

Project Name Bolivia-National Land Administration Project...
Project

Region Latin America and Caribbean Region

Sector Public Sector Management; Natural Resource Management; and Poverty Alleviation

Project BOPE6197

Borrower(s) REPUBLIC OF BOLIVIA

Implementing Agency
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Environment Category B

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1. Country and Sector Background

With 110 million ha and 6.6 million people, Bolivia is a large and sparsely populated country. It is naturally divided into three major agro-ecological zones: the Highland Plateau, the Andean Valleys, and the flat tropical Lowlands. The former two correspond to the traditional agricultural areas. They have a high population density relative to the available arable land and contain mostly small farms using rudimentary technology. Climatic conditions are generally harsh, especially on the Highland Plateau. Production consists of subsistence crops with some diversification in the better endowed Valleys. By contrast, the Lowlands, regions of recent population settlements, harbor a modern, commercial agriculture in large to very large farms (latifundios), next to a minority of smaller, more traditional settlers. In this region, the potential for expansion of agricultural land is large. The Lowlands also boast one of the world's largest tropical forest areas.

The Agrarian Reform Law, formulated following the Revolution of 1952, has played an effective role in curtailing the feudal latifundio system on the Highland Plateau and the Andean Valleys. The original National Land Administration project was approved by the Board in June 1995 to assist Bolivia to create a more efficient and transparent land administration system. During the first years of project implementation, institutional reforms in the sector were consolidated with: (i) the approval of the INRA (Instituto Nacional de Reforma Agraria) law in 1996; (ii) the issuance of regulations for the law in 1997; and (iii) the appointment of a

five-year term Director of INRA by the President of Bolivia in 1998. With the creation of INRA, the Bolivian government established a target of completing the titling and regularization of rural land tenure throughout Bolivia in a period of 10 years, or by the year 2006. The new law and regulation provided the legal basis for moving ahead with comprehensive regularization and titling efforts that would provide registered, geo-referenced titles. At the same time, the new law provided the basis for the establishment and titling of TCOs (Tierras Comunitarias de Origen indigeno, communally-managed territories).

During the past 5 years, with the assistance of project financing, INRA has developed and tested a participatory methodology for land regularization and titling, and used this approach to regularize and title 1.9 million hectares, including 12,151 smallholders and 800 medium/largeholders and one (1) Territorio Comunitario de Origen (TCO) in the Bolivian, eastern lowlands. Additional areas have been regularized and titled in areas of medium and largeholders, with government and private funds. During this same period INRA has received requests for titling from 101 indigenous communities seeking to become titled as TCOs. Work has progressed in most of these, with financing from IDA, DANIDA, IFAD, private, and government sources. Full titling is complete in 14 of the proposed TCOs, including 2,600,000 has., all located in the eastern lowlands.

The modernization of the systems of the office of Derechos Reales (Land Registry; DRRR), including the design and installation of a computerized registry (TEMIS) in the departmental offices of DRRR has increased the efficiency of the registry, improving service to the public and reducing possibilities for corruption. Property information from the field, gathered during the regularization and titling process have been transferred directly to DRRR for massive registration in the legal registry. The second phase of systems development, the integration of the TEMIS system with geographical, catastral information is to be completed this year, so that the catastral information, once collected, would be permanently linked to the legal record, and consequently, properly maintained and updated. Through the project extension this new system would be field tested and installed in the 9 departmental offices and 12 regional offices of DRRR, providing effective access to rural areas.

The original IDA-financed project and the sister project for titling TCOs in eastern Bolivia (Programa de Apoyo Sectorial a los Pueblos Indigenas, with financing from DANIDA) were designed in the mid-1990's to respond to the demands of campesino and indigenous movements. With the relative success of INRA's efforts to title smallholders and TCOs in eastern Bolivia, further demands by campesino and indigenous groups, articulated during the social upheavals of last year (2000), have centered on the expansion of INRA efforts to the Andean region. The Andean region has a history of multiple titling efforts leading to a patchwork of tenure situations, with often overlapping claims, and with very few titles actually registererd in the national land registry. The need to

complete titling in the Andean region has been raised by indigenous community leaders, anxious to formalize the authority of their communities over traditionally occupied territories and by smallholders anxious to have their rights secured as a basis for the development or sale of their properties. In addition to these newer demands in the Andean region, pressure continues for the work to be completed in the fertile areas of eastern Bolivia as a way of promoting economic growth and resolution of tenure conflicts.

2. Objectives

The original project objectives were to achieve a more efficient and transparent land administration system, clarify the land tenure situation, identify public land suitable for small farmer settlements and promote a more sustainable use of the country's land resources. To achieve these objectives the project would help the Government to formulate land administration and policy reforms, obtain accurate land ownership information, carry out land studies and improve land transaction registration. The objective of the Supplemental Credit is to build on the results achieved by the original project financing, to strengthen further the efficiency and transparency of the Borrower's land administration system, especially with regard to its functioning in the Andean region; to complete land titling in over 3 million total hectares; and to implement a sustainable national legal cadastral registry.

3. Rationale for Bank's Involvement

The project is fully consistent with the broad objectives of the Bank's strategy, in particular with the focus on rural development, institutional reform and poverty alleviation. Since 1992, the Bank has maintained an intense policy dialogue on land tenure and administration with the Government. The project would improve the current land administration system thereby facilitating its transition to a permanent integrated geographical and legal land administration system as envisaged by the Government. The project would also support the land institutions' implementation of the legal reforms. The Bank has also gained substantial experience in land matters, both at the research and operational level, and is, therefore, uniquely placed to assist Bolivia with the complex set of reforms and investments which the proposed project entails.

4. Description

The project contains five main components: (i) technical assistance and training in support of the preparation and consolidation of the land administration legal and institutional framework; (ii) strengthening of INRA; (iii) title regularization in over 3 million hectares, focusing on smallholders in the lowlands of eastern Bolivia and indigenous and communal lands in both the eastern lowlands and Andean region; (iv) support for new land settlements (as part of the original financing); and (v) strengthening of the National Land Registry, including creation of a legal cadastral registry.

Financing would be provided to conduct land regularization and titling efforts of smallholders in the Departments of La Paz and Santa Cruz, and the titling of Tierras Comunitarias de Origen (TCOs) in La Paz and Potosi Departments. One objective of the titling activity would be to develop, test and validate methodologies for land titling that would address the range of land tenure arrangements in both the eastern lowlands and the Andean region.

With regard to the National Land Registry, the supplemental financing would allow for the completion of efforts initiated under the project to develop a reliable and accessible national land registry including geographical (i.e. cadastral) information. The full establishment of an effective and sustainable land registry system depends on finalizing the technical development and installation of a computerized, integrated registry containing geo-references for all registered titles, and increasing access to the registry to both rural and urban areas through the linking of all 9 departments offices and 12 rural, regional offices into the automated registry system.

5. Financing

Total Project Cost: US\$27.2 million (of which US\$20.3 million from original IDA credit and US\$6.9 million counterpart funding) financing plus US\$7.5 million supplemental financing (of which US\$6.0 million from proposed IDA Supplemental Credit and US\$1.5 million counterpart funding)

6. Implementation

The original project was designed to be carried out over a five-year period (1996-2001). With the proposed Supplemental Credit, project implementation would be extended to June 30, 2004. Overall responsibility for project planning and implementation would be vested primarily in the National Agrarian Reform Institute, within the Ministry of Sustainable Development and Planning, with the participation of the National Land Registry (Derechos Reales) and the National Agrarian Tribunal, and consultation with indigenous groups and local governments.

7. Sustainability

The sustainability of the country's land institutions and policy has been enhanced by the project's support for a broad consultation process leading to legal reform, and will be further strengthened through the continued development of implementation approaches and necessary regulations. The sustainability of the land regularization and titling effort will be supported by the strengthening of a national legal, cadastral land registry.

8. Lessons learned from past operations in the country/sector

A review of Bank experience with land administration projects indicates that in largely agrarian economies such as Bolivia, land rights are an immensely political matter. When a program involves some redistribution of land rights,

political opposition is likely to be intense. Second, the complexity of the land titling process has often been underestimated. Land titling efforts have to commit considerable resources to institutional development so there are sufficient technical and human capacities available for efficient reform implementation. Third, even with adequate capacity, there is no quick-fix to land tenure problems. Improvements in this field can only be achieved on a long-term basis. These lessons have been incorporated into the project design through initial support to this first-phase project, aimed at obtaining broad political approval for the reforms, strengthening institutional capabilities, and addressing the pressing needs of the highest conflict areas.

9. Program of Targeted Intervention (PTI) N

10. Environment Aspects (including any public consultation)
Issues :

The environmental impact of this project would be strongly positive for the following reasons. First, early land tenure conflict resolution would reduce incentives of title owners to deforest land to prove occupancy. Second, private land under more secure individual property rights would be managed in a more sustainable manner. Thus far, under the original project financing and due to the INRA law of 1996 and its regulations, INRA now provides incentives for conservation by: (i) allowing for increased size of landholdings due to the defining of private reserves; and (ii) does not require land categorized as forested to show "improvements" (i.e. deforestation) in order for an individual to claim legitimate use. In addition, the titling of TCOs in eastern Bolivia is putting limits on the expansion of un-managed, illegal extraction of forest resources. Under the supplemental credit clarification and improved treatment is being given in two areas: (i) protection of cultural property; and (ii) demarcation of protected areas adjacent to or within an area of titling.

Participation is built into the project in several ways. First, during the preparation of the land legislation, the Credit financed intensive consensus building workshops with stakeholders. Second, the design of regularization and titling program for the Andean region was done based on consultation with a range of stakeholders, including representatives of NGOs and indigenous organizations. At the final stage of design, technical aspects of the work were discussed in detail and approaches piloted by NGOs were combined with INRA's own experience to finalize the project implementation plan. Consultation with these same individuals will continue during implementation, by convening them as members of an advisory group to assist INRA specifically with the effort in the Andean region. Third, participation of indigenous groups during implementation will occur in two ways: (i) regular meetings of the Comité de Saneamiento to address implementation and methodology issues related to the titling of Andean TCOs financed by IDA and DANIDA; and (ii) a community consultation phase built into titling efforts which will help define land boundaries as well as assure that the titling procedures to be undertaken are well understood

and agreed by the broader community.

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Note: This is information on an evolving project. Certain components may not be necessarily included in the final project.

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