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The World Bank

Report No: ICR3590

IMPLEMENTATION COMPLETION AND RESULTS REPORT

(IDA-44070 TF-10988)

ON A

CREDIT

IN THE AMOUNT OF SDR 47.2 MILLION

(US\$75 MILLION EQUIVALENT)

TO THE SOCIALIST REPUBLIC OF VIETNAM

FOR A

LAND ADMINISTRATION PROJECT

December 24, 2015

Social, Urban, Rural, and Disaster Risk Management Global Practice  
East Asia and Pacific Region

## CURRENCY EQUIVALENTS

(Exchange Rate Effective October 5, 2015)

Currency Unit = Vietnamese Dong  
VND 22,454.00 = US\$1  
US\$0.04 = VND 1,000.00

## FISCAL YEAR

January 1 - December 31

## ABBREVIATIONS AND ACRONYMS

AusAID	Australian Agency for International Development
CAS	Country Assistance Strategy
CPMU	Central Project Management Unit
DoF	Department of Finance
DoNRE	Provincial Department of Natural Resources and Environment
DP	Development Partner
FA	Financial Agreement
FM	Financial Management
GDLA	General Department for Land Administration
GoV	Government of Vietnam
IBRD	International Bank for Reconstruction and Development
ICR	Implementation Completion and Results Report
IDA	International Development Corporation
IERR	Internal Economic Rate of Return
ISR	Implementation Status Report
ITA	Independent Technical Auditor
KPI	Key Performance Indicator
LIS	Land Information System
LGAF	Land Governance Assessment Framework
LRO	Land Registry Office
LURC	Land Use Right Certificate
M&E	Monitoring and Evaluation
MTR	Mid-Term Review
MoNRE	Ministry of Natural Resources and Environment
NZAP	New Zealand Aid Programme
PAD	Project Appraisal Document
PDMLA	Program for the Development and Modernization of the Land Administration
PDO	Project Development Objective

PPMU	Provincial Project Management Unit
PRF	Project Result Framework
QEA	Quality at Entry Assessment
QSA	Quality of Supervision Assessment
SMS	Short Message Service
TA	Technical Assistance
TTL	Task Team Leader
VLAP	Vietnam Land Administration Project
VND	Vietnamese Dong
WDI	World Development Indicators

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ICR Team Leader: Dzung The Nguyen

VIETNAM  
Land Administration Project

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## Data Sheet

<b>A. Basic Information</b>			
Country:	Vietnam	Project Name:	Vietnam Land Administration Project (VLAP)
Project ID:	P096418	L/C/TF Number(s):	IDA-44070,TF-10988
ICR Date:	08/26/2015	ICR Type:	Core ICR
Lending Instrument:	SIL	Borrower:	SOCIALIST REPUBLIC OF VIETNAM
Original Total Commitment:	XDR 47.20M	Disbursed Amount:	XDR 36.36M
Revised Amount:	XDR 47.20M		
<b>Environmental Category: C</b>			
<b>Implementing Agencies:</b> Ministry of Natural Resources and Environment (MoNRE)			
<b>Co-financiers and Other External Partners:</b> New Zealand Aid Programme (NZAP)			

<b>B. Key Dates</b>				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	03/13/2006	Effectiveness:	09/17/2008	09/17/2008
Appraisal:	11/05/2007	Restructuring(s):		1/31/2013 28/10/2013
Approval:	03/27/2008	Mid-term Review:	12/12/2012	1/7/2012
		Closing:	12/31/2013	06/30/2015

<b>C. Ratings Summary</b>	
<b>C.1 Performance Rating by ICR</b>	
Outcomes:	Moderately Satisfactory
Risk to Development Outcome:	Substantial
Bank Performance:	Moderately Satisfactory
Borrower Performance:	Moderately Satisfactory

<b>C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)</b>			
Bank	Ratings	Borrower	Ratings
Quality at Entry:	Moderately Satisfactory	Government:	Moderately Satisfactory
Quality of Supervision:	Satisfactory	Implementing Agency/Agencies:	Moderately Satisfactory
Overall Bank Performance:	Moderately Satisfactory	Overall Borrower Performance:	Moderately Satisfactory

**C.3 Quality at Entry and Implementation Performance Indicators**

<b>Implementation Performance</b>	<b>Indicators</b>	<b>QAG Assessments (if any)</b>	<b>Rating</b>
Potential Problem Project at any time (Yes/No):	No	Quality at Entry (QEA):	None
Problem Project at any time (Yes/No):	Yes	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Moderately Unsatisfactory		

**D. Sector and Theme Codes**

	<b>Original</b>	<b>Actual</b>
<b>Sector Code (as % of total Bank financing)</b>		
Central government administration	30	30
Sub-national government administration	70	70
<b>Theme Code (as % of total Bank financing)</b>		
Land administration and management	100	100

**E. Bank Staff**

<b>Positions</b>	<b>At ICR</b>	<b>At Approval</b>
Vice President:	Axel van Trotsenburg	James W. Adams
Country Director:	Victoria Kwakwa	Ajay Chhibber
Global Practice Manager/ Sector Manager:	Jorge A. Muñoz	Rahul Raturi
Project Team Leader:	Dzung The Nguyen and Keith Clifford Bell (Co-TTL)	Susan S. Shen
ICR Team Leader:	Dzung The Nguyen	
ICR Primary Author:	Cecilia Zanetta	

## F. Results Framework Analysis

### Project Development Objectives

As stated in the Project Appraisal Document (PAD), the Project Development Objective was “to increase access to land information services by all stakeholders through development of an improved land administration system in selected provinces of Vietnam” (PAD, pp. 3, 23).

While the wording is slightly different, the PDO definition is consistent with the one in the Financial Agreement (FA), which defines the PDO as: “to assist the Recipient in increasing access to land information services by all stakeholders through the development of an improved land administration system in the Project provinces” (FA, Schedule 1, p. 5).

This objective was to be achieved through ensuring that land users, including businesses and households, had access to more efficient, reliable, and transparent services from land administration services (PAD, Project Summary Sheet, p. ii).

### Revised Project Development Objectives (as approved by original approving authority)

N.A.

#### (a) PDO Indicators

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
<b>Indicator 1.a</b>	Coverage of plots by Land Use Right Certificates (LURCs) according to 2013 Land Law handed over to land users (Percentage)			
Value (Quantitative or qualitative)	7%	72%	(Dropped)	81%
Date achieved	September 1, 2007	Dec. 31, 2013		June 30, 2015
Comments (incl. % achievement)	Achieved (114% level of achievement of original target). This indicator was replaced with Indicator 2 since it did not truly capture the availability of land information (i.e., whether a LURC certificate is handed to land users depends on factors outside the orbit of the land management system, such as payment of tax liability by land user).			
<b>Indicator 1.b</b>	Percentage of Land Parcels with LURCs approved compared with total number of parcels eligible for LURCs in the Project area (Percentage)			
Value (quantitative or qualitative)	7% (PAD)		80% (Added)	78%
Date achieved	September 1, 2007		Dec. 31, 2013	June 30, 2015

Comments (incl. % achievement)	Achieved (97% level of achievement of added target). This indicator replaced Indicator 1 during the 2013 restructuring to better capture the availability of land information. While the actual percentage is slightly below the end target, it is considered to have been achieved.			
<b>Indicator 2</b>	<b>Client satisfaction with the land administration service (scores 1 to 100)</b>			
Value (quantitative or qualitative)	58	75	(Dropped)	78
Date achieved	September 1, 2007	Dec. 31, 2013		June 30, 2015
Comments (incl. % achievement)	Achieved (118% level of achievement). This indicator was eliminated under the 2013 restructuring due to the lack of data needed for regular monitoring.			
<b>Indicator 3.a</b>	Time required for land transfer transactions (individuals; days)			
Value (quantitative or qualitative)	44 days	10 days		12.2 days
Date achieved	September 1, 2007	Dec. 31, 2013		June 30, 2015
Comments (incl. % achievement)	Largely Achieved (94% level of achievement). Processing times for land transfers were reduced by 31.8 days compared to a 34-day target.			
<b>Indicator 3.b</b>	Time required for mortgage transactions (individuals; days)			
Value (quantitative or qualitative)	11 days	2 days	1 day	1.2 days
Date achieved	September 1, 2007	Dec. 31, 2013	Dec. 31, 2013	June 30, 2015
Comments (incl. % achievement)	Largely Achieved (108% and 98% level of achievement with respect to original and revised targets). Processing times for mortgage transactions were reduced by 9.8 days compared to the nine- and ten-day original and revised targets, respectively.			
<b>Indicator 3.c</b>	Time required for issuance of LURCs on demand by users (individuals; days)			
Value (quantitative or qualitative)	55 days		30 days (Added)	19.2 days
Date achieved	September 1, 2007		Dec. 31, 2013	June 30, 2015
Comments (incl. % achievement)	Achieved (143% level of achievement). Processing times for on-demand LURCs (at the land user's request) were reduced by 35.8 days compared to the 25-day target.			
<b>Indicator 4</b>	<b>Number of Land Registration Offices complying with approved service standards (Number)</b>			
Value (quantitative or qualitative)	0		50 (Added)	65
Date achieved	September 1, 2007		Dec. 31, 2013	June 30, 2015

Comments (incl. % achievement)	Achieved (130% level of achievement).
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**(b) Intermediate Indicators**

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
<b>Component 1 - Modernization of the Land Registration System</b>				
Indicator 1	Additional area of cadastral mapping available in digital form.			
Value quantitative or qualitative)	0	1,024,000	987,000	878,000
Date achieved	September 1, 2007	Dec. 31, 2013	Dec. 31, 2013	June 30, 2015
Comments (incl. % achievement)	Not Achieved (89% level of achievement of revised target).			
Indicator 2	Number of land profiles updated and approved.			
Value quantitative or qualitative)	0		3,300,000 (Added)	3,438,352
Date achieved	September 1, 2007		Dec. 31, 2013	June 30, 2015
Comments (incl. % achievement)	Achieved (104% level of achievement of restructuring target).			
Indicator 3	Number of total LURCs issued or reissued under VLAP.			
Value quantitative or qualitative)	0	5,119,000	(Dropped)	3,007,576
Date achieved	September 1, 2007	Dec. 31, 2013		June 30, 2015
Comments (incl. % achievement)	Not Achieved (59% level of achievement of original target). This indicator was replaced with Intermediate Indicator 4 during the 2013 restructuring.			
Indicator 4	Number of LURCs distributed to land users under the Project.			
Value quantitative or qualitative)	0		2,800,000 (Added)	2,403,164
Date achieved	September 1, 2007		Dec. 31, 2013	June 30, 2015
Comments (incl. % achievement)	Not Achieved (86% level of achievement of restructuring target).			
Indicator 5	Number of LURCs distributed, being registered in the name of women land users (either individually or in joint names).			
Value quantitative or qualitative)	0		2,000,000 equivalent to 71% (Added)	1,498,449 equivalent to 62%
Date achieved	September 1, 2007		Dec. 31, 2013	June 30, 2015
Comments (incl. % achievement)	Not Achieved (75% level of achievement of restructuring target).			
Indicator 6	Number of land registration offices where ViLIS is installed and operational			
Value quantitative or qualitative)	0	95	(Dropped)	66

Date achieved	September 1, 2007		Dec. 31, 2013	June 30, 2015
Comments (incl. % achievement)	Not Achieved (69% level of achievement of original target). This indicator was dropped during the 2013 restructuring.			
Indicator 7	Number of individuals or households granted with LURCs under the Project (individuals or households).			
Value quantitative or qualitative)	0		350,000 (Added)	1,281,106
Date achieved	September 1, 2007		Dec. 31, 2013	June 30, 2015
Comments (incl. % achievement)	Achieved (366% level of achievement).			
Indicator 8	Land area granted with LURCs under the project (1,000 ha)			
Value quantitative or qualitative)	0		569,000 (Added)	509,000
Date achieved	September 1, 2007		Dec. 31, 2013	June 30, 2015
Comments (incl. % achievement)	Not Achieved (89% level of achievement).			
<b>Component 2 - Improvement of Land Registration Service Delivery</b>				
Indicator 9	Number of district land offices operational			
Value quantitative or Qualitative)	0	86	61	57
Date achieved	September 1, 2007	Dec. 31, 2013	Dec. 31, 2013	June 30, 2015
Comments (incl. % achievement)	Largely Achieved (93% level of achievement of revised target). While the number of operational district land office is slightly below the end target, it is considered to have been achieved.			
Indicator 10	Number of commune level access points operational			
Value quantitative or qualitative)	0	1,279	718	870
Date achieved	September 1, 2007	Dec. 31, 2013	Dec. 31, 2013	June 30, 2015
Comments (incl. % achievement)	Achieved (121% level of achievement of revised target).			
Indicator 11	Number of commune public awareness plans implemented			
Value quantitative or qualitative)	0	1,279	861	860
Date achieved	September 1, 2007	Dec. 31, 2013	Dec. 31, 2013	June 30, 2015
Comments (incl. % achievement)	Achieved (100% level of achievement).			
<b>Component 3 - Support to Project Monitoring and Evaluation and Reporting</b>				
Indicator 12	Staff management training days.			
Value quantitative or qualitative)	0	5,411	(Dropped)	Undetermined
Date achieved	September 1, 2007	Dec. 31, 2013		June 30, 2015
Comments (incl. % achievement)	Undetermined. This indicator was dropped during the 2013 restructuring, as staff training requirement were already included in PDO indicator 3 and intermediate indicators 6, 9 and 10.			
Indicator 13	Number of Land Register Offices with functioning bar-code systems.			
Value quantitative or qualitative)	0	60	(Dropped)	Undetermined

Date achieved	September 1, 2007	Dec. 31, 2013		June 30, 2015
Comments (incl. % achievement)	Undetermined. This indicator was dropped during the 2013 restructuring as investment into LRO archive management was dropped.			
Indicator 14	M&E system operational.			
Value quantitative or qualitative)	No		Yes (Added)	Yes
Date achieved	September 1, 2007		Dec. 31, 2013	June 30, 2015
Comments (incl. % achievement)	Achieved (100% level of achievement).			
Indicator 15	Independent Monitoring Assessments completed.			
Value quantitative or qualitative)	0		Yes (Added)	Yes
Date achieved	September 1, 2007		Dec. 31, 2013	June 30, 2015
Comments (incl. % achievement)	Achieved (100% level of achievement).			
Indicator 16	Policy studies completed.			
Value quantitative or qualitative)	No		Yes (Added)	Yes
Date achieved	September 1, 2007		Dec. 31, 2013	June 30, 2015
Comments (incl. % achievement)	Achieved (100% level of achievement).			

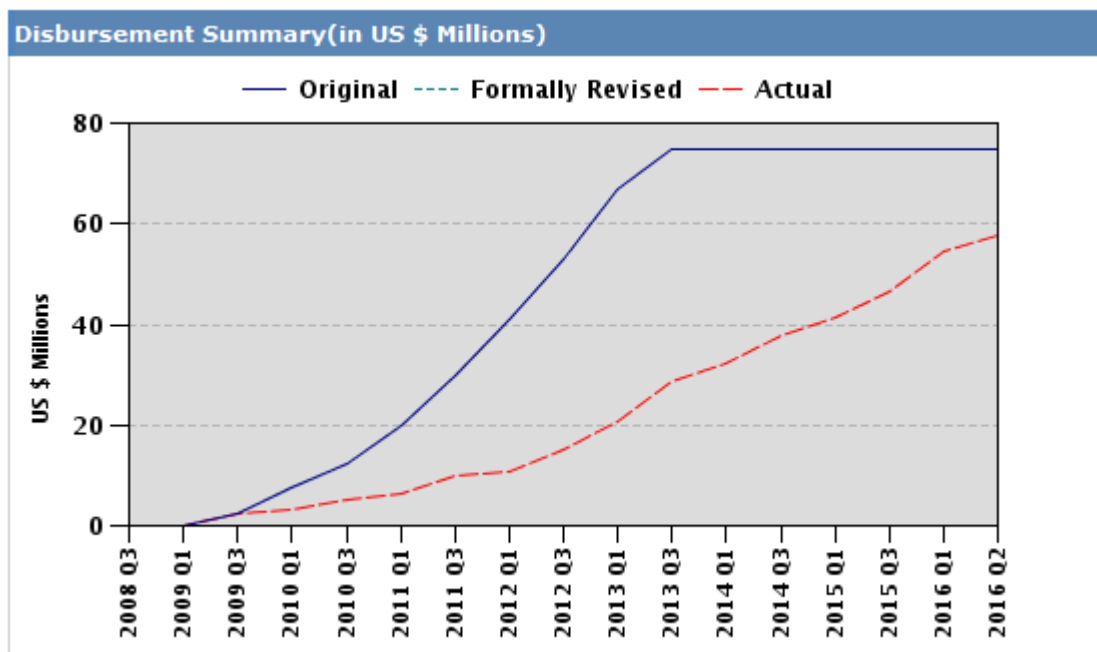
## G. Ratings of Project Performance in ISRs

No.	Date ISR Archived	DO	IP	Actual Disbursements (USD millions)
1	04/08/2008	Satisfactory	Satisfactory	0.00
2	03/11/2009	Satisfactory	Moderately Satisfactory	2.40
3	02/26/2010	Moderately Satisfactory	Moderately Satisfactory	4.00
4	06/28/2011	Unsatisfactory	Moderately Unsatisfactory	10.91
5	12/13/2011	Unsatisfactory	Moderately Unsatisfactory	11.96
6	06/19/2012	Unsatisfactory	Moderately Unsatisfactory	16.35
7	02/23/2013	Moderately Satisfactory	Moderately Satisfactory	28.72
8	10/22/2013	Satisfactory	Moderately Satisfactory	33.58
9	06/10/2014	Satisfactory	Moderately Satisfactory	37.90
10	08/29/2014	Moderately Satisfactory	Moderately Unsatisfactory	41.30
11	06/30/2015	Moderately Unsatisfactory	Moderately Unsatisfactory	50.53

## H. Restructuring (if any)

Restructuring Date(s)	Board Approved PDO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in USD millions	Reason for Restructuring & Key Changes Made
		DO	IP		
1/31/2013		U	MU	23.51	Level 2 restructuring. The major modifications were: i) revision of the Project Results Framework, including a modification of the PDO indicators and a reduction in some targets (e.g., number of Land Use Right Certificates (LURCs) to be issued and number of Land Registration Offices (LROs) to be modernized; and ii) reallocation of credit funds.
28/10/2013		S	MS	33.58	Level 2 CD Decision. The major modifications was the extension of the closing date by 18 months to allow for the completion of Project activities.

## I. Disbursement Profile





## **1. Project Context, Development Objectives and Design**

### **1.1 Context at Appraisal**

Land reform had been at the center of Vietnam's transition from a centrally planned to a market economy and was considered to be one of the most important drivers of its rapid growth and poverty reduction. The passage of the 2003 Land Law represented a landmark development that further enhanced land users' rights and laid out a comprehensive legal framework for developing a modern land administration and management system. However, more work was still needed on issues such as land conversion, consolidation, valuation and compensation, as well as on aligning the 2003 Land Law with other land-related legislation, such as the Laws on Housing and on Forest Protection and Development, and policies in other sectors, such as land taxation and finance, food security, employment generation and safety nets.

An additional critical challenge was posed by the weakness of the land administration system. The main limitations included: incompleteness in the issuing of Land Use Right Certificates (LURCs) to land users, especially in urban and upland areas; insufficient infrastructure for effective and efficient operation of the Land Information System (LIS), including cadastral mapping, land titling, registration of land transactions, record management to the provision of land administration services; limited capacity of land administration staff, especially at the commune and district levels; and the lack of public awareness of the importance of conducting formal land transactions. As a result, the land management system was cumbersome and inefficient, lacked transparency, and did not provide the quality services that end users could rely on, making it difficult and costly to conduct land transactions or to use LURCs for collateral. The existing situation not only had a negative impact on land availability and access, but also inhibited the evolution of formal land markets and created propitious conditions for mismanagement and graft. Public opinion surveys indicated that the weaknesses of land administration represented one of the most serious constraints to business development and transparent governance in Vietnam.

To address these issues, the Ministry of Natural Resources and the Environment (MoNRE), which is the government agency serving as focal point for the sector, outlined a comprehensive Program for the Development and Modernization of the Land Administration (PDMLA) over a 15-year time horizon. The PDMLA's objective was to modernize the existing land administration system to meet demands of the economy and maintain social equity. The PDMLA's main areas of intervention focused on: (a) completing the issuance of LURCs, the digital cadastral record system and, based on these, the LIS; (b) completing the legal system for a more mature market economy; (c) streamlining land use planning and completing land use plans at all levels; (d) establishing a comprehensive land finance system; and (e) strengthening capacity of the land administration system. In addition, technical guidance for the modernization of the land administration system was outlined in the "Strategy for Information Technology Application and Development for Natural Resources and Environment to Year 2015 with a vision to 2020," which was approved by the Prime Minister. This strategy was aimed at: (a) the modernization of the system to collect and update land information; (b) the

establishment of a nationwide unified land database; (c) provision of the technical infrastructure required for an operational modern land administration system; (d) addressing specialized land administration issues; (e) the development of a system for accessing, retrieving and distributing land information nation-wide; and (f) the development of a modern state management system for land administration. The latter, in turn, was in line with Government of Vietnam's (GoV) broader administration reform and anti-corruption efforts.

The World Bank was well placed to provide support to GoV in its efforts to strengthen the country's land administration system. The Bank had substantive in-house expertise and extensive experience in land administration and management issues across regions. In addition, the Bank's country program in Vietnam already included a number of land related activities, with land-policy issues representing a major theme in the Poverty Reduction Support Credits.

### **1.2 Original Project Development Objectives (PDO) and Key Indicators**

The PDO was to increase access to land information services by all stakeholders through development of an improved land administration system in selected provinces of Vietnam (PAD, pp. 3, 23). Although the wording is slightly different, the PDO definition is consistent with the one in the Financial Agreement (FA), which defines the PDO as: "to assist the Recipient in increasing access to land information services by all stakeholders through the development of an improved land administration system in the Project provinces" (FA, Schedule 1, p. 5).

The Project's Key Performance Indicators (KPIs) were the following ones:

- KPI 1 - Percentage of parcels in the Project provinces, for which land use certificates based on the 2003 Land Law were handed over to the land users as a proxy indicator for the data coverage of the system.
- KPI 2 - Client satisfaction with the land administration service (to be collected through stakeholder surveys and measured with a scoring system involving ten key quantitative and qualitative indicators).
- KPI 3 - Time required for land related transactions (i.e., transfer and mortgages of land use rights).

### **1.3 Revised PDO (as approved by original approving authority) and Key Indicators, and reasons/justification**

While the PDO remained constant throughout the operation's lifetime, KPIs were modified as follows:

- KPI 1 - The operation definition of coverage was changed from "percentage of land plots with LURCs issued" to "percentage of land parcels with LURCs approved" to better capture the availability of land information; and
- KPI 2 - The indicator on client satisfaction was dropped due to the lack of data for regular monitoring.
- KPI 4 - A new KPI indicator was added on "the number of Land Registry Offices (LROs) modernized" was added to measure access to land information.

#### **1.4 Main Beneficiaries,**

While the operation's intended beneficiaries were not explicitly identified in the Project documents, they included the following ones: (a) land users who had LURCs issued or re-issued under the Project in participating provinces, including urban minorities and women; (b) staff from land registries offices in the participating communes; (c) staff from the MoNRE at the national level and the Provincial Departments of Natural Resources and Environment (DoNREs); (d) other stakeholders, such as businesses and households, as a result of enhanced land management systems conducive to the development of more efficient and transparent land markets.

#### **1.5 Original Components**

Component 1 - Modernization of the Land Registration System. This component supported the development of an accurate, current and complete information system to support land registration through: (a) completing and updating spatial data coverage; (b) completing and updating land records; (c) further developing and implementing computerized land records management system; and (d) key policy studies in support of land administration system modernization.

Component 2 - Improvement of Land Registration Service Delivery. This component provided support for (a) the improvement of land registration office service delivery; (b) provision of access to land registration and land use data through all land registration offices; and (c) implementation of a program to promote awareness by the public of land information availability and participation in the processes to complete and update land records and surveying.

Component 3 - Support to Project Management and Monitoring and Evaluation. The aim of this component was to support the overall implementation of the Project through supporting project management and monitoring and evaluation (M&E).

#### **1.6 Revised Components**

Component 1 - Modernization of the Land Registration System. Sub-component 1 (d) on policy studies was moved to Component 3 as a number of planned policy studies (e.g., Study on Financial Sustainability of Land Administration and Impact Studies) were related to both Components 1 and 2.

Component 2 - Improvement of Land Registration Service Delivery. The name of Sub-component 2 (c) was changed to "public awareness raising and community participation in processes to complete cadastral survey and mapping, update land records, issuance of LURCs and register land transactions" to better reflect the scope of work.

Component 3 - Support to Project Management and Monitoring and Evaluation (M&E). Policy studies from Component 1 were moved to this component.

#### **1.7 Other significant changes**

The operation's Level 2 Restructuring completed in January 2013. It aimed to formally incorporate a grant from New Zealand Aid Program (NZAP) and accelerate the project implementation by addressing facing constraint, such as lower than expected implementation capacity, escalation of Project costs, and some ineffective implementation arrangements identified during the Mid-Term Review conducted in early 2012. Specifically:

- i. The Project received additional financial support of US\$4.7 million from NZAP grant, which was approved in January 2012. The NZAP grant provided funding for public awareness and community participation, training and other capacity development activities under Component 2, and support to land policy development. Thus, the estimated Project cost increased from US\$100 million to US\$104.7 million, while the NZAP grant of US\$4.7 million. The IDA Credit and government counterpart contribution remain unchanged.
- ii. In addition to the changes to the PDO indicators described in Section 1.3, a strategic decision was made to reduce the number of districts covered by the Project from 86 to 57 as well as the targets for LURCs issued and LROs modernized, while maintaining the number of project provinces. Project funds were also reallocated to the provinces on the basis of their implementation progress in order to create an incentive for accelerated implementation. In addition, four new indicators were added (i.e., the number of land profiles approved to reflect the availability of land information as well as the number of people/households granted with LURCs, the number of LURCs issued in the name of women, and the land area granted with LURCs under the Project - the Bank's core land sector indicators - to strengthen the project focus on land information service delivery.
- iii. Implementation arrangements were revised to reflect the implementation experience of the first half of the Project's lifetime. The requirement that each Project Province and District maintained a provincial Community Stakeholder Group and a District Community Participatory Group, respectively, was dropped, as this mechanism has proved both ineffective and infeasible. In addition, the requirement to engage an Independent Technical Auditor (ITA) by December 31, 2008 was dropped, as the selection of the ITA was not successful. Instead, the government strengthened its supervision and quality assurance system, which made the ITA no longer necessary. Finally, the requirement to design and install the national data warehouse was replaced by upgrading the Central Portal which operate on the basis of available provincial land databases, as both the national land database and the design of the National LIS were not available yet. Although not formally reflected in the amendment to the FA, it was also made a strategic decision to replace decentralized district level Land Information System (LIS) with centralized provincial level LIS – an important step to enable more unified land information management and sharing in the circumstance.

In October 2013, the original closing date was extended from December 31, 2013 to June 30, 2015 to provide sufficient time for the completion of planned project activities.

## 2. Key Factors Affecting Implementation and Outcomes

### 2.1 Project Preparation, Design and Quality at Entry

#### a. Soundness of the background analysis

- **Evidence-based operation design.** Project design benefitted from a number of AAA work related to land in Vietnam that had been carried out by the Bank, including land consolidation review, poverty assessments, environment and poverty nexus study, ethnic minority development, and land markets and private sector development. A land policy stocktaking exercise was carried out to identify gaps and prioritize further analytical work to be undertaken.

Various aspects of land administration were also addressed in other operations such as Vietnam Urban Upgrading Project (P070197) and the Information Communication Technology Project (P079344) with a particular focus on the registration of property urban areas, and a number of rural projects with a particular focus on land allocation and issuance of LURCs rural areas.

- Project preparation also **built upon a number of preceding joint government-donor efforts.**<sup>1</sup>

#### b. Assessment of the Project design

Project design exhibited both strengths and weaknesses. In particular.

##### Strengths

- **Grounded in rich international experience.** The Project design reflected the Bank's substantial experience both in Vietnam and elsewhere. Since the early 1980s, the World Bank has financed more than one hundred and seventy land administration and management projects throughout the world including more than a dozen land administration and management projects in the East Asia and the Pacific Region, as well as land management components in projects in Vietnam.
- **Limited scope.** In accordance with the lessons learned in similar projects in the region, the operation was conceived as the first step in a long-term process that could take 5-25 years, with more challenging problems such as forestry to be tackled at more advanced stages. As the first Bank-supported operation in the land sector in Vietnam, and in view of the risk posed by limited implementation capacity, the Project adequately had a limited scope, focusing only on selected provinces. The participating nine provinces were representative of all 63 provinces in the country in terms of regions (i.e., south, central and north areas of the country), as well as institutional capacity (i.e., above average, average and below average). This was an appropriate criteria considering that the land management system to be developed under the Project was expected to be replicated in the rest of the country.<sup>2</sup>
- **Innovative PDO focus.** The operation's PDO was broader than those of comparable projects, with a focus on access to land information services. The specific wording of the PDO reflected the emerging national and international thinking and priorities towards improving information quality, accessibility and utility, towards e-governance, transparency and good governance at the time of preparation. To support this PDO definition, one of the Project components focused on improving service delivery, including activities to activate demand and engage land users.<sup>3</sup> The operation also placed special emphasis on access to land by gender issues and minority populations.
- **Integrated conceptualization of land administration.** The Project design emphasized the horizontal integration of the critical activities required to the development of a land administration system (i.e., mapping and surveying, land profiling, registration, issuing of

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<sup>1</sup> These include the Feasibility Study of the establishment of modern land administration in Vietnam by UNDP and AusAID in 1991-1994 and two technical assistance and capacity building grant projects funded by the Swedish International Development Cooperation (SIDA) on land administration reform (1997-2003) and on strengthening the environmental management and land administration (2005-2009).

<sup>2</sup> The nine target provinces were the following ones: (a) Tien Giang, Ben Tre and Vinh Long in the Mekong delta region; (b) Binh Dinh, Khanh Hoa and Quang Ngai in the central region; and (c) two provinces—Hung Yen and Thai Binh—and one city—Ha Noi—in the Red River delta. It is worth noting that Hanoi was not one of the original participating provinces. Instead, it was Ha Tay, which was absorbed into Hanoi at the time of Project start-up.

<sup>3</sup> Land administration projects in the region generally defined their PDOs in terms of enhancing land tenure security and improving efficiency and transparency of land administration systems, frequently in the context of supporting the development of efficient land markets (i.e., Laos, Cambodia, Philippines, Indonesia and Thailand).

LURCs, and service provision). This was a novelty in the context of Vietnam, as previous government attempts had failed to go beyond the mapping and surveying stage.

- **Vertical integration of all levels of government.** The Project design and institutional arrangements adequately reflected the importance of sub-national levels of government, assigning roles and responsibilities to MoNRE at the national level as well as land agencies at the provincial, district and commune levels in line with Vietnam's government structure.
- **Importance given to "soft" activities.** Given the importance of changing the behavior of key stakeholders—both public land officials and land users—in the context of developing a land management system supportive of efficient land markets, "soft" activities such as training and awareness raising were appropriately given as much importance as the technical ones in the Project's design.

#### Weaknesses

- **PDO definition.** Although the PDO definition emphasized access to land information services, thus implying a demand-driven approach, the Project design clearly responded to a supply-driven approach. It would have been useful to further identify the demand for land information of specific users (i.e., farmers, urban households, banks, other types of businesses, land offices and other public agencies at the three levels of government). In addition, the PDO did not capture other important impacts such as increased land security among project beneficiaries or improvements in the overall land management legislative and regulatory framework.
- **Overly ambitious targets.** In terms of the land areas to be surveyed and mapped, their levels of difficulties, number of land profiles to be prepared and LURCs to be issued, the estimated inventory prepared by provinces early on during the Project preparation process became out of date by the time the Project got started, as substantial changes in land holding and the progress of LURCs' issuance over the several-year-time span during which the Project was prepared and operationalized. The targets were also overly ambitious in relation to the limited institutional capacity of land agencies at the various levels of government in implementing project activities and project management. In particular, VLAP was the first large-scale ODA-funded land administration project in Vietnam and thus the involved land agencies lacked experience in the Bank's project management requirements and procedures, particularly in the areas of procurement and financial management. The availability and capacities of the private sector companies to compete and provide a viable alternative to government undertaking core work under the Project, particularly support for land registration and issuance of LURCs, during the project lifespan were also over-optimistic
- **Learning potential overlooked.** While the operation provided support for some policy studies, the Project design failed to capitalize on the rich opportunity offered by the Project for the generation of knowledge and dissemination of good practices among provinces, e.g. through systematic evaluation of the effectiveness and efficiency of the Project as a whole as well as specific interventions (i.e. the utilization of local facilitators, the effectiveness of various types of communication strategies, community-based mechanisms for dispute resolution and land parcel boundary demarcation). Such a systematic learning was particularly important in the case of this operation, which constituted the first step in the medium-term process of developing an effective land-management system.

#### c - Relevance at Appraisal

- **High relevance at entry.** The operation supported all four objectives of Vietnam's Socio-Economic Development Plan for 2006-2010: (i) improving the business environment (particularly, developing full land markets and managing state assets); (ii) strengthening social inclusion; (iii) strengthening natural resource management; and (iv) strengthening transparency and accountability in governance. The operation was also fully consistent with Vietnam-World Bank Country Partnership Strategy (CPS) for 2007-2011 and contributed to the achievement of all of its four objectives

and identified focus areas: (i) improved business environment (i.e., enhancing competitiveness and leveling playing field); (ii) stronger inclusive growth (i.e., mainstreaming gender and making basic services accessible and affordable for the poor); (iii) sustainable management of natural resources and environment (i.e., improved natural resource management); and (iv) strengthened governance (i.e., reducing corruption).

#### d. Assessment of risks

- **Accurate risk assessment.** The Project was correctly identified as having Substantial risks at Appraisal. The main risks were: i) implementing agencies' lack of experience with Bank procurement and financial management; and ii) potentially insufficient technical and institutional capacity of implementing agencies, particularly in view of ambitious targets. While the main risks were addressed by the Project design through technical assistance, phased implementation and the inclusion of conditions of effectiveness and loan covenants that gave visibility to important technically related actions that were required on the part of the GoV, the residual risk was still substantial.

## 2.2 Implementation

Project implementation was very slow during the first half of the operation's lifetime. By the time of the Mid-Term Review (MTR) in early January 2012, only 14 percent of the targeted number of LURCs had been distributed and only four of 95 of the LROs were delivering improved land administration services. Moreover, progress was very uneven among provinces, with some provinces such as Vinh Long being very advanced in terms of strengthened land registration and improved service delivery while others lagged significantly behind.<sup>4</sup> Overall, implementation improved after the MTR that took place in 2012 and subsequent Project restructuring in 2013, as reflected in improved ratings and the level of disbursements. However, although some provinces such as Thai Binh exhibited important advancements, differences in provincial performance and their level of achievement still persisted until the end of the Project. The main factors affecting implementation can be summarized as follows:

#### Beyond the Control of the Government

- **Paradigm shift.** The operation faced uncommonly difficult challenges, as at a higher level, it supported the paradigm shift in land management that resulted from Vietnam's transition from a centrally planned to a market-driven economy. In this context, the challenges faced under VLAP were greater than those of similar land management projects in countries that already had market economies and functioning land markets, such as the Philippines. This is of a particular importance, as the activities supported under the Project entailed the profound paradigm shift in the roles of both the land officials and land users that requires long term efforts to put on place. Specifically, land officials at all levels of government had to move away from the old inward-looking, static role as collectors and recorders of land information—a process of intrinsic importance—to a drastically different outward-looking, dynamic role in which they are responsible for managing and providing accurate, reliable and transparent land information to enable the development of efficient land markets and the economy as a whole. Likewise, land users had to move away from being passive recipients of land use rights to become active economic agents that seek to secure and maximize returns on their land rights, which most likely is their most valuable asset. In

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<sup>4</sup> Mid-Term Report and independent assessments reports prepared in 2012.

their new role, land users also have the responsibility to formally register land transactions and pay the corresponding tax liabilities.

- Assistance from other donors. The operation benefited from a NZAP grant, which provided substantial financial support for “soft” aspects including capacity building, monitoring and evaluation, policy studies and public awareness.<sup>5</sup> As discussed above, these issues proved to be central to the operation’s achievements. Likewise, the operation received complementary support (US\$500,000.00) from the Government of Australia, through AusAID, which provided additional support for more intense supervision at early stages of implementation (with a frequency of four missions per year). It also served to emphasize specific issues, such as social aspects, including gender issues.
- Global financial crisis. Tight fiscal conditions in the aftermath of the 2008 financial crisis limited the availability of counterpart fund and made it difficult for government agencies to hire and retain competent staff.
- **Escalation of Project costs.** Apart for the global financial crisis, the Project was implemented in a context of robust economic growth, with growth in Gross Domestic Product averaging 5.8 percent between 2008 and 2014 (World Development Indicators - WDI, 2015). In turn, fast economic growth went hand in hand with high inflation, which averaged 11 percent per year between 2008 and 2014, reaching up to 23 and 18 percent in 2008 and 2011, respectively (WDI, 2015). High inflation translated in staggering Project costs due to fast increases in labor costs as reflected in the minimum wage, which increased by a factor of 2.55 times during the Project’s lifetime. The magnitude of the impact on increases in labor costs under VLAP is explained by the fact that cost of labor constituted about 82-85 percent of the cost of cadastral survey, mapping and preparation for land registration—i.e. the Project’s major investment. In response, coverage under the Project was reduced significantly, from 86 to 57 districts<sup>6</sup>. Project main outputs, as reflected in the Intermediate Indicators, were also reduced accordingly.
- **The limited availability and capacities of the private sector.** The expected availability and capacities of the private sector companies to compete and provide a viable alternative to government undertaking core work under the Project, particularly support for land registration and issuance of LURCs were over-optimistic. As advised widely by national and provincial land officials during the ICR mission, the initial overestimation of the capacity of the private sector was reported in an early stage of the project implementation. This was addressed in 2010 with the restriction on the provision of technical services exclusively through competitive bidding loosened and some state-owned enterprises

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<sup>5</sup> Financial support received from the NZAP focused on public awareness raising, community participation (including ethnic minorities), policy development, the development of eleven model LROs to be located at least one in each participating province. It also focused on strengthening of staff capacities in priority areas, such as land service delivery and monitoring and evaluation project management, as well as study tours and exchange programs for officials and management.

<sup>6</sup> In addition to cost escalations, reduction in number of districts was also caused by limited implementation capacity at district levels and delay and lack of preparedness in some of the districts to commence project implementation.

(SOEs) under MoNRE<sup>7</sup> allowed to participate in the Project implementation through direct contracting for up to 50 percent of the total amount of technical service activities. However, it soon became apparent that both private firms and SOEs lacked capacity in terms of carrying out supporting activities to land registration and the issuance of LURCs as expected under their contracts.

#### **Subject to the Control of the Government**

- **Institutional Changes.** A year after Project approval, MoNRE re-established the General Department for Land Administration (GDLA) which is responsible for the land administration nationwide.<sup>8</sup> Although not included in the Project's original institutional arrangements, the GDLA was given responsibility for the Project's daily implementation and management. This introduced an additional layer of oversight with additional complexities and processing time, not foreseen at the time of project design. Further, the establishment of a new government entity was also associated with the appointment of a new Project team that was not fully familiar with the Project. Together, the above caused and delays at the start of the implementation and disrupted the Project design time schedule.
- **Low public sector's capacity in the project management and implementation at all levels.** The weak capacity in the public sector in terms of project management and implementation at all levels of government was also a result of the allocation of insufficient human resources to Provincial Project Management Units (PPMUs) and, particularly, the Central Project Management Unit (CPMU) which were staffed with very few full-time staff. For example, in the case of the CPMU, only five out of 26 staff positions at the peak of Project implementation were full time, with the remaining staff having to simultaneously perform other managerial functions. High turnover in CPMU and PPMU staff also contributed to low implementation capacity. In particular, there were just a couple of staff who participated in the project midterm review remained working for the CPMU at the project closure in June 2015. This was further exaggerated by the Ministry of Finance's requirement to contract Project staff within its corresponding ceilings on remuneration, so that critical positions such as those of procurement experts could not be filled - one of the most significant implementation bottlenecks. The lack of capacity is particularly apparent at the commune and district levels where officials from respective People's Committees and district Land Registration Offices (LROs) were proposed to provide a critical role in adjudication for land registration and issuance of LURCs under the Project. However, they lacked capacity to cope with significant increases in the volume of their work due their existing heavy workloads and the complexity of the adjudication process. The project was able to provide limited supports. For instance, the Project itself constituted a disincentive for the LROs, for which payments received from land users for on-demand cadastral survey, mapping, and issuance or reissuance of LURCs often constitute the largest part of LROs' revenue to cover their staff salary and operation costs. As a result, there were large backlogs

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<sup>7</sup> The Vietnam Natural Resources and Environment Corporation (VINAREN) and two of its subsidiaries, namely the Southern Natural Resources and Environment Company (CERS) and the Survey and Minerals Company (SURMINCO).

<sup>8</sup> The GDLA was first established in 1994 and charged with overseeing the land sector (i.e., preparation of land legislation and land policies, provision of technical guidance and supervision over land administration functions such as land register, cadastral mapping, land tenure certificate issuance, and land record system update to land investigation and inventory, land classification, land valuation; and land statistics). When MoNRE was established in 2002, the GDLA was dissolved and MoNRE's departmental units absorbed its functions. The GDLA was reestablished in Sept. 2009 to be responsible for overall daily oversight of the land administration and management under MoNRE's guidance.

and implementation delays (i.e., on average, contracts lasted to 36 months as opposed to 18 months as originally envisioned). These delays constrained the development of the LIS and rolling out of improved land information services until the last year of the Project's lifespan.

- **Uneven ownership and political commitment.** There were wide differences in support from government officials across provinces, which directly affected provincial performance. In top performing provinces, support from the provincial and district authorities was manifested in their close involvement with the Project as well as the allocation of adequate staffing and equipment, as well as the financing of additional activities such as digitalizing of records or survey mapping of areas not included under the Project. Support from authorities at the commune level was also indispensable, as field activities proved to be extremely difficult for external contractors without such support.
- **Uneven Project management capacity.** There were wide differences in management capacity among provinces. Top-performing provinces exhibited strong management as well as implementation arrangements that ensured adequate coordination and accountability, such as i) steering committees for overall guidance at the provincial and district levels with representation of all key stakeholders; ii) clear responsibilities within the executive branch at both the provincial and district levels for Project performance (i.e., a member of the People's Committee was personally responsible for the Project's performance).

#### **Subject to the Control of the Implementing Agency**

- **Communication as a cornerstone.** The communication strategy implemented under the Project was a key element of success. There were communication campaigns directed to the various stakeholders, including training of government officials and land officers at all levels of government as well as awareness raising campaigns targeting land users in Project areas. These campaigns utilized multiple channels were utilized (e.g., TV, radio, information booklets, posters, village meetings, door-to-door campaigns) and were also specifically tailored for the various stages of Project implementation.
- **Local facilitators.** The involvement of national organizations as service providers under the local facilitators model proved critical to engage land users, especially those in rural areas and vulnerable groups. Specifically, during the second half of the Project's lifetime, civic organizations with a strong grass-root presence were included in the Project to help engage local communities in field activities to be conducted by private contractors. For a minimum, stipend, members from organizations such as the Women's, Farmers' and Youth Unions, played an active role in face-to-face communication with the land users, mobilize their active participation in related Project activities, and facilitating grass-root level monitoring and reporting in order to ensure adequate coordination and support.
- **Innovations at the local level.** The Project design was flexible enough to accommodate innovations at the local level. In that way, successful practices adopted in individual provinces, such as the implementation of communication campaigns, the utilization of local facilitators, the adoption of innovative ways to provide land information such as Short Message Service (SMS) phone messages, were later replicated in other provinces. In this regard, the contribution of the Vinh Long province was particularly notable. The generation of innovations at the local level could be further enhanced by the provision of small grants to finance the implementation of promising local governments' initiatives in key activities such as mapping and surveying, land registration, issuing of LURCs, and reducing informal transactions. As mention earlier, a more systematic assessment of the impact of these innovations would have been important to fully capitalize on the Project's learning potential.

## **2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization**

### **Monitoring and Evaluation (M&E) Design**

The Project had a relevant but limited PRF. Other objective measures of demand for services (such as subsequent transactions and volume of mortgages) would have complemented the PRF. In general, outcome indicators had an overly emphasis on outputs. An experimental impact evaluation would have been highly desirable, particularly given that the operation's design offered the opportunity for the identification of comparable control groups. Such evaluation, as well as other systematic knowledge-generating activities would have been important to retro feed the Project's design during the scale-up stage.

#### **Monitoring and Evaluation (M&E) Implementation**

Individual provinces periodically reported progress toward implementation under the Project's M&E System, which was aggregated by the CPMU. However, the importance of capturing the Project's outcomes and impacts under the M&E system was not grasped until the third year of the implementation when International Project Management and Capacity Development Experts arrived. Thus, reporting on some of the Key Performance Indicators was not always updated and required long time for verification to truly capture impact (i.e., for example, time reductions of main land transactions). Further, while satisfaction surveys were carried out at various times, a systematic, multi-dimensional tracking of beneficiary satisfaction over time was not carried out as envisioned during preparation and this hindered the ability to assess users' perception of land information. In fact, following the baseline surveys during the Project preparation, an Independent Social Impact Assessment was carried out in 2011-2012, which served to capture the social outcomes of the Project. The CPMU also did put great effort in capturing the Project's impact at closing as part of the ICR preparation, which was critical in the carrying out the Project's ex-post evaluation.

#### **Monitoring and Evaluation (M&E) Utilization**

Together with the information provided by the M&E system, the PRF served to track progress toward Project readiness and implementation, helping to detect implementation bottlenecks. As mentioned earlier, the greatest limitation of the M&E system was in relation to the measurement of the operation's impact largely due to the fact that there was insufficient and use of results-monitoring during implementation, but post-project closing CPMU and PPMUs mobilized and prepared comprehensive data sets and information during project implementation time, the PPMUs and CPMU were so focused on closing down the TS contracts and getting the LUCRs approved and distributed. The frequent staff turnovers at CPMU also impacted on maintaining consistency in data gathering and reporting. However, at project closing a sustained effort was made to clean data. Further, significant number of commune / district level reports came in only by Q2 of 2015 (April to June) period and could not be reviewed and included on time earlier.

## **2.4 Safeguard and Fiduciary Compliance**

**(a) Social Safeguards.** It was estimated that there were around 250,000 ethnic minority people from ten ethnic groups living in the participating provinces. During preparation, the GoV undertook formal consultation with ethnic minority stakeholders at national, district and commune levels. Project activities were carried out in accordance to the Ethnic Minority Planning Framework (EMPF) dated July 2007 and adopted by MONRE on February 05, 2008 as well as four Ethnic Minority Action Plans (EMAPs) prepared for four Project provinces having ethnic minority communities in the project areas. The EMPF and EMAPs included nine specific measures aimed at ensuring adequate levels of interaction and communication between land administration staff and ethnic minority communities to better address the specific needs of ethnic minority people in land use right registration as well as in awareness raising and community participation activities. Three of these measures were implemented at province and district level, as follows: (a) advisory boards

on ethnic minority issues were set up; (b) training on ethnic minority issues for land administration staff and for community participation group was conducted; and (c) contractors were requested to spend more time in interacting with land users in ethnic minority villages. Implementation of the other measures, which target directly communes and households, were uneven at first but improved significantly after the project Mid-Term Review. Communication activities, with support of local facilitators, were specifically designed and implemented to enhance participation among ethnic minority communities showed good results, including the utilization of communication materials in minority languages that helped overcome the language gap. As a result of the emphasis placed on minorities under the Project, the percentage of ethnic minority households participating in land use right registration was from 90 to 100 percent in all Project areas and in some districts, like in Quang Ngai and Binh Dinh provinces, the same percentage of ethnic minority households were provided with new land use right certificates. The 2015 VLAP Independent Evaluation also showed that awareness on land use rights, including the rights of both men and women, was improved substantially among ethnic minority communities.

**(b) Environmental Safeguards.** As identified in the PAD, the Project posed minimum environmental risks and, thus, was rated category “C” since it. Overall, the Project can be expected to have a positive impact on environment through improving the quality and quantity of land information and making that information more readily available to institutional users such as other government agencies and mass-organizations (e.g. women’s unions or farmers’ unions) and ultimately result in improved land use planning and natural disaster prevention and management.

**(c) Financial Management.** Supervision missions found that the Project’s financial management (FM) was generally satisfactory. The implementing agencies employed qualified staff, had established appropriate accounting and internal control systems, especially internal audit mechanism and implemented auditor recommendations without undue delay. As a result, the financial management systems were able to provide a high level of assurance that the proceeds of the credit were used for their intended purposes. The implementing agencies timely submitted quarterly and annual financial reports of acceptable quality. Annual financial reports were audited by an independent auditor and the Project audited reports received unqualified audit opinions. Main issues identified during Project implementation supports missions and from audited financial reports mainly focused on procurement, internal control, accounting treatment, payment procedures and contract management system. All implementing agencies at both central and local levels eventually implemented the auditors’ and the Bank’s recommendations. The FM lessons can be drawn for future Project implementation is the importance of building FM capacity for accounting staff, improving the contract management system, and maintaining an effective internal audit mechanism.

**(d) Procurement.** Procurement constituted a serious implementation bottleneck, primarily at the national level and also at sub-national level in some provinces, such as Binh Dinh, Quang Ngai, Khanh Hoa, Hung Yen, Ben Tre and Tien Giang. There were several contributing factors, including the generalized lack of experience with Bank procurement procedures, the high turnaround in government staff assigned with procurement responsibilities, and ceilings on salaries, which prevented the recruitment of an experienced national procurement expert. In addition, the Project was rather complex to implement from a procurement standpoint, as it involved numerous procurement packages (i.e., 151

technical packages at the national level and over 70 procurement packages for acquisition of equipment at the national and provincial levels, of which about a dozen involved international competitive bidding.

**(e) Loan Covenants.** Although with delays, compliance with legal covenants was completed by the Project's closing.

### **2.5 Post-completion Operation/Next Phase**

In the short term, the transition to regular operation and maintenance of the land administration system strengthened under the Project can be expected to be smooth, as the Project has succeeded in building a sound foundation for a strengthened land administration in participating provinces (including a critical mass of outputs such as land profiles prepared or updated, number of LROs modernized, LIS operational and staff capacities improved). Likewise, the regulatory framework is largely in place. Although the Project Management Units will be dismantled, their institutional and technical capacities remain in place, as they were integrated in the GDLA's and DONRE's structure and staffed primarily with their full-time permanent staff.

However, in a longer term, given increasingly diversified demands of stakeholders to land information, to ensure their increased access to the services will require not only further enhancement of the system and its functionality but also improved land governance in general. The latter would require more in-depth changes within the GoV's existing institutional structure for land administration at all four levels (i.e., national, provincial, district and commune). In particular, it would be important to designate GDLA as the single institutional agency responsible for managing all activities associated with land registration and subsequent transactions, including the development and implementation of nationally unified single-window LROs and one-level national databases. These changes should be complemented by cross-sectoral, data-sharing arrangements. A follow-on operation is under preparation that would potentially scale up VLAP experiences and continue to provide support to the GoV's efforts to tackle more difficult reform measures as established under the 2013 Land Law 2013, which would allow the consolidation and further expansion of the VLAP outcomes.

## **3. Assessment of Outcomes**

### **3.1 Relevance of Objectives, Design and Implementation**

**Relevance of Objectives:** *High* (for both pre- and post-restructuring periods)

The operation's PDO continues to be a high priority for the GoV as well as the Bank. Specifically, the objective of increasing access to land information services is fully aligned with the country's Socio-Economic Development Strategy 2011-2020, which aims to effectively manage and utilize land resources for accelerated economic growth and poverty reduction. It is also fully consistent with the current Socio-Economic Development Plan 2011-2016, which emphasizes the importance of government-wide reform measures to promote macroeconomic stability as the basis for accelerated economic growth and poverty reduction, including the importance of effective and sustainable management of land and improved governance as an across-sector theme.

The operation's development objective continues to be closely linked with the Bank's CPS for Vietnam for period 2012-2016. Specifically, it is aligned with two key CPS Strategic Framework Outcomes—i.e., Outcomes 1.1 and 2.1—that seek to: (a) improve economic management and the business environment; and (b) improve natural resources management. In addition, the operation provided support to the CPS's stated cross-cutting thematic priorities on: (a) strengthening governance; (b) supporting gender equity; and (c) enhancing community participation through increased access to land information and land administration services.

The continuous high relevance of VLAP's development objective is also underscored by the main findings of the Bank's Policy Note "Revising the Land Law to Enable Sustainable Development in Vietnam," which concluded that developing a more flexible and effective land management system, and improving transparency and reducing corruption in land management are all needed to make Vietnam's land governance system worthy of a middle income country.<sup>9</sup>

**Relevance of Design:** *High* (for both pre- and post-restructuring periods)

Project design effectively supported the development of a modern land management system and enhancing provision of land information in participating provinces. The Project delivered a "proof of concept" as well as valuable lessons learned that will serve for the roll-on in remaining provinces. It is fully consistent with the GoV's strategy for improving land management over the 2011-2020 period, which gives priority to enhancing the effectiveness, efficiency, transparency, people's participation and accountability in the State management of land.<sup>10</sup> Activities included in VLAP's design correspond to the actions considered as priority under the government's strategy, including communication and awareness raising, improvement of the legal and policy frameworks, as well as developing a national Land Information System, including the associated capacity and infrastructure.

### 3.2 Achievement of Project Development Objectives

**Rating:** *Modest* for the pre-restructuring period

*Substantial* for the post-restructuring period

To operationalize the PDO, this ICR utilized the expanded description presented in the PAD, which states that, the PDO was to be achieved through ensuring that land users, including businesses and households, had access to more efficient, reliable, and transparent services from land administration services (PAD, Project Summary Sheet, p. ii).

In terms of impact, there was substantial progress toward expanding access to land information services as a result of the systematic surveying, mapping, registration and issuing of LURCs activities supported under VLAP as well as the development of an improved land administration information system in participating provinces (see Annex 2

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<sup>9</sup> Hanoi, November 5, 2012.

<sup>10</sup> As per the Prime Minister's decision 1892/QĐ-TTĐ dated September 14, 2012 and Government's resolution 07/NQ-CP dated January 14, 2014.

for a detailed description of the Project’s outputs by component). This progress is reflected in the positive change in an array of indicators focusing on the efficiency, reliability and transparency of land information services (including those in the Project’s PRF and additional ones). In terms of coverage, however, project outputs were significantly below the original targets for the pre-restructuring period, as the number of districts—and consequently land area and number of land plots, LURCs to be issued, etc.—to be covered by the Project was reduced from 86 to 57 under the 2013 restructuring.<sup>11</sup> Project outputs for the post-restructuring period were largely around the 2013 revised targets. Thus, although impact was substantial for both periods, to account also for coverage PDO achievement is deemed Modest during the pre-restructuring period and Substantial during the post-restructuring period. Specifically:

**Efficiency** – Improvements in efficiency access to land information under VLAP are illustrated by a decrease in processing times and an increase in the public’s satisfaction with land registration. Specifically:

Increased satisfaction in land registration: While customer satisfaction was not measured as originally envisioned,<sup>12</sup> customer feedback tracked by individual provinces showed a marked improvement, as follows:

- KPI 2 – Client satisfaction with the land administration service increased from 58 to 78 percent between “before” and “after” the Project, exceeding the 75 percent target (see Table 1).

In addition, beneficiary satisfaction surveys conducted as part of the 2015 Independent Project Evaluation commission by the GoV also showed consistently high levels of satisfaction among both land users and business. Specifically, land users reported high levels of satisfaction (70 to 89 percent across various aspects of service provision) when asked about their experience processing a transaction at a LRO. Likewise, businesses reported high levels of satisfaction (80 to 97 percent) when asked about various aspects of the land management system (Green Field Consultant, 2015).<sup>13</sup>

**Table 1. Efficiency in access to land information**

Indicator	Baseline 2008	Value at Completion June 2015

<sup>11</sup> See Tables (a) PDO Indicators and (b) Intermediate Indicators on the Datasheet (p. iii, viii) and Annex 2 for Project outputs.

<sup>12</sup> As originally envisioned, a standard questionnaire was going to be used to systematically capture and score the experience of different stakeholders (such as investors, real estate companies, banks, farmers and private individuals) in relation to typical land activities (such as purchase of land for commercial purposes, private transfers, heritage, registration of mortgage, and land parcel consolidation). The questionnaire would include quantitative information such as time spent, number of offices visited, number of documents to be prepared as well as quantitative information, such as satisfaction with the quality of the information and services provided. This survey was not conducted. Instead, the customer satisfaction reported here reflects the feedback provided by each customer on his/her satisfaction with the service received by pressing a button corresponding to his/her four-level assessment (very satisfactory, satisfactory, fair, and unsatisfactory) at the end of his/her visit to an LRO as reported by provinces at the end of the Project.

<sup>13</sup> A total of 903 land users and 162 businesses were interviewed in participating provinces.

Client satisfaction with the land administration service (scores 1 to 100)	58	78
Time required for land transfer transactions		
a. Land transfer	44 days	12.2 days
b. Mortgage transaction	11 days	1.2 days
c. Issuance of LURCs on demand by users	55 days	19.2 days

*Source:* CPMU (2015)

Decrease in processing times: There were substantial reductions in the actual number of days required for the most critical land transactions, in line with the newly adopted GDLA regulations, as follows:

- KPI 3.a - The actual time required for land transfer transactions decreased from 44 to 12.2 days, slightly above the 10-day maximum under the new GDLA regulations. Thus, processing times were reduced by 31.8 days compared to the 34-day target (94 percent level of achievement).
- KPI 3.b – The actual time required for mortgage transactions decreased from 11 to 1.2 days, almost at the 1-day required under the new GDLA regulations. Thus, processing times for mortgage transactions were reduced by 9.8 days compared to the nine- and ten-day original and revised targets, respectively (108 and 98 percent level of achievement with respect to original and revised targets, respectively).
- KPI 3.c – The actual time required for issuance of LURCs on demand by users decreased from 55 to 19.2 days, exceeding the 30-day maximum under the new GDLA regulations. Thus, processing times for on-demand LURCs (at the land user’s request) were reduced by 35.8 days compared to the 25-day target. (136 percent level of achievement).

**Reliability** – With roughly 90 percent or above of restructured targets being met in terms of the percentage of land parcels with LURCs approved (KPI 1) as well as additional land area covered under digital cadastral maps and number of land profiles updated and approved, Project outputs have helped improved the reliability of land information by enhancing its internal consistency and the integration of LISs. As a result, the Land Information System are better able to provide up-to-date complete and accurate information that is sufficient to make meaningful inferences on ownership, as shown by the increased resolution of land disputes. Specifically:

- There has been major progress toward enhancing the internal consistency of land information as cadastral survey and mapping, land profile preparation and LURC adjudication, and land database integration were conducted strictly in line with existing standards under the close supervision of technical consultants (see Annex 2 for Project Outputs).
- There has been major progress toward the integration of land information across different levels of government, with databases being integrated at provincial, district and commune levels in seven of the participating provinces, and accessible by the national level in four of them (see Table 2). This integration results in more reliable land information, given its consistency regardless of the point of access.
- As a result of more reliable land information, courts and administrators are now able to resolve land disputes more speedily, as shown by the increase in the resolved land

disputes as percentage of land disputes filed per year from 12 to 36 percent between 2008 and 2015 (see Table 2).

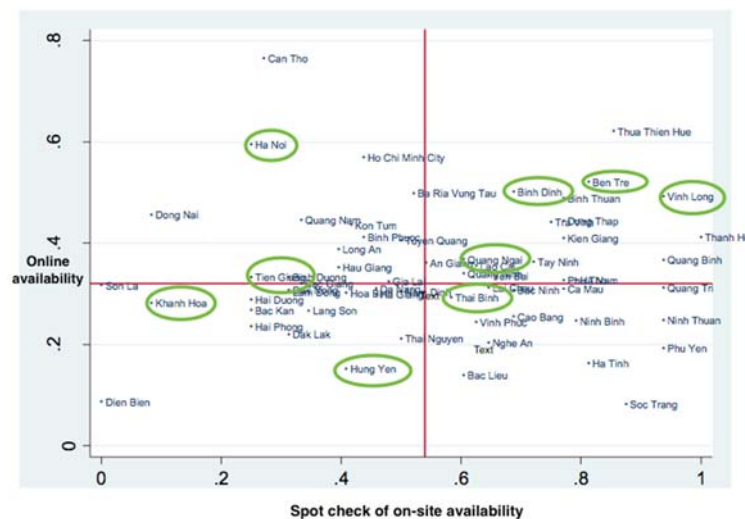
**Table 2. Reliability of land information**

Indicator	Baseline 2008	Value at Completion June 2015
Provinces with land information that can be accessed at the national level	0	4
Provinces with land information integrated at three levels of government (i.e., provincial, district, commune).	0	7
Provinces with land information integrated at least two levels of local government.	0	2
Resolved land disputes as percentage of land disputes filed per year	12%	36%

Source: CPMU (2015)

**Transparency** – In general, transparency refers to whether the land administration system makes land-related information publicly available, informing the public about transaction possibilities and fostering the development of a unified and more efficient land market. In context of land, transparency refers to whether land-related policies, laws and procedures are clearly defined and widely publicized in applicable languages, and decisions are widely publicized in applicable languages and in formats accessible to all the stakeholders<sup>14</sup>.

**Figure 1. Availability of mandatory land information in VLAP and non-VLAP Provinces Online and On-site 2013**



Source: Vietnam – Land Transparency Report (World Bank, 2014).

Availability of land information: Project outputs have also contributed to making the more

<sup>14</sup> Committee on World Food Security and FAO (2012), *Voluntary guidelines on the responsible governance of tenure of land, fisheries and forests in the context of national food security*, Rome.

reliable land information generated under the Project more readily available to stakeholders through the modernization of 57 LROs that now provide land information services in line of approved GDLA standards. In addition, according to the 2014 Land Transparency Report, VLAP provinces performed better than the non-VLAP provinces in disclosing mandatory land information in their provincial portal and onsite at LROs. As shown on Figure 1, five out of nine VLAP provinces also performed better than average in terms of displaying information onsite (i.e., x axis shows composite index based on on-site availability at random stop checks). Likewise, six out of nine performed better than average in providing land information online on their portals (i.e., y axis shows composite index based on online availability at provincial websites). Four out of the nine VLAP provinces did better than average in both dimensions (see Figure 1). VLAP provinces are also at the forefront in terms of providing land information through non-traditional methods, such as SMS.<sup>15</sup>

**Other impacts** - Improvements in efficiency, reliability and transparency in land information achieved under the Project seem to have generated greater trust in land administration, as well as an increase in recorded subsequent transactions and larger fiscal revenues from both real property taxes and fees for land information services.

Public trust: Results from a Social Impact Assessment (2012) showed that trust of the public in land administration between 2011 and 2012 increased significantly more in areas with VLAP than in those without VLAP, indicating a positive impact of the Project on household trust in land administration. Specifically, the percentage of households that reported trust in land administration increased from 36.1 to 75.4 percent in VLAP areas, while it remained roughly constant around 41 percent for non-VLAP areas (see Table 3). Four other indicators, including service quality, presence of irregularities in the LURC service, satisfaction and overall trust in the service showed the same trend.<sup>16</sup> Unfortunately, there is no equivalent data available for later stages of Project implementation.

**Table 3. Trust in land administration and registration of subsequent land transactions**

Indicator	Baseline 2008	Value at Completion June 2015
Trust in land administration	2011	2012
In VLAP Areas	36.1%	75.4%
In non-VLAP areas	41.8%	40.3%
Registration of subsequent land transactions	2008	Jun-15
Among individual land users		
a. Mortgages	38,384	88,248
b. Changes in name	1,480	2,144
c. Transfers	19,196	45,159

<sup>15</sup> World Bank (2014), Vietnam – Land Transparency Report, World Bank: Washington, DC.

<sup>16</sup> A survey of 648 households was conducted in three provinces focusing on household practices and attitudes with respect to land administration. Quantitative analysis was structured in order to allow comparison of the VLAP areas with non-VLAP areas before the Project started and in 2012 as part of the Social Assessment conducted in preparation for the MTR.

d. Leasing	0	700
e. Donations	5,729	25,192
g. Inheritance	2,589	9,493
Among businesses		
a. Mortgages	239	5,807
b. Land contributions	31	120

Source: CPMU (2015)

Subsequent transactions: The number of formally recorded subsequent transactions increased significantly between 2008 and 2015 among both households and businesses. Among household land users, the number of registered mortgages, transfers, donations, and inheritances increased by a factor of 2.3, 2.35, 4.4 and 2.7, respectively. Among businesses, registrations of mortgages increased exponentially by a factor of 24. This is a particularly important achievement, as it indicates that the Project has not only improved “accessibility” but actual “access” as well—in other words, it has contributed to generating a demand for land information. However, it should be noted that the increase in subsequent transactions could be the result of other factors outside the Project’s orbit, such as greater activity in land markets.

### 3.3 Efficiency

#### Rating: *Substantial*

At appraisal, the total project cost was estimated at US\$100.0 million, to be financed by the US\$75.0 million IDA credit and US\$25.0 million in Government co-financing at both the national and provincial levels. After restructuring, the Project cost was increased to US\$104.71 million, to reflect an additional grant for US\$4.17 million from NZAP (see Annex 1). Despite an 18-month extension to the original closing date, only roughly 70 percent of the credit and grant proceeds were disbursed, mainly as a result of slow implementation.

As discussed above, Project costs under Component 1 experienced a high increase, mainly as a result of rapid increases in labor costs as reflected in the minimum wage, which increased by a factor of 2.55 times during the Project's lifetime. As a result, coverage under the Project was reduced significantly, from 86 to 57 districts. The Project main outputs, as reflected in the Intermediate Indicators, were also reduced accordingly. Despite the fewer than anticipated LURCs issued, the unitary cost per a LURC under the Project (i.e., roughly US\$19.0) is comparable with that of similar projects in the region (see Annex 3).

**Economic Analysis.** A comprehensive economic analysis was not conducted at Appraisal, as it was considered to be not meaningful, since it would need to be based on highly speculative assumptions, which would make such an analysis hardly credible.<sup>17</sup> However, even if only small positive changes in the economic development could be attributed to the Project, this would yield significant positive economic returns. This ICR adopts the same rationale with respect to the Project’s economic efficiency, which continues to be deemed Substantial. The major economic benefits of the Project are expected from a range of

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<sup>17</sup> See paragraph 37, Section D.1 “Economic and financial analyses” (PAD).

positive effects on general economic growth stimulating investment in buildings, industrial development, housing and real estate sector as well as from using land to raise capital through mortgage lowering the costs of capital. More secured land ownership could also stimulate direct investment in agricultural land increasing its productivity. As mentioned earlier, the operation supported the development of a land management system in the context of Vietnam's transition from a centrally planned to a market driven economy. As such, the Project has a vast impact that goes well beyond measurable impacts in the short run, including the transformation in the mentality of land officials and land users in the participating provinces, a keystone in the development of land markets.

**Financial Analysis.** A financial analysis was carried out at Appraisal that rendered a Financial Internal Rate of Return (FIRR) of 38 percent. The analysis was revised during the 2013 restructuring to reflect the downward adjustment in the area covered under the Project and the cost increases, which rendered a FIRR of 25 percent. The major financial benefits of the project were expected to occur in the form of tax revenues increasing at roughly 10 percent per year in real terms to reach 5 percent of the provincial GDP over a ten-year horizon. The financial analysis has been revised based on the actual gains in tax revenues in the participating provinces during the Project's lifespan, which averaged roughly 8 percent per year in real terms. Taking this into consideration, the Project's IFRR is revised downwards to 20.2 percent, which is still very robust. It is expected that a modern, complete, and regularly up-dated land administration system would enable a continuous growth in tax revenues. It should be noted, however, that this financial analysis, as well as the one performed at Appraisal and subsequently at the 2013 restructuring assumes that increased land-related tax collections are the result of a more efficient LIS. There could be, however, other important factors, such as an increase in the number of transactions due to increased activity in land markets, increased land prices, as well as enhanced tax administration.

### **3.4 Justification of Overall Outcome Rating**

Overall, the Project is considered to be Moderately Satisfactory. Its PDO and design were highly relevant (and remain so), reflecting the Bank's considerable experience in the land sector in the region and beyond. While it encountered a number of difficulties during implementation, the critical ones were addressed during the 2013 restructuring, including adjusting some of the targets for project outputs downwards to reflect cost increases and implementation delays. During the post-restructuring period, the Project made substantial progress and had a positive impact toward expanding access among different stakeholders to more efficient, reliable, and transparent services from land administration services. The Project can also be expected to be economically and financially efficient. Without a doubt, the Project has also provided a solid foundation for broader dialogue on land issues between the Bank and the GoV. The Moderately Satisfactory rating reflects the weighted average of the Moderately Unsatisfactory and Satisfactory performance ratings for the pre and post-restructuring periods, respectively (see Table 4).

**Table 4. Project Rating**

	<b>Pre-restructuring Period 2008-2012</b>	<b>Post-restructuring Period 2013-2015</b>
<b>Disbursements</b>	US\$23.51 out of US\$51.4 million (equivalent to 46 percent)	US\$27.9 out of US\$51.4 million (equivalent to 54 percent)
<b>Relevance</b>		
- Objectives	High	High
- Design	High	High
<b>Efficacy (*)</b>	Modest	Substantial
<b>Efficiency</b>	Substantial	Substantial
<b>Rating</b>	Moderately Unsatisfactory	Satisfactory
<b>Weighted Rating</b>	3 x .46 = 1.37	5 x .54 = 2.71
<b>Overall Project rating</b>	Moderately Satisfactory (4.09)	

(\*) While the PDO was achieved during the pre- and post-restructuring periods, the Moderately Unsatisfactory rating for the pre-restructuring period reflects a lower than expected Project outputs with respect to original targets.

It is important to note that the ICR's Project Outcome rating of Moderately Satisfactory is not consistent with that of the last ISR (06/30/2015) that rated the achievement of Development Objectives as Moderately Unsatisfactory. The reason for this difference is that, while the ISR was prepared in June 2015, the ICR was prepared on September-November 2015 and benefited from a more thorough updated and complete set of data that was collected as part of the GoV's evaluation of the Project.<sup>18</sup>

### **3.5 Overarching Themes, Other Outcomes and Impacts**

#### **(a) Poverty Impacts, Gender Aspects, and Social Development**

- Poverty: LURCs were issued at no cost under the Project, which was particularly beneficial in facilitating access to low-income land users.

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<sup>18</sup> The ICR assessment is based on a very comprehensive and up-to-date set of data that was collected as part of the GoV's evaluation of the Project, which involved the in-depth data collection at the subnational level by a consulting firm hired by the GoV to prepare such evaluation, as well as by end-of-Project surveys conducted by the PCMU among participating provinces. As mentioned above, during project implementation time, the PPMUs and CPMU were so focused on closing down the TS contracts and getting the LUCRs approved and distributed. The frequent staff turnovers at CPMU also impacted on maintaining consistency in data gathering and reporting. However, at project closing a sustained effort was made to clean data. Further, significant number of commune / district level reports came in only by Q2 of 2015 (April to June) period and could not be reviewed and included on time earlier. In fact, the PCR Review undertaken in all project districts and provinces between July 1 and Oct. 2, 2015 aggregated all available data and information. In parallel, all nine provinces also convened Project Closing Workshops where the outputs and results were discussed per province. Following this, CPMU cleaned the data sets and updated the results framework and information. It was a 3.5 months long process and work carried out by CPMU with the help of all PPMUs.

- Gender: The Project made an important contribution toward enhancing gender equality in land use rights. It is estimated that roughly 1,498,449 LURCs were issued in the names of both spouses, equivalent to 62 percent.<sup>19</sup>
- Social development: The Project was effective in mobilizing communities and individual households, as illustrated by the result of a survey conducted among 903 individual households that participated in the Project.<sup>20</sup> Specifically, 86 percent of the respondents reported that they had learned about the Project in local meetings or through other means of communication. In addition, 86 percent of the respondents reported having been directly involved in the process of determining the boundaries of their parcels during the surveying process. Also important is that 76.4 percent of respondents reported to understand the importance of having an LRUC to ensure long-term land use rights.

**(b) Institutional Change/Strengthening**

In addition to the development of a LIS in participating provinces, the Project made a substantial contribution towards the development of a Policy and Regulatory Framework both at the provincial and national levels. Some of the most notable outputs were the Land Management System Land Data Standards and regulations on land map, land mapping and land documents. (For a complete list, see Table 2.1).

Through its training and capacity-building work, Project has improved capacity, within the public and private sector, to administer and apply the systems described above in support of the land-sector reform process. VLAP-sponsored forums, workshops, and training activities were managed to put in place a cadre of DONREs/LROs and professionals operating at the national, regional, provincial, and local government levels who better understand the process of land surveying, mapping, registration, operation, and maintenance of databases, and service delivery. In all, some 3,356 participants have received training under the project. These personnel are vital to the ongoing development and sustainability of the land reform process as they represent the human capital essential for future land-administration operations and management.

**(c) Other Unintended Outcomes and Impacts (positive or negative)**

The Project also served to work closely with other Development Partners to provide further supports to the Land Law revision and its implementation guidelines to ensure the issues raised in WB/DPs Policy Notes on the draft Land Law 2013 were fully addressed.

**3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops**

N.A.

**4. Assessment of Risk to Development Outcome**

**Rating:** *Significant*

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<sup>19</sup> VLAP Independent Impact Evaluation Report, May 2015

<sup>20</sup> Idem.

The overall risk that the Project's outcomes might not be sustained in the medium term is deemed Substantial. There are both positive and negative factor affecting the sustainability of outcomes, as follows:

#### Positive factors

- Enabling legislative and administrative framework is in place, and the main regulatory tools and processes developed under the Project to improve the project implementation and management in particular and land administration in general have been adopted by MoNRE, GDLA and participating provinces.
- The integration of cadaster databases at the commune, district and provincial levels ensures the simultaneous updating of information at the three levels of government every time a piece of information on a land parcel is modified within the land management information system.
- With the revitalization of land markets, which is being observed, the demand for land information will increase in areas experiencing fast growth, requiring improvement in land information services.

#### Negative factors

- A data-sharing model between land administration and other agencies are still to be developed and formally adopted together with clear guidelines and regulations regarding access to LIS, particularly concerning public information.
- Maintenance challenges traditionally associated with the ongoing financing of information systems to address recurrent needs related to equipment obsolescence and training due to personnel turnover. This, in turn, it is related to the ability of the land offices to secure adequate financial resources, either through budgetary transfers or own-source revenues, such as the collection of fees for services provided. In this regard, budgetary resources are not likely increase in view of ongoing fiscal constraints due to economic downturn and higher levels of national debt. Thus, it is important to explore non-traditional sources of revenue generation with public and private partners, such as banks.
- In the case of LIS, there are other more pervasive challenges associated with the system's efficacy in capturing modifications in land information, particularly transfer of use rights that occur informally (i.e., without registering the transfer in any of the formal channels). Ultimately, the sustainability of any LIS will depend on this. Several actions can be taken to ameliorate the incidence of informal transactions. First, efforts can be placed on enhancing awareness among land users of the importance of registering land transfers even among family members to avoid future disputes and enhance tenure security. The communication strategy implemented under the Project should be transformed into an ongoing activity involving other partners such as schools, social organizations and agricultural extension officers, etc. Second, in rural areas it is important to instill a proactive attitude among cadaster officers and village leaders to actively identify unreported transactions. The application of administrative sanctions can also serve to call land users' attention to the need to comply with the land regulations. Third, it is important to remove barriers for registration. Although now procedures are substantially clearer and more transparent, transfer fees and taxes might be a deterrent for the registration of subsequent transactions, particularly in the case of inheritance in low-income and rural households in areas with dormant land markets. Currently, the tax rate is determined at the national level, which does not provide

enough flexibility to provincial authorities to implement incentives to support specific policy incentives. As a result, some provinces might consider adjusting the price table downward to lower the tax liability. However, this is not a good practice in the long run, as it introduces distortions and non-transparent subsidies that are later very difficult to remove.

## **5. Assessment of Bank and Borrower Performance**

### **5.1 Bank Performance**

#### **(a) Bank Performance in Ensuring Quality at Entry**

**Rating:** *Moderately Satisfactory*

The Bank adequately identified, facilitated preparation and appraised the operation, ensuring consistency with Bank policies and safeguards. The Project Team prepared a technically sound operation, fully capitalizing on the Bank's rich experience in land projects in the region and beyond. The Project adequately reflected the strategic priorities of both the GoV and the Bank. The Project exhibited strong Quality at Entry, benefitting from a Project design that reflected an integrated approach toward the development of a LIS. In retrospect, however, the Project may have been overly ambitious, underestimating the implementation challenges characteristic of land projects, particularly at the commune level. In addition, the LURCs targets were no longer realistic by the time of the Project start, as there had been continuous progress toward the issuing of LURCs during the Project preparation.

#### **(b) Quality of Supervision**

**Rating:** *Satisfactory*

The Project Task Team provided close and regular supervision, maintaining strong collaboration with NZAP and the CPMU. Supervision missions were conducted regularly and were well documented through Aide Memoires and Implementation Status Reports (ISRs). Routine field visits allowed the Project Task Team to observe first-hand the challenges being faced during implementation. Having a Task Team Leader (TTL) based in the country and the continuity of the TTL helped with fluid and consistent communications between the Bank and the implementing agencies. The Mid-Term Review conducted in early 2012 was critical in identifying implementation bottlenecks and introducing remedial actions and required changes under the 2013 restructuring. The team also provided intensive procurement support including assistance in strengthening the CPMUs and PPMU's Procurement Units and large-scale procurement training.

#### **(c) Justification of Rating for Overall Bank Performance**

**Rating:** *Moderately Satisfactory*

Overall Bank Performance is rated moderately satisfactory to reflect moderately satisfactory performance during project preparation and satisfactory performance during the supervision phase.

### **5.2 Borrower Performance**

#### **(a) Government Performance**

**Rating:** *Moderately Satisfactory*

Government performance is rated moderately satisfactory. The GoV exhibited openness in

the dialogue with the Bank and DPs on land issues. In addition to the enactment of the 2013 Land Law, there was substantial progress toward the development of regulations that supported the actions under the Project. With the establishment of the GDLA, there has been progress toward a more clear assignment of responsibilities on land issues. There was also continuous involvement of MoNRE/GDLA leadership with the Project, with monthly meetings between its leadership, NPSC and the CPMU. A greater delegation of decision-making powers on the part of MoNRE to the GDLA and CPMU would have facilitated Project implementation and a timelier processing of the restructuring request. Likewise, more human resources were needed within the CPMU to ensure adequate implementation capacity. The approval of counterpart funds was sometimes slow, mainly in some provinces such as Binh Dinh and Quang Ngai – poorer provinces with large amounts of cadastral survey and mapping works.

#### **(b) Implementing Agency or Agencies Performance**

**Rating:** *Moderately Satisfactory*

Overall, the performance of the CPMU is deemed moderately satisfactory. Started with very low entry level, project management capacity was strengthened during the implementation, with a large number of government experienced staff having been assigned to the CPMU. During this period, emerging problems were addressed in a timelier manner and the processing times of management approvals was significantly reduced. The Project's M&E also improved with submission of the various progress reports being regularized. Throughout the life of the Project, the CPMU was effective in coordinating implementation with MoNRE/GDLA leadership as well as with participating provinces. Regular intensive supervision visits were conducted to participating provinces to review their progress, address pending technical and project management issues, or provide LROs with guidelines on land database maintaining and operation. It is also important to underscore the strong commitment and personal engagement of the CPMU staff and leadership, most of who continued to perform other duties within the GDLA in addition to those in the CPMU. However, insufficient allocation of human resources, frequent staff turnaround and lengthy decision making process by MoNRE/GDLA weakened the CPMU's effectiveness and caused delays in the Project implementation during the Project lifespan, especially prior the project MTR stage and later in the second half of 2014. Capacity was particularly weak in the areas of procurement, as a result, there were long-delays in the procurement of a number of key consultants and goods packages, which negatively affected the overall progress of the Project implementation.

In general, management performance at the provincial level was adequate as a whole. However, there was considerable variation across participating provinces. Some provinces performed well above average, including Vinh Long, which performed consistently well throughout the operation's lifetime, and Thai Binh, which exhibited a very good performance during the second half of the Project lifespan. These provinces were at the forefront of the learning curve and generated valuable innovations that later on were adopted by other provinces, both VLAP and non-VLAP ones. Hanoi, Quang Ngai, Ben Tre and Khanh Hoa exhibited an average level of performance. Finally, Binh Dinh, Hung Yen and Tien Giang performed below average.

#### **(c) Justification of Rating for Overall Borrower Performance**

**Rating:** *Moderately Satisfactory*

Overall Borrower Performance is rated moderately satisfactory to reflect moderately satisfactory performance of the government and the overall moderately satisfactory performance of the implementing agencies, despite some exceptions at the provincial level as noted above.

## **6. Lessons Learned**

### **Lessons of wide application**

- Land administration projects are difficult and long term in nature. The implementation experience of this operation underscores the complexity underlying land projects, which involve a complexity of elements and interventions—political, legal, institutional, technical and social amongst the key ones. The profound paradigm shift in roles of both the land officials and land users such a Project entails also requires long term efforts to be realized. Thus, land administration interventions should be conceived as long-term interventions to be supported through multiple, successive projects. Moreover, not much should be expected in terms of deliverables over the first two years of implementation.
- Political support and management capacity is vital at all levels of government. The level of support from executive branches as well as management capacity exhibited within participating provinces were the primary determinants of their performance. It is also important to underscore that these traits are required at all levels of local government (i.e., provincial, district, and commune) for the successful development and operation of an effective land management system. This highlights the importance of conducting careful selection of project areas. First, the participation criteria should reflect an operation's overall objectives. While the selection of participating provinces on the basis of their representativeness was adequate in the context of this operation, follow-on operations should explore other selection criteria in view of limited public resources and project lifespan, the differential impact that can be expected in different settings, and required conditions for success at the provincial level, such as the existence of strong political support and management capacity, and readiness. Second, the selection should be based on systematic and evidence-based capacity assessments and followed by up-front capacity building during the Project preparation and initiation stages. It is important to initiate Project evaluation tasks, including final data collection by the Borrower, before the closing of the Project. Having final data on the Project's PRF at the time of last ISR would avoid future disconnects in Project ratings. It also suggested that greater attention be given to the last ISR on the part of Bank management, including formal reviews by the Practice Manager and Practice Director.

### **Project-specific lessons and recommendations**

- There are important trade-offs between accuracy and cost. VLAP has illustrated that to conduct mapping and surveying according to the existing regulations and technical standards can be very costly and rather unfeasible to replicate at a large scale. In the context of follow-on operations, it will be important to explore more flexible approaches toward land registration and the issuing of LURCs in view of various needs for precision.
- There also exists a danger to overestimate the private sector availability and capacities under a land project, particularly in a transition country like Vietnam. The use of a trial-

and-error method has been proved as ineffective under the VLAP as it led to project implementation delays and high associated costs. For the follow-on project, it is recommended to conduct a throughout market survey and the public sector's capacity assessment to define potential capacities to implement the project works and based on that develop an appropriate strategy and plan to mobilize necessary capacities for the project implementation at the project preparation stage proactively.

- "Soft" investments in training and awareness raising are critical to enhancing the behaviors of key stakeholders, including government officials and land users. This is particularly important in the context of Vietnam, which faces additional challenges as part of its transition from a centrally planned to a market-based economy. While "soft" investments might be perceived as non-essential, it is critical to understand that they are necessary to ensure the effective operations and sustainability of "hard" investments.
- In follow-on operations, it will be important to place more emphasis on systematic learning, ideally, through regular independent implementation and impact assessment and evidence-based retro-feeding on land management processes and regulations. It would also be essential to include mechanisms to actively foster innovations at the local level and to actively disseminate best practices to tap into the innovation potential of local governments.
- There was \$ 8.4 mill. left after the project. Since the cancellation of the balance could not be made timely, it was a loss for the country though it was partially explained by exchange rate fluctuation between SDR and USD at the last years of the project implementation.

## **7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners**

### **(a) Borrower/implementing agencies**

See Annex 7.

### **(b) Co-financiers**

In discussions with the ICR mission and the government, both AusAID and NZ endorsed the ICR findings and recommendations. No separate reports were provided to be annexed to the ICR.

### **(c) Other partners and stakeholders**

(e.g., NGOs/private sector/civil society)

N/A.

## Annex 1. Project Costs and Financing

### (a) Project Cost by Component (in USD Million equivalent)

Components	Appraisal Estimate (USD millions)	Revised at restructuring (USD millions)	Actual (at Oct.31, 2015) (USD millions)	Percentage of Appraisal
1. Modernization of Land Registration System	74.9	82.1	70.6	94.3%
2. Improvement of Land Registration Service Delivery	6.8	3.9	5.9	86.8%
3. Support to Project Management and M&E	6.9	5.9	9.0	130.4%
<b>Total Baseline Cost</b>	88.6	91.9	85.5	96.5%
Physical and Price Contingencies	11.4		0.0	0.0%
<b>Total Project Costs</b>	100.0	91.9	85.5	85.5%

Note: As of October 31, 2015.

### (b) Financing

Source of Funds	Type of Co-financing	Appraisal Estimate (USD millions)	Revised at restructuring (USD millions)	Actual (at Oct 31, 2015) (USD millions)	Percentage of Appraisal
Borrower	Co-financing	25.00	23.57	20.05	80.2%
International Development Association (IDA)	Credit	75.00	65.98	57.60	76.8%
New Zealand Aid Programme (NZAP)	Grant		4.7	4.28	n.a.
Total Project Cost		100.00		81.93	81.9%

Note: As of October 31, 2015.

## Annex 2. Outputs by Component

### Component 1: Modernization of the Land registration System

This component supported the development of an accurate, current and complete information system to support land registration. Specific activities included: (a) completing and updating all cadastral mapping showing all land parcels; (b) completing and updating all land records for land use rights and land use; (c) further developing and implementing computerized land record system, and (d) selected policy studies in support of the land administration system. The main outputs can be summarized as follows:

- A total of 878,000 hectares have been surveyed, mapped and digitized into cadastral maps, compared to an original target of 1,024,000 hectares (86 percent achievement) and a revised target of 987,000 (89 percent level of achievement).
- A total of 3,438,352 land profiles have been updated and approved, compared to a target of 3,300,000 that was added at the 2013 restructuring (104- percent level of achievement).
- A total of 3,007,576 LURCs were issued or reissued under VLAP, compared to an original target of 5,119,000 (59 percent level of achievement). Of these, roughly 80 percent correspond to land parcels with LURCs that had been previously issued and the remaining 20 percent for land parcels with LURCs that were issued for the first time.
- A total of 2,403,164 LRUCs were distributed among land users compared to a target of 2,800,000 that was added at the 2013 restructuring (86 percent level of achievement of restructuring target).
- Approximately 62 percent of the LURCs that were distributed to land users were registered in the name of women land users (either individually or in joint names).
- A total of 1,281,106 individuals or households were granted with LURCs under the Project, compared to a target of 350,000 that was added at the 2013 restructuring (366% level of achievement).
- LURCs issued under the Project covered roughly 509,000 hectares, compared to a target of 569,000 that was added at restructuring (89 percent level of achievement).
- Cadastral databases centralized at the provincial-level have been developed in the nine participating provinces.
- The cadastral records management system (i.e., VILIS 2.0) is now operational in 57 district-level Land Registry Offices (LROs).
- There was substantial progress towards the development of a Policy and Regulatory Framework both at the provincial and national levels. Some of the most notable outputs were the Land Management System Land Data Standards<sup>21</sup> and regulations on land map, land mapping and land documents.<sup>22</sup> (For a complete list, see Table 2.1).

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<sup>21</sup> Circular No.17/2010/TT-BTNMT, Dated 4/10/2010.

<sup>22</sup> Circular No.25/2014/TT-BTNMT, Dated 19/5/2014 and Circular No.55/2013/TT-BTNMT, Dated 30/12/2013.

**Table 2.1. Development of Policy and Regulatory Framework on Land Management System**

<b>Legislation, Article, or Regulation</b>	<b>Date</b>	<b>Brief description</b>
<b>MoNRE – National Level</b>		
Luật Đất đai 2013	29/11/2013	Land Law 2013 enacted
Nghị định số 43/2014/NĐ-CP	2014	GoV's Decree on the implementation of Land Law 2013
Nghị định số 44/2014/NĐ-CP	2014	GoV's Decree on government-defined land price framework
Nghị định số 45/2014/NĐ-CP	2014	GoV's Decree on guiding the collection of land use fees
Nghị định số 46/2014/NĐ-CP	2014	GoV's Decree on the collection of rent of government lease of land and water surface
Nghị định số 47/2014/NĐ-CP	2014	GoV's Decree on compensation, supports and resettlements for the land acquisition by the government
Thông tư số 23/2014/TT-BTNMT	2014	MoNRE Circular on land use right certificates
Thông tư số 24/2014/TT-BTNMT	2014	MoNRE Circular on land profiles
Thông tư số 25/2014/TT-BTNMT	2014	MoNRE Circular on cadastral maps
Thông tư số 26/2014/TT-BTNMT	2014	MoNRE Circular on cost norms for land database development
Thông tư số 28/2014/TT-BTNMT	2014	MoNRE Circular on land statistics and inventory
Thông tư số 29/2014/TT-BTNMT	2014	MoNRE Circular on preparation and change of land use plan/zoning
Thông tư số 30/2014/TT-BTNMT	2014	MoNRE Circular on profiles for land allocation, lease, and change of the government designated land use purpose
Thông tư số 34/2014/TT-BTNMT	2014	MoNRE Circular on the development, management, and operation of land information system
Thông tư số 35/2014/TT-BTNMT	2014	MoNRE Circular on land survey and valuation
<b>Hung Yen Province</b>		
Quyết định số 14/2011/QĐ-UBND	20/7/2011	Decision of the Provincial People's Committee on specific cases in the issuance of land use right certificates
Quyết định số 18/2014/QĐ-UBND	21/11/2014	Decision of the Provincial People's Committee on ceiling on allocation of residential land and recognition of residential land use rights
Quyết định số 16/2014/QĐ-UBND	14/11/2014	Decision of the Provincial People's Committee on percentages in calculating unit rent for leasing land with water surface for underground constructions

Quyết định số 14/2014/QĐ-UBND	27/10/2014	Decision of the Provincial People's Committee on specific cases in land compensation, supports and resettlement
Quyết định số 12/2015/QĐ-UBND	16/7/2015	Xử lý một số trường hợp khi cấp giấy chứng nhận
Quyết định số 7/2015/QĐ-UBND	10/3/15	Decision of the Provincial People's Committee on coefficients for adjustments of land prices for the collection of land use fees
<b>Thai Binh</b>		
Quyết định số 07/2014/QĐ-UBND tỉnh	30/6/2014	Decision of the Provincial People's Committee on ceiling for land allocation and recognition of land use rights and the minimal area for land division in Thai Binh province
Quyết định 08/2014/QĐ-UBND tỉnh	30/6/2014	Decision of the Provincial People's Committee on specific policies for land compensation, supports and resettlement in case of government's acquisition of land in Thai Binh province
Chỉ thị số 04/CT-UBND tỉnh	25/3/2015	Instructions of the Provincial People's Committee on strengthening state management of land
Quyết định số 2027/2015/QĐ-UBND tỉnh	7/9/15	Decision of the Provincial People's Committee announcing 19 new administrative procedures, 24 adjusted administrative procedures and the cancelation of 23 land administrative procedures under the authority of the Provincial Department of Natural Resources and Environment of Thai Binh province.
<b>Binh Dinh</b>		
Nghị quyết số 05/2012/NQ-HĐND của Hội đồng nhân dân tỉnh Bình Định	20/7/2012	Resolution of the Provincial People's Council on the land use plans in 2011 - 2020 and 2011 - 2015 in Binh Dinh province.
Quyết định số 46/ QĐ-UBND của UBND tỉnh Bình Định	14/01/2009	Decision of the Provincial People's Committee enacting the unit costs for cadastral survey and mapping, and land registration and statistics in the province
Quyết định số 462/QĐ-UBND của UBND tỉnh Bình Định	15/10/2010	Decision of the Provincial People's Committee enacting the unit costs for cadastral survey and mapping in the province
Quyết định số 614/QĐ-UBND của UBND tỉnh Bình Định	31/12/2010	Decision of the Provincial People's Committee enacting the unit costs for the land registration, preparation of land profiles and issuance of LURCs in the province
Quyết định số 19/2010/QĐ-UBND của UBND tỉnh Bình Định	20/8/2010	Decision of the Provincial People's Committee on the state management of cadastral survey and mapping works in the province
Quyết định số 15/2008/QĐ-UBND của UBND tỉnh Bình Định	18/3/2008	Decision of the Provincial People's Committee on resolving cases of land encroaching, unauthorized land allocations, illegal collection of land use fees and issuance of LURCs when land users meet conditions for continuing their land uses

Quyết định số 29/2011/QĐ-UBND của UBND tỉnh Bình Định	14/9/2011	Decision of the Provincial People's Committee enacting adjustments in the Decision on resolving cases of land encroaching, unauthorized land allocations, illegal collection of land use fees and issuance of LURCs when the land users meet conditions for continuing their land uses
Quyết định số 52/2009/QĐ-UBND của UBND tỉnh Bình Định	12/10/09	Decision of the Provincial People's Committee enacting land ceilings in the province
Quyết định số 41/2009/QĐ-UBND của UBND tỉnh Bình Định	12/10/09	Decision of the Provincial People's Committee on minimal area for land division
Quyết định số 447/QĐ-UBND của UBND tỉnh Bình Định	08/9/2011	Decision of the Provincial People's Committee on the recognition of land deeds issued by the Sai Gon regime to land users
Quyết định số 518/QĐ-UBND của UBND tỉnh Bình Định	18/9/2012	Decision of the Provincial People's Committee enacting changes in its Decision on the recognition of land deeds issued by the Sai Gon regime to land users.
Quyết định số 37/2014/QĐ-UBND của UBND tỉnh Bình Định	25/12/2014	Decision of the Provincial People's Committee enacting land ceilings in the province
Quyết định số 40/2014/QĐ-UBND của UBND tỉnh Bình Định	25/12/2014	Decision of the Provincial People's Committee on minimal area for land division
Quyết định số 1959/QĐ-UBND của UBND tỉnh Bình Định	09/6/2015	Decision of the Provincial People's Committee enacting cost norms for cadastral survey, mapping, registration of land and ownership of assets attached to the land, preparation of land profiles, issuance of LURCs
Quyết định số 16/2015/QĐ-UBND của UBND tỉnh Bình Định	21/7/2015	Decision of the Provincial People's Committee enacting changes in its Decision on minimal area for land division
Quyết định số 17/2015/QĐ-UBND của UBND tỉnh Bình Định	24/7/2015	Decision of the Provincial People's Committee on the recognition of land deeds issued by the Sai Gon regime to land users
Quyết định số 44/2008/QĐ-UBND của UBND tỉnh Bình Định	31/12/2008	Decision of the Provincial People's Committee enacting government-defined land prices in 2009
Quyết định số 49/2009/QĐ-UBND của UBND tỉnh Bình Định	17/12/2009	Decision of the Provincial People's Committee enacting government-defined land prices in 2010
Quyết định số 29/2010/QĐ-UBND của UBND tỉnh Bình Định	20/12/2010	Decision of the Provincial People's Committee enacting government-defined land prices in 2011
Quyết định số 41/2011/QĐ-UBND của UBND tỉnh Bình Định	15/12/2011	Decision of the Provincial People's Committee enacting government-defined land prices in 2012
Quyết định số 48/2012/QĐ-UBND của UBND tỉnh Bình Định	20/12/2012	Decision of the Provincial People's Committee enacting government-defined land prices in 2013

Quyết định số 42/2013/QĐ-UBND của UBND tỉnh Bình Định	18/12/2 013	Decision of the Provincial People's Committee enacting government-defined land prices in 2014
Quyết định số 34/2014/QĐ-UBND của UBND tỉnh Bình Định	22/12/2 014	Decision of the Provincial People's Committee enacting government-defined land prices for 5 years 2015-20120
<b>Tien Giang</b>		
	Ngày	
Chi thị số 10/CT-UBND	10/4/20 12	Instructions of the Provincial People's Committee on strengthening the state management in the province
	Ngày	
Công văn số 4085/UBND-CN	07/9/20 12	Circular of the Provincial People's Committee on accelerating the completion of LURCs issuance in 2013
	Ngày	
Quyết định 2210/QĐ- UBND	12/9/20 13	Decision of the Provincial People's Committee approving the plan for issuance of 1st time LURCs in the province
	Ngày	
Công văn số 5278/UBND-CN	13/11/2 013	Circular of the Provincial People's Committee on the completion of LURCs issuance in 2013 according to the NA's resolution NQ30/2012-QH-13 and PM's instruction 05/CT-TT.
<b>Quang Ngai</b>		
Quyết định số: 67/2014/QĐ-UBND	2014	Decision of the Provincial People's Committee enacting government land prices in the province
Quyết định số: 62/2014/QĐ-UBND	2014	Decision of the Provincial People's Committee enacting cost norms for development of land databases in the province
Quyết định số: 30/2014/QĐ-UBND	2014	Decision of the Provincial People's Committee enacting the cost norms for cadastral survey and mapping, land registration, preparation of land profiles, and issuance of LURCs in the province
Quyết định số: 28/2014/QĐ-UBND	2014	Decision of the Provincial People's Committee approving the government financial supports when government acquires land in residential land areas in 2014
Văn bản số 3538/HD- STNMT	2014	Circular of DONRE providing technical guidance on adjustment survey and mapping; provision of copy of cadastral maps, on-demand cadastral survey of land parcels and areas
Văn bản số 3718/UBND- NNTN	2015	Decision of the Provincial People's Committee on the adjustment coefficients for land price adjustments in defining compensation when the government acquires land

## Component 2 - Improvement of Land Registration Service Delivery

This component provided support for three main areas: (a) modernization and improvement of LROs to implement the government's policy for "one door" single service centers for land registration; (b) access to land registration data through all LROs and Internet; and (c) a

comprehensive program to support public awareness raising and better communications of land registration and participation in the processes to complete and update land records, surveying and mapping. The main outputs can be summarized as follows:

- A total of 57 district land offices have been modernized and are operational, compared to an original target of 86 (66percent level of achievement) and revised target of 61 (93 percent level of achievement). This included provision of hardware, updating of LIS software (ViLIS version 2.0), Internet connections for connectivity between district and provincial levels, and support to enhance service standards. These LROs now have improved working facilities, updated land databases, and trained staff and are providing improved land information services in line with national service standards issued by MoNRE.
- Among them are 11 model LROs, which have been conceived as centers of excellence to exert a positive demonstration effect in other districts in the participating provinces to follow. In addition to a complete remodeling of physical facilities, land officers have received training on, among others, land legal framework, customer services, and management skills.
- A total of 870 commune-level access points are now operational, compared to an original target of 1,279 (68 percent level of achievement) and a revised target of 718 (121 percent level of achievement). This included the provision of office equipment and data connectivity. In addition, 1,607 commune land officers were trained.
- Training provided to land officers at the provincial, district and commune levels on dispute resolution and customer service.
- A total of 860 public awareness plans were implemented at the commune level, compared to an original target of 1,279 (67 percent level of achievement) and a revised target of 861 (100% level of achievement). These campaigns involved multiple communication media (including television, radio, printed material, community meetings. Local facilitators were utilized in the nine provinces.
- Ethnic minority action programs were implemented, including the implementation of communication campaigns in local languages.

### **Component 3 - Support to Project Management and Monitoring and Evaluation**

This component provided support for overall Project implementation, including the financing of Project management and M&E activities at the central and provincial levels, as well as technical assistance, contract staff, computer hardware and software and systems development to support the implementation of the project. In addition, training was provided in project management, reporting, planning, financial management and procurement. A study on financial sustainability as well as a series of evaluations were financed under this component.

### Annex 3. Economic and Financial Analysis

At appraisal, the total project cost was estimated at US\$100.0 million, to be financed by the US\$75.0 million IDA credit and US\$25.0 million in Government co-financing at both the national and provincial levels. After restructuring, the Project cost was increased to US\$104.71 million, to reflect an additional grant for US\$4.17 million from NZAP (see Annex 1). Despite a 18-month extension to the original closing date, only roughly 70 percent of the credit and grant proceeds were disbursed, mainly as a result of weak implementation.

As discussed above, Project costs under Component 1 experienced a high increase, mainly due as a result of fast increases in labor costs as reflected in the minimum wage, which increased by a factor of 2.55 times during the Project's lifetime. As a result, coverage under the Project was reduced significantly, from 86 to 52 districts. The Project main outputs, as reflected in the Intermediate Indicators, were also reduced accordingly. Despite the fewer than anticipated LURCs issued, the unitary price under the Project (i.e., roughly US\$19.0) is comparable with that of similar projects in the region (see Table 3.1).<sup>23</sup>

**Table 3.1 Indicative unitary costs of land title production in World Bank projects in the region**

Country/Project	Dates	Investment (US\$ millions)	Land titles produced	Unitary cost (US\$)
Cambodia/Land Management and Administration Project (LMAP)	2002-07	24.3	1,200,000	20.25
Indonesia Land Administration Project (LAP)	1994-2002	140.3	2,000,000	70.15
Indonesia/Land Management and Policy Development Project (LMPDP)	2004-09	87.62	2,100,000	41.72
Laos/Land Titling Project (LLTP)	1996-2005	20.73	122,934	168.63
Laos/Land Titling Project 2 (LLTP2)	2004-09	14.82	395,279	37.49
Philippines/Land Administration and Management Project 2 (LAMP2)	2005-2013	33.54	88,493	379.01
Thailand TLTP	84-92	35	2,000,000	17.50
Thailand TLTP2	90-96	30	2,000,000	15.00
Thailand TLTP3	94-2002	80	4,800,000	16.67
Vietnam/Land Administration Project (VLAP)	2008-2014	53	2,786,041	19.02

*Source:* Authors' calculations based on data provided by Munro-Faure (2011) in an independent report conducted as part of the Project's Mid-Term Review.

**Economic Analysis.** An economic analysis was not conducted at Appraisal, as it was considered to be not meaningful, since it would need to be based on highly speculative assumptions, which would make such an analysis hardly credible.<sup>24</sup> However, even if only small positive changes in the economic development could be attributed to the Project, this would yield significant positive economic returns. This ICR adopts the same rationale with respect to the Project's economic efficiency, which continues to be deemed Substantial. The major economic benefits of the Project are expected from a range of positive effects on general economic growth stimulating investment in buildings, industrial development, housing and real estate sector as well as from using land to raise capital through mortgage lowering the costs of capital. More secured land ownership could also stimulate direct investment in agricultural land increasing its productivity.

<sup>23</sup> The unit cost estimates differs slightly from the one reported in the PCMU's VLAP Completion Report (i.e., US\$20-25 per LURC), which is based on more stringent calculations that include only direct Project inputs. The unit cost reported on Table 3 is based on Project outputs and investments, which allows for a comparison across various projects.

<sup>24</sup> See paragraph 37, Section D.1 "Economic and financial analyses" (PAD).

It is also important to underscore that the operation supported the development of a land management system in the context of Vietnam's transition from a centrally planned to a market driven economy. As such, the Project has a vast impact that goes well beyond measurable impacts in the short run, including the transformation in the mentality of land officials and land users in the participating provinces, a keystone in the development of land markets.

**Financial Analysis.** A financial analysis was carried out at Appraisal that rendered a Financial Internal Rate of Return (FIRR) of 38 percent. The analysis was revised during the 2013 restructuring to reflect the downward adjustment in the area covered under the Project and the cost increases, which rendered a FIRR of 25 percent. The major financial benefits of the project were expected to occur in the form of tax revenues increasing at roughly 10 percent per year in real terms to reach 5 percent of the provincial GDP over a ten-year horizon. The financial analysis has been revised based on the actual gains in tax revenues in the participating provinces during the Project's lifespan, which averaged roughly 8 percent per year in real terms (see Table 3.2). Taking this into consideration, the Project's IFRR is revised downwards to 20.2 percent, which is still very robust. It is expected that a modern, complete, and regularly up-dated LIS would enable a continuous growth in tax revenues. It should be noted, however, that this financial analysis, as well as the one performed at Appraisal and subsequently at the 2013 restructuring assumes that increased land-related tax collections are the result of a more efficient LIS. There could be, however, other important factors, such as an increase in the number of transactions due to increased activity in land markets, increased land prices, as well as enhanced tax administration.

**Table 3.2. Land-based tax collections in participating provinces, 2008-2014**

	2008	2010	2014	%
	(In Millions, Current Vietnamese Dong)			
<b>Revenues from land-related fees and charges</b>	<b>849,847</b>	<b>969,165</b>	<b>1,278,546</b>	<b>150.4%</b>
a. Service fees (e.g., surveying, appraisal, land information)	360,641	573,449	474,028	131.4%
b. Charges (e.g., LURC issuance, mortgage, etc.)	489,859	391,017	793,589	162.0%
c. Other services	-	7,409	17,430	
<b>Revenues from land-related taxes</b>	<b>407,215</b>	<b>1,766,288</b>	<b>2,137,340</b>	<b>524.9%</b>
a. Land use fee	267,965	1,504,233	1,893,759	706.7%
b. Land taxes	132,600	217,559	197,933	149.3%
c. Land levies	6,650	22,198	15,694	236.0%
d. Capital gains	0	22,298	29,954	
<b>Total land-related revenues</b>	<b>1,257,062</b>	<b>2,735,453</b>	<b>3,415,886</b>	<b>271.7%</b>
	(In Millions, 2014 Real Vietnamese Dong)			%
<b>Discount factor Based on inflation (WDI, 2015)</b>	<b>0.49</b>	<b>0.64</b>	<b>1.0</b>	
<b>Revenues from land-related fees and charges</b>	<b>1,751,555</b>	<b>1,515,514</b>	<b>1,278,546</b>	<b>73.0%</b>
a. Service fees (e.g., surveying, appraisal, land information)	743,291	896,721	474,028	63.8%
b. Charges (e.g., LURC issuance, mortgage, etc.)	1,009,611	611,446	793,589	78.6%
c. Other services	-	11,586	17,430	
<b>Revenues from land-related taxes</b>	<b>839,280</b>	<b>2,762,001</b>	<b>2,137,340</b>	<b>254.7%</b>
a. Land use fee	552,283	2,352,217	1,893,759	342.9%
b. Land taxes	273,292	340,204	197,933	72.4%
c. Land levies	13,706	34,712	15,694	114.5%
d. Capital gains	0	34,868	29,954	
<b>Total land-related revenues</b>	<b>2,590,835</b>	<b>4,277,515</b>	<b>3,415,886</b>	<b>131.8%</b>
<b>Annual growth rate in real terms 2008-2014</b>				<b>8.0%</b>

Source: Calculations by authors based on data provided by CPMU (2015).

## Annex 4. Bank Lending and Implementation Support/Supervision Processes

### (a) Task Team members

Names	Title	Unit	Responsibility/ Specialty
<b>Lending</b>			
Susan S. Shen	Manager, Operations	LLIOP	TTL
Keith Clifford Bell	Senior Land Policy Specialist	GSURR	
Vinh Quoc Duong	Consultant	EASVS - HIS	
Hung Viet Le	Sr Financial Management Specialist	EAPDE	
Hoi-Chan Nguyen	Consultant	OPSVP	
Dzung The Nguyen	Senior Rural Development Specialist	GSURR	
Hoa Thi Mong Pham	Senior Social Development Specialist	GSURR	
Hiet Thi Hong Tran	Senior Procurement Specialist	EASRP-HIS	
<b>Supervision/ICR</b>			
Sylvester Kofi Awanyo	Lead Procurement Specialist	GGODR	
Keith Clifford Bell	Senior Land Policy Specialist	GSURR	Co-TTL
Evelyn Bautista Cowan	Senior Executive Assistant	CROVP	
Dung Thi Thuy Dao	Operations Analyst	EACVF	
Hung Viet Le	Sr Financial Management Specialist	EAPDE	
Lan Thi Thu Nguyen	Senior Environmental Economist	GENDR	
Dzung The Nguyen	Senior Rural Development Specialist	GSURR	TTL
Hoang Xuan Nguyen	Procurement Specialist	GGODR	
Hoa Thi Mong Pham	Senior Social Development Specialist	GSURR	
Quynh Xuan Thi Phan	Financial Officer	GEFOB	
Susan S. Shen	Manager, Operations	LLIOP	
Ha Thuy Tran	Financial Management Specialist	GGODR	

### (b) Staff Time and Cost

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	USD Thousands (including travel and consultant costs)
<b>Lending</b>		
FY06		111.61
FY07		208.23
FY08		134.97
FY09		
<b>Total:</b>		<b>454.81</b>
<b>Supervision/ICR</b>		
FY08		9.54

FY09		72.54
FY10		67.88
FY11		73.75
FY12		199.73
FY13		96.45
FY14		111.01
FY15		108.19
<b>Total:</b>		<b>739.09</b>

## **Annex 5. Beneficiary Survey Results**

N.A.

## **Annex 6. Stakeholder Workshop Report and Results**

N.A.

## **Annex 7. Summary of Borrower's ICR and/or Comments on Draft ICR**

### **A. VLAP – PROJECT COMPLETION REPORT – Summary**

Land reform represents a centerpiece of the Government of Vietnam's (GoV) *Doi Moi* (reforms) process and is widely recognized as one of the most important driver of Vietnam's rapid growth and poverty reduction. The promulgation of the 2003 Land Law represented a landmark development that further enhanced land users' rights and laid out a comprehensive legal framework for developing a modern land administration and management system in the country. The government, the public, and Vietnam's development partners all agree that improving land governance is critical to improving overall governance in Vietnam. This forms the core of GoV's overall Socio-Economic Development Plan (SEDP). The desire to streamline land administration and enhance tenure security for the most disadvantaged communities resulted in the conception and implementation of the Vietnam Land Administration Project (VLAP). Against this background, a study of the work and experiences of the VLAP, in the broader context of the government's land policies and reforms, assumes considerable significance. This Project Completion Report (PCR) examines the project rationale, design, and implementation to glean valuable lessons from what was achieved and lessons for the future.

### **Developing, Designing, and Piloting a Land Administration System**

The Government of Vietnam (GoV), various land-related ministries and departments, the World Bank (WB), Australian International Development Aid Program (AusAid), and New Zealand Aid Program (NZAP) have collaborated in the designing and implementation of VLAP. The project was based on the premise that land tenure security is critical for sustainable use of land resources, which, in turn, is vital to poverty reduction and economic growth. The VLAP aimed to develop a reliable Land-Administration System (LAS) that would ensure tenure security for all land users, including most disadvantaged and vulnerable communities in Vietnam. Accordingly, the main components of the project were (a) modernization of the land-registration system, (b) improvement of land-registration service delivery, and (c) support for project management and monitoring and evaluation (M&E). Project investments were made in nine medium-sized rural provinces, i.e., Tien Giang, Ben Tre, Vinh Long, Binh Dinh, Khanh Hoa, Quang Ngai, Hung Yen, Thai Binh, and Ha Tay (later merged with Hanoi). Responsibility and accountability for project implementation and management was placed with the Ministry of Natural Resources and Environment (MONRE). On behalf of MONRE, the General Directorate for Land Administration (GDLA) coordinated and supervised the entire project at the central level, working with the Provincial People's Committees (PPCs) of the nine project provinces at local levels and provincial Departments of Natural Resources and Environment (DONREs). These provincial bodies were assisted in daily project management and implementation by the Central Project Management Unit (CPMU) and the nine Provincial Project Management Units (PPMUs) in the respective provincial sites.

Project target beneficiaries included 250,000 people from 10 ethnic minority groups living in the participating provinces. During preparation, the GoV undertook formal consultation

with ethnic minority stakeholders at national, district, and commune levels and prepared the Ethnic Minority Planning Framework (EMPF) in 2007 followed by detailed Ethnic Minority Action Plans (EMAPs) for four provinces that had ethnic minority communities in the project areas. The EMPF and EMAPs included nine specific measures aimed at ensuring adequate levels of interaction and communication between land-administration staff and ethnic minority communities to better address the specific needs of the latter in land-use right registration and in awareness-raising and community-participation activities.

### **Implementing VLAP**

The project was approved, with a total outlay of \$ 100 million<sup>25</sup>, in March 2008 and ran from September 2008 to June 2015 (after restructuring in 2013 and a no-cost extension of 18 months in 2013). The project benefited from a grant from the New Zealand Aid Program (NZAP), which provided substantial financial support (i.e., \$4.7 million) for “soft” aspects including capacity building, M&E, policy studies, and public awareness.<sup>26</sup> These aspects proved to be central to the operation’s achievements.

Broadly said, VLAP passed through three different but linked stages. The first two and a half years or so were spent establishing the project structure and systems, learning, and starting the land registration and administration systems and planning processes. Project implementation was very slow during the first half of the operation’s lifetime. By the time of the Mid-Term Review (MTR) in early January 2012, only 14 percent of the targeted number of LURCs had been distributed and only four of 95 land registration offices (LROs) were delivering improved land administration services. Moreover, progress was very uneven among provinces, with Vinh Long demonstrating strengthened land registration and improved service delivery while others lagged significantly behind. With the confidence gained from the earlier phase, progress made in land registration, Land Use Rights Certificate (LURC) issuance, procurement, and other project systems operational, efforts focused on procuring and implementing land services at the district and commune levels, during post-MTR in early 2012 up until the next three years or so (from mid-2012). Overall, implementation improved after the MTR in 2012 and subsequent project restructuring in 2013, as reflected in improved ratings and the level of disbursements. Towards the end of the project, implementation focus shifted towards enhancing stakeholder access to land information and land governance, strengthening land administration services, completing capacity building activities, and consolidating some outcomes, including the development of a possible follow-up to VLAP.

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<sup>25</sup> All monetary denominations cited are in United States Dollars (US\$) unless otherwise stated.

<sup>26</sup> Financial support received from the NZAP focused on public awareness raising, community participation (including ethnic minorities), policy development, and the development of 11 model LROs with at least one located in each participating province. It also focused on strengthening staff capacities in priority areas, such as land-service delivery and M&E project management, as well as study tours and exchange programs for officials and management.

By the project closing date, about 64 percent of the target land area had been surveyed and mapped, and 3,886,593 land parcel profiles prepared in which 3,438,352 (against a revised target of 3,300,000) for consideration of LURC issuance, and total of 3,007,576 LURCs were signed and readied for distribution. Of this, close to 86 percent of eligible land profiles were granted LURCs (total LURCs distributed 2,403,164 of which LURCs with women's name were about 1.64 million). Of the revised target of 50 district and provincial LROs, 66 were modernized and operational, fairly exceeding the targets. Average time (days) for processing LURC transfer fell from 44 to 12.2 days, mortgage registration fell from 11 days to 1.3 day, while first-certificate registration fell from 55 to about 20 days. Outputs and percentage of targets achieved in terms of improved access to land registration services, access to land information and public awareness-raising were impressive. While these indicate some major successes for the project and the work of the PPMUs and LROs, they also highlight some of the project's weakness and constraints. While the number of land profiles updated and approved under VLAP exceeded targets, there were shortfalls in cadastral mapping available in digital formats, the number of LURCs distributed to land users, the number of LURCs registered in the name of women, and the land area for which LURCs were granted. A national land information portal has been designed and constructed to share data and integrate land information from provinces, and to provide information for macroeconomic management. With the completed land data center, the land information portal will serve as a basis for building a centralized database system which is standardized and consistent across the country. The system once set up can serve as a basis to implement regular land registration services, and data should be updated to ensure accurate, updated information on land with adequate legal basis for sustainable land administration and dispute resolution later.

### **Overall Assessment**

Recent independent assessments have shown that the project was fully aligned with the government's strategic priorities and the expected results of the Program for the Development and Modernization of Land Administration (PDMLA) when it was designed. It also jump-started work on the Comprehensive Plan and recent Prime Ministerial Instructions.<sup>27</sup>

The project's geographical scope was appropriately limited so that existing capacities would be well-deployed and lessons could be replicated later. The comparatively moderate unit cost of LURC production at around US\$20-26 per LURC (current exchange rate and

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<sup>27</sup>Refer to Prime Minister's Decision no. 714/QĐ-TTĐ dated May 22, 2015, on development of priority database in Vietnam. The six priorities defined in this decision include land database. This decision also defines roles and responsibilities of all concerned agencies in supporting the priority tasks, including arrangements for institutional coordination, provision of support and guidance on Information Technology (IT) and allocation of funding.

prices) is comparable with other land programs in the region and hints at efficient use of resources.<sup>28</sup>

However, VLAP occasionally failed to reflect implementation capacity of land offices and local authorities. Although project guidelines, provided by CPMU, were appropriate to the needs and conditions of the beneficiaries, these were not always properly followed by some implementation teams. Further, VLAP benefited from a sound technical design, one that would support the formation of a unified Land Information System (LIS), including alternative actions aimed at enhancing the efficiency and efficacy of LIS and LAS in the absence of timely risk-mitigation initiatives.

VLAP facilitated and contributed to important policy reforms at the national level through revisions to Land Law 2003 and adoption of Land Law 2013, and associated regulations and decrees on land registration and service delivery. Project support facilitated better dialogue with stakeholders and got communities to support stakeholders of the reform program. This is considered cost-effective given the magnitude of the policy achievements against the minimal project investment.

The project built capacities within the GDLA and DONREs through training and capacity building, improved planning and management capacity, and developed systems and technologies that could be replicated. These have enhanced the capacity of land agencies to perform their mandated functions and established a framework for the development of continuing professional training and education in the land sector. VLAP has substantially demonstrated the benefits of having coherent and effective LAS and geospatial technologies and developed a range of replicable institutional delivery models and technologies, with an emphasis on partnership with provincial and local governments.

Independent reviews suggest that VLAP's better-performing provinces (e.g., Vinh Long, Thai Binh, Khanh Hoa and Quang Ngai) have demonstrated that despite general concern about capacities and relevance of new approaches, with local commitment and capacities, large-scale systematic land registration can be implemented effectively and efficiently. Demand for land certificates is quite significant and hence people's participation in project activities is gaining momentum. This demand was confirmed by an independent impact assessment completed in early 2015.

Reviews have found VLAP's objectives are consistent with the government's Program for the Development and Modernization of Land Administration (2005) and the Prime Ministerial Instructions of 2010. VLAP aimed to pilot and develop systems, tools,

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<sup>28</sup>This Unit Cost estimate is based on a set of variable and fixed costs expenses incurred for preparing the land profile and the LURCs. However, if expenses incurred by provincial and local authorities outside of the project to complete the product are included, the Unit Cost is likely to be in the range of \$ 26-32 per piece. Economists generally agree on distribution of production costs and hence in case of VLAP the average of \$ 21 per LURC remains valid.

procedures, and capacities for land registration and strengthening LAS in Vietnam. It also aimed to strengthen land information management by establishing the National Spatial Data Infrastructure Framework (NSDI), LIS at all levels, and paving the way for the government's "one-level land offices" (introduced in 2015). These are all in line with local governments' interest in promoting socio-economic development and land governance. VLAP implementation was also strongly relevant for the government and generated considerable ownership at national and sub-national levels and augmented capacity through "learning by doing." At the other end of the spectrum, land users have reported greater trust in and satisfaction with land profile preparation and LURC distribution. End of project independent assessments (2015) have shown that the project seems to have obtained for land users greater access to large loans, better dispute resolution, enhanced inclusion for ethnic minorities (through EMAPs and similar initiatives), and increased public awareness and participation in land-related processes.

Throughout project life, World Bank (WB) led regular joint-implementation support missions, in which AusAID and NZAP representatives participated. Nineteen such missions were conducted between late 2009 and 2015. The missions were intensive and demanding, but provided detailed and specific guidance for project implementation. While the government's policy-related work and public awareness raising and community participation programs were satisfactory and shortcomings in land registration and land services were corrected, procurement delays persisted throughout the project period. The overall performance of VLAP, both at CPMU and PPMUs, in fulfilling project management functions was judged by the Bank's supervision missions and independent assessments to have been moderately satisfactory.

### **Project's Critical Impact**

Between late 2011 and early 2013, VLAP supported consultations and dialogue on revisions to Land Law 2003 and preparation of Land Law 2013. Virtually every sub-decree in Land Law 2013 has been adopted. VLAP-organized workshops have contributed to the preparation of numerous circulars on land-related issues that are expected to help build a sustainable LAS and a multipurpose LIS.

After nearly seven years of consistent work since 2009, the project has put in place cost-effective, adequate, and reliable procedures and standards for land registration in the country. To ensure consistency and standardize land registration and databases, VLAP supported the development and implementation of nationally consistent service procedures for LROs, including nationally consistent fees, standardized service, and staff of equivalent skill and training. VLAP's "modern" LRO model resulted in the availability of more complete and reliable land information. One of VLAP's most important contributions was the development of databases that minimize the need for highly skilled human resources at district levels and that link to the work of LROs in the target districts and provinces.

LURCs issued have resulted in greater tenure security and awareness of rights and obligations with regard to landholdings. Reduced time for land transactions and access to loans indicate VLAP has contributed to enhancing capital mobilization by developing a

convenient and quick transaction process while ensuring accuracy of information and reducing the risk of bad debt. Annual land tax revenue from 2010 to 2014 in VLAP provinces was higher than in non-VLAP provinces/districts. At the same time, total expenditure for granting a certificate and processing land registration was reduced in VLAP areas.

Land administration capacities have been increased through project work on policy and legal measures, infrastructure for land databases, establishment of provincial LIS systems, and LRO modernization with investments in hardware (renovation of buildings and equipment) and software (training and outreach programs). This has created a solid foundation for improving service delivery and addressing future challenges in the land sector in Vietnam.<sup>29</sup>

At the start, implementation capacities varied across the nine provinces. The frequent workshops and on-the-job-training helped PPMUs gain momentum and improve their performance over a period of time. This resulted in a paradigm shift in the understanding and mindset of land officials at sub-national levels, who gradually moved from a paper-based administrative task towards better service delivery to land users and other stakeholders and digital land records and database management. Simultaneously, land users have improved from being passive receivers of LURCs to active participants in land administration and management through more structured dialogue and interaction with the land officials. The project has also demonstrated a change in behavior and work culture of land officials in that service delivery and engagement with land users and stakeholders have become more proactive. In sum, by 2015, DONREs/PPMUs and LROs learnt a different type of management practices by integrating project activities within regular staff tasks and generally enhanced their performances, steadily shifting towards a primarily service-oriented land administration and orientation.

The missions also commended efficient use of resources and investments made by the project at national and sub-national levels. Further, Bank missions observed a similar trend among PPMUs with improved and moderately satisfactory performance over a period of time.

An important contribution relates to the project's work in bridging the communication gap between land administration (i.e., procedures, regulations and guidelines, land offices, officials) on the one hand, and land users on the other, often due to complex language and time-consuming procedural processes. Community-level meetings to disseminate information on the registration process and initiatives such as the Local Facilitator as a service provider, working through mass organizations, made the LAS seem trustworthy. This interactive process also elicited support for speedy project implementation and

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<sup>29</sup>In Vietnam, provincial and district-level LROs serve different clients, organizations and individuals and households respectively. Under the two-level LRO system, the LROs operate independently. In contrast, under the one-level LROs system, district-level LROs are subordinated to the respective provincial LRO and operate under the overall management and direct supervision of the latter.

broadened the scope of public awareness on MONRE/GDLA’s work in land administration. Through joint registration of LURCs and other inclusive approaches, the project design made conscious efforts to protect women’s rights and provide women equal access to economic resources, including the right to inheritance and ownership of land and other resources. EMAPs helped ensure the needs and concerns of ethnic minorities were also taken into consideration.

In sum, the project has demonstrated that land registration and issuance of LURCs is a means to an end. The end is to achieve a benefit stream that results from tenure security and a better LAS. Benefits can be grouped as social, gender, financial, economic, and environmental. The start of the benefit stream occurs at the issuance of the initial land registration in a proper manner and distribution of LURCs to the land user. The maintenance of the benefit stream depends primarily on:

- community confidence in the integrity of the LAS established and the quality and transparency of services;
- a high re-registration rate (subsequent transactions) in the short- to medium-term;
- an effective and capable land office in place to provide services; and
- equitable land policy and regulations adopted continuously to keep the system dynamic and updated.

BENEFIT TYPE	EXPERIENCES AND LESSONS LEARNT
Social Gender	Landholder and family “own their land,” and feel more secure against eviction or displacement as they have legal and enforceable rights. Community land is secure. Inheritance can be registered. Land registration and issuance of LURCs in a gender-sensitive manner ensures that women’s land rights are formally registered and hence safeguarded. Improves women’s ability to access credit and provides both formal and social recognition for their right to land.
Ethnic minorities	Site-specific work plans are required to mobilize participation of vulnerable and disadvantaged groups from the very beginning. Such efforts build public confidence and trust in the LAS too. Increased revenue to government via fees and taxes from more land transactions and a wider and fairer land and property taxation system.
Financial Economic benefit: Early stages	Tenure security provides incentive to landholders to improve land and property without accessing formal credit.
Economic benefit: Later stages (after 4-5 years)	Landholders can obtain access to credit from financial institutions using the LURCs as collateral, if credit is available and if they wish to access it. Also, they can engage in land transactions more easily, if they wish to.
Benefits to government and also land users	The establishment of LIS and the sale and use of digital parcel-related data. Increased revenue generation through land related taxes, fees and charges.
Environmental	Landholder security leads to more sustainable land-use practices as they now have a greater incentive to ensure land retains its productivity and value.

VLAP’s incremental efforts resulted in a paradigm shift driven by a convergence of complementary technologies, growing land user demands, and general reform processes that the government had initiated. The opportunities provided by emerging technologies also drove changes in the way government, and land officials in particular, interacted with land users, principally through initiatives to spatially enable processes and information. This resulted in two paradigm shifts — the way land information was gathered (surveying and mapping and adjudication processes) and the way it was managed (spatially enabled land administration). Collating land information from complementary databases presented a significant challenge but provided answers to complex questions involving land administration and management (including land use, soil quality, unused land areas, State land, etc.). The paradigm shift was not absolute (it is unlikely to replace established

approaches) but it reinforced the importance of a better LAS in unlocking the potential of land and natural resources for socio-economic development. These positive outcomes were noted by the government and reflected in the Prime Ministerial Instructions in May 2015 that mandated the development of land database as a priority.

## **Lessons Learnt**

**Political commitment and management capacity is vital at all levels of government.** Primarily, those with decision-making capacities must demonstrate long-term commitment if land reform is to succeed. The level of support from executive branches as well as management capacity exhibited within participating provinces were the primary determinants of their performance. Project experiences have shown that from the very start it is necessary to gauge the commitment of the key land agencies that would be involved and to have a strategy to increase commitment and foster sustainability. It is also important to underscore that these traits are required at all levels of local government (i.e., provincial, district, and commune) for the successful development and operation of an effective land management system. In moving forward, the government should recognize that without a committed executing agency at the local level (i.e., provincial, district, and commune), the delivery of benefits to the primary stakeholders is challenging. VLAP shows that an effective project design will seek to improve the required structural and operational elements in such a way that benefits are achieved and are sustainable.

**Land administration projects are difficult and long term in nature.** Project experience underscores the complexity underlying land projects, which involve numerous elements and interventions — political, legal, institutional, technical, and social being key. Thus, land administration interventions should be conceived as long-term interventions to be supported through multiple, successive projects. Moreover, not much should be expected in terms of deliverables over the first two years of implementation.

In land administration, many structural elements are national in nature (i.e., policy, regulations, organizational structures, and staffing) while most operational aspects are conducted at the provincial or lower level. Since land registration and customer services are conducted at this lower level (where benefits will flow to the landholder and generate increased revenue to the government), it is important to concentrate on operational activities at local LROs. This would be particularly so if, as well as land titling, subsequent land re-registrations were to be increased, transaction services improved, and community confidence increased. To achieve full benefits, it is not sufficient to solely improve supply. The supply must meet demand for both existing and potential landholders/customers who want effective land services. Government revenue from landholders could increase through an expanded base for taxes and other land-related fees.

**"Soft" investments in training and awareness-raising are critical to enhancing the behaviour of key stakeholders, including government officials and land users.** Local capacities (public, private, and civil society) must be assessed properly before initiating a

project and realistic goals are vital. A technical assistance component could be considered part of capacity building for timely implementation of the project, especially in its early stages. This is particularly important in the context of Vietnam, which faces additional challenges as part of its transition from a centrally planned to a market-based economy. While “soft” investments might be perceived as non-essential, it is critical to understand that they are necessary to ensure the effectiveness and sustainability of “hard” investments.

**Pragmatic use of technology.** VLAP did not aim to introduce the most sophisticated technology from the outset. Initial work was based on existing knowledge and capacities. However, Vietnam was already experiencing an IT boom that led to the in-house preparation of the ViLIS software. The practical use of existing IT capacities and database software helped to better pilot digitized land profiles and information. In the long run, this could improve document quality and security of storage and help reduce the staff requirements of GDLA/DONRE. There is, nevertheless, a flip side to the gradual introduction of technology. Data conversion has a high cost and can introduce errors. Earlier introduction of better and modern technology could be advantageous, providing an adequate and trained staff structure is in place.

**The sustainability of the land-management system depends on better business processes, staff capacities and land user’s willingness to register subsequent transactions.** Land registration cannot be sustained, unless LROs are equipped with improved facilities and simple and transparent business procedures. Further, upgraded offices, new procedures and technological changes will have to be matched with skilled staff who would ultimately manage the technological change and support accelerated land-registration processes. However, one-time capacity building is unlikely to suffice. It would also be important to include mechanisms to actively foster innovations at the local level and disseminate best practices. Raising household awareness about benefits of LURCs in the future and about the importance of maintaining up-to-date land records are critical for sustainability. Awareness raising needs to be approached as an ongoing task and has to be regularly monitored.

**Transparency builds trust.** Trust in land administration can be created through a transparent process such as the one that was implemented during systematic land registration under VLAP. For this to happen on the ground, social concerns must be taken into account at the design stage. An inclusive approach to land management and a participatory process of land administration is likely to yield desirable long-term results.

**Aim for simple and measurable outcomes and results.** Objectives should be simple and should avoid including vaguely specified impacts and outcomes whose achievement requires the satisfaction of conditions outside the project’s control. Broadly defined outcome indicators are difficult (if not impossible) to measure. For results framework to be credible, the core elements of an M&E system must be established, including preparing baseline data before implementation commences. A comprehensive risk-management approach, particularly in implementation, would help address key issues, risks, and

financing gaps. Land management projects will take time to generate results and strategies may need to be reviewed along the way. Independent monitoring missions with specific goals will help ensure ongoing learning and continuous refinement of management strategies.

In sum, greater tenure security and access to longer-term capital should stimulate behavioral, productivity, and income changes and ultimately result to a reliable LAS in the country.

## **Conclusions**

Despite numerous challenges, the project notched up some significant achievements and some important lessons were learnt. VLAP has provided numerous lessons that could guide future efforts in the land sector in Vietnam and elsewhere. It has highlighted the need for an integrated, holistic, and fit-for-purpose (FFP) approach to LAS, which tend to be complex and difficult to implement without strong political commitment and long-term engagement from concerned government agencies and the public. Sharing land-related information among relevant agencies and stakeholders such as land administration and taxation agencies, notary offices, and commercial banks is a beginning in the right direction and critical to meeting the diversified demands for land information, especially those related to land values and land-use plans. The involvement and engagement of local government has also proven to be critical. Finally, alternative financing tools and implementation modalities are needed to encourage implementation agencies to deliver results..

VLAP's accomplishments, though modest, are heartening since they indicate what can be achieved with concerted effort from government agencies and the participation of land users. However, VLAP's missed targets are almost equally important because they are valuable lessons that could help shape the policies and strategies of the GoV as it attempts to deliver an equitable and reliable land administration and management system. VLAP's strengths and weaknesses, experiences and lessons learnt offer opportunities for the GoV to develop future projects that are effective and sustainable, from conception to execution. Importantly, VLAP testifies to the government's commitment to land sector issues and to engage in land sector reforms. Constituencies for change exist at both national and local levels and a reform process with their participation will be more effective and sustainable.

## **B. GDLA AND CPMU COMMENTS ON DRAFT ICR**

### **Summary<sup>30</sup>**

In general, the Client agencies provided detailed comments on different drafts on October 20, 2015 and November 17, 2015. These comments were conveyed in a meeting and helped improve the

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<sup>30</sup> The GDLA CPMU comments were dully addressed in subsequent versions of the ICR, including the present one.

ICR. In general, the Client agencies note that the drafts capture the important accomplishments and challenges that VLAP faced. They appreciate the Task Team and concur with the main findings of the ICR.

## **Annex 8. List of Supporting Documents**

- Consultant Report (2015), Social Assessment and Preparation of Guidelines on Ethnic Minority Development Plan, August 2015, Hanoi.
- Green Field Consultant (2015), VLAP Independent Impact Evaluation Report, May 2015, Hanoi.
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## Annex 9. List of People Met

People Consulted as Part of the ICR Mission
MoNRE, / GDLA / CPMU
L. Nguyen Ngoc Phan, Member of CPMU , GDLA Tran Duy Hanh, Member of CPMU , GDLA Nguyen Truong Son, Member of CPMU , GDLA Mai Van Phan, Deputy Director of CPMU , GDLA Nguyen Khac The, Member of CPMU , GDLA Bui Thanh Huyen, Member of CPMU , GDLA Dang Xuan Luong, Hung Yen PPMU , Hung Yen, DONRE Pham Van Quyen, Hung Yen PPMU , Hung Yen, DONRE Nguyen Ngoc Phan, Member of CPMU , GDLA Tran Duy Hanh, Member of CPMU , GDLA Nguyen Truong Son, Member of CPMU , GDLA Mai Van Phan, Deputy Director of CPMU , GDLA Nguyen Khac The, Member of CPMU , GDLA Bui Thanh Huyen, Member of CPMU , GDLA
Hung Yen Province
Dang Xuan Luong, Hung Yen PPMU , Hung Yen DONRE Pham Van Quyen, Hung Yen PPMU , Hung Yen DONRE
Dan Phuong District (Hanoi)
Nguyen Van Hung, Deputy Director of Ha Noi DONRE, Deputy Director of Ha Noi PPMU, Ha Noi DONRE Nguyen Duc Nam, Head of Dan Phuong BONRE, Dan Phuong BONRE Chu Duc Hien, Director of Dan Phuong LRO, Dan Phuong LRO
Thai Binh province, Quynh Phu District
Tran Duy Hung, Deputy Director of Thai Binh DONRE, Deputy Director of Thai Binh PPMU, Thai Binh DONRE Nguyen Kien Cuong Nam, Director of Thai Binh LRO, Thai Binh DONRE Nguyen van Manh, Member of Thai Binh PPMU, Thai Binh DONRE To Huy Diep, Member of Thai Binh PPMU, Thai Binh DONRE Nguyen Thi Hoa, Head of Quynh Phu BONRE Bui Ngoc Manh, Director of Quynh Phu District LRO
Vinh Long Province, Binh Minh Town
Bui Thanh Van, Deputy Director of Vinh Long DONRE, Deputy Director of Vinh Long PPMU, Vinh Long DONRE Nguyen Thi Loan, Director of IT Center, Member of Vinh Long PPMU, Vinh Long DONRE Nguyen Van Quy, Deputy Director of Vinh Long LRO, Member of Vinh Long PPMU, Vinh Long DONRE Pham Thanh Tao , Deputy Director of Vinh Long LRO, Member of Vinh Long PPMU, Vinh Long DONRE Tran Minh Khoi, Deputy Director of Vinh Long LRO, Vinh Long DONRE Huy Trung Hieu, Deputy Director of IT Center, Member of Vinh Long PPMU, Vinh Long DONRE Phan Phi Dung, Member of Vinh Long PPMU, procurement specialist Mai Thanh Thuy, Member of Vinh Long PPMU, Chief Accountant Nguyen Thi Nhu Kieu, Member of Vinh Long PPMU, Accountant Huynh Hieu Liem, Credit Officer, VBARD in Binh Minh Town

Bui Minh Chanh, Head of Binh Minh BONRE Vo Van Dung, Director of Binh Minh LRO
<b>Khanh Hoa Province, Khanh Son District</b>
Vu Van Thieng, Deputy Director of Khanh Hoa DONRE, Khanh Hoa DONRE Nguyen Van Phuc, Deputy Director of Khanh Hoa DONRE, Member of Khanh Hoa PPMU, Khanh Hoa DONRE Nguyen Van Thong, Deputy Director of Khanh Hoa DONRE, Member of Khanh Hoa PPMU, Khanh Hoa DONRE Tran Duc Do, Member of Khanh Hoa PPMU, Khanh Hoa DONRE Phan Thi Bup, Member of Khanh Hoa PPMU, Khanh Hoa DONRE Vo Thi Thu Huong, Head of Retail Sale Division, VietcomBank Khanh Hoa Trinh Xuan Thuy, Head of Risk Management Division, BIDV Khanh Hoa Do Thi Bich Phuong, Vice Head of Retail Sale Division, VietinBank Khanh Hoa Nguyen Quynh Nga, Vice Chairwoman, Khanh Hoa Women's Union, Khanh Hoa Women's Union Le Xuan Khoa, Deputy Director, Khanh Vinh District LRO, Khanh Vinh District LRO Nguyen Huu Ninh, Deputy Director, Van Ninh District LRO, Van Ninh District LRO Nguyen Xuan Dat, Director, Nha Trang City LRO, Nha Trang City LRO Nguyen Tan Dinh, Director, Cam Lam District LRO, Cam Lam District LRO Le Tran Thai, Deputy Director, Cam Ranh District LRO, Cam Ranh District LRO
<b>Khanh Hoa Province, Khanh Son District, Son Trung Commune</b>
Phan Van Suu, Vice Chairman, Khanh Son District People's Committee Bui Dat Nguyen, Head of Khanh Son BONRE, Khanh Son BONRE Mau Thi, Head of Khanh Son Ethnic Minority Division, Khanh Son Ethnic Minority Division Nguyen Huu Duc, Deputy Director, Khanh Son District LRO Nguyen Tri Dung, Chairman, Son Trung Commune People's Committee Cao Thanh Hai, Vice Secretary, Son Trung Commune Communist Party Committee Phan Truong Nam, Vice Chairman, Son Trung Commune People's Committee Cao Truong Luan, Vice Chairman, Son Trung Commune People's Council Cao Van Buong, Secretary, Son Trung Commune Communist Party Committee Pham Huu Tat, Chairman, Son Trung Commune Father's Front Cao Hieng, Secretary, Son Trung Commune Youth's Union Nguyen Duy Phat, Chairman, Son Trung Commune Veteran's Union Ma The Quynh, Cadastral Officer, Son Trung Commune People's Committee Ho Xuan Duoc, Household, Son Trung Commune Cao Van Hanh, Household, Son Trung Commune Pham Huu Cau, Chairman, Son Trung Commune Farmer's Union
<b>Other meetings</b>
Dr. Dang Hung Vo, Former MoNRE Vice Minister Dr. Nguyen Van Thang, MTR Consultant Team Leader, Transformation and Change Consulting Ltd., Nguyen Quang Anh, Governance Officer, AusAID Kathryn Beckett, Head of NZ Aid Programme Viet Nam
<b>World Bank Staff</b>
Dzung The Nguyen (Co-TTL) Hoa Thi Mong Pham, Sr. Social Development Specialist Hoang Thi Lan Tran, Governance Specialist Ha Thuy Tran, FM Shivakumar M.S., Capacity Building and Project Management Consultant