities and employment opportunities	
6	Areas where needs or investment credits and participation in first time land registration are high	As a title is an important source of collateral, those areas where there is potentially high demand for such use should be priority
7	No reserved forest area	This includes all types of forest such as conservation forest, protection forest, use forest, regeneration forest, spirit or burial forest, communally accessed forest
8	No villages into which groups have moved, either voluntarily or involuntarily, in the last 3 years	Villages which are targeted for compulsory resettlement through Government policy of focal site villages or village consolidation are not to be included in titling. Villages which have received families in the past 3 years under Government resettlement schemes or through encouragement by Government officials to move may also not be selected for systematic adjudication.
9	No villages where ethnic groups are living on communal lands according to traditional culture	The project has made a commitment to safeguard traditional cultural practices of ethnic minorities concerning communal land use. It has also not yet developed policies or guidelines to address systematic adjudication of common use land. Those villages where an ethnic minority is using land communally according to traditional culture are not to be selected.

Source: Mann and Onevathana 2007b: 65

Table B3: Lao PDR—Donor Commitments for Land Administration: Main Donors (US\$)

	Bank-IDA	Australia	Germany
1994		1,211,253	
1995			
1996	26,860,971	9,692,161	
1997			
1998			
1999		795,035	
2000		272,161	
2001		1,180,030	
2002		2,134,831	
2003	18,860,971	11,825,033	
2004			2,201,379
2005			
2006			2,904,886
2007			151,991
2008			101,923
2009		96,167	
2010			414,490
TOTAL	45,721,942	27,206,671	5,774,669

Source: AidData

Annex C. List of Persons Met

Name	Title and/or Affiliation	Email Address
Anolath Chanthavongsa	Director, National Agriculture and Forestry Research Institute, Ministry of Agriculture and Forestry	anolathc@nafri.org.la
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Khamphieng Thammavong	Head of Land Management, Department of Natural Resources and Environment, Luang Prabang Province	n/a
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Name	Title and/or Affiliation	Email Address
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Name	Title and/or Affiliation	Email Address
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