

PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE

Report No.: PIDA54438

Project Name	Vietnam: Project for Improved Land Governance and Databases (VILG) (P154387)
Region	EAST ASIA AND PACIFIC
Country	Vietnam
Sector(s)	General information and communications sector (50%), General public administration sector (30%), General agriculture, fishing and forestry sector (20%)
Theme(s)	Land administration and management (60%), e-Government (20%), Administrative and civil service reform (20%)
Lending Instrument	Investment Project Financing
Project ID	P154387
Borrower(s)	Socialist Republic of Vietnam
Implementing Agency	Ministry of Natural Resources and Environment
Environmental Category	B-Partial Assessment
Date PID Prepared/Updated	05-May-2016
Date PID Approved/Disclosed	05-May-2016
Estimated Date of Appraisal Completion	31-Mar-2016
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Appraisal Review Decision (from Decision Note)	Retroactively appraised

I. Project Context

Country Context

1. Vietnam has experienced rapid economic growth over the past two decades. Economic reforms launched in 1986 have transformed Vietnam from one of the world's poorest to a lower middle-income country. Its per capita income rose from below \$100 in 1986 to \$1,077.9 in 2014. Based on the international poverty line of \$1.90 per person per day (2011 PPP), the poverty rate fell from 49 percent in 1993 to 3.2 percent in 2012. Making use of the Government of Vietnam Statistical Agency and World Bank poverty measure, the poverty rate was estimated at about 6 percent in 2014. By 2015, most social and human indicators have significantly improved, with a number of the Millennium Development Goals achieved ahead of time.

2. Despite significant progress, poverty gains are fragile. While poverty levels have significantly declined over the last 20 years, gains are not uniform across the country and that inequality has remained relatively stable in recent years. In contrast to many other countries, Vietnam has

achieved rapid growth without large increases in inequality in outcomes. In 2012, Vietnam's income Gini coefficient was 39.4, placing it in the middle of the global Gini distribution. By this measure, inequality in Vietnam is substantially lower than in other fast-growing economies in East and South East Asia, such as China, Indonesia and Thailand, but higher than in Cambodia and India. Poverty in Vietnam is now primarily concentrated among ethnic minorities and those residing in rural, hard-to-reach areas. While the economy has been largely stable, macro-economic vulnerabilities are building on the fiscal side. Coupled with adverse weather conditions, including the recent/ongoing drought, household vulnerabilities have increased. Development of Vietnam's systems for governance and accountability has lagged the country's broader development success, making it more difficult to effectively address these challenges. Progress on competitiveness, sustainability, persistent poverty and rising inequality, vulnerability, and cross-cutting governance are critical to attain Vietnam's ambitious medium- and long-term development aspirations.

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 more 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. Improvements in land administration do not enhance solely the efficiency of land markets, but have potentially positive impacts on capital markets through the real property market as well as through improvements in access to capital.

Sectoral and institutional Context

4. In the past years, implementation of the government's general reform package has gained momentum. So have implementation of reforms and in the land sector in particular. Over the years, land reform is seen as a centerpiece of the government's (Doi Moi) (reform) process and is widely recognized as one of the most important drivers of Vietnam's rapid growth and poverty reduction. Vietnam has a population of about 90 million (2015 estimate) and since the start of early 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 enhanced land users' rights and laid out a comprehensive legal framework for developing a modern land administration and management system in the country. The government, the public, and Vietnam's development partners all agree that improving land governance is critical to improving overall governance in Vietnam.

5. Vietnam relies on land and natural resources for its economic development. Vietnam's total land area is close to 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. The rural population of Vietnam, particularly those dependent on agriculture as their main source of income, still account for about two-thirds of the country's poor. One factor that hampers poverty reduction is the lack of land

tenure security for the rural poor, especially in ethnic minority communities. Access to productive land and capital for investment continues to be limited, especially for the poor. The GoV has undertaken various initiatives to issue Land Use Rights Certificates (LURCs) to facilitate and equitably issue LURC--to allow land users to make use of their land as a collateral to access credit for investments. This is widely acknowledged as a priority to free up land for productive use by the poor, women and ethnic minorities who are among the most disadvantaged. In order to target those most in need and efficiently direct resources and funding, the GoV has launched a series of socio-economic development measures. One such measure relates to streamlining land administration and enhancing tenure security for the most disadvantaged communities. The Bank's recent experiences in Southeast Asia (e.g., Thailand, Indonesia and the Philippines) indicate that enhanced land tenure security reduces poverty.

6. A significant proportion of land parcels are not registered with accurate geo-references and a little more than 10 percent of land parcels are not issued with 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 parcels reportedly have been issued with LURCs to land users, mostly smallholders, covering 23 million hectares. However, of the LURCs issued, only around two-thirds 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, around 20 million were issued to female land users (either as individuals or jointly as husband and wife). Though far from the official targets, this represents an unprecedented achievement for gender equity in land rights 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 industrialization, land degradation, and climate change; and (b) the lack of nationally consistent implementation of the land policy and legal framework.

8. The current land policy and legal framework in Vietnam is relatively advanced when compared with other lower middle-income countries. The 2013 Land Law took reforms further, extending agricultural land tenure, requiring greater transparency, participation and accountability in land administration and management. Under its overall Land Management Strategy, the government seeks to improve public communication and awareness raising, further improving land policy and the legal framework, setting goals for first time land registration, fostering institutional reform in the sector, improving land use planning/zoning, improving land valuation and economic tools, establishing regular implementation monitoring of the Land Law 2013 and, developing a national Land Information System (LIS), by 2020.

9. Since 2008, a number of efforts have been undertaken to develop land records databases with total investment of \$380 million (not including investments by some provinces themselves). In addition, a recently completed World Bank-funded Vietnam Land Administration Project (VLAP, \$90 million) made good progress in improving access by all stakeholders to tenure security and land information services. However, a national program remains to be developed to effectively manage and coordinate all of these 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 inconsistently across localities. On the one hand, land policy formulation and implementation remain overly concentrated at the central level, while spread among more than six central agencies with often fragmented mandates. On the other hand, there is a functioning land management authority, MoNRE, which oversees land management, water and mineral resources. In addition, MoNRE's General Department of Land Administration (GDLA) is responsible for overall land administration. In recent years, land policy implementation responsibilities have been largely delegated to the provincial and, to a lesser extent, the district and commune levels. GDLA is supported by the provincial Departments of Natural Resources and (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 land policy and legal framework.

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. Despite important public investments in land registration in the last 25 years, a significant proportion of land parcels have not yet been registered. Consequently, the land registry remains incomplete and cannot serve as a reliable reference for planning or other purposes. Reportedly, as of early 2015, spatial references (e.g., cadastral maps) are still to be developed for one-third of the country's land 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, and 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 remains underdeveloped, partly by the lack of an appropriate regulatory environment, staffing, working infrastructure, and funding. As a result, LROs are only able to capture about one-third of all land transactions. Finally, the performance of LROs varies widely across provinces and districts and requires further investments in hardware and software to enable Vietnam to catch up with neighboring countries.

12. Recently completed analytical work on land administration policy and management in Vietnam underscore the importance of a strong governance and capacity building effort. The Vietnam Land Governance Assessment Framework (LGAF) study, the Land Transparency Study and stakeholder consultations highlighted 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 provides a comprehensive review and systematic guidance for the government and development 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 indicated a strong consensus on the need for improving land governance given to efficiency and transparency in land management. In the longer-term, given increasingly diversified demands of stakeholders 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 broad institutional and policy reforms within the existing arrangements for land administration at all four levels (i.e., national, provincial, district and commune).

13. MoNRE/GDLA has completed the preparation of a road map entitled: Comprehensive Program for the Development of Vietnam's Multi-Purpose Land Information System. This document presents a consensual view on geospatial information management and the implementation of the Prime Minister's Decision on development of public databases (May 2015). The roadmap recommends development of the MPLIS and a National Land Database by pursuing a centralized model for data storage based on modern technological applications to ensure data accuracy and security. MPLIS will be developed as a platform for the National Land Database and mainstreamed into national government processes and the project provinces which will gradually take on the full cost of operations.

II. Proposed Development Objectives

The Project Development Objective (PDO) is to improve efficiency and transparency in land administration services in selected provinces of Vietnam.

III. Project Description

Component Name

Component 1: Strengthening Quality of Land Administration and Service Delivery

Comments (optional)

15. This component will support (a) reforming and strengthening local land administration procedures and Land Registration Offices (LROs) to provide better quality and more accessible land services; (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.

Component Name

Component 2: Establishment of the Multi-Purpose Land Information System (MPLIS)

Comments (optional)

16. This component will support software development by funding an IT Expert Panel and software for the MPLIS; the development and implementation of a national land database through digitizing existing maps and property rights records; verification, updating and integration of cadastral data (both cadastral maps users and land use information), land price data, land use plan data, land statistics and inventory, and land disputes and complaints resolution information to improve the completeness and accuracy of the exiting land information. It will also finance the establishment of an MPLIS land portal which will facilitate public access to land information based on market demands and data storage centers in Hanoi and Ho Chi Minh City and the enhancement of public engagement in land informat

Component Name

Component 3: Project Management

Comments (optional)

17. This component will support overall project management, monitoring and evaluation (M&E) and a number of capacity building activities aimed to strengthen local institutions.

IV. Financing (*in USD Million*)

Total Project Cost:	180.00	Total Bank Financing:	150.00
Financing Gap:	0.00		
For Loans/Credits/Others			Amount
BORROWER/RECIPIENT			30.00
International Development Association (IDA)			150.00
Total			180.00

V. Implementation

18. The project would develop MPLIS and the land database as national systems and in support of the government's initiative on e-governance and delivery of better quality public 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 3,144 communes). The remaining 30 non-target provinces and cities will only be part of learning project experiences and help mainstream MPLIS and the National Land Database in the long-run.

19. Building on the earlier Bank financed land administration project (VLAP) and regional experiences and best practices, the project implementation arrangements, reinforce existing institutions and their capacities. At the national level, the 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. 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.

19. Within MoNRE, the 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 the project daily management. GDLA will also 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 may be needed.

20. 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.

VI. Safeguard Policies (including public consultation)

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

Comments (optional)

21. Learning from and building on VLAP experiences, the project will implement Communication and Awareness Raising Strategies and improve community participation in land database development and land services (improving subsequent transactions) by supporting the community-level consultations, building the capacity of the land agency (at district and provincial levels in particular), taking into account the findings of the conducted Social Assessment. The project has also prepared Ethnic Minorities Planning Framework (EMPF) and four Ethnic Minority Development Plans (EMDPs) for the four first-year provinces of the project implementation, namely An Giang, Thai Nguyen, Ha Tinh and Quang Binh with ethnic minority communities to ensure social inclusion and participation of ethnic minority communities. EMDP will be developed in any province having ethnic minority people before the province can join the project in the following years. In case of urban and rural poor, the project will disseminate information to ensure that land users are well informed of their rights and responsibilities.

VII. Contact point

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