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Report No: ICR1491

IMPLEMENTATION COMPLETION AND RESULTS REPORT
(IDA-36050 TF-53043)

ON A

CREDIT

IN THE AMOUNT OF SDR19.3 MILLION
(US\$29.2 MILLION EQUIVALENT)

TO THE

KINGDOM OF CAMBODIA

FOR THE

LAND MANAGEMENT AND ADMINISTRATION PROJECT

December 27, 2011

Social, Environment and Rural Development Unit
Sustainable Development Sector
East Asia and Pacific Region

CURRENCY EQUIVALENTS

(Exchange Rate Effective April 26, 2011)

Currency Unit: Riel (KHR)

KHR 1.00 = US\$0.000253

US\$1.00 = KHR 3,959

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

ADHOC	Cambodian Human Rights and Development Association
BA	Beneficiary Assessment
BCR	Borrowers Completion Report
BKL	Boeung Kak Lake
BMZ	<i>Bundesministerium für Wirtschaftliche Zusammenarbeit und Entwicklung</i> (German Federal Ministry for Economic Cooperation and Development)
CAS	Country Assistance Strategy
CC	Cadastral Commission
CDRI	Cambodia Development Research Institute
CIDA	Canadian International Development Agency
CLP	Council on Land Policy
CPMO	Central Project Management Office
CSES	Cambodia Socio-Economic Survey
DCA	Development Credit Agreement
DFGG	Demand for Good Governance Project
ERM	Enhanced Review Mission Report
ERR	Economic Rate of Return
ESG	Environmental and Social Guidelines
FINNMAP	FM-International Oy FINNMAP (a private owned Finnish consulting company)
FM	Financial Management
FRR	Financial Rate of Return
GGF	Good Governance Framework
GS	General Secretariat
GTZ	<i>Deutsche Gesellschaft für Technische Zusammenarbeit</i> (German Technical Cooperation)
ICR	Implementation Completion and Results Report
IDA	International Development Association
IPA	Independent Procurement Agent
INT	Integrity Vice Presidency
ISR	Implementation Status and Results Report
KPI	Key Performance Indicator
LAMDP	Land Administration, Management and Distribution Program
LASED	Land Allocation for Social and Economic Development Project
LASSP	Land Administration Sub-sector Program
LMAP	Land Management and Administration Project
LMSSP	Land Management Sub-sector Program
LRT	Land Registration Team
M&E	Monitoring and Evaluation
MEF	Ministry of Economy and Finance
MFI	Micro-finance Institution
MLMUPC	Ministry of Land Management, Urban Planning and Construction
MONASRI	Ministry for National Assembly Senate Relations and Inspections
MPP	Municipality of Phnom Penh

MTR	Mid-term Review
NCC	National Cadastral Commission
NCCS	Secretariat of the National Cadastral Commission
NGO	Non-governmental Organization
NPV	Net Present Value
NSDI	National Spatial Data Infrastructure
PACP	Public Awareness and Community Participation
PAD	Project Appraisal Document
PBFA	Performance-Based Field Allowance
PBIS	Productivity-Based Incentive Scheme
PDO	Project Development Objective
PHRD	Policy and Human Resources Development
PMO	Project Management Office
PSR	Project Status Report
QAG	Quality Assurance Group
QEA	Quality at Entry Assessment
QSA	Quality of Supervision Assessment
RPF	Resettlement Policy Framework
SDR	Special Drawing Right
SIL	Specific Investment Loan
TA	Technical Assistance

Vice President: James W. Adams
Country Director: Annette Dixon
Sector Manager: Julia M. Fraser
Project Team Leader: Peter Jipp
ICR Team Leader: Giuseppe Topa

**Land Management and Administration Project
Implementation Completion and Results Report
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**Land Management and Administration Project
Implementation Completion and Results Report**

A. Basic Information			
Country	Cambodia	Project Name	Land Management and Administration Project
Project ID	P070875	Credit Number	IDA-36050, TF-53043
ICR Date	December 27, 2011	ICR Type	Core ICR
Lending Instrument	SIL	Borrower	The Kingdom of Cambodia
Original Total Commitment	SDR19.3 million [US\$24.3 million]	Disbursed Amount	SDR12.95 million [US\$19.23 million]
Revised Amount	SDR12.95 million		
Environmental Category		B	
Implementing Agency		The Ministry of Land Management, Urban Planning and Construction (MLMUPC)	
Co-financiers and Other External Partners		The Government of Germany: Federal Ministry for Economic Cooperation and Development (BMZ)	
		The Government of Canada: Canadian International Development Agency (CIDA)	
		The Government of Finland: Ministry for Foreign Affairs	

B. Key Dates				
Process	Date	Process	Original Date	Actual Date
Concept Review	November 30, 2000	Effectiveness	June 19, 2002	June 19, 2002
Appraisal	October 8, 2001	Restructuring	-	-
Board Approval	February 2, 2002	Mid-term Review	October 1, 2004	October 11, 2004
		Closing	December 31, 2007	December 31, 2009

C. Ratings Summary			
C.1 Performance Rating by ICR			
Outcomes	Moderately Unsatisfactory		
Risk to Development Outcome	Significant		
Bank Performance	Moderately Unsatisfactory		
Borrower Performance	Moderately Unsatisfactory		
C.2 Detailed Ratings of Bank and Borrower Performance by ICR			
Bank	Ratings	Borrower	Ratings
Quality at Entry	MU	Government	MU
Quality of Supervision	MU	Implementing Agency/Agencies	MU
Overall Bank Performance	MU	Overall Borrower Performance	MU

C.3 Quality at Entry and Implementation Performance Indicators			
Implementation Performance	Indicators	QAG Assessments	Rating
Potential Problem Project at any time?	Yes	Quality at Entry (QEA5)	S
Problem Project at any time?	Yes	Quality of Supervision (QSA)	-
DO rating before Closing	MS		

D. Sector and Theme Codes		
	Original	Actual
Sector Code (as a percentage of total Bank financing)		
Central government administration	90	
Law and justice	5	
Other industry	2	
Tertiary education	3	
Theme Code (as a percentage of total Bank financing)		
Access to law and justice	13	
Judicial and other dispute resolution mechanisms	13	
Land administration and management	25	
Personal and property rights	25	
Rural markets	24	

E. Bank Staff		
Positions	At ICR	At Approval
Vice President	James W. Adams	Jemal-ud-din Kassum
Country Director	Annette Dixon	Ian C. Porter
Sector Manager	Julia M. Fraser	Mark D. Wilson
Project Team Leader	Peter Jipp	Wael Zakout
ICR Team Leader	Giuseppe Topa	-
ICR Primary Author	Steven Oliver	-

F. Results Framework Analysis

Project Development Objectives (from the Project Appraisal Document - PAD)

The overall goals of the proposed project were to reduce poverty, promote social stability and stimulate economic development. The specific objectives of the project (the Project Development Objectives – PDOs) were to improve land tenure security and promote the development of efficient land markets. These objectives were to be achieved through: (a) the development of national policies, the regulatory framework and institutions for land administration; (b) the issuance and registration of titles in urban and rural areas; and (c) the establishment of an efficient and transparent land administration system.

The project was designed to be the first phase of the Government's Land Administration, Management and Distribution Program (LAMDP), which was expected to be implemented over 15 years. The objectives of the Program, as stated in the Land Policy Statement of the Royal Government of Cambodia (May 2001), are: (a) to strengthen land tenure security and land markets, and to prevent and resolve land disputes; (b) to manage land and natural resources in an equitable, sustainable and efficient manner; and (c) to promote land distribution with equity.

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

The objectives of the project remained unchanged throughout the implementation period.

PDO Indicators

Indicator	Base-line Value	Original Target Values (from approval documents)	Formally Revised Target Values	Achievement
PDO Indicator 1: The amount of conflict over land falls.				
Value	undefined	undefined	-	not available
Date	01/29/2002	12/31/2007	-	12/31/2009
Comments	<p>In the absence of data, most of the results for indicators could not be quantified but, as described in the “Comments” sections, qualitative results information can be substituted for the first two PDO indicators and for the IO indicators.</p> <p>This indicator is one of five key performance indicators (KPIs) that were stated for PDO #1 in the Project Design Summary of the PAD. The base-line measure of the “extent of conflict” was not defined. In the absence of agreed definitions and methodology, it is impossible to judge whether there has been an “increase in the rate of resolution of disputes”. Evidence on this issue is inconclusive. Beneficiary assessments provide a basis for the argument that disputes over land eased following systematic titling. Reports based on media monitoring also suggest a decrease in the number of new land disputes in recent years (see for example <i>Statistical Analysis of Land Disputes Occurring in Cambodia</i> NGO Forum 2009). However, there are numerous reports of land conflicts, including those that occur in areas adjudicated under the project, and recent Government and non-governmental organization (NGO) publications cite concern that land disputes may be increasing as plantation agriculture and urban development compete with existing land use (see for example Supreme National Economic Council – 2007 - “<i>The Report of Land and Human Development in Cambodia</i>”; Cambodian Human Rights Action Committee – 2009 - “<i>Losing Ground</i>”; http://sithi.org and www.ngoforum.org.kh).</p>			

PDO Indicator 2: The amount of “land grabbing” falls.				
Value	undefined	undefined	-	not available
Date	01/29/2002	12/31/2007	-	12/31/2009
Comments	In the PAD, there is no definition (formal or otherwise) of “land grabbing”. A working definition would be “forced evictions of people from their land, despite the rights granted to them under the 2001 Land Law, often by powerful individuals or groups and frequently supported by use of the military or police forces.” In the absence of agreed definitions and methodology, it would be impossible to judge whether there had been a “decrease in the amount of land-grabbing”. In any case land acquisitions of dubious legality remain a problem, especially in the high-value areas and where Economic Land Concessions (ELCs) are involved. ELCs are long-term leases of “unused” land by the Government (Ministry of Agriculture, Forestry and Fisheries) to domestic and foreign investors to develop agriculture, agro-industry and processing for exports.			
PDO Indicator 3: Agricultural productivity increases.				
Value	undefined	undefined	-	not available
Date	01/29/2002	12/31/2007	-	12/31/2009
Comments	The base-line measure of productivity was not defined. In the absence of agreed definitions and methodology, it is impossible to judge whether there has been an increase in agricultural productivity attributable to the project.			
PDO Indicator 4: Access to cheaper credit increases.				
Value	undefined	undefined	-	not available
Date	01/29/2002	12/31/2007	-	12/31/2009
Comments	No base-line measure was defined for “access to credit”. In the absence of agreed definitions and methodology, it is impossible to judge whether there has been an improvement in access to credit. There is evidence (see Annex 3) that the provision of title has had an effect on the cost of credit.			
PDO Indicator 5: Investment in the property sector increases.				
Value	undefined	undefined	-	not available
Date	01/29/2002	12/31/2007	-	12/31/2009
Comments	Investment in the property sector grew at a high rate in the decade since the project’s identification. However, no base-line measure was given of the level of investment in a “without project” scenario. In the absence of agreed definitions and methodology, it is impossible to judge whether there has been an increase in investment attributable to the project.			
PDO Indicator 6: The number of land transactions increases.				
Value	undefined	undefined	-	probably achieved
Date	01/29/2002	12/31/2007	-	12/31/2009
Comments	This indicator is one of two KPIs provided for PDO #2 in the Project Design Summary of the PAD. The first beneficiary assessment (BA1) showed a marked increase in land transactions following systematic titling; 24 per cent of respondents reported that there had been an increase in land transactions post-titling (compared to 8 per cent who reported a decrease and 68 per cent who responded “no change” or “do not know”). The second beneficiary assessment (BA2 - 2009) similarly indicated an increasing number of transactions and until mid-2008 when the global economic slow-down affected the market. The BAs offer no insight on the link between land titling and increases in the number of land transactions.			

PDO Indicator 7: The amount of taxes and fees collected from land transactions increases.				
Value	undefined	undefined	-	not available
Date	01/29/2002	12/31/2007	-	12/31/2009
Comments	BA2 cites revenue earned from the registration of land at US\$60 million since 2003; the proportion of this total that is attributable to the project cannot be determined.			

Intermediate Outcome Indicators

Indicator	Base-line Value	Original Target Values (from approval documents)	Formally Revised Target Values	Achievement
Intermediate Outcome Indicator 1: Delineation and administration of state land policy approved by the Council on Land Policy.				
Value	-	-	-	partly achieved
Date	01/29/2002	12/31/2007	-	12/31/2009
Comments	Partially successful. A significant number of policy papers, declarations and frameworks has been prepared, which are at different stages of review and approval by the Council on Land Policy (CLP). Key policies and regulations on state land developed by the CLP include: (a) Sub-decree on State Land Management (2005); (b) Sub-decree on Economic Land Concessions (2005); and (c) Draft Spatial Planning Policy (2010). The Sub-decree on State Land Management deals most directly with the delineation and administration of state land but has not been implemented in a systematic way.			
Intermediate Outcome Indicator 2: The policy on the structure of taxes and fees on land transactions is approved by the CLP, the regulatory framework is signed and the new structure implemented by Project Year 3.				
Value	-	-	-	not achieved
Date	01/29/2002	12/31/2005	-	12/31/2009
Comments	Not successful. Land Taxation is implemented by the Ministry of Economy and Finance (MEF). MLMUPC requested Bank facilitation to address this issue. Analytical and Advisory Assistance was proposed and resources secured, but due to the cancelation the study could not be undertaken.			
Intermediate Outcome Indicator 3: Land accessibility and development policy is approved by the CLP and a regulatory framework is in place.				
Value	-	-	-	achieved
Date	01/29/2002	12/31/2007	-	12/31/2009
Comments	Successful. The Social Land Concessions Sub-Decree of March 2003 and supporting regulations, although this has not been implemented at scale.			
Intermediate Outcome Indicator 4: Policy concerning the registration of land in and around natural resources approved by the CLP.				
Value	-	-	-	achieved
Date	01/29/2002	12/31/2007	-	12/31/2009
Comments	Successful. Sub-Decree #118 of October 2005 and Policy on State Land Management (2004), although this has not been implemented in a systematic manner.			

Intermediate Outcome Indicator 5: Policy concerning registration of communal and indigenous people's land rights approved by the CLP.				
Value	-	-	-	achieved
Date	01/29/2002	12/31/2007	-	12/31/2009
Comments	Successful. Both policy and the regulatory framework were approved after delay (June 2009) although Development Partners active in the land sector expressed concern about the content of these regulations in particular (a) inadequate protection for indigenous community land pending registration; (b) potential problems with dispute resolution between individuals and communal title holders and (c) prohibitions against owning private land while being a member of an indigenous community. A 'pipeline' of indigenous communities is preparing for titling; however, no titles have yet been issued to communities.			
Intermediate Outcome Indicator 6: The MLMUPC building is completed and occupied in Year 3 of the project.				
Value	-	-	-	not achieved
Date	01/29/2002	12/31/2007	-	12/31/2009
Comments	Not successful. All civil works contracts were cancelled by the Government.			
Intermediate Outcome Indicator 7: Restructuring of the MLMUPC is completed, and a human resources development plan is developed and implemented by Project Year 3.				
Value	-	The restructuring of the MLMUPC to be completed by December 31, 2003. The implementation of the plan to be developed and implemented by Year 3 of the project.	-	not achieved
Date	01/29/2002	12/31/2007	12/31/2009	12/31/2009
Comments	Not successful. The PAD Project Design Summary referred to the restructuring of the MLMUPC being completed by Year 3 of the project, but the Development Credit Agreement (DCA) specified December 31, 2003 (eighteen months after Credit effectiveness). This indicator was not achieved by the Closing Date.			
Intermediate Outcome Indicator 8: A surveying and land management education program is established				
Value	-	Surveying and land management education program is established in a national university.	-	achieved
Date	01/29/2002	12/31/2007	-	12/31/2009
Comments	Successful. The indicator has been fully achieved. The Program was established at the Royal University of Agriculture in Phnom Penh. At the end of project (2009) 150 students had graduated and 194 were enrolled.			
Intermediate Outcome Indicator 9: Licensed private surveyors are handling 10 per cent of titling activities by Year 3 of the project				
Value	At the beginning of the project there were no private surveyors	Licensed private surveyors to be handling 10 per cent	-	not achieved

	involved in titling activities.	of titling activities by Year 3 of the project and 20 per cent by Year 5 of the project.			
Date	01/29/2002	12/31/2007	-	12/31/2009	
Comments	Not successful. The indicator was not achieved. To date, there are no private surveyors licensed in Cambodia.				
Intermediate Outcome Indicator 10: The map shop is fully operational					
Value	-	-	-	not achieved	
Date	01/29/2002	12/31/2007	-	12/31/2009	
Comments	Not successful. The “access to information” requirements that are set out in the Land Law have not been met.				
Intermediate Outcome Indicator 11: The number of titles issued under the systematic titling program.					
Value	-	One million.	1,547,000 land parcels surveyed and adjudicated.	achieved (2007 target) exceeded (2009 target)	
Date	01/29/2002	12/31/2007	12/31/2009	12/31/2009	
Comments	As of September 2009, 1.5 million parcels had been surveyed and 1.2 million titles distributed. The average time to delivery is steadily declining (now less than six months for most Land Registration Teams - LRTs). There are some areas where the title delivery process continues to take substantially longer and this leads to continuing concerns that the titling process is illegitimately excluding some households from the titling process.				
			December 2009 Target	Achieved	Achievement (as % of Target)
	Parcels surveyed and adjudicated		1,547,000	1,593,551	103%
	Titles signed and registered		1,237,600	1,232,396	99%
	Titles distributed		1,175,720	1,163,904	99%
Intermediate Outcome Indicator 12: Proportion of titles that have been collected by beneficiaries.					
Value	-	≥ 95 per cent	-	achieved	
Date	01/29/2002	12/31/2007	-	12/31/2009	
Comments	1.24 million titles have been signed and 1.18 million titles have been distributed (94.9 per cent).				
Intermediate Outcome Indicator 13: Average cost of issuing titles.					
Value	US\$30	less than US\$30	-	achieved	
Date	01/29/2002	12/31/2007	-	12/31/2009	
Comments	The average cost of issuing a title under the project in the period 2002-2009 was US\$16.75 per plot. In 2009, taking only the project activities directly related to titling, the cost per title was US\$11				
Intermediate Outcome Indicator 14: Time taken for the issuance of titles through sporadic adjudication from start					

to finish.				
Value	-	less than two months	-	not achieved
Date	01/29/2002	12/31/2007	-	12/31/2009
Comments	The legal and regulatory framework has been developed, but implementation was limited to “additional registration” in systematically adjudicated areas during the project period. The sporadic titling process remains susceptible to corruption with bribes being demanded from landowners.			
Intermediate Outcome Indicator 15: Provincial and District Land Offices are built.				
Value	-	-	-	partly achieved
Date	01/29/2002	12/31/2007	-	12/31/2009
Comments	Some offices were constructed. After an Integrity Vice Presidency (INT) investigation found fraud and corruption in numerous civil works contracts, the Bank declared mis-procurement on those contracts and the Government cancelled the remaining civil works after the extension of the Closing Date (even though the completion of buildings contracts was part of the justification for the Closing Date extension).			
Intermediate Outcome Indicator 16: Proportion of land transactions that are registered.				
Value	-	≥75 per cent	-	not achieved
Date	01/29/2002	12/31/2007	-	12/31/2009
Comments	It is estimated that only 10-20 per cent are registered. Most land transactions are not registered, in part because of high tax rates (the unused land tax of 2 per cent per year and the transaction tax of 4 per cent) and bribes required to facilitate the registration process.			
Intermediate Outcome Indicator 17: Completion time for the registration of land transactions in Phnom Penh.				
Value	-	one day (by Year 4 of the project)	-	not achieved
Date	01/29/2002	12/31/2007	-	12/31/2009
Comments	Not successful. Land transaction registration requires the clearing of tax dues in MEF before cadastral officers can register the transaction. A proposal for a “one-window” service has not yet materialized; it requires inter-ministerial collaboration, and would reduce corruption at both MEF and MLMUPC.			
Intermediate Outcome Indicator 18: A computerized land registration database system is operational in the Phnom Penh Land Office.				
Value	-	-	-	achieved
Date	01/29/2002	12/31/2007	-	12/31/2009
Comments	The system functions and has the appropriate safeguards and backups. Query-based reporting is in place.			
Intermediate Outcome Indicator 19: Access to information in the Registry is available on-line to Government, financial institutions and individuals for a fee.				
Value	-	-	-	partly achieved
Date	01/29/2002	12/31/2007	-	12/31/2009
Comments	Information is not available on-line but is available in hard copy format to Government, financial institutions and individuals for a fee; access to information on disputed areas has been arbitrarily restricted and is not on public display as required by law.			
Intermediate Outcome Indicator 20: Enactment of a sub-decree on the establishment of Cadastral Commissions.				
Value	-	-	-	achieved

Date	01/29/2002	12/31/2007	-	12/31/2009
Comments	The framework is in place: Sub-Decree #47 (May 2002), Proclamation (August 2002) and Guidelines #1455 (September 2005).			
Intermediate Outcome Indicator 21: Establishment of the Cadastral Commissions in the central MLMUPC office and in the Project Provinces.				
Value	-	-	-	achieved
Date	01/29/2002	12/31/2007	-	12/31/2009
Comments	The Cadastral Commissions (CCs) were established and started resolving cases during the life-time of the project.			
Intermediate Outcome Indicator 22: An increase in the percentage of cases solved by Cadastral Commissions.				
Value	-	-	-	partly achieved
Date	01/29/2002	12/31/2007	-	12/31/2009
Comments	As at the end of September 2009 the Cadastral Commissions had successfully conciliated or decided 1879 cases out of 5293 received (35%). Another 1722 cases (33%) were dismissed, withdrawn or appealed and 1692 (32%) were pending. An evaluation of the performance of the CCs, however, needs to address the quality of outcomes and move beyond a narrow focus on numerical targets. Case intake at the CCs fell significantly from 2005. Reviews of the performance of the CCs conducted by the Bank and <i>Deutsche Gesellschaft für Technische Zusammenarbeit</i> (German Technical Cooperation – GTZ) noted broad compliance with the required procedures – but also that its adjudication functions are largely inactive and that major land disputes often by-pass the CCs in favor of executive agencies. While it is noted that over 17,000 disputes were successfully resolved by the Administrative Commissions as part of the systematic titling process, it is also noted that disputes in systematic titling areas were not always referred through the resolution process as anticipated in the project design.			
Intermediate Outcome Indicator 23: Land classification policy is approved by the CLP, and guidelines to develop provincial land use/classification maps are developed and approved.				
Value	-	Policies and legal framework defining spatial planning hierarchy are to be adopted.	Component 5 was reviewed and revised at the mid-term review to support state land mapping, spatial planning, commune boundary demarcation and National Spatial Data Infrastructure (NSDI).	not achieved
Date	01/29/2002	12/31/2007	12/31/2009	12/31/2009
Comments	Dealing in the ambiguities around the classification and use of state land provides significant opportunities for corruption. The preparation of maps formalizing these boundaries in a transparent, rules-based manner was beyond the capacity of the MLMUPC to facilitate.			
Intermediate Outcome Indicator 24: Land use/classification maps are produced for the Project Provinces.				
Value	-	-	-	not achieved
Date	01/29/2002	12/31/2007	-	12/31/2009
Comments	No land use classification maps were produced under the project. [Note: Outside the immediate framework of the project, the Government of Denmark supported			

the drafting of a Sub-decree on Commune Land Use Planning, which has been adopted. Commune Land Use Plan maps were developed and distributed to some communes, though the boundaries marked on these are not binding for land classification purposes.]

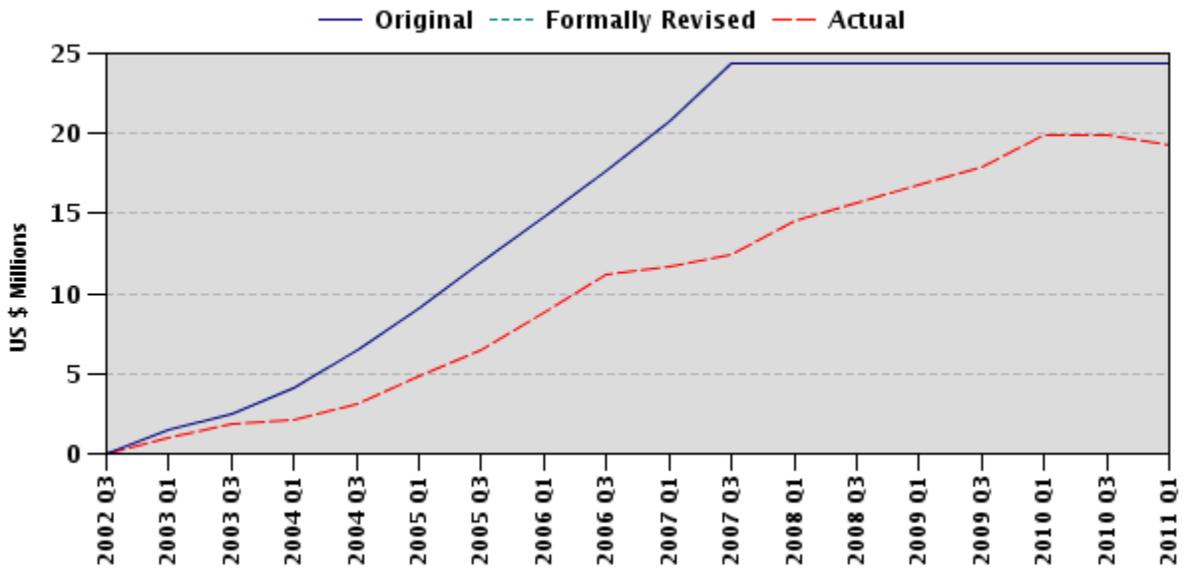
G. Ratings of Project Performance in ISRs

No.	Date ISR Archived	Development Objective	Implementation Progress	Actual Disbursements (US\$ million)
1	03/18/2002	Satisfactory	Satisfactory	0.00
2	05/31/2002	Satisfactory	Satisfactory	0.00
3	11/21/2002	Satisfactory	Satisfactory	1.00
4	06/19/2003	Satisfactory	Satisfactory	1.98
5	12/18/2003	Satisfactory	Satisfactory	2.76
6	02/19/2004	Satisfactory	Satisfactory	3.15
7	08/25/2004	Satisfactory	Satisfactory	4.79
8	11/30/2004	Satisfactory	Satisfactory	5.39
9	06/23/2005	Satisfactory	Moderately Satisfactory	7.50
10	12/29/2005	Moderately Satisfactory	Moderately Satisfactory	9.62
11	06/20/2006	Moderately Satisfactory	Unsatisfactory	11.69
12	06/23/2007	Satisfactory	Moderately Satisfactory	14.09
13	06/26/2007	Unsatisfactory	Unsatisfactory	14.09
14	12/28/2007	Moderately Satisfactory	Moderately Satisfactory	14.54
15	06/27/2008	Moderately Satisfactory	Moderately Satisfactory	15.92
16	04/08/2009	Moderately Satisfactory	Moderately Satisfactory	17.89
17	03/09/2010	Moderately Unsatisfactory	Moderately Unsatisfactory	19.23

H. Restructuring

The project was not restructured.

I. Disbursement Profile



Cambodia

Land Management and Administration Project Implementation Completion and Results Report

1. Project Context, Development Objectives and Design

1.1 Context at Appraisal

1.1.1 Cambodia is a predominantly agrarian country. Despite having one of the highest levels of natural resource endowment *per capita* in Southeast Asia, it also has one of the highest poverty rates in the region. In the late 1990s, more than 50 per cent of Gross Domestic Product came from the agricultural sector, almost 80 per cent of the total population was rural, and rural households accounted for almost 90 per cent of Cambodia's poor. Today, more than 70 percent of the people remain rural dwellers and more than 60 percent of agricultural output is absorbed by subsistence consumption. The Country Assistance Strategy (CAS) then in effect (covering FYs 2000-2003) highlighted the lack of access to land as a major contributing factor to rural poverty and low income-earning potential.

1.1.2 The history of land rights in Cambodia is complex. In the pre-colonial era, all land was owned by the sovereign but households held transferable rights in land under cultivation. During the French colonial period, from 1864-1953, a system of formal property rights was introduced but the registration of ownership extended only to the towns and some areas of high-productivity agricultural land. After independence, the French system was retained but little progress was made in extending its reach. By 1975, it is estimated that only about ten percent of plots were fully registered (ref. "*Land Regime in Cambodia*" Voan Lim, unpublished manuscript, 1997, cited in So, forthcoming, "*The Politics and Practice of Land Registration at the Grass Roots Level in Cambodia*"). During the catastrophe of Khmer Rouge rule (1975-1979), under which an estimated 1.5 million people died, the land was collectivized and records, including cadastral maps and land titles, were systematically and deliberately destroyed.

1.1.3 After the Khmer Rouge regime was deposed, people returned to farming in the framework of a physically and socially wrecked country. A new system of collective farming was implemented to varying degrees in different parts of the country. The population occupied land (which, by default, was considered to be State-owned) through an informal system of land-holding that depended on the recognition of occupancy rights from neighbors and local authorities.

1.1.4 The conventional wisdom holds that the massive social upheavals during the Khmer Rouge regime and decades of armed conflict had the effect of severely weakening traditional customs regulating the use of land, and the modern institutions for land administration and resolution of disputes remained extremely weak. The private possession of agricultural land was restored in 1989, and after the enactment of the Land Law in October 1992 a program was initiated for landholders to apply for certificates that would confirm possession rights. More than four million applications were received but by mid-2001 only 15 per cent of them had been processed because of limited institutional capacity and the costs (both legitimate and in bribes) associated with the sporadic titling process. This is the narrative of "the great disruption", which is one of the foundations for the argument for a nation-wide titling program. There is a compelling counter-argument that holds that adaptations of the traditional systems have, in fact, been highly durable. To this day, most people hold transferable possessory rights over land on the basis of recognition by neighbours and local authorities. This is similar to the situation under the French in the early 20th century. As described below, when modern titles are issued the system tends to default back to the traditional system through the non-registration of 90 per cent of subsequent transactions.

1.1.5 The main objective of the Bank's CAS then in effect was to assist Cambodia to "... *build the foundations for sustainable development and poverty reduction for the medium to long term.*" The project was intended to "... *contribute to two of the three foundations identified in the CAS: (a) good governance, including an efficient and accountable public administration and a credible legal and judicial framework that safeguards basic human and property rights; and (b) greater access for the poor to basic social services and economic opportunities.*". The third "foundation" was "a policy environment that encourages private investment and entrepreneurship". In fact, the CAS had four "pillars": (a) supporting good governance; (b) building physical infrastructure; (c) rebuilding human and social capital through health and education investments; and (d) facilitating private sector development.

1.1.6 The rationale for the Bank's involvement in the Land Administration and Management Project (hereinafter "the project" or "LMAP") was based on three concepts: (a) having supported many land management and administration projects throughout the world, including four in the East Asia and Pacific Region, the Bank had accumulated considerable expertise in integrating the policy, institutional and technical aspects required to improve the security of land tenure; (b) the Bank was felt to have developed a good working relationship with the Government, making it possible "... *to maintain the dialogue needed to resolve the difficult issues that inevitably will arise during implementation of the project.*"; and (c) the Bank had developed effective relationships with other donors in Cambodia working on land and closely-related issues, making it likely that Bank involvement would "... *bring coherence to the donors' program supporting land issues in Cambodia.*".

1.2 Original Project Development Objectives and Key Performance Indicators

1.2.1 The project was the first phase of the Government's LAMDP, which at the time of appraisal was expected to be implemented over 15 years. The goals of the Program, as stated in the Land Policy Statement of the Government in May 2001, are: (a) to strengthen land tenure security and land markets (and thereby prevent and resolve land disputes); (b) to manage land and natural resources in an equitable, sustainable and efficient manner; and (c) to promote land distribution with equity.

1.2.2 The PDOs were to improve land tenure security and to promote the development of efficient land markets; these correspond to goal (a) of the LAMDP. These objectives were to be achieved through: (a) the development of national policies, the regulatory framework, and institutions for land administration; (b) the issuance and registration of titles in urban and rural areas; and (c) the establishment of an efficient and transparent land administration system. Unusually, the project was also described as having the "overall goals" of reducing poverty, promoting social stability and stimulating economic development; these "overall goals" are markedly different both from the goals of the LAMDP and from the "Sector-related CAS Goal" shown in the Project Design Summary (PAD Annex 1).

¹ In the DCA, the objectives of the project are presented in a completely different manner: "*The objectives of the Project are to assist the Borrower in its efforts to implement the (LAMD) Program.*". It is unusual to see such a wide discrepancy between the PAD and the legal agreement in the specification of a project's objectives, and it is not clear why such a discrepancy was allowed to occur and persist. The formulation of the objective(s) in the DCA is vague and unhelpful: taken literally, it would be almost impossible to fail to meet this objective, since anything the project did to assist the Borrower in implementing the LAMDP would imply that the objective had been met.

1.2.3 Seven KPIs for the PDOs were defined in the Project Design Summary.

PDOs	KPIs
1. To improve land tenure security (for urban and agricultural land-holders).	1. A reduction in conflict over land.
	2. A reduction in “land grabbing”.
	3. An increase in agricultural productivity.
	4. An increase in access to (cheaper) credit.
	5. An increase in investment in the property sector.
2. To promote the development of efficient land markets.	1. An increase in the number of land transactions.
	2. An increase in the taxes and fees collected from land transactions.

1.3 Revised Project Development Objectives (as approved by original approving authority) and Key Indicators, and reasons/justification

1.3.1 There were no revisions made to the PDOs or to the KPIs during the life of the project.

1.4 Main Beneficiaries

1.4.1 The PAD stated that the range of benefits to be generated from secure land rights (social stability, poverty reduction and economic growth), improved land administration (efficient land markets and better land use) and improved capacity for land management (improved environmental management) would improve the lives of the whole population of Cambodia. More specifically, about one million households in both rural and urban areas were expected to receive land titles under the project with the concomitant benefits of increased security of tenure, access to credit and increased incentive to invest and to raise productivity. Many of the beneficiaries were expected to be poor and vulnerable to being dislodged from their land; secure titles were expected to reduce the risks of dispossession through “land-grabbing”.

1.4.2 The causal link between the project investments and the benefits expected to flow to the beneficiaries was clear. The project aimed to achieve a comprehensive reform of land management in Cambodia, and “... to assist the Government to develop policies and regulations; to strengthen the capacity of the MLMUPC and its provincial and district offices to administer land; to establish systematic and sporadic land titling programs to issue about one million titles; to increase the capacity to resolve disputes; and to develop the information base needed to improve land management.”. The existence of one million landholders with titles (out of a then-estimated 6-7 million land parcels in the whole country) was expected to provide a “critical mass” of landholders among whom the benefits of improved land tenure security would be self-evident, paving the way for the continued implementation of the LAMDP focused on the eventual titling of the whole country.

1.5 Original Components

1.5.1 The project, initially designed to be implemented in ten provinces and one municipality, had five components and eighteen sub-components. The costs estimated at appraisal included both physical and price contingency provisions. The Project Area was later expanded to 14 provinces.

1.5.2 **Component 1: The Development of Land Policy and Regulatory Framework** (US\$2.80 million, 8.3 per cent of total project costs, of which IDA would finance US\$1.80 million). The component contained four sub-components: (a) the development of the capacity of the Secretariat of the Council of Land Policy; (b) the formulation of key policies for land administration and management; (c) the development and drafting of legal instruments; and (d) the dissemination of policies, laws, rules and regulations. The intended causal link between the component and the PDO outcome was an indirect one.

The establishment of the policy and regulatory framework was considered to be a necessary (though far from sufficient) condition for the achievement of land tenure security and efficient land markets.

1.5.3 Component 2: Institutional Development (US\$6.40 million, 18.9 per cent of total project costs, of which IDA would finance US\$3.70 million). The component contained four sub-components: (a) the long-term institutional development of the MLMUPC at all levels; (b) project management; (c) the development of a land management and administration education program; and (d) the development of a private land surveying industry. The intended causal link between the component and the PDO outcome was an indirect one. Institutional development was considered to be essential for the implementation of the policy and regulatory framework and the administrative systems of land administration.

1.5.4 Component 3: A Land Titling Program and Development of a Land Registration System (US\$20.40 million, 60.2 per cent of total project costs, of which IDA would finance US\$16.70 million). The component contained four sub-components: (a) information dissemination and community participation; (b) a systematic land titling program; (c) a sporadic land titling program; and (d) the development of a modern land registration system. The intended causal link between the component and the PDO outcome was a direct one. Land titling and land registration would provide a necessary but not sufficient condition for those receiving land titles to benefit from improved security of tenure and to participate in emerging efficient land markets. Enabling conditions to benefit fully from land titles would include reliable land valuation and transparent land taxation (see also Annex 3; pg 61).

1.5.5 Component 4: The Strengthening of Mechanisms for Dispute Resolution (US\$1.70 million, 5.0 per cent of total project costs, of which IDA would finance US\$1.00 million). The component had three sub-components: (a) the strengthening of the National Cadastral Commission; (b) the strengthening of the provincial Cadastral Commissions; and (c) legal assistance for the disadvantaged. The intended causal link between the component and the PDO outcome of improved tenure security was a direct one. The establishment of effective mechanisms for resolving disputes (a particularly weak part of land administration at the beginning of the project) was a necessary condition for the achievement of an overall improvement in tenure security.

1.5.6 Component 5: Land Management (US\$2.60 million, 7.7 per cent of the total project costs, of which IDA US\$1.1 million). The component had three broad areas of activity: (a) the clarification of procedures for land classification; (b) the procurement of aerial photography and satellite imagery; and (c) the preparation of land classification maps at the provincial level. The intended causal link between the component and the PDO outcome was an indirect one; key land tenure issues are directly related to the classification of state-owned land. These are not presented as sub-components in the PAD (where very little information was provided on the component) but are described as such in this ICR to be consistent with the other components.

1.6 Revised Components

1.6.1 No formal revision was made of any of the project's components. However, Component 5 seems to have mutated several times over the life of the project and was only partially implemented. The component was a late addition to the project's structure and there is little supporting description in the PAD. It was introduced into the project to prepare land classification maps at the provincial level, including the clarification of technical procedures and the acquisition of aerial photographs and satellite imagery.

1.6.2 During the Mid-term Review (MTR), the weak progress being made under Component 5 was identified and it was agreed to restructure it. A new structure of the component was proposed by the

Government and modified by the Bank's Task Team. Although agreed to in principle, it was not formally adopted (*via* an amendment to the DCA) because after the MTR the Government and Donors modified their approach to the land sector to adopt a program-based approach and the proposed changes lost relevance.

1.6.3 However, project reporting post-MTR on this component was based on the "revised" structure. The newly-defined component included the mapping of state land holdings and the provision of support to spatial planning and the NSDI, as well as commune boundary definition. In June 2007, it was noted that five pilot sites were in progress but that "... *the project would not achieve the targets*". In June 2008, the component was described as lagging and it was stated that the Land Management Sub-sector Program (LMSSP) must be developed and agreed as the basis for moving forward. By April 2009, it was suggested that the component should be dropped altogether, and that in practice spatial planning was being supported under Component 1 and state land mapping under Component 3. Finally, in March 2010 it was stated that the legal and regulatory framework had been developed, but that the preparation of the maps "... *requires inter-ministerial coordination and the finalization and endorsement of the LMSSP.*" The shortcoming in the implementation of this component had important consequences in the later stages of the project's life.

1.6.4 In December 2006, as part of the set of actions agreed to in order to lift the suspension of disbursement, the Government prepared an Action Plan for the review of the design of the project and received the Bank's "no objection". This theoretically committed the Government to the restructuring of the project, but the Action Plan appears not to have been implemented. There was no follow-up from the Bank, and the review of the design of the project does not appear in the supervision record as a "Key Issue and Action".

1.7 Other significant changes

1.7.1 There were no changes in the design of the project or in the implementation arrangements.

1.7.2 Following a Fiduciary Review of the Bank's portfolio in Cambodia, further investigation by INT uncovered evidence of corrupt, collusive and fraudulent practices in seven Bank-assisted projects including the LMAP. The Bank declared mis-procurement on 17 civil works contracts under the project, and suspended disbursements from the Credit on June 6, 2006; a portion of the Credit was cancelled and a refund was made by the Borrower. In addition, the Bank identified serious fiduciary concerns related to performance-based field allowances (PBFAs) and delays in the implementation of good governance measures. The project's Internal Auditor also identified serious issues regarding additional payments and the misuse of vehicles and equipment. The MLMUPC subsequently met the requirements of the Bank for the lifting of the suspension, which took place on February 5, 2007.

1.7.3 At the end of 2007, the Closing Date of the Credit was extended by two years and the scale of the project was expanded from the originally-defined ten provinces and one municipality to include three additional provinces (utilizing a grant from CIDA, which had joined the project through TFs in 2004 with the provision of technical assistance - TA).

1.7.4 A major disagreement occurred in 2009 between the Bank and the Government concerning the latter's handling of resettlement of families living in the Boeung Kak Lake (BKL) area in Phnom Penh. This became the subject of a complaint to the Bank's Inspection Panel in September 2009 (see Section 2.4). Upon the unilateral decision of the Government, the Bank was requested on September 7, 2009, to cancel the undisbursed balance of the Credit. The balance of the Credit was actually cancelled on September 20, 2010 following the receipt of full documentation for the Designated Account. At the time

of the cancellation, SDR13.36 million (approximately 69 per cent of the Credit - US\$19.9 million equivalent) had been disbursed. The remaining trust fund agreements were also cancelled *via* cross-default clauses. The Credit closed on December 31, 2009.

2. Key Factors Affecting Implementation and Outcomes

Note: A chronology is shown in Annex 10 that illustrates the key steps involved in identification, preparation, appraisal and implementation.

2.1 Project Preparation, Design and Quality at Entry

2.1.1 **Sound Situation Analysis:** The background analysis supporting the project was good. A clear description of the then-current situation was provided in the PAD, which included estimates of land use and descriptions of the forms of land tenure, the system of administration of property rights, the status of titles and land tenure certificates of possessory rights, state-owned land and land conflicts. The conclusions of the analysis were that: (a) the lack of security in land tenure and landlessness were major causes of poverty; (b) the lack of information on state-owned land fostered a lack of transparency and provided opportunities for illicit enrichment by well-placed officials; (c) conflicts over land were becoming ever more serious, with the poor and illiterate suffering the loss of their land and a steady consolidation of land in the hands of wealthier and powerful people, problems exacerbated by the poorly-functioning dispute resolution mechanisms; (d) incentives to invest in productivity-enhancing measures were reduced by the lack of clear title; and (e) a widespread destruction of natural resources was in progress, driven by a mentality of short-term gains in an uncertain and ill-informed environment without a long-term strategy or coherent policy framework.

2.1.2 The project concept emerged from a workshop on land issues hosted by the new MLMUPC in July 2000. Two Japan Policy and Human Resource Development (PHRD) grants were approved and signed in January 2001 to support project preparation and design; a recipient-executed grant of US\$347,929 was managed by the MLMUC, and the Bank executed a grant of US\$248,446. A project preparation team was established by MLMUPC.

2.1.3 **Pilot Projects.** The design of the LMAP was influenced by two pilot projects, the Land Management Pilot Project led by GTZ (*Deutsche Gesellschaft für Technische Zusammenarbeit*; German Technical Cooperation) that commenced in 1995 and the Cambodian Cadastral Project led by FINNMAP that commenced in 1997. As the LMAP evolved into a multi-donor supported project, these two pilot projects were merged into it, providing a wealth of practical information and experience to inform both the design and implementation of the LMAP.

2.1.4 In 2001, three multi-donor missions (including representatives of IDA and the Governments of Finland and Germany) reviewed the work of the preparation team and the consultants. A “pre-implementation” phase from October 2001 to June 2002 prepared the operational structure for the LMAP supported by TA as the two pilot projects continued and merged into the LMAP.

2.1.5 **Assessment of Project Design:** The PDOs of the project were vague and qualitative; to improve the security of land tenure and the efficiency of land markets were objectives that required the simultaneous satisfaction of a large number of conditions besides those that were affected by the project. This is perfectly clear in the “critical assumptions” of the PAD Project Design Summary. With the benefit of hind-sight, it might have been helpful to align the objectives with the outputs of the project – i.e., to have made the objectives of the project the creation of a functioning lands administration system and the production and distribution of titles. The KPIs as defined were similarly abstract and difficult to

measure. Their effective measurement would have required a detailed base-line study and the collection of panel data over the life of the project, and would have been affected by the issue of attribution. In practice, the base-line study was carried out significantly after the commencement of implementation and the impact assessment was never done.

2.1.6 The components were defined as a function of the “irreducible complexity” of the project: the overall “environment” (the strategy, policy, legal framework and administrative procedures), the institutions, the title production, registration and delivery mechanisms, and the dispute resolution mechanism were all considered to be necessary activities, the “moving parts” of a complex machine. They all had to function (and many other factors had to become aligned) if the project was to achieve its objectives. As a result, the project was complex, but it was not unnecessarily so.

2.1.7 **Concept and Design Limitations:** The project design under-estimated the complexity and politically-fraught nature of State land management, and failed to address directly and seek to overcome the commonplace corruption throughout the system. The lack of a detailed plan for inter-ministerial and inter-agency coordination was a serious short-coming, especially given the multi-faceted nature of the land management agenda as well as its political and technical complexity. As described above (paragraph 1.1.4), it can be argued that the description of the “chaos” that existed in land management and the administration of formal titles underplayed the importance of continuing systems that had proven remarkably durable.

2.1.8 After twenty-five years of conflict, in 2000 the land sector in Cambodia was considered to be one of the most challenging in the world. Most records and even the systems of land administration had been deliberately destroyed during the Khmer Rouge regime, there were numerous disputes over land and there was little capacity in the administration with which to commence rebuilding. It was recognized at the time that the project was a risky undertaking in a sector bedeviled by corruption; however, it was also an essential undertaking if Cambodia was to establish the administrative infrastructure of land management that would provide the essential bedrock foundation for future economic development.

2.1.9 As the history of project design and implementation unfolds in this ICR, it is essential to bear in mind that the importance of the goal justified the risks being undertaken and that, whatever imperfections and problems may have occurred during implementation, the Bank might well have been considered to have failed in its duty had it not supported the project in the context of the overall LAMDP. It was, perhaps, uniquely placed to bring multiple parties together in pursuit of a highly laudable goal, and had reason to believe that it would be able to use its powers of persuasion to resolve implementation issues, particularly those concerning governance, as they arose.

2.1.10 **Adequacy of the Government’s Commitment:** The Government recognized in the late 1980’s the need to address land issues. Following the passage of the 1992 Land Law, it requested donor support for issuing land titles and from 1999 it moved to establish the MLMUPC and the CLP, to publish a “Statement on Land Policy” and to prepare the improved Land Law of 2001. At appraisal, the Government was stated as viewing the project as an important instrument to support the implementation of its policies comprehensively laid out in the Statement on Land Policy.

2.1.11 However, the PAD made it clear that not only were there risks involved in the project but that evidence was there for all to see that a general statement of commitment by the Government was not at all the same thing as a whole-hearted endorsement of the implications of the project by all of the stakeholders:

“... the allocation of forestry and fishing concessions seems to be undertaken at provincial level or by politicians at all levels.” (page 4, paragraph 2)

“... state private land ... can be sold and is reported to be frequently sold by ministries and state agencies in an ad hoc manner, with the proceeds not returning to the Treasury for public benefit.”
(page 4, paragraph 4)

“There are suggestions that state agents such as the military and politically connected people have dispossessed people of their land, which is being facilitated by the lack of formal recognition of rights on those lands.” (page 5, paragraph 1)

“Conflicts over land are growing, increasingly involving people or entities from outside the community seeking land for commercial purposes. As a result, land is becoming progressively more concentrated in the hands of influential and powerful people or entities and those who can afford informal payments, especially in regions with potential for tourism, logging, industrial or urban development.” (page 5, paragraph 2)

“However, in a weak governance system, actual implementation of these policies will rely heavily on the commitment and capacity of the government to implement these reform areas, yet to be seen during project implementation.” (page 7, paragraph 1)

The PAD highlighted the free-wheeling and corrupt attitude of government agencies towards equitable land rights exercised through the rule of law. It may be that the Government’s “commitment” was a necessary but not sufficient condition for the project to prosper. There were and remain powerful vested interests for which a well-functioning system of land administration and an efficient use of natural resources for the benefit of the population as a whole represent serious obstacles to private gain and, as a result, certain economic and political agents have not acted in a manner consistent with the “public good” nature of the project. It is also acknowledged, as explained in the *Borrowers Completion Report* (BCR), that commitment to the land reform agenda from government agencies outside MLMUPC was variable. The CLP, while moving forward with an impressive policy and regulatory agenda, did not have the political leverage to maintain a coherent pro-reform position on key issues. In practice then the project operated largely as an instrument of the MLMUPC and consistently fell short in areas where the design required ongoing inter-agency collaboration (e.g., transparently identifying and reporting on land conflicts in adjudication areas, promptly assessing and providing compensation for resettlement, defining state land boundaries, assessing land values and associated taxes).

2.1.12 Assessment of Risks: The project was considered to be a risky undertaking at appraisal; it was understood in advance to be complex and ambitious because it sought to deal simultaneously with multiple issues in land management and administration in a fragile policy and administrative environment. The unavoidable complexity of the project and the backdrop of political and administrative inefficiency (ranging from a lack of competence through to corruption) necessarily meant that the project was a risky undertaking. The PAD Critical Risks assessment (Section F, paragraph 2) rated the overall project risk as “substantial”. The Procurement and Financial Management Issues discussion (Section E, paragraphs 4.3. and 4.4) concluded that both of these risks were “high”.

2.1.13 Twelve risks were identified in the PAD as “critical” and it is evident that several of them did indeed materialize during project implementation. The description of the mitigating measures proposed at appraisal is far from convincing, and the analysis, in effect, identified some risks and areas of uncertainty for which there were no realistic countervailing measures available. Dialogue, consultation, TA and project “support” were the proposed mitigation measures but, with the benefit of hindsight, these appear to have been of little value in overcoming the serious obstacles placed in the way of project implementation. In the case of two of the risks (#8 - concerning institutional reform - and #11 - concerning dispute resolution mechanisms), part of the mitigation measure proposed was to “scale-back” the project if commitment on the part of the Government was considered to be inadequate, although it is difficult to see quite what purpose would be solved by such “scaling-back”, since the problem would simply be made smaller but not resolved by such action (see also Annex 11).

2.1.14 Similarly, the PAD suggested that the risk of not reaching agreement on the process of land classification could be overcome by supporting a “... *consultation process to build broad consensus for decisions ...*” and “... *technical assistance to the CLP to reach consensus among the various government agencies.*”. A more detailed analysis and open assessment of the political economy context might well have identified this view as overly optimistic, and that: (a) success in this respect depended on high-level inter-agency coordination; (b) consultation would not necessarily lead to consensus; and (c) numerous actors had (and still have) strong incentives not to proceed with a transparent and public interest-based classification and registration of State land.

2.1.15 **Resettlement under the Project:** The PAD stated that no eviction, involuntary resettlement or land acquisition was anticipated under the project. Nevertheless, the DCA provided that it would be implemented in accordance with Environmental and Social Guidelines (ESG) including a Resettlement Policy Framework (RPF) that would be triggered in the case of “*evictions from state land (...) under Parts C (b) and (c) of the Project*” (those relating to systematic and sporadic titling).

2.1.16 The RPF provided that it would apply to people negatively impacted from three possible sources. These were: (a) the eviction from State land of individuals who had occupied it prior to August 30, 2001, the date of the enactment of the 2001 Land Law, following titling of such land in the name of the State ; (b) the eviction from State land titled in the name of the State of individuals who had occupied it prior to August 30, 2001, because of the need to use such land for the carrying out of civil works under the project; and (c) the extension by the State of Right of Way (ROW) claims that adversely affected possession rights. More broadly, the RPF was intended to ensure that people who “*may be negatively affected by the Project will be assisted to improve, or at least restore their living standards, income and/or production capacity to pre-project levels.*”

2.1.17 As originally drafted, the RPF focused only on potential displacement associated with civil works and ROW extension. It was only shortly before the Safeguards Meeting in September 2001 that reference to evictions from State land following titling was added. The addition of this language reflected evolving thinking within the Bank at that time as advanced drafts of what is now OP 4.12 were being discussed. Up to that time, land titling was not explicitly considered in Bank policy or practice as an activity that might result in or contribute to involuntary resettlement. By contrast, in discussions surrounding the drafting of OP 4.12, the potential for displacement associated with land titling was addressed. A decision was made to distinguish between the effects of conflicting claims of private parties over private land, to which the policy would not apply, and conflicts involving claims from private parties residing on State land, in which case the policy would apply. The LMAP RPF was the first such Bank document to reflect this approach. As discussed in section 2.4 below, the interpretation of the RPF became (and continues to be) a major point of contention between the Bank and the RGC.

2.1.18 A Quality at Entry Assessment (QEA) carried out by the Quality Assurance Group (QAG) in June 2002 gave the project a “satisfactory” rating. The findings and conclusions are discussed in Section 5.1 on the Bank’s performance.

2.2 Implementation

2.2.1 **The backlog in the delivery of titles** has been an issue from the very beginning of the project (it was raised even before the Credit became effective); as late as the MTR, it was reported that some titles (5,000 of the total of 81,000) prepared under the preceding pilot projects had still not been distributed.

2.2.2 **The Mid-Term Review** was carried out in October 2004, a little over two years after the effectiveness of the Credit. Overall implementation progress was considered “satisfactory” although the project was experiencing a slow build-up based on the earlier pilot projects and emphasizing: (a) the

creation of the regulatory framework, based on the 2001 Land Law, to enable land registration activities; (b) dealing with the back-log of undelivered titles from the pilot project era; (c) developing policies, procedures and systems; and (d) training and capacity building. Preparing the “enabling environment” took precedence over other activities (e.g., plot demarcation and titling) that were implemented more slowly than had been anticipated, and many of the delays were attributed in part to the delay in forming a new Government after the elections of July 2003.

2.2.3 The detailed and comprehensive Project Supervision Report - PSR - (Sequence #8 of November 30, 2004) that followed the MTR described a number of issues and actions that, though important, were “run of the mill” implementation tasks and nothing that would have required restructuring (even with the benefit of hindsight) . Although changing Component 5 is discussed in the Aide Memoire of the MTR mission, it is not included in the Management Letter follow-up or in the PSR Sequence #8. The proposed changes were a radical departure from the contents of Component 5 as described in the PAD, and although they were not adopted after the MTR they appear throughout the supervision record whenever the Component is discussed. This is confusing, and may have contributed to the lack of focus evident in the supervision of implementing the component.

2.2.4 In early 2005, the focus of supervision began to shift towards fiduciary aspects and the achievement of some key outputs, especially the issuance of titles. As a result, the implementation of the project became distorted and components and sub-components became de-coupled. Implementation shifted towards the “easier” physical aspects and began to neglect the more difficult institutional aspects. As identified later by the Enhanced Review Mission (ERM) of mid-2009 “... *the well defined and intertwined components and activities of the project have been disconnected from each other, with implementation focusing on the most successful parts (training, works, and titling and registering non-disputed land ... the land policy and legal framework) while not addressing the other activities that would have helped to fully achieve the development objective to improve land security.*”. Important among the “other activities” were those that were to have been implemented by civil society organizations, including legal aid and public awareness, community participation and state land mapping.

2.2.5 **Suspension of Disbursements.** Between July 2004 and September 2005, the Bank undertook a Fiduciary Review that led to investigations that uncovered evidence of corruption, collusion and fraudulent practices in 49 contracts in seven Bank-financed projects (of which four, including the project, were under implementation) the results of which were transmitted to the Region in May 2006. The Bank declared mis-procurement on 17 civil works contracts under the project, resulting in the suspension of disbursements to the project on June 6, 2006 that was ultimately lifted on February 2, 2007. These actions on the part of the Bank put a strain on relations with the Government and the implementing agency.

2.2.6 **Extension of the Closing Date.** On December 31, 2007, the Closing Date of the Credit was extended by two years, until December 31, 2009, with strong support from the Development Partners. The rationale for extension, in addition to compensating for the months of disbursement suspension, cited: (a) the continued progress of project implementation, especially in the areas of policy formulation, educational development and systematic titling in rural areas; (b) the project’s success in issuing land titles, having reached the target of one million adjudicated titles; (c) the submission of outstanding audit reports and corresponding efforts to improve management oversight of performance-based field allowances; and (d) the pending negotiations to install an Independent Procurement Agent. Building on this success, the extension expanded the project to three new provinces to be largely funded by CIDA. There was an internal debate within the Regional Management Team on the duration of the extension. A key reason for the two-year extension was to allow for the procurement through International Competitive Bidding of five civil works contracts to be completed by November 2009 though these were never completed. Moreover, the extension would allow for deeper work on land policies, institutional reform

and incentives for land administration officials. With the focus on fiduciary matters following the INT investigations and the Bank's suspension of disbursements, the extension of the Closing Date imposed four conditions related to special audits and reconciling payments made for titles delivered, which had only been partially met by the Closing Date of the Credit. Progress in implementation of the covenants agreed at the time of extension was as follows: (a) an "ageing analysis", which linked payment made for titles delivered and titles adjudicated but not yet delivered, was completed; (b) a re-designed Productivity-Based Incentive Scheme (PBIS) was completed in January 2009; (c) the delivery of the titles which had been adjudicated had seen very little progress; and (d) the contracting, by May 31, 2008 of an independent technical auditor had not been completed. The requirement to conduct the technical audit of the performance-based incentives to Land Registration Teams was reiterated to the Government (letter of October 8, 2009) and it was proposed that IDA funds could be used to finance this audit, for which an escrow account would be created. Formal confirmation by the Government of its agreement was expected, but this remained an unresolved issue after the Closing Date of the Credit (and is recorded as such in the final ISR of March 9, 2010).

2.2.7 The risk to the development outcome increased significantly in the latter stages of the project's implementation when the Municipality of Phnom Penh (MPP) implemented involuntary resettlement of urban poor communities including a large-scale resettlement from the BKL area located in the Srah Chak District in central Phnom Penh. The resettlement procedures and compensation options presented to families living in the affected area were developed by the MPP without the involvement of the Project Management Office (PMO) or the application of the Resettlement Policy Framework (RPF). Continuing evictions raise questions about the Government's commitment to protect the rights of vulnerable communities living on state land and those with uncertain tenure status.

2.2.8 Based on available data, only about 10–20 per cent of subsequent transactions in land parcels titled under the project are being registered because of corruption and inefficiency in the process. This issue poses major threats to the integrity and sustainability of the cadastre.

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

2.3.1 **M&E design and implementation.** Frequent reference is made in the PAD to monitoring and evaluation. However, there is no mention of how or by whom an M&E system was supposed to be designed, beyond the statement under "Other Conditions" that the system would be developed by December 31, 2002 (a condition that was not included in the DCA). The Project Management Manual prepared in 2001 contained only three brief and unconnected references to M&E. The need to establish an M&E system was reiterated in the MTR in late 2004. In June 2005, the supervision mission was still lamenting the fact that there was no M&E framework. *As recommended in the MTR (of September 2004), establishing a systematic and robust M&E system for LMAP continues to be very urgent. ... no progress has been made to advance the establishment of an M&E system. An overall M&E system with agreed indicators (should) be developed and implemented as soon as possible*". Aide Memoire of the Seventh Supervision Mission, June 2005. A major effort was made, using TA and beginning in 2005, to diagnose the status of M&E and to install a properly functioning system. An M&E Manual was finally adopted in December 2006 and was described as being comprehensive, sound and practical. The project began to apply the M&E system through a unit that had received special training; however, as reported in the Ninth Supervision Mission Aide Memoire by mid-2007 *"insufficient time had elapsed since the adoption of the new system for outputs to be delivered and for the mission to assess system effectiveness."* An assessment was made of the existing M&E "system" in December 2005 (LMAP M&E Review Final Report: Land Equity (Tony Burns), December 2005). This was preceded by a GTZ-funded TA study (Kimmel, 2004) and an assessment (LMAP M&E Assessment Report: Walter Salzar, April 2005) and subsequent re-design (LMAP M&E Re-design Report: Walter Salzar, June 2006).

2.3.2 **M & E utilization:** the M&E system was described as functioning well by mid-2008 (i.e., six months after the original Closing Date), and was particularly useful in collecting data from the provinces for compilation of an “aging analysis” that illustrated the age profile of titles as the process of adjudication, signing and delivery of titles was followed. This was considered to be a particularly useful management tool. However, in general it cannot be said that data was evaluated or used to inform decision-making and resource allocation to any great extent.

2.3.3 The approach to M&E adopted under the project practically guaranteed that the system would be inadequate to the task. The vaguely-specified PDOs and indicators would have required sophisticated base-line studies and the repeated collection of panel data throughout the life of the project. The collection of the type of information required by the stated PDOs and indicators was never contemplated, and this was a failure of the project’s design. Consultants engaged to work on M&E in 2004 and 2006 produced systems that were, from an MLMUPC perspective, complex and “unworkable” (BCR). The extent to which the lack of a functioning M&E system during a large part of the project’s life was responsible for some of the problems experienced is debatable; in general, there seems to have been a large amount of information generated at different points in the implementation mechanism that was not properly collated or shared.

2.4 Safeguard and Fiduciary Compliance

2.4.1 **Fiduciary Review (July 2004).** Between July 2004 and September 2005, the Bank undertook a Fiduciary Review of the its portfolio involving the Region, the Government and INT. The Review led to further INT investigations that uncovered evidence of corruption, collusion and fraudulent practices in 49 contracts in seven Bank-financed projects (of which four, including the LMAP, were under implementation). The results of this investigation were transmitted to the Region in May 2006.

2.4.2 **Suspension of disbursements under the Credit (June 2006).** The Bank declared misprocurement on 17 civil works contracts under the project and suspended disbursements from the Credit supporting the project on June 6, 2006. This misprocurement resulted in the cancellation of a portion of the Credit and a refund by the Borrower of certain disbursements. In addition, the Bank further identified serious fiduciary concerns related to performance-based field allowances and delays in the implementation of good governance measures. The project’s Internal Auditor had also identified serious issues regarding LRTs demanding additional payments from land-holders and the misuse of vehicles and equipment. The suspension of disbursements and ongoing fiduciary issues, coupled with the Government’s objections to the investigation process, constrained the dialogue between the Bank and the Government on the project and more broadly.

2.4.3 **Lifting of the suspension of disbursements.** For the Bank to lift the suspension of disbursement, the MLMUPC had to meet the following requirements: (a) to prepare an Action Plan for the review of the design of the project; (b) to appoint an Independent procurement Agent (IPA) to undertake all outstanding procurement activities; (c) to apply fiduciary control mechanisms; (d) to apply good governance measures to combat corruption and fraud; and (e) to undertake a review of existing and proposed TA. On February 5, 2007, the Bank lifted the suspension after determining that the Government had met these conditions.

2.4.4 **The Request for Inspection.** In late 2008, NGOs drew the attention of the Bank to their concerns about the effectiveness of the project in poor urban communities. Following the eviction of the Dey Krahorn community in Phnom Penh (which was not an LMAP Adjudication Area) in early 2009 and the threats of eviction made to other areas (none of which were Adjudication Areas under the project), the Bank became concerned that the apparent acceleration of urban evictions might harm project-affected people. Consequently, an Enhanced Review of the project was instituted particularly as it related to

resettlement. A dialogue with the Government was started on this topic. The ERM report concluded that the project had “... *delivered undisputed benefits, including the registering and titling of nearly one million parcels of land*” in addition to “... *institutional strengthening, enhancing the land policy and legal framework, and strengthening the Cadastral Commissions*”. However, there was considered to be a “disconnect” between these achievements and “... *(the) insecurity of land tenure for the poor, especially in urban areas, and for indigenous people*.” The RGC in its BCR takes issue with the way in which the ERM was handled and some of its findings. Concern is expressed that a “10 day ERM mission” was fielded to “assess the work of 2,500 days of project implementation” (p.93). In particular the Completion Report takes issue with the ERM finding that entire provinces/municipalities be considered as project areas, affirming rather that the project was only intended to deal with land titling issues within declared adjudication areas.

2.4.5 In August 2009, a Safeguards Review Supplemental Supervision Mission was carried out to assess the applicability and actual application of the project’s Environmental and Social Guidelines (ESG) in project Adjudication Areas in general and in the BKL area in particular. The mission was unable to meet the PMO or other Government counterparts. The mission was unable to exchange views or obtain documents concerning the application of the ESG during the project’s implementation, including the events in the BKL area. Extensive and informative contacts were made, however, with numerous NGOs, the United Nations Office of the High Commission on Human Rights and residents of the BKL area.

2.4.6 In September 2009, a Request for Investigation was received and registered by the Inspection Panel. The principal complaint concerned the involuntary resettlement of people from the BKL area. The Management Response of November 2, 2009, agreed with the complaint that the RPF should have been applied to the people who were moved, but the Government does not accept this ruling.

2.4.7 The DCA (Schedule 4. III.1) states, in part, that the Borrower shall ensure that the RPF is applied “*in the event of eviction from state land...under Parts C (b) and (c) of the Project.*” Part C (b) of the project refers to the “*carrying out of a systematic land titling program in the Project Provinces.*” The Sras Chok adjudication area was an area in which the project was carrying out systematic land titling; hence, the RPF would apply. Management has been unable to determine definitively whether the area in question was formally titled in the name of the State, which is one of the instances in which the application of the RPF was foreseen. Nevertheless, the actions taken by the MPP in leasing the land confirm that the Government had *de facto* made a determination that the land in question was State land. In these circumstances management concluded that to exclude the application of the RPF to evictions in a project Adjudication Area, because the adjudication process was apparently not followed to its conclusion and no formal title was issued in the name of the State, would be contrary to the intentions underlying the development of the RPF as set out in the DCA.

2.4.8 The Management Response committed the Bank to engage the Government and the Development Partners: (a) to ensure that people displaced from the BKL area would be supported in a manner consistent with the RPF; (b) to ensure that any future resettlement would benefit from a resettlement policy that “meets appropriate standards” and from a fair mechanism of dispute resolution; (c) to discuss the needs of other resettlement sites to improve their conditions; and (d) to encourage the Government to act on environmental concerns in the BKL area and to mitigate the adverse environmental impact of filling the lake. However, relatively little progress was made in early 2010 with this agenda, and at the beginning of April the Inspection Panel announced its intention to carry out a full investigation of the project.

2.4.9 A Panel team visited Cambodia between May 22-29, 2010, and on November 23, 2010, the Panel issued its Investigation Report (The Inspection Panel: Report No. 58016-KH) in which its findings are organized according to the five main claims of the requesters:

- (a) that the events in the BKL area are linked to the project;
- (b) that residents of the BKL area were denied adjudication of their property claims under the project;
- (c) that residents of the BKL area were displaced in violation of the Bank's policy on involuntary resettlement;
- (d) that the titling process adopted by the project weakened pre-existing tenure rights; and
- (e) that other communities in Project Provinces also experienced forced evictions.

2.4.10 The Bank's Management prepared and delivered to the Panel and the Board of Executive Directors its Management Report and Recommendation, dated January 21, 2011. The Investigation Report and the Management report and Recommendation were discussed by the Board on March 8, 2011. The Board approved Management's Action Plan for addressing the issues raised by the Panel.

2.4.11 Management noted in their report that the "Government does not believe that the BKL site meets the criteria for triggering the RPF, specifically, that no titles have been issued in the name of the State. As a consequence, resettlement from the BKL area has been taking place without reference to the RPF." Furthermore Management acknowledged "that a lack of specificity in Project documents and the absence of detailed discussions about the reach of the RPF may have contributed to subsequent differing interpretations regarding the Government's obligations" and that despite a "sustained effort to discuss and agree with Government on this fundamental point, to date the Government has not recognized any link between the Project and BKL events. These positions are reaffirmed in the Borrower's Completion Report. In August 2011 the Government issued a sub-decree (#183), giving over 700 families still living near the lake approximately 12 hectares of land on the planned development site and the government issued titles to 259 of these families on December 10, 2011.

2.4.12 **Special Technical Audit.** When the Closing Date of the DCA was extended in December 2007, a condition of the extension was that a Special Technical Audit would be carried out of PBFA payments made as an incentive to land registration teams to increase productivity. The first Special Audit was conducted by KPMG in early 2008 covering the period October 1, 2003 - March, 31 2007. The results of this audit were unsatisfactory as there were difficulties with interpretation of the requirements of the terms of reference; the auditor did not provide an audit opinion but rather completed "agreed upon procedures" after consultation with the project management. Subsequent to the audit, the Bank's financial management (FM) team completed a reconciliation of the advances given to the LRTs for the period October 1, 2003 - December 31, 2007, based on the data provided by the project with the assumption that all the adjudicated data up to December 31, 2007 would be fully delivered by the Credit's Closing Date. As a result, an overpayment of US\$131,000 was calculated, the result of under-performance of LRTs in the urban areas. The overpaid amount was deducted from a Withdrawal Application submitted by the project, and the amount was subsequently refunded by the project after the Closing Date.

2.4.13 The Bank and the Government agreed at that time that the total overpaid amount from the shortfall of the scheme would be determined based on the result of the second Special Audit covering the entire implementation period. The signature of the contract for this audit was repeatedly delayed and had not been achieved before the Closing Date of December 31, 2009. The Government agreed in a letter dated April 6, 2010 to set aside a national budget of US\$ 140,000 to finance this second Special Audit and has recently completed a new bidding process for the selection of a suitable audit firm. The bidding was handled by the IPA under the contract with MEF, and the special audit contract has been sent to the

selected firm for signature. The audit is commenced in October, 2011 and a draft report is expected by December 31, 2011.

2.5 Post-completion Operation/Next Phase

2.5.1 Perhaps the most important consequence of the rift that occurred between the Bank and the Government at the end of the project's implementation period is the fact that there are, in effect, no "arrangements for the project's future operation". The Government continues to support land titling without the Bank's involvement and, with over 500,000 titles having been adjudicated from September 2009 to the end of 2010, for the time being the systematic titling process continues apace. In 2008, initial discussions were under way concerning the preparation of a follow-on operation to continue the implementation of the LAMDP.

2.5.2 It has already been remarked that the LAMDP's originally-stated duration of fifteen years was, in practice, far too short a time period; international comparisons indicate that perhaps twice that length of time would have been necessary to complete the work. A cadastre and land administration system can be viewed as a living system that unless it is maintained and up-dated is destined to deteriorate to the point where its value is completely undermined. The very real achievements of the project are therefore threatened.

2.5.3 In mid-2007, the MLMUPC had announced a sector-wide approach to land, with three sub-sector programs for land administration, land management and land distribution. The Government has ambitious targets for land titling, and the activities of the Land Administration Sub-Sector Program (LASSP) continue.

2.5.4 The Development Partners (the Governments of Canada, Denmark, Germany and Finland) remain engaged with the MLMUPC in support of the Government's land programs. German-funded TA for the land sector has been provided through GTZ since 1995. A program of continued support in the amount of €4.0 million was announced August 2010, contingent on the "strengthening of human rights in the land sector", in particular the land rights of indigenous communities and unapproved urban settlements. Canada has a land management and administration project that provides TA and direct support to titling in three target provinces (Kampong Chhnang, Pursat and Banteay Meanchey) with a commitment of C\$8.5 million for the period 2005-2011. Currently financed through 2012, Finland is funding TA to Component 3 of the LASSP - Land Titling and Development of a Modern Multi-Purpose Cadastral System with a commitment of approximately €5.0 million for the period 2009-2012. Denmark has a US\$6.65 program that supports MLMUPC in relation to land management activities, especially land-use planning under the Natural Resources Management and Livelihoods Program supported by the United Kingdom's Department for International Development and the Danish International Development Agency, but these activities are not expected to be continued beyond the current phase of the Program that comes to an end in 2011.

3. Assessment of Outcomes

3.1 The Relevance of Objectives, Design and Implementation

3.1.1 The project's **objectives**, although expressed in vague and qualitative terms, were and remain highly relevant; they are fully consistent with Cambodia's development priorities and with current Bank country and sectoral assistance strategies and corporate goals. The main objective of the CAS in effect at the time of preparation and appraisal was to help build the foundations for sustainable development and poverty reduction. The first of three identified foundations was "... *good governance including an efficient and accountable public administration and a credible legal and judicial framework that*

safeguards basic human and property rights”. The project lay at the very heart of this foundation. A fundamental principle of the CAS was for development partners to work more closely together in support of the Government’s reform agenda and to increase the efficiency of aid utilization. The design of the project was fully compatible with this; it incorporated German and Finnish bilateral assistance and built upon pilot projects funded from it since the mid-1990s. The CAS also was designed to pave the way for a gradual transition from an individual project-based approach to a concerted approach based on shared sector strategies and expenditure programs.

3.1.2 The subsequent CAS covered the period FY05-08 but has, in practice, remained current to the present.

Central to this CAS is that poor governance is the fundamental brake on the effectiveness of the Bank’s activities and the achievement of development outcomes in Cambodia. The first pillar of the CAS is aimed at reducing the governance constraints that hold back inclusive, sustainable growth and pro-poor service delivery. The CAS Objective 2 is to improve natural resource management in order to contribute to sustainable rural growth and poverty reduction. Working closely with the in-country Thematic Working Groups for Land and for Forestry and Environment, the Bank’s analytical and financial support is intended to be coordinated with other donors to strengthen the overall framework for the management of land resources. Several operations were identified to continue to emphasize the importance and centrality of land issues:

(a) the Poverty Reduction and Growth Operation covering the period 2007-2009 was approved in July 2007 to support the implementation of the “good governance” reform program, and had as its primary objective “... *to support the next phase of policy and institutional reform required to maintain growth and accelerate poverty reduction by ... guaranteeing land tenure and increasing access to the land for the rural poor ...*”(ref. PRGO Program Document No. 36553-KH, June 18, 2007);

(b) a credit for the Land Allocation for Social and Economic Development (LASED) project was approved in May 2008; the development objective of the pilot program is to improve the process for identification and use of state lands transferred to eligible, poor and formerly landless or land-poor recipients selected through a transparent and well-targeted process; and

(c) a “second phase” of LMAP was intended to be started in 2008.

3.1.3 A CAS Progress Report was presented in April 2008 and proposed to extend the CAS period through until FY11. It emphasized the challenging nature of structural reform and governance issues, and stated that progress towards improving natural resource management had been solid and that the Government’s land titling program supported by the LMAP had been a notable success. For the extended CAS period, Bank support for improved land and natural resources management was to be based on the progress achieved during the previous five years whilst adapting to critical issues not anticipated during the original CAS period “... *due mainly to rapid increases in land values which are driving an increasingly informal land market.*”. It was the intention during the extended CAS period to use Analytical and Advisory (AAA) services and trust funds to research the incentives driving land markets and to identify practical approaches to addressing the pressures between rapid economic development and safe-guarding the livelihoods of the poor in urban areas and indigenous communities. This was to inform the design of the Bank’s role in the proposed LMAP2 in FY10 in a multi-donor program-based approach.

3.1.4 The project’s **design** was fully consistent with the stated objectives, although many other factors besides titling and improved land administration systems are involved in improving land tenure security and developing efficient land markets. The project’s **implementation**, however, was not fully consistent with the design in several important aspects; although titling made spectacular progress, the creation of the policy and institutional environment suffered from shortcomings that affect the functioning of land administration. It would be an over-simplification, however, to view the project’s history as one of “good design – poor implementation”. The relatively weak political economy analysis led to defects in the

project design, which was “theoretically” sound but in practice proved to be not implementable as a coherent whole.

3.1.5 The project suffered because of its weak Results Framework: achievements against the PDOs were difficult to assess and in the absence of relevant base-line data or a defined methodology for collecting data the improvement in land tenure security (PDO#1) could not be measured. In the case of improving the land market (PDO#2), the BAs indicate an increase in the number of land transactions and in the collection of taxes and fees, both of which point in the direction of an “improvement”; however, the absence of a base-line and of a data measurement methodology means that such improvement cannot be measured or attributed to the project. Once more, the importance is emphasized of having a Project Design Summary that articulates clear and reachable objectives with a methodology of collecting measurable data on outcomes and impacts.

3.1.6 The principal problem with the definition of the PDOs is that it describes the context in great detail (i.e., the overall goals of the project, the LAMDP and its objectives, and how the objectives will be achieved) but describes the actual PDOs in only the vaguest of terms – and then proposes even vaguer KPIs to measure their achievement. It would have been simpler if the objectives had been specified in technical and verifiable terms; for example, the creation of a land administration systems and a number of titles.

3.2 Achievement of Project Development Objectives

3.2.1 PDO#1 was highly qualitative, and unfortunately the five KPIs established to define the degree of achievement of the objective were themselves either subjective or hard to measure. Since the importance and immediacy of the whole issue of M&E was down-played in design and early implementation, and neither the methodology nor the base-line was developed that would have allowed these KPIs to be measured over the life of the project. In all five of the KPIs there was a potential issue of attribution; even if values could be assigned to these indicators, it would be close to impossible to state with any accuracy what portion of the “improvement” had actually been caused by the project’s interventions. PDO#2 was also qualitative; although the two KPIs can be measured accurately, the issue of attribution remains. Additional information on the achievement of the PDO and IO Indicators is presented in the Results Framework Analysis (Data Sheet, Section G) and in Annex 11.

PDOs	KPIs
1. To improve land tenure security (for urban and agricultural land-holders).	1. A reduction in conflict over land.
	2. A reduction in “land grabbing”.
	3. An increase in agricultural productivity.
	4. An increase in access to (cheaper) credit.
	5. An increase in investment in the property sector.
2. To promote the development of efficient land markets.	1. An increase in the number of land transactions.
	2. An increase in the taxes and fees collected from land transactions.

3.2.2 **A reduction in conflict over land:** without a base-line or defined methodology to collect and interpret data, the achievements of the project, if any, in helping to reduce conflict over land cannot be estimated

3.2.3 **A reduction in land-grabbing:** without a base-line or defined methodology to collect and interpret data, the achievements of the project, if any, in helping to reduce land-grabbing cannot be estimated.

3.2.4 A reduction in conflict over land and a reduction in land-grabbing (and forced eviction) are obviously related issues. Neither concept is defined in the PAD in a conclusive manner. It has been pointed out by numerous observers that the concept of land in Cambodia being capable of categorization as “with” or “without” conflict is misleading; there is in fact a whole spectrum from “very little conflict” to “total conflict”. The whole process of systematic titling, in practice, is one of low-level conflict resolution in which adjoining parcel owners are encouraged and assisted to resolve differences of opinion in order that the titling process can move forward. In systematic titling, the failure to resolve differences (e.g., on parcel corner-points) results in titles not being prepared and issued, and this is a powerful incentive to the parties to reach a compromise solution and not to allow the perfect to become the enemy of the good. The BCR reports over 20,000 disputes were resolved by the Administrative Commissions as part of the systematic titling process.

3.2.5 As pointed out in the ERM, a decision was taken during project design that “... *the project will not title lands in areas where disputes are likely until agreements are reached on the status of the land*”. However, clarifying the status of land required the development and implementation of clear procedures for State land classification, while procedures were developed under Component 5 they were not implemented in part due to challenges with inter-ministerial coordination. The BCR acknowledges “failure to date of a general program on state land mapping has been regrettable” but asserts that this failure “has been completely out of MLMUPC’s control.” Absent such a process a “vicious circle” was created whereby whole communes were declared by Provincial government for systematic titling however certain households within those communes who were deemed to be in areas where “disputes are likely” were effectively excluded from participating in the titling process without clear criteria or explanation. As pointed out in the ERM, to the extent that “... *eviction occurred in disputed lands which are excluded from the scope of the LMAP, the resettlement and safeguards policy framework has not been tested.*”

3.2.6 While no systematic study of the issue of household exclusion from adjudication areas has yet been completed, a draft Independent Review of LMAP dated February 2006, prepared under contract to other Development Partners highlighted this issue. As the Inspection Panel quoted from the report... “*at least a fifth of households (19.6%) in 13 of the adjudication areas visited are being adversely affected by the systematic land titling process, usually through the refusal to register land in household possession or use.*” Unfortunately the draft study was never finalized or accepted by Government. The Bank recognizes that disagreements over the Independent Report’s methodology and findings kept it from being finalized and shared. Nevertheless, in the Bank’s view, despite methodological flaws, the 2006 report raised valid concerns and proper consideration of the report might have brought the issue of adjudicating private claims on land claimed by the State to prominent attention at an earlier point in Project implementation.

3.2.7 In order that a critical mass of titles (\geq one million) could be created, the project concentrated on those areas where land parcels were clearly defined and where land-holders had a powerful incentive to resolve (mainly minor) disputes. By contrast, households in areas where significant disputes were likely were effectively excluded from the titling process, while weaknesses in the dispute resolution and state land management components of the project (components 4 & 5) meant that a framework for fairly resolving these disputes was not put in place. It was undoubtedly an exaggeration or over-reach to believe that the project could do anything about land-grabbing, which is principally a problem in the areas where disputes are likely. Powerful forces are at work that prospers in this penumbra of asymmetrical information and influence. The Bank’s political economy analysis was weak, with the result that ideas that were peripherally discussed at appraisal were in practice much larger than imagined or presented. It is hard to avoid the conclusion that the Bank was more than a little naïve, and perhaps engaging in “wishful thinking”, when it approached the important subject of land-grabbing. The scale of the problem in present-day Cambodia is clearly described in a number of publications with no effective resolution in sight (see for example *Land Grabbing and Poverty in Cambodia: The Myth of Development*, Cambodia League for the Promotion and Defense of Human Rights, May 2009; *Statistical Analysis on Land*

Disputes Occurring in Cambodia 2009, Land Information Centre, NGO Forum on Cambodia, 2010; *Title through Possession or Title through Position?*, Centre on Housing Rights and Evictions, November 2008; *Economic land concessions in Cambodia: A human rights perspective*, United Nations Cambodia Office of the High Commissioner for Human Rights, June 2007).

3.2.8 An increase in agricultural productivity: without a base-line or defined methodology to collect and interpret data, the achievements of the project, if any, in raising agricultural productivity on titled land cannot be estimated. The assumed thread of causation is that possession of a title gives the individual farmer the confidence that investments in improvements in his land and in the use of his land will be secure for him and his family. The analysis of the impact on productivity of granting a title requires detailed econometric analysis on the production functions of typical farming units. This would have required sampling, detailed farm system analysis and the collection of panel data in order to be able to measure any increases in productivity and the apportionment of weights to the factors of production. None of this was provided for in the project's design.

3.2.9 An increase in access to credit: Two BAs were carried out during the implementation of the project (in 2006 and 2009) with the main purpose of gauging overall beneficiary satisfaction and the impact of land titles in the areas covered by LMAP. The studies used a mixed methods approach to gauge perceptions and satisfaction levels and to provide recommendations on how to improve the titling processes put in place by the project. The first BA covered 12 randomly-selected sites in nine provinces and Phnom Penh for a total of 309 interviews; it concluded that the majority of beneficiaries were satisfied with the titles received and that the adjudication process had met or exceeded expectations of the majority of respondents. Some further conclusions were that: (a) the registration fee levels were acceptable; and (b) nearly half of respondents claimed access to credit as the key benefit from titling, although only 19 per cent of them actually had loans outstanding. The study also suggested that the effects on credit access in the short term are limited and that the longer the time period elapsed since obtaining the titles the greater the number of landowners accessing credit.

3.2.10 The second BA conducted in 2009 (10 randomly selected sites, for a total of 485 beneficiaries interviewed plus separate focus group discussions for men and women covering 114 landowners) reinforced the findings of the first BA. There was general satisfaction with the process of titling and the registration fees. Improved access to credit and reduced conflict over land were seen as the main benefits from titling. Interviews with four banks and micro-finance institutions (MFIs) indicated that possession of a land title is generally not a major consideration for smaller loans, but often speeds up the process of loan approval and helps to qualify borrowers for larger loans. In addition, representatives of institutions also mentioned that the increase of in the number of titles made it easier for them to avoid overlapping loans being secured by same property.

3.2.11 An increase in investment in the property sector: the economic analysis described in Section 3.3 is based on the impact of titling in terms of: (a) better terms of credit (lower interest rate) for small loans; and (b) the possibility of accessing medium-sized loans. The very significant increase in the size of the aggregate loan portfolio can be attributed in part to the emergence and use of land titles, although the "titling effect" cannot be quantified. Similarly, we can confidently state that there has been an increase in investment but we cannot quantify it or define the sectors in which it has been made.

3.2.12 An increase in the number of land transactions: Some 24 per cent of respondents to the first BA perceived that there had been an increase in land transactions post-titling. This is compared to 8 per cent who perceived a decrease and 68 per cent who responded "no change" or "do not know". The second BA indicated a strong perception that land transactions were on the rise until mid-2008 when the global economic slow-down appears to have shut down the market. The BAs offer no insight on the link between land titling and increases in land transactions.

3.2.13 **An increase in the taxes and fees collected from land transactions:** The second BA cites revenue from the registration of land at U\$60 million since 2003, but the proportion of this total that can be attributed to the project cannot be determined.

3.2.14 Although the lack of data prevents a quantitative assessment of outcomes, a qualitative assessment is presented in the Data Sheet and Annex 11. The results of that assessment for both PDO Indicators and Intermediate Outcome Indicators can be summarized as follows:

	Results Achieved			
	Achieved	Partly Achieved	Not Achieved	Not Assessed
PDO Indicators (7)	1	-	1	5
Intermediate Outcome Indicators (24)	10	4	10	-

This shows that although 10 of the 24 Intermediate Outcome Indicators are judged to have been achieved, this did not translate into more than one of the PDO Indicators being achieved. This is a disappointing result. Even for the one PDO Indicator, the achievement is qualified as “probable”. Information problems made it impossible to judge four PDO outcomes even in qualitative terms. The fact that ten Intermediate Outcome Indicators were assessed as “not achieved” naturally affects the possibility of PDOs being achieved.

3.3 Efficiency

3.3.1 A detailed financial and economic analysis was carried out during the preparation of this ICR and is presented in Annex 3.

Efficiency Considerations at Appraisal

3.3.2 At appraisal, the main benefits of the project were expected to be: (a) improved land tenure security; (b) increased investment from better access to credit and a more secure investment climate; (c) a greater efficiency of land use *via* the formation and improvement of land markets; (d) improved tax collection and land-use planning; and (e) improved management of natural resources. However, these benefits were expected to be fully realized only over the long term, and their achievement during the life of the project was considered as “... *not likely to be evident.*”

3.3.3 It was considered not possible to provide quantitative estimates of project benefits, and no *ex ante* economic analysis was attempted. However, the PAD contained a plan to conduct an *ex post* economic analysis, with base-line and socio-economic impact surveys conducted in selected project areas during implementation. The base-line studies were carried out (albeit long after the start-up of the project) but the socio-economic surveys were not; as a result, there is no coherent and consistent body of information generated under the project on which to base this anticipated, detailed economic analysis for the ICR.

3.3.4 Financial analysis was conducted at appraisal to assess the net financial benefits expected from the project for the key project participants (i.e., landholders and the Government).

3.3.5 The analysis prepared for the ICR is based on some studies and reports generated under the project and on additional data collected during and after the ICR mission. An analysis has been made of the actual project costs and the appraisal estimates; the results are presented in Annex 1.

3.3.6 **Cost of titles:** At appraisal, the expected cost to produce a title and maintain it over a ten-year period was estimated to be US\$38.10. During the project, through improved project management and scale economies, the average cost per title decreased progressively from 2002 to 2009, averaging \$16.80. In 2009, taking only the project activities directly related to titling, the cost per title was US\$11.

3.3.7 Because of the lack of detail on the composition of costs (to understand which are directly related to titling), this analysis considers three “cost scenarios”:

Scenario		Cost per Title (US\$)	
		2002-2009	2007-2009
I	All project costs directly and indirectly associated with land titling	37.00	24.80
II	Component 3 costs	-	-
III	Sub-components 3.1 and 3.2 costs	16.80	12.40

3.3.8 **Financial analysis at the level of landholders:** There are two main theoretical incentives for obtaining a title (improved security of land ownership and improved access to credit). In the absence of further data, the ICR identifies improved access to credit as the main direct benefit of the project for landholders. The analysis is based on comparing the stream of financial benefits from access to credit with the costs associated with the registration procedures. Better terms of credit can be obtained by providing a land title as collateral. There are also benefits from having a title in terms of the speed of processing the loan and the terms of the loan. The evidence is clearest with medium and large loans; with micro- and small loans (those between a few hundred and US\$10,000) there is lack of evidence of any quantitative benefit from titling in terms of access to credit. The latter seem also to be the majority of the beneficiaries of loans. Taking the ACLEDA Bank PLC portfolio as an example, small and micro loans account for around 90 per cent of all loans provided in 2009 (in number terms) but just 34 per cent in terms of US\$ value of credit provided by the institution.

3.3.9 **Financial analysis at the level of the Government:** At appraisal, the financial analysis at the level of the Government showed a 22 per cent financial rate of return (FRR) and a net present value (NPV) of US\$15.4 million (@ 10 per cent discount rate), based on the distribution of 1.1 million titles, a 30 year evaluation period, project costs, and benefits from registration fees, subsequent transaction registration fees and transfer tax revenues. The main component of the benefit stream was the transfer tax revenue, which accounted for 66 per cent of the NPV of all fiscal revenues estimated.

3.3.10 An *ex post* analysis has been re-calculated for three scenarios of fiscal impact to assess the net fiscal revenue stream. Costs and benefits are compared for the period 2002-2024, and the results suggest that the project presents satisfactory fiscal returns.

Scenario	Net Present Value (NPV) (US\$ million at 12 per cent)	Economic Rate of Return (ERR) (per cent)
I All project costs directly and indirectly associated with land titling	10.0	16.0
II Component 3 costs	22.0	26.0
III Sub-components 3.1 and 3.2	24.0	27.9

3.3.11 **Economic analysis:** The PAD lists the main expected benefits from the project and describes a proposed methodology to calculate NPV and ERR. The main benefits in urban areas would be measured through “... *land price changes due to titling while holding other factors constant*...” and in rural areas

benefits would be quantified as the “... *incremental increase in production and associated income from titling, subtracting the value of the investment inputs...*”.

3.3.12 The quantitative assessment of the impact of the project on landholders through the identified channels is difficult, given the lack of data. This is particularly true for the first channel (limiting expropriation) and its results, in terms of enhanced investment and reducing the need to divert private resources to protect property. However, for the second channel (facilitating market transactions) it is possible to provide an estimate of the impact of land titling on access to credit, in line with the financial analysis conducted.

3.3.13 A direct causal relationship between areas targeted under systematic land titling and the increasing size and number of loans in the same areas could not be established because of the lack of data. However, as anticipated in the base-line studies, between 2002 and 2009 there was a shift in the number, size and intended use of loans provided by different financial institutions. The calculations at ICR illustrate the economic impact of the project through some assumptions and sensitivity analysis.

3.3.14 The analysis includes the project’s economic costs, the 2002-2024 time horizon and two types of benefits: (a) better terms of credit resulting in a higher efficiency of resource allocation; and (b) the possibility of accessing medium-sized loans that can only be secured with title. The analysis of benefits takes into consideration the overall credit portfolio in the country, and concludes that the project had an ERR of 22 per cent and an NPV (@ 12 per cent discount rate) of US\$26.5 million. If the benefits on improved terms of loans are excluded, the ERR is 20.7 per cent and the NPV is US\$21.5 million. This simplified illustration of the benefits suggests that even with extreme assumptions the economic benefits from one of the channels of impact from titling clearly outweigh the economic costs of the project.

3.4 Justification of Overall Outcome Rating

Rating: Moderately Unsatisfactory

3.4.1 The very real achievements of the project in terms of land titling in areas with limited land issues must be seen against the significant shortcomings in the establishment of the institutional structure and policy environment. The objectives were relevant but vaguely expressed, making a judgment about their achievement difficult if not impossible to arrive at. The design was highly relevant in that all the identified aspects of land titling and administration had to be included if there was to be any prospect of success. However, the project design was not based on a realistic articulation of the political context and as such the project design contained elements that were extremely difficult to implement. To the extent that they can be measured, some of the key outputs of the project (e.g., titles) were achieved efficiently but three of the five components were late or not fully implemented.

3.5 Overarching Themes, Other Outcomes and Impacts

Poverty Impacts, Gender Aspects and Social Development

3.5.1 The project was not designed to have specific impacts on poverty, gender or social development. However, the PAD was bold in terms of the economic and social impact that was expected; it stated that the range of benefits to be generated from secure land rights (social stability, poverty reduction and economic growth), improved land administration (efficient land markets and better land use) and improved capacity for land management (improved environmental management) would improve the lives of the whole population of Cambodia. In addition, many of the beneficiaries were expected to be “poor

and vulnerable to being dislodged” from their land; secure titles were expected to reduce the risks of dispossession through “land-grabbing”.

However, as described in the PAD, the Government’s reform agenda to promote sustainable economic and social development, poverty alleviation and peace had the Land Policy Framework as one of its most significant initiatives. The social assessment that accompanied project preparation showed that disputes over land were growing as land values were rising, particularly near roads and in urban centers. Without legal property titles, people could not defend their land rights particularly against outsiders and a major social development outcome of the project was expected to be that one million plus families, mostly smallholder farmers, would obtain title and thereby reduce their vulnerability. The number of titles to land parcels produced under the project exceeded 1.5 million, but there is no evidence of vulnerability having been reduced. Indeed, research indicates that poverty itself is a more important source of loss of access to land than land tenure insecurity; on this basis, unless the project had an indirect impact on poverty it is unlikely to have had a major impact on vulnerability. Based on the 2009 Beneficiary Assessment and a 2010 study by LMAP Canada the BCR reports that the systematic titling process was generally implemented in a way that involved and respected the rights of women (see for example Heinrich Boll Foundation – 2008 - *Women’s Perspectives: A Case Study of Systematic Land Registration in Cambodia*, and reports prepared by CIDA under the Cambodia Land Administration Sub-sector Project (CLASP).

Institutional Change/Strengthening

3.5.2 Institutional development was a key feature of the project. In fact, all five project components were partially or wholly aimed at the development of institutions and their administrative procedures. The project has had a major impact on the institutions of land management. In this respect the BCR highlights LMAP’s contributions to MLMUPC capacity and governance processes. However, the restructuring of the MLMUPC that was envisaged in the project’s design was not achieved despite a major effort by the Bank throughout the life of the project to emphasize its importance.

Other Unintended Outcomes and Impacts (positive or negative)

3.5.3 The most important unintended outcome of the project was the impasse between the Bank and the Government over the treatment of residents of the BKL area, which was triggered by a Request for Inspection made to the Inspection Panel by an NGO on behalf of residents of the BKL area.

3.6 Summary of Findings of Beneficiary Surveys

3.6.1 Two BAs were carried out during the implementation of the project (in 2006 and 2009) with the main purpose of gauging overall beneficiary satisfaction and the impact of land titles for the beneficiaries in areas covered by LMAP. The studies used a “mixed methods” approach to gauge perceptions and satisfaction levels and to provide recommendations on how to improve the titling processes put in place by the project.

3.6.2 The first BA covered 12 randomly-selected sites in nine provinces and Phnom Penh for a total of 309 interviews. The assessment concluded that the majority of beneficiaries were satisfied with the land titles received and that the adjudication process had met or exceeded the expectations of the majority of respondents. Some further conclusions were that:

- (a) beneficiaries stated that the registration fee levels were acceptable.
- (b) nearly half of respondents claimed access to credit as the key benefit from titling, although only 19 per cent had loans outstanding. The study also suggested that the effects on credit access

In the short term are limited, and that the longer the time period elapsed since obtaining the titles the greater the number of landowners accessing credit.

3.6.3 The second BA conducted in 2009 reinforced the findings of the first BA. It was based on ten randomly-selected sites, for a total of 485 beneficiaries interviewed plus separate focus group discussions for men and women covering 114 landowners. The main findings were:

- (a) general satisfaction with the process of titling and the level of registration fees.
- (b) the main benefits from titling were improved access to credit and reduced conflict over land. Possession of a land title is generally not a major consideration for smaller loans, but has benefits for larger loans. Titles help institutions to avoid overlapping loans being secured by the same property.
- (c) few subsequent land transactions are registered, given high costs, complexity and lack of transparency.

4. Assessment of Risk to Development Outcome

Rating: Significant

4.1.1 The risk at the time of preparation of this ICR that the development outcome will not be maintained is considered to be “significant”. Considerable progress was achieved in the establishment of a modern system of land administration and the production and distribution of titles in the period 2002-2009. However, there were also institutional shortcomings of crucial importance to the well-being of the system relating to weak mechanisms for dispute resolution, effective management of state-owned land, and the rule of law. The absence of effective donor coordination could lead to a piece-meal approach without tackling the most difficult issues robustly.

5. Assessment of Bank and Borrower Performance

5.1 Bank Performance

Bank Performance in Ensuring Quality at Entry

Rating: Moderately Unsatisfactory

5.1.1 The identification of the project was based on a good diagnosis of the main sector issues. Ten years after the Concept Review, many of these issues remain. To a certain extent, the description of the sector and its issues had to be “read between the lines” in the PAD but the “near chaos” that existed in the administration of property rights, spread across several ministries and down from the national to the provincial and municipal levels, was clearly recognized by the Bank: “*It is overwhelmingly clear to both government and donors that the overriding problem and the one with the greatest contribution to poverty is lack of land tenure security ... and restricted access to common property resources.*”.

5.1.2 The problems were far-reaching: a growing number of landless people and land disputes; the level of ignorance on the part of the state about “*the amount, location and boundaries of public land ... much of it not surveyed, mapped or titled*”; the dispossession of peoples’ land by “*state agents such as the military and politically connected*”; and the concessions of use of natural resources (such as forests and wetlands) that “*... seem to be undertaken at provincial level or by politicians at all levels.*”. Dire predictions were made about the consequences of inaction.

5.1.3 Project identification, preparation and appraisal were part of an intensive and well-focused exercise that covered a period of 18 months (mid-2000 until end-2001) and was supported by four trust fund grants (see Annex 1). The following criteria of “quality at entry” have been considered:

- (a) The project had great strategic relevance and the approach adopted was a straight-forward one, modeled on successful experiences in other countries of the region, to re-build the physical, legal and procedural “infrastructure” required for a modern system of land administration. However, *“the project was to be a limited and phased-in contribution to a very complex development problem, although the Project Description in the PAD failed to make this clear.”* Paradoxically, although the project was *“a highly ambitious design in terms of scope and reach, funding constraints and an understanding that the project needed to be phased-in over time meant that the project was limited in size relative to the overall needs”*(ref. *Management Response to the Request for an Inspection Panel Review*).
- (b) The technical and financial aspects were well structured, but the economic analysis was incomplete.
- (c) Poverty and gender issues were not specifically addressed by the project, but a full social assessment was made during preparation that showed that disputes and “land-grabbing” were increasing, that squatting and encroachment onto public land were growing problems, and that women, especially those in female-headed households, were particularly vulnerable. The project’s goal of helping one million plus families to obtain titles was therefore a major social development outcome.
- (d) The project was not expected to have significant adverse environmental consequences.
- (e) A FM assessment concluded that the risks were high, and as a result TA to the PMO was included and a comprehensive FM arrangement was made, including an FM manual, internal audit, centralized accounting and regular FM reporting.
- (f) The policy and institutional aspects were dealt with thoroughly, and each was the subject of a complete component in the project’s final design.
- (g) The implementation arrangements were simple and robust.
- (h) The M&E arrangements were inadequate. The design of M&E was not part of preparation but was instead left for an undetermined later date. Although there are frequent references to M&E in the PAD, there is no description of how or by whom an M&E system is supposed to be created.
- (i) The project was considered to be high risk, and although the risks were well identified the specification of mitigation measures was far from being convincing (and, in practice, they were of little help when risks actually materialized).
- (j) Bank inputs were extensive and were supported by significant trust fund inputs.

5.1.4 The project was the subject of a QEA by the QAG in April 2002 (after the Credit’s approval but before its effectiveness); the overall assessment was “satisfactory” and the strategic relevance and approach was considered to be “highly satisfactory”. The project approach was considered to be well grounded in experience from nearby countries and in pilot projects undertaken in Cambodia. Three “shortcomings” were specified: (a) the arrangements for monitoring were still to be determined; (b) the base-line survey was not expected to start until at least six months after effectiveness; and (c) risks - and their mitigation measures - could have been better identified and disaggregated. These shortcomings turned out to be very significant in the implementation of the project.

5.1.5 There were several shortcomings in preparation and appraisal that had important consequences during implementation: (a) the poorly-specified PDOs and the weak Project Design Summary gave rise to significant problems with the specification of key performance indicators; (b) the somewhat unrealistic analysis of risks and definition of countervailing measures gave a false sense of security; (c) the absence of an agreed procedure for establishing the necessary M&E mechanisms meant that this crucial function

was largely absent until well into the project's implementation; and (d) the weak "political economy" analysis gave rise to a project that contained essential but "un-implementable" components and activities. As a result, the overall performance of the Bank in ensuring quality at entry is considered to have been "moderately unsatisfactory".

Quality of the Bank's Supervision

Rating: Moderately Unsatisfactory

5.1.6 The Bank's performance in project supervision came under close scrutiny in the preparation of the Management Response to the Request for an Inspection Panel Review (the Response) in late 2009. The Response found that despite significant Task Team engagement "*the Project drifted away from its original design and as a result three components were not implemented completely*". Insufficient attention was paid to safeguards supervision; the Government should have been engaged more aggressively on the lagging components and the project should have been restructured.

5.1.7 **Focus on development impact:** the project was designed to provide essential "infrastructure to improve the security of land tenure and the functioning of land markets. The development impact of the project was to be measured via the KPIs; as has already been stated, there was no provision in the design or the appraisal for the creation of the M&E system and the system was only created late in the project's life despite the importance of it being repeated by supervision missions. In general, supervision concentrated on problem-solving and fiduciary issues, and cannot be said to have been focused on the project's development impact.

5.1.8 **Supervision of fiduciary and safeguards aspects:** this is discussed in detail in Section 2.4.

5.1.9 **Adequacy of supervision inputs and processes:** eleven supervision missions, all of them joint multi-donor missions, were carried out (an average of two per year with the exception of the period of disbursement suspension) and 17 PSRs and ISRs were prepared. An early and detailed MTR was carried out, when issues were raised with the Government on a number of concerns. Annex 13 provides a record of the "key issues and actions" identified during project implementation as they were included in the supervision record of PSRs and ISRs. Numerous issues and actions are carried forward to the next reporting period, many of them several times, and often without a revised date for their achievement. Many of them disappear from the supervision record without it being made clear whether they were, in fact, achieved. It is noted that the government, in its BCR expresses, significant dissatisfaction with the Bank's supervision of the project. Key points of conjecture include the way in which the 2006 misprocurement issues were handled and a more general concern that the Bank was at times inconsistent and high handed in its dealings with the MLMUPC and other development partners. The BCR also presents frustration at "bureaucratic processes that at times seriously slowed down the project" (p.93). Finally the government is clear that it is disappointed with the way the way the Bank handled the BKL which it found to be inconsistent and "strange" (p.94).

5.1.10 **Candor and quality of performance reporting:** The project's performance demanded that supervision efforts be focused on a number of specific aspects. Reporting on performance was candid and extensive, particularly in supervision *aides memoire*. Corruption associated with the titling process in both high-value urban and rural areas was discussed. Following the MTR, the project's performance in issuing titles improved markedly but the Bank's relationship with the MLMUPC began to deteriorate. No titles had been distributed at the time of the MTR in October 2004; by June 2007, 760,000 titles had been distributed. As has been noted, attention to fiduciary issues (especially procurement and performance-based field incentives) and, latterly, to the issues surrounding evictions and involuntary resettlement had

the effect of monopolizing supervision resources. A number of ISRs would have benefited from additional management inputs, particularly when the project was in (or close to) “unsatisfactory” status. The ISR ratings for “Development Objective” and “Implementation progress” that are summarized in the Data Sheet Section G appear to have been somewhat inflated for much of the project’s life, and this may have contributed to inadequate management attention.

5.1.11 **Role in ensuring adequate transition arrangements** for regular operation of supported activities after Credit closing. The events that occurred in late 2008 and 2009 resulted in a near-total breakdown of communication between the Bank and the project authorities (prior to this, the concept of a follow-on project had been treated as a near-certainty); as a result, there has been no opportunity for the Bank to engage in a dialogue concerning transition arrangements to regular operation of the project.

Justification of Rating for Overall Bank Performance

Rating: Moderately Unsatisfactory

5.1.12 The overall performance of the Bank is considered to have been “moderately unsatisfactory”.

5.2 Borrower Performance

Government Performance

Rating: Moderately Unsatisfactory

5.2.1 The QEA concluded that the Borrower’s participation level in project design was high and that it had led a process of reflection and consultation on land policy at the national and provincial levels. The Government took ownership of the project and was broadly committed to achieving the PDOs. The enabling environment was moderately supportive. Consultations with and involvement of beneficiaries and stakeholders was adequate during preparation but less so during implementation. In particular, the Government’s relationship with NGOs, which were expected to participate actively in the project in facilitating community participation and in providing legal assistance for poor landholders, was not satisfactory but for complex reasons not solely attributable to the Government. There was a mutual lack of trust between the Government and the NGOs (which were critical of the Government’s approaches to land governance issues) that made the contractual arrangements foreseen in the project’s design impossible to reach in practice. The project was ready for implementation, the arrangements for implementation and the capacity of the staff were adequate, and key staff members were appointed in a timely manner.

5.2.2 Issues that arose during implementation were not always resolved in a timely manner.

5.2.3 Communications on fiduciary issues were not always handled in a satisfactory manner, including the instances of misprocurement that led to the suspension of disbursements following the findings of fraud and corruption (described above in Section 2.4). In addition, the whole issue of involuntary resettlement and environmental degradation created by the lease of the BKL area by the MPP for private sector development remains unresolved at the time of submission of this ICR.

5.2.4 Financial management is rated as “unsatisfactory” overall, mainly because of the still-pending issue of the second special audit on the incentive payments scheme for LRTs. The selection and hiring of an acceptable audit firm was not concluded before the Closing Date of the Credit, and despite the Bank’s

communication with the Government reiterating that it needed to deal with the issue no formal response has been received to-date. As a result, the amount of ineligible expenditures that may be associated with the shortfall of the PBFA Scheme (between the advances given to LRTs and the actual titles produced) cannot be quantified. The PBFAs functioned from the beginning of implementation to provide fixed and variable allowances to the LRTs as an incentive to productivity in preparing and issuing titles. It became apparent early on that over-payments were being made. A first special audit was carried out in mid-2007; the approximate net over-payment was recovered, but the actual over-payment could not be accurately determined. The recommendations of the audit were used to develop a new scheme – the PBIS – to be applied in new Adjudication Areas beginning in January 2009. As a condition of extending the Closing Date of the Credit, the Bank stipulated that an independent auditor should be contracted, not later than May 31, 2008, to carry out an annual audit of the performance-base incentives (i.e., both PBFA and PBIS); this was delayed multiple times and was not implemented before the Closing Date of the Credit on December 31, 2009.

5.2.5 Subsequent to the Credit's Closing Date of December 31, 2009, the Government agreed in a letter dated April 6, 2010 to provide US\$140,000 from the national budget to finance this second technical special audit and the technical audit is now underway.

5.2.6 Counterpart funding (contributed at 10 per cent towards the costs of civil works and 50 per cent towards Incremental Operating costs after FY 2005, as specified in the DCA) was satisfactory, and there were no issues in shortfalls in co-financing encountered during the project implementation period.

5.2.7 Governance was an issue, particularly: (a) at the sub-national levels where decisions were taken about the precise areas to be defined as the Adjudication Areas for the purposes of land titling and registration; and (b) in the numerous cases outside Phnom Penh (i.e., in addition to the problems of the BKL area) where evictions and threats of eviction apparently involve Adjudication Areas under the project.

5.2.8 Compliance with the legal covenants of the DCA was only partial; the status of compliance is described in Annex 13. It is of particular importance to note that the project was not in compliance with the safeguards covenants.

5.2.9 The M&E arrangements were not adequate, and the results generated could not be said to have been used in decision-making and resource allocation. The relationships and coordination with donors were generally good.

5.2.10 The sudden closure of the project precluded any formal discussion on arrangements for the transition of project activities to regular operations after the closing of the Credit, however, the Government and other Donors (Germany, Finland, and Canada) have continued to support land policy development and systematic land titling under LASSP.

Implementing Agency Performance

Rating: Moderately Unsatisfactory

5.2.11 The MLMUPC implemented the project through the PMO. The SLC continued to function well throughout the life of the project. The Performance of the PMO met and exceeded expectations in respect of organization and supervision of the Land Registration Teams and the development of capacity through both formal and informal training programs. The efficient deployment of staff and good human resource management allowed the Project to produce land titles at a cost well below initial expectations. However,

concerns about transparency and accountability were evident from an early stage. The PMO undertook to address the identified weaknesses by implementing an agreed set of actions described in detail in the LMAP Good Governance Framework (GGF). GGF implementation by the PMO has been rated satisfactory. The PMO was unable to contract NGO services to support Public Awareness and Community Participation (PACP) and to provide Legal Aid, and this failure contributed to serious problems that emerged in the BKL area and elsewhere. The PMO also made insufficient use of the Cadastral Database that could have provided frequent updates and maps of titling progress and helped to identify both “best practices” and those lagging areas needing greater management attention.

5.2.12 The CLP performed well in areas of policy development. With support from GTZ- and IDA-financed TA, the legal and policy framework was developed in several key areas during LMAP implementation. The CLP’s efforts to facilitate inter-ministerial dialogue and cooperation on issues related to State land management was more problematic and contributed to the underperformance of the Land Management component.

5.2.13 CCs were responsible for the review and resolution of land disputes both within and outside of active titling areas. CCs were generally able to resolve simple cases involving a small number of land claimants, although in some jurisdictions a backlog developed that caused serious delays. Unfortunately, the CC mechanism was seldom able to resolve larger multi-party cases such as the BKL case and these failures came to dominate public perceptions concerning the CCs and the whole subject of dispute resolution.

5.2.14 The Administrative Commissions created to guide the Systematic Land Titling process in each declared Adjudication Area performed well overall, as indicated by the relatively large number of titles issued and the high levels of satisfaction expressed by title recipients in Beneficiary Assessments. However, there is concern that land disputes in systematic titling areas were not always referred through the resolution process as anticipated in the project design.

Justification of Rating for Overall Borrower Performance

Rating: Moderately Unsatisfactory

5.2.15 The overall performance of the Borrower is considered to have been “moderately unsatisfactory” in that there were significant shortcomings on the part of both the Government and the implementing agency.

6. Lessons Learned

6.1.1 A number of lessons can be drawn from the implementation and achievements of the project. They would be important to any future Bank involvement in Cambodia and have broad relevance for land administration projects in general, particularly those in high-risk environments.

1. **More structured risk analysis and management.** The focus on a single set of risks can contribute to blind spots. The project experienced acute fiduciary problems leading to a temporary suspension of disbursements from the Credit. Addressing these problems occupied the attention of the Task Team and Management for an extended period at the expense of other risks. A more structured approach to risk management (now available through the Operational Risk Assessment Framework), notably during implementation, is critical to keep a broader perspective (e.g., with regard to the political economy environment). The assessment of risks should draw a distinction between true (quantifiable) risks and (unquantifiable) uncertainties. A more candid

analysis of the political economy environment in which the project was to operate would have brought the risks into sharper focus, and could perhaps have helped to identify a more robust set of risk-mitigating measures.

2. **Importance of thorough supervision and timely reporting.** Supervision of the entire project is essential, to avoid a situation in which lagging components or sub-components eventually remain partially or even wholly unimplemented. An accurate record of project supervision should be kept through the preparation of ISRs, and the ISR should be carefully written and edited to avoid ambiguity. The inclusion of management comments is essential and there should have been extensive inputs from Management before and after supervision missions to avoid blind spots. Proactive management could have helped to address implementation issues as they arose and to seize the opportunity to restructure the project at the MTR (2004), at the lifting of the suspension of disbursements (February 2007) or at the extension of the Closing Date of the Credit (December 2007).

3. **Multiple sources of information are required to inform project management.** Because of the late establishment of the M&E system and its focus on land titling, the Bank and the Government had very little “real-time” information on what was happening on the ground. The project needed an on-line management information system (including regularly updated maps), an accompanying socio-economic research agenda to examine impact (given the complex KPIs), and a continuing process of communication with Civil Society Organizations.

4. **The Results Framework and the M&E system go hand-in-hand.** The objectives should be kept as simple as possible 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 and show that the operational aspects of M&E had not been sufficiently thought through at the design stage. For a Results Framework to be credible, it is essential to have the core elements of an M&E system established before project implementation commences, including having all base-line data prepared.

5. **Safeguards requirements should be clear and supported by an explicit supervision plan.** The LMAP safeguards instruments needed to be clearer in terms of their applicability, and should have provided a more specific definition of the roles and responsibilities of key actors, including Management, the client, project-affected people and civil society. The use of safeguards frameworks (e.g., the Environmental Management Framework, the RPF and the Indigenous Peoples Planning Framework entails ensuring that counterparts have adequate capacity to screen sub-projects as well as to prepare the safeguards instruments when required during project implementation. In addition, a comprehensive and detailed safeguards supervision plan for the project should have been prepared during appraisal, commensurate with the potential risks and the nature of the investment.

6. **Reliance on parallel programs is an important risk factor.** The LMAP design relied on a separate, donor-funded Informal Settlements Program to be implemented in parallel to ensure that the poorest and most tenure-insecure communities would benefit from titling. This parallel program covered Phnom Penh alone and no comparable arrangements were included under LMAP to address similar issues elsewhere. This introduced an unidentified risk and should have been accompanied by a detailed plan for coordination between the two programs in Phnom Penh and plans to develop a similar arrangement for State lands elsewhere.

7. **Sequencing of operations in complex land projects is of vital importance.** Careful consideration must be given to the relative sequencing and merits of: (a) proceeding with a land titling project (focusing exclusively in areas where the level of disputes is relatively low); (b) developing a program for upgrading informal settlements before moving forward with large-scale land titling (especially under circumstances where land disputes are common); or (c) having parallel operations that attempt to accomplish both goals simultaneously. Dispute resolution without recourse to urban housing development and livelihoods support was an inadequate solution in the case of LMAP.

8. **Specific implementation arrangements need to be carefully assessed.** The project's design called for NGOs to play an advocacy role (in raising public awareness, bringing disputes to the fore and providing legal assistance to the poor), but it was unrealistic to expect that the Government and NGOs would be able to engage in formal contracts. This requirement, with hindsight, could have been handled *via* a Bank-executed Trust Fund, as has been done in more recent land and natural resource sector projects in Cambodia (e.g., LASSED).

7. Comments on Issues Raised by the Borrower, the Implementing Agencies and Development Partners

Several issues raised by the Borrower in the BCR have been cited and incorporated into the text above. Additional issues and comments from the Borrower, the Implementing Agency (MLMUPC) and Development Partners are detailed in attached annexes.

Borrower/implementing agency

7.1.1 The Borrower provided written comments in response to the draft of this ICR. The Borrower's comments on the ICR were shared with reference to Government's own BCR. Borrower's comments on the ICR are presented in Annex 7.

Co-financiers

7.1.2 The co-financiers of LMAP including Government of Germany: Federal Ministry for Economic Cooperation and Development (BMZ), Government of Canada: Canadian International Development Agency (CIDA) and Government of Finland: Ministry for Foreign Affairs submitted joint comments on December 15, 2011. Responses to many of these comments have been incorporated in the text above and the full text of the comments are presented in Annex 8.

Other partners and stakeholders

7.1.5 NGOs active in the land and human rights sectors in Cambodia have commented extensively and publicly on LMAP implementation including through a report entitled *Untitled: Tenure Insecurity and Inequality in the Cambodian Land Sector* (<http://www.babcambodia.org/untitled/untitled.pdf>). A draft of this report accompanied the request for Inspection Panel Review.

Annex 1. Project Costs and Financing

Project Cost by Component (US\$ million equivalent)			
Components	Appraisal Estimate	Actual	Actual as a Percentage of Appraisal Estimate
	(US\$ million)	(US\$ million)	
Development of Land Policy and Regulatory Framework	2.80	2.58	92.1
Institutional Development	6.40	8.73	136.4
Land Titling Program and Development of a Land Registration System	20.40	22.30	109.3
Strengthening Mechanisms for Dispute Resolution	1.70	2.52	148.2
Land Management	2.60	1.88	72.3
Total Base-line Cost	33.90	38.01	112.1
Physical Contingencies	-	-	-
Price Contingencies	-	-	-
Total Project Costs	33.90	38.01	112.1
Front-end fee PPF	-	-	-
Front-end fee IBRD	-	-	-
Total Financing Required	33.90	38.01	112.1

Financing (in US\$ million equivalent)				
Source of Funds	Type of Co-financing	Appraisal Estimate	Actual	Actual as Percentage of Appraisal
		(US\$ million)	(US\$ million)	
Borrower		2.60	1.98	76.2
International Development Association		24.30	19.97	82.2
Germany: BMZ		3.50	7.58	216.6
Finland: Ministry for Foreign Affairs		3.50	7.74	221.1
Canada: Canadian International Development Agency			1.42	-
Total		33.90	38.69	-
Funds remaining at end of project			0.68	-
Total Project Financing		33.90	38.01	112.1

Trust Funds used under the project

Trust Fund	Amount (US\$)	Agreement Number	Grant Signing Date	End Disbursement Date
New Zealand Ministry of Foreign Affairs and Trade	13,200	TF039975	06/06/2000	08/22/2001
Australian Agency for International Development	49,860	TF040039	06/19/2000	11/12/2001
Japan PHRD Trust Fund	347,929	TF026421	01/04/2001	08/02/2002
Japan PHRD Trust Fund	248,538	TF026544	01/04/2001	10/31/2002
Australian Agency for International Development	343,191	TF030356	07/01/2002	07/20/2005
Canadian International Development Agency (LAMDP)		TF05577	05/12/2005	10/31/2008
Canadian International Development Agency	595,987	TF053042	03/19/2004	06/30/2010
Canadian International Development Agency	909,050	TF053043	05/14/2004	06/30/2010

Detailed Financing by Component (US\$ '000)

Components and Sub-Components	Appraisal cost estimate [1]	Revised cost estimate [2]	Actual cost [3]	3/1 [as %]	3/2 [as %]
1. Development of Land Policy and Regulatory Framework	2,800	3,800	2,579	92.1	67.9
1.1 Develop the Capacity of the General Secretariat			947		
1.2 Formulation of Key Policy Areas in Land Administration and Management			789		
1.3 Development and Drafting Legal Instruments			661		
1.4 Dissemination of Policies, Laws and Procedures			182		
2. Institutional Development	6,400	7,400	8,728	136.4	118.0
2.1 Long-Term Institutional Development of MLMUPC			4,560		
2.2 Project Management			3,328		
2.3 Develop Land Management and Administration Education Program			841		
2.4 Development of a Private Surveying Industry			-		
3. Implement Land Titling and Registration System	20,400	22,875	22,308	109.4	97.5
3.1 Information Dissemination and Community Participation			1,897		
3.2 Systematic Land Titling			14,610		
3.3 Sporadic Land Titling			-		
3.4 Development of Modern Land Registration System			5,801		
4. Strengthening Mechanism for Dispute Resolution	1,700	2,700	2,517	148.1	93.2
4.1 Strengthening the National Cadastral Commissions			1,193		
4.2 Strengthening the Provincial Cadastral Commissions			1,324		
4.3 Legal assistance for Disadvantaged			-		
5. Land Management	2,600	2,600	1,878	72.2	72.2
5.1 Clarification of Procedures for Defining Classes of Land			608		
5.2 Procurement of Aerial Photo Graph and Satellite Images			697		
5.3 Production of Provincial Land Classification Maps			573		
CIDA-financed expansion of the project	-	2,600	-	-	-
Total Project Cost	33,900	41,975	38,010	112.1	96.5

Financing by Agency (US\$ '000)

Source of Funds	Appraisal Estimate [1]	Revised Estimate [2]	Actual [3]	3/2 [as %]
Government Funds and Miscellaneous	2,600	2,600	1,979	76.1
Government of Germany (TA) a/	3,500	6,500	7,581	116.6
Government of Finland (TA) b/	3,500	5,975	7,738	129.5
Government of Canada (TA and TD Expenses) c/			440	-
International Development Association Credit	24,300	24,300	19,973	82.2
CIDA Trust Funds d/		3,876	1,787	46.2
Total Receipts	33,900	43,251	39,498	91.3
Total Funds on hand at the end of the Project			680	-
Total Project Cost			38,818	-

a/ an additional €2 million were granted to the project. Exchange rate €1 = US\$1.50

b/ an additional €1.65 million were granted to the project. Exchange rate €1 = US\$1.50

c/ mainly for TA

d/ the CIDA Trust Fund began in May 2004 with an original amount of US\$2.3 million

Annex 2. Outputs by Component

Component 1: The Development of Land Policy and Regulatory Framework (PAD estimate US\$2.80 million, actual cost US\$2.58 million). The component as designed contained four sub-components.

Sub-component A. The Development of the Capacity of the Secretariat of the Council of Land Policy.

The GSCLP has continued the multi-stakeholder consultations on the Land Policy Paper. The GSCLP is well established and is able to facilitate consultations on land policy issues among stakeholders. It has been the beneficiary of training and involvement in international seminars, and has been provided with basic office equipment, and TA supported by CIDA trust funds. The main challenge is to obtain the commitment and “buy-in” of other ministries to address cross-cutting issues (e.g., state land demarcation, land taxation, indigenous peoples communal land titling). The development of the LMSSP is designed to provide a platform for inter-ministerial coordination on state land issues, but it will be a difficult challenge to achieve the inter-ministerial coordination and unity of purpose required for success..

Using policy to drive change in the practice of land management and administration remained a challenge throughout the life of the project. Key issues such as State land management and economic land concessions were the subject of regulations that have remained significantly unimplemented. This reflects a general governance environment in which the law does not represent the dominant form of authority.

Sub-component B. The Formulation of Key Policies for Land Management, Administration and Distribution Based on Studies and Pilots.

The CLP has prepared or is preparing the following policy documents:

- Strategy Framework for Land Policy (September 2002)
- Policy on Social Land Concessions (2003)
- Policy on State Land Management (2004)
- Policy on Economic Land Concessions (2005)
- Policy on the Development of Indigenous Communities;
- Policy on the Registration and Right to Use of Land of Indigenous Communities in Cambodia. This was followed by a Sub-decree on Procedures for the Registration of Land of Indigenous Communities (2009); to date, no indigenous land has been registered although there is a pipe-line of applications pending.
- White Paper on Land Policy (draft December 2009)
- Declaration on Land Policy (draft pending approval)
- Spatial Planning Policy (preliminary draft)
- Housing Policy (under revision; first draft supported by UN Habitat)
- Policy on Land Valuation (under development).

Sub-component C. The Development and Drafting of Legal Instruments.

The 2001 Land Law has been followed by nine Sub-decrees and other regulatory instruments (letters, proclamations and circulars). Superficially, this body of material presents a scenario of “reasonable policy and regulations but poor implementation”. More realistically, this goes to the heart of the issue of governance and it can be argued that it represents a *de jure* “policy apparatus” that is not, *de facto*, the policy of the Government.

Sub-component D. The Dissemination of Policies, Laws, Rules and Regulations.

Dissemination of the 2001 Land Law was supported by the project's PACP though the project was not successful in contracting this work out to NGOs as anticipated in the project design.

Component 2: Institutional Development (US\$6.40 million, actual cost US\$8.73 million). The component as designed contained four sub-components.

Sub-component A. The Long-Term Institutional Development of the MLMUPC.

Several training courses, including overseas training, have been carried out. CIDA Trust Fund resources for tuition reimbursement has been approved but not yet activated.

Sub-component B. Project Management.

Project management activities are satisfactorily carried out by the MLMUPC's Technical Audit, Monitoring and Evaluation, Public Relations, Procurement, and Finance and Administration Units and the Internal Auditor.

Sub-component C. The Development of a Land Management and Administration Education Program.

This was successfully achieved through the establishment of a degree course in Land Management and Administration at the Royal University of Agriculture.

Sub-component D. The Development of a Private Land Surveying Industry.

The development of a private land surveying industry was not implemented.

Component 3: A Land Titling Program and Development of a Land Registration System (US\$20.40 million, actual cost US\$22.31 million). The component as designed contained four sub-components.

Sub-component A. Information Dissemination and Community Participation.

PACP activities are carried out by the Land Registration Teams as part of the land titling process. The procurement of NGO support for PACP activities was not achieved.

Sub-component B. A Systematic Land Titling Program.

By December 2007, the PAD targets of one million surveyed and adjudicated parcels, 800,000 signed titles and 760,000 titles distributed to beneficiaries were surpassed. The revised targets established following the extension of the Closing Date of the Credit were also achieved. The actual cost per title, as of December 2007, was only one-third of the cost estimated at appraisal (US\$11 *cf.* US\$30).

Geodetic grid, base mapping, and training.

Sub-component C. A Sporadic Land Titling Program.

An improved legal framework for sporadic titling was elaborated in a 2002 sub-decree. However, procedures for implementing this new framework were only put in place for areas that had a cadastral index map (ie areas that had been through the systematic titling process already). As such the aim of this subcomponent as stated in the PAD (supporting “*the issuance of titles (first-time issuance and registration of land titles) on demand in the project provinces*”) was only supported in a limited manner. Most sporadic titling continues outside the framework of the new sub-decree using processes that are non-transparent and subject to heavy informal payments.

Sub-component D. The Development of a Modern Land Registration System.

The land registration system and operational procedures have been established. Improved office facilities, with equipment, furniture and materials, have been provided. The land registration database system has been established.

Component 4: The Strengthening of Mechanisms for Dispute Resolution (US\$1.70 million, actual cost US\$2.52 million). The component as designed had three sub-components.

Sub-component A. The Strengthening of the National Cadastral Commission.

The National Cadastral Commission (NCC) was created under the 2001 Land Law and began to function in December 2002. Its Secretariat (NCCS) reported in December 2008 that nationwide the cadastral commissions had received 5,038 cases of which 1,653 had been resolved, 1,433 dismissed or withdrawn, and 1,952 were pending.

Responding to this backlog of cases in the CC system the government has subsequently introduced ‘mobile teams’ in high workload districts and delegated the NCC’s adjudicative power to the provincial level. An assessment of the impact of these reforms was not available at the time of writing.

Sub-component B. The Strengthening of the Cadastral Commissions at the Provincial and District Levels.

Provincial-level CCs are functioning in all Project Provinces.

A number of studies on the CCs were conducted under the project. These found that the CCs were effective in resolving by agreement many of the (mainly small) disputes that were filed with them. On the other hand, it became clear that: (a) the CCs were generally not resolving larger, more complex disputes, particularly those involving powerful parties; (b) the decision making power (as opposed to its mediation function) of the CCs was underdeveloped; (c) there were major backlogs of cases from the systematic titling process that were not reaching the cadastral commission as intended by the law; and (d) the main forums for land dispute resolution remained with the mainstream of the Executive.

Sub-component C. Legal Assistance for the Disadvantaged.

The sub-component was not fully implemented. Two Legal Aid pilots were implemented with GTZ support. The first was carried out between 2003-2004 in Kompong Speu Province using the NGOs Legal Aid Cambodia and the Cambodian Human Rights and Development Association (ADHOC). The envisaged IDA funded contract with an NGO to support legal assistance for the disadvantaged under the project stalled in procurement.

Component 5: Land Management (US\$2.60 million, actual cost US\$1.88 million). The component had three sub-components.

The Government and the Bank agreed in early 2009 that the policy framework needs to be more fully developed to facilitate the implementation of land management activities. Under the GSCLP, the Government initiated the preparation of a special planning policy and a land valuation policy. In the absence of an agreed LMSSP, the project is no longer expected to produce many of the outputs planned for this component. The development of “district strategic plans” was piloted in five districts before the introduction of LASSP. In early 2009, it was anticipated that Land Use Planning would continue after the adoption of the spatial planning policy and the legal framework. The legal framework for land management was reviewed. Only a few state properties have been sporadically registered following ministerial requests. Other properties, mainly schools, health centers and other local government buildings were registered as part of the systematic titling process.

Sub-component A. The Clarification of Procedures for Land Classification.

The land classification policy was approved by the CLP and the guidelines were prepared. The Policy Document of State land Management was prepared (2004) and the State land Sub-Decree #118 was signed (October 2005).

Sub-component B. The Procurement of Aerial Photography and Satellite Imagery.

The acquisition of aerial photography and the production of orthophoto maps were achieved through contracts with international companies (Blominfo of Denmark and FINNMAP of Finland).

Sub-component C. The Preparation of Land Classification Maps at the Provincial Level.

Some work was done with GTZ support in the Department of Land Use Planning in the General Department of Cadastre and Geography. However, no land classification maps of project provinces were ultimately prepared.

Annex 3: Economic and Financial Analysis

A. Project benefits and expected returns at appraisal

1. At appraisal, the main benefits of the project were expected to be:

- (a) improved land tenure security through the provision of approximately one million land titles, which would reduce the risks of land grabbing, encroachment, land disputes and expropriation. The lack of tenure security was also believed to contribute greatly to poverty in Cambodia.
- (b) increased investment, both domestic and international, as a result of better access to credit and the establishment of a more secure, stable and predictable investment climate.
- (c) greater efficiency of land use *via* the formation of land markets in rural areas and improvements in the functioning of land markets in urban areas.
- (d) improved tax collection and land-use planning based on the information generated from an improved land registry and cadastre system and the titling process.
- (e) improved natural resources management by private operators taking a long-term view and investing in measures such as soil conservation and sustainable forest management.

2. However, these benefits were expected to be fully realized only over the long term, and their achievement during the life of the project was considered “... *not likely to be evident*”, for two main reasons:

- (a) most of the titles distributed under the project were expected to be issued during project years three and four, which would not provide enough time for benefits to be measurable; and
- (b) the macroeconomic environment and the development of relevant institutions would also influence investor behavior. If the macroeconomic environment were to be unstable or if formal banking institutions failed to emerge in rural areas, the expected levels of investment might not materialize.

3. On economic and financial analysis, the PAD is limited to providing estimates of the fiscal impact of the project, and with respect to the financial impact on landholders and the overall economic costs and benefits of the project the PAD is limited to a description of some of the theoretical impacts of the project and to plans for quantitative analysis during implementation.

Financial analysis

4. The financial analysis from the perspective of landholders described two main theoretical incentives for landholders to obtain a title (improved security of land ownership and improved access to credit). With respect to the fees to be charged to title recipients, the PAD mentions that “*Discussions with farmers and government officials and other anecdotal evidence indicate that the fee arrangement would be reasonable.*” but does not estimate what type of registration fee level would be appropriate or, at the proposed fee level, what would be the financial returns for landholders. The PAD states that a study of the fee structure and levels of land-related taxes would be undertaken as a pre-implementation activity in order to inform decisions on fee arrangements. This study was not done, and there is no detailed data available for financial analysis from the perspective of landholders.

5. Most land titling projects include systematic adjudication to title all parcels in a given area. To ensure a high level of voluntary participation by landholders, the charge to them for titling is kept at a level significantly lower than the cost. The ability of the poorest landholders to be able to participate is one of major criteria for setting an appropriate level registration fee. For example, at the time of appraisal, in Thailand landholders were charged less than US\$5 per title compared to the average cost of

US\$36 per title. In Indonesia, landholders were charged about US\$2 per title while the average cost was around US\$26. To implement the project, the Government and IDA agreed that a similar arrangement would be introduced in Cambodia. Appraisal estimates indicated that the expected cost to produce a title and maintain it over a ten-year period would be US\$38.10. Fees of US\$2-5 and US\$15-25 per title were to be charged to landholders in rural and urban areas, respectively. Discussions with farmers and Government officials and other anecdotal evidence indicated that the fee arrangement was reasonable (and far less than the bribes needed at that time - said to be between US\$200 and US\$500 - for a sporadic title for an average rural plot). This expected to strengthen the demand for the project's services, and the affordability of the poorest was taken into account. Therefore, the cost recovery arrangement of the project was expected to have a positive impact on the distribution of project benefits.

Fiscal impact

6. The analysis of the expected fiscal impact at appraisal calculated a 22 per cent FRR and a NPV of US\$15.4 million (at a 10 per cent discount rate). The analysis was based on the distribution of 1.1 million titles, a 30 year period, project costs, and benefits from: (a) registration fees; (b) subsequent transaction registration fees; and (c) transfer tax revenues (at 4 per cent of land value). The main driver of the evaluation was the transfer tax revenue stream, which accounts for 66 per cent of the NPV of all fiscal revenues estimated. Surprisingly, the costs used in the fiscal impact analysis do not seem to have been adjusted for taxes and they are somewhat higher than the project's financial costs including contingencies reported elsewhere in the PAD.

Economic analysis

7. The approach described for economic analysis in the PAD follows the one for financial analysis from a landholder's perspective. The PAD lists the main expected benefits from the project and describes a proposed methodology to calculate NPV and ERR. The main benefits in urban areas would be measured through "... *land price changes due to titling while holding other factors constant*" and in rural areas benefits would be quantified as the "... *incremental increase in production and associated income from titling, subtracting the value of the investment inputs*".

8. While the theoretical approach proposed is in line with most of the literature on the impact of land titling, at appraisal it was concluded that it was not possible to provide quantitative estimates of project benefits and compute an NPV or an ERR for the project as a whole for several reasons: (a) information on how farmers and urban dwellers might respond to the provision of titles was not available, and there were difficulties in extrapolating from experiences in neighboring countries; (b) pilot projects supported by the Governments of Germany and Finland had not yet generated information on the response of title holders; and (c) the project was designed as the first phase of a 15 year program with half of project costs targeting institutional development (which, the PAD argued, was "... *not subject to economic analysis*"). The latter argument is slightly confusing given that the PAD then proposes a plan for an *ex post* evaluation of the project (in line with what was done in Thailand and Indonesia) that would be used to "justify possible follow-on projects" of this long-term Program. With the benefit of hindsight, this is far too short a period in which to complete the work. Thailand's land titling program is still a work-in-progress after close to 30 years.

9. The PAD annex on economic analysis also mentioned plans for an *ex post* quantitative economic analysis to be carried out with data from the proposed socio-economic surveys (panel data using control and treatment groups). The base-line surveys for rural areas (July 2004) and urban areas (August 2007) were completed, but because of problems during implementation these socio-economic surveys never took place.

B. The approach to financial and economic analysis at ICR

10. The ICR mission faced significant difficulties that restricted the ability to conduct a standard economic and financial analysis:

(a) key studies included in the project's design to gather data for financial and economic analysis have not been conducted.

(b) the mission could not access key information from the project and the Government necessary for the calculations, including detailed data on costs (in particular, to assess the cost of titles), on tax revenues (registration, transaction fees and others), on the quantity of titles issued each year by type (there are five types) under systematic titling, on the timing of systematic titling implementation and on the number of titles in the cadastre being used as collateral for loans with financial institutions. In addition, the ICR team did not have access to the detailed calculations for the fiscal impact analysis carried out at appraisal.

(c) contact with the project implementation team was limited and it was not possible to make field visits to interview direct beneficiaries (landholders) or other key stakeholders (e.g., titling team members). The ICR team was able to hold additional meetings with stakeholders involved in titling, including donors and NGOs, and with financial institutions.

11. As a result of these limitations, the *ex post* economic and financial analysis prepared for this ICR focuses on:

(a) a review of project documentation, literature and studies that: (i) started with a summary of the theoretical impact of the project; and (ii) reviewed information from sources such as the project base-line and BA studies, the 2007 UNDP report on Land and Human Development, work by Thomas Markusen (2008), and interviews with NGOs, financial institutions and project stakeholders.

(b) a revision of key assumptions from the PAD, in order to re-estimate the fiscal impact of the project.

(c) using assumptions derived from interviews and data provided during the ICR mission, a calculation of the economic and financial returns of the project.

C. Empirical evidence on the economic impact of the project

12. The literature on the economics of land titling is extensive (see for example Besley and Ghatak, Chapter 68 "Property Rights and Economic Development" in the Handbook of Development Economics Volume 5 (2010), edited by Dan Rodrik and Mark Rozenzweig, and Besley, "Property Rights and Investment Incentives: Theory and Evidence from Ghana", Journal of Political Economy, 1995). As suggested by Besley and Ghatak, the main channels through which property rights have an impact on the efficiency of resource allocation are:

(a) by limiting expropriation: this includes two main categories: (i) enhancing investment through a lower risk of expropriation; and (ii) reducing the need to divert private resources to protect property.

(b) by facilitating market transactions: this includes two main categories: (i) facilitating trade in assets (such as land); and (ii) improving the ability to collateralize assets, thereby facilitating credit transactions.

13. As stated in the PAD, these channels drive the benefits expected from the project. The annex on economic analysis included in the PAD lists five main benefits from the project, which include these theoretical channels albeit in a less structured form (some of the channels are repeated in different ways in the identified benefits). The empirical literature draws a mixed picture of the economic impact of tenure security depending on the context (such as the type of property rights provided, the institutional environment and the quality of informal arrangements). In addition, the literature highlights some of the key challenges in conducting empirical research on the impact of titling. In addition, Cambodia has registered high economic growth rates (and also growth in rice productivity) in the period of the project's implementation that makes the attribution of effects to titling more difficult to establish.

14. It was planned at appraisal to have a detailed economic evaluation of the project based on a study to be carried out during implementation (in practice, the study never went beyond the base-line data stage). The approach proposed was in line with the lack of detail and targets on most of the outcome indicators of the project shown in the PAD. For example, the PAD proposed the use of the indicator “*agricultural productivity rises*” to capture some of the theoretically-expected economic benefits, but there is no detail on what crops, how much increase is expected and relative to what initial level or group of people, among others. There have been a number of empirical studies with different approaches that can provide some idea of the impact of titling in Cambodia.

15. One of the main studies is by Thomas Markussen, which uses instrumental variables (IV) estimation to conclude that plots held with documentation are on average 30-35 per cent more productive than those without (see Thomas Markussen, “Property Rights, Productivity and Common Property Resources: Insights from Rural Cambodia”, World Development 2008). Markussen underlines the fact that the order of magnitude is quite high, especially compared to the effects of irrigation or education. He also concludes that improved property rights have a positive, but insignificant, impact on access to credit (households with documentation for all their land pay half a per centage point lower monthly interest than households with no land documentation). Markussen also found that there was no effect on land rental market activity. While the study is interesting and follows some of the literature on linking land productivity to secure tenure, it has to be used with caution for several reasons. First, the data used by Markussen is from the 2004 Cambodia Socio-Economic Survey (CSES), a nationally representative survey that was carried out by the National Institute of Statistics during the period November 2003 – January 2005, which means that the titles delivered by the project were not captured in the data. Second, the definition of “land papers” (documentation) is based both on “legal certificates” (which had been issued already at the time, but were very few in number) and “application receipts” (these merely confirm that someone has made a request for a certificate and were also issued during the early 1990s). The reason for this is that certificates were often confused with application receipts when administering the survey (Markussen 2007). Markussen discusses such issues based on findings from qualitative work conducted in 2006-2007 (59 semi-structured interviews covering six provinces and Phnom Penh, including both villages covered and not covered by the LMAP). See “Land Titling in Cambodia – findings from a field trip”, second draft, March 2007. Third, the instrument chosen (Markussen uses mode of acquiring a plot as an instrument for property rights) can also be subject to criticism, namely that the instrument may also have a direct impact on productivity, not only through property rights. However, Markussen’s research suggests that, around ten years following the issuance of application receipts and some certificates, such a mix of “soft” and “hard” titles implied strong effects on agricultural productivity compared with not having any of them.

16. Two BAs were carried out (by GTZ) during the implementation of the project (in 2006 and 2009) with the main purpose of gauging overall beneficiary satisfaction with the land titling process and their use of land titles in areas covered by the project. The studies used a mixed methods approach to gauge perceptions and satisfaction levels and to provide recommendations on how to improve the titling processes put in place by the project. The first BA covered 12 randomly-selected sites in nine provinces and Phnom Penh for a total of 309 interviews. The assessment concluded that the large majority of beneficiaries were satisfied with the land titles received and that the adjudication process had met or exceeded the expectations of the majority of respondents. Some further conclusions were that:

(a) beneficiaries stated that the registration fee levels were acceptable.

(b) nearly half of respondents claimed access to credit as the key benefit from titling, although only around 19 per cent of respondents actually had loans.

The study also suggested that the effects on credit access in the short term are limited and that the longer the time period elapsed since obtaining the titles the greater the number of landowners accessing credit

though it must be noted that the BA methodology does not support the establishment of a causal link between titling and increased access to credit.

17. Similarly, the second BA conducted in 2009 (involving ten randomly-selected sites, for a total of 485 beneficiaries interviewed, and separate focus group discussions for men and women covering 114 landowners) reinforced the findings of the first BA.

(a) there was general satisfaction with the process of titling and the registration fees.

(b) improved access to credit followed by reduced conflict over land were seen as the main benefits from titling. Interviews with four banks and MFIs indicated that the possession of a land title is generally not a major consideration for smaller loans, but often speeds up the process of loan approval and helps to qualify borrowers for larger loans. In addition, representatives of institutions also mentioned that the increase of official land titles made it easier for them to avoid over-lapping loans being secured by the same property. These findings were in line with interviews held by the ICR team with MFI and bank officials in Cambodia.

(c) registration of subsequent land transactions is not really taking place, given the perception that it is an expensive and difficult process that lacks transparency.

18. The 2007 UNDP study *Land and Human Development in Cambodia* uses a logistic regression to suggest that household poverty risk is reduced with increased access to land and, in particular, when the land is secured by a title. The study goes further in using such estimates for the simulation of land reform scenarios (including the titling all households plots). The study surprisingly presents the conclusions of the simulations for use in policy discussion, despite the multiple problems that can arise with such an empirical methodology. As an example, the study's simulation concludes that providing a title to all the poor households would reduce the incidence of poverty from 31 to 23 per cent. Still, the main estimation using the logistic regression (household poverty dummy is the dependent variable) shows a coefficient value for holding a title that is around half that of other variables (such as fertilizer use or agricultural mechanization). The results are based on the CSES 2004 which does not cover project-issued titles and includes some problems of ambiguity in the questionnaire. Finally, the study may suffer from regression specification problems, which do not seem to have been dealt with in sufficient detail. For example, there can be reverse causality issues in regressing a poverty dummy with holding a title as richer people may be the ones that more easily are able to lobby to obtain a certificate.

19. There is no single study that can provide quantitative estimates of the economic impact of titling under the project. This could be attempted using data from CSES 2004, 2007, 2008 and 2009 (which is expected to be available in late-2010); the questionnaire for 2009 is more detailed on the land section (it is more specific on the question of having a certificate versus a receipt or other document). It also includes questions about showing the document that the landowner has for the plot and also on which year the landowner started using the plot or first owned it. There may still be problems with the data but it is possible that productivity levels could be differentiated between certificates and other types of claims as well as no type of title at all. A first analysis could therefore attempt to build on the instrumental variables strategy used in Markussen (2008).

20. This data could be combined with project data about areas that have benefited from systematic titling and the timing of coverage under the project, and used in combination with household CSES data to build artificial control and treatment groups through propensity score matching. Control and treatment groups could then be compared before and after the intervention. There may be some selection bias in the targeting of areas for titling under the project (the project focused initially on those areas with less conflict) and therefore the fact could be used that in the 2009 dataset some areas have benefited from the

project only after the data has been collected. Similarly, such a pipeline approach could also be attempted using data from the smaller samples (2007 and 2008).

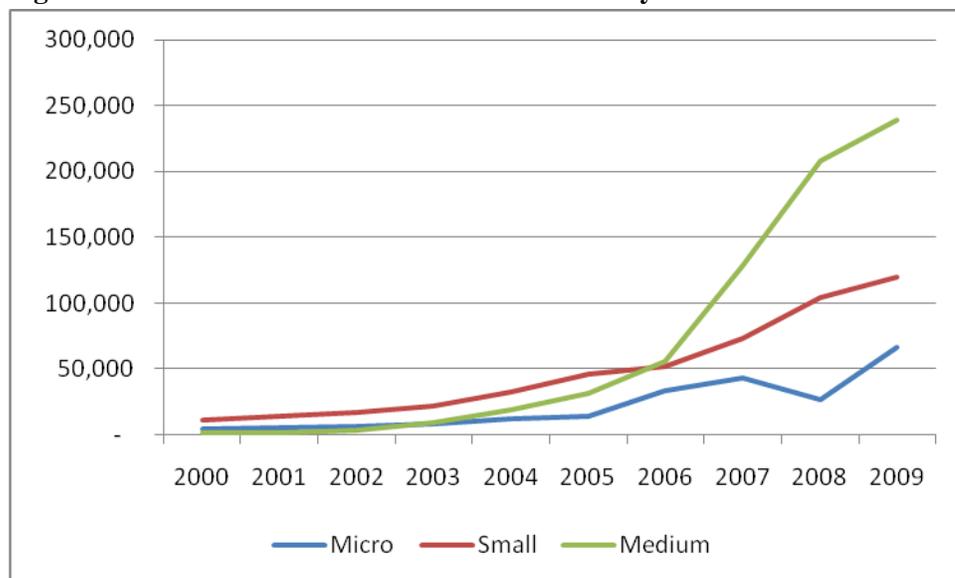
21. On the impact of titling on credit, further research could be based on the cadastre data and, in particular, using information about the number of outstanding loans that have been notified to the cadastre by the banks (in order to avoid over-lapping claims). This could shed light on the importance of the titling system for the development of the financial sector.

D. Financial benefits and returns from the landholder’s perspective

22. The analysis of benefits and returns from the landholder’s perspective focuses on the expected positive impact of holding a title on access to loans used for productive investments. In the absence of further data, the ICR team identified improved access to credit as the main direct benefit of the project for landholders. This is only one of the possible channels through which titling impacts the efficiency of resource allocation, and it is possible that other channels could be relevant to the Cambodian situation (such as reducing the risk of expropriation and facilitating trade in land). However, it was not possible to quantify these impacts, given the information available, and the analysis is therefore based on comparing the stream of financial benefits from access to credit with the costs associated with the registration procedures.

23. For a loan between US\$10,000 - 20,000, better terms of credit can be obtained in Cambodia by providing a land title as collateral. For an average loan of US\$15,000 belonging to the small-sized loans category, an annual saving of US\$360 can be obtained due to the lower interest rates applied by most lending institutions. An average discount of 0.2 per cent per month can be obtained by presenting a formal title as compared to having only a “soft” title. Comparing this figure with the titling costs to be paid by the beneficiary (between US\$2.5 and US\$50 in rural areas and between US\$75 and US\$250 in urban areas), the net benefits are substantial. There are also benefits from having a title in terms of: (a) the speed of processing the loan; and (b) the terms of the loan (for example, a longer duration of the loan by around a third and also being eligible for larger loans).

Figure 1: ACLEDA Bank PLC: Number of loans by loan size



Source: ACLEDA Bank

Note: Micro <US\$10,000 Small US\$10,000 – 20,000 Medium >US\$20,000

24. In addition to the reduction in interest rates, landholders presenting a title as collateral are eligible to obtain loans which are larger than US\$20,000 (the level depends on the institution; smaller MFIs indicate that the threshold for demanding a formal title could be as low as US\$10,000). These loans could not otherwise be obtained, at least according to the formal requirements of lending institutions. It is sensible, however, to assume that in the context of Cambodia a share of medium- and large-sized loans can be disbursed by formal lending institutions without the collateralization instrument being formally required (i.e., through other informal arrangements). As can be seen in Figure 1, medium-sized loans have registered a very strong increase during the period of the project's implementation (at least for ACLEDA Bank, which in 2010 is the largest bank in Cambodia in terms of credit volume). While the number of micro- and small loans doubled from 2004 to 2009, the number of medium-sized loans has increased more than ten times. However, there are numerous factors in play (such as strong growth in the economy and in the property market) and therefore it is not clear what has been the contribution of titling under the project to the development of the credit market.

25. As loans could not be obtained otherwise, the incentive to have a title is even greater for those intending to access loans greater than US\$20,000 (i.e., medium- and large-sized loans). The financial impact on the beneficiary in this case can be evaluated as the monetary value of the benefits from having access to loans (minus the cost of titling for the landholder) compared to a situation of exclusion. There are several approaches to evaluate such incremental benefits that are linked to the ability to make bigger investments and also not to miss potentially profitable investment opportunities. For this analysis, the assumption is that the loan would be re-invested for productive activities and would yield a return above the cost of capital (estimated at the interest rate paid). Assuming a 5 per cent annual return above the cost of capital, the net financial benefit for an average beneficiary who is able to access medium-sized loans through a title is around US\$1,000 per year, compared to the modest payment needed to obtain the land title.

26. As assumed in the PAD (although no calculations were provided at that stage), the financial impact on beneficiaries from access to medium-sized loans and improved credit terms on small loans is positive at the ICR stage even applying the above-mentioned conservative assumptions as an illustration. This confirms the views of other research about landowners' perceptions on the registration fees paid. With micro- and small loans (those between a few hundred and US\$10,000, and likely to be within the means of the majority of the population) there is a lack of evidence of any quantitative benefit for beneficiaries from titling (at least in terms of access to credit). The latter seem also to be the majority of the beneficiaries of loans. Taking the ACLEDA Bank portfolio as an example, small and micro loans account for around 90 per cent of all loans provided in 2009 (in number terms) but just 34 per cent in terms of US\$ value of credit provided by the institution. While there may be other benefits linked to productivity (through channels such as lower expropriation risk) these have yet to be quantified through empirical research. As such, on the current state of knowledge LMAP titling can only be demonstrated to have had a quantifiable economic benefit for the rich. It is not possible to assert with any confidence a pro-poor economic benefit from the project.

E. Fiscal impact analysis at ICR

Methodology and assumptions

27. The analysis uses the same principles as the one conducted at appraisal while trying to update information on costs and benefits. The ICR evaluation covers not only the seven-year period in which the project was under implementation but extends its assumptions over a longer period to capture the overall fiscal impact of the project (given that the Government has continued titling activities following the project's closure). Following discussions with Government, it is estimated that the nearly 6 million land

parcels that are present in Cambodia will be entirely adjudicated by 2024 and that the benefits and costs associated with the project have been accounted for in order to estimate fiscal returns.

28. In the short run, the fiscal impact of the proposed project was expected to be neutral, given that less than 10 per cent of the total project cost would be financed by the Government. In the long run, it was expected that the fiscal impact will be highly positive as shown by the NPV of around US\$15.4 million (at a discount factor of 10 per cent) and the FRR of 22 per cent (PAD Annex 5 Table 1).

29. The PAD surprisingly takes into consideration costs for the fiscal impact analysis that are higher than the actual project costs (PAD, pages 52 and 53). There is also no mention of tax adjustments to project costs. At ICR, the following three main adjustments have therefore been made:

(a) actual project costs for the period 2002-09 (provided by the PMO) are adjusted to 2010 constant prices using inflation rates.

(b) a 10 per cent tax deduction from project costs was assumed as an internal transfer with no fiscal implications (given that no detail on the tax content of project costs was available, it is based on other projects in Cambodia).

(c) US\$3.5 million in annual titling costs was assumed for the period 2010-2024 following discussions with Government officials (expected costs for the post-project period have been estimated by the Government to be constant, and resources have already been committed through the Ministry of Economy and Finance for the next three-year period) and the Governments of Canada, Germany and Finland have renewed their support to the program in terms of TA.

(d) Because of the lack of detail on the composition of costs (to understand which ones are directly related to titling), the analysis at ICR also considers three cost scenarios:

(i) Scenario I compares the overall project costs with the benefits from the revenue streams identified at appraisal. In Scenario I, the majority of costs used to calculate the net benefits were not directly associated with land titling activities but indirectly contributed to the creation of a favorable environment and building the infrastructure needed to achieve the objective of the titling program.

(ii) Scenario II follows the same approach but only the costs of Component 3 are taken into consideration. In this case, some of the costs under Component 3 are not directly linked to land titling activities in the strict sense (e.g., costs associated with land registry).

(iii) Scenario III takes into account only those costs under Sub-components 3.1 and 3.2 that are immediately related to titling activities. These costs are directly associated with information dissemination and community participation and with systematic land titling.

Table 1: Main expected fiscal revenue sources according to PAD and ICRR

Expected fiscal revenues at PAD	Fiscal revenues materialized?	Reason for difference
Initial registration fees collected.	Yes	Initial registration fees, ranging from US\$2.5 to US\$250,000 represent the most predictable and stable source of revenues for the Government.
Subsequent transaction registration fees collected (see below for different types of fees).	Marginally	Subsequent registrations are low and represent less than 20 per cent of the total subsequent transactions.

Revenues from land transactions, in the amount of 4 per cent of land value.	Marginally	As above, land transactions are often not registered and it is estimated that only about 20 per cent of the total transactions were officially recorded, hence the 4 per cent tax on land value applied (according to the BA II in 2009 less than 10 per cent were registered).
Increase of unused land tax.	No	System not formalized under the project.

Source: LMAP PMO, discussions with stakeholders, ICR team analysis

F. Financial benefits and costs for the Government

30. Given that there is no system of annual land tax or capital gains tax in Cambodia, the expected financial benefits of the project anticipated at appraisal were expected to come from the following sources:

- (a) Initial registration fees collected by the MLMUPC.
- (b) Subsequent transaction registration fee collected by the MLMUPC.
- (c) Increased revenue from the land transaction tax (4 per cent of transaction value).
- (d) Possible increases in the “unused land” tax to discourage warehousing of land for speculative purposes.

The financial costs to the Government are the direct project costs and the future management fees associated with each title issued under the project.

31. The main fiscal revenue sources identified in the PAD and an analysis of whether they materialized or not are summarized in Table 1. The main assumptions used for estimating fiscal benefits are listed in detail in Appendix 1 and include mainly the following:

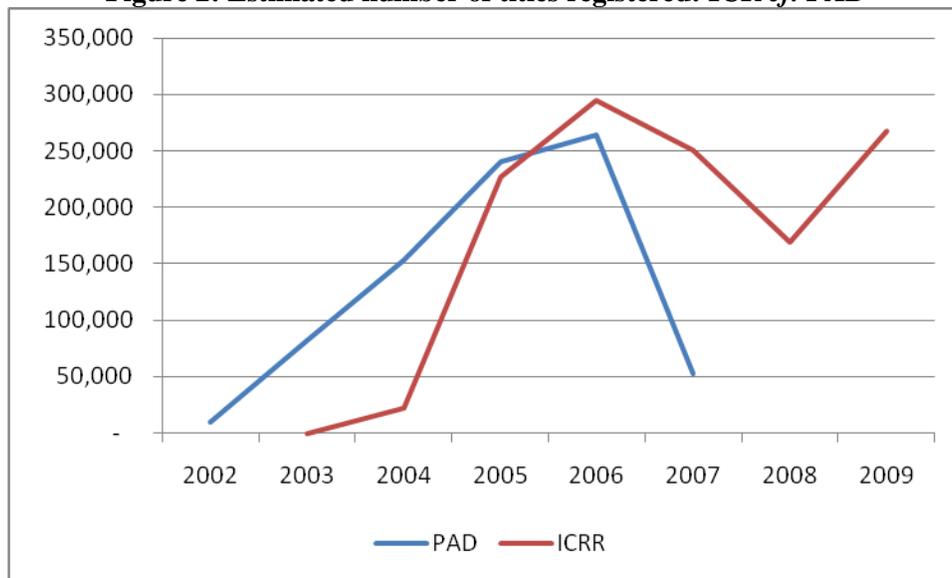
- (a) Number and type of titles: at appraisal, the number of titles to be issued during project implementation was 1.1 million. However, the analysis is slightly confusing as in attachment III of the PAD the total number of parcels to be surveyed and adjudicated is estimated at 1.0 million of which 80 per cent are assumed to be registered by the end of the project (PAD, p.43). According to project data, 1,667,284 parcels were actually surveyed during the implementation period (2002-2009) and 1,230,675 titles were issued (73 per cent of the total number of parcels surveyed, a slightly lower percentage than expected in the PAD). A detailed table with a break-down of the number of titles issued annually in each target province is provided in Appendix 2. Figure 2 shows implementation data compared to the PAD expectations. After 2009, it is assumed that it will take approximately 15 years to adjudicate all the remaining land parcels in Cambodia (estimated between 6 and 7 million in total). According to the Government, this will be achieved at a rate of around 350,000 annually. At ICR, it is assumed that titling will grow at a slightly slower rate (i.e., from around 270,000 in 2009 to 300,000 in 2010 and gradually reaching 350,000 in 2013).
- (b) Initial and subsequent registration fees: the original fee structure for initial registration was amended by the Government during implementation and remains valid after project closure. Initial registration fees range between US\$2.5 per ha for agricultural land in rural areas and US\$250 per ha for residential or

commercial land in Phnom Penh. Also in the case of subsequent registration, the original fee structure was changed and approved by the Government during implementation.

(c) Transaction tax: the tax represents an important source of revenue for the Government and would be a perennial source of income after the complete adjudication of all the land parcels in the country. However, up to now the collection of the transaction tax (as with subsequent registration fees) has been difficult and only a small percentage of transactions have been officially recorded. This is the result of many factors, including the absence of a reliable land valuation system. In the second BA (2009), one of the main issues identified is the perceived lack of transparency in land valuation, resulting in an inconsistent application of the transaction tax (determining different levels of taxation). It is estimated that only 10-20 per cent of the total land transactions have been recorded. An increasing trend in subsequent registrations can be seen starting from 2008 however the implications of this trend are uncertain.

(d) Average price per ha: one of the most challenging assumptions is related to the proxy values used for land prices in the PAD, especially for urban areas. In a period of accelerated economic growth, estimating land values for an extended period of time is extremely difficult. The initial PAD estimates related to the value of land in rural areas was US\$0.33 per m² (US\$3,300 per ha) and US\$25 per m² in urban areas (US\$250,000 per ha). The first assumption remains valid at the time of this ICR. In fact, the average price for agricultural land in rural areas has been constant during recent years according to most accounts. At present, average prices for agricultural land in rural areas range between US\$0.1 to 1.0 per m². In urban areas, however, the property market has boomed in the period 2002-08, especially in Phnom Penh, with commercial and residential property reaching respectively US\$3,000 and US\$1,850 per m². The value used in the PAD is hence very low in relation to market values, especially in central Phnom Penh. For the ICR calculations, the average value used as a proxy of urban land value is around US\$250 from 2006 onwards (rising gradually from US\$50 in 2002). This is based on discussions with local real estate consultancy firms and taking into account price trends and dynamics in Phnom Penh, Sihanoukville and Siem Reap, the three major urban centers.

Figure 2: Estimated number of titles registered: ICR *cf.* PAD



Source: LMAP PAD and project progress reports (2002-2009)

G. Results and average cost per title

32. Three scenarios of fiscal impact were prepared to assess the net fiscal revenue stream derived by the land titling program to which the project substantially contributed between 2002 and 2009. Costs and benefits are compared for the period 2002-2024, and the NPV and IRR are calculated.

		NPV (US\$ million @ 12 per cent discount rate)	ERR (per cent)
Scenario I	[all project costs directly and indirectly associated with land titling]	10.0	16.0
Scenario II	[Component 3 costs]	22.0	26.0
Scenario III	[Sub-components 3.1 and 3.2]	24.0	27.9

Naturally, these results need to be taken with caution given the lack of detailed data and the consequent assumptions that have been made. However, the results suggest that the project presents satisfactory fiscal returns.

33. In order to determine the fee applicable to land owners, an average cost per title was calculated at appraisal. Based on this calculation, the Government decided to charge different fees to beneficiaries. The social concerns of the project implied the application of fees that would be lower than the cost of titling. In the PAD, the cost of issuing a title was estimated to be US\$38, significantly higher than the actual average cost per title as reported by Government during implementation. Apparently through improved capacity of project management and scale economies, the average cost per title decreased progressively between 2002 and 2009. The average cost of issuing a title under the project in the period 2002-2009 was US\$16.75 per plot. In 2009, taking only the project activities directly related to titling, the cost per title was US\$11. According to the PMO, from 2010 onwards this cost should be around US\$10 per title.

34. These figures need to be assessed with care. In fact, the average cost is simply calculated by dividing the estimate of cost (that reportedly accounts only for the direct costs associated with issuing titles, mainly salaries and other operating costs) by the number of titles. This is misleading, since activities under other components contributed to the efficient implementation of Component 3. In addition, it is not clear how the direct costs are accounted for in the first place (e.g., what is the real fiscal burden associated with using Government staff in the provinces for titling?). The issue of measurement of cost per title has been highlighted in numerous project supervision missions. Due to limited contact with the LMAP PMO, it was not possible for the ICR team to obtain more details on this matter.

35. Other project costs can be incorporated in the cost per title measurement as per the three scenarios mentioned above. Such an analysis yields average costs per title in the 2007-09 period ranging between US\$12.4 and US\$24.8. If the whole project period (2002-09) is considered, the range is between US\$16.8 and US\$37.0.

H. Economic analysis

36. The quantitative assessment of the impact of the project on landholders through the identified channels is difficult, given the lack of data. This is particularly true for the first channel (limiting expropriation) and its results, in terms of enhanced investment and reducing the need to divert private resources to protect property. However, for the second channel (facilitating market transactions) it is still possible to provide an estimate of the impact of land titling on access to credit, in line with the financial analysis conducted.

37. A direct causal relationship between areas targeted under systematic land titling and the increasing size and number of loans in the same areas could not be established because of the lack of data. However, as anticipated in the base-line studies, between 2002 and 2009 there was a shift in the number, size and intended use of loans provided by different financial institutions. Discussions with financial institutions in Cambodia suggest that this was in part due to titling (as they needed such documentation to be able to expand lending in certain categories). In line with this, the calculations at the ICR stage illustrate the economic impact of the project through some assumptions and sensitivity analysis.

38. The analysis takes into consideration the project's economic costs, the 2002-24 time horizon and the following two types of benefits:

(a) better terms of credit (only the lower interest rate is accounted for) for small loans between US\$10,000 - 20,000. According to Cambodian financial institutions, this is about 1.4 per cent per year compared to an annual interest rate of 22 per cent for a loan without a title as collateral. This would result in a higher efficiency of resource allocation although it is difficult to measure the magnitude with available information (namely on elasticities of loan demand to interest rate). Out of simplicity for the purpose of this illustrative exercise, the assumption was to use interest payments saved due to titling as economic benefits.

(b) the possibility of accessing medium-sized loans that can only be secured with a title as a collateral (medium-sized loans are considered to be those that exceed US\$20,000). In this case, the economic benefit is estimated based on the returns to those loans that took place due to titling. In order to simplify, the interest rate paid on those loans is used as a minimum return that borrowers would require by taking those loans.

39. The analysis of benefits takes into consideration the overall credit portfolio in the country, which in 2009 was valued at US\$2.5 billion (based on National Bank of Cambodia data). From that figure, US\$400 million is deducted to account for credit provided by MFIs which has a very low average loan size (and therefore would in principle not have many small and medium clients) to reach US\$2.1 billion. The equivalent estimated figure for 2004 (the year in which titling started under the project) is of US\$345 million. The analysis assumes that 34 per cent of the annual increase in the credit portfolio is due to medium-sized loans and 17 per cent to small-sized loans (this is based on data for ACLEDA Bank, adjusted to reflect the average Cambodian financial institution).

40. By assuming that 10 per cent of the medium-sized loans portfolio growth during the period was due to titling and also that 20 per cent of the small-sized loans benefited from lower interest rates due to titling, the analysis suggests an economic ERR of 22 per cent and an NPV (at 12 per cent discount rate) of US\$26.5 million. This is mainly driven by the assumption on which percentage of medium-sized loans took place because of titling (*ceteris paribus*). Even if the benefits on improved terms of loans are excluded, the ERR is 20.7 per cent and the NPV is US\$21.5 million. The results show that even lowering the percentage of growth in medium-sized loans that is attributable to titling to 6.5 per cent, the ERR is 12.5 per cent and the NPV is US\$1.1 million. While this is a simplified illustration of the potential benefits, it suggests that even by taking very extreme assumptions the economic benefits from one of the multiple channels of impact from titling clearly outweigh the economic costs of the project.

I. Contribution of LMAP to microfinance

41. In 2009, the Cambodian microfinance industry was serving over 1 million families, affecting roughly 4.8 million people, or 36% of the population (Cambodian Microfinance Association - CMA 2008 Annual Report), in almost all of the country's 14,073 villages (National Institute of Statistics, *General*

Population Census of Cambodia 2008). Sector growth has sustained years of rapid growth, until the end of 2008. The combined credit portfolio of the industry grew by 55% and 65% in 2007 and 2008, respectively. Growth slowed significantly through September 2009 to 5%. Nevertheless, by that date the total credit portfolio stood at US\$828 million, serving around 1,080,000 clients and growing. Micro-loans, defined as loans lower than US\$10,000 dollars, represented around 12% of the total value of the portfolio, while small loans, between US\$10,000 and 20,000, represented 22% of the total value. Medium loans, exceeding US\$20,000, amounted to 45% of the overall value and around 5% of the total number of loans, while other types of loans represented nearly 33% of the portfolio value for the same year. While the relatively low average loan size is indicative of the service providers' commitment to the low income population, it also reflects a gap in services available to the small and medium business sector, especially in absence of a valuable collateral which is the precondition to access medium loans. Average loan balance per borrower has grown rapidly over time from roughly US\$400 in 2006 to more than US\$750 in 2009, reflecting the easing of credit requirements as the market has become deeper and more competitive, but also partially to the improved collateralization possibilities provided by the expansion of the land titling project managed by MLMUPC.

42. Changes in borrowing behaviors in this direction were expected at the PAD stage, as many people were expected to progressively shift from informal institutions (moneylenders and self-help groups) to more formal institutions like micro-finance institutions and banks. The vast majority of loans - around 92% - made by Cambodian MFIs in 2009 were targeted to microenterprises, with residual amounts dedicated to consumer, household, and mortgage lending. Over half of the lending was provided to women; in 2008 and 2009, women composed 76 per cent of total borrowers. Sector data about credit provides some useful information about the profile of rural financial service consumers and how the titles can play an important role in access to formal types of financing. For example, in the 890 panel households' interviews of the 2007 WB/CDRI study *Moving out of Poverty*, 71% of households had an active loan and the average household had 2.3 loans. The averages were remarkably similar for all income groups, from the comfortably rich to the chronically poor. The sources of those loans were, on average, 36% from relatives and friends, 23% from MFIs (a category that includes ACLEDA Bank and any organized credit program), and 33% from money lenders and commodity middlemen. Since 2005, the number of credit clients among the licensed service providers has increased almost seven times, with the above-mentioned geographic dispersion.

43. The CRDI study concludes that rural households are highly indebted and that use of informal money lenders is high, implying that both conditions are sub-optimal. By itself, this demand data simply supports the observation that informal lenders are willing to lend to borrowers that formal MFIs and banks will not, and that informal lenders charge more for this service. In this context, the service providers use a mix of individual and group lending, the latter for clients that are unable to produce the necessary land collateral for individual loans. Access to credit for medium-size loans is very limited due to lack of collateral. Despite the many efforts of the sector in meeting demand of the poor, according to CDRI interviews and anecdotal evidence, people consider MFIs' and banks' conditions in many cases too rigid and impossible to fulfill. They explain that they use informal, more flexible but also more expensive sources, when the conditions of formal lenders are not flexible enough. Typically, this means that the aspiring borrower is unable to produce the necessary collateral, or does not meet the formal lender's underwriting requirements. In this connection, land titles represent an improvement in collateralization and facilitate access to credit. The range of interest rates in Cambodia is tightly clustered compared to other countries and are in the range of 1.6-2.0 per cent a month. In case a title is provided as collateral for a loan up to US\$20,000, better terms of credit can be obtained, in the range of a 0.2-0.3% improvement compared to average monthly rates, which represent between 2.4% to 3.6% saving per year, compared to the same loan not backed by a land title. Even though no additional benefit from reduced interest rates have been found for medium loan, (usual interest rates are in the range of 1.6-1.7% per month), these loans could not be obtained, at least formally, without providing a land title as collateral.

Annex 3 Appendix 1: Summary of PAD and ICR assumptions for fiscal impact analysis

PAD assumptions	ICR assumptions	Reason for difference
<p>Number of titles: 1.1 million of which</p> <ul style="list-style-type: none"> • 50 per cent rural • 50 per cent urban 	<p>Number of titles: Slightly higher estimates in terms of number until 2009 but not in terms of distribution between rural and urban. In the period 2010-2024, a further 5.2 million titles are expected to be distributed.</p>	<p>More titles were distributed in rural areas, especially in the initial phase of the project, because of less than initially expected complexity in delivering the titles. It is considered at ICR that the LMAP laid the foundations for the subsequent titling program and therefore costs and benefits associated with titling after 2009 are also included in the analysis.</p>
<p>Registration fees: per ha Rural agricultural: US\$2 Rural residential: US\$5 Urban non-commercial : US\$15 Urban commercial: US\$25</p>	<p>Registration Fees: per ha Rural land I: US\$2.5 Rural land II: US\$25 Rural land III: US\$50 Urban land I: US\$75 Urban land II: US\$25</p>	<p>Different fee structure was elaborated and approved by the Government during implementation and remains valid after project closure.</p>
<p>Average price per m²: Rural: US\$0.35 Urban: US\$25</p>	<p>Average price per m²: Rural: US\$0.35 Urban: From US\$50 in 2002 to US\$250 in 2006 and then constant for the remainder of the period of analysis.</p>	<p>This is the most complex parameter to estimate, given the lack of data such as a credible land valuation system. Urban land has increased significantly reaching US\$3,000 per m² for commercial and US\$1,850 per m² for residential property in Phnom Penh in 2007-08 but fell sharply after that. Following discussions with local real estate consultancy firms, it was considered that the PAD assumption was too conservative.</p>
<p>Average size per parcel: Rural: 0.333 ha Urban: 0.02 ha</p>	<p>Average size per parcel: Rural: 0.333 ha Urban: 0.02 h</p>	<p>In line with PAD assumptions following discussions with local real estate consultancy firms.</p>
<p>Turnover rate, per cent: 3.0</p>	<p>Turnover rate, per cent: 3.0</p>	<p>In line with PAD assumptions following discussions with local real estate consultancy firms.</p>
<p>Period of analysis: 30 years</p>	<p>Period of analysis: 22 years (2002-2024)</p>	<p>Instead of the 30 year period, the evaluation at ICR takes into account the period between the beginning of the titling project and the estimate date in which all the six million titles will be distributed in Cambodia.</p>
<p>Subsequent transaction fees: Rural: US\$22.80 Urban: US\$25.80</p>	<p>Subsequent transaction fees: Rural areas I: US\$2.50 Rural areas II: US\$12 Urban areas (average): US\$69</p>	<p>A different fee structure was elaborated and approved by the Government during implementation and remains valid after project closure.</p>
<p>Transaction Tax: 4 per cent of land value</p>	<p>Transaction tax: 4 per cent of land value</p>	<p>In line with PAD assumptions, as per Government policy.</p>
<p>Benefits from unused land tax: Nil</p>	<p>Benefits from unused land tax: Nil</p>	<p>This benefit envisioned in the PAD did not materialize during project implementation.</p>

Annex 3 Appendix 2: Annual number of titles distributed by province

Province	2002	2003	2004	2005	2006	2007	2008	2009	Total
Takeo			9,209	38,262	55,388				229,848
Phnom Penh				5,247	16,678				50,785
Kandal				20,458	27,979				87,687
Sihanoukville			2,492	7,619	4,491				46,385
K.Thom			1,954	12,753	25,258				90,568
Kampot				51,612	41,550				194,208
Prey Veng			8,339	42,255	48,193				202,829
K. Chhnang				0	0				213,284
K. Speu				2,897	16,987				52,229
Siem Reap				1,688	4,671				10,478
K. Chaam				41,794	41,647				
Pursat				0	0				
Banteay Meanchey				0	0				
Battambang				2,270	11,954				52,374
Total			21,996	226,855	294,796	250,994	168,588	267,446	1,230,675

Annex 3 Appendix 3: Costs and categories of titles

Label	Location	Type of land	Cost for initial registration
Rural I	Rural land : (Village level)	Agricultural land in rural areas	1 riel/m ² (US\$2.5 per ha)
Rural II	Rural land: (Village level)	Residential land in rural areas	10 riels/m ² (US\$25 per ha)
Peri-Urban	Peri-urban : (District or provincial level)	Residential/commercial land in peri-urban areas	20 riels/m ² (US\$50 per ha)
Urban I	Urban: (Provincial capitals or PP outskirt)	Residential/commercial in urban areas	50 riels m ² (US\$75 per ha)
Urban II	Urban: (only in the city center)	Residential/commercial in urban areas	100 riels/m ² (US\$250 per ha)

Annex 4. Bank Lending and Implementation Support/Supervision Processes

Task Team members			
Name	Title	Unit	Responsibility/ Specialty
Lending			
Frank Byamugisha	Lead Operations Officer	EASRD	TTL (identification)
Malcolm Childress	Land Administration Specialist (Consultant)		Land Issues
Guzman Garcia-Rivero	Agricultural Economist	EASRD	Sector Leader
Lynn Holstein	Senior Land Administration Specialist	ECSSD	Land Issues
Mary Judd	Senior Anthropologist	EASES	Social
Richard Leonard	Consultant	EASRD	Procurement
Maria Ines Pinat-Bagadion	Social Development Specialist (Consultant)		Social
William Robertson	Institutional Development Specialist (Consultant)		Institutional
Wijaya Wickrema	Financial Management Specialist	EAPCO	FM
Susana Uy Womack	Operations Analyst	EAPCO	Operational
Wael Zakout	Senior Operations Officer	EASRD	TTL (preparation, approval and initial supervision)
Dominic Aumentado	Procurement Specialist	EACPF	Procurement
John Bruce	Senior Counsel	LEGES	Legal
Chinnakorn Chantra	Procurement Specialist	EAPCO	Procurement
Hassane Cisse	Senior Counsel	LEGOP	Legal
Omowumi Ladipo	Senior Finance Officer	LOA	FM
Li Guo	Agricultural Economist	EASRD	Land Issues
Oithip Mongkolsawat	Senior Procurement Specialist	EAPCO	Procurement
Cora Melania Shaw	Agricultural Economist	ARD	Land Issues
Supervision/ICR			
Daniel Adler	Governance Specialist	EASTS	Governance
Keith Clifford Bell	Senior Land Policy Specialist	EASER	TTL (supervision)
Sarooun Bou	Communications Officer	EACSF	
Mudita Chamroeun	Senior Rural Development Specialist	EASTS	Rural Development
Diana Ya-Wai Chung	Senior Communications Officer	EXTOC	
Suleiman Dabbas	Consultant		
Kannathee Danaisawat	Financial Management Specialist	EAPFM	FM
Daniel R. Gibson	Lead Social Development Specialist	ECAVP	Social
Seida Heng	Financial Management Specialist	EAPFM	FM
Peter Jipp	Senior Natural Resources Management Specialist	EASTS	TTL (supervision and closing)
Panneer Selvam Lakshminarayanan	Regional Safeguards Adviser	EAPCO	Safeguards
Yean Miin Eunice Lau	Consultant		
Oithip Mongkolsawat	Senior Procurement Specialist	EAPPR	Procurement
Maria Theresa G. Quinones	Senior Operations Officer	EASPS	Operational
Steven N. Schonberger	Lead Operations Officer	AFTAR	Operational
Qhobela Cyprian Sebalalo	Land Specialist (Consultant)		Land Issues
Sirirat Sirijaratwong	Procurement Analyst	EAPPR	Procurement
Sreng Sok	Procurement Specialist	EAPPR	Procurement
Nuno Santos	Economist	FAO	ICR economic & finance
Livio Valenti	Economist	FAO	ICR economic & finance
Steven Oliver	Consultant	EAPCO	ICR principal author

Staff Time and Cost		
Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	Staff weeks	US\$ thousands (including travel and consultant costs)
Lending		
FY01	8	135.41
FY02	49	279.07
FY03		4.68
FY04	2	1.96
FY05		0.00
FY06		0.97
FY07		0.00
FY08		0.03
Total	59	422.12
Supervision/ICR		
FY01		
FY02	2	11.41
FY03	10	81.05
FY04	7	68.32
FY05	19	99.66
FY06	16	65.85
FY07	20	120.24
FY08	8	75.25
FY09	17	83.87
FY10	19	129.93
FY11	18	71.67
Total	136	807.25

Annex 5. Beneficiary Survey Results

5.1 Two BAs were carried out during the implementation of the project (in 2006 and 2009) with the main purpose of gauging overall beneficiary satisfaction and the impact of land titles for the beneficiaries in areas covered by LMAP. The studies used a “mixed methods” approach to gauge perceptions and satisfaction levels and to provide recommendations on how to improve the titling processes put in place by the project.

5.2 The first BA covered twelve randomly-selected sites in nine provinces and Phnom Penh for a total of 309 interviews. The assessment concluded that the majority of beneficiaries were satisfied with the land titles received and that the adjudication process had met or exceeded the expectations of the majority of respondents. Some further conclusions were:

- (a) Beneficiaries stated that the registration fee levels were acceptable.
- (b) Nearly half of respondents claimed access to credit as the key benefit from titling, although only 19 per cent had loans outstanding. The study also suggested that the effects on credit access in the short term are limited and that the longer the time period elapsed since obtaining the titles the greater the number of landowners using land to access credit.

5.3 The second BA conducted in 2009 (involving ten randomly-selected sites, for a total of 485 beneficiaries interviewed, and separate focus group discussions for men and women covering 114 landowners) reinforced the findings of the first BA:

- (a) There was general satisfaction with the process of titling and the registration fees.
- (b) Improved access to credit followed by reduced conflict over land were seen as the main benefits from titling. Interviews with four banks and MFIs indicated that possession of a land title is generally not a major consideration for smaller loans but often speeds up the process of loan approval and helps to qualify borrowers for larger loans. In addition, representatives of institutions also mentioned that the increase of official land titles made it easier for them to avoid overlapping loans being secured by same property.
- (c) Registration of subsequent land transactions is taking place in only a small percentage of the total, given the generalized perceptions of it being an expensive and difficult process that lacks transparency.

Annex 6. Stakeholder Workshop Report and Results

No stakeholder workshop was implemented under the project.

Annex 7. Summary of the Borrower's Completion Report and its Comments on the Draft ICR

The Land Management and Administration Project (LMAP, 2002-2009) was the first phase of a larger Land Administration, Management and Distribution Programme (LAMDP) to implement the 2001 Statement on Land Policy by the Royal Government of Cambodia (RGC). The overall goals of LMAP were to reduce poverty, promote social stability and stimulate economic development. The specific objectives were to improve land tenure security and promote the development of efficient land markets. LMAP was supported financially by the World Bank (WB) for major investments and running costs of land registration while technical assistance (TA) and some financing were provided by the Governments of Finland and Germany and later also by the Government of Canada. Already years before the Paris Declaration on Aid Effectiveness, several donors designed and implemented a land administration project where inputs were properly coordinated in order to avoid overlapping to maximise benefits and minimise waste.

LMAP was divided into five Components: Component 1: Development of land policy and regulatory framework; Component 2: Institutional development; Component 3: Land titling program and development of a modern land registration system; Component 4: Strengthening mechanisms for land dispute resolution; and Component 5: Land management. Although the project was divided into components, and responsibilities were divided among several development partners and TA teams, LMAP was only one project implemented by the Cambodian Ministry of Land Management, Urban Planning and Construction (MLMUPC) without establishing separate parallel structures. All components were interlinked and depended on each other for the project to be successful as a whole. Component 3 performed the main role of LMAP and it depended on the successful functioning of the other four Components.

LMAP was supported through an IDA credit from the WB with an outlay of US\$24,300,000. The Royal Government of Cambodia (RGC) provided US\$ 2,600,000. TA was provided from the Governments of Finland in an amount that was originally but later considerably exceeded US\$ 3,500,000, and Germany provided US\$ 3,500,000, again mainly in the form of TA.

The Development Credit Agreement (DCA) was signed on March 27, 2002 and became effective on June 19, 2002 and allowed LMAP to implement the activities of systematic land registration from October 2003 to December 31, 2009, expanding from 4 pre-LMAP provinces to 14 LMAP provinces out of which 11 were supported financially by IDA and 3 by the Government of Canada.

The main measurable indicators, targets and goals of LMAP were achieved and exceeded by the end of the project in 2009.

LMAP targets systematically adjudicating and surveying 1 million land titles but in fact did 1,593,551. LMAP targets issuing 800,000 titles but in fact issued 1,232,396. All this was accomplished at a record low cost for systematic registration programs in the world of less than US\$ 10 per parcel; the LMAP indicator for cost was US\$ 30.

For the systematic registration program, around 1,000 Cambodian cadastral officers were trained, equipped and supervised by GDCG and TA in 14 provinces and municipalities to implement registration at the speed of 25,000-30,000 parcels per month, according to the continuously improved comprehensive Land Registration Team (LRT) Manual. In addition, more than 8,000 Administrative Commission (AC) members were trained for legal local-level decision-making in land registration.

Around 5,000 geodetic ground control points for cadastral surveying and orthophoto production were established. Around 60,000 km² of digital orthophotos were locally produced with an established modern digital orthophoto production line and also more than 190,000 km² of produced and procured orthophotos were quality-controlled under the project.

To support systematic land registration, a successful Public Awareness and Community Participation (PACP) and information dissemination concept was developed and established, resulting in a high landowners' participation rate of more than 99%.

A modern digital Cadastral Database and Geodatabase system was developed locally and established to support effective and efficient systematic, sporadic and subsequent land registration and continues to be developed further according to the official legal and technical requirements.

The necessary land-related policies and regulation framework were developed.

Institutional development resulted in the establishment of the new Faculty of Land Management and Administration (FLMA) at the Royal University of Agriculture (RUA) for increasing human resources for the whole land sector. By the end of September 2009, 150 new generation B.Sc's had graduated from the Faculty and 194 were studying. MLMUPC had recruited 74 of them to the Ministry, mainly to join the Land Registration Teams(LRTs). Lessons learned, team building and training workshops, on-the-job and hands-on training, international study tours and continuous supervision played an important role in the capacity building of the local cadastral staff.

Mechanisms for land dispute resolution were strengthened by supporting the Cadastral Commissions (CCs) in out-of-court dispute resolution. During LMAP, 3,500 CC members were trained and 3,601 land disputed solved by them. Moreover during LMAP the systematic registration Administrative Commissions resolved 14,113 disputes.

Annex 8. Comments of Co-financiers and Other Partners/Stakeholders

CONSOLIDATED COMMENTS FROM CANADA, FINLAND and GERMANY

Thank you for the opportunity to comment on the Implementation Completion and Results Report (IDA-36050 TF-53043) for the Land Management and Administration Project in Cambodia.

The ICR essentially repackages various WB's reports on the LMAP project with the exception of the Economic and Financial Analysis section.

1.0 GENERAL COMMENTS

Overall, the main issues to be raised are:

- a) Inconsistency between the ICR performance rating of moderately unsatisfactory and the findings of previous WB assessments/reviews and Joint Supervision Missions and the unclear basis for the rating, i.e. insufficient monitoring and evaluation framework to support ratings of outcomes and indicators.
- b) ICR assessment of weaknesses at the policy and institutional level should take into account the historical context of the Implementing Agency (a nascent institution; project expectations in that regard may have been too high).
- c) Need to expand on the lessons learned.

2.0 SPECIFIC COMMENTS

More specifically, our comments can be summarized below:

Section 1, Project Context, Development Objectives and Design

While the ICR's *ex-post analysis of weaknesses in the project design are highly relevant, they should take into consideration the historical context* and need to be viewed in the Cambodian context. The Implementing Agency the Ministry of Land Management, Urban Planning and Construction and the Council for Land Policy were only created in 1999. Institutional and administrative capacities were almost non-existent, policies and legal framework had to be developed from scratch. The project was appraised in October 2001, a mere two months after the Land Law was adopted.

Para 1.1.4 describes the argument for embarking on a nation-wide titling programme to provide tenure security. Footnote 10 refers to a "compelling counter argument" by pointing to highly durable "traditional systems". While the ICR only notes this as a footnote this view is also expressed in one of the findings of the Inspection Panel's Report which states that the titling process adopted by the project **weakened pre-existing tenure rights. Neither the ICR nor the IP Report however explain how "traditional systems" - which rely on possessory rights over land being recognized by neighbours and local authorities - would be adequate to protect against vested interests.** What is described here as traditional systems of land rights is just one element of it. Early works about land tenure security in Cambodia by the French

colonial scholars (e.g. Jean Delvert's *Le Paysan Cambodgien*) would provide useful details on land tenure in Cambodia.

On the other hand no evidence is presented that ownerships rights codified with a land title have been subject to vested interests. We however agree that comprehensive subsequent registration is essential to preserve the integrity of the cadastre. This has been highlighted in various Joint Supervision Missions and necessary actions need to be taken.

Para 1.5.4 states that land *tilling* and land registration provides for *a necessary but not sufficient* condition for improved tenure security. It may be useful to clarify this statement.

Section 2 Key Factors affecting Implementation and Outcomes

Paras 2.1.10 and 2.1.11 address the adequacy of RGC's commitment in view of powerful vested interests. Inefficient and sometimes non-existent inter-ministerial coordination remains a significant challenge especially in the area of State Land Management. Weak inter-ministerial coordination is a recurrent feature not only in the Land sector but also in a number of areas with cross-cutting responsibilities (please clarify). The fragmentation is also reflected in the set-up and de facto functioning of the main coordination mechanism (Technical Working Groups) and impedes on the quality of political dialogue in other important high level fora such as the Government Development Partner Coordination Committee and the Cambodia Development Cooperation Forum. Development Partners have been grappling with these challenges and have committed to engage with RGC in an effort to identify ways of improving the quality and depth of policy dialogue (Result of an internal Donor workshop "Enhancing Policy Dialogue", October 2011). This will be undertaken in the context of RGCs plans to review the aid management policy in 2012.

Section 2.4 Safeguard and Fiduciary Compliance

Paras 2.4.6 and 2.4.7 Application of safeguards/BKL:

We concur with the view expressed in various sections of the ICR that "the **lack of specificity in the project documents**" may have contributed to the divergent views between the Bank and RGC as to whether or not the RPF have been triggered (2.4.6). We take note that Management has been unable to determine definitively whether the area in question was formally titled in the name of the State which would have been an instance to trigger the RPF (2.4.7).

We would suggest that the ICR provide an update by mentioning the positive step taken by the RGC issuing of a sub-decree on exclusion zone in BKL. Indeed the sub-decree was issued in August 2011 i.e., during ICR preparation.

Section 2.5 Post-Completion Operation/Next Phase

Para 2.5.2 implies that because of the fact that no arrangements for the project's future operation have been agreed, the "**very real achievements of the project are threatened**". While fully acknowledging the important contributions by the Bank and being cognizant of the challenges of the Land sector reform, it should however not be overlooked that since the formal cancellation of the loan by RGC, substantial progress has been achieved in key areas of LAMDP. Apart from the country ownership, this is attributed to a continued critical but *constructive engagement* of the Development Partners remaining in the land sector. Germany for e.g. has further strengthened

the human rights aspects of its support and has used a milestone process to engage with RGC on key issues. A similar approach is envisaged for the next programming cycle of German support.

Section 3 Assessment of Outcomes (also sections F, G)

3.2 Achievement of Project Development Objectives

General comment: A weak results framework, “vague and qualitative Project Development Objectives (PDO)” and “...similarly abstract and difficult to measure Key Performance Indicators” (KPI) (2.1.5) as well as non-existent baselines, the lack of defined methodologies and attribution issues and lastly the late introduction of an M+E system in 2007 (para 2.3) are key issues raised in the ICR. On the other hand and in terms of Development Objectives, 10 Joint Supervision Missions (JSM) rated the project satisfactory, 5 JSM moderately satisfactory, one JSM unsatisfactory. Only the final Enhanced Review Mission – which was not conducted as a joint review mission including the other donors - concluded with a rating of moderately unsatisfactory (section G).

In view of: a) the weaknesses of the results framework described above; b) in absence of quantitative data for the KPI; and c) taking into account the ratings of the JSM in terms of Development Objectives¹ it is *difficult to understand the basis on which the ICR determines the overall assessment of the project to be moderately unsatisfactory*².

Sections 2.1, 2.2 and 2.5 in particular, lead the reader to ask why other development partners decided to continue working with the MLMUPC. Furthermore, the last 4 JSM undertaken by the Donors supporting LASSP since the cancellation of the IDA credit confirm good progress (including a very satisfied rating for the second JSM). A more extensive explanation of these different positions would be helpful.

Section 3.2 Achievement of Project Development Outcomes

Para 3.2.3 refers to the KPI on “reduction of land grabbing”. It acknowledges that the process of systematic land registration per se is in practice one of low-level conflict resolution and points out that so far approx. 20,000 conflicts have been resolved in this process. With regard to the “**exclusion of households**” from participation in the systematic titling process the ICR conveys ambiguous messages. On page 12, intermediate outcome 11 the ICR states that “*residual concerns* remain that the titling process is illegitimately excluding some households from the titling process”, para 3.2.5 speak of a vicious circle and state that households *were* effectively excluded. It would be extremely beneficial if this assessment could be backed up by strong analytic and empirical evidence.

¹ Interestingly, the CAS Progress Report (April 2008) i.a. stated that “RGC’s land titling programme supported by LMAP has been a notable success (sic)” (3.1.3).

² Section F “Results Framework” states that due to a lack of baselines and in the absence of agreed methodologies with the exception of KPI 6 (probably achieved) it “**is impossible to judge**” whether KPI have been achieved or not.

Furthermore, it is noted that the ICR puts greater emphasis on Component II, providing **little information on the achievement of the other components.**

Section 5 Lessons Learned

The following lessons could be drawn from the ICR analysis. They are: a) on the design which was ambitious, complex (five components with 18 sub-components to be implemented and coordinated by a newly established ministry), flawed (without a baseline, targets and M&E framework) and overly optimistic (given resources and timeframe), not to mention the need for the project document to be clear (avoiding ambiguities). On the M&E framework, the ICR argues that qualitative information can substitute the quantitative ones (footnote 1 page 7). Unfortunately, qualitative information/assessment is subjective especially when there is no baseline.

A further lesson would recognize the need to ensure that the local knowledge / local politics and political economy context be clearly understood at the design phase, or at the appraisal phase (ref. Context at the Appraisal, page 15). The ICR notes in several places about limited understanding of the political economy.

Another lesson that can be drawn from the ICR relates to the Focus of Supervision Missions. The ICR recognized that these Missions focussed on only a few aspects of the project, and overlooked the others. A wider focus on the Missions may have avoided procurement issues, for example. Perhaps a useful lesson would also be the need to design and monitor the procurement component more closely.

Finally, improved monitoring and management of the risks would also be a worthwhile lesson.

Annex II Matrix of Objectives, Indicators and Achievements

Component 3: Titles are issued effectively and efficiently. The following statement: “There are also concerns that the titling process is illegitimately excluding some households from the titling process” needs clarification or should be deleted (Page 84).

3.0 EDITORIAL COMMENTS

Para 1.7.3 (page 19) about CIDA in the bracket – we suggest that you specify “through TFs in 2004”. We are quoting part of the sentence: “... include three additional provinces (utilizing a grant from CIDA, which had joined the project in 2004 through Trust Funds with the provision of TA)”.

Footnote 44 (page 38), In addition to the Heinrich Boll Foundation, a reference to the Gender work undertaken by the CLASP project would be useful.

Corrections should be made of CIDA’s name which should read as Canadian International Development **Agency** (page 48).

Also CIDA's contribution into the two TFs was C\$5.0M and not USD1.42M as mentioned on page 48.

Annex 9. List of Supporting Documents

1. Cambodia Country Assistance Strategy, February 7, 2000
2. Project Appraisal Document, LMAP; January 29, 2000
3. Social Assessment of Land in Cambodia, Cambodia Development Resource Institute, May 15, 2001
4. Project Status Report, Sequence #1: March 18, 2002
5. Development Credit Agreement, LMAP; March 27, 2002
6. Project Status Report, Sequence #2: May 31, 2002
7. Quality at Entry Assessment, QAG: June 4, 2002
8. Project Status Report, Sequence #3: November 21, 2002
9. Project Status Report, Sequence #4: June 19, 2003
10. Project Status Report, Sequence #5: December 18, 2003
11. “Improving Tenure Security for the Urban Poor in Phnom Penh, Cambodia: An Analytical Case Study”
Habitat International (Beng Hong Socheat Khemro and Geoffrey Payne), 2003
12. Project Status Report, Sequence #6: February 19, 2004
13. Cambodia Land Titling Program: Base-line Survey Project, Final Report: Rural Phase I, CDRI and the
MLMUPC: July 2004
14. Project Status Report, Sequence #7: August 25, 2004
15. Project Status Report, Sequence #8: November 30, 2004
16. Cambodia Country Assistance Strategy: April 18, 2005
17. Land Valuation Study, LMAP, May 31, 2005
18. Project Status Report, Sequence #9: June 23, 2005
19. Project Status Report, Sequence #10: December 29, 2005
20. Internal Audit Reports, March-August 2005
21. Monitoring and Evaluation Review, Land Equity (Tony Burns), December 2005
22. Beneficiary Assessment of Land Title Recipients under the Land Management and Administration Project,
Robert Deutsch: January 2006
23. Project Status Report, Sequence #11: June 20, 2006
24. Monitoring and Evaluation Manual, MLMUPC/LMAP, Walter Salzer (consultant), December 15, 2006
25. “Land and Human Development in Cambodia”, UNDP Cambodia Discussion Paper No. 5: May 2007
26. Program Document: Poverty Reduction and Growth Operation: June 18, 2007
27. Project Status Report, Sequence #12: June 23, 2007
28. Project Status Report, Sequence #13: June 26, 2007
29. “Economic land concessions in Cambodia: A human rights perspective”: Cambodia Office of the High
Commissioner for Human Rights: June 2007
30. Cambodia Land Titling Program: Base-line Survey Project, Final Report: Urban Phase II, CDRI and the
MLMUPC: August 2007.
31. International Monetary Fund: Cambodia: Staff Report for the 2007 Article IV Consultation
Selected Issues and Statistical Appendix: August 2007.
32. Country Assistance Evaluation, Cambodia LMAP, Independent Evaluation Group: November 20, 2007
33. Cambodia: Country Assistance Evaluation Fast Track Brief, Independent Evaluation Group:
November 20, 2007
34. Project Status Report, Sequence #14: December 28, 2007
35. Property Rights, Productivity, and Common Property Resources: Insights from Rural Cambodia;
Thomas Markussen, University of Copenhagen, Denmark: April 2008
36. Cambodia Country Assistance Strategy Progress Report: April 17, 2008

37. Project Status Report, Sequence #15: June 27, 2008
38. “Title through Possession or Title through Position?” Respect for Housing, land and Property Rights in Cambodia: Centre on Housing Rights and Evictions, Occasional Paper 1: November 2008
39. How can Cambodian Farmers Respond to Rising Food Prices? February 2009, IFPRI [Background Paper prepared for the Country Economic Memorandum “Sustaining Rapid Growth in a Challenging Environment” Report No. 49158-KH: January 2009]
40. Project Status Report, Sequence #16: April 8, 2009
41. “Land Grabbing & Poverty in Cambodia: The Myth of Development”, Cambodian League for the Promotion and Defense of Human Rights: May 2009
42. Cambodia LMAP Enhanced Review Report: July 13, 2009
43. Safeguards Review Supplemental Supervision Mission, August 3-5, 2009 BTO Report
44. “Untitled: Tenure Insecurity and Inequality in the Cambodian Land Sector”, Centre on Housing Rights and Evictions/Jesuit Refugee Service/Bridges Across Borders: September 2009
45. International Monetary Fund: Cambodia: Staff Report for the 2009 Article IV Consultation: October 2009
46. Management Response to the Request for Inspection Panel Review of the LMAP: November 2, 2009
47. Annual Report 2009: Land Management and Administration Project/Land Administration Sub-Sector Programme: December 2009
48. Report and Recommendation, Cambodia LMAP, Inspection Panel: December 2, 2009
49. Project Status Report, Sequence #17: March 9, 2010
50. Final Eligibility Report and Recommendation, Cambodia LMAP, Inspection Panel: March 31, 2010
51. Statistical Analysis on Land Disputes Occurring in Cambodia 2009, Land Information Centre, The NGO Forum on Cambodia: May 2010
52. Investigation Report: Cambodia: Land Management and Administration Report: The Inspection Panel: Report No. 58016-KH November 23, 2010
53. Borrowers Completion Report to International Development Association on Cambodia Land Management and Administration Project (LMAP) Credit Number 3605 KH, June 2011.

Annex 10. Chronology of Project Events

Milestone	Date
Identification Mission	July 12-24, 2000
Concept Review Meeting	November 30, 2000
Preparation Mission	April 23-27, 2001
Consultative Group Meeting (Tokyo)	June 12-13, 2001
Pre-appraisal Mission	July 5-17, 2001
Decision Meeting	October 4, 2001
Appraisal Mission	October 22-29, 2001
Technical Discussions	December 7-10, 2001
Negotiations	December 11-12, 2001
Project Appraisal Document	January 29, 2002
Board Approval	February 26, 2002
Development Credit Agreement Signing	March 27, 2002
Credit Effectiveness	June 19, 2002
Mid-Term Review	September 27-October 11, 2004
Fiduciary Review	July 2004-September 2005
Suspension of Disbursements	June 6, 2006
Lifting of the Suspension of Disbursements	February 5, 2007
Original Closing Date	December 31, 2007
Extension of the Closing Date to December 31, 2009	December 31, 2007
Enhanced Review Mission	March 30-April 12, 2009
Enhanced Review Mission Final Report	July 13, 2009
Safeguards Mission	August 3-7, 2009
Cancellation of Undisbursed Funds by the Borrower	September 7, 2009
Revised Closing Date	December 31, 2009
Inspection Panel Final Eligibility Report	April 1, 2010
Implementation Completion Report Mission	May 13-29, 2010
Inspection Panel Investigation Report	November 23, 2011
Management Report and Recommendation	January 21, 2011

Annex 11. Matrix of Objectives, Indicators and Achievements

Objectives	Key Performance Indicators	Current Status
Sector-related CAS Goal:	Sector-related CAS Goal Indicators:	
<p>1. To improve governance and public administration.</p> <p>2. To improve access of the poor to basic social services and economic opportunities.</p>	<p>(a) The enactment of sub-decrees to implement the Land Law of 2001.</p> <p>(b) A reduction in the number and volume of land disputes.</p> <p>(c) A reduction in the number of cases of “land grabbing”.</p> <p>(d) A decrease in landlessness.</p>	<p>Successful. Annex 3 (Component 1, Attachment 1) of ??? defines a total of 34 sub-decrees, proclamations, guidelines and circulars prepared and signed from the date of the Land Law (August 2001) to the present.</p> <p>There was no base-line data or defined methodology for collecting data on (b), (c) or (d). Indicator (b) is contradicted by the PAD, which stated that an increase in the number of land disputes in the short and medium term was to be anticipated. The project was not designed to deal directly with settlement and therefore had no direct impact on the issue of landlessness. The project was intended to pave the way for later project efforts at land distribution (e.g., LASED).</p>
Project Development Objectives:	Outcome/Impact Indicators:	
<p>1. Improved land tenure security for urban and agricultural land-holders.</p>	<p>(a) The amount of conflict over land decreases.</p> <p>(b) The amount of “land grabbing” falls.</p> <p>(c) Agricultural productivity increases.</p> <p>(d) Access to cheaper credit increases.</p> <p>(e) Investment in the property sector increases.</p>	<p>Data not available</p> <p>Not achieved</p> <p>Data not available</p> <p>Data not available</p> <p>Data not available</p> <p>There was no base-line data or defined methodology for collecting data on the outcome/impact indicators (a), (b), (c), (d) or (e). The PAD stated that these indicators would be measured in a future “socioeconomic impact study” which has not been carried out.</p>

<p>2. Land markets operate more freely.</p>	<p>(a) The number of land transactions increases.</p> <p>(b) The amount of taxes and fees collected from land transactions increases.</p>	<p>Probably achieved. Some 24 per cent of respondents to the first beneficiary assessment perceived that there had been an increase in land transactions post-titling. This is compared to 8 per cent who perceived a decrease and 68 per cent who responded “no change” or “do not know”. (Deutsch, 2006) The second beneficiary assessment indicated a strong perception that land transactions were on the rise until mid-2008 when the global economic slow-down appears to have shut down the market. The BAs offer no insight on the link between land titling and increases in land transactions.</p> <p>Data not available. The beneficiary Assessment #2 cites revenue from the registration of land at U\$60 million since 2003, but the proportion of this total that can be attributed to the project cannot be determined.</p>
<p>Output by Component:</p>	<p>Output Indicators:</p>	
<p>Component 1. Land policies are formulated and a regulatory framework is in place.</p>	<p>(a) The delimitation and administration of state land policy is approved by the CLP.</p> <p>(b) The policy on tax and fees structure on land transactions is approved by the CLP, the regulatory framework is signed, and the new tax and fees structure is implemented by Year 3 of the project.</p> <p>(c) Land accessibility and development policy is approved by the CLP and a regulatory framework is in place.</p> <p>(d) Policy concerning the registration of land</p>	<p>Partially achieved. A significant number of policy papers, declarations and frameworks has been prepared, which are at different stages of review and approval by the CLP. These include: (a) the Proclamation of the Royal Government on Land Policy (May 2001); (b) the Strategy Framework of the Land Policy (September 2002); (c) the Policy on Social Land Concessions (2003); the Policy on State Land Management (2004); (d) the Policy on Economic Land Concessions (2005); (e) Declaration on Land Policy; (f) Comprehensive Land Policy White Paper; (g) Spatial Planning Policy; (h) Housing Policy; (i) Policy on the Registration and use Right of Land of Indigenous Peoples; and (j) Land Valuation Policy.</p> <p>Not achieved. Land Taxation is implemented by the MEF. MLMUPC requested Bank facilitation to address this issue. AAA was proposed and resources secured, but due to the cancellation the study could not be undertaken.</p> <p>Achieved. Social Land Concessions Sub-Decree of March 2003 and supporting regulations.</p> <p>Achieved. Sub-Decree #118 of October 2005 and Policy on State Land</p>

	<p>in and around natural resources is approved by the CLP.</p> <p>(e) The policy on the registration of communal and indigenous peoples' land rights is approved by the CLP and the regulatory framework is in place.</p>	<p>Management (2004), although this has not been implemented in a systematic manner.</p> <p>Achieved. Both policy and regulatory frameworks were approved after delay (April 2009) though DPs expressed some concern about the content of these regulations.</p>
<p>Component 2. The MLMUPC is undertaking its mandate effectively and efficiently.</p>	<p>(a) The Ministry's building is completed and occupied by Year 3 of the project.</p> <p>(b) The restructuring of the Ministry is completed, and a "human resources development plan" is developed and implemented by Year 3 of the project.</p> <p>(c) A surveying and land management education program is established at a national university.</p> <p>(d) Licensed private surveyors are handling 10 per cent of titling activities by Year 3 of the project and 20 per cent by Year 5.</p> <p>(e) The map shop is fully operational.</p>	<p>Not achieved</p> <p>Not achieved</p> <p>Achieved</p> <p>Not achieved</p> <p>Not successful. The requirements on access to information as set out in the Land Law have not been met.</p>
<p>Component 3. Titles are issued effectively and efficiently.</p>	<p>(a) One million titles are issued under the systematic titling program.</p> <p>(b) ≥ 95 per cent of titles are collected by the beneficiaries.</p> <p>(c) The average cost of issuing a title is less than US\$30.</p>	<p>Achieved. As of December 2009, 1.5 million parcels had been surveyed and 1.2 million titles distributed. The average time to delivery is steadily declining (now less than six months for most LRTs. There is some residual concern regarding delayed delivery of titles. There are also concerns that the titling process is illegitimately excluding some households from the titling process (see para 3.2.6).</p> <p>Achieved. 1.47 million land parcels have been surveyed, 1.13 million titles have been signed and 1.07 million titles have been distributed (94.7 per cent).</p> <p>Achieved. Average cost (US\$11 per title) is one-third of the PAD estimate (US\$30).</p>

<p>The land registration system is functioning well.</p>	<p>(d) The issuance of titles through sporadic adjudication takes less than two months from start to finish.</p> <p>(e) Provincial and District Land Offices are built.</p> <p>(f) ≥ 75 per cent of land transactions are registered.</p> <p>(g) The registration of land transactions in Phnom Penh is completed in one day by Year 4 of the project.</p> <p>(h) A computerized land registration database system is operational in Phnom Penh Land Office.</p> <p>(i) Access to information in the registry is available on-line to Government, financial institutions and individuals for a fee.</p>	<p>Not achieved. Legal and regulatory framework developed; implementation limited to “additional registration” in systematically adjudicated areas. A government Land Valuation Survey Report (MLMUPC-LMAP: May 31, 2005) documented both susceptibility to corruption and the level of informal fees associated with sporadic titling. This study estimated informal fees of between US\$1000– 3000 in Phnom Penh and between US\$350-500 in rural areas depending on the size and value of land plots.</p> <p>Partly achieved. Some offices were constructed. Misprocurement was declared on civil works after the INT investigation. The Government cancelled the remaining civil works after the extension of the Closing Date.</p> <p>Not achieved. It is estimated that only 10-20 per cent are registered. Most land transactions are not registered, in part because of high tax rates (unused land tax 2 per cent per year and transaction tax 4 per cent) and bribes required to facilitate the registration process.</p> <p>Not achieved. Land transaction registration requires clearing of tax dues in MEF before cadastral officers can register the transaction. Proposal for “one-window” service has not yet materialized; it requires inter-ministerial collaboration, and would reduce rent-seeking opportunities at both MEF and MLMUPC.</p> <p>Achieved. The system functions and has appropriate safeguards and backups. Query-based reporting is in place.</p> <p>Partly achieved. Information is not available on-line but is available in hard copy format to Government, financial institutions and individuals for a fee; access to information on disputed areas has been arbitrarily restricted and is not on public display as required by law.</p>
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<p>Component 4. Disputes are resolved quickly and to the satisfaction of the parties involved.</p>	<p>(a) Enactment of a sub-decree on the establishment of the Cadastral Commissions.</p> <p>(b) Establishment of the Cadastral Commissions in the central MLMUPC office and in the project provinces.</p> <p>(c) An increase in the percentage of cases resolved by the Cadastral Commissions.</p>	<p>Achieved. The framework is in place: Sub-Decree #47 (May 2002), Proclamation (August 2002) and Guidelines #1455 (September 2005).</p> <p>Achieved.</p> <p>Partly achieved. Reviews have highlighted backlog of cases in some areas and questioned Cadastral Commission effectiveness in complex multi-party cases and cases involving high-profile individuals. Provision of Legal Aid was limited to two pilots: (a) two NGOs provided Legal assistance in Kampong Speu; and (b) mobile teams reduced backlogs in some districts. IDA support for Legal Aid was not implemented because of delays in procurement. See data presented in main text.</p>
<p>Component 5. The information basis is created for improved land management.</p>	<p>(a) Land classification policy is approved by the CLP and guidelines are developed and approved to develop provincial land use/classification maps.</p> <p>(b) Land use/classification maps are produced for the project provinces.</p>	<p>Not achieved. State Land Management Policy (2004). State land Sub-Decree #118 of October 2005.</p> <p>Not achieved. No land use classification maps were produced under the project. Denmark supported drafting of a Sub-decree on Commune Land Use Planning which has been adopted. Commune Land Use Plan (CLUP) maps were developed and distributed to some communes though the boundaries marked on these are not binding for land classification purposes.</p>
<p>Component/Sub-component</p>	<p>Input</p>	
<p>1. Development of Land Policy and Regulatory Framework</p>	<p>US\$28 million</p>	<p>The component has made significant progress over the life of the project. The GSCLP has continued the multi-stakeholder consultations on the Land Policy Paper with a view to finalizing a White Paper in 2009.</p>
<p>(a) Development of the capacity of the Secretariat of the Council of Land Policy</p>		<p>The GSCLP is well established and is able to facilitate consultations on land policy issues among stakeholders. It has been the beneficiary of training and involvement in international seminars, and has been provided with basic office equipment, and TA supported by CIDA trust funds. The main challenge is to obtain the commitment and “buy-in” of other ministries to address cross-cutting issues (e.g., state land demarcation, land taxation, indigenous peoples communal land titling). The</p>

		development of the LMSSP is expected to provide a platform for inter-ministerial coordination on state land issues.
(b) Formulation of key policies for land administration and management		The Council has prepared or is preparing the following policy documents: <ul style="list-style-type: none"> • Strategy Framework for Land Policy (September 2002) • Policy on Social Land Concessions (2003) • Policy on State Land Management (2004) • Policy on Economic Land Concessions (2005) • Policy on the Development of Indigenous Communities; • Policy on the Registration and Right to Use of Land of Indigenous Communities in Cambodia; • White Paper on Land Policy (draft December 2009) • Declaration on Land Policy (draft pending approval) • Spatial Planning Policy (preliminary draft) • Housing Policy (under revision; first draft supported by UN Habitat) • Policy on Land Valuation (under development).
(c) Development and drafting of legal instruments		The 2001 Land Law has been followed by nine Sub-decrees and their supporting documentation (letters, proclamations and circulars).
(d) Dissemination of policies, laws, rules and regulations		Dissemination of the 2001 Land Law was supported by the project's PACP; MONASRI is also now engaged in dissemination supported by the DFGG Project (funded by IDA).
2. Institutional Development	US\$6.40 million	2. Institutional Development
(a) Long-term institutional development of the Ministry of Land Management, Urban Planning and Construction		Several training courses, including overseas training, have been carried out. CIDA TF resources for tuition reimbursement has been approved but not yet activated.
(b) Project management		Project management activities are satisfactorily carried out by the MLMUPC's Technical Audit, Monitoring and Evaluation, Public Relations, Procurement, and Finance and Administration Units and the Internal Auditor.
(c) Development of a land management and administration education program		This was successfully achieved through the establishment of a degree course in Land Management and Administration at the Royal University of Agriculture.
(d) Development of a private surveying industry		This was not implemented.

3. Land Titling Program and Development of a Land Registration System	US\$20.40 million	
(a) Information dissemination and community participation		PACP activities are carried out by the Land Registration Teams as part of the land titling process. The procurement of NGO support for PACP activities was not achieved.
(b) Systemic land titling program (c) Sporadic land titling program		By December 2007, the PAD targets of one million surveyed and adjudicated parcels, 800,000 signed titles and 760,000 titles distributed to beneficiaries had been surpassed. The revised targets established following the extension of the Closing Date of the Credit are expected to be achieved (the interim target had been met in December 2008). The actual cost per title, as of December 2007, was only one-third of the cost estimated at appraisal (US\$11 <i>cf.</i> US\$30).
(d) Development of a modern land registration program		Successful. The land registration system and operational procedures have been established. Improved office facilities, with equipment, furniture and materials, have been provided. The land registration database system has been established.
4. Strengthening Mechanisms for Dispute Resolution	US\$1.70 million	
(a) Strengthening the national cadastral commission		The NCC was created under the 2001 Land Law and began to function in December 2002. Its Secretariat (NCCS) reported in December 2008 having received 5,038 cases; 1,653 had been resolved, 1,433 dismissed or withdrawn, and 1,952 were pending.
(b) Strengthening the provincial cadastral commissions		Provincial-level Cadastral Commissions are functioning in all project provinces.
(c) Legal assistance for the disadvantaged		Not fully implemented. Two Legal Aid pilots were implemented with GTZ support. The first was carried out between 2003-2004 in Kompong Speu Province using the NGOs Legal Aid Cambodia and ADHOC. In 2005, GTZ initiated a second pilot to introduce Mobile Teams to bring additional skills to targeted areas in an effort to reduce the backlog of pending cases.
5. Land Management [Note: activities under this component were “revised” at the Mid-term Review. A new structure of the component was proposed by the Government and	US\$2.60 million	The Government and the Bank agreed in early 2009 that the policy framework needs to be more fully developed to facilitate the implementation of land management activities. Under the GSCLP, the

modified by the Bank's task Team. It was not formally adopted <i>via</i> an amendment to the DCA, but project reporting post-MTR was based on the "revised" structure.]		Government initiated the preparation of a special planning policy and a land valuation policy. In the absence of an agreed LMSSP, the project is no longer expected to produce many of the outputs planned for this component.
Original sub-components	(a) Clarification of procedures for defining land classes (e.g., forest, protected areas, and land under private, public and concession use)	Successful. The land classification policy was approved by the CLP and the guidelines were prepared. The Policy Document of State land Management was prepared (2004) and the State land Sub-Decree #118 was signed (October 2005).
	(b) Procurement of aerial photographs and satellite images	The acquisition of aerial photography and the production of orthophoto maps were achieved through contracts with international companies (Blominfo of Denmark and Finnmap of Finland).
	(c) Preparation of land classification maps for project provinces (showing boundaries of forests, protected areas, and land under private, public and concession use)	Some work was done with GTZ support in the Department of Land Use Planning in the General Department of Cadastre and Geography. However, no land classification maps of project provinces were ultimately prepared.
Revised sub-components	(a) State land mapping	The legal framework for land management was reviewed. Only a few state properties have been sporadically registered following ministerial requests.
	(b) Support to spatial planning	Partly implemented. Spatial Planning Policy under development.
	(c) Support to commune boundary demarcation.	The development of "district strategic plans" was piloted in five districts before the introduction of LASSP. In early 2009, it was anticipated that Land Use Planning would continue after the adoption of the spatial planning policy and the legal framework.
	(d) Support to the NSDI.	The development of the multi-purpose cadastre is expected to support the NSDI.

Annex 12. Anticipated Critical Risks at Appraisal, and Actual Outcomes

Risk	Risk Rating	Risk Mitigation Measure	Risk Outcome
From Outputs to Objective:			
1. All necessary Sub-decrees identified in the Land Law (2001) are not approved and enacted.	S	A continuous dialogue will be maintained with the Government on the Land Law and related Sub-decrees. TA will be provided to the Government to draft the required Sub-decrees.	
2. The judicial system is not strengthened.	S	The Judicial Reform Project will assist in strengthening the judicial system. The ADB-financed TA will include a substantial component to train judges in the Land Law.	
3. Governance does not improve.	H	Several projects supported by IDA and other donors aim to improve governance.	
4. The financial sector continues to be weak.	S	ADB is supporting the financial sector.	This risk was considered to be relevant to the achievement of PDO#2. Financial sector reform began in 1996 with a modern central banking law; numerous banks were closed and prudential regulations were tightened. The sector was small, concentrated and highly dollarized. By late-2009, it was reported that balance sheets had weakened and credit risks had risen. Further capacity-building was needed to safeguard the financial system. The financial sector, therefore, can be considered to have improved during the decade of the 1990s but remained with numerous vulnerabilities, and its impact on the achievement of PDO#2 cannot accurately be determined.
5. The “secure land transactions” law is not enacted.	S	Dialogue will be maintained with other donors to encourage them to support the “secure land transactions” law.	

6. A slow-down occurs in economic growth.	S	External to the project.	Over the period 2001-2009, annual economic growth was an average of 7.9 per cent. The growth rate fell to 6.7 per cent in 2008 and to -2.7 per cent in 2009, as a result of the global financial crisis.
From Components to Outputs:			
7. The SGCLP does not have the capacity to oversee the formulation of policies and regulations.	M	The project includes support to the SGCLP to ensure that it is able to perform its duties.	The risk was successfully mitigated and the SGCLP was able to function effectively.
8. The Council of Ministers does not support the necessary institutional reforms.	S	IDA is maintaining an active dialogue with the MLMUPC, and the project will be scaled-back if the commitment to reforms flags.	
9. Counterpart funds are not available.	M	Continued dialogue with MEF (will be maintained) to explain the fiscal benefit of the project for Government revenues.	Counterpart funds were made available on a timely basis.
10. The capacity of NGOs is inadequate to mobilize communities to participate in the process of systematic adjudication.	M	The project will provide training to NGOs on participatory tools, land issues and other topics, and will support them throughout the adjudication process.	NGOs were unable to participate in the role prepared for them in the project, but not because of any lack of capacity.
11. Government lacks the commitment to ensure that the dispute resolution mechanisms function efficiently and fairly.	S	The project includes support for strengthening the mechanisms of dispute resolution. IDA will maintain an active dialogue with the Government and development partners <i>re</i> commitment. The project will be scaled-back if commitment to a fair process of dispute resolution is inadequate.	A lack of commitment by the Government is one of numerous factors that have prevented dispute mechanisms from functioning efficiently and fairly.
12. Government entities and other stakeholders are not able to reach agreement on the process of land classification.	S	The project supports a process of systematic public consultation to build broad consensus for decisions, and will provide TA to the CLP to reach consensus among Government agencies.	The risk materialized fully and was not mitigated by actions taken under the project.
Overall Risk Rating	S		

Annex 13. DCA Covenants and Their Status at Project Completion

Covenant		Status
Section 3.01(b)	The Borrower shall carry out the project in accordance with the Implementation Program, Schedule 4 of the DCA.	Partially complied with
Section 3.02 (a) (b) (c) (d)	The Borrower shall: <ul style="list-style-type: none"> ▪ open an account in the NBC and maintain it until completion of the project; ▪ deposit an amount equivalent to US\$100,000; ▪ replenish the account, maintaining a minimum balance of US\$50,000; ▪ ensure that the funds deposited are used exclusively to finance expenditure under the project. 	
Section 3.03	Procurement shall be governed by Schedule 3 of the DCA	Partially complied with
Section 3.04 (a) (b)	The Borrower shall: <ul style="list-style-type: none"> ▪ prepare and furnish to the IDA, not later than six months after the Closing Date, a plan designed to ensure the continued achievement of the objectives of the project; ▪ afford the IDA a reasonable opportunity to exchange views on the plan with the Borrower. 	Not complied with
Section 4.01 (a) (b) (i) (ii) (iii)	The Borrower shall: <ul style="list-style-type: none"> ▪ maintain records and accounts to reflect the operations, resources and expenditures in respect of the project; ▪ have the records and accounts audited; ▪ furnish to the IDA the audit report not later than six months after the end of the fiscal year; ▪ furnish to the IDA any other information reasonably requested. 	Complied with Complied with Partially complied with Complied with
Section 4.02 (a)	The Borrower shall carry out a time-bound action plan for the strengthening of the financial management system to enable it, not later than July 1, 2002, to prepare quarterly Project Management Reports, to include the sources and application of funds, physical progress and the status of procurement.	

Section 6.01	The additional conditions of effectiveness were:	
(a)	<ul style="list-style-type: none"> ▪ the establishment of an adequate financial management system to ensure proper accounting, monitoring and reporting of project operations, resources and expenditures; 	Complied with
(b)	<ul style="list-style-type: none"> ▪ the opening of the Project Account and the transfer of the Initial Deposit; 	Complied with
(c)	<ul style="list-style-type: none"> ▪ the adoption of the Project Implementation Manual (PIM). 	Complied with
Schedule 4		
I. 2	The Borrower shall maintain during the implementation of the project a Land Policy Council to provide guidance to MLMUPC with respect to project implementation.	Complied with
I.3	The Borrower shall maintain at all times a Project Management Office within MLMUPC, headed by a Project Director and including a financial management officer and a monitoring and evaluation specialist.	Complied with
I.4	The Borrower shall implement the project through Provincial Project Management Offices.	Complied with
I.5	The Borrower shall manage the project on the basis of Annual Work Plans and Budgets (AWPBs), which will be provided to the IDA no later than July 31 of each year, starting in 2002.	
I.6	The Borrower shall carry out the project in accordance with the timetable and procedures set out in the PIM.	
II.1	The Borrower shall maintain policies and procedures to enable it to monitor and evaluate the project and the achievement of the objectives.	Not complied with
II.2	The Borrower shall prepare a report on progress made in project implementation, on or about April 30 and October 30 of each year.	Complied with
II.3	The Borrower shall prepare a mid-term review report, on or about September 30, 2004.	Complied with
II.4	The Borrower shall review the mid-term review with the IDA by October 31, 2004.	Complied with
III.1	The Borrower shall carry out the project in accordance with the Environmental and Social Guidelines, including the Resettlement Policy Framework and the Policy Framework for Indigenous peoples.	Not complied with

III.2	The Borrower shall develop and implement a restructuring plan for the MLMUPC by December 31, 2003	Not complied with. The restructuring was delayed pending the finalization and implementation of the Organic Law.
III.3	The Borrower shall issue:	
(i)	▪ the sub-decree on the organization and functions of the cadastral administration by July 1, 2002; and	Complied with (May 2002)
(ii)	▪ a ministerial instruction for the implementation of the sub-decree by December 31, 2002.	Complied with (May 2002)
III.6*	The Borrower shall, through the MLMUPC, respond to each report by the internal auditor within ten days	
III.8 (f)*	Contract an Independent Technical Audit	Complied with after delay (see para 2.4.13 for current status)
III.9*	Appoint the IPA	Complied with after a delay
III.11*	Carry out the audit of the PBFAs	Complied with

Note: * additional covenants introduced after the suspension of disbursements was lifted.

Annex 14. Key Issues and Actions defined in the PSRs and ISRs

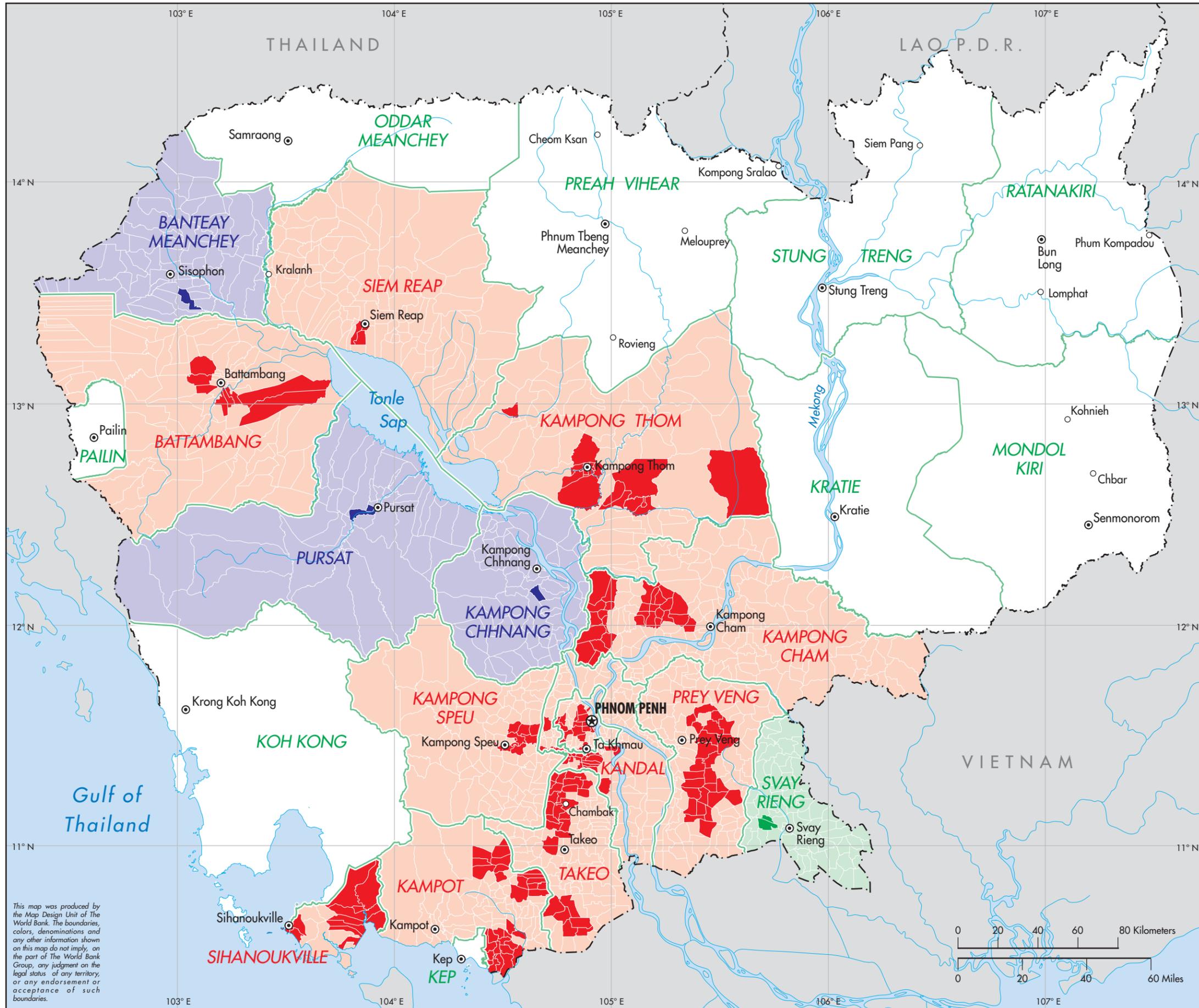
Key Issues and Actions	Date initially included in the PSR/ISR ^{**}	Date initially proposed for achievement	Date achieved	Proposed achievement date carried forward ^{***}
	<u>PSR Sequence #2</u>			
Adjudication and surveying will be stopped until the backlog of issuance of titles is completely removed. Field surveying and adjudication will only start after the number of titles issued has reached 50,000.	05/28/2002	09/30/2002		05/01/2003
The Central Project Management Office (CPMO) will submit to the Technical Committee a detailed plan to resolve the backlog (in the distribution of titles).	05/29/2002	05/01/2003		
A deployment plan for the adjudication teams will be submitted to the Bank for review.	05/29/2002	09/01/2002		11/30/2002
MLMUPC will propose a fee structure for first-time registration and send it to the Bank for review.	05/29/2002	09/01/2002		11/30/2002 08/31/2003 01/31/2004
A weekly management technical meeting will be held, chaired by the Minister or his representative.	05/29/2002	06/01/2002		
The budget for FY2002 will be revised and submitted to the Bank for review.	05/29/2002	09/30/2002		
A draft Public Awareness and Community Participation Strategy will be prepared.	05/29/2002	09/01/2002		
The CPMO will prepare TORs for the participation of NGOs in Component 3.	05/29/2002	09/01/2002		11/30/2002
The CPMO will prepare the detailed staff list for salary supplements, consult MEF and send it to the Bank for review.	05/29/2002	05/30/2002		10/31/2002
The Ministerial Instructions for the Cadastral Commissions will be prepared and approved.	05/29/2002	08/31/2002		
The Secretariat will be established and staff nominated at central and provincial levels.	05/29/2002	09/30/2002		
The Ministerial Instructions on Systematic and Sporadic Land Registration will be completed and approved.	05/29/2002	08/31/2002		
	<u>PSR Sequence #3</u>			
The CLP will prepare a detailed plan to develop policy direction papers and undertake public consultation for priority policy areas defined.	11/06/2002	10/31/2002		
The CPMO will prepare detailed TOR for the proposed land market study and send it to the Bank for review.	11/06/2002	11/30/2002		
[*] i.e., the date of the PSR/ISR in which the “New Action” appeared ^{**} PSRs and ISRs Sequence #1, 5, 8, 11, 13, and 16 did not introduce any “New Actions”. ^{***} i.e., the later date proposed for achievement, or when “undefined” the date of the ISR in which the action is “carried over to the next ISR”				

A proposal will be prepared to permit changes to be made when significant technical errors are identified after public display.	11/06/2002	12/31/2002		
A detailed plan will be submitted to the Minister (of MLMUPC) to outline the future activities of the Cadastral Commission.	11/06/2002	10/31/2002		
A detailed plan to achieve the land management activities will be prepared and submitted to the Minister.	11/06/2002	11/30//2002		
TORs for the audit will be prepared and submitted to the Bank for review.	11/06/2002	11/15/2002		
An internal auditor to report to the Project Director will be appointed.	11/06/2002	04/01/2003		08/30/2003 01/31/2004 02/29/2004 03/31/2004 09/30/2004
The CPMO will prepare procurement documents for the design of the Ministry and Provincial Land Office buildings for review by the Bank.	11/06/2002	11/30/2002		
	<u>PSR Sequence #4</u>			
A final decision will be made concerning the form of the Land Register.	05/19/2003	06/30/2003		
The Secretariat of Social Concession will submit the design of the pilot (project) to the Bank for review.	05/19/2003	07/31/2003		
A comprehensive report will be prepared assessing the experience of the Cadastral Commissions in the first three provinces.	05/19/2003	12/31/2003		04/30/2004
A local consultant will be hired for the Procurement Unit.	05/19/2003	06/30/2003		01/31/2004
MLMUPC will sign a contract with CDRI for the socio-economic and environmental impact assessment.	05/19/2003	06/30/2003		
Submit the audit report for FY2002.	05/19/2003	06/30/2003		
MLMUPC will review the fee structure for sporadic registration to establish a fee that closely reflects the actual cost under the project and implement it.	05/19/2003	06/26/2003		01/31/2004 09/30/2004 03/31/2005
Complete the procurement of the design of the Ministry's building, the RUA building and the provincial and district-level model office building, and submit draft bidding documents for construction of buildings.	05/19/2003	08/31/2003		04/30/2004 08/31/2004 12/31/2004
	<u>PSR Sequence #6</u>			
A policy on titling on road corridors will be developed and approved by the CLP.	01/29/2004	04/30/2004		12/31/2004
A Ministerial Instruction will be issued for the registration of co-ownership.	01/29/2004	05/30/2004		12/31/2004
Consultations on Economic Land Concessions and state land management policies will be completed.	01/29/2004	06/30/2004 07/31/2004 09/30/2004 01/31/2005		- 09/30/2004 09/30/2004 -
<ul style="list-style-type: none"> ▪ The draft policy will be submitted to the CLP. ▪ The sub-decree will be submitted to the COM ▪ The draft sub-decrees on state land management and on economic concessions, and the strategy 		-		- -

on Indigenous land rights will be finalized. ▪ The two sub-decrees will be promulgated.		06/30/2005		-
MLMUPC will streamline sporadic titling: ▪ Complete and approve Ministerial Instructions ▪ Finalize fee structure ▪ Complete the Operations Manual ▪ Initiate training of provincial and district officials	01/29/2004	- 02/29/2004 - 03/31/2004 04/30/2004		09/30/2004 03/31/2005
Ministerial Instructions on land registration to be issued. The Manual of Operations will be prepared and adopted. District Land Office officials would start work.	01/29/2004	02/29/2004 03/31/2004 04/30/2004	03/19/2004	
Bidding documents and technical specifications for the geodetic network to be prepared and submitted to the Bank	01/29/2004	05/30/2004		12/31/2004
A transparency and accountability strategy would be completed and approved by the Minister	01/29/2004	05/30/2004		
The Procurement Plan for FY2004 to be submitted to the Bank for review.	01/29/2004	02/29/2004		
	<u>PSR Sequence #7</u>			
Draft instructions for the implementation of Article 18 of the Land Law will be prepared	06/28/2004	09/30/2004		09/30/2004 01/31/2005
	<u>ISSR Sequence #9</u>			
Clearing the backlog of undistributed titles.	06/23/2005	10/31/2005	09/30/2007	undefined >06/20/2006 >06/23/2007
Review project management arrangements.	06/23/2005	10/31/2005	08/20/2007	undefined >06/20/2006 >06/23/2007
Resolve the bottlenecks in systematic registration.	06/23/2005	08/31/2005	12/21/2007	undefined >06/20/2006 >06/23/2007
Investigate informal payments to MLMUPC staff for land registration.	06/23/2005	09/30/2005	11/19/2008	undefined >06/20/2006 >06/23/2007 >12/28/2007 >06/27/2008
	<u>ISSR Sequence #10</u>			
Complete all outstanding actions agreed in the Action Plan from the June 2005 Supervision Mission.	12/29/2005	01/31/2006	01/31/2006?	undefined >06/20/2006 >06/23/2007
Undertake an independent review of land-related legislation.	12/29/2005	04/30/2006	06/12/2007	undefined >06/20/2006

				>06/23/2007
MLMUPC to report to the Bank on actions taken in response to the issues raised in the IA reports.	12/29/2005	12/31/2005	08/22/2007	undefined >06/20/2006 >06/23/2007
Develop and submit a proposal, with time-bound actions, for the restructuring of MLMUPC.	12/29/2005	04/30/2006	04/30/2006	undefined >06/20/2006 >06/23/2007
Review the recommendations on PBFAs, prepare a detailed implementation plan and submit it to the Bank.	12/29/2005	01/15/2006	11/30/2007	undefined >06/20/2006 >06/23/2007
	<u>ISR Sequence #12</u>			
All outstanding actions from the December 2005 Supervision Mission to be completed.	06/23/2007	10/31/2007	06/11/2008	undefined >12/28/2007
Develop a proposal with time-bound actions for the restructuring of MLMUPC. Implement the restructuring before the Closing Date.	06/23/2007 06/23/2007	11/30/2007		undefined >12/28/2007 >06/27/2008 >04/08/2009
Review Phnom Penh titling productivity levels, and develop options for: ▪ the most cost-effective use of LMAP resources ▪ maximizing overall LMAP titling productivity.	06/23/2007	10/31/2007		undefined >12/28/2007 >06/27/2008 >06/27/2008
Take all necessary steps to clear the backlog (of titles) of 190,000 cases to be reduced by at least 50,000.	06/23/2007	01/01/2008	02/15/2008	undefined >12/28/2007
Submit the FY2005 and FY2006 audit reports to the Bank.	06/23/2007	06/30/2007	11/30/2007	
	<u>ISR Sequence #14</u>			
Complete an aging analysis to link payments made for to date titles delivered and titles adjudicated but not delivered, as of December 2007.	12/28/2007	02/15/2008	02/15/2008	-
Deliver all titles that were adjudicated and paid from PBFAs before March 31, 2007. Deliver all titles adjudicated and paid from PBFAs before January 1, 2008 Reconcile all payments made in relation to those titles.	12/28/2007	05/31/2008 02/28/2009	-	undefined >06/27/2008 >06/27/2008 >06/27/2008
Prepare a redesigned performance-based incentive scheme for Land Registration Teams, and implement it after the Bank's review and agreement.	12/28/2007	03/31/2008	05/30/2008	-
Contract an independent technical auditor to undertake a special audit of the performance-based initiatives paid to Land Registration Teams.	12/28/2007	05/31/2008	10/17/2011 (expected)	undefined >06/27/2008 >06/27/2008 >06/27/2008

Extend the Bank-executed CIDA TF by amending the Administration Agreement, and extend and redesign the Grant Agreement with the Government.	<u>ISR Sequence #15</u> 06/27/2008	07/15/2008	10/21/2008	
The Implementation Completion Report will be prepared and finalized by June 30, 2010.	<u>ISR Sequence #17</u> 03/09/2010			



CAMBODIA LAND MANAGEMENT AND ADMINISTRATION PROJECT Project Area by Financing Source — September 2009

- | | |
|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| ■ WORLD BANK FINANCED PROJECT COMMUNES | ■ WORLD BANK FINANCED PROJECT PROVINCES |
| ■ CIDA FINANCED PROJECT COMMUNES | ■ CIDA FINANCED PROJECT PROVINCES |
| ■ GOVERNMENT FINANCED NON-PROJECT COMMUNES | ■ GOVERNMENT FINANCED NON-PROJECT PROVINCE |
-
- SELECTED CITIES AND TOWNS
 - ⊙ PROVINCE CAPITALS
 - ★ NATIONAL CAPITAL
 - RIVERS
 - COMMUNE BOUNDARIES
 - PROVINCE BOUNDARIES
 - - - INTERNATIONAL BOUNDARIES



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