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INTERNATIONAL DEVELOPMENT ASSOCIATION
PROJECT APPRAISAL DOCUMENT
ON A
PROPOSED CREDIT
IN THE AMOUNT OF SDR 107.00 MILLION
(US\$150 MILLION EQUIVALENT)
TO THE
SOCIALIST REPUBLIC OF VIETNAM
FOR THE
VIETNAM IMPROVED LAND GOVERNANCE AND
DATABASE PROJECT

June 12, 2016

Social, Urban, Rural & Resilience Global Practice
East Asia and Pacific Region

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CURRENCY EQUIVALENTS

(Exchange Rate as at May 31, 2016)
Currency Unit = Vietnam Dong (VND)
VND 22,390 = US\$1
US\$ 1.40288 = SDR1

FISCAL YEAR
January 1 – December 31

ABBREVIATIONS AND ACRONYMS

CPMU	Central Project Management Unit
CPS	Country Partnership Strategy
DA	Designated Account
DoF	Department of Finance (Province)
DONRE	Department of Natural Resources and Environment (Province)
FA	Financing Agreement
FAO	Food and Agricultural Organization of the United Nations
FIG	International Federation of Surveyors
FM	Financial Management
GDLA	General Department of Land Administration (under MoNRE)
GoV	Government of Vietnam
GRS	Grievance Redress Service
LGAF	Land Governance Assessment Framework
ICR	Implementation Completion and Results Report
ICT	Information and Communications Technology
ISM	Implementation Support Mission
LIM	Land Information Management
LIS	Land Information System
LRO	Land Registration Office
LURC	Land Use Rights Certificate
MoC	Ministry of Construction
MoF	Ministry of Finance
MoJ	Ministry of Justice
MIC	Ministry of Information and Communications
M&E	Monitoring and Evaluation
MoNRE	Ministry of Natural Resources and Environment
MPLIS	Multi-Purpose Land Information System
NSDI	National Spatial Data Infrastructure
MTR	Mid-Term Review
PCRA	Procurement Capacity and Risk Assessment
PDO	Project Development Objective

POM	Project Operations Manual
PPC	Provincial Peoples' Committee
PPMU	Provincial Project Management Unit
PPSC	Provincial Project Steering Committee
PRFM	Project Results Framework and Monitoring
P-RAMS	Risk Management Assessment System
PSU	Public Service Units
SA	Social Assessment
SDR	Special Drawing Rights
SoNRE	Section of the Department of Natural Resources and Environment (District level)
SORT	Systematic Operations Risk Rating Tool
STEP	Systematic Tracking of Exchanges in Procurement
TA	Technical Assistance
ToR	Terms of Reference
TTL	Task Team Leader
VILG	Vietnam: Improved Land Governance and Database Project
ViLIS	Vietnam Land Information System
VLAP	Vietnam Land Administration Project
WB	World Bank

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**VIETNAM:
IMPROVED LAND GOVERNANCE AND DATABASE PROJECT**

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PAD DATA SHEET

Vietnam

Vietnam: Improved Land Governance and Database (VILG) (P154387)

PROJECT APPRAISAL DOCUMENT

EAST ASIA AND PACIFIC

Social, Rural, Urban and Resilience Global Practice

Report No.: PAD1780

Basic Information			
Project ID P154387	EA Category B - Partial Assessment	Team Leader(s) Hoa Thi Mong Pham/ Wael Zakout	
Lending Instrument Investment Project Financing	Fragile and/or Capacity Constraints []		
	Financial Intermediaries []		
	Series of Projects []		
Project Implementation Start Date July 06, 2016	Project Implementation End Date June 30, 2021		
Expected Effectiveness Date December 01, 2016	Expected Closing Date December 31, 2021		
Joint IFC No			
Practice Manager/Manager Jorge A. Munoz	Senior Global Practice Director Ed Jorge Ijjasz-Vasquez	Country Director Achim Fock (Acting)	Regional Vice President Victoria Kwakwa
Borrower: Socialist Republic of Vietnam			
Responsible Agency: Ministry of Natural Resources and Environment			
Contact: Hong Thi Thu Nguyen	Title: Director, Department of International Cooperation, General Department of Land Administration, MONRE		
Telephone No.: 84-04-3629-0529	Email: nthong@gdla.gov.vn		
Project Financing Data(in USD Million)			
[] Loan	[] IDA Grant	[] Guarantee	
[X] Credit	[] Grant	[] Other	
Total Project Cost:	180.00	Total Bank Financing:	150.00
Financing Gap:	0.00		

Financing Source							Amount
BORROWER/RECIPIENT							30.00
International Development Association (IDA)							150.00
Total							180.00
Expected Disbursements (in USD Million)							
Fiscal Year	2017	2018	2019	2020	2021	2022	
Annual	10.0	30.00	30.00	40.00	25.00	15.00	
Cumulative	10.00	40.00	70.00	110.00	135.00	150.00	
Institutional Data							
Practice Area (Lead)							
Social, Urban, Rural and Resilience Global Practice							
Contributing Practice Areas							
Environment & Natural Resources, Governance, Transport & ICT							
Cross Cutting Topics							
[] Climate Change							
[] Fragile, Conflict & Violence							
[x] Gender							
[] Jobs							
[] Public Private Partnership							
Sectors/Climate Change							
Sector (Maximum 5 and total % must equal 100)							
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %			
Information and communications	General information and communications sector	50					
Public Administration, Law, and Justice	General public administration sector	30					
Agriculture, fishing, and forestry	General agriculture, fishing and forestry sector	20					
Total		100					
[X] I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.							
Themes							
Theme (Maximum 5 and total % must equal 100)							
Major theme	Theme					%	

Environment and natural resources management	Land administration and management	60
Public sector governance	e-Government	40
Total		100
Proposed Development Objective(s)		
The Project Development Objective (PDO) is to improve the efficiency and transparency of land administration services in the Project Provinces, through the development and implementation of the national Multipurpose Land Information System (MPLIS).		
Components		
Component Name	Cost (USD Millions)	
Component 1: Strengthening the Quality of Land Service Delivery	6.84	
Component 2: Establishment and Development of the Multi-Purpose Land Information System and Land Database	160.39	
Component 3: Project Management	12.77	
Total	180.00	
Systematic Operations Risk- Rating Tool (SORT)		
Risk Category	Rating	
1. Political and Governance	Moderate	
2. Macroeconomic	Moderate	
3. Sector Strategies and Policies	Substantial	
4. Technical Design of Project or Program	Substantial	
5. Institutional Capacity for Implementation and Sustainability	Substantial	
6. Fiduciary	Substantial	
7. Environment and Social	Moderate	
8. Stakeholders	Moderate	
9. Other		
OVERALL	Substantial	
Compliance		
Policy		
Does the project depart from the CAS in content or in other significant respects?	Yes []	No [X]
Does the project require any waivers of Bank policies?	Yes []	No [X]

Have these been approved by Bank management?	Yes []	No [X]
Is approval for any policy waiver sought from the Board?	Yes []	No [X]
Does the project meet the Regional criteria for readiness for implementation?	Yes [X]	No []
Safeguard Policies Triggered by the Project		
	Yes	No
Environmental Assessment OP/BP 4.01	X	
Natural Habitats OP/BP 4.04		X
Forests OP/BP 4.36		X
Pest Management OP 4.09		X
Physical Cultural Resources OP/BP 4.11		X
Indigenous Peoples OP/BP 4.10	X	
Involuntary Resettlement OP/BP 4.12		X
Safety of Dams OP/BP 4.37		X
Projects on International Waterways OP/BP 7.50		X
Projects in Disputed Areas OP/BP 7.60		X
Legal Covenants		
Name	Recurrent	Due Date
Institutional Arrangements (FA reference: Schedule 2, Section I.A.1-2)	X	
Description of Covenant		
The Recipient shall: (1) at the central level: (a) maintain the National Project Steering Committee; and (b) cause its MONRE to: (i) be responsible for overall oversight of Project management and implementation; and (ii) establish and thereafter, maintain the Central Project Management Unit (CPMU) within the GDLA; and (2) at the provincial level, cause each Project Province to maintain: (a) a Provincial Project Steering Committee; and (b) a Provincial Project Management Unit (PPMU).		
Name	Recurrent	Due Date
On-lending Arrangement (FA reference: Schedule 2, Section I.A.3)	X	
Description of Covenant		
The Recipient, through its Ministry of Finance, shall make available to the Project Provinces, a portion of the proceeds of the Financing in accordance with the Recipient's On-lending Arrangements.		
Name	Recurrent	Due Date
Project Operations Manual (FA reference: Schedule 2, Section I.A.4)	X	
Description of Covenant		
The Recipient, through MONRE, shall, and shall cause the Project Provinces to, apply the POM.		
Name	Recurrent	Due Date

Safeguards (FA reference: Schedule 2, Section I.A.5)	X		Semi Annual
Description of Covenant			
The Recipient, through MONRE shall, and shall cause the Project Provinces to: (a) implement the Ethnic Minority Planning Framework, in a manner satisfactory to the Association; (b) as may be required pursuant to the provisions of said Framework, prepare and implement Ethnic Minority Development Plan(s); (c) provide to the Association for its prior concurrence any revision proposed to be introduced to any of said Framework and Plan(s) in order to achieve their objectives and, thereafter, only introduce such revisions as shall have been agreed with the Association; and (d) maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the Association, the implementation of said Framework and Plan(s).			
Name	Recurrent	Due Date	Frequency
Annual Work Plan and Budget (FA reference: Schedule 2, Section I.A.6)	X		Yearly
Description of Covenant			
The Recipient, through MONRE, shall: (a) by no later than November 30 of each year, commencing in 2016, prepare and provide to the Association for its review and comment an annual work plan and budget for the next succeeding calendar year, which plan shall include a Procurement Plan and a training plan, together with the financing plan, including sources of funds, for each such year; and (b) thereafter implement in a manner satisfactory to the Association such annual work plan and budget as shall have been agreed with the Association.			
Conditions			
Source Of Fund	Name	Type	
IDA	Project Operations Manual (FA reference: Section 4.01 of Article IV)	Effectiveness	
Description of Condition			
The Project Operations Manual has been duly adopted by MONRE, in form and substance acceptable to the Bank.			
Team Composition			
Bank Staff			
Name	Role	Title	Specialization
Hoa Thi Mong Pham	Team Leader (ADM Responsible)	Senior Social Development Specialist	GSU02
Wael Zakout	Team Leader	Lead Land Administration Specialist	GSULN
Nguyen The Dzung	Senior Rural Development Specialist	Task Team Leader (till November 30, 2015)	GSULN

Hoang Xuan Nguyen	Procurement Specialist (ADM Responsible)	Senior Procurement Specialist		GGO08
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Denys Nizalov	Land Governance Monitoring Consultant, FAO	-	London

Locations

Country	First Administrative Division	Location	Planned	Actual	Comments
Vietnam	Nghe An	Tinh Nghe An	X		
Vietnam	Tra Vinh	Tinh Tra Vinh	X		
Vietnam	Tuyen Quang	Tinh Tuyen Quang	X		
Vietnam	Vinh Long	Tinh Vinh Long	X		
Vietnam	Yen Bai	Tinh Yen Bai	X		
Vietnam	Lao Cai	Tinh Lao Cai	X		
Vietnam	Tien Giang	Tinh Tien Giang	X		
Vietnam	Thua Thien-Hue	Tinh Thua Thien-Hue	X		
Vietnam	Thai Nguyen	Tinh Thai Nguyen	X		First year of project implementation
Vietnam	Thai Binh	Tinh Thai Binh	X		First year of project implementation
Vietnam	Tay Ninh	Tinh Tay Ninh	X		
Vietnam	Son La	Tinh Son La	X		
Vietnam	Quang Tri	Tinh Quang Tri	X		
Vietnam	Quang Ngai	Tinh Quang Ngai	X		
Vietnam	Quang Binh	Tinh Quang Binh	X		First year of project implementation
Vietnam	Phu Yen	Tinh Phu Yen	X		
Vietnam	Ninh Binh	Tinh Ninh Binh	X		First year of project implementation
Vietnam	Nam Dinh	Tinh Nam Dinh	X		

Vietnam	Long An	Tinh Long An	X		
Vietnam	Lang Son	Tinh Lang Son	X		
Vietnam	Lam Dong	Tinh Lam Dong	X		
Vietnam	Kien Giang	Tinh Kien Giang	X		
Vietnam	Khanh Hoa	Tinh Khanh Hoa	X		
Vietnam	Ha Tinh	Tinh Ha Tinh	X		First year of project implementation
Vietnam	Can Tho	Thanh Pho Can Tho	X		
Vietnam	Hai Phong	Thanh Pho Hai Phong	X		
Vietnam	Dac Lak	Tinh Dac Lak	X		
Vietnam	Cao Bang	Tinh Cao Bang	X		
Vietnam	Ben Tre	Tinh Ben Tre	X		
Vietnam	An Giang	Tinh An Giang	X		First year of project implementation
Vietnam	Bac Ninh	Tinh Bac Ninh	X		First year of project implementation
Vietnam	Bac Giang	Tinh Bac Giang	X		
Vietnam	Ha Nam	Tinh Ha Nam	X		First year of project implementation

Country: Vietnam
Project Name: Improved Land Governance and Database Project

I. STRATEGIC CONTEXT

A. COUNTRY CONTEXT

1. **Vietnam has experienced rapid and inclusive economic growth since the early 1990s.** Economic renovation (*Doi Moi*) reforms launched in 1986 have transformed it from one of the world's poorest nations into a lower-middle-income country - with per capita gross national income (GNI) of US\$1,980¹ in 2015. Growth has also been inclusive: incomes have risen across the income distribution, with only modest increases in inequality. The percentage of people living in extreme poverty dropped from 50 percent in the 1993 to less than three percent today.² Key social indicators and access to basic infrastructure have also improved substantially.

2. **Nonetheless, significant challenges remain.** In particular, a slowdown in productivity growth, remaining welfare gaps for ethnic minorities (who make up 14 percent of the population but 60 percent of the poor), and environmental degradation coupled with the impact of global climate change threaten the long-term sustainability of the country's development. Furthermore, despite major infrastructure spending needs, Vietnam faces shrinking financing options on account of growing fiscal pressures and insufficient private sector participation. Finally, the institutions of governance that were adequate to carry the country to its lower-middle-income level are now exposing gaps that need to be addressed with urgency and boldness, especially as pressures emerge from economic integration, urbanization, an aging population, and aspirations of a rising middle class. These challenges are well understood by the Government, as reflected in the recent *Vietnam 2035* report it prepared jointly with the World Bank Group.

3. These issues lie at the core of the Socio-Economic Development Plan (SEDP) 2016-20 of the Government of Vietnam (GoV) and the Vietnam-World Bank Group Country Partnership Strategy (CPS) 2012-16. Both the SEDP and CPS emphasize government-wide reforms to ensure macroeconomic stability for accelerated economic growth and poverty reduction. They highlight the importance of effective and sustainable land management and improved governance. Better land administration and management will also help reduce transaction costs and, in the long run, lead to efficient land markets by reducing disputes and enabling easy land investments. At the macroeconomic level, improved land administration and management can directly affect production (e.g., through long-term investment or expanded credit access) or indirectly result in investment (private and public) in roads and infrastructure that complement productive activity.

B. SECTORAL AND INSTITUTIONAL CONTEXT

4. **Over the past 20 years, government reforms—including those in the land sector—have been gaining momentum.** Land reforms in particular have come to be seen as a centerpiece of the Government's *Doi Moi* (reform) process, and are widely recognized as one of the most

¹ All monetary denominations are cited in U.S. Dollars unless otherwise stated.

² Refer to General Statistics Office and World Bank's Poverty Measurement.

important drivers of Vietnam's rapid growth and poverty reduction. Since the commencement of economic reforms in 1986, the Government has taken measures to expand the distribution of land to smallholders and recognize their land use rights. The promulgation of the 2003 Land Law and the adoption of the revised 2013 Land Law represent landmark developments that further enhance land users' rights, laying out a comprehensive legal framework for developing a modern land administration and management system. Nevertheless, the GoV, civil society, and Vietnam's development partners all agree that further improving land governance is critical to strengthening overall governance in Vietnam.³ Such reforms are also stipulated in the GoV's overall SEDP goals and other policy commitments.

5. Vietnam relies on land and natural resources for its economic development. Vietnam's total land area is approximately 33 million hectares, of which only 6.9 million hectares (about 21 percent of the total land area) are available for farming and rice production. Vietnam's rural population, particularly those depending on agriculture as a main source of income, still accounts for about two-thirds of the country's poor.⁴ However, the poor have limited access to productive land and capital for investment. The GoV has undertaken various initiatives to facilitate and equitably issue Land Use Rights Certificates (LURCs) to allow land users to access credit and make investments. This is acknowledged as a priority to enable the poor, women, and ethnic minorities, who are among the most disadvantaged, to use land for productive purposes. In order to target those most in need, the GoV has launched a series of socio-economic development measures in this regard. One such measure is to streamline land administration and enhance tenure security for the most disadvantaged communities.

6. A significant proportion of land parcels are not registered with accurate geo-references and about five percent of land parcels have not been issued LURCs. There are approximately 75-80 million land parcels in Vietnam, of which around 50 million are eligible for the issuance of LURCs. Of the eligible land parcels, close to 42 million land users reportedly have been issued LURCs, mostly smallholders, covering about 23 million hectares of land area.⁵ However, of the LURCs issued, a little more than two-thirds (about 72 percent) are supported with properly geo-referenced coordinates and cadastral maps. Many of the land parcels previously surveyed do not have coordinates and many of those with coordinates use older systems that are incompatible with current technology. Furthermore, many land parcels have not been recorded in digital form, or integrated with a national mapping system. Finally, the land pricing and use systems are not fully integrated with the registration system. On the positive side, among the LURCs issued, it is estimated that around 20 million were issued to female land users (either as individuals or jointly as husband and wife). This represents an unprecedented achievement for gender equality in land rights, not just in Vietnam, but also more generally in East Asia.

7. In the long run, Vietnam's land sector faces two key development challenges: (a) increasingly diversified and competing demands for land resources due to rapid urbanization and

³ Land governance refers to the rules, processes and institutions by which decisions about land access and use are adopted, the way that such decisions are implemented and the way that conflicts related to land and natural resources are managed.

⁴ Refer to Government of Vietnam, Socio-Economic Development Plan, 2016-20 and to www.ctu.edu.vn.

⁵ In general, a Land Use Rights Certificate (LURC) may cover a single or multiple land parcels. However, Land Law 2003 mandated that a LURC cover only one parcel but landholder has an option to apply for covering multiple parcels in a single LURC.

industrialization, land degradation, and climate change; and (b) lack of nationally consistent implementation of the legal framework.

8. The existing legal framework in Vietnam is relatively advanced compared with other lower middle-income countries. The 2013 Land Law took reforms further by extending agricultural land tenure, requiring greater transparency, participation, and accountability in land administration and management.⁶ Under its overall Land Management Strategy, the Government seeks to improve public communication and awareness raising, further improve land policy and the legal framework, set goals for first-time land registration, foster institutional reform in the sector, improve land use planning/zoning, improve land valuation and economic tools, establish regular implementation monitoring of the Land Law 2013, and develop a national Land Information System (LIS).

9. Since 2008, a number of efforts have been undertaken to develop land records and databases, with a total investment of US\$380 million (not including investments made by some provinces independently). In addition, the recently completed World Bank-financed Vietnam Land Administration Project (VLAP, total investment of about US\$90 million) made good progress in improving access by all stakeholders to tenure security and land information services. However, a comprehensive national program remains to be developed to effectively manage and coordinate all such efforts.

10. Despite much progress, fundamental bottlenecks in the land administration sector remain. These stem primarily from inconsistency in implementation capacity between provinces, causing disconnect between the central policy/legal framework and implementation on the ground. It is not uncommon to see the same policy implemented differently across various territorial entities.⁷ On the one hand, land policy formulation and implementation remain overly concentrated at the central level, while spread among more than six central agencies - often with fragmented mandates. On the other hand, there is a functioning land management authority, MoNRE, which oversees land management, water and mineral resources.⁸ In addition, MoNRE's General Department of Land Administration (GDLA) is responsible for overall land administration. In recent years, responsibility for land policy implementation has largely been delegated to the provincial and, to a lesser extent, the district and commune levels. GDLA is supported by the provincial Departments of Natural Resources (DoNREs), district Sections of Natural Resources and Environment (SoNREs), and commune cadastral officers. Land-related public services, such as land registration and information provision, are provided by the Land Registration Offices (LROs) – the fundamental vehicle for implementation of the Government's land policy and legal framework.

⁶ The Land Law also leaves a number of important issues raised during its preparation to be addressed in the future such as multi-sector ownership of land, the recognition of land rights and management practices of ethnic minority communities, and the current broad scope and nature of guidelines on State land acquisition.

⁷ The World Bank (2014): Land Transparency Study.

⁸ This is in accordance with Prime Minister's Decision 714/QĐ-TTĐ dated May 22, 2015 on development of priority databases in Vietnam. This decision also defines roles and responsibilities of all concerned agencies in supporting the priority tasks, including arrangements for institutional coordination, provision of support and guidance on Information Technology (IT) areas, and allocation of funding. This Project is designed to support this Decision.

11. MoNRE and its GDLA, the core land management agencies, are looking to boost their capacity to perform evolving mandates and functions, in particular information systems management. As of 2015, spatial references (e.g., cadastral maps) are still to be developed for one-third of Vietnam's territory and to be updated and digitized for one third of those mapped (or about 7.3 million hectares). Stakeholders' land information needs, such as land use plans or zoning, land prices or land quality, are still not met. The national land information system that would allow efficient provision and sharing land information within land administration and among stakeholders, remains to be fully developed. In addition, the land service delivery system is underdeveloped, partly due to a weak regulatory environment, staffing, working infrastructure, and funding. Finally, the performance of LROs varies widely across provinces and districts and requires further investments in hardware and software to allow Vietnam to catch up with neighboring countries⁹. In response to these challenges and following Prime Minister's Decision 714/QD-TTG dated May 22, 2015 on development of priority databases, including land database, in Vietnam, MoNRE/GDLA has prepared a roadmap entitled: *Comprehensive Program for the Development of Vietnam's Multi-Purpose Land Information System* (February 2016). This document presents consensual views within MoNRE/GDLA on geospatial information management and the implementation of Prime Minister's Decision on the development of public databases (May 2015). The roadmap recommends the development of a Multi-Purpose Land Information System (MPLIS) and a National Land Database by pursuing a centralized model for data storage based on modern technology and building up institutional capacity to meet longer-term requirements for better land administration and management.

12. Recently completed analytical work on land administration policy and management in Vietnam underscores the need for a strong governance and capacity building effort. The Vietnam Land Governance Assessment Framework (LGAF) review¹⁰, the Land Transparency Study, and stakeholder consultations highlight the importance of improving land agency accountability (for management of resources and tasks), in particular the completeness and reliability of land registry information and cost-effectiveness of land services. The analysis also provides a comprehensive review and systematic guidance for the Government and its partners to diagnose and benchmark land governance in order to improve it over time. Subsequent series of broad stakeholder consultations on land governance conducted by the Bank, in close collaboration with MoNRE, during March-September 2014 indicate strong consensus around the need for improving land governance, with an emphasis on gaining efficiency and transparency in land management. In the longer-term, given stakeholders' increasingly diversified demands for land information, ensuring increased access to services will require not only further enhancement of the system but also improved land governance in general. The latter requirement necessitates broader institutional and policy reforms within the existing arrangements for land administration at all four levels (i.e., national, provincial, district and commune).

⁹ For example, the registration of a land sale transaction, on average, in 2013-14 period, required 35 days in Vietnam, seven days in Thailand and around 26 days in Indonesia. It is to be noted that the situation is different in case of VLAP project sites in Vietnam where a land transaction was assessed to be fewer than 20 days (and in case of mortgages the requests were processed by respective LROs in less than two days (Reference: VLAP Independent Monitoring Report, 2015).

¹⁰ The LGAF covered seven broad thematic areas or modules: Legal and Institutional Framework; Land Use Planning, Management and Taxation; Management of Public Land; Public Provision of Land Information; Dispute Resolution and Conflict Management; Large Scale Acquisition; and Forest land.

C. HIGHER LEVEL OBJECTIVES TO WHICH THE PROJECT CONTRIBUTES

13. **The proposed project is aligned with the country's policies and development plans.** The Government's Socio-Economic Development Strategy (SEDS) 2011-2020, Socio-Economic Development Plan (SEDP 2011-2016), and National Environment Protection Development Strategy 2011-2020 all highlight the importance of land reforms in promoting sustainable development in Vietnam. In particular, the Project contributes to the SEDS's General Goal, which is to effectively manage and utilize land resources for accelerated economic growth and poverty reduction, and SEDP Goal 11: Protect and Improve Quality of the Environment, Proactively and Effectively Respond to Climate Change. The Project will conform to the government's decision, as elaborated in the Prime Minister's Decision of May 2015, in developing critical information systems, databases, and delivering public services.¹¹

14. **The proposed project is also closely linked with the Vietnam-World Bank Group's Country Partnership Strategy for 2012-2016 (Report 85986).** Specifically, the CPS is aligned with two key Outcomes: Outcome 1.1 and Outcome 2.1, which seek to: (a) improve economic management and the business environment; and (b) improve natural resources management. In addition, the Project supports the CPS's stated cross-cutting thematic priorities on: (a) strengthening governance; (b) supporting gender equity; and (c) enhancing community participation through increased access to land information and land administration services.

15. **The project contributes to the World Bank Group's twin goals of ending extreme poverty and promoting shared prosperity.** Project investments will increase tenure security of small and medium landholders, who make up the majority of poorer households in Vietnam, and their access to better land administration services. Improved land services will help spur public and private investments in land. The project will be implemented with due regard to international good practices in land administration including the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests (VGGT), endorsed by the Committee on Food Security under auspices of the FAO.

16. **Regarding IDA17 commitments in the areas of gender equality, climate change, and inclusive growth,** the project will focus on supporting a gender sensitive land administration system, including by facilitating gender land use rights analysis through the MPLIS. With regard to climate change, the project will create no adverse effects since it focuses primarily on developing a land information management system to digitize and expedite digitizing processes. In fact, by providing land information through the databases, the project will contribute to improving the effectiveness of disaster risk mitigation measures.

17. **The Project will build on achievements of the Vietnam Land Administration Project (VLAP, P096418) and significant analytical and Technical Assistance (TA) work carried out by the Bank.** This includes support for the drafting of the 2013 Land Law, the Land Transparency Study (2013-2014), National Spatial Development Infrastructure (NSDI) Strategic Framework

¹¹ Refer to Prime Minister's Decision no. 714/QĐ-TTĐ dated May 22, 2015, on development of priority database in Vietnam. The six priorities defined in this decision include land database. This decision also defines roles and responsibilities of all concerned agencies in supporting the priority tasks, including arrangements for institutional coordination, provision of support and guidance on Information Technology (IT) and allocation of funding.

(2012-13), as well as studies on land valuation, land conversion, land acquisition and grievance redress mechanism in Vietnam.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PROJECT DEVELOPMENT OBJECTIVE (PDO)

18. The Project Development Objective (PDO) is to improve the efficiency and transparency of land administration services in the Project Provinces through the development and implementation of the national Multipurpose Land Information System (MPLIS).

19. The PDO will be achieved by developing and implementing (a) the national Multi-Purpose Land Information System (MPLIS), (b) simplified procedures and business processes for Land Registration Offices (LROs) and better quality land services, and (c) increased public and stakeholder awareness and engagement in access to land information and land services.

B. PROJECT BENEFICIARIES

20. The beneficiaries of the project would be: (a) **land users and the general public, including disadvantaged and vulnerable groups**, who will have increased and better access to land information and services with integrated digital data; (b) **government institutions** at the central and sub-national levels, which will be able to access and share spatial data more easily for improved planning and operations; and (c) the **private sector**, which will be provided with more efficient services and increased access to land information.

C. PDO LEVEL RESULTS INDICATORS

21. The PDO achievement will be measured by the following indicators:

- a. Number of entities accessing MPLIS.
- b. Average time to register a simple land transfer
- c. Customer satisfaction with the land services in the project areas.
- d. Percentage of LURCs with the name of women, single or co-land users against total number of LURCs recorded.

22. All outputs and indicators refer to project areas. The Project Results Framework and Monitoring (PRFM) is presented in Annex 1, providing details regarding indicators and their monitoring. It also includes intermediate indicators under each of the proposed project components to track progress more frequently (e.g., semi-annually) as part of periodic and statutory reports. Further details regarding Monitoring and Evaluation (M&E) are provided in Annex 3: Implementation Arrangements.

III. PROJECT DESCRIPTION

A. PROJECT COMPONENTS

23. The project includes three components to be implemented at the national and sub-national levels as follows:

Component 1: Strengthening the Quality of Land Service Delivery (US\$6.84 million). This component will support (a) modernization and strengthening of local land administration by simplifying standard operating procedures and guidelines and improving business processes to enable the Land Registration Offices (LROs) to provide better quality and more accessible land services, though most of these activities will be financed by the Government using its own budget; (b) training and support for public awareness raising and communication among stakeholders, including implementation of ethnic minority development plans; and (c) establishing and operating a monitoring and evaluation (M&E) system for land use management. The investments under this component will support quality enhancement of land service delivery by streamlining service procedures and standards, renovating facilities, and enhancing the capacity of personnel working in LROs in project provinces. The component will support unification of business standards and provide LROs with equipment and working facilities at sub-national levels. Proposed investments under this component will enhance the participation of the public, private sector, and other stakeholders through communication and awareness campaigns. The activities under this component will facilitate and operationalize the technological advances that will have been brought about in Component 2 of the project and ensure better community participation. In addition, the component will also help monitor and evaluate the implementation of land use management in accordance with Land Law 2013 and the piloting and replication of a monitoring and evaluation system in Project Provinces, and progressively responding to current and emerging economic and social demands for better access to land information and better land services.

Component 2: Establishment and Development of the Multi-Purpose Land Information System (MPLIS) and Land Database (US\$160.39 million). This component will provide technical assistance for the development of MPLIS and land database, finance digitization of existing maps and records on land use rights; updating and integration of cadastre data (both cadastre map users and land use information), land price data, land use plan data, and land statistics and inventory to improve the completeness and accuracy of the existing land information. The component will finance the establishment of national virtual Data Centers that would store and make available land information. The component will finance the development and pilot of electronic transactions at select LROs. It will also finance tools that will enable public and inter-agency engagement in land information services, including the establishment of an MPLIS land portal with different interface for the Government, private sector and general public to facilitate access to and sharing of land information.

Component 3: Project Management (US\$12.77 million). This component will support overall project management and monitoring and evaluation (M&E) of activities and reporting. (**Annex 2:** Project Description provides details on project components and activities.)

B. PROJECT FINANCING

24. Project financing is broken down as follows:

Project Components	Project Cost (in US\$ millions)	IDA Financing (in US\$ millions)	Percentage of IDA Financing of the Total Costs (Col c/US\$180 m)
A	B	C	D
<u>Component 1</u> : Strengthening Quality of Land Service Delivery	6.84	4.05	59.21
<u>Component 2</u> : Establishment and Development of the Multi-Purpose Land Information System (MPLIS) and Land Database	160.39	139.15	86.79
<u>Component 3</u> : Project Management	12.77	6.80	53.00
Total	180	150	83.33

C. LESSONS LEARNED AND REFLECTED IN THE PROJECT DESIGN

25. The VILG Project builds on a number of key accomplishments and lessons learned under VLAP and in the region (e.g., Thailand, Indonesia, the Philippines, Cambodia, and Laos), including:

- *Political commitment and management capacity is vital at all levels of government.* Experiences implementing land sector projects in Vietnam and in the region (e.g., Indonesia, the Philippines and Laos) have shown that from the very start it is necessary to gauge the commitment of the key land agencies that would be involved and to have a strategy to increase commitment and foster sustainability. It is also important to underscore that these traits are required at all levels of local government (i.e., provincial, district, and commune) for the successful development and operation of an effective land management system.
- *Land administration projects are challenging and long term in nature.* Project experiences in Vietnam and in the region (e.g., Indonesia, the Philippines) underscores the complexity underlying land projects, which involve numerous elements and interventions — political, legal, institutional, technical, and social being key. Thus, land administration interventions should be conceived as long-term interventions to be supported through multiple, successive projects.
- *Change in approaches in technical disciplines is difficult to foster, even when existing approaches are outdated, time-consuming and expensive.* Instead, change should be introduced incrementally as part of best practice models drawn from the region and globally.

- *Good governance in the land sector is hard to achieve and long-term efforts are needed.* Therefore, in its initial stages, the project will focus on a few priority areas such as improving efficiency and transparency in land administration systems and service delivery.
- *Strong public support and participation, including by vulnerable groups, is key to move from simple land registration to a sustainable land management system.* The proposed project will build on VLAP’s successful community engagement and proactive work with women, ethnic minority communities, and other groups. In this regard, transparency and openness are critical to project success.
- *Long-term capacity-building programs are fundamental to sustaining reform efforts.* VILG will broaden the capacity building programs and master training courses initiated under VLAP with a view to further strengthening and mainstreaming a national capacity building program to provide sustained support at the local level.

26. **Donor engagement in the land sector:** The engagement of donors and development partners in the land sector in Vietnam is generally pursued around forest and natural resources, with limited engagement in the land sector, per se. At the national level, the Government of New Zealand provided grant resources to co-finance VLAP’s capacity building programs. Since 2013, the Korean Overseas International Cooperation Agency (KOICA) has supported the development of the land database that is being piloted in select districts in Vietnam. Since 2014, the Swiss Development Corporation has supported a regional program on land governance. In addition, collaboration with the United Nations and other development agencies is important—it complements government programs on climate change, disaster risk management and others that relate to land administration and land management in the country. The project will serve as a tool for coordination and collaboration and opportunities for parallel financing for select activities (grant funding) will be explored.

IV. IMPLEMENTATION

A. INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENTS

27. Given the complexities of a multi-province project, specific measures have been introduced to strengthen capacity during implementation. Building on VLAP and regional experiences and best practices, the project implementation arrangements reinforce existing institutions. They emphasize three principles to ensure efficiency and quality control: (i) oversight and coordination; (ii) technical assistance; and (iii) fiduciary functions, monitoring and evaluation, and reporting. The project would develop MPLIS and the land database as national systems and in support of the Government’s initiative on development of e-governance and delivery of better quality public services. Hence the project will be implemented nation-wide but investments will be made mainly in the core 33 target provinces. Further, 53 districts in the 30 non-target provinces, where digital cadaster data is available, the data will be standardized to be imported into the MPLIS system.

At the National Level

28. **Oversight and advisory arrangements for the project’s 33 target provinces and cities:** At the national level, MoNRE will be the Supervising Agency responsible for the overall oversight of

project implementation and management. A National Project Steering Committee (NPSC) will be established as an advisory body to assist MoNRE/GDLA in cross-agency planning and policy coordination. The NPSC will be chaired by the designated Vice Minister of MoNRE and include senior representatives from different core ministries, as well as designated Deputy Chairpersons of the Provincial Peoples' Committees. Decisions on policy direction, guidance on overall implementation, and endorsement of the project's overall operations will be made at the Project Steering Committee level. The 30 non-target provinces will be guided by the project's learning and mainstreaming initiative that would be implemented under the oversight of the NPSC.

29. **Overall implementation responsibility:** Within MoNRE, the General Department of Land Administration (GDLA) will be responsible for overall project management and the implementation of central-level project activities, including the delivery of project results, outputs and outcomes. GDLA will be supported by a Central Project Management Unit (CPMU) which will carry out project daily management and implementation at the central level. The CPMU will be headed by a Project Director who will report to the Vice-Minister of MoNRE and will oversee the work of the CPMU and liaise with the PPMUs of the project provinces. In particular, he/she will provide overall leadership for project management and be responsible for the delivery of planned outputs and results including planning, implementation, monitoring and reporting, financial management and procurement, and administrative services. The CPMU will be staffed from GDLA's functional units. Additional staff will be recruited in areas such as procurement, financial management/accounting, communications, and M&E or as needed.

30. GDLA, through the CPMU, will also be responsible for coordination with the 30 non-target provinces and their respective provincial Task Teams established to liaise with the project. CPMU will support the Task teams in reviewing existing data standards, procedures and quality databases developed and operated. In addition, CPMU will be convening periodic "lessons learned" events and training workshops for these provinces to ensure that MPLIS and National Land Database are mainstreamed.

At Sub-national Levels

31. At the sub-national level, the Provincial People's Committees (PPCs) will be the government-supervising agency responsible for the oversight of project management and implementation within their provinces. The Provincial DONREs will carry out day-to-day planning, implementation and monitoring of project activities with clear delegation of authority in line with GoV procedures and guidelines.

32. In support of the PPCs and to strengthen cross-sector coordination, a Provincial Project Steering Committee (PPSC) will be established in each participating province. The PPSC is responsible for advising the PPC and provincial agencies on strategic direction and overall implementation. The PPSC is chaired by a PPC Chair or Vice Chair and includes the Director of DONRE as Deputy Chair and senior representatives from provincial Departments for Finance (DoF), Planning and Investment (DPI), Information and Communication (DCI) and other relevant entities. It will also include vice-chairs of participating districts.

Provincial Project Implementation and Management

33. With regard to project management at the provincial level, a Provincial Project Management Unit (PPMU) will be established in the target provinces as per the Government requirements in

accordance with the “on-lending” procedures established by the Ministry of Finance.

34. The PPMUs will be headed by the Director or the designated Deputy Director of the respective provincial DONRE. The PPMU will also be staffed with an adequate number of qualified DONRE officials and contracted staff, as required for the effective and efficient implementation of project activities. Similar to the CPMU, the PPMUs would be provided with adequate office space and equipment and facilities.

35. There will be no project management unit at the district or LRO level. Given the important role of LROs in the project, they will be part of the PPMU or DONREs and will actively participate, through DONREs, in project management and implementation, such as preparation of the technical proposal, supervision of project activities implementation, and verification and certification of outputs.

36. The institutional arrangements for financial management, procurement, safeguards, and M&E and reporting will continue as under the VLAP, through which GDLA has accumulated considerable relevant experience and capacity. Detailed project management and implementation arrangements, roles, responsibilities, reporting lines, communication procedures, financial management, procurement, safeguards and M&E processes, main project activities, and requirements and risk mitigation measures, are outlined in the Project Operations Manual (POM) with greater delegation of implementation authorities to the provincial level. Details are provided in Annex 3.

B. RESULTS MONITORING AND EVALUATION

37. **Project Monitoring and Evaluation (M&E) and reporting are an integral part of project design.** Detailed project M&E Formats and Templates have been prepared, based on the results and intermediate indicators in the Project Results Framework and Monitoring (PRFM), and included in the POM. The CPMU will be responsible for the monitoring of various activities, gathering and analysis of data and information, and preparation of reports. M&E responsibilities will be assigned to a dedicated team within the CPMU and project provinces (through PPMUs and/or DONREs). M&E specialists will also be engaged to support project operations. The GDLA/CPMU will undertake independent annual assessments to support project implementation, will hold regular meetings with NPSC/MONRE and the Bank to review progress, and organize the mid-term review and an end-of-project assessment. The project will also support training programs on basic and advanced M&E methods and principles for GDLA/DONRE/SoNRE staff at all levels. A detailed plan is included in **Annex 3**.

C. SUSTAINABILITY

38. **The sustainability of project outcomes will need to be assured in two critical areas:** (a) change and improvements in land users’ behavior in registering land transactions as required by the 2013 Land Law in order to ensure reliability of the MPLIS. This will be achieved through targeted awareness campaigns and communication plans for the public, the business community, as well as for key ministries such as Ministries of Justices, of Finance, and of Construction; and (b) human and financial capacity to operate and maintain the land database and land administration

services and land management. At the sub-national levels, LRO and provincial staff will receive extensive training on sustainable use and management of MPLIS and land administration services.

39. MPLIS will be developed as a platform for the National Land Database and will be mainstreamed into national government processes and into the project provinces, which will gradually take on the full cost of operations. The project will establish national Virtual Data Centers located at select places that will operate the system and data based on cloud sourcing technology provided by third-party IT service providers under a contract agreement as per Government guidelines.¹² The server will be housed at the IT service providers' premises and the project will pay, under a time-based agreement, the rentals, costs and recurring expenses for the infrastructure of transmission lines, electricity, and services to ensure the efficiency and safety of the equipment.

40. As mentioned above, the project will finance the establishment of national virtual Data Centers, including physical servers to store the data. These centers will be initially operated and maintained by IT service providers (under an install, operate, maintain and transfer arrangement) under the oversight of the project. During the project period (2016-21), IT service providers, in line with the contract arrangement, will bear recurring costs such as electricity, spare parts, and maintenance and will take responsibility for costs of upgrading and recurring expenses. The Project will also provide on-the-job training to counterpart staff on database operations and maintenance and may finance costs of leasing bandwidth and/or hosting services (from commercial sources following procurement guidelines and procedures) required for project implementation. GDLA has confirmed counterpart funding will be used to finance the operation of the MPLIS's three-tiers and the national Land Database after the project though the IDA fund will be used during the project period.

V. KEY RISKS

A. OVERALL RISK RATING AND EXPLANATION OF KEY RISKS

41. The overall risk rating for the project is Substantial, mainly reflecting risks in the areas of sector policy, technical design, uneven implementation capacity, and fiduciary systems. First, although the sector's key policy and strategies are enacted, there are large gaps between the policy framework and implementation and a lack of effective land policy and planning coordination. Second, the project covers a large number of diverse provinces and introduces new approaches to land database management (e.g., centralized data storage and use of cloud sourcing technology). Third, the intensive capacity building efforts under VLAP built up modest capacities at GDLA (CPMU and national level) to manage World Bank projects. However, at the sub-national level, capacity is still weak. The private sector also has limited capacity to meet demands for the large amount for technical work required under the project. Finally, the fiduciary risks in view of potential delays in procurement and implementation of the IT development and land registration works remain considerable. The lack of clarity around the MPLIS software requirements, MoNRE/GDLA's limited experience using formalized software development methodologies, and

¹² Refer to Government Directive no. 80/2014/QĐ-TTg dated 30 Dec.2014 on the Leasing of IT Services of state agencies on a pilot basis; Also refer to Decree no.25/2011/ND-CP dated on 06 April, 2011 that provided details and guidance on the Implementation of the Telecommunications Law.

the technical complexities involved in migrating data from the five different LIS applications currently in use also present Substantial risks. Other risks are considered **Moderate or Low**.

42. **Mitigation measures have been incorporated into project design and implementation.** Lessons learned from VLAP indicate that the lack of procurement and financial management capacities within the government and implementing agency will persist as risks; however, these will be specifically addressed through a more comprehensive risk-management approach, particularly during implementation. The proposed measures include: (a) [preparation of Project Procurement Strategy for Development \(PPSD\) which provides a detailed analysis of the market, considers various options and provides agreed procurement arrangements for the implementation of the project](#); (b) training on procurement, financial management, and safeguards; (c) updating the preceding Bank-funded VLAP's communications strategy, including delivering Information, Education and Communication (IEC) or Behavior Change Communication (BCC) materials and periodically engaging with the stakeholders; (d) engaging independent experts for periodic implementation and impact monitoring; and (e) preparing and implementing the comprehensive Project Operations Manual, which will take into account relevant experience from VLAP and its results and draw on experiences gained from similar projects and programs in the region and elsewhere.¹³

VI. APPRAISAL SUMMARY

A. ECONOMIC AND FINANCIAL ANALYSIS

43. **The major financial benefits attributable to the project would occur in the form of increased revenues from taxes and service fee collection.** Experience under VLAP and in other countries with Bank-funded land administration projects shows that modernized, updated land administration systems can increase tax collection and land service based revenues. Total amounts vary from province to province, depending on economic activities (land use changes and new development investments in agriculture, industry, infrastructure, housing), and comprehensiveness of the MPLIS. A modernized land administration system in combination with a comprehensive MPLIS would also create cost savings in producing LURCs. Additional revenue for government would be created by the sale of land information and increased collections from land leases. The investment is expected to yield a positive Financial Internal Rate of Return (FIRR) of about 21 percent (a very conservative benefit estimate)¹⁴ and a positive Net Present Value (NPV) at a 20 percent discount rate. However, establishing and operating a modern and transparent land administration and information system is a public service function and cost recovery considerations should not be the decisive criteria for the specific investment decision at the individual provincial level.

¹³ For example, the Communication and Awareness Raising Strategy, Project Training Curriculum and materials, LRO Operation Manual and Policy Studies in Development of Vietnam National Spatial Data Infrastructure and Financial Sustainability of Land Administration.

¹⁴ In a 15-year lifespan only; attributable net benefits (50 percent of revenue increase) delayed by three years; max. total revenues US\$56 million.

44. **Project investments would have a number of direct and indirect positive effects on general economic growth.** Secured tenure will increase investments in agricultural land, as well as in private and commercial buildings. Accurate and publicly available land information will facilitate investment decisions and avoid misallocations, and supporting increased land use productivity. It will also help decrease costly conflicts and disputes over land, and facilitate fair compensations where government land acquisitions are necessary. Broader economic and social benefits would occur in particular in areas where registration and LURCs strengthen the tenure security of ethnic minorities and other poorer groups in society, and where conflicts and/or land acquisition issues were previously exacerbated by a lack of land information, in particular pricing.

45. **Overall, land information access will improve transparency and support the stimulation of property markets, as well as in financial markets through potentially increased mortgage values.** Although it is difficult to quantify the economic effects of these impacts, VLAP has shown that participating project provinces do have stronger economic development. Ultimately, timely, easy and transparent access to land information is important for increased and broadened opportunities and an equitable distribution of economic benefits and for avoiding the exploitation of asymmetric knowledge.

B. TECHNICAL

46. **A technical assessment undertaken for the design of the Project draws upon international good practices and aligns with the requirements of the land sector reform priorities and priorities of the 2013 Land Law.** The project design has benefited from the nine years of experience under VLAP in the areas of LRO modernization, service delivery, land records, surveying, land registration, and citizen engagement. Technical aspects for the LIS have been developed and tested under GDLA's in-house work and VLAP. Furthermore, the rollout of ViLIS, together with its ongoing enhancements, provides a sound basis for the next generation of developments of the national MPLIS and the national land database. MONRE/GDLA has summarized these experiences and good practices and prepared a road map entitled: *Comprehensive Program for the Development of Vietnam's Multi-Purpose Land Information System* (February 2016). The recommendations of this roadmap have been considered in designing the project's technical aspects, particularly Component 2 on the establishment and implementation of the MPLIS and the national Land Database.

47. **Under the project, the land information systems will be standardized, harmonized, and aligned to ensure better land administration and management across Vietnam.** This will be achieved through building a comprehensive and consistent land information system that allows integration and completion of land data that is geo-referenced to the national coordinate system.¹⁵ In order to maximize the area covered by the national land database, GDLA will pursue "fit for purpose" approaches that are cost efficient and utilize a "geo-referenced inventory".

48. **The MPLIS will also include other land information data resources, including land price, land use plans, and land statistics and inventory.** The data sets will be obtained from both existing sources and any newly created data resources, and their integration within the MPLIS

¹⁵ The term "Geo-referenced inventory" of parcels means ensuring that all the information of land parcels is included in the land database including the mapping of boundaries to a suitable level of positional accuracy.

will be piloted in selected areas. Not all of this data will be generated by GDLA or MONRE, but, the system architecture will allow data sharing/access among various government agencies. To promote the law's requirements for greater transparency in the land sector, and also to support the Government's policies for e-governance, a land portal will be incorporated into the development of the MPLIS and made available to support the land information needs of the business sectors and the general public. The MPLIS land portal is expected to become an important element of the ICT infrastructure and delivery of quality public services in Vietnam.

C. FINANCIAL MANAGEMENT

49. A Financial Management (FM) Capacity Assessment was conducted, for GDLA and the project provinces, together with current chief accountant of the to-be-closed VLAP Project. Based on the review, the Project's FM risk is assessed to be "Substantial" after all mitigation measures are in place. The review also concluded that the Project meets the Bank's financial management requirements, as stipulated in OP/BP 10.00. The FM capacity of implementing agencies, including the CPMU in GDLA of MoNRE at the central level and of participating provinces at the local level, were also assessed. It was concluded that with more FM training provided to relevant staff, especially staff of new provinces, the FM capacity of implementing agencies will be adequate to implement the Project. The FM staffing, budgeting and planning procedures, accounting system (including accounting software), financial reporting, and internal controls procedures of the CPMU in GDLA and of participating provinces were also found to be adequate for financial management purposes. Additional details are provided in **Annex 3**.

D. PROCUREMENT

50. The Government has confirmed its willingness to adopt the Bank's New Procurement Framework (NPF) and has developed a Project Procurement Strategy for Development (PPSD) aligned with it. Furthermore, the project has been approved as an "Early Adopter" to allow the project to conduct procurement in accordance with the NPF and as a result the Borrower will follow the **"Procurement Regulations for Borrowers: Procurement in Investment Project Financing" (Procurement Regulations) dated July 2016**. Whilst all procurement will follow the Regulations there are three specific aspects of the project that will benefit from the use of the Framework, namely the approach to contracting for technical services, the use of leasing and the use of framework agreements.

51. During appraisal, an agreement was reached concerning the procurement of Technical Services and the potential engagement of public sector agencies as bidders in order to establish a specific Contracting mechanism for Technical Services contracts under Sub-component 2.2 (Development and Implementation of the national Land Database) for a strategic selection of contractors among the private sector, eligible state-owned enterprises (SOEs) and eligible public service units (PSUs) and state-owned entities that are **not** under the direct supervision of the contracting body to carry out the work. Entities that are under the direct supervision of the contracting agency may only be procured as Force Account units (in accordance with the appropriate sections of the Regulations). This mechanism will allow eligible state-owned enterprises (SOEs) and eligible public service units (PSUs) equal participation with the private sector as bidders for specialized technical services for cadastral database development under an **Open** competitive process using a **National** market approach. A national market approach was

selected due to the regulatory demands and the confidential nature of data associated with land use. The inclusion of eligible SOEs and PSU's was necessary due to the limited capacity of private sector to perform the volume of work required. This would apply only to those state-owned enterprises (SOEs) and Public Service Units (PSUs) that clearly meet the eligibility criteria stated in the Regulations. The application of Output-based disbursements was agreed as a payment method to contractors in order to simplify and streamline contract management and also due to the pervasive nature of the use of cost norms in the land sector.

52. As the project is one among the list of Early Adopters of the Bank's NPF, procurement for the proposed project shall be carried out in accordance with the World Bank's "Procurement Regulations for Borrowers: Procurement in Investment Project Financing" (Procurement Regulations) dated July 1, 2016. The procedure to be followed for the National market approach shall be in accordance with any appropriate provisions that would be stipulated in Procurement Plan, as required by the Financing Agreement. In case of any conflict between the Financing Agreement (FA) and national laws/regulations, the FA shall prevail. For each contract to be financed by IDA, the procurement method, cost estimate, prior review requirements, and timeframe for implementation shall be agreed between the Borrower and IDA and duly reflected in the most updated project Procurement Plan (PP). The project will use the Banks' tool known as the Systematic Tracking of Exchanges in Procurement (STEP) for planning and tracking of all procurement transactions.

53. The overall project management will rest with GDLA on behalf of the Government and MONRE. GDLA as the Project Owner is responsible for the implementation of project activities nation-wide. A Central Project Management Unit (CPMU) has been established, mainly based on the existing implementing unit, having implemented VLAP over the last seven years, as the implementing agency to assist GDLA in day-to-day supervision and implementation. The CPMU will be responsible for fiduciary functions, including procurement and contract management at the national level, and coordinating procurement activities at sub-national level.

54. At the provincial level, DONRE of the participating provinces will be authorized by the respective PPC to be the Project Owner and responsible for all project-related tasks. In turn, DONREs will establish its respective Provincial PMUs (PPMUs) as an implementing agency in charge of procurement and contract management. Both the CPMU at the national level and the PPMUs or DONREs at the provincial level will be staffed by relevant personnel and consultants, and the systems put in place for the VLAP are being maintained for the future work. Technical Services under Sub-component 2.2 for Development and Implementation of national Land Database will be procured at provincial level, for which DONRE is the contracting agency in its respective province.

55. Using a sampling method, the Bank team conducted a procurement capacity and risk assessment (PCRA) of the Borrower's implementing agencies. The procurement capacity assessments were carried out between May and December 2015. At central level, the Project Preparation Team (PPT) was established in February 2015 as a core for project preparation. This PPT was then converted to function as the CPMU for the project work with assignment of roles and responsibilities to GDLA personnel. The Bank has been working with GDLA through the project preparation team in carrying out the assessments to be completed as part of the project design and PPMUs will be established in accordance with the findings and recommendations of

the capacity assessment prior to start of implementation in the provinces. The assessment identified major risks that would potentially cause procurement delays or inappropriate procurement decisions. Details of the risk assessment, as well as the recommended measure to mitigate those risks, are presented in Annex 3 and recorded in the procurement Risk Management Assessment System (P-RAMS). The procurement risk for the proposed project is rated as "High".

56. To mitigate the identified risks and build capacity, an action plan have been developed and agreed. Details of mitigation measures to address the identified risks, as well as the procurement arrangements for the project are presented in Procurement section to Annex 3. The residual risks after the implementation of the mitigation measures would be reduced to “Substantial”.

57. The Project Procurement Strategy for Development (PPSD) aligned with the Bank’s NPF was developed by the GDLA to address how procurement activities will support the project development objectives and deliver the best value for money under a risk-managed approach that is fit-for-purpose under the country and market contexts. The PPSD is proportional, providing adequate justifications for the selection methods chosen in the Procurement Plan.

E. SOCIAL (INCLUDING SAFEGUARDS)

58. The social risk is rated as Moderate for the proposed project. The project builds on the successful implementation of the VLAP from 2008-2015 that sought to increase community awareness on tenure security and their participation in the registration process and in enhancing inclusion of ethnic minorities through the implementation of site-specific action plans. The project promotes transparency and informed participation of the targeted beneficiaries, encouraging landholder participation and supporting the realization of the project’s expected broad range of positive social impacts including better access to land information, more reliable services at LROs, reduced time and efforts needed for land transactions, and increased participation of women and ethnic minorities. The project will maintain close engagement with all the beneficiaries and stakeholders at the local level too i.e., public, land users, including disadvantaged and vulnerable groups, and business community, who will have increased and better access to land information and better services with integrated digital data vital for improving their investment opportunities and in the long-run land governance too. The project will provide improved equipment, capacities and resources, as incentives, vital for better land administration and sustainable operation of the LROs. All activities are designed to involve stakeholder participation and civic engagement, including extensive community consultations, involving entities like local Farmers’ Unions or Women's Unions. For this purpose, the project will build on the successful process established under VLAP through Local Facilitators (LFs) to address the needs of targeted beneficiaries. The project will also focus on disseminating the benefits of tenure security and building capacities of local LROs so that they can better understand and facilitate the change process, particularly with regard to land registration and service delivery, updating the land registry, and improving tenure security of landholders and other stakeholders. Access to land information and better land services are expected to increase with the improvement of LROs, the promotion of e-governance, and the building of stakeholders’ capacity.

59. A Social Assessment (SA) was conducted in six (Thai Nguyen, Bắc Ninh, Ninh Binh, Quảng Bình, Hà Tĩnh, and An Giang) of the eight provinces selected for implementation in the first year.

The SA found that, in general, land users, both in rural and urban areas, and respondents support the project from their own perspectives, depending on their work situation or interest in land information. Respondents acknowledged three potential benefits from the proposed project: reduced time and effort to access and use land services; improved business environment; and better guidelines and improved administration of public services. However, some respondents, including those engaged in businesses or small- and medium-scale enterprises, notary offices, and lawyers expressed concern over the project's potential negative impacts and risks (e.g., dispute over inheritance, increased/new land taxes).

60. The SA provided mitigation measures and recommendations to address constraints, minimize potential negative impacts, and optimize beneficiary utilization of the project's land-information services. These include enhancing transparency and accountability through localized responses; improving service delivery, especially of land-registration offices (LROs); facilitating access to and use of online land information; providing regular mobile support in deep, remote, and difficult-to-reach areas; ensuring confidentiality of certain land information; improving communication and raising awareness; building outreach communication capacity for local facilitators and LRO staff, local officials, and household land users; and working towards sensitivity to gender and ethnic minorities (EM).

61. **Applicability of the OP 4.10 on Indigenous Peoples:** Twenty-three of the 33 proposed project provinces and four of the eight first-year implementation provinces (Phase-1 project sites) include ethnic minorities (EMs). This will trigger the World Bank's Policy, OP/BP 4.10 on Indigenous People. Since the project will be implemented in a phased manner, an Ethnic Minorities Planning Framework (EMPF) has been prepared. In addition, Ethnic Minorities Development Plans (EMDPs) for four provinces (Thai Nguyen, Quảng Bình, Hà Tĩnh, and An Giang) have been developed for Phase-1. Similar EMDPs will be prepared for the other provinces where ethnic minorities live before they will be included in project implementation. There is a Muong group in Ninh Bình province. However, the screening process showed that this group has a high level of assimilation with the Kinh group (the majority) and does not meet the definition of Indigenous People as per OP4.10; therefore, an EMDP is not required for this province. Though there will be no policy development under the project, the OP 4.10 would also be applied to any related TA during the project implementation in line with the Bank's Interim Guidelines on the Application of Safeguard Policies to TA Activities in Bank-Financed Projects.

62. **Applicability of OP 4.12 on Involuntary Resettlement:** OP 4.12 is not triggered for this project. No civil works have been proposed for the project so land acquisition will not take place. Restrictions on access to and exploitation of natural resources will also not be affected. The project will only establish a database on existing land use certifications and status. No new land rights will be adjudicated or amended, and there will be no land acquisition policy support.

63. **Gender:** Specific attention to marginalized women and gender equity, built into a project, has a multiplier effect in generating social and economic benefits for poor families and their communities. MoNRE/GDLA has gained experience, through VLAP and other initiatives, in carrying out activities with a gender perspective in land administration and management. The project will include specific activities and more inclusive ways to assist marginalized women in accessing land services and participating in land administration and land use management. The project will also provide training to women about their rights and responsibilities. At the sub-

national level, information will be delivered to enhance awareness around the importance of inclusion of women in land administration. The MPLIS database will reflect names of both spouses in LURCs or under the current land use practice in case there is no LURC to protect and recognize the tenure claims of women. The MPLIS database will facilitate gender land use rights analysis as per available information in the system. Progress made in the integration of gender concerns, along with inclusion of disadvantaged and vulnerable groups, will be monitored through field visits and annual independent assessments. PDO indicator four will track the percentage of LURCs with the name of women against the total recorded. Additional details are provided in **Annex 3**.

64. **Civic Engagement:** During project preparation, the Government consulted with several local communities, particularly those with large ethnic minorities, civil society and different business groups engaged in the private sector, and also followed up with the earlier Bank-supported work on land administration (VLAP). In addition, the SA reviews, pursued as part of project preparation, confirmed a general interest in gaining improved access to land information and services among communities on issues such as tenure security, subsequent transactions and dispute resolution. The project builds on these initial discussions to expand the understanding on social, cultural factors and ensure that customary practices are duly incorporated in the development of service provision mechanisms. The public awareness raising and community participation sub-component (Component 1.2) has been designed on the basis of the preferences and communication constraints observed in Vietnam and initial work will develop a set of modules and materials to support this.

65. The project would also improve community participation in land database development and land services (improving subsequent transactions) by supporting the community-level dialogue and consultations, building the capacity of the land agencies (at district and provincial levels in particular) to address safeguards' aspects and developing the operational procedures and guidelines for the future implementation of a tenure security program. The SA also identified the potential risk that the poor and remote areas could be excluded from land database access and service delivery. To address this, the project would undertake targeted activities to reach out and ensure participation of/consultation with poorer communities, rural owners, urban poor, women, displaced communities and other vulnerable groups. In case of the urban poor, the project will disseminate information to ensure that land users are well informed of their rights and responsibilities.

F. ENVIRONMENT (INCLUDING SAFEGUARDS)

66. The project is classified as Category B. The project triggers OP 4.01 due to the potential downstream environmental and social impacts associated with project activities, specifically with Subcomponent 1.3 on strengthening M&E in land use management. Project activities aim to strengthen the institutional environment for land management, including improving access to land information, as well as land information system and land governance. By improving the quality, quantity, and access to social and environment-related information in the land information system, the project will primarily have positive environmental and social impacts.

67. The SA identified potential downstream environmental impacts, particularly on natural habitats, forests and physical cultural resources resulting from mapping, surveying and land use plan recording. Results from the SA confirmed that under VILG, development of the database and

land use plan recording would not impact on natural habitats, e.g., national parks, natural reserves, wetlands of biodiversity preservation, natural rivers and lakes; forests, e.g. primary, protection and production forests; and physical cultural resources, e.g. religious works, historical relics, archaeological sites, and cemeteries. Consequently, the project does not trigger OP 4.04, OP 4.36, or OP 4.11. As mentioned above, the main potential downstream environmental and social impact relates to M&E of land use management. As a result, the relevant environmental and social criteria will be taken into account in designing the M&E system to be in line with the Bank's Interim Guidelines on the Application of Safeguard Policies to TA Activities in Bank-Financed Project. There is no requirement for a separate environmental instrument.

68. The drafts of SA, EMPF and EMDPs were disclosed locally at the provincial, district and commune levels in form accessible by local people, including Ethnic Minority People on Jan. 20, 2016. All these drafts were sent to IDU/ InfoShop for disclosure on Jan. 21, 2016. The final SA, EMPF and EMDPs have been re-disclosed locally on June 11, 2016 and sent to IDU/ Infoshop for re-disclosure on June 11, 2016.

G. WORLD BANK GRIEVANCE REDRESS

69. **Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS).** The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel that determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

Annex 1: Results Framework and Monitoring

Country: Vietnam

Project Name: Vietnam: Project for Improved Land Governance and Databases (VILG) (P154387)

Results Framework

Project Development Objectives

PDO Statement

The Project Development Objective (PDO) is to improve the efficiency and transparency of land administration services in the Project Provinces, through the development and implementation of the national Multipurpose Land Information System (MPLIS).

These results are at		Project Level										
Indicator Name	UOM	Baseline (2016)	Target	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection	Remarks/ Comments
				YR1 2016-17	YR2 2017-18	YR3 2018-19	YR4 2019-20	YR5 2020-21				
I. PDO Level Results Indicators												
Indicator 1: Number of entities accessing the Multi-Purpose Land Information System (MPLIS) a. Land users b. Business and professionals (Commercial banks, land valuation agents, property agents, and investors) c. Government and public institutions (such as department of taxation, notaries, and judiciary and others)	Number of hits per category	0	To be defined (tbd)	tbd	tbd	Tbd	tbd	tbd	Yearly	Project reports	CPMU/PPMU	The term “entities” include both government and non-government organizations and land users. The indicator is divided into three distinct categories of entities. For monitoring and reporting, the number of entities accessing the system (hits) will be measured by counting hits per category. The term “hits” refers to those who have accessed the database. It also refers to “number of stakeholders (government and non-government) and land users lodging enquiries/requests online”. As the system will be established afresh, there is no Baseline for this indicator and progress target will be defined by the Baseline Study of 2017. Progress will be reported per province/LROs. Further details on monitoring this indicator are provided in the POM.
Indicator 2: Average time to register a simple land transfer	Number of days	35	10	35	30	20	15	10	Yearly	Project reports	CPMU/PPMU	VLAP end of project data was considered as the baseline. Simple transfers means transfer wherein no sub-division.

Indicator 3: Customer satisfaction with land services in project areas per category below: a. Land users b. Business and professionals (e.g., commercial banks, land valuation agents, property agents, and investors) c. Government and public institutions (such as department of taxation, notaries, and judiciary and others)	Percent (%)								Six monthly (based on data captured by LROs) and periodic CPMU reviews. In addition, in Year 2, 3 and 5 independent assessments will be conducted.	Project reports	CPMU/PPMU	VLAP end of project data was considered for baseline here. The base line and targets to be updated when the VILG-Baseline Study is completed (Q1 of 2017).
		50	65	Not assessed	Not assessed	55	Not assessed	65				
		50	70	Not assessed	Not assessed	50	Not assessed	70				
		50	70	Not assessed	Not assessed	55	Not assessed	70				
Indicator 4: Percentage of LURCs with the name of women, single or co-land users, against the total LRCs recorded (as part of the land database)	Percent (%)	0	To be defined (tbd)		00	Tbd	tbd	tbd	Six monthly (based on data captured by LROs) and periodic CPMU reviews. In addition, in Year 2, 3 and 5 independent assessments will be conducted.	Project reports and independent assessment reports	CPMU/PPMU	Baseline Study (2017) will provide final targets.
II. Intermediate indicators												
II.1. Component 1												
Indicator 1.1: Percentage of LROs and branches comply with agreed procedures and standards in public land service delivery	Percent (%)	0	100	0	20	50	85	100	Once every six months	Project reports	CPMU/PPMU	LROs/Land Office Branches will be assessed for compliance and meeting the following standards: - Human resources; - Equipment; - Infrastructure; - Procedures; and - Skills.
Indicator 1.2: Number of provinces with the Land Law Monitoring system established and operational	Percent (%)	0	100	0	20	30	70	100	Yearly	Project reports and independent assessment reports	CPMU/PPMU	Monitoring system means methods and channels are established to receive feedback on the implementation of the land use management.
II.2. Component 2												

Indicator 2.1: Percentage of LROs/branches that have installed and implemented MPLIS.	%		100	0	20	50	80	100	Quarterly reports	Project reports and independent assessment reports	CPMU/PPMU	<p>The indicator means LROs are installed with MPLIS software, equipment and land database, connected to the network, staff trained and providing updated and modern land administration services.</p> <p>The target land offices will include provincial LROs and their local branches (estimated as 33 provinces and 189 branch offices).</p>
Indicator 2.2: Percentage of all land parcels (with LURCs and without it) that are geo-referenced and registered.	Percent (%)		70	10	30	45	55	70	Quarterly reports	Project reports	CPMU/PPMU	<p>The term “Geo-referenced inventory” of parcels means ensuring that all the information of land parcels is included in the land database including the mapping of boundaries to a suitable level of positional accuracy.</p> <p>Details will be provided in the POM.</p>
Indicator 2.3: Percentage of LROs and branches connected with other sectors and data accessed by the user-entities	Percent (%)		70	00	00	20	50	70	Once every 3 months	Project reports and independent assessment reports	CPMU/PPMU	<p>The indicator has two parts: one, LROs and branches connected with other sectors and two, the database is used by other sectors.</p> <p>This indicator refers to LROs connected to the following entities: Taxation departments, banks, judiciary, construction industry (the implementation depends on the connection ability of other sectors) and others. The indicator will be measured when the connection is completed and made available to other sectors. The second indicator will be measured by PDO level indicator # 1 and reported therein.</p> <p>Further details provided in the POM.</p>
Indicator 2.4: Percentage of LROs provides land information (through websites, SMS, ...)	Percent (%)		90	00	00	30	50	90	Once every 3 months	Project reports and independent assessment reports	CPMU/PPMU	
Indicator 2.5: An integrated land data-base is operational in the provinces and available for public access.	Percent (%)	20	100	0	20	50	80	100				<p>This indicator is for provincial level database operations and further details provided in the POM.</p>

II.3. Component 3

Indicator 3.1: M&E system operational.	Yes/No	No	Yes	Yes	Yes	Yes	Yes	Yes	Six monthly	Project reports and independent assessment reports	CPMU	The M&E system will be operational by the first year of the project. The POM describes the M&E system, disaggregated set of indicators and also include templates and procedures for monitoring and reporting on a periodic basis.
Indicator 3.2: Independent impact assessment completed.		0	2	0	0	1	0	2	Mid-term and project end	Project reports and independent assessment reports	CPMU/PPMU	Social, economic and environmental impacts assessed and evaluated through regular surveys and independent reviews.

Annex 2: Project Description

VIETNAM: Improved Land Governance and Database Project

1. The Project Development Objective (PDO) is to improve the efficiency and transparency of land administration services in the Project Provinces, through the development and implementation of the national Multipurpose Land Information System (MPLIS).
2. The PDO will be achieved by developing and implementing (a) the national Multi-Purpose Land Information System (MPLIS), (b) simplified procedures and business processes for Land Registration Offices (LROs) and better quality land services, and (c) increased public and stakeholder awareness and engagement in access to land information and land services.
3. The following key results indicators will measure the PDO achievement:
 - a. Number of entities accessing the Multi-Purpose Land Information System (MPLIS).
 - b. Average time to register a simple land transfer.
 - c. Customer satisfaction with the land services in the project areas.
 - d. Percentage of LURCs with the name of women, single or co-land users, against total LURCs recorded.
4. The scope of the project would include:
 - To develop a Multi-Purpose Land Information System (MPLIS) based on uniform system architecture, infrastructure, and software that will be applied all over the country to promote the development of an efficient and effective land market.
 - To establish and operate a national land database (comprising several data layers such as cadastral, land-use plan, land price, land statistics, and inventories) and make land information available to government institutions, the business community, notaries, land users, and the general public at large.
 - To strengthen land-use management and establish a system to monitor and ensure uniform implementation of Land Law 2013.
 - To improve the provision of public land services by modernizing and strengthening Land Registration Offices simplifying procedures, re-engineering and streamlining business processes and service standards, and building-up staff capacities to provide quality land services to the public and stakeholders.
 - To improve the effectiveness of communication and raise awareness among the public on land use and management.
5. The above activities are, in turn, expected to support government investments to develop and operate the MPLIS and national Land Database to better meet the land information and land services requirements of the Government, the business community and the citizens at large.
6. **Project Geographical Scope:** The Project will build on the successful implementation and achievements under the Vietnam Land Administration Project (VLAP, 2008-2015) and will scale-up and strengthen progress made in a larger number of provinces. As a project that intends

to develop, implement and manage the MPLIS and national Land Database, it will have national coverage. However, the Project will be implemented at the central level and only in 33 selected target provinces comprising of 189 districts (approximately 3,300 communes). All the communes in the 189 districts will be equipped with computers and printers and other accessories. In addition, in 105 districts (in the 33 target provinces), existing cadaster data will be used to develop additional data layers (land price, land use plans and land statistics and inventory). Thus, a total of 294 districts will be covered in the 33 provinces.

7. The Project's 33 target provinces include six VLAP provinces, namely Ben Tre, Tien Giang, Vinh Long in the South, Quang Ngai and Khanh Hoa in the central region, and Thai Binh in the North to provide a reference for expertise, experience and knowledge in support of the other neighbor provinces. The project activities will cover entire prioritized districts in each of the target provinces.¹⁶ The five VLAP provinces will cover 42 districts. It is expected that eight provinces identified meet criteria agreed during project design¹⁷ and implementation can commence immediately upon declaration of effectiveness (namely, An Giang, Ninh Binh, Thai Nguyen, Ha Nam, Ha Tinh, Quang Binh, Bac Ninh and Thai Binh; of these only one province was a VLAP site) will implement the project in its first year. Other selected project provinces will join later as their readiness is improved, project implementation and management capacities strengthened, and the project approaches and implementation arrangements verified. Entry of these provinces to the project will be done in agreement between the World Bank and government.

8. Further, 30 non-target project provinces will be included as part of mainstreaming MPLIS and development of the national land database through support for leasing the bandwidth and hosting services, e-signature and training. In 53 districts of the 30 non-target provinces, where digital cadaster data is available, such data will be standardized and imported into the MPLIS. The implementation and oversight arrangements for the target and non-target provinces will be slightly different and are explained in **Annex 3**.

9. The project, to be implemented between 2016 and 2021 will have the following three components:

¹⁶ The project target provinces were selected based on the following criteria: (i) high demand for land information and services (e.g., urban areas; rural areas that experience intensive investments in agriculture or commercial crops like coffee production); (ii) readiness of the province/districts (e.g., most of land areas surveyed and mapped or LURCs issued); (iii) evidence commitment from the provinces and respective local government leadership, and (iv) their proven implementation capacities and financial resources. Also, provinces or districts that confront challenges in poverty reduction or climate change due to weak land management (e.g., use of groundwater resources that intensify drought during dry season) was included as a qualitative criteria.

¹⁷ The core criteria for prioritization of project provinces for first year of project implementation were: (i) demand for land information; (ii) completeness of existing data; (iii) provincial commitment to implement and manage the Project; (iv) existing capacities at provincial offices; and (v) willingness to borrow from the national government.

Component 1: Strengthening the Quality of Land Service Delivery (US\$6.84 million). This component will support (a) modernizing and strengthening local land administration by simplifying standard operating procedures and re-engineering and streamlining business processes to enable the Land Registration Offices (LROs) to provide better quality and accessible land services; (b) training and providing support for public awareness raising and communication among stakeholders, including implementation of ethnic minority development plan; and (c) establishing and operating a monitoring and evaluation (M&E) system for land-use management.

10. This component aims to support quality enhancement of land service delivery by reforming and streamlining current service procedures and standards, renovating facilities, and building up the capacity of personnel working in LROs in project provinces. The component will support unification of business standards and LRO working infrastructure at provincial and district levels. In addition, it will also enhance the participation of the public, corporates, and other stakeholders through communication and awareness campaigns. The activities under this component will facilitate and operationalize the technological advances that will have been brought about in Component 2 of the project. In addition, the component will also help monitor compliance and implementation of the land use plans and land management in accordance with Land Law 2013, the piloting and replication of a monitoring and evaluation system in Project Provinces and progressively respond to current and emerging economic and social demands for better access to land information and better land services.

11. This component comprises three sub-components:

- a. Modernizing and strengthening LROs and encouraging standardization and simplification of standard operating procedures and business process and environment;
- b. Training and providing communication systems, awareness raising among stakeholders, implementation of ethnic minorities development framework and relevant plans, and engagement with civil society; and
- c. Establishing and operating an M&E system for land-use management.

Sub-component 1.1: Modernization and improvement of LROs to provide better land services (US\$5.01 million). This sub-component will help enhance the quality of land service delivery by mainstreaming nationally consistent LRO procedures, guidelines, and standards and establishing unified LRO service infrastructure necessary for the consistent implementation of Land Law 2013. At the start, a plan to strengthen LROs (hardware and strengthening soft skills) will be prepared to guide work. Support will be provided to LROs such as equipment and working facilities. Staff working at LROs will be provided with training on: simplified business processes and streamlined standard services for land administration and land management; and administrative reforms and change management for modernizing LROs. At the sub-national level, existing local regulatory tools will be regularly reviewed and updated; standard operating procedures and business processes will be simplified and streamlined. These simplified procedures, business processes and standards will ensure that land-related information is made available to land users, government institutions, business entities and all other stakeholders in accordance with the stipulations of the Land Law and that land services are properly delivered, regardless of where and when they are rendered.

12. This sub-component will follow a three-part approach: (1) preparation of a work plan to revise and strengthen service standards and business processes by LROs; (2) following this plan

and as part of simplification of standard operating procedures and modifications to the business processes will be carried out, and equipment and facilities such as computers, equipment for customer service area, feedback and assessment devices, and public display boards and panels will be provided to LROs; and (3) training modules on soft skills for LRO personnel and build up their capacities will be developed and delivered. Based on experiences gained, the training modules will be improved and further training delivered to cover not only those working in LROs but all staff in the land administration sector within respective DONREs. Training curriculum and materials developed during VLAP will also be reviewed and adopted for use.

13. GDLA has expressed its commitment to strengthen LRO's and provide on-the-job training for improved service delivery and land database updating. The relevant national and sub-national staff will provide the foundation for future learning and training. These efforts will also strengthen public confidence in the Government's policies and programs and local mass organizations will provide an ongoing forum for consultation.

14. This subcomponent will finance equipment, consultant services, training, and incremental operating costs.

Sub-component 1.2: Training and support for public awareness raising and communication among stakeholders, including implementation of ethnic minority development plans (US\$0.98 million). The objective of this sub-component is to ensure that all concerned stakeholders and entities, including the public and private sectors, at national and sub-national levels, and communities improve awareness of and confidence in the land administration system. This is expected to lead to increased use of MPLIS and services and a gradual increase in registration of land-use rights' transactions. Increased awareness of and confidence in the land administration and database system will lead to a cross-fertilization of information, and hence more efficiency in land management.

15. The sub-component will support "soft" investments in training and awareness-raising critical to enhancing the behavior of key stakeholders, including government officials and land users. The sub-component will also provide resources for developing institutional activities such as re-engineering LRO/DONREs business practices and the environment, technical aspects such as the distributed architecture and ICT solutions, and procedural issues regarding transactions. The subcomponent will also provide resources for information dissemination, community participation, and inclusion of women and other vulnerable groups (such as ethnic minorities) in the establishment and development of land information systems and land services.

16. As part of this sub-component, related provincial ethnic minority development plans will be prepared and implemented to promote social inclusion of ethnic minority people. Awareness raising and communication efforts will focus on informing and encouraging wider public engagement to improve service delivery and good land governance, and change existing public behavior in registering land use and transactions. The subcomponent will also support periodic assessment of stakeholder satisfaction with the land services provided and the lessons learnt from reviews will shape the communication campaigns too. Attention will be given to vulnerable groups, such as ethnic minorities and women, in project provinces to ensure access to land information, facilitating their demands for land rights registration.

17. This sub-component will support the preparation and finalization of communication and awareness-raising programs, training, and preparation of information, education, and communication (IEC) materials, tools, dissemination, and their implementation and monitoring. It will support the development or update of the existing strategy and communication plan and its implementation in all project provinces at provincial, district, and commune levels. Accordingly, this sub-component will develop and implement an appropriate mix of communication, its delivery plan, and its implementation to meet diversified stakeholder requirements throughout the country, including necessary associate training, based on the Communication and Awareness Raising Strategy developed under VLAP. Based on feedback received, adjustments will be made to systems and tools used for public awareness and communications.

18. This sub-component will finance consultant services, and training and incremental operating costs. Where feasible and where resources are available, VLAP's Local Facilitator model will be adopted and replicated to disseminate information and encourage community monitoring of land service delivery.

Sub-component 1.3: Strengthening M&E in land use management (US\$0.85 million). This sub-component will establish a system for regular and sustainable monitoring and evaluation of the implementation of land use and land management in accordance with Land Law 2013, the piloting and replication of a monitoring and evaluation system in the Project Provinces. This will entail developing monitoring and evaluation tools and instruments, which will cover the specific elements to be monitored, evaluated and reported at both national and sub-national levels. It will involve enumerating the criteria to rate implementation drawing upon best international instruments including the “Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security” (VGGT) endorsed in 2012 by the United Nations, recommendations of the World Bank-funded “Land Governance Assessment Framework” (LGAF) study of 2012-2014 and “Land Transparency” study of 2013-14. A pilot of the sub-national monitoring will be undertaken in at least one province of each of the three regions under the project. Thereafter, the system will be rolled out to all provinces under the project and the frequency of monitoring, evaluation and reporting will be confirmed. More comprehensive and detailed assessment would be undertaken in the second and final years of project implementation.

19. This sub-component will finance consultant services, hardware, software, training, and incremental operating costs.

Component 2: Establishment and Development of the Multi-Purpose Land Information System and Land Database (US\$160.39 million). This component will support: (i) technical assistance for the development of the software and MPLIS; (ii) finance leasing of infrastructure and equipment, purchasing software licenses and other related activities; (iii) implementation of the software for the national Multipurpose Land Information System (MPLIS) – the foundation for more efficient and transparent land governance, (iv) development of the national Land Database (NLD), including cadastral data, land price data, land use plan data, and land statistics and inventory; and (v) enabling public and inter-agency engagement in land information services, including the establishment of an MPLIS land portal with different interface for the Government, private sector and general public to facilitate access to and sharing of land information.

20. The development of the national Land Database will constitute the project's major investment (estimated at about US\$123 million). The component includes funding for the establishment of the virtual Data Centers that would support the operations of the Land Portal, commercial leasing of bandwidth and resources for enhancing public engagement in land and land information services. The national virtual Data Centers at select centers (location to be decided in due course) will comprise of large-scale physical servers, to be financed by the project, and will be operated and maintained by IT service providers, who will be selected in accordance with the procurement guidelines and procedures. These activities will be done in close coordination with ongoing and planned related efforts funded by the Government, both central and local levels.

21. The development and implementation of the national land database is a high priority for the Government. Project will adopt GDLA's Roadmap for developing the MPLIS and develop a centralized data storage system. The MPLIS will consist of three key tiers i.e., middle ware, application and data. Of these, the two tiers i.e., middle-ware tier and DCL's application tier, will be provided by third-party service-provider and will include provision of physical servers and required support for their operation and maintenance. As mentioned above, project will finance the purchase and establishment of virtual Data Centers (at select locations); and these centers will be initially operated and maintained by service providers under the oversight of the project. Project will also provide on-the-job training to counterpart staff on database operations and maintenance.

22. In turn, the Government will also further elaborate the generic role of National Spatial Data Infrastructure (NSDI) in the establishment and development of the MPLIS and Land Database. In the longer-term, MONRE/GDLA will designate its Center for Land Information (or its successors) as the custodian of the MPLIS and databases produced through project investments. At present, this Center lacks capacity and experience to manage such a large task. Therefore, during the course of project implementation, CPMU, through its technical team, will drive the work on MPLIS and be responsible for its development and implementation, and will nurture the Center and incrementally turn over responsibilities to it.

23. At this stage, MPLIS cannot envisage the complete system with regard to data standards and sharing as the demands are emerging. Therefore, the project will build on the existing national land information portal and develop additional modules to support integration and information sharing with other entities as well as promote engagement with the public. The Government intends that all line ministries and agencies will have access to and use the NLD through the MPLIS. Furthermore the private sector and the public will also have online access to MPLIS through a Land Portal. In addition to the requirements for public access mandated under the 2013 Land Law, access to land information through the Land Portal is consistent with the government's IT and e-governance strategies.

24. This component comprises the following three sub-components:

- a. Development and implementation of the Multi-Purpose Land Information System (MPLIS).
- b. Development and implementation of the national land database.

- c. Development of the land portal and enabling stakeholder engagement in land information through interfaces.

Sub-component 2.1: Development and implementation of the Multiple Purpose Land Information System (MPLIS) (US\$37.34 million). This subcomponent will support: (a) the establishment and operation of an IT Expert Panel comprising of national and international IT experts that will provide technical guidance and advice to GDLA as they progress through the design upgrading, development and deployment stages of the MPLIS, (b) procurement of hardware and software; (c) training and capacity building of central and sub-national staff with MPLIS. This subcomponent will support migration of land data and information from existing sources (e.g., ViLIS, ELIS, TMVLIS, VietLIS, SouthLIS), the development of modules for the four layers e.g., cadastral data, data on land use plans, data on land prices, and data on land statistics and inventory to improve the completeness and accuracy of the existing land information.

25. The MPLIS is a major initiative for both GDLA and the Government of Vietnam. To assist GDLA with the development of the MPLIS software, an IT Expert Panel will be established to provide technical guidance and advice through the design, development and deployment stages of the project. The Panel will include experts and consultants (both international and national) with experience in developing national level IT systems in Vietnam and Land Administration Systems in other countries who will work alongside national IT consultants and IT experts from other ministries so that GLDA can benefit from the software development experiences and lessons learned by other Vietnamese organizations. The costs of software upgrading will be financed by counterpart resources and the project will provide technical assistance to support that initiative and will guide IT Expert Panel Regular review sessions (e.g., once a month) will be conducted allowing the panel to meet and assess the progress of the software development activities. Some of the selected members of the panel will be available to GDLA on a full time basis.

26. MPLIS is a further development of the experiences gained under VLAP with the existing sources such as ViLIS, ViLIS, ELIS, TMVLIS, VietLIS, SouthLIS). Consistent with good international practices, a nationally unified MPLIS will be developed in accordance with fit-for-purpose principles for land administration and management. The MPLIS will be further developed at the central level, utilizing a modern system and software architecture and current technology trends that are capable of: supporting land registration and other land-related public functions at national and sub-national levels; providing improved access to land information; and providing a platform to enable the public to interact with MPLIS. In particular, MPLIS architecture and software extend the functionality currently provided by the existing database software that implements “One-Door, One Level” LRO functions. The MPLIS’s scope will also be extended to support new functions of land administration required by the 2013 Land Law in the areas of gathering, integration, and dissemination of information concerning land use plans, land valuation/prices, land resources, land inventories and the development and piloting of electronic transactions in select LROs. In addition, the software will support the migration of land registration and parcel data from legacy (superseded) databases associated with other existing land registration software applications (e.g., ViLIS, ELIS, TMVLIS, VietLIS, SouthLIS) currently used in district and province LROs, and efficient data exchanges and synchronization between levels and among land-related agencies and land information provision

to stakeholders. The MPLIS will be implemented at national and sub-national levels and project will develop, establish and operationalize national virtual Data Centers (at select locations and sites to be decided in due course); and these virtual Data Centers will be initially operated and maintained by IT service providers under the oversight of the project.

27. The sub-component will also develop and pilot electronic transactions at select LROs. Due consideration will be given to the proposed Law for Information Access and governments strategies for ICT, e-governance and information security. The requirements of the banking and financial sector involving verification of land and property for collateral, registering and discharging mortgages varies markedly from the needs of land taxation offices which need information on land parcels' actual land use, land parcel size, soil quality, details on land holders/users and so forth.

28. This sub-component will finance consultant services, and training and incremental operating costs.

Sub-component 2.2: Development and Implementation of the national Land Database (US\$121.55 million). This subcomponent aims to develop and implement a national unified land databases for the operation of the MPLIS. It will support: (a) development of land databases – the foundation for the operation of the MPLIS; and (b) verification and updating of existing land data to improve the completeness and accuracy of land information captured in the system.

The development and implementation of the national land database is a high priority of the Government. LURCs have been granted to some 90 percent of the “eligible” land parcels, i.e., those used by individuals, households and organizations and meet LURC issuance conditions.¹⁸ However, most of land data is currently paper based and manually held. This sub-component will help to update and migrate verified land information to the database. The implementation and operation of the MPLIS by respective provincial DONREs will facilitate data accuracy and availability of real-time data to users. This approach will also trigger significant institutional development involving capacity building, efficiency and service delivery gains, an improved environment for business in Vietnam and provide a solid foundation for the further development of the a National Spatial Data Infrastructure in Vietnam with MPLIS providing the core land-relation foundation databases of the NSDI.

29. Using counterpart funds, an assessment of the current status of the land data and databases in the project's target areas will be carried out. Thereafter, the national Land Database will be developed, using IDA resources, on the basis of existing cadastral profiles and land data. The development of the database will entail the verification of existing land information, digitization of existing land records, maps and supporting legal documents; integration of geospatial (mapping) of land parcels with their textual information, and then integration of land records into land databases. Further, land database is also designed to accommodate a broader range of land information requirements mandated under the Land Law 2013 such as data on land use plans, land price, and land statistics and inventory. This sub-component entails updating and improving land data in the project areas to ensure the completeness and accuracy of the existing land information allowing easy use by public and different stakeholders seeking land information.

¹⁸ There is ambiguity in government statistics concerning the total land parcels in the country as well as the number of those eligible for or granted with LURCs.

30. This sub-component will finance consultant services, the provision of hardware and software, and training and incremental operating costs.

Sub-component 2.3: Strengthening Multi-stakeholder Participation and Enabling Public Engagement in Land Information (US\$1.50 million). This sub-component will pursue three key activities, namely, establish and implement an MPLIS Land Portal, and develop and implement different interfaces to enable stakeholder engagement (e.g., government, private sector and general public) to facilitate access to and sharing of land information. In support of this, the land portal will be developed as a platform to enhance public engagement in land and land information services across both the public and private sectors and ensure greater confidence and transparency in land administration. The general public's access to land information is expected to be at a less intensive level than that required by professional and business users in the public sector (e.g., taxation offices, notary offices, and courts) and private sectors (e.g., commercial banks and property agents). Thus, the tools and systems that will be developed to support access to land information by these different user groups will require different approaches. In accordance with the Government's IT and e-governance strategies, access to and use of land information and the undertaking of land-related business transactions online will become increasingly important and a key to economic development. More specifically, the work of this subcomponent will establish linkages with the implementation of proposed activities under Component 1 with the LROs allowing mutual learning and exchange of best practices for enhanced MPLIS platforms and operation of the land portal in the long run. Data security and the privacy of personal information will be a priority requirement in the development of the public and business interfaces of the Land Portal. The Land Portal will build on the developments and experiences under VLAP and will be piloted in selected provinces under the project. The sub-component will be implemented along with training and capacity building activities.

31. Fees and charges for access to the proposed portal will require consideration and possibly there will be two levels: (a) general public access which could either be free-of-charge or low-cost; and (b) professional and business access level which will be at a higher rate and accordingly provide access to a greater range and level of information. Development of the Land Portal will be driven by needs of the market to ensure demands are best met, especially for the expected wider range of business and professional users and then specific needs of each user group.

32. Specifically, this sub-component will finance consultant services training and incremental operating costs.

Component 3: Project Management (US\$12.77 million). The aim of this component is to support the overall supervision and coordination of project activities. This component comprises the following two sub-components:

- a. Support to Project Management
- b. Support to Project M&E

Sub-component 3.1: Support to Project Management (\$11.79 million). This sub-component provides technical assistance to support project management and improve the in-house capacity of GDLA at central level and in project provinces. Training will also be provided in project management, planning, financial management and procurement. The costs of bi-annual meetings

of provincial and district advisory groups will also be covered. In view of the high share and number of contracted staff at district and province level, it will be important to minimize staff turnover throughout the entire project implementation period.

Sub-component 3.2: Support to M&E and Reporting (US\$0.98 million) Under this sub-component, MONRE/GDLA will establish and implement an M&E system for regular monitoring and evaluation (M&E) of project activities and their achievements and compliance with safeguards and fiduciary requirements at all levels (central, province and district). The M&E system will be developed drawing from VLAP and other recent experiences. The M&E system will reflect the requirements of the new project, particularly the PRF and the changed information needs for management decisions and impact monitoring under the project. The detailed project M&E plan will be elaborated in the Project Operations Manual (POM). M&E will be implemented at national, province, LRO and district levels. In addition to government personnel, required consultants and/or contract staff will supplement human resources. This sub-component will also fund Technical Assistance to conduct regular and periodic independent impact assessments and client satisfactory surveys during the course of project implementation.

33. The Following Table provides disaggregated estimation of project investments.

H. Project Costs

Unit: US\$ Million							
No	Component Description	Total	Percent (%)	IDA		GoV counterpart funds	
				Total	Percent (%)	Total	Percent (%)
C1	Component 1: Improving quality of public land service delivery	6.84	3.80	4.05	100.00	2.79	100.00
C1.1	Modernization and improvement of quality of public land service delivery	5.01	73.22	3.34	82.58	1.67	59.66
C1.2	Training, communication and the implementation of EMDPs	0.98	14.38	0.26	6.30	0.73	26.09
C1.3	M&E of land use management	0.85	12.40	0.45	11.12	0.40	14.25
C2	Component 2: Establishment and Development of the Multi-Purpose Land Information System (MPLIS) and Database	160.39	89.10	139.15	100.00	21.24	100.00
C2.1	Development of the Multi-Purpose Land Information System (MPLIS)	37.34	23.28	34.85	25.05	2.49	11.73
C2.2	Development and Implementation of the National Land Database	121.54	75.78	102.79	73.88	18.75	88.27
C2.3	Raising the public and business participation, and information sharing among all sectors and levels	1.50	0.94	1.50	1.08	-	
C3	Component 3: Project Management	12.77	7.10	6.81	100.00	5.97	100.00
C3.1	Support for Project Management	11.9	92.30	5.85	85.97	5.94	99.53
C3.2	Monitoring and Evaluation and Reporting	0.98	7.70	0.96	14.03	0.03	0.47
	Total	180.00	100.00	150.00	83.33	30.00	17.67

**Table 1:
List of Project Provinces**

Total Number of Project's Target Provinces: 33

I. Northern Region (14 provinces)		II. Central Region (10 provinces)		III. Southern Region (9 provinces)	
1	Thái Nguyên	1	Hà Tĩnh	1	Vĩnh Long
2	Thái Bình	2	Thừa Thiên Huế	2	An Giang
3	Nam Định	3	Nghệ An	3	Kiên Giang
4	Ninh Bình	4	Phú Yên	4	Cần Thơ
5	Cao Bằng	5	Lâm Đồng	5	Long An
6	Bắc Ninh	6	Quảng Bình	6	Tây Ninh
7	Bắc Giang	7	Quảng Trị	7	Trà Vinh
8	Hà Nam	8	Quảng Ngãi	8	Tiền Giang
9	Lào Cai	9	Khánh Hòa	9	Bến Tre
10	Sơn La	10	Đắk Lắk		
11	Lạng Sơn				
12	Tuyên Quang				
13	Yên Bái				
14	Hải Phòng				

Provinces Identified for Implementation in Project Year One: 8 provinces

- | | |
|----------------|---------------|
| 1. Bắc Ninh | 5. Hà Nam |
| 2. Thái Bình | 6. Quảng Bình |
| 3. Ninh Bình | 7. Hà Tĩnh |
| 4. Thái Nguyên | 8. An Giang |

Annex 3: Implementation Arrangements

VIETNAM: Improved Land Governance and Database Project

A. Project Institutional and Implementation Arrangements

1. The implementation arrangements duly recognize the government's current institutional arrangements and the respective responsibilities of the line Ministries as well as provincial authorities. Given the complexities of a multi-province project, specific measures have been introduced to help reinforce capacity during implementation building VLAP and regional experiences and best practices. The implementation arrangements therefore reinforce the existing institutions and build on four themes to ensure efficiency and quality control, including: (i) oversight and coordination; (ii) implementation; (iii) technical assistance; and (iv) fiduciary functions, monitoring and evaluation and reporting. Details are elaborated in the following paragraphs. The project would develop MPLIS and the Land database as national systems and in support of government's initiative on e-governance and delivery of land services. Hence the project would cover all the 63 provinces and cities. However, the project will be implemented at the central level and only in select 33 provinces (comprising of 189 districts and approximately 3,300 communes); the remaining 30 non-target provinces and cities will only be part of learning project experiences and help to mainstream MPLIS and the National Land Database in the long-run in the country. Funding will be provided for leasing the bandwidth and hosting services, e-signature and training. In 53 districts of the 30 non-target provinces, where digital cadastral data are available, the data will be standardized and imported into the MPLIS.

The implementation arrangements for the two target groups are explained below.

2. Oversight and advisory arrangements: For the project's target provinces, at the national level, MoNRE is the Government Supervising Agency responsible for the overall oversight of the project management and implementation. Decisions on policy direction, guidance on overall implementation, and endorsement of the project's overall implementation plan and annual fund allocation of the project will be made at the ministerial level by the designated Vice Minister. The National Project Steering Committee (NPSC) will be established as an advisory body to assist MoNRE/GDLA in cross-level and cross-agency plan and policy coordination under the project. The NPSC will be chaired by the Vice Minister of MONRE. It also includes senior representatives from concerned ministries, such as the Ministries of Planning and Investment (MPI), Finance (MOF) and Information and Communications (MIC), and the State Bank of Vietnam (SBV), as well as designated Deputy Chairpersons of the Provincial Peoples' Committees of the 33 project provinces and cities. In addition, the NPSC will also oversee and advise the mainstreaming of the MPLIS and National Database in the 30 non-target provinces through interactive sessions periodically convened by the project.

3. Overall implementation responsibility: Within MoNRE, the General Department of Land Administration (GDLA) will be responsible for overall project management and the implementation of central-level project activities, including the delivery of project results, outputs and outcomes. In particular, GDLA will be responsible for the development of

guidelines, standards and tools to ensure unified and effective implementation of project activities by project provinces, such as improving service delivery, raising public awareness, land law implementation compliance monitoring, and conducting the project monitoring. However, GDLA also directly implement a number of project activities such as the development, maintenance, and operation of the national MPLIS (includes the national land database), conducting nationwide communication campaigns and policy studies.

4. Day-to-day implementation, monitoring and implementation responsibility: GDLA will maintain, throughout the implementation of the Project, a Central Project Management Unit (CPMU) provided with sufficient resources, and staffed with competent personnel in adequate numbers, with qualifications and experience. The CPMU which will assist GDLA in carrying out the project's daily management and implementation at the central level and will also liaise with implementing entities at sub-national levels. The CPMU is headed by a GDLA's Deputy Director General as the Project Director, and staffed by government staff, including relevant staff from GDLA functional departments and provincial DONREs and LROs as well as hired experts, to assist GDLA in day-to-day project management and implementation. CPMU will also provide oversight for the virtual Data Centers and oversight of the IT service providers. The CPMU will also be responsible for project planning, fiduciary functions (procurement, financial management, disbursement), and Monitoring and Evaluation (M&E) and reporting. Given VLAP experiences CPMU will be empowered with increased delegation of implementation authority, streamlined working procedures, and assignment of a project core team with sufficient number of capable, full-time government and contract staff to be able to deal with the greater number of project provinces and scope of work.

5. In case of the 30 non-target provinces and cities, CPMU will be responsible for delivery of resources, coordination and in reviewing existing standards, procedures and quality databases developed and operated by these locations to enable mainstreaming of the MPLIS and national Land Database in due course. In support of this, the participating 30 non-target provinces will establish Task Teams, whose membership will be limited to senior officials from respective DONREs and relevant units at provincial and district offices. CPMU will work through the respective provincial Task Teams and will also be convening periodic "lessons learned" events and training workshops for these provinces and their Task Teams to ensure that the principles and operational modalities of MPLIS and national land database are well-understood and help to build a consistent database nationally and mainstream in the long-run.

6. An advance version of the Project Operations Manual (POM) has been prepared elaborating the planning and implementation arrangements, roles, responsibilities, reporting lines, communication procedures, procurement and financial management processes, M&E and outreach programs, and oversight of the project related activities in target and non-target provinces. In particular, the CPMU will provide technical support, planning and monitoring, financial management and procurement, and administrative services. The Manual has provided details on system architecture, installation, access controls and overall data and system management, and oversight of data security administration. User-friendly formats, checklists and templates for monitoring and evaluation for relevant tasks are provided in the annexes. Project will be implemented in accordance with the provisions of the POM.

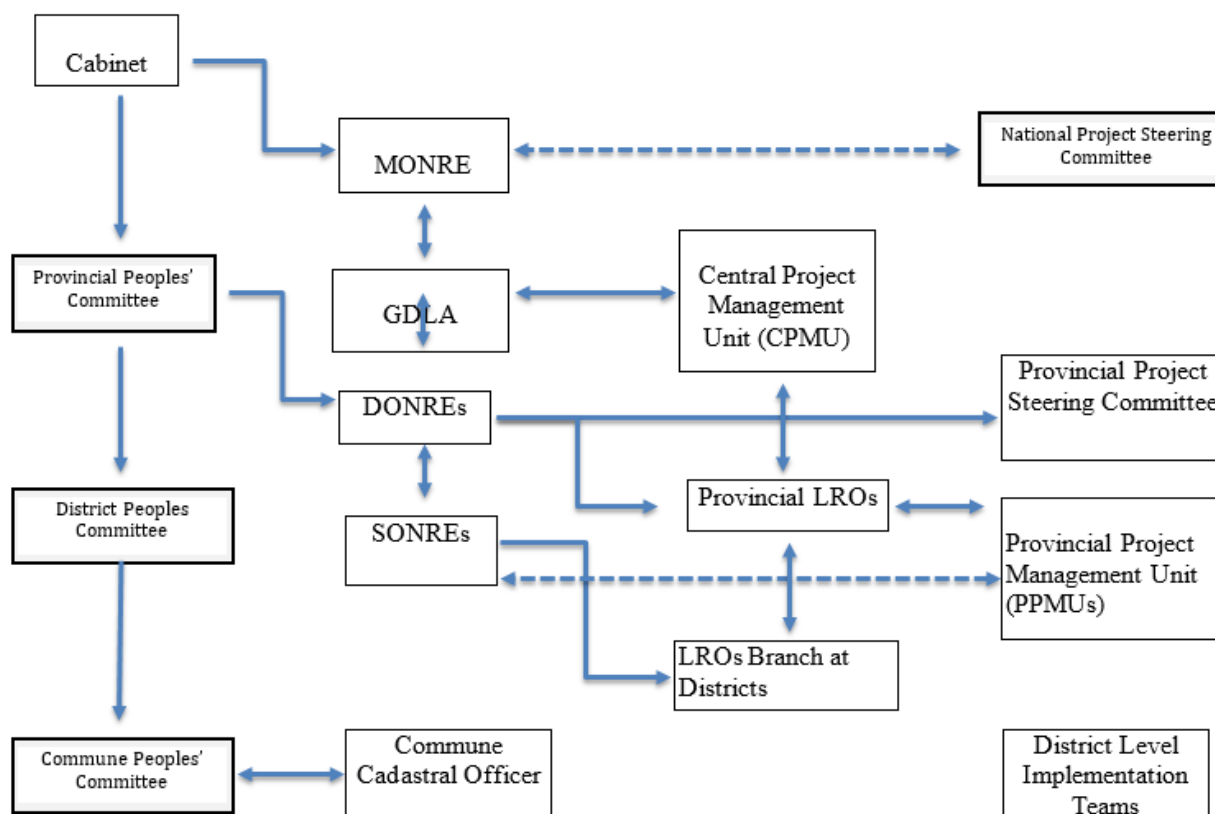


Diagram: A Summary of Implementation Arrangements for the Target Provinces

7. At local levels, for the target provinces, the Provincial People’s Committees (PPCs)¹⁹ will be Government’s Supervising Agency, responsible for the overall oversight of the project management and the implementation, and return the funds on-lent from MOF in line with the payment schedule agreed. On behalf of the PPCs, respective DONREs will be Project Owners and responsible for project activities, delivery of project’s results, outputs and outcomes in respective provinces. In support of the PPCs to strengthen cross-sector coordination, the Provincial Project Steering Committee (PPSC) will be established to provide the PPC and involved provincial agencies with advices on strategic direction and guidance on overall implementation. The PPSC would be chaired by a PPC Chair or Vice Chair and include the Director of DONRE as Deputy Chair and senior representatives from provincial Departments for Finance (DoF), Planning and Investment (DPI), Information and Communication (DCI) and other relevant entities. It will also include vice chairs of participating districts.

8. The PPCs are also assisted by their DONREs in carrying out day-to-day planning, implementation and monitoring of project activities at local levels with clear delegation of implementation authority in line with the GoV procedures and guidelines. In particular, (i) DONREs are still responsive for overseeing the project implementation and achievement of project objectives and outcomes in their provinces; (ii) DONREs, through their respective PPMUs, are responsible for the implementation of project activities and production of outputs under their authority (or delegation) such as LROs modernization, updating cadastral surveying

¹⁹ The executive arm of the provincial government, and is responsible for formulating and implementing policy.

and mapping, updating land profiles and land databases or those delegated to them such as implementation of local communication, provincial land law implementation monitoring land; (iii) DONREs, through their respective PPMUs, provide necessary information and backing as agreed in support of the project activities which are carried out centrally but implemented for their provinces, such as national land database development, and verify their outputs and authorize their payment; (iv) LROs will play an important role in implementing project activities such as improving service delivery and updating land survey, mapping and land information in the national land database in line with their mandates; (v) Those provinces that show greater implementation capacities and commitment will have greater scope of project activities and funding and be delegated with more authority and responsibility in project implementation and management and may organize their PPMUs to cope with the amounts of work.

9. Project will establish PPMUs, in accordance with the on-lending procedures and guidance from the respective PPCs, in all 33 target provinces. PPMUs will be headed by the Director or the designated Deputy Director of the respective provincial DONRE and staffed with adequate number of DONRE officials and contracted staff and equipped with adequate office space and equipment. In the eight provinces where implementation is scheduled to commence in the first year, PPMUs will be established prior to project effectiveness and in other provinces PPMUs will be established prior to start of implementation. There will no PPMU in the 30 non-target provinces and cities. The non-target provinces will have Task Teams only and will liaise with CPMU to mainstream the MPLIS and national land database and will participate in workshops and training convened to learn from project experiences.

10. In the 33 project target provinces, there will be no project management unit at the district or LRO level. Given the important role of LROs in the project, they will be part of the respective PPMU and will actively participate, through DONREs, in project management and implementation such as preparation of the technical proposal, supervision of project activities implementation and verification and certification of outputs. LROs will play an important role in implementing project activities such as improving service delivery and updating land survey, mapping and land information in the national land database, in line with their mandates.

11. On-lend funding mechanisms and implementation arrangements (for target provinces): GoV has taken a policy decision allowing local governments to borrow a part of IDA funds to finance development projects and this will be applied for VILG too. At present, the government has not elaborated procedures and guideline for "on-lending" IDA funds to provinces. MoF has confirmed that these would be in place by the time project effectiveness and a copy will be shared with the Bank for its reference too. The implementation arrangements would reflect this and agreements between MoF and provincial governments on this "on-lent" arrangements. The details will be elaborated in the project's POM. In line with the "On-lending" procedures and, therefore, the respective provincial Departments of Finance (DoF) will have a role in monitoring use of funds and repayments of amount lent to DONREs. In turn, DoF will coordinate with CPMU and respective DONREs, and will also participate in specific monitoring missions and events during project implementation.

12. **Planning, Monitoring and Evaluation and Reporting:** CPMU is responsible for overall planning, monitoring and reporting. The monitoring and documentation of lessons learned will cover both target and non-target provinces though the focus will be put on the target provinces.

A detailed project M&E Framework has been prepared along with a set of intermediate indicators (Refer to Project Results Framework, PRF, for a summary of the outcome and results indicators). The POM (Project Operations Manual) will describe the detailed tasks and responsibilities for data collection, processing, analysis and reporting at national and sub-national levels. The POM will also provide disaggregated indicators for periodic and progress monitoring and reporting. These indicators will be monitored and progress included in period project reports. The M&E framework and reporting templates will have a sub-system to allow the administrative and financial monitoring of the project. Data and information collection will allow for accompanying assessments of project activities and outcomes. These reports will feed into the preparation of the work plans and financial allocations too. The counterpart for submission of reports to the NPSC, MONRE/GDLA and the World Bank is the CPMU. In addition, the GDLA/CPMU will hold regular meetings with NPSC/MONRE and the Bank to review progress and discuss issues as they arise. There will also be biannual meetings of provincial and district advisory groups where lessons learned should be shared. It will also organize a mid-term review and an end-of-project assessment. The responsibility for managing M&E activities will be under a dedicated team within the CPMU and project provinces (through PPMUs), as needed, additional technical M&E staff will be engaged. The project will also support training programs on basic and advanced M&E methods and principles (including on-the-job training) for staff at the national, and sub-national levels.

13. **Sustainability:** The sustainability of the project outcomes will need to be assured in two critical areas: (a) change and improvements in land users' behavior in registering land transactions as required by Land Law 2013 in the long run. This will be achieved through targeted public awareness raising and communication plans; and (b) human and financial capacity to operate and maintain the land administration and management services. The project will support the development of a clear set of procedures and systems for financial management and procurement and build capacity of the GDLA/DONRE staff. LRO and provincial staff will provide the foundation human capacity and expertise for the future from which future staffing will learn from and be trained.

14. The Government has expressed its commitment to pursue land sector reforms, learning from the project experiences, and strengthen the land administration system and governance required for mainstreaming the MPLIS and land database along with initiatives to enhance public awareness raising campaigns at national and sub-national levels. These efforts will also strengthen public confidence on the government's policies and programs with regard to land administration and land management, land service delivery, and proposed land law monitoring activities will provide an ongoing forum for stakeholder consultation and civic engagement too.

15. To ensure the long-term operation and sustainability of the MPLIS software, GDLA's IT Centre and Center for Land Information and other relevant departments and units engaged in land registration and database will participate in the development, user training and deployment of MPLIS. It is important to ensure commitment of the government and PPCs to secure funding for operations and maintenance of the national and provincial systems after the project period. In addition, the government will also ensure participation of the non-target provinces through learning and mainstreaming initiatives and events that would ensure gradual mainstreaming of MPLIS and the national land database and their sustainability.

B. Financial Management

15. A Financial Management (FM) Assessment has been conducted for the project implementing agencies (i.e. CPMU and project provinces). The following key risks were identified: (a) new project provinces may not be familiar with Bank FM requirements; (b) project design adopts almost full centralization mechanism which would require good management at central level and high collaboration and accountability on the part of the provinces in monitoring fund flows and in meeting the financial reporting requirements; and (c) successful project implementation requires strong linkages among project components and good management and coordination between MONRE, GDLA, DONREs, and other stakeholders. The FM risk is rated 'Substantial' after all mitigation measures are in place.

16. The principal risk mitigation measures include: (a) acceptable FM staffing to be appointed at all implementing agencies (priority should be given to the staff that have experience in FM from Bank-financed projects, such as VLAP) and provided with training on Bank FM requirements and disbursement procedures; (b) a Project FM Manual to be developed as part of the Project Operational Manual, describing in detail the roles and responsibilities of the concerned parties, as well as specifying the project FM procedures and regulations; (c) an upgraded accounting software to be installed for the Project and training to be provided to all accounting staff; and (d) an internal audit team to be established with the TOR acceptable to the Bank to conduct internal audit activities for the Project. All the above-mentioned actions shall be completed prior to start of the project implementation.

17. **Budget allocations and counterpart funding arrangements.** Central and provincial levels have provided commitments to ensure that counterpart funds are available for project implementation and subsequent operation. The counterpart funds will be made available for the implementing agencies through the State Treasury system. Budgeting procedures, including the roles and responsibilities of each concerned party within MONRE and DONREs as well as other related agencies including MOF and DOFs will be described in the FM Manual.

18. With regard to non-target provinces, project will provide support for learning and mainstreaming the MPLIS and national land database through training and only pay for the bandwidth and/or hosting services provided by commercial sources and for e-signature services along with and e-signature and integration of existing digital cadastre data only. CPMU will be responsible for making payments for those specified services and activities.

19. **Accounting system.** A consistent accounting system, based on the accounting policies and procedures under the Accounting System for Administrative Organizations (Decision 19 of the Ministry of Finance) will be applied. The chart of account will be modified when necessary to meet Bank FM requirements. Accounting records will be maintained in a computerized accounting system.

20. **Accounting software.** The CPMU would evaluate and select the most suitable computerized accounting software that is being used by other agricultural projects under MONRE/GDLA to modify (or upgrade) and use for VILG. The same software would be installed at all implementing agencies followed by FM staff training to ensure consistency in project accounting and reporting, and allow the CPMU to consolidate the Project's financial reports more easily.

21. **Financial reporting.** The CPMU will consolidate the semi-annual Interim Financial Reports (IFRs) prepared by the CPMU, PPMUs for monitoring of financial performance of the Project in a format agreed between the representative of the GoV and the Bank. IFRs will be based on the Aligned Monitoring Tool, which is regulated under MPI Decision and such reports will be sent to the Bank within 45 days of the end of the respective semester. The CPMU will prepare consolidated annual financial statements covering all project components and activities.

22. **Internal Controls and Internal Auditing.** Internal control procedures will be established in the Project FM Manual which will be reviewed and updated regularly to take into account changes in procedures. An Internal Audit function will be established under MONRE and an internal audit team will be formed to conduct internal audit following a TOR acceptable to the Bank. Internal audit reports will be prepared on semi-annual basis and submitted to the Bank twice a year, by March 31 and September 30 of each year.

23. **External Audit.** The CPMU will appoint independent auditors acceptable to the Bank. The Project financial statements will be audited annually in accordance with International Standards on Auditing and terms of reference acceptable to the Bank. The auditors' reports will be made available to the Bank within six months of the close of the fiscal year. The Project's audited financial statements will be made available to the public according to the Bank's information disclosure policy.

24. **Out-put based payment mechanism (or 'Technical Services' as defined in the Financing Agreement) under Component 2.** Under Component 2.2, technical services packages will be disbursed through an Out-put based mechanism. Under this mechanism, payments will be made to contractors-based on an acceptable standardized unit cost for integration services per land parcel and acceptable verification process of completed outputs by the Employer. A customized SOE will be prepared for this purpose and included in the FM Manual and as part of the contract details. The cost estimate for each Technical Service contract per district will be made in accordance with the Government cost norms. The allocated fund under out-put based mechanism will be disbursed through all Project implementing agencies and will be reported in the Project interim financial reports and audited on annual basis. A detail financial guidance on implementation of these activities, acceptable to the Bank, will be further developed based on the principles outlined in the Project FMM.

25. **Measures to address fraud and corruption.** The implementing agencies will implement strict contract management to avoid overpayment/overrunning contract budgetary allocations. The contract management will be part of IFRs. The following will be carried out to mitigate the risks of fraud and corruption: (a) clear FM responsibilities in the FM Manual; (b) internal and external audits; and (c) enhanced disclosure and transparency of financial information.

Disbursements

26. **Designated Accounts.** For project operations, eleven (11) Designated Accounts (DAs) will be opened in US Dollars (US\$) at commercial banks under terms and conditions satisfactory to IDA. Of these, CPMU will maintain two (02) DAs i.e., one for CPMU and one for all Sub-Projects. Nine (09) provinces, including Thai Nguyen, Nghe An, Ha Tinh, Thua Thien-Hue, Bac Ninh, An Giang, Dac Lac, Nam Dinh, and Tay Ninh, will maintain separate DAs. The DAs will have variable ceilings following approved forecast of three (03) months financial plan. For the

remaining 24 provinces, each participating province will open a Sub-Project account in US Dollars with a variable ceiling equivalent to approved forecast of three (03) months financial plan to receive advance from the CPMU Designated Account to implement Project activities at provincial level.

27. **Arrangements for the Flow of Funds.** The Project will use the following disbursement methods as stipulated in the Disbursement Letter: advance, reimbursement, special commitment and direct payment. The CPMU will report to the Bank on the operation of the DAs on a quarterly basis. Reporting on the use of Advances and requests Reimbursement would be documented based on the Statements of Expenditures (SOEs) and a List of payments against contracts that are subject to the Bank’s prior review, together with Records. Replenishment applications will be submitted quarterly. The Minimum Application Size for Reimbursement, Special Commitment and Direct Payments will be specified in the Disbursement Letter.

28. The Project will have a Disbursement Deadline Date (final date on which the Bank will accept applications for withdrawal from the borrower or documentation on the use of credit proceeds already advanced by the Bank) four months after the Closing Date. This "Grace Period" is granted in order to permit the orderly project completion and closure of the Credit Account via the submission of applications and supporting documentation for expenditures *incurred* on or before the Closing Date. Expenditures incurred between the Closing Date and the Disbursement Deadline Date are not eligible for disbursement.

29. Bank financing of the project will be at 100 percent, inclusive of taxes, for eligible expenditures consisting of goods, works, consulting services, non-consulting services, incremental operating costs, training and workshops. Output-based payments (or Technical Services as defined in the Financing Agreement) will be financed by the Bank at 90 percent. Government’s counterpart funds of US\$30 million will be used to finance expenditures such as 10 percent of the Output-based payments (or technical service packages as defined under subcomponent 2.2), salaries or salaries supplements for government staff working on the project, development costs of the land database system (Sub-component 2.1), communication strategy and awareness campaigns, etc.

Table 2: Allocation of IDA Credit Proceeds

Category	Amount of the Financing Allocated (in US Dollars)	Percentage of Expenditures to be Financed (inclusive of Taxes)
Goods, Works, Consulting Services, Non-Consulting Services, Training and Workshops, Incremental Operating Costs and Technical Services	\$150,000,000	90% for Technical Services and 100% for all other Eligible Expenditure
TOTAL AMOUNT	\$150,000,000	

C. Procurement

30. **Procurement Capacity and Risk Assessment (PCRA):** The capacity assessment of implementing agencies was conducted by the Bank team during May-November 2015. GDLA also completed a market survey and capacity analysis of potential contractors available for technical services required for land data integration and MPLIS software solutions. The results of these two assessments fed into the development of a “Project Procurement Strategy for Development” (PPSD) and used as inputs for finalization of the recommended procurement arrangement under the project. The PPSD also helped to address as to how procurement activities would support the development objectives of the project and deliver the best value for money under a risk-managed approach.

31. The above assessment identified that procurement management under the project may risk delays and noncompliance which could arise from:

- (i) Lack of sufficient capacity, knowledge and adequate experience in correct application of the Bank’s Procurement Regulations, rules and procedures by some GDLA/CPMU staff at central level and most of DONRE/PPMU staff at provincial level under Bank-funded projects that would result in significant implementation delays and possible non-compliance with the Bank’s Procurement Regulations
- (ii) Lack of sufficient knowledge of and experience with the Bank’s procurement regulations by project staff assigned at PPC/DONRE responsible for approving/appraising procurement decisions, which would cause delays in decision making. Potential delays may occur due to internal bureaucratic appraisal/approval procedures at appraising agencies given heavy workloads and/or unethical reasons;
- (iii) Reluctance by the implementing agencies and relevant approving authorities (both at national and subnational levels) to follow the World Bank’s Procurement Regulations and their insistence on following the local Law on Procurement, especially when it conflicts with the Bank’s regulations. Given the current differences between the Vietnamese Law on Procurement and the applicable Bank’s procurement procedures, the tendency of CPMU/PPMUs and appraisal authorities to follow the national procedures would also result in slow decision making, incorrect application of rules and potential non-compliance with Bank’s Procurement Regulations;
- (iv) Insufficient capacity in terms of procurement planning and contract management by all implementing agencies at both ministerial and provincial levels;
- (v) Possible governance and corruption issues, including potential collusion among bidders, and reluctance by project owners and implementing agencies to open competition due to closed nature of land administration business to date;
- (vi) Lack of counterpart funding in a timely manner at both central and provincial level that would also result in contract execution delays;
- (vii) Limited oversight by citizens, communities, civil society and independent audit organizations.

32. Given (i) the high risk inherent the country’s public procurement system; (ii) the high risk due to lack of competition in the market of technical services for land data integration & development given the closed nature of the business; (iii) the current capacity and experience of the implementing agencies and appraising authorities at provincial level; and (iv) identified risks associated with the project operational context, and from market research, the overall procurement risk for the proposed project is rated as High.

Action Plan to Mitigate Procurement and Contract Management Risks

33. To mitigate the identified risks and build up capacity, an action plan was developed and agreed to. The residual Risk after the mitigation measures have been implemented would remain “Substantial”.

	Actions	Responsibility	Time frame (expected Completion date)
1.	All staff working at CPMU and PPMUs under the project and concerned staff of central and provincial appraising authorities (MONRE/GDLA and PPC/DONRE) for the project to familiarize with and follow-up with the Bank’s Strategic Action Plan to address Fraud & Corruption in Vietnam. Establishment and monitored application of Code of Ethics for project staff are mandatory requirements for compliance.	Borrower staff involved in the project at (i) ministerial level (MONRE/GDLA/CPMU, and (ii) provincial level (PPC/DONRE/PPMUs)	Starting from the project negotiations and throughout the project implementation
2	At central level: Appointment of officers with adequate qualifications and procurement experience with World Bank-funded projects to be in charge of procurement in the CPMU (at least two procurement officers in the implementing unit) At provincial level: In each PPMU of eight provinces (DONRE) being included in the First round of implementation, appointment of at least one designated and qualified staff to be in charge of procurement.	GDLA/CPMU DONRE/PPMUs	By the project signing. By project effectiveness.
3	Prepare and enforce a hands-on procurement manual (covering clear rules, procedures and division of responsibilities, sample documents and evaluation report, procurement Strategy and Planning, etc.) as part of the Project Operation Manual (POM).	GDLA/CPMU	POM including procurement manuals to be cleared by the Bank by project effectiveness.

	Actions	Responsibility	Time frame (expected Completion date)
	Develop sample Bidding Documents for technical services (following template of Harmonized NCB Bidding Document for Works among WB-ADB-Vietnam), acceptable to the Bank, for mandatory use consistently nationwide for open national bidding for technical services. The use of World Bank's Standard Procurement Document for procurement of Goods and Standard RFP for QCBS shall also be mandatory.		
4	Provide regular and ad-hoc trainings on the applicable Bank's procurement regulations/procedures to project staff of implementing agencies in the First round (CPMU and eight PPMUs), as well as other concerned staff of relevant appraisal authorities at MONRE/GDLA and eight PPC/DONREs, who will be involved in assisting respective Investment Owners' appraisal for/approval of procurement decisions made by the implementing agencies	CPMU as the coordinator on the Borrower side & WB	By the project effectiveness, at early stage of implementation and to be scaled up throughout the project implementation
5.	Ensure procurement readiness of the project in the first 18 months (i.e., readiness of Technical requirements and corresponding Bidding Documents for eight first Technical service contracts in eight provinces of Round 1, technical requirements for large packages for Goods, and TORs for large consulting assignments to be procured in the first 18 months of the project procurement plan)	CPMU/PPMU	By project effectiveness
6	Engage the internal and external auditor(s) to do procurement audits besides the technical and financial audits.	CPMU	During project implementation

Procurement Strategy

34. A project Procurement Strategy for Development (PPSD) has been developed by the CPMU/GDLA in close consultation with the Bank, and a report made available during project appraisal. The Procurement Strategy identified a fit-for-purpose procurement approach to suit specific needs, the market and the operational context of the project. Given the project nature and complexity, the PPSD is proportional, providing adequate justifications for the selection methods chosen in the Procurement Plan, dated June 3, 2016, agreed with the Bank.

Procurement Arrangements

35. The Bank has reviewed the outputs of the Procurement Strategy developed by the Borrower and agreed with the proposed Procurement Arrangements under the project with major conclusion highlighted below. Details are provided in the Section 5 of the PPSD.

36. **Contracting mechanism for Technical Services:** There will be no approach to International market for Technical Services for land database integration and development due to government limitations for specialized public services related to land information and security concerns with access to land database. Technical Services for cadastral database development & integration will be procured in line with the GDLA proposal as follows:

- (i) Open competition: The procurement of Technical Services under the Project will be through Open and National Bidding and to the extent possible the bidding process will be open to Private enterprises and eligible State-Owned Enterprises (SOEs) to compete. Application of paragraph 3.22.b) under Section III on Eligibility of the Procurement Regulations would allow eligible state-owned entities equal participation with the private sector for contracting specialized technical services for cadastral database development. This would apply only to those State-Owned Enterprises (SOEs) and Public Service Units (PSUs) that clearly meet the eligibility criteria stated in that paragraph.
- (ii) Where the Open competition is not possible, the market approach will be National and Direct. In case the private sector and eligible SOEs/PSUs do not have the capacity to carry out all the necessary work, after the market has become saturated, additional competition applying paragraph 3.22 (c) of the Procurement Regulations would allow the contracting of otherwise indelible SOEs/PSUs either through Direct contracting or through Limited competition between qualifying SOEs/PSUs (under MONRE/DONRE).
- (iii) Participation of Public Service Units (PSUs): State entities under direct supervision by the respective provincial DONRE are allowed to be directly contracted, for services which can only be performed by these units - as force accounts. Paragraphs 7.46 and 7.47. (e) of the Procurement Regulations allow these PSUs be assigned in form of Force Account to perform tasks in accordance with the steps explained in the Unit Price and the relevant cost norms prescribed for technical assignment (e.g., land registration; performance of sequential steps indicated for the development of the database such as gathering/preparation of documents; parcel classification and improvement of existing cadaster records). These items account for about 31 percent of the total budget of each package.
- (iv) Solution on Contract Management: For each package, only one contract is signed directly between the project owner and the winning Contractor selected through an Open and National competition. The winning bidder would be among group (1) - Accredited private enterprises, group (2) – Eligible State-owned enterprises (SOEs) under MONRE and eligible PSUs under MONRE/GDLA, group (3) - PSUs under DONREs which are financially autonomous, and group (4) - State owned enterprises

(SOEs) under other ministries. Contract shall include two parts: (a) the works need to be performed by the winning bidder itself - the Main contractor, (b) Main contractor will be authorized to sub-contract specified work to other qualified contractors (hereinafter referred to as nominated Sub-contractor). Sub-contractor which is the PSUs under DONRE (being the contracting agency of the corresponding contract), will perform the nominated tasks under the supervision and management of the Main contractor. The subcontract will have to be approved by the Contracting agency prior to signing and will follow a standard form developed by the GDLA.

- (v) Contract Payment Method: The Client (Contracting agency) shall be responsible for the direct payment to the Main Contractor (based on review of work performed), and the Main contractor will make payment to the Sub-contractor after the Client's approval of completeness of the sub-contracted works.

37. **Payment mechanism for Technical Service contracts:** following output-based payment based on the contractual unit price for completed services of land data integration for each land unit cost at a particular district in a particular province.

38. **The market approach will be National and Open for selection of commercial service providers for leasing IT infrastructure** (for hosting and bandwidth services), following slice and package approach, i.e. a single package with two individual lots for provision of hosting service and bandwidth. For the commercial lease of IT infrastructure service, MONRE proposes to use IDA funds within VILG project during the project period. After finishing the project, the Government of Vietnam will commit to allocate funds to maintain and operate national information database.

39. **Method of contractor selection for procurement of the peripherals equipment for LROs will follow the framework agreement approach.** The CPMU will set up framework agreements (with unified technical requirements, pricing method, etc.) as guidance at national level and PPMUs will conduct the call-off process at provincial or inter-provincial level.

Summary of Procurement Arrangements

40. The specific procurement methods, their application thresholds, and the thresholds for the Bank's Prior Review to be applied under the proposed project are indicated in the Table below. During the project implementation, these thresholds may be subject to change upon the Bank's official notice in sufficient time in advance to ensure smooth implementation without any disruption.

Category	Procurement method threshold		Prior review threshold	
	Threshold (US \$)	Note	Threshold (US \$)	Note
Technical and Non-consulting (leasing) services				
Request for Bids (RFB) using the Open,	Normally < \$3mn	Apply to all contracts for Technical Services	All Contracts for leased assets at central level	Risk-based approach (based on procurement risk assessment). Number of contracts are

Category	Procurement method threshold		Prior review threshold	
	Threshold (US \$)	Note	Threshold (US \$)	Note
National market approach		regardless of value of each individual contract	regardless of value; The first contract at each province (value \geq \$0.1mn and $<$ \$3mn);	under prior review applied for each PPMU: the provision of prior review of the first one to two contracts depending on PPMU's capacity
Request for Quotations (RFQ)	$<$ \$0.1mn		None	
Goods				
Request for Bids (RFB) using Open, International market approach	\geq \$3mn		All contracts (if any)	
Request for Bids (RFB) using Open, National market approach	$<$ \$3mn	For Goods not available in Vietnam, International Competition approach will be used even though value of contract is less than \$3mn	Contracts under Framework Agreement (FA) at central level, regardless of value; The first two contracts at provincial level (value \geq \$0.1mn and $<$ \$3mn)	Risk-based approach (based on procurement risk assessment). Number of contracts are under prior review applied for each PPMU: the provision of prior review of the first one to two contracts depending on PPMU's capacity
Request for Quotations (RFQ)	$<$ \$0.1mn		None	
Consulting Services				
QCBS, QBS, FBS, LCS Using the most appropriate market approach	$>$ \$0.3mn		Consulting Firms: \geq \$0.5mn (for QCBS) and first contract for each the method (QCBS, QBS, FBS, LCS).	All QCBS contracts \geq \$0.5mn will be subject to prior review
CQS Using an open,	\leq \$0.3mn	Methods (QCBS, QBS, FBS, LCS) can be applied	All Direct Selection contracts	

Category	Procurement method threshold		Prior review threshold	
	Threshold (US \$)	Note	Threshold (US \$)	Note
international or national market approach		for contracts with value under \$0.3 mn	All Audit contracts The first CQS contract	
Individual Consultant (IC) Using the most appropriate market approach	n.a. depending on nature of services		Individual: for necessary positions (procurement, accountant, etc.)	Required Individual consulting service shall be specified in the Procurement Plan agreed with WB

Procurement Planning

41. The Procurement Plan for the first 18 months under the project has been finalized. The agreed Procurement Plan will be disclosed by the Bank to the public - on the World Bank website - after the IDA financing has been approved by the Bank management. The Procurement Plan will be updated on an annual basis or as needed throughout the project duration to reflect the actual project implementation needs and improvements in institutional capacity. The updated Procurement Plan, as agreed between the Bank and the Borrower, will specify procurement methods and their applicable thresholds, as well as the most updated applicable thresholds for the Bank's prior review, for all packages.

Bank Implementation support (via Procurement Supervision and Post-review):

42. **Prior review:** The project Procurement Plan agreed between the Borrower and the Bank will indicate the agreed prior review thresholds based on the procurement capacity assessment and mitigation measures. This will be updated annually or semi-annually during implementation support missions, based on the procurement capacity assessment at supervision (IFAS) and will be reflected in the updated procurement plan as appropriate. When the slice-and-package approach is relevant to be followed, where bids are invited, evaluated and awarded in the form of a package comprising multiple lots, the total estimated cost of all lots consisting the particular package will be the basis to determine whether the package is subject to prior- or post-review.

43. **Supervision and Post-Review:** Contracts not subject to prior review will be subject to Post review by the Bank as per procedures set forth in paragraphs 2.5-2.6 of Annex II – “Procurement Oversight” of the Procurement Regulations. Such Procurement Post Reviews by the Bank will cover 20 percent of the total post-reviewed contracts and will be on a frequency of every twelve (12) months. The Bank will also carry out regular procurement supervision missions on a bi-annual basis. In addition to applicable prior review, the capacity assessment of implementing agencies, selected on a random basis, has recommended annual supervision missions to visit the sites to carry out post review of procurement actions.

44. **Monitoring by STEP:** Through mandatory use of Systematic Tracking of Exchanges in Procurement (STEP) by the Borrower, the Bank will be able to consolidate procurement/contract data for monitoring and tracking of all procurement transactions. Using STEP, comprehensive information of all contracts for goods, works, technical services and consultants' services awarded under the whole Project, no matter those are subject to the Bank's prior-review or post-review, will be available automatically and systematically on an annual basis and/or whenever required, including but not limited to: (i) reference number as indicated in the Procurement Plan and a brief description of the contract; (ii) estimated cost, (iii) procurement method; (iv) timelines of the bidding process, (v) number of participated bidders, (vi) names & reasons of rejected bidders, (vii) date of contract award; (viii) name of awarded supplier, contractor or consultant; (ix) final contract value and (x) contractual implementation period, etc.

D. Environmental and Social (including safeguards)

45. **Environment:** Environment risk is considered *Low*. The Bank carried out an Environmental Assessment screening and classified the proposed project as Category B. The project only triggers OP 4.01 (*Environmental Assessment*) due to potential downstream environmental and social impacts associated with the project activities, specifically with subcomponent 1.3 on strengthening M&E in land use management. Project activities aim to support the strengthening of institutional environment for land management and land service provision, including improving access to land information, and strengthening land information system and land governance. Thus, the project would mostly have positive environmental and social impacts by improving the quality, quantity and access to social and environment-related information in the land information system.

46. During project preparation, a Social Assessment (SA) was carried out to inform project design, especially for Component 1 on strengthening institutional environment for land service provision, including communication and awareness-raising and land use and land use management monitoring. Ethnic minority people and women were paid special attention during social assessment to ensure they will benefit from the project equally. In addition, the conduct of SA was to identify potential downstream environmental impacts, particularly on natural habitats, forests and physical cultural resources resulting from mapping, surveying and land use plan recording. Results from the SA confirmed that under VILG, there will be no mapping and surveying and issuance of LURCs, and that only data on land use plans are to be recorded. The project would not impact on natural habitats, e.g., national parks, natural reserves, wetlands of biodiversity preservation, natural rivers and lakes; forests, e.g. primary, protection and production forests; and physical cultural resources, e.g. religious works, historical relics, archaeological sites, and cemeteries. So the project does not trigger OP 4.04 (Natural Habitats), OP 4.36 (Forests) and OP 4.11 (Physical Cultural Resources).

47. Given the nature of the project, it is envisaged that potential environmental impacts may be mainstreamed in the project activities during implementation. The need and process to address potential environmental impacts to be mainstreamed in the project activities during implementation would require MONRE to incorporate environmental objectives into TOR for the project TA activities, especially in design of M&E system of land use management, to be in line with the Bank's Interim Guidelines on the Application of Safeguard Policies to TA Activities

in Bank-Financed Project and the expected reports will need to describe how potential environmental issues are identified and addressed through provisions in proposed institutional design. In addition, training activities, where applicable, will include issues related to environmental safeguards. In sum, there is no requirement for a separate environmental instrument for the project.

48. *Capacity of the Borrower:* The main counterpart of the project will be GDLA under MONRE and respective provincial DONREs. GDLA will be responsible for social and environmental safeguard issues. The proposed project is similar in nature with VLAP in terms of safeguard policy triggering, so the Borrower has experience in dealing with the same type of safeguards policies to be applied for the project. However, further capacity training on Ethnic Minority Development Plan (EMDP) implementation for local authorities and organizations will be conducted.

49. **Social:** The project's social risk is rated as Moderate for the proposed project. It builds on the successful implementation of the VLAP from 2008-2015 that sought to increase community awareness on tenure security and their participation in the registration process and in enhancing inclusion of ethnic minorities through a specific action plan. The project promotes transparency and informed participation of the targeted beneficiaries, encouraging landholder participation and supporting the realization of the project's expected broad range of positive social impacts including better access to land information, more reliable services at LROs, reduced time and effort needed for land transactions, and increased participation of women and ethnic minorities. The Project would maintain close engagement with the beneficiaries i.e., public, land users, including disadvantaged and vulnerable groups, and business community, who will have increased and better access to land information and better services with integrated digital data vital for improving land governance. The Project would support incentives and provides improved equipment, capacities and resources to LROs vital for future sustainability. All activities are designed to involve stakeholder participation and civic engagement, including extensive community consultations, involving entities like local Farmers' Union or Women Union. For this purpose, the Project will build on the successful process established under VLAP through Local Facilitators (LFs) to address the needs of targeted beneficiaries. The Project would also focus on disseminating the benefits of tenure security and building capacities of local LROs so they can better understand and facilitate the change-process, particularly with regard to land registration, updating land registry and tenure security of land holders and other stakeholders. Access to land information and better land services are expected to increase with the improvement of LROs and the promotion of e-governance, and the building of stakeholders' capacity.

50. A Social Assessment (SA) was conducted in six provinces out of the eight first-year provinces, namely Thai Nguyen, Bac Ninh, Ninh Binh, Quang Binh, Ha Tinh and An Giang. Generally, respondents expressed their support for the project, depending on their past experiences, current working positions or interests in land information. They acknowledged three important potential benefits from the project i.e., reduced time and efforts for land users, improved business environment, and improved process and guidelines for accessing land services (both by households and business persons). However, a few respondents from the related organizations, including businesses, notary offices and lawyers offices – based on their extensive experience in dealing with a variety of sensitive and complicated cases concerning land

information - expressed their concern about some potential negative impacts and risks from the project. The concerns they raised in this study include asymmetry of land information; confidentiality of information stored in public sources such as the database; overlap between existing laws and related sub-laws; unfair competition; accuracy and reliability of information; accountability; updating of information in the National Land Database; inconsistent improvement of LRO services; and familiarity with the legal framework and emphasized the need for better public communication for citizens to understand the importance of land administration and accessibility of land services.

51. The SA makes strong recommendations to address constraints, minimize potential negative impact, and optimize beneficiary utilization of land-information services provided by VILG. These include:

- **Enhancing transparency and accountability through localized responses:** Enhanced transparency of land information to the general public, including vulnerable groups, supports social demand for accountability from land administrators and the Government as a whole. Other measures and initiatives, some of which have been mentioned elsewhere in this document, include support from LROs and mobile services; a more effective feedback mechanism; and capacity building for local officials, village cadres, and LROs.
- **Incentives for Government officials for participation and inclusion:** To incentivize land administrators to participate more actively in the process, it is essential to use certain indicators of access to land information amongst vulnerable groups as measurement of their performance. It is encouraged to engage local EM land administrators as some studies have demonstrated the value of EM officials from the local community in terms of promoting participation from and inclusion of EMs in local initiatives/activities. As the studies point out, EM officials serve as active agents who can effectively link the local government and the people in different domains, including the land sector, and can provide assistance for Kinh colleagues in policy implementation.
- **Promotion of local civil society/mass organizations to engage with EM communities in their work.** NGO/mass organization programs can add value to information transparency efforts in EM communities through introduction of more participatory planning processes, and capacity development, among other areas. Local Facilitators, where possible and subject to availability of resources, will be recruited from local mass organizations (e.g., Women's Union) to support engagement with communities and awareness raising.
- **Improving service delivery:** Given land users' identification of the constraining bureaucracy of current procedures and other problems in accessing information, it is necessary to review service delivery procedures at provincial, district, and commune levels in relation to land transactions to identify key areas and inconsistencies that impede efficiency. It is important to clearly define some fundamental concepts of land-related information in the most accessible manner for the public, especially semi-literate people, to avoid confusion or misunderstanding. LROs should provide and maintain a variety of land-related services in addition to supplying land information through the Internet-based MPLIS. LROs could send their staff to communal land-information points (such as one-stop service) on a particular day each week.

- **Facilitating access to and use of online land information:** Appropriate measures and mechanisms to ensure accessibility for different social groups include taking advantage of a land geoportal and IT to optimize utilization of information, especially for hard-to-reach groups; phasing the implementation of VILG within a province; and creating public venues to access the Internet for land information.
- **Regular mobile support in deep, remote, and difficult-to-reach areas:** To overcome language barriers and poor literacy among vulnerable groups, regular mobile services could provide tailored support for accessing land information. VILG could benefit from lessons learnt from legal-aid mobile services that have functioned effectively across the country for more than a decade working with vulnerable groups, including the poor/near-poor, EMs, and women. Generally, mobile services may effectively raise public awareness in hard-to-reach areas and among vulnerable groups with limited access to land information, who are thus less likely to participate in the land-related decision-making. Mobile services may engage more “clients” from vulnerable groups, thus raising the demand for land information in general and across different aspects of land information, which remains very limited at the moment. In hard-to-reach communities, the service will improve public trust in the reliability and benefits of land information through a close and effective communication channel and, concurrently, improve delivery service in the land sector. This, in turn, would lead to higher demand for better service standards from land administrators.
- **Ensuring confidentiality of certain land information:** The SA provides some common suggestions, including review of legislation related to confidentiality under VILG, such as the Land Law (2013), the Civil Code, the Criminal Code, the draft Law on Access to Information, the Law on Electronic Transactions, and Circular 34/2014/TT-BTNMT on building, managing and using the land information systems and Information Disclosure. Also, prudent regulation of authorized decentralization of access to information is needed, e.g. which agency or individuals and at which level can access which information. It is important to prepare specific regulations on the roles and responsibilities of agencies at various levels authorized to provide information in MPLIS; e.g., which agencies can supply what information, the methods and forms of supplying land information, and associated legal responsibilities. There should also be a clear and practical mechanism on institutional and individual rights and obligations in using land information from MPLIS and LROs.
- **Communication and awareness raising:** It is important to develop an adequate communication plan to boost both demand from vulnerable groups and advocacy for stronger commitment from the local authorities in addressing constraints in supplying adequate land information services. The communication plan and the Project Operations Manual should take into account the constraints and emerging requirements that have been reflected in the local consultations to avoid exclusion of the vulnerable groups from the project and its benefits. The communication plan should facilitate two-way dialogues – it is not only about telling people information of the program, but about listening to and responding to their concerns.
- **Free, prior, and informed consultations:** The success of VILG can be greatly influenced by making sure that relevant stakeholders and participant groups are well-informed and enable to get engaged at every stage of the process. To obtain consensus and support from various stakeholders, it is important to prepare documents that specify project benefits for each category of potential beneficiaries and pursue consultations with communities. During

implementation, to ensure inclusion, participation, and cultural suitability, the project should hold continuous consultations and solicit feedback from all communities so that remedial actions can be taken to support improved participation and provision of benefits to households including those of EMs.

- **Coordination with existing projects:** Land administrators and land-user organizations in the provinces that were visited by the SA team called for VILG's synergy with related existing land-related projects (e.g., infrastructure development, livelihoods, agriculture) at the national and sub-national levels to ensure efficient use of resources and sustainability of investments made.
- **An enabling and effective grievance-redressal mechanism:** It is necessary to improve the flow of information, both upwards and downwards, to create more favorable conditions for vulnerable groups to engage in the feedback mechanism, avoid their exclusion from the project and its benefits, and maximize the positive impact on and satisfaction of project beneficiaries.

52. **OP 4.10 Indigenous Peoples:** Twenty-three of the 33 proposed project provinces and four of the 8 first-year implementation provinces (Phase-1 project sites) include EMs. This will trigger the World Bank's Policy, OP/BP 4.10 on Indigenous Peoples. Since the project will be implemented in a phased manner, an Ethnic Minorities Plan Framework (EMPF) has been prepared. In addition, Ethnic Minorities Development Plans (EMDPs) for four provinces (Thai Nguyen, Quảng Bình, Hà Tĩnh, and An Giang) have been developed for Phase-1. Similar EMDPs will be prepared for the other provinces where ethnic minorities live before they will be included in the project during project implementation. There is Muong group in Ninh Binh province. However, screening process showed that this group has a very high level of assimilation with the Kinh group (the majority) and does not meet the definition of Indigenous People as per OP4.10; therefore, EMDP is not required for this province.

53. Specific measures will be implemented to ensure that some of the most vulnerable EM communities in upland areas are not disadvantaged by VILG. Land information, whether it be from IEC printed or audio-visual materials or from the geo-land portal, should be communicated to ethnic minority communities in a fully accessible manner, especially in terms of language and culture.

54. While Kinh communities often face challenges in understanding technical information and documentation relating to land, ethnic minority groups are at a double disadvantage. To address this problem and the risk that ethnic minority groups will become further disadvantaged by the dissemination of increasingly technical information about land administration, processes, and procedures, particular efforts will need to be made to ensure that any new information is available in languages, forms, and channels that are highly accessible to ethnic minorities. Short video clips or films in ethnic minority languages may be produced, especially for those groups that do not have their own writing, such as Bru Van Kieu and Chut in Quang Binh.

55. Though there will be no policy development under the project, the OP 4.10 would also be applied to any related TA during the project implementation in line with the Bank's Interim Guidelines on the Application of Safeguard Policies to TA Activities in Bank-Financed Project

56. **OP 4.12 Involuntary Resettlement:** No civil works have been proposed for this project so land acquisition will not take place. Restrictions on access to and exploitation of natural resources will also not be affected. The project will only establish database on existing land use certifications and status. There will not be any new land rights adjudicated or amended, and there will be no land acquisition policy support. Therefore, OP 4.12 is not triggered for this project.

57. **Gender:** It is essential to increase the participation of women, especially the EM groups in the project sites, in various project activities and interventions, such as information dissemination and training, local facilitator work, and commune working groups. It is important to raise awareness for women of their rights and benefits in joint husband-and-wife titling and use of land-use rights certificates for bank loans, lease and contributions to joint business, their rights to access to the GRM system and how to lodge their complaints when needs arise.

58. The SA found that, participation of women at information workshops and meetings likely to be low. Therefore, specific measures will be necessary to enhance women's current access to information and their associated engagement in VILG project activities. Efforts will be needed to arrange a location and time suitable for women, and additional promotional activities may also be necessary to maximize attendance by female householders. For meetings with EM groups, it will be necessary to identify individuals with proficiency in EM dialects, who can act as interpreters and provide a careful briefing to ensure that the issues and terms to be used in Vietnamese are clearly understood and well communicated.

59. It is important to take into account some gender differences in availability for events. For example, respondents in Bac Ninh suggested that communication for women should be integrated in women's union meetings, while for men, it should be conducted outside working hours. Furthermore, during a regular mobile service trip, women can be mobilized to assemble at a fixed time to familiarize themselves with this activity and then seek information proactively whenever they need it.

60. Training provided to sub-national land officials and local facilitators on land sector issues as well as project staff should take into account cultural relevance and gender sensitivity. The composition of a mobile support team, as suggested earlier in this report, may ideally include a female member to address issues that require gender sensitivity. For instance, some female clients may not feel comfortable in seeking information and advice from male staff as a result of certain cultural and customary barriers. The Project's field monitoring and evaluation activities and independent impact assessments will include a sub-set of indicators that will allow analysis disaggregated by gender, ethnic minority communities and other disadvantaged groups in the society.

61. It is important to include names and basic information about spouses under their joint registration of land and property and appropriately entered in the MPLIS or under the current land use wherein no LURCs have been issued so far to formally protect and recognize tenurial claims of women in particular. The MPLIS database would facilitate gender land use right analysis as per the available information in the system.

62. The drafts of SA, EMPF and EMDPs were disclosed locally at the provincial, district and commune levels in the form accessible by local people, including Ethnic Minority People on Jan.

20, 2016. All these drafts were sent to IDU/ InfoShop for disclosure on Jan. 21, 2016. The final SA, EMPF and EMDPs have been re-disclosed locally on June 11, 2016 and sent to IDU/ Infoshop for re-disclosure on June 11, 2016.

E. Monitoring and Evaluation

63. The Monitoring and Evaluation Framework has been prepared and is intended to ensure: (a) appropriate measurement and assessment of project performance, (b) quality in the project to ensure best possible benefit for beneficiaries, (c) accountability in the use of project resources through financial reviews, (d) the project has mechanisms in place to ensure learning processes, and (e) participation of beneficiaries and other stakeholders in assessing progress, and identifying issues, challenges, and recommendations. The main monitoring activities include periodic field visits and review of progress reports received from the sub-national counterparts and feedback from stakeholders. To ensure that the involved parties will effectively assess the progress and discuss the required corrective actions, regular coordination meetings will be arranged at both national and sub-national levels and at these events findings from field visits and progress reports will be shared and discussed. The work on progress monitoring will specifically review the implementation status of the planned activities (and follow up to corrective actions, if any), financial information, level of participation of the key actors, challenges, and actions taken/planned. The main output will be regular reports on project progress (narrative and financial), including a summary of issues and challenges, lessons learned, and recommendations for remedying some of the critical issues and arrangements for follow-up. On the technical side, progress monitoring will include regular meetings with respective provincial Departments of Information and Communication and IT service providers in the area.

64. Allowing for an assessment of the Project's economic impacts, monitoring will include a set of indicators on the financial and economic performance of project provinces and these will be tracked on a periodic basis. In addition, to assess progress against outcomes and objectives, the Project M&E will conduct a series of assessment at the midpoint of project period and at closing stage. This includes internal assessment by MoNRE/GDLA in collaboration with provinces and DONREs, independent studies, workshops/focus group discussions with beneficiaries, and financial reviews. Results monitoring informs project stakeholders (including land holders, investors, government officials and development partners) on progress that has been made and enables them to determine whether the project is meeting its objectives and stated project outcomes. Regular and incidental monitoring will also be undertaken through CPMU in collaboration with DONREs and communes to ensure that the activities meet to the plan. Monitoring and Evaluation (M&E) activities will be conducted using a participatory approach that supports stakeholder inclusion. M&E will enable local actors to identify priorities, make decisions, and have the means to follow up in a timely fashion. The M&E sub-component will include periodic field visits by CPMU to review progress made at sub-national levels and will also review inclusion of gender concerns and participation of ethnic minority communities in project activities. In addition, field monitoring and evaluation activities and independent assessments will include a sub-set of indicators that allowing a detailed analysis disaggregated by gender, ethnic minority communities and other disadvantaged groups in the society. These indicators will be tracked and reported in project's quarterly, annual and periodic reports too. Bank's supervision missions will also review such reports for compliance. The Project will be in accordance with MoF's "On-lending" procedures and, therefore, the respective provincial

Departments of Finance (DoF) will have a role in monitoring use of funds and repayments of amount lent to DONREs. In turn, DoF will coordinate with CPMU and respective DONREs, and will also participate in specific monitoring missions and events during project implementation.

65. GDLA/CPMU will prepare quarterly progress reports and annual reports. The report will be shared with the World Bank, in accordance with the Project Operations Manual, as specified in the Credit Agreement, and with the concerned parties to be used in the regular coordination meetings for further necessary follow up actions. Particular reports will also be prepared concerning results from studies (e.g. land law monitoring surveys), and other specific events (e.g. from thematic workshops, public consultations, monitoring workshops). Details on the Project Results and Monitoring Framework are available at Annex 1.

Role of Partners (if applicable)

66. The project has made considerable efforts to coordinate with relevant development partners and stakeholders throughout the preparation of this project at both the national and international institutions and experts. At the national level, the project is helping strengthen coordination and communication across key ministries of MoF, MPI, MIC and others. At the sub-national level, this has involved bringing provincial, district and local authorities from selected target provinces to engage in dialogues on identifying investments, building knowledge of the integrated approach, and planning for long-term sustainable long administration and management systems in the country.

67. The project gratefully acknowledges technical support from the Food and Agricultural Organization of the United Nations (FAO-UN) as a demonstration of multi-stakeholder collaboration and partnership. Project has also consulted with Korean Overseas International Cooperation Agency and the Swiss Development Corporation who are partnering with the Government on strengthening land administration and information systems and governance in Vietnam. Such collaboration and technical support is expected to continue through the implementation of the project.

68. Internally, the project is well aligned with other ongoing and upcoming related sectoral Bank-financed investments (for example, in the water, agriculture, and urban portfolio) and to share information; capture synergies; and align programs, TA, and investments—which has helped with inputs into project design.

Annex 4: Implementation Support Plan

VIETNAM: Improved Land Governance and Database Project

Strategy and Approach for Implementation Support

1. The strategy for the Bank's implementation support for the proposed project has been developed based on the nature of the project and its risk profile. The Systematic Operations Risk Rating Tool (SORT) rates the overall implementation risk as substantial, with the following elements of the risk considered to be substantial: (a) Sector Strategies and Policies (b) Technical Design, (c) Institutional Capacity for Implementation and Sustainability, and (d) Fiduciary. The risks emanate from the complexity of land issues and the project and the weak managerial and implementation capacity of the agencies involved in project implementation.

Implementation Support Plan

2. Three months after the Project's Board approval, the Bank's first Implementation Support Mission (ISM) will take place to assess the project's readiness to declare its effectiveness.

3. During the first 18 months of the project implementation, the Bank's full-scale ISM will be take place twice a year, each followed with an Implementation Status and Results Report (ISR) and then a short ISM, in order to proactively provide the Central Project Management Unit (CPMU) of MONRE/GDLA and provincial implementing agencies with technical guidance and to monitor quality of the project implementation and supervision. These missions would also provide fiduciary oversight to facilitate project implementation and efficient use of financial resources. ISMs will work also with the concerned departments and agencies of MORE/GDLA and other relevant agencies outside of MONRE such as the Ministries of Planning and Investment (MPI), Finance (MOF), and Information and Communication (MIC), and potential information and communication companies such as VNPT and FPT on technical issues such as prioritization, IT and e-government development and ICT infrastructure and services. Environmental and social safeguards will also be followed up on to ensure the preparation, approval and implementation of Ethnic Minority Development Plans by conserved provinces, TORs prepared by the CPMU for policy development studies or pilots, and community consultations conducted by the project, taking Bank's safeguard polices into account as they are developed.

4. After the first 18 months, ISM would be conducted every six months. However additional follow-up missions would be fielded throughout the project period dependent on implementation progress and technical support required.

5. In parallel, a consultant firm will be engaged to provide a regular independent project implementation and impact monitoring in support to the regular supervision by the GoV and the Bank. The firm will provide MONRE and the Bank with its semi-annual monitoring reports.

6. The MTR will take place 24 months from the date of effectiveness, preceded by a comprehensive and independent assessment of the project implementation and socio-economic and environment impacts.

7. The preparation of the project ICR will start in month 60 with data collection and preparation of the Government project completion report which provides data and government assessment of the project achievements, lessons learned and follow-up recommendations for the preparation of the Bank’s ICR within 6 months after the project closure.

8. In parallel, fiduciary and safeguards training courses would be carried out during the earliest implementation period for the CPMU, PPMUs and other concerned project implementing agencies to ensure full understanding of the Bank’s governing guidelines and operational policies, especially in the procurement area. The Bank will also review and confirm that adequate qualified staff and consultants are in place for project management, safeguards management and technical aspects.

9. In order to provide timely implementation support through missions and on-demand guidance, the majority of the Bank task team, particularly the Team Leader, fiduciary and safeguards staff, will be based in the region. The table below indicates the level of effort required annually that will be needed from the Bank to provide implementation support for the project.

Project Period (Time-Line)	Focus	Skills Needed	Resource Estimate (Staff Weeks)	Partner Role
First eighteen months	Setting up effective supervision and quality control systems. Development of Establishment and operation of the Multi-Purpose Land Information System (and the Land Law Implementation System).	Land administration and policy, Land governance M&E, Institutional, Land Information System and IT procurement, and Safeguards, and Fiduciary.	80 weeks	Prepare plans and reports on time; participate in the mission and follow-up mission recommendations.
18-48 months	Establishment and operation of the Multi-Purpose Land Information System (and the Land Law Implementation System – quality control and risk management	Land administration and policy, Institutional, Safeguards, Fiduciary, IT procurement.	62 weeks	Ongoing discussions on program development
48-60 months	Rolling out improved land information services in all project provinces – service quality control, institutional change management, impact monitoring and sustainability.	Land administration and policy, Safeguards, Fiduciary, land information system, economist.	62 weeks	Initial interventions to scale up the MPLIS and LL implementation monitoring
60-66 months	Project closure and preparation of the ICR	ICR Specialist and Project Management Specialist	6 weeks each	Preparation of Project Completion Report for the ICR Mission and discussions with it.

10. Skills Mix Required

Skills needed	Number of Staff weeks average/year	Number of trips/year
Task Team Leader	20	4
Co-Task Team Leader	6	2
Governance specialist	4	2
IT Specialist	4	2
Project Management and M&E	4	1
Social Specialist	4	2
Procurement Specialist	6	4
Financial Management Specialist	6	2

11. FAO Resources Required to Support the Implementation Plan

Name	Institution/Country	Role	Number of Staff weeks average/year	Number of trips/year
IT and LIS specialist	FAO	IT Architecture reviews and support for software development and training	4 weeks	Three trips in the first year and thereafter two trips a year.
Institutional development and project management specialist	FAO	Development of establishment and monitoring of the implementation of project procedures an POM in general; preparation and delivery of training courses; and M&E	4 weeks	Three trips in the first and second year, and thereafter two trips a year.

Annex 5: Financial and Economic Analysis

Background

1. The collection, processing, storing and provision of accurate land resource data is a public service that benefits individual citizens, public institutions, farming enterprises, as well as industries. Recording tenure rights is one of the most important functions and responsibilities the state has with respects to in particular its vulnerable population. The most important state functions of a land database can be summarized as:

- Correctly recording use rights, providing tenure security;
- Inventory of state (land) assets;
- Ensuring equitable (land) tax collection;
- Facilitating socio-economic development;
- Reducing the potential for conflicts over land.

2. In Vietnam these functions are enshrined also through a number of government decrees and regulation, with Ministry of Communication in the lead for coordinating a unified database approach. This also includes Government's Decision 714 of May 2015, assigning Ministry of Natural Resources and Environment (MONRE) the leadership in establishing a 'National Land Database'. This also applies to the policy on e-governance, which guides the process towards a digitization of functions and records.²⁰

3. For the vast majority of parcels, Land Use Rights Certificates (LURCs) have been issued already. However, the quality of records is often not up to standard. At the moment there is a mix of different systems and databases employed by different institutions and even within GDLA, to record LURCs and other land related information.²¹ Within GDLA, four major systems are operating in different provinces. With other institutions operating already or

²⁰ Refer to Prime Minister's Decision no. 714/QĐ-TTĐ dated May 22, 2015, on development of priority database in Vietnam. The six priorities defined in this decision include land database. This decision also defines roles and responsibilities of all concerned agencies in supporting the priority tasks, including arrangements for institutional coordination, provision of support and guidance on Information Technology (IT) and allocation of funding. In addition, GoV has increasingly emphasized the use of ICT in providing better governmental services to the citizen and public. This was boosted by the issuance of Government Notification no. 36a/NQ-CP dated October 14, 2015 for promoting e-Governance in the country as part of broader reforms package. In turn, Ministry of Natural Resources and Environment (MONRE) and its General Department of Land Administration (GDLA) have prepared a Strategy and Master Action Plan. It includes better use of Information and Communication Technology (ICT) for strengthening Land Administration System and services in the country. In sum, the policy commitments and government decisions respond to socio-economic development goals and the growing demand for land and land information by government institutions, investors and public too.

²¹ There are approximately 75-80 million land parcels in Vietnam, of which around 50 million are eligible for the issuance of LURCs and around 42 million land parcels are advised to have LURCs issued to land users. Only around two-thirds of issued LURCs are supported with properly geo-referenced coordinates and cadastral maps. Many of the land parcels previously surveyed do not have coordinates and many of those with coordinates use older systems that are incompatible with current technology. Furthermore, many land parcels have not been recorded digitized, or integrated with a national mapping system. Finally, the land pricing and use systems are not fully aligned with the registration system.

establishing their own databases with relevant information (agriculture, forestry, water resources, infrastructure, etc.) systems are diverging and integration is getting harder to achieve with each additional database put in place.

4. The development and deployment of the MPLIS at national level and in selected provinces will improve efficiency and quality of land related service delivery at national, provincial and district level. A unified system for data storage and handling will be developed, which will eventually replace the multiple systems currently in use throughout the country. There will be virtual Data Centers established at select location (sites to be defined) and these two centers will be will be linked with provinces. In a first step, it is planned that under VILG a total of 33 target provinces will adopt the system and implement the MPLIS in selected districts. Even though initial project funding will cover installation and operation in selected areas, the software and database system will be available for implementation in the whole country. The project's medium-term goal is to have the same system installed and applied in all of Vietnam's provinces and districts.

Financial and Economic Justification

5. The project investments would have a number of direct and indirect positive effects on general economic growth. Secured tenure will increase investments in agriculture lands as well as private and commercial buildings. Investment decisions will be facilitated and misallocations avoided where updated comprehensive land information is available to public and private investors. This will support increasing land productivity and lead to more efficient planning and resource allocation in public investment operations. It will also help decrease costly conflicts and disputes over land, and facilitate fair compensations where land acquisitions are necessary. Broader economic and social benefits would occur in particular in areas where registration and LURCs strengthen the tenure security of ethnic minorities and other poorer groups in society, and where conflicts and/or land acquisition issues were previously exacerbated by a lack of available land characteristic information, including in particular prices. Overall, the collection and dissemination of land information will improve transparency and support the stimulation of property markets. Effects would also be expected to be visible in financial markets through potentially increased mortgages through the expansion of information and simplification of processes.

6. Project benefits will materialize at different levels and in different ways. For district level Land Resource Offices, for Provincial Offices, the Provincial and National Treasuries. Benefits will mainly occur in form of timesaving in daily work routines, increased number of recorded transactions and the fees and taxes that are collected with that. For broader economic benefits, the medium and longer-term access to and use of detailed and accurate land information for public and private investment planning will be decisive.

7. The below list summarizes the type of benefits from the MPLIS.
- E-governance productivity gains;
 - Mortgage market growth and development;
 - Access to finance for individual households and SMEs²²;

²² That is in addition to the induced investments financed through own household resources.

- Development of property valuation and taxation systems;
- Easier (Increased) land-related tax and fee collection;
- Basis for National Spatial Data Infrastructure (NSDI);
- Increased domestic and foreign investment; and
- Faster resolution to land dispute complaints.

Assessment Methodology

8. It is difficult to quantify the economic and financial effects of the MPLIS as in the list above. As far as possible available data or best estimates have been used for the FEA. An additional problem for quantification is the attribution. Linking all of the observed and estimated future changes in service charges and tax collection (the main project financial benefits) to the VILG project investments alone would not be correct. However, although detailed quantification of the contribution of the project financed MPLIS to overall benefits is difficult, it is possible and important to understand the revenue streams in places with and without MPLIS, and the mechanisms for economic development, which are supported by a comprehensive land information system. The economic and financial assessment provides information as to whether the investment is justified economically and whether the created revenue streams at provincial and district level are large enough to pay for investment and operating costs.

Financial Returns

9. The major financial benefits linked to the project investments would occur in the form of increased amounts from taxes and service fee collection. Experiences under VLAP and in other countries with Bank-funded land administration projects show that modernized, fully functional, complete, and regularly up-dated land administration systems can increase tax collection and land service based revenues. Total amounts will vary from province to province, depending on prevailing economic activities (new development investments in industry, infrastructure, housing), and completeness and comprehensiveness of the MPLIS. A modernized land administration system in combination with a comprehensive MPLIS would also create cost savings in producing and updating LURCs. With an expected increase in overall transactions, this would mean more transactions per LRO staff, not necessarily leading to the possibility of significantly reduce staff.

10. Further additional revenue for government would be created from selling of land information and increased collections from land leases. Establishing and operating a modern and transparent land administration and information system is a public service function, clearly within the mandate of the Government. While the investment it is expected to create a positive (Financial) Internal Rate of Return (IRR) and a positive Net Present Value (NPV) comparable to VLAP (see below), cost recovery considerations should not be a decisive criteria for the specific investment decision at individual provinces.

11. The Tables below provide an indication of current and expected developments in revenue generation. The Tables will be updated with quantified information (estimates) for appraisal as soon as data collection is complete.

Table 3: Current Revenues and Expected Developments

<i>Service charges for registering ...</i>	<i>Current amounts</i>	<i>Expected developments</i>
First time issuance of LURC Ownership changes Land use changes Land leases Mortgage registration Mortgage deletion	Very small fee for agriculture LURCs Other service charges up to \$150 per transaction	With an increasing number of transactions in a computerized system, transactions can be performed more efficiently and more transparently.
Taxes and “Land Use Fees”	<i>Current amounts</i>	<i>Expected developments</i>
Ownership changes Land use changes Land lease	Income from sale is taxed at 2% of transaction value Land use fees for changes in land use are calculated based on (increased) land values Land leases fees are determined by land size and use.	More transactions result in more taxes and land use fees, collected more efficiently. Easier and more secured land leases will increase numbers and values.
<i>Charges for provision of other land data related services</i>	<i>Current amounts</i>	<i>Expected developments</i>
Provision/exchange of land information to government institutions Sale of land information to private entities	Fragmented data bases allow for little usage except tax collection	More efficient public and private investment planning Development of new business applications/models based on land information.

12. The VLAP-Project Completion Report (2015) found numbers of recorded transactions varying from 1,500 per year in rural districts in the North, and up to 28,000 transactions in industrial districts in the South of Vietnam. Peri-urban and urban districts register between 2,000 and 8,000 transactions per year. Transaction fees for commercial contracts at provincial level can range for US\$2,500 to US\$25,000. In Rural/agriculture districts and average of US\$60 service charge and \$700 land use fee are collected per transactions. Service charges can be as high as US\$150, with end use fees depending on transaction (land) values. Time savings due to computerization of transaction records was estimated at 40 to 50 percent. With an overall increase in transaction numbers, staff cost savings in individual LROs are still marginal.

13. Land services provided by the Provincial Departments of Natural Resources and Environment (DONRE) are the single biggest revenue generator for provincial governments. LROs usually retain 10 to 20 percent of fees, with expected use to modernize offices and increase service quality.

Fiscal Implications

14. Service charges are collected at LROs and sent to the provincial treasuries. Land use fees and taxes are paid directly to the treasury. Land related revenues are the single biggest source of income for provincial and national government. Facilitated by the use of the MPLIS, increased and easier collection of land use fees and taxes would bring significant benefits for both provincial treasuries and national treasury. MONRE/GDLA and MOF have already prepared a respective MoU regarding data sharing that sets out principles for data sharing and management.

15. Potential revenues from increased transaction numbers and values are estimated in the table below.

Scenario	Incremental transactions (yearly; and five years after project start)	Transaction value Additional revenue (From baseline, taxes and service charges)	Total transaction value (recorded under full MPLIS over 5 years)
Remote rural agriculture district, little development	2,000 (Total of 3,500 transactions, built up from low base)	\$1.12 million (2,000 x \$60 service charge + \$500 taxes/land use fees)	\$1.96 million (3,500 x \$560)
High intensity agriculture district	2,000 (Total of 5,000 transactions, built up from medium base)	\$1.12 million (2,000 x \$60 service charge + \$500 taxes/land use fees)	\$2.80 million (5,000 x \$560)
Per-urban rural district, expanding urbanization	5,000 (Total of 7,000 transactions, built up from medium base)	\$3.90 million (5,000 x \$80 service charge + \$700 taxes/land use fees)	\$5.46 million (7,000 x \$780)
Urban district	5,000 (Total of 7,000 transactions, built up from medium base)	\$4.10 million (5,000 x \$120 service charge + \$700 taxes/land use fees)	\$4.1 million (5,000 x \$820)
Industrialized district	7,000 (Total of 15,000 transactions, built up from medium base)	\$22 million (7,000 x \$150 service charge + \$3,000 taxes/land use fees)	\$47.25 million (15,000 x \$3,150)

16. For an assumed “*average province*” a fully functional system with complete coverage would potentially record annual revenues in the range of US\$5 million to US\$25 million depending on the transaction values. Even with an only partial attribution of these increased values to the MPLIS, this would make VILG a financially viable investment.

Financial Analysis

17. Project’s investment costs of about US\$120 million for the total of 33 project provinces. With full operation, additional operating cost of US\$10 million per year are taken into account. The analysis distinguishes costs and benefits related to three different types of project provinces; remote rural, intensive agriculture, economically vibrant. Only eight provinces would start with implementation/investments in year-1, full coverage of all 33 provinces will be achieved by year-5. Incremental benefits will start occur from year-2 following the investment and will gradually phase in over a 4-year period. The amounts of potential incremental benefits have been

conservatively assumed, based on tables in previous section above. They are calculated after full implementation as between US\$2 million and US\$6 million per year and province. Only 50 percent of those benefits have been attributed to the project. The calculation was done for period of 15 years.

18. This conservative benefit/cost calculation yields an Internal Rate of Return (IRR) of 20 percent for the project. The Net Present Value (NPV) at a 10 percent discount rate is US\$80 million. Hence, the investment is considered viable, and repayment of investment costs (the loan) from increased revenues in form of collected taxes and service fees could be considered feasible.

Assumptions and Sensitivity of Financial Results

19. Above results have been calculated based on very cautious assumptions of attributable benefits. Experience from VLAP shows that land transaction, and related fees and taxes, are linked to the general economic development, domestically but (dependent on foreign investments) also globally. Should a potential economic downturn again half the potential benefits for 3 consecutive years, the IRR would decrease to 15 percent for a downturn in project years 4, 5 and 6, and to 17 percent for a downturn in years 9, 10 and 11. Hence, the viability of the investment can withstand such economically difficult periods.

Economic Assessment

20. Economic benefits from the project will materialize and grow in the medium and long-term. In the long-term the MPLIS will expand in use and usefulness with the database expanding and available information becoming accurate and detailed. For these benefits to emerge, there is a need to populate the database with relevant, detailed, and correct information required by economic actors to improve planning and to increase productive investments.

21. The government has recognized the long-term costs of an incomplete and fragmented systems that cannot be easily integrated anymore. With Government Resolution 714, MoNRE/GDLA is put in charge of to-be established National Land Database, which will avoid potentially increasing costs of dealing with outdated or missing planning information.

22. The real estate market could specifically benefit from a computerized system that allows for quick and correct valuations. When valuation data is part of the MPLIS over or underreporting of values will be easier to detect and correct. This will also affect the mortgage market where presumably higher values will increase owners' capacity to borrow and invest.

23. Some more, indirect benefits can be described but will be even more difficult to quantify.

- Based on the land information that will be available (at a cost) to external, private sector uses, they will be able to develop new business models and application that will add further value to the land-based economy.
- Improved planning, faster processes will lead to efficiency gains in public and private sectors.

- Synergies with other ongoing projects that use and/or can provide land related data and information would increase the benefits by avoiding unnecessary costs.
- Financially and socially costly conflicts²³ can be reduced in number.
- A computerized system of correctly recording property and tenure rights will address social and poverty issues, environmental issues in selected provinces where there is rather low demand on land service

24. Although above benefits are not exclusively attributable to the MPLIS, it will play an important role in achieving and sustaining those benefits. VLAP has shown that project provinces do have a more vibrant economic development and opportunities for further development are growing. Key for increased and broadened opportunities and an equitable distribution of the economic benefits is timely, easy and transparent access to land information, avoiding the exploitation of asymmetric knowledge.

Conclusions

25. The exact contribution of the MPLIS to financial benefits and economic development will be impossible to determine. Those are influenced also by many parameters outside of the project's control.²⁴ However, the project is an important and significant contribution to facilitating an increasing and continuous income stream from land services to LROs, provincial offices and provincial treasuries. The Implementation Completion and Results Report (ICR) and Borrower's Project Completion Report of the preceding VLAP project calculated financial rates of return at 20 to 35 percent. With VILG expanding the availability of computerized land information, estimates of financial returns in VILG provinces and districts are likely to exceed earlier numbers, particularly when in medium and long-term additional services will be based on the data and those can be charged for. Based on a 50 percent attribution of expected revenue increases, the IRR of VILG is calculated at 20 percent. The NPV at a 10 percent discount rate is \$80 million. These calculations are based on a conservative estimate and calculation of costs and benefits. Revenue streams for both provincial and national governments will continue to increase through increased service charge and tax collection. The MPLIS will be self-financing. Income streams will be large enough to cover (repay) investment and running costs. This could be exploited also by engaging in a Public-Private-Partnership (PPP) for installing and operating the system.

²³ One-third of all parcels do not have a proper standard cadastral map attached.

²⁴ These include investment promoting policies and other incentives, infrastructure provisions (roads, electricity, water (including irrigation), etc.)