



Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 22-Nov-2016 | Report No: PIDISDSC17681



BASIC INFORMATION

A. Basic Project Data

Country Lebanon	Project ID P159692	Parent Project ID (if any)	Project Name Land Administration System Modernization (P159692)
Region MIDDLE EAST AND NORTH AFRICA	Estimated Appraisal Date Jan 23, 2017	Estimated Board Date Sep 26, 2017	Practice Area (Lead) Social, Urban, Rural and Resilience Global Practice
Lending Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency General Directorate of Land Registration and Cadastre	

Financing (in USD Million)

Financing Source	Amount
International Bank for Reconstruction and Development	50.00
Total Project Cost	50.00

Environmental Assessment Category B-Partial Assessment	Concept Review Decision Track II-The review did authorize the preparation to continue
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Other Decision (as needed)

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B. Introduction and Context

Country Context

Lebanon is a small, culturally, politically and economically open, middle income country with 4.5 million people in 2013, with tourism and financial services being the backbone of the national economy. It lies at the epicenter of one of the most volatile regions in the world, and is continuously exposed to sizeable political and security shocks with elevated risks of violence and conflict as evidenced by the devastating civil war that lasted from 1975 to 1990, the more recent 2006 war and the on-going spillover into Lebanon of the Syria War. Frequent conflicts have fundamentally altered conditions across sectors—governance, infrastructure, and the macro-economy—compromising the country’s development path. For the past 25 years Lebanon has struggled to reduce widespread poverty and has failed to generate inclusive growth and jobs due to the presence of two mutually reinforcing and pervasive (overarching) constraints: 1) a confessional/ system of governance that has increasingly led to paralysis of decision-making and is prone to external influence and (2) Conflict and violence (stemming, in part, from the broader dynamics of conflict in the Middle East).

A series of reforms must be tackled with a sense of urgency, if Lebanon is to generate the number and quality of jobs it needs for its citizens and achieve progress towards the Twin Goals, to avoid further deterioration in the well-being of citizens and, importantly, to manage the added pressures stemming from regional conflicts. The key actions that could improve Lebanon’s development prospects are: a) reduce macro-fiscal



vulnerabilities; (b) improve governance and effectiveness of public institutions; c) address energy gaps to increase productivity of the private sector and reduce the macrofiscal burden; d) strengthen ICT so Lebanon is fully connected to the global economy and can develop jobs improve the business climate to ease the burden on firm creation and operation; g) increase investments in transportation so people and products can move efficiently; and h) address environmental issues to protect Lebanon's natural resources, including water.

Improving the security of land and property rights would be fundamentally important part of the required response in particular during the times of conflict and high demand of land for shelter, urbanization and food production, and increased frequency of natural disasters due to the progressing climate change. Data availability and access to information has been identified as a foundational constraint that impacts evidence-based policy making and stands in the way of an informed population. Major deficiencies exist in the timeliness of data, its reliability due to weak overall statistical capacity, and inadequate data coverage of poverty, income distribution, and economic measurements such as balance of payments. While some ministries have enhanced disclosure of data and reports published, the general public has limited access to information that is typically publicly available in other countries. Increased access to reliable geospatial data would be foundational to the needed to boost innovation, business development, job creation and growth, and informed decision making, and enhancing the revenue base and local governance.

Sectoral and Institutional Context

Land tenure in Lebanon is based on the French Protectorate era Civil Law and private ownership of land and property. Investments in land and buildings are perceived as among the most attractive sources of profit in the country. However, there is a lack of clarity in ownership, incomplete overall registration of state and public lands and weak institutional arrangements, which lead to an inefficient utilization of natural resources, land and property, also impacting the protection of environment by allowing overexploitation, encroachment and informal development. Informality is widespread in public areas and the state land management responsibilities are split between several government agencies and municipalities, and no comprehensive inventory of state lands and properties exists.

The institution in charge of Land Administration in Lebanon is the General Directorate of Land Registration and Cadastre (GDLRC) which operates a well maintained digital land register and cadastre system. However, when compared with similar agencies, the system underperforms in sharing digital geospatial data, record coverage, state land inventory and management, and property taxation valuation. For example, a) the Lebanese land register processes 800,000 manual information requests per year, while the Croatian Land Registry portal (covering roughly the same size population) processes 25 million online queries annually; b) while it is positive that the Lebanese digital land register and cadastre have started to provide some electronic services to the public, the digital records are not recognized as legal records and the manual records are maintained in parallel based on a Registration Law from 1926; c) the Lebanese land register has a good coverage of private properties (land parcels and apartments), but the cadastre covers only 55% of land parcels; and d) no direct access to digital land registry and cadastre is provided beyond some technical departments of the Ministry of Finance (MOF) and GDLRC.

The current property taxation valuation system needs to be reformed. Specifically, the transaction (value) registration process leaves room to subjectivity, is vulnerable to corruption, and results in registration of lower-than-market values, which impacts available market information and, together with non-harmonized valuation practices, equitability of property taxation.

A basic National Spatial Data infrastructure has been created in the regulatory framework and it is positive that the Lebanon-Syria coordinate reference system is used for all mapping although some control points have been destroyed. While also a technically sound Geoportal has been established, it lacks connection to most geospatial datasets and it does not provide public services and, while a recent (2013) satellite imagery exists, it is not shared widely and more detailed base mapping is outdated. Overall, Lebanese land administration has many basic elements and capacities in place, but the potential is not capitalized to modern digital land administration infrastructure and services.

Relationship to CPF

The proposed project would modernize the digital land administration system and support the World Bank's Country Strategic Framework (CPF) FY16 – FY22 under the cross cutting theme Governance and Strengthening of the Social Contract with multiple contributions to transparency and good governance in the land administration, property taxation, and geospatial sectors. The project would increase the transparency of property transactions, and improve access to Land Registry and geospatial data, and thus enhance accountability and informed decision making. The project would also foster debate on land policy reforms and strengthen the eGovernance program by linking the land and geospatial records and services to the eGovernance portal. In addition, the project would contribute to both Focus Areas of the CPF by expanding physical and institutional capacity in the land sector (enhancing land administration, state land management, property valuation and property taxation capacities) and by expanding economic opportunities through widened access to land and geospatial data to support multiple private and public sector innovations

C. Proposed Development Objective(s)



To modernize the Land Registry and Cadastre system of Lebanon to improve access to land use data, property rights data, and geospatial information.

Key Results (From PCN)

1. Increased access to digital real property registration services (% of land registry and cadastre records available for public viewing).
2. Average number of days to register a property transaction (#; land administration core indicator);
3. User perception of quality of real property registration services (%; gender-disaggregated, gender and land core indicator);
4. Number of eServices launched by the Land Registry and Cadastre for governmental and non-governmental users i.e. line ministries, government agencies, commercial banks, notaries, private surveyors ... (#);
5. Number of geospatial datasets accessible through NSDI (#);
6. Automated State Land Management integrated to the digital Land Registry and Cadastre system (yes/no);
7. Establishment of an integrated and equitable methodology for Rental Value valuations (yes/no);
8. Institutional sustainability of the Land Registry and Cadastre sector improved (yes/no).

D. Concept Description

The development objective of the proposed project would be achieved by i) modernizing land administration solutions, technologies and networks, ii) implementing NSDI for public sharing of geospatial data and services, iii) developing a mass valuation system and property taxation pilot, iv) upgrading the state land management system, v) encouraging sustainability and enhancing the implementation of institutional reforms and capacity building through better governance, and vi) gradually phasing out the overlapping and parallel (historical) land administration operations.

The beneficiaries of the project would be: a) the public who can own, lease, mortgage and use land and property under the protection of legal registration of rights, b) property tax payers and owners whose property could be subject to expropriation, that will benefit from more equitable and transparent land values c) investors who can rely on the secure access to real estate and improved access to credit, d) government, municipalities, non-governmental organizations, the private sector and academia that can make use of online access to accurate geospatial information, and e) GDLRC in particular, that gains from more sustainable operations and institutional structures. Society overall that benefits from improved land governance supported by up-to-date and accessible spatial information on land and property and their transactions, which will increase accountability and informed decision making, as well as policy making concerning land, property and natural resources.

The project would have five components and tentatively 50 million USD loan cost:

Component A; Modernization of the digital Land Registry and Cadastre system, 15 million USD. The objective of this component would be to implement the integrated ICT solution for Digital Land Registry, Cadastre and State Land Management. The project would 1) implement the new integrated Land Registry and Cadastre system establishing a unified database; 2) improve ICT infrastructure and applications; 3) implement new eServices and integration with external systems; 4) establish digital archives and a disaster recovery center; 5) scan and vectorize remaining paper index maps, 6) improve key technical and office premises and finally 7) introduce an electronic mailing system and include solutions for digital signature and electronic conveyancing. The system would be developed based on a business processes analysis and re-engineering, and then it would be piloted, rolled out, and the staff would be fully trained to operate it.

Component B; National Spatial Data Infrastructure, 8 million USD. The objective of this component would be to enhance the identification, storage, use, sharing and exchanging of geospatial data and services in Lebanon. This would be achieved by providing access to Land Registry and Cadastre data and other public geospatial datasets through the NSDI. The project would 1) the develop and implement an NSDI Strategy based on international best practices and open standards; 2) design and operationalize a Continuously Operating Reference Station (CORSS) system; 3) create a seamless basemap (orthorectified imagery or aerial photo); 4) upgrade NSDI technologies and infrastructure and 5) link NSDI to the eGovernance system of Lebanon.

Component C; Property Valuation and Taxation 12 million USD. The objective of this component would be to establish a mass valuation system and Land Value Map (adjusted by price indices) to increase market transparency, reduce banking sector/mortgage risk as well as enhancing the recurrent property tax. The project would 1) develop mass appraisal methodologies; 2) undertake a data inventory of all fiscal data on land and property within Lebanon; 3) develop a Land Value Map in association with real market derived indices; 4) produce a general revaluation of all



properties in the Lebanon; 5) study options for a holistic reform of the property tax which would include a review of the basis of the tax; 6) draft modern regulations to support the reform of the property tax; 7) provide for the training and capacity building of GDLRC and DOF staff and the sector stakeholders; and 8) provide for a socio-impact analysis of the revaluation and proposed tax reform and 9) improve the valuation education and finally facilitate the adherence to international valuation standards of the valuation profession in the country.

Component D; State Land Inventory and Management, 10 million USD. The objective of this component would be to integrate State Lands into the Land Registry and develop a new State Land Management System. The proposed project would 1) identify State Land related objects on the cadastral base map based on an enhanced classification system; 2) develop a land use monitoring data layer (in support to decision making on illegal buildings and encroachment etc.); 3) develop capacities in the GDLRC's regional offices to carry out state land monitoring; 4) create an ICT system module for State Land Management (with map improvement, territorial management, expropriation, investment planning, auction and renting functionalities); 5) link spatial zoning plans to the Land Registry, Cadastre and State Land Management System (eventually through NSDI); and 6) develop and adopt a new strategy, inter-institutional agreements and inter-agency coordination for State Land Management. Subject to further consideration during the project preparation, the Component may also finance piloting or a limited campaign to survey and register non-registered state lands, but this may not be feasible due to associated social vulnerabilities or the scarcity of the project budget.

Component E; Regulatory and Institutional Development, Capacity Building and Project Management, 5 million USD. The objective of this component would be to improve the institutional and governance structures of the GDLRC in order to permit the successful implementation of the overall project and to ensure the sustainability of the planned outcomes. It aims at developing modern governance structure for the land administration system and also to provide project management, reporting, fiduciary and safeguards support to the project implementation. The project would 1) support institutional reform of the GDLRC through the development and implementation of an institutional vision, strategy, and operational plan; 2) provide a legal analysis and improve the regulatory framework where possible; 3) implement structures to enhance the accountability of GDLRC to key stakeholders; 4) enhance GDLRC's HR policies and procedures (including training, capacity building, remuneration, job rotation and recruitment); 5) generate public outreach activities to improve public perception of the GDLRC and its services; 6) setup a grievance mechanism within GDLRC or strengthen the existing ones in order to ensure that there is an accessible and effective system to manage citizens' concerns with regard to services that will be changed by the project, and other concerns more broadly; (7) monitor and evaluate project activities; 8) provide technical assistance to support project implementation; and 9) maintain a Project Implementation Unit (PIU) through the project period.

SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project supports the development of national level systems for national coverage. The project supported investments will target central and regional government offices covering the whole country and providing services countrywide.

B. Borrower's Institutional Capacity for Safeguard Policies

The borrower/implementing agency has a limited capacity to implement the World Bank's safeguard policies. However, a Project Implementation Unit (PIU) will be established in the General Directorate of Land Registration and Cadastre that will be responsible and have an adequate capacity for day-to-day implementation of project activities, the project's fiduciary functions, and monitoring and evaluation.

C. Environmental and Social Safeguards Specialists on the Team

Chaogang Wang, Alaa Ahmed Sarhan

D. Policies that might apply



Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The safeguard would be triggered due to the minor technical facility and office space renovation works planned under the Component A. The associated environmental impacts and concerns would include dust, noise, safety on site and waste management. Site specific Environmental Management Plans would be required.
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	The project would not cause land acquisition or any restriction of land use. Although Component D would support a pilot to improve the quality of the state land inventory, by supporting the registration of selected state lands that are not currently registered, no project activity would alter existing legal rights to property, land use or occupancy. Therefore the Bank Policy on Involuntary Resettlement OP 4.12 will not be triggered. However, there is a risk that the improved information and the desire for better management of state assets could potentially lead to decision making on increased evictions. To manage such social risks, a social assessment should be conducted as part of the project as per the requirement of OP 4.01 to assess comprehensively the legal framework and implementation of the Government’s approach to informality such as evictions; the likely risks presented by Component D (with understanding on possible disproportionate impact on vulnerable populations); and the institutional framework that could serve as entry points for mitigation measures. The ToR for the social assessment should be reviewed by the World Bank, with LEGEN and the RSA in addition to the social specialists on the team.
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	



E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Dec 15, 2016

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

OP/BP 4.01 Environmental Assessment safeguards document will be prepared by December 31, 2016.

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APPROVAL

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