1. Project Data:

- **OEDID**: L3051
- **Project ID**: P004386
- **Project Name**: Land Mobilization Project
- **Country**: Papua New Guinea
- **Sector**: Other Agriculture
- **L/C Number**: Loan 3051-PNG
- **Partners involved**: IBRD, Govt. of PNG, Govt. of Australia
- **Prepared by**: John Heath, OEDST
- **Reviewed by**: Luis Landau
- **Group Manager**: Roger Slade
- **Date Posted**: 03/12/1998

2. Project Objectives, Financing, Costs and Components:

   **Objectives**
   (a) Create a clear policy and legislative environment to promote investment in land;
   (b) Enable customary land owners to participate more in the development of their own land;
   (c) Provide effective land services (surveying, valuation, registration etc.) to all land users;
   (d) Transfer land administration from the national government to provincial governments; and
   (e) Optimize the use of alienated land.

   **Components**
   (a) Construction and equipment of offices and staff houses;
   (b) Technical assistance to raise land administration quality standards; and
   (c) Incremental recurrent costs, including staff salaries

   **Costs**
   (a) Total project cost
      — Appraisal US$42.8 million
      — Actual US$28.7 million
   (b) Loan amount US$19.6 million of which US$451,000 was cancelled

3. Achievement of Relevant Objectives:

   (a) After a long delay some progress was made in the drafting of improved legislation; but apart from the
   Consolidated Land Law of 1996 no new legislation has been approved by Parliament;
   (b) No steps were taken to increase participation of customary land owners in the development of their own land;
   (c) Very little progress was made in improving land services. A system was developed for processing information
   on land transactions; although it is suitable for PNG circumstances there has been little progress in
   implementation—throughout the country there are still backlogs at every stage of the land transaction process;
   (d) Government has begun to transfer some land administration functions from the center to the provinces but
   progress is very patchy and maintaining quality control for the decentralized functions has been hampered owing to
   persistent budget problems;
   (e) There is no evidence of any improvement in the use of alienated land; the 1989-92 survey of land availability
   was not completed and the (partial) results were not used for planning purposes.

4. Significant Achievements:
The consolidation of disparate pieces of land law is nearly complete, and the Consolidated Land Law of 1996 has
been enacted.

5. Significant Shortcomings:
The designers of the project assumed that the existing land tenure system was a major constraint on economic and
social development in PNG without looking at the bigger picture, considering alternatives, or having a detailed
discussion of the issue with stakeholders. Although the long-term objectives of the government's Land Mobilization Program are probably valid, in the short-run, there are a number of institutional weaknesses that remain to be strengthened. The project failed because it was much too ambitious given government's weak implementation capacity.

<table>
<thead>
<tr>
<th>6. Ratings:</th>
<th>ICR</th>
<th>OED Review</th>
<th>Reason for Disagreement / Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outcome:</strong></td>
<td>Unsatisfactory</td>
<td>Unsatisfactory</td>
<td></td>
</tr>
<tr>
<td><strong>Institutional Dev.:</strong></td>
<td>Partial</td>
<td>Negligible</td>
<td>Owing to weak government commitment there was no real progress in building institutional capacity.</td>
</tr>
<tr>
<td><strong>Sustainability:</strong></td>
<td>Uncertain</td>
<td>Uncertain</td>
<td></td>
</tr>
<tr>
<td><strong>Bank Performance:</strong></td>
<td>Deficient</td>
<td>Unsatisfactory</td>
<td></td>
</tr>
<tr>
<td><strong>Borrower Perf.:</strong></td>
<td>Deficient</td>
<td>Unsatisfactory</td>
<td></td>
</tr>
<tr>
<td><strong>Quality of ICR:</strong></td>
<td>Satisfactory</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

7. Lessons of Broad Applicability:
Do not launch land administration projects without adequate foundation in sector work and a full and well-informed discussion with stakeholders of future land tenure options; do not assume in advance of such discussion that “irregular” land administration is necessarily a major development constraint.

8. Audit Recommended?  ☐ Yes  ● No

5. Comments on Quality of ICR:
The ICR gives a complete, clear and internally consistent account of the project. No comment receive from Government and cofinanciers.