



**Securing land rights for equity, sustainability and resilience
for cashew growers
in Khong district of Champasack province, Lao PDR**

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Responsible Land Governance: Towards an Evidence Based Approach

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Abbreviations

ANR	Agriculture and Natural Resources
ADB	Asian Development Bank
DONRE	District Office of Natural Resources and Environment
FDI	Foreign Direct Investment
Ha.	Hectare
IFAD	International Fund for Agricultural Development
LSC	Land Survey Certificate
LTD	Land Tax Declaration
LTR	Land Tax Receipt
LT	Land Title
LUC	Land Use Certificates
LUR	Land Use Rights
LDC	Least Developed Country
MAF	Ministry of Agriculture and Forestry
MONRE	Ministry of Natural Resources and Environment
PONRE	Provincial Office of Natural Resources and Environment
SF	Special Funds
SNRMPEP	Sustainable Natural Resource Management and Productivity Enhancement Project
SAT	Systematic Adjudication Team

Key Words:

Land Ownership, Land Use Right, Land Use Planning, Land Use Certificate, Policy Gap Analysis



ABSTRACT

Despite the availability of land for agriculture, most farmers in Lao PDR are lacking Land Use Certificates (LUC). Lack of ownership is also a result of the loss of land to FDI in land resources for plantation, mining and hydropower. The cumbersome process to issue the LUCs discourages farmers to even apply for certification. Due to a lack of proper frameworks and mechanism to review the land concession requests, and the lack of LUCs, many farmers have lost their land. Officials of the District Office of Natural Resources and Environment (DONRE) lack capacity and interest to issue LUCs. The Sustainable Natural Resource Management and Productivity Enhancement (SNRMPE) Project, funded by ADB and IFAD, supported the Division of Investment and Business under the Ministry of Agriculture and Forestry, which initiated a pilot activity to issue LUCs for farmers, using various tools including capacity building of the officials of DONRE. A GIS website to upload aerial photographs assists decision makers in reviewing land concession requests to protect farmers' land from FDI-caused land concession. Starting with the pilot activities in selected areas between 2012 and 2014, about 5,238 LUCs were issued to poor and very poor farmers who's income increased significantly. This initiative has been adopted by the government through dialogues with the Ministry of Natural Resources and Environment (MONRE) to replicate the models of the SNRMPEP. MONRE had announced that it would issue 100,000 LUCs during 2015 alone.

I. INTRODUCTION

Even with the abundance of natural resources and land for agriculture, Lao PDR remains on the list of the 20 least developed countries in the world. More than 70% of the population in Laos depends on agriculture as their main source of income. Rural farmers are engaged in subsistence farming practices, but most of them are lacking Land Use Certificates (LUCs). Although there has been a lot of emphasis on the promotion of Land Use Planning and Land Allocation (LUP/LA) for farmers, efforts have only been successful in selected areas supported by donors through a long and multistep, cumbersome process. LUCs are common in urban areas for commercial land and land for the construction of houses. Main drivers of change in tenure and land use rights of communities and individuals is the understanding of land ownership, increasing adoption of commercial agriculture and increasing pressure on land resources due to FDI in land concession. From 2005 onwards, the Government of Lao PDR (GoL) has focused on promoting investment in agricultural sectors and has invited FDI from interested companies. As a result, many private foreign investors have shown interest, leading to tremendous pressure in the agricultural sector and a large number of companies applying for land concessions ranging from 1,000 ha to 50,000 ha. Due to a lack of proper frameworks and mechanism to review the land concession requests, and the



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lack of LUCs, many farmers have lost their land. Lao PDR is at the cross road of development. On the one hand, it opens its natural resources to foreign investors and developers with the aim to generate quick revenues to run its economy. On the other hand, it strongly recognizes the importance of the agricultural sector as the main engine for agro-industrial development.

A newly created department, the District office of Environment and Natural Resources (DONRE) under the Ministry of Environment and Natural Resources (MONRE), is responsible for the issuance of LUCs to farmers. However, officials at district level lack the capacity to do so and do not take proper interest or initiative to actually issue the certificates. The government, with the support of various donors, has launched the Land Use Planning and Land Allocation Program in rural areas across the country. It aims to zone land for communities and grant Land Use Rights (LUR) in form of LUCs for agricultural use to individual households and in some cases to communities. However, apart from the project supported areas, farmers have not come forward to apply for LUCs. The GoL estimates that already by the year 2020, Lao PDR will not be on the list of least developed countries anymore. Likewise, it envisions the transition from a subsistence to a market-based economy as more foreign investments are expected to come in with their value adding industries. This vision is based on the assumption that the agricultural sector remains the primary vehicle for economic take-off as the country enters into the bigger playing field - the world market. Considering the close link between agriculture and sound natural resource management, the government strongly advocates the protection and conservation of the country's natural wealth through policy reforms and improved governance. Equal emphasis is given on the protection and conservation of important forest areas for biodiversity, hydrology and other watershed functions. The country is an attractive destination for many foreign investors in industrial plantations because of its vast tract of potential areas, besides the relatively cheap labor and land rent. Therefore, FDI will likely be the main source of Agriculture and Natural Resource (ANR) Sector investment in the immediate future, and thus the GoL has a big interest in managing this huge source of foreign earnings. The aim is to ensure that the gains benefit a greater segment of the poor and the dispossessed, as well as contributing to the increased national revenue of the country.

The Sustainable Natural Resource Management and Productivity Enhancement (SNRMPE) Project, funded by the Asian Development Bank (ADB) and the International Fund for Agricultural Development (IFAD), supported the Division of Investment and Business under the Ministry of Agriculture and Forestry (MAF). In addition to establishing the Appraisal Unit to review the land concession requests it also produced a GIS website to upload aerial photographs to assist decision makers in reviewing land concession requests to protect farmers' land from FDI-caused land concession.



II. SNRMPEP DEVELOPMENT AGENDA

In response to this need, GoL received Grant funds from the ADB (Grant No. 0144-LAO (SF)) and IFAD (Grant No. 8025-LA) for the financing of the Sustainable Natural Resource Management and Productivity Enhancement Project (SNRMPEP) in five southern provinces (Savanakhet, Champasak, Salavanh, Sekong and Attapeu) of Lao PDR. Project themes were sustainable economic growth (promoting economic efficiency on enabling market); governance (financial and economic governance); inclusive social development (other vulnerable groups); capacity development (organizational development) and environmental sustainability (environmental policy and legislation). Its primary focus is on stakeholders' capacity building in sector management, enhancement of agricultural productivity; commercialization subprojects and protecting the country's natural resources through effective project management. Target outcome will be enhanced institutional capacity at national and provincial levels to manage natural resource in a sustainable manner. The goal of the project is poverty reduction and enhanced market linkages.

Under project component 1 Capacity Building for ANR Sector Management, the project has focused on the Capacity Building for ANR Sector Management. The component is further subdivided into (a) land suitability assessment and participatory land use mapping, (b) compliance with ADB and GoL social and environmental safeguards and other social and gender development considerations, (c) investment appraisal techniques, (d) sustainability of, and support for producer associations, and (e) policy development. Under this component, the issue of land concession and contract farming is an issue of policy analysis as this affects the sustainability of smallholder farmers' livelihoods as well as their access, control and use of their land.

III. PROBLEM STATEMENT

Numerous land concessions for rubber trees and other high value crops have been awarded to foreign investors in the five southern provinces of Lao PDR. As many small farmers lack LUCs they have been losing control over or access to their lands, either voluntarily or coercively, to powerful private concessionaires in the absence of policy safeguards and government support systems.

IV. METHODOLOGY



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This paper has been prepared based on the lessons learnt from the implementation of the SNRMPEP and policy dialogue between the project and the GoL. The literature review is mainly based on the extensive policy research work of GIZ Laos on land management issues with particular focus on concession projects. The authors chose to focus rather on the reasons behind why smallholder farmers are threatened to lose their rights, rather than analyzing the dynamics of securing land certificates as a process assessment. The literature review comprised three major parts to determine policy gaps addressing farmers’ difficulty of claiming their land: 1) Farmers’ tenurial needs and problems, 2) Issue of land concession usurping farmers’ lands, 3) Government policy trends. On this basis, policy measures were drawn.

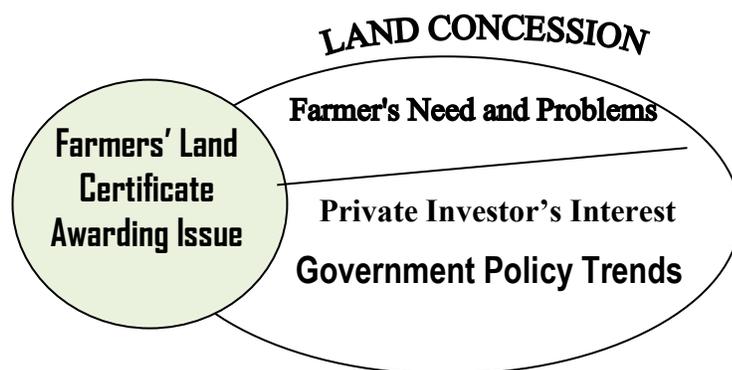


Figure 1: Determinant factors surrounding the issue of farmers’ land certificate issuance

V. LAND USE RIGHTS AND LEGAL FRAMEWORK

Lao PDR is a Least Developed Country (LDC) but has abundant resources and a relatively low population of less than 7 million people. The country strives to catch up with the fast growing economy of its neighbors: China, Thailand and Vietnam. Pressed by the need to earn much from foreign trade to propel its economy that is lagging behind, its vast land, huge mineral deposits and abundant surface water are its three main natural resources to trade in for hard cash through FDI. Most of FDIs are in the field of hydro power projects and mineral resource exploration (ca 80%). However, very recently industrial plantation projects have increasingly taken a significant share of the total FDI and approximately occupy 2-3 million ha, consisting 10-15% of the country’s whole land area. As has been reported by several past studies, many land areas covered by concession projects are operating under various disguise motives and increas-



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ingly become a threat in terms of transforming the natural landscape into other alternative uses or eventual abandonment. There have been cases where concession projects overlapped with existing forests and protected areas. After the harvestable timbers have been logged as part of the clearing operation in favor of monoculture high value crops, the concessionaire abandoned the project area. A GIZ-Laos study reported concessions in the agro-forestry sector as industrial tree plantations often replace primary or healthy secondary forests, conservation forests or communal forests for villagers. Some companies cleared more land than they were actually granted. Seemingly, the government has been in a great dilemma and oftentimes passive in dealing with non-performing or erring concessions. There have been some reports of growing unrest among rural farmers and indigenous communities losing their rights and resources to foreign business investors of big concession projects. Likewise, traditional systems based on subsistence production are breaking down as the concept of commercialization and market integration is competing with established cultural patterns of indigenous communities. There are various subtle ways in which farmers' control and access over their existing lands can be usurped by powerful business investors as follows:

1. *Land Loss Under Contract Farming.* A farmer may lose access to land when he was not able to repay the investor for production inputs he used in form of a loan. Likewise, as the former is trapped in a vicious cycle of indebtedness to the investor for some reason or another, farmers may be forced to lease their to the company and will opt to work as wage laborer for the farm. There are many cases of this kind in the southern provinces of the country. In other cases, farmers provide free labor and transfer half of their land with rubber trees to the investor. The former purchases herbicides from the latter. At harvest time, the farmer sells the rubber production to the investor, but is lacking information about the market price. Lastly, in other cases the private company provides seedlings, herbicides and technical advice. It also rents the land at a low fee and has the right of first refusal for the farmer's produce and can influence the price since it hasn't been set in the contract.
2. *Involuntary Land Loss.* A case in which the farmer can lose access to or rights over his land due to financial problems. He then is forced to sell or lease his property to pay back a loan to the lender. In other cases, a fair agreement between farmer and private company can benefit both. However, it is also possible that the climate, market for the product and other production factors are unfavorable and both parties might lose out.



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As per the Lao PDR Constitution, all land belongs to the State. However, the assignment of permanent land use rights opens up a land market. The Land Law 2003 states that the Lao tenure system is de facto based on state land and private land. Domestic property, as long as it does not enter in conflict with public interest, is secured by Article 16 of the Constitution. Further, communal land is defined in the Decree of 2008, but not yet included within the Land Law.

In rural areas, there are six forms of land ownership documents, granting different forms of property rights to individuals:

1. *The Land Title (LT)* is the only official land certificate, allowing for selling, mortgage and inheritance. The District Office has been assigned to undertake systematic land registration and sporadic land registration (depending on individual requests) for the land owners.
2. *The Land Survey Certificate (LSC)* is issued by the Provincial Land Office and is recognized by most commercial banks in the past. However, it is not accepted now.
3. *The Land Use Certificate (LUC)* was issued by the MAF in the past, but is now a responsibility of the MONRE. After three years of use, the farmers can acquire land use right and the State will issue the LT.
4. *The Land Tax Declaration (LTD)* is only allowed for use and inheritance, and is recognized as basis for compensation. The LTD does not reflect the real size of the plot and the actual land tax service.
5. *The Land Tax Receipt (LTR)* is mainly given for tax payments and is used by land users when land is sold or leased.
6. *The Village Head Land Ownership Certificate* is issued by the village head to certify the land use right and is used for the application for a loan from the bank, or for selling or leasing the land.

The Land Titling Project initiated by the World Bank in 1997 has issued roughly 540,000 land titles but solely in economic prosperous urban areas. With the increasing pressure on land since 2002 due to the influx of FDI in land and resettlement programs, tenure insecurity in rural areas has intensified. For agriculture and forestlands, land use rights usually are being allocated by the State to rural villages and local households through the Land and Forest Allocation (LFA) procedures. However, for private sector business investors (both foreign and domestic), it is through concession agreements and various forms of “cooperative” lease agreements, including contract farming.



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VI. ANALYSIS OF THE PROBLEM

A. GoL Development Thrusts

Farmers’ difficulties with the issuance of land certificates is just a peripheral issue of a bigger land management concern of the GoL. The issue cannot be objectively analyzed without looking at it from a wider angle to include the current challenges with the awarding of land concessions. Land concession and other natural resource extractive practices, are linked to GoL’s higher economic development strategy of “attracting foreign investments” into the country. To clearly understand the context of the farmers’ land certificate issuance problem, we need look back on GoL’s higher levels of development goals with regard to the country’s pursuit of sustainable economic growth (Table 1). This section briefly reviews the key determinant factors accounting for the government’s response to farmers’ plight to gain ownership of the lands they cultivate.

Table 1: Conditions determining ANR policy direction in Lao PDR

DRIVING FORCES	CONSIDERED BENEFITS	DRAWBACKS
1. Land and natural resources as “engines for economic growth and rural development”	<ul style="list-style-type: none"> Optimized use of the rich natural wealth of the country in generating the needed capital for economic growth and rural development 	<ul style="list-style-type: none"> Fast degradation of the natural resource base Threatens biodiversity and pristine state of the environment
2. Foreign Direct Investment	<ul style="list-style-type: none"> Increased national revenue in terms of foreign capital inflow into the country 	<ul style="list-style-type: none"> Overdependence on cash inflow from foreign earnings and fail to develop internal or local capacity
3. Attract more Foreign Investors	<ul style="list-style-type: none"> Creates employment and more jobs Increases foreign currency exchange Technology transfer Improves infrastructure Improves local economy 	<ul style="list-style-type: none"> Danger of putting too much trust in the private investors at the expense of established cultural patterns and traditional livelihood systems, and the environment
4. Turning land into capital assets through concession awarding	<ul style="list-style-type: none"> Generates rent from vast idle lands Alternative to shifting cultivation Alternative to cocaine production 	<ul style="list-style-type: none"> Favors corporate ventures while undermining individual farming efforts Socio-cultural value of the land is reduced to an economic good



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	<ul style="list-style-type: none"> • Increases trade with other countries 	
<p>5. Agricultural Commercialization: Shift from subsistence to market-oriented production system favoring monoculture high value crops for export</p>	<ul style="list-style-type: none"> • Farmers become entrepreneurs • Farmers get organized to form cooperatives • Private firms link with farmers' groups • Favors corporate contract farming • Economy of scale applies • Reduced transaction cost 	<ul style="list-style-type: none"> • Breakdown of traditional livelihood system • Threatens agro-biodiversity at the farm level (from diversified to monoculture cropping system) • Much pollution of the environment due to intensive agriculture
<p>6. Global Market Integration</p>	<ul style="list-style-type: none"> • Laos connects to international market • Competes for fair trade share • Improves quality product standards • High technology application 	<ul style="list-style-type: none"> • Big corporate farming groups benefit most as they have the means to meet international standards • Poor and subsistent farmers are left behind

B. Government's Development Thrusts

Lao PDR's pursuit of economic growth compels the country to open its doors for free market trade by the adopting the following development thrusts:

1. *Land and natural resources as engines for economic development.* Most developing countries since the 1960s to date strive to make great economic leaps by opening their natural resources as main capital for growth. The "big push" development paradigm adopts the idea that the infusion of high foreign capital, technology and management to exploit the natural resources will create a "trickle-down effect". Lao PDR is adopting this development model relying, on foreign investments to transform its lagging economy through its rich natural resource base. Policies around the investments in dams, mining and plantation projects are always linked to the promises of for more jobs, higher income and revenues, improved social amenities to end poverty and eliminate food insecurity.
2. *Turning land into capital.* Even though Lao PDR has big land resource, a great portion of the country's land area is underutilized. The introduction of concession farming addresses three policy concerns: maximizing the economic benefits from underutilized lands; contain the problem of slash and burn agriculture; and provide valuable FDI. Commercial tree crops and industrial plantations are one of GoL's priority areas for the promotion of foreign investments. Around 10-15% of the land area



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has now been dedicated for economic development purposes, particularly for mining, hydropower and plantation.

3. Enabling Investment Law. GoL's current investment policy provides a conducive climate for multinational firms and foreign investors to pour capital into the rich natural resources. Low land rents together with tax exemptions and reductions, and profit tax holidays are among the investment strategies the government offers to attract foreign investors. This is coupled with the introduction of the One Stop Service so investors don't have to go anymore through several channels across different agencies and units in complying to application requirements.
4. Reliance on FDI. As more lands are opened for industrial plantations, Lao PDR is relying more and more on FDI as a means to generate national revenue. This is further multiplied by its rich water and mineral resources, paving the way for many multinational companies to invest in dam construction and mining operations. As the volume of FDI in the country grows at a faster rate than the Official Development Assistance, its strategic importance in propelling the economy in the immediate future becomes evident.
5. Market Globalization. After Lao PDR's integration in the ASEAN economic block in 1997, much effort has been made by GoL to further expand its playing field not only in the Greater Mekong Sub-region, but even in Asia and globally. Recently, the country is aiming at becoming a member of the WTO. GoL is now working out the technical and institutional requirements to catch up with its ASEAN neighbors given the strict market entry barriers of the world market.

C. National Targets for Development

Given the abovementioned national thrusts, the GoL sets the following conditions as milestones of progress towards becoming self-sufficient and globally competitive in food production and a supply center of raw materials for its neighbors' growing economy:

1. Strive to increase national revenue through foreign investment. Lao PDR is making hydropower, mining, land concession and other forms of resource extractive ventures a priority in FDI projects due to their great potential to generate sufficient income for the country.
2. Create livelihoods and increase local employment. A low employment rate contributes to the high incidence of poverty in the country. As part of the national strategy to elevate the economic status of poor people, particularly of those living in remote and isolated areas, livelihood promotion and creation of rural employment stand out as a priority program of the government.



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3. Address shifting cultivation. The age long problem of slash and burn agriculture in the country stemmed from people's lack of better livelihood alternatives in the uplands. For many years, the government set targets to contain this problem. MAF for instance, envisioned that by 2010, shifting cultivation should have already been eliminated. With land concession and contract farming schemes as a new mode of land investment, it is expected that shifting cultivators would be transformed to corporate contract farmers for high value crops in the long run. Thus, contract farming is a favored production scheme.
4. Less public spending on infrastructure build ups. One added value that land concessions, contract farming and other forms of resource extraction projects can offer to the country is improvement of rural infrastructure. Farm to market roads, bridges, social services such as schools, community centers and other facilities are part of the service package expected from these business operations. With this assistance, the government will spend less public fund for other equally important investments for rural reconstruction. Because of this the government is strongly favoring land concession projects.
5. Technology transfer from FDI or Contract Farming. Rural farmers are said to have poor access to and knowledge about improved production technology. Poverty coupled with inadequate research and extension support from the government gives them no choice but to rely on traditional production methods. Under FDI and contract farming, the investors usually provide inputs, such as improved seed varieties, fertilizers, pesticides, technology and farm mechanization. Since the investors supply both the production inputs and the technology with close monitoring of farmers' practice, quality assurance of the produce is high. With Lao PDR's aiming for membership in the WTO, it has to comply with the international food safety standards, which require high technology. With contract farming arrangements, government expenditures on research and extension and even setting up traceability system can be minimized.
6. Transforming farmers from subsistent to market-oriented producers. MAF Strategic Vision for 2020 targets small farm holding systems to underscore subsistent farmers as its priority. The Vision clearly defines the goal towards transforming poor and subsistent farmers to farming entrepreneurs and service providers in the future. With this as a scenario, GoL's agricultural development policies are geared towards market orientation. But at the core of every improved food production strategy, food security stands as the bedrock for increased productivity in the agricultural sector.



D. Current Administrative Limitations

GoL has been committed to democratize the use of natural resources, shown through continuous policy reforms taking place in the country. But land titling is not only a technical task to carry out but also a political exercise that involves intricate processes and requirements that entail economic cost as well. Further, with the recent developments in land management in favor of FDI and land concessions, land certificate issuance for farmers may be seen as a losing option from the government's economic and technical standpoint for the following reasons:

1. Lack of adequate funding to pursue land certificate issuance. Processing and issuance of farmers' land certificates is limited to selected urban centers such as Vientiane Capital, and vicinities due to budget constraint. Accordingly, no land titles have been issued in almost land concession affected provinces, mainly sub-urban, peri-urban and remote/rural districts (Saravane, Attapue, Sekong, Champasack, Savannakhet, Huapan, Luang Phrabang, Xayaboury, Bokeo, Luang Namtha, Xieng Khuang, etc).
2. Corporate lease holdings are more practical than land privatization. From an economic standpoint, it is favorable for the government to release more state lands for corporate business investment. First, corporate leaseholds bring revenue for the country, whereas costs incur for privatization. Secondly, it is easier for the government to deal with a single corporate entity than with individual claimants, as this also bears a higher cost. Thirdly, under leasehold agreements, the government is still in full possession of the land and no expropriation fee is needed to retrieve the investor's use rights when another strategically more beneficial land use arises, while under privatization the government would have to pay the claimant an fee expropriation.
3. High cost for both sporadic and systematic land registration. The multi-step process of land registration is costly, including application, cadastral surveys, land allocation and registration. All these activities need specialized staffing. The Land Administration Authority is a young agency being under-financed and having low staffing capacity. Both cases, the sporadic registration, i.e. responding to individual requests, and systematic registration, i.e. by block or province through a decentralized approach, require many staff and thus a high budget. (Appendices A and B present the requirements and procedures on how to process individual farmer's land certificate).
4. No law on ancestral domain claims. In the case of indigenous communities affected by land concessions, the absence of a legal framework on Ancestral Domain Claims puts the minority groups in a vulnerable position and land use conflicts between private corporate groups and the community can arise. The government often allocates land for industrial use regardless of the history of the land



ownership of certain areas. The government cannot issue land titles to ethnic groups because there is no law yet governing ancestral domain claims in the country.

5. Location of roads determines land titling. In the absence of a comprehensive system for administering land, the areas where land titling is undertaken is sometimes determined by road networks connected to urban centers. Hence, land titling also depends on the good-will of the person in charge to
6. Undefined slope category limit as basis for land titling. Another factor that limits the government's pace of releasing land for private titling is the lack of a slope limit as a basis to allocate land for residential, agricultural and forestry purposes. In other countries, lands above 18% slope are considered forest lands. In this case, it can be released for private titling since all forestland are considered public domains.

E. Gaps and Lapses in implementation of land use plans

1. Limited information and poor data base. Available data on the size, location and nature of concession awarded is limited. Oftentimes, they overlap with communal lands, and worse, even existing lands under usufruct rights. Corollary to this is the absence of organized and coordinated data sharing and exchange systems among District, Provincial and National administrative units in the Land Management Administration, and even less though across agencies.
2. Low institutional capacity of the Land Management Administration. The PONRE and DONRE are one of the youngest agencies, being still under staffed. Likewise, in terms of technical and facilitative capacity, very few staff have the necessary background and work experience on agrarian related matters. At the Provincial and District levels where most of the cadastral survey and inspection works are being done, the limited GPS and surveying instruments contributed to the inability of the said agency to respond to the growing demand of its service. This is exacerbated by inadequate funding, in which farmers' land titling concerns might not even be a priority given increasing pressure due to the increasing influx of foreign investors venturing into all kinds of concession projects requiring a large production area.
3. Absence of constitutional body to represent indigenous communities. Lao PDR is culturally rich in terms of ethnic traditions, customs and values. Yet, in the government system, there is no constitutional body to safeguard this rich national heritage, including the preservation of ancestral domains in the country.
4. Lack of legal framework for a stronger individual ownership rights. As the country opens itself to free market trade at the global scale, certain necessary adjustments have to be instituted, which include property right regimes. As Lao PDR was for many years as a socialist state, it is still in the pro-



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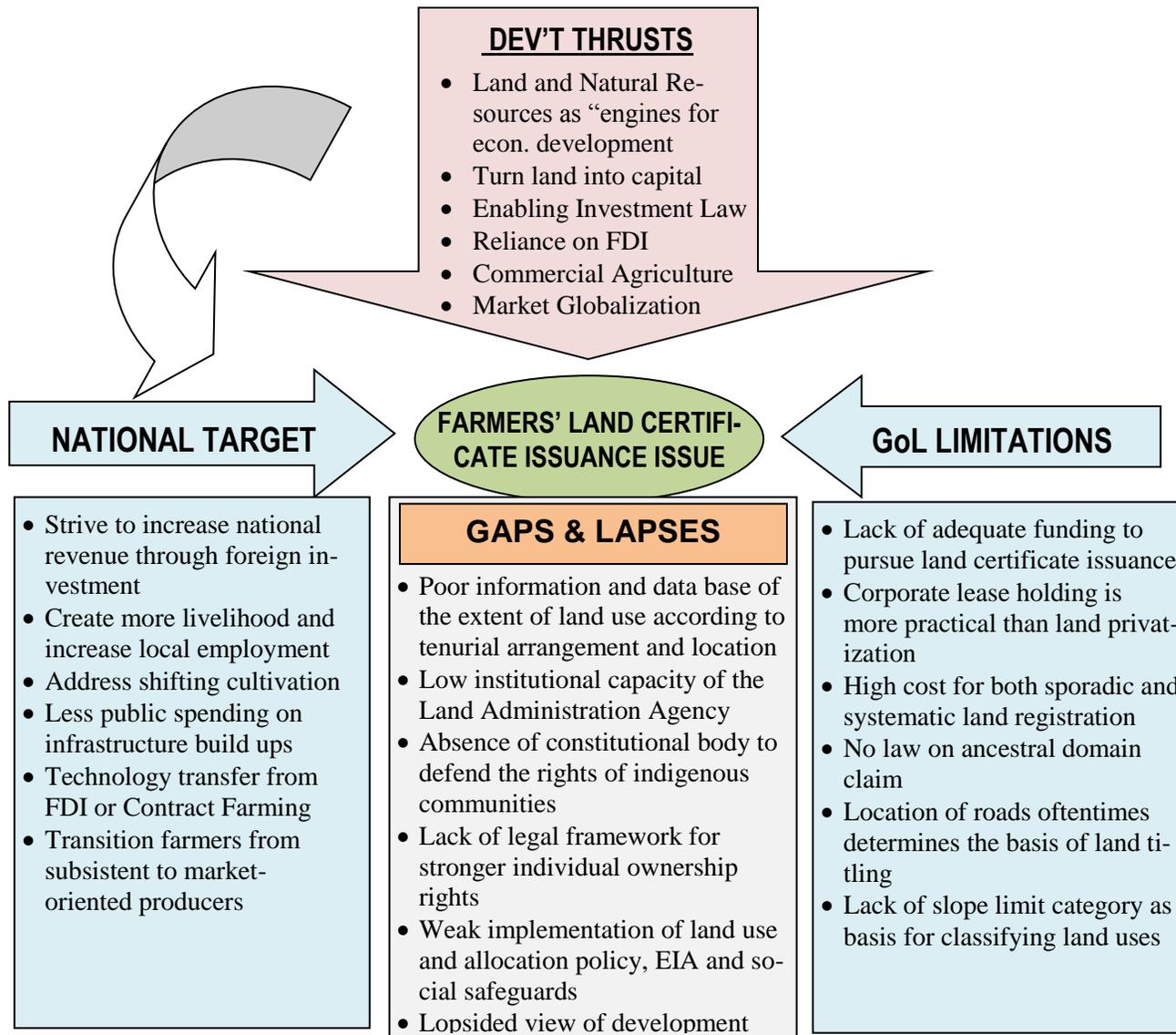
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cess of reforming and developing new policies to this effect. Hence, it is understandable that there is no stronger legal basis for individual ownership claims to be awarded to local people.

5. Weak implementation of land use and allocation policy, Environmental Impact Assessment (EIA) and social safeguards. One major contributing factor that increasingly causes poor farmers to lose their existing lands to powerful concessionaire is the weak implementation of the government’s land use and allocation policy. Further, the EIA guidelines and administrative orders regarding the strict compliance of this project monitoring instrument are rarely followed. Above all, there seems to be weak public consultation or no prior consent given by affected communities before starting concession projects in the affected areas.

Figure 2 Interplay of different sets of factors surrounding the issue of farmers’ land certificate issuance





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Figure 2 above shows the interplay of these different forces creating the gaps and government lapses in dealing with the issues surrounding the issuance of farmers' land certificate.

VII. SUSTAINABLE NATURAL RESOURCE MANAGEMENT AND PRODUCTIVITY ENHANCEMENT PROJECT: INTERVENTIONS FOR LAND USE RIGHTS

A. Establishment of Resource Mapping Centers:

SNRMPEP supported the MAF to establish the Central Resource Mapping Center (CRMF) under the NAFRI which has now moved to the new Department of Agric. Land Dev. & Management and responsible for GIS, resource mapping and LUP. This unit has also supported the provinces in capacity building, resource mapping, Land Suitability Planning and LUP for the subprojects. Provincial GIS and Resource Mapping Centers have been established under the Planning Division of PAFO in each of the five targeted provinces to perform the tasks of GIS, resource mapping and Land Use Planning. The Project has created a GIS website, uploading ortho-photographie (<http://gis.snrmpep.gov.la/>). This website is used for village land use planning, and creation of village boundaries. This website also provides a close-up view of the forest cover, agricultural land and land topography which assists the appraisal of applications for land concessions by the government.

B. Establishment of Appraisal Unit:

With the support of project the Appraisal Unit has been established under the Division of Investment and Agriculture Business (DIAB) of Department of Planning and Cooperation of MAF for the appraisal of the subprojects and FDI in the agricultural sector, especially for the land concession. The staff members have been trained on social and environmental safeguards, calculation of EIRR, appraisal of land concessions, appraisal of subprojects, and monitoring and evaluation. Currently this unit is merged with the DIAB and continues performing for the appraisal of the FDI in the agricultural sector. The Appraisal Unit has conducted a problem analysis and supported the policy analysis to initiate the policy dialogues with the concerned government agencies.

C. Problem analysis

After the initial analysis of the issue related to the farmers land use rights, SNRMPEP has come up with following observations:

1. The issue of awarding farmers' certificates is just a peripheral concern to a bigger land management concern.



2. The problem is not the difficult process of issuing land certificate, but mainly the lacking capacity of staff.
3. The government wants to pursue individual privatization of land rights of farmers but as this is expensive and staff are lacking capacities, it is easier to focus on land leasing arrangements for foreign investors.
4. To issue LUCs to individual farmers, and then, later on organize them into associations for corporate farming is redundant. Thus, from a cost consideration, it is more practical to just organize them even without individual LUCs, but to give just one communal title for the association,
5. There is no doubt of the government's good intention to improve the economic conditions of the poor farmers through giving them control over their lands. However, the government's neglect and passive stand in dealing with ambitious and erring concessionaires trying to grab farmers' land conveys the impression of being helpless.
6. One possible explanation for the government's passiveness would be the lack of a strong legal framework and funding for fast tracking the issuance of LUCs to farmers.
7. As much as the government would like to arrive at a win-win situation for both farmers and concessionaires, the difficulty of finding a compromise results in involuntary losses of the farmer's access rights.
8. In general, the problem about farmers' land certificate issuance seems to be rather political than technical in nature, favoring corporate foreign investors.
9. Since the technical problem is not as serious as the institutional gaps in the land management administration in general, this paper recommends the need to focus more on the social and political side of the problem,
10. Specifically, there is urgency to build permanent social safeguards as part of the fundamental law of Lao PDR to secure land rights of the local people and indigenous communities affected by big corporate foreign investments in the country.

❖ **Established models for the Land Use Planning and issue of LUCs**

Model-1: Bong tree farming in Samoye district

Farmers in Laos are rediscovering the value of a traditional crop – the bark of the bong tree. Because the once abundant bong trees are now on the endangered species list, smallholders are establishing profitable plantations to meet the growing demand for the aromatic bark. Farmers of the Samoye districts



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in the Salavanh province, who were engaged in shifting cultivation to grow upland rice, and every year moved their field, were encouraged to apply for LUCs and to grow perennial crops along with rice to stabilize shifting cultivation. Around 90% farmers in the Samoye district are indigenous ethnic people.

Samoye district in the south – a mountainous area 1,000 meters above sea level – is home to the Ta Oi ethnic group. Until 2013, residents of Samoye were living in complete isolation, but life changed when an all-weather access road was built. It has brought increased access to the region and also means that goods can now be exported far more effectively. Farmers in the area make a living growing rice in the uplands and collecting non-timber forest products, mostly the bark of the bong tree. But rice production is low (approximately one ton per hectare), which means 50 per cent of households have little or no rice for two or more months a year. In the uplands where there is extensive rice cultivation, farmers use the slash-and-burn method with the ash providing soil nutrients. They combine this with the practice of shifting cultivation, leaving the land fallow for ten years or more and allowing the vegetation to re-grow. Together, the two techniques have helped improve soil fertility and productivity.

However, a number of factors are contributing to the shortfall in rice. These include a growing population, the recent expansion of industrial crops (such as rubber and eucalyptus) and large-scale commercial agriculture businesses on land formerly used for rice cultivation. Increasing cultivation of rubber and eucalyptus by companies through FDI in agriculture has created potential risk for these farmers for the loss of farmers land to these companies.

SNRMPEP supported plantation of Bong tree as intercropping with upland rice. Bong bark contains gum and aromatic oils used to make incense sticks for temples throughout South and Southeast Asia. It's also found in mosquito coils and in the glue for carton or particleboard production. And mixed with soil the bark can be modelled and moulded into statues and household items. Bong can provide additional income for farmers, but increased demand and slash-and-burn have put the plant on the endangered species list. In turn, this has adversely impacted the livelihoods of farmers in the upland areas.

To address the many challenges, in 2010 the IFAD-funded Sustainable Natural Resource Management and Productivity Enhancement Project started working with the Provincial and District Agriculture and Forestry Offices. Together, they supported a sub-project for commercial bong tree nurseries in the Samoye and Ta Oye districts. Previously, local farmers had tried to grow bong, but they didn't have the necessary technical knowledge, nor did they fully realize the potential benefits of bong plantations.



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As part of an initial pilot of the sub-project in March 2011, 425 farming households in both districts formed groups to plant one-hectare plots of bong trees. The project also supported sustainable land-use planning. It issued permanent land certificates to help ward off land concessions, constructed gravity irrigation schemes, established bong tree nurseries, and provided 'revolving' funds for cultivating crops and planting trees. All group members were trained in upland crop cultivation and specifically, planting and managing bong tree plantations. Farmers were also taught to harvest bong bark sustainably, which involves peeling the bark five times a year rather than cutting it. And the project supported intercropping bong with upland rice and cassava. This technique ensures food security and income until the bong bark can be harvested, which is typically in the fourth year. The two bong nurseries established by technical service centers produce 500,000 plants per year. The nurseries sell bong to farmer-producer groups for 1,000 Laotian kip (US\$0.12) per plant. Another 15 nurseries have been set up by the groups, cultivating an additional 500,000 seedlings per year to sell to other farmers in other regions. This has allowed the groups to earn a profit, be self-sufficient and more importantly, maintain the production cycle.

The success of the project has generated huge interest from farmers in the region. Almost 750 households (including nearly 300 headed by women) have joined the production groups. By 2013, bong trees had been planted on well over 700 farms, far surpassing the 425-hectare target. And increased industrial demand for bong bark, together with better marketing, has increased its value from 2,500 kip (\$0.31) per kg in 2011 to 5,000 kip (\$0.62) per kg in 2013.

For the average farmer, one hectare of bong can generate an annual income of about 8 to 10 million kip (\$985 to \$1,232) and yield bark for up to 50 years, improving farmers' livelihoods and economic security. Bong tree plantations also directly support reforestation in the area, an important initiative to reduce the effects of climate change.

Five hundred households have been issued LUCs and planted bong (persia kuruzi) as an intercropping with upland rice. Bong is used for incense stick productions and can start production of bark after 4 years. Farmers started harvesting bong bark and fetched five times higher incomes compared to upland rice. As a result, the area under bong has increased to more than 10,000 ha until 2015.

Model-2: Cashew Plantation in Khong district

Khong district is situated in the southernmost part of Champasak province and even the South most of the Lao PDR. Khong district is located in the partially flat and slight slope that situated along



Mekong River in the Eastern side of the district and in the Champasak Plain. Other parts are Islands scattered in the Mekong River. The area ranges from lowest at 80 m to the highest at 282 m (Phoukeo Mountain). Farmers of this area cultivate upland and low land rice. Upland rice cultivation was a major threat to the National Conservation Forest of Dong Hua Sao. Productivity of rice was only 1 ton per ha which was not sufficient to meet the feeding requirement of the farmers. 55% of households faced food shortage ranging from 3-6 months per year. Khong district in particular has been selected to establish a model for the issuance, using a 500-ha piece of land that was deserted by a land concession company. It was proposed to promote cashew plantations by the government as a subproject. One of the conditions for farmers to participate is that they are classified as poor or very poor, and that they are provided with a LUC for individual ownership. SNRMPEP introduced commercial cashew cultivation project as a pilot project. The implementation started in 2010 as a pilot subproject involving 250 poor farming households in eight villages in Kumb ban Haatsaikhouné comprising at the initial stage and aims to extend to all households in the future.

Each household was provided with 2 ha of cleared/developed land to plant their cashew plots. SNRMPEP supported the farmers by providing 177 tons of organic fertilizer and 1,500 roles of barbed wire for fencing the plot and one gravity irrigation scheme. SNRMPEP also established one cashew nursery. The Government of Vietnam provided 150,000 grafted cashew plant of the variety PN-1 which is one of the highest yielding varieties with large size nuts.

An additional 250-ha area has been cleared to plant cashew in the next wet season. The project also supported the establishment of the mother plants in a 10-ha area and a cashew nursery with a production capacity of 100,000 grafted plants, there will be an increase of 250 ha area under cashew every year. In the first two years farmers conducted intercropping of legume and aerobic rice within the cashew plantation and generated additional income of 3 million Kip (\$370) per household. This year cashew plants are in full bloom and farmers will harvest the nuts in March-April. The expected production is about 1.5 tons of nuts per ha which can generate income of about 10 million kip (\$1,232) per ha. Now there is high demand from other areas for the cashew plantation and cashew will become one of the major crops, like coffee, supporting the livelihood of poor farmers.

The cashew plants have thrived and other farmers in the area have since become motivated and shown interest in participating. During the year 2011 another 125 farmers applied to obtain LUCs and another 250 ha area of cashew has been planted. So far, the planting of cashew seedlings has commenced on over 2,800 ha of land, both on the river flats and also on the mountainsides and 1,400 LUCs have been



issued to farmers. The cashew nut can be harvested four years after planting. Cashews planted in the first and second year have started production and farmers are earning between \$500 and \$600 per ha as additional income. Khong district is the first area in the country to grow cashew trees.

❖ **Policy Dialogues with the government**

The project also initiated a dialogue with the authorities within the government to make it easier to issue LUCs to farmers. It started an awareness raising campaign amongst farmers to explain the importance of LUCs and has also supported the training of officials of the DONRE.

Proposed Processes of Land Certificate Awarding

Under sporadic or individual application for LUCs, the following general procedures have been suggested:

1. Application and authentication of land right claims must start at the village or Kumban level (usufruct rights vs customary land rights). There should be a village council composed of the village chief and selected knowledgeable older community members to serve as a special body to testify or authenticate individual claims over a certain area.
2. After the first round of authentication at the village level, the applicant must request a cadastral survey and adjudication to be carried out by the Land Authority with representatives from the Central, Provincial and District level, and the participation of the village chief and villagers.
3. After the survey, a public hearing is held or posting of the exclusive claim follows, before the land ownership certification will be issued to the claimant. There must be at least six months probation time for other interested groups to raise counter claims over the area.
4. After six months, if there are no other claimants over the area, LUC will be issued upon the payment of a fee to the Land Taxation Division of the District Land Management Administration.
5. The claimant can now submit the temporary land right certificate together with the village chief's authentication, cadastral survey and official receipt of the application payment to the Land Registration Office at the District or Provincial Land Management Authority for official recording and stamping of the LUC.
6. The last stage is the issuance of Tax Declaration Permit to the owner for his yearly tax payment of the newly awarded and registered land.

Policy Measures



The project has proposed policy dialogues with government agencies. The following areas have been identified and discussed with the competent authorities:

1. *Create a Special Commission for Farmers' Land Rights Protection.* In most agricultural-based economies in Asia, there are conflicts arising between farmers and big private corporate interest groups over the use of the limited arable lands in the country. Oftentimes, the poor and small farmers are being ejected from their lands by powerful landlords or big multinational companies. In the Philippines for instance, there is a special agency referred to as "Department of Agrarian Reform" that takes charge of all disputes related to agricultural land property rights and use. Lao PDR should consider setting up a new agency directly under the MONRE specifically to protect farmers' land rights against powerful private corporate interest groups operating in the country.
2. *Delineation of Agricultural Protected Area.* If there are protected areas and conservation sites in the country, there should also an *Agricultural Protected Area* to preserve arable agricultural land from being transformed to other land uses, such as for timber crop plantation, residential estates, commercial areas, etc..
3. *Strictly implement land zoning and land suitability conditions.* The land classification and land use plans prescribed by the government through its agencies (MAF, MoNRE) should be strictly implemented and monitored. Any violation must be dealt strictly in terms of penalty charges and taxation to compensate for the anticipated negative impacts on human health, livelihoods and the immediate environment.
4. *Implement strict environmental safeguards (EIA).* Corollary to strict implementation of land use plans is the need to implement and monitor regularly the EIA compliance standards in all big industries with anticipated negative impacts on human health and immediate surroundings or projects located in environmentally critical areas.
5. *Protection of indigenous peoples.* The Lao society is comprised of various ethnic groups with varying unique cultural practices and material attributes. To preserve the peculiar cultural endowment of each indigenous group, there is a need to create a special agency directly under the concerned government office. This office would not only look after the rich national cultural heritage of the country, but also see to it that even the tribal settlements or habitats and properties are maintained and well protected against any external threats.
6. *Issuance of Certificates of Ancestral Domain Claims.* The government should recognize the property rights of indigenous people over their existing lands they occupy by issuing Certificates of Ancestral Domain Claims. The proposed Commission of Indigenous Communities will be responsible



in assisting the locals in maintaining and developing their land and natural resources consistent with their customs and traditions.

7. Implement strict social safeguards. For any new development project in any community, be it government sponsored or private initiatives, there should proper consultation with the community members. Public hearing and the prior informed consent must strictly be implemented to any development project.
8. Need for a comprehensive system for administering land related concerns. The Land Management Administration should build a strong data base and information/decision support system as a planning tool to manage state, community, and private lands. Corollary to this is the need to develop a 20-year Master Plan of Development as a Blue Print for the country with regards to land use and management.
9. Balanced view of development. The promise of the trickle-down effect of development through the entrance of foreign investment has rarely worked in practice in most developing countries in the past. Instead, after the natural capital of the host country was exhausted, investors pulled out, leaving the area degraded local culture compromised. Often the affected communities are now paying the toll in terms of negative environmental impacts, such as landslides, flash floods, destruction of life support ecosystems and disruption of their culture. Therefore the government's strong reliance on foreign investments exploiting the country's natural resources to meet development needs in the present must be tempered by the long term negative environmental and social impacts that they may arise later.

VIII. CONCLUSIONS

1. The government's favoring of business investors' interest in land management projects over individual farmers' livelihood security have increasingly raised questions and doubts about the impacts of private agribusiness investments on rural livelihoods and household's land tenure security in Lao PDR.
2. There is much potential to seize in land concession projects, given the increasing demand for raw materials to meet the growing needs of China, Vietnam, Thailand and other developed countries in Asia and Europe. However, the trade off, if investments are not done properly, can result in local people losing access to the most fundamental economic asset: land. Further it can strongly impact on indigenous communities' traditional way of life.



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3. While FDIs, and land concession in particular, could bring in added revenue to the country in terms of the foreign exchange currency, it can adversely affect individual farmer's land rights, which can be avoided if proper social safeguards are in place.
4. There is need to upscale the SNRMPEP models for the livelihood improvement and issuance of LUCs for farmers to ensure ownership. As a result of the SNRMPEP initiative between 2012 and 2014 about 5,238 LUCs were issued to poor and very poor farmers. Proper attention has been given to gender mainstreaming for the issuance of LUCs. Out of a total of 5,238 certificates, 4,557 are held jointly in the name of husband and wife (87%). The rest has been issued in the name of women (widows, divorced women as Female Headed Households) or in the name of a single male.
5. The project has prepared the policy paper "Policy Gap Preliminary Assessment: Farmers' Land Certificate Issuance" and submitted to the government to consider its incorporation into government policies. As a result, dialogues were started with the MONRE to replicate the models of the SNRMPEP. MONRE had announced that it would issue 100,000 LUCs to farmers during 2015 alone. Farmers are more confident now that it has become a public programme, with more and more farmers obtaining certificates in project supported, as well as in other areas.
6. Key lessons learnt are that before any intervention, the trust of ethnic people needs to be earned, women need to be provided with land ownership, women farmers need to be educated on land use rights and staff of land authorities need to be trained on the issuance of LUCs.



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APPENDIX A: Data Template on Land Certificate Issuance

GOVERNMENT POLICY	PERCIEVED LIMITATION OR WEAKNESS	EFFECT/IMPACT
<p>1. Foreign Investors' Access Rights to Use Land for Industrial Plantation: (How can a foreigner acquire a concession right?)</p>	<p>1.FI shall submit the application to the One Stop Service for investment (OSSSI) at the Dept of Planning and Investment (DPI) of MPI comprising the following documents for access rights to use land for industrial plantation :</p> <ol style="list-style-type: none"> 1.1. Technical and economic feasibility study report; 1.2. Master plan for development; 1.3. Social and environmental impacts assessment report 1.4. Draft contract for the development of the project areas; 1.5. Documents certifying the financial status; 1.6. Documents certifying individuals or legal person status. <p>2. Selection of FI The FI having the intention to obtain land use rights for industrial plantation shall be selected through comparison, bidding or evaluation by DPI in cooperation with the concerned agencies and local authorities, according to laws and regulations; the selection of FI must be transparent, public and can be audited.</p> <p>3. Criteria of FI to be granted with a license for land concession:</p> <ol style="list-style-type: none"> 3.1. Having legal status; 3.2. Having experience in undertaking business operations of many years for industrial plantation 3.3. Having sound financial status duly inspected and certified by reliable local or foreign financial institutions. <p>4. Procedures for considering the award of land concession</p> <ol style="list-style-type: none"> 4.1. FI shall submit the application for the land concession by utilizing the specified forms of the OSSSI of the PI. 4.2. After having received the application, the OSSSI shall coordinate with concerned sectors and local administrative organization to undertake the study and submit the proposal to MPI . 4.3. In case, OSSSI submit the proposal with positive comments to PMO for approval . 4.4. PMO replies no objection and then OSSSI prepares the MOU for signing.(it 	<ul style="list-style-type: none"> • Central Government / Provincial Authority granted land concession without conducting a prior land survey and so far no land classification or zoning was done beforehand. • Some land concession had been approved without any consultation of local people beforehand; Village authority and villagers did not allow the conceding company to clear the land or to fence or implement planned activities. • Overlap of approved concession areas. In some areas, the same land is conceded to different companies twice; and there are large number of overlapping land use concession between agriculture, plantations, mining and other sectors. • Weak environmental and social safeguards in concession, at present , it does not bind the investor to follow the stipulations of EIA and SIA, based on which the concession was granted. <p>Now there are standards for environmental and social obligations on concession but it seems there is no functioning monitoring system and no authority is clearly assigned to follow up which land concession activities.</p> <ul style="list-style-type: none"> • Land compensation: the land owners (losers) cannot get the land value, reflected in the actual land market; they get the low land value, decided by the Provincial Authorities in case that land will be used for Foreign Direct Investment(FDI). • After granting many land concession, there are many complaints from the land owners; now, GoL is planning to unwind concession agreement to weed out speculation, address overlapping concession and monitor & evaluate the program of the FI



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	<p>takes two months)</p> <p>4.5. After signing the MOU, FI is allowed to conduct a preliminary feasibility study , EIA and SIA. (it take about 1 year and 6 months)</p> <p>4.6. FI submits the F/S, EIA and SIA to OSSI for cosideration.</p> <p>4.7. OSSI and concerned agencies study the documents and then submit to PMO for approval.</p> <p>4.8. If the answer is positive, OSSI covenes a meeting with concerned agencies and concerned province for discussing and drafting the first contract, the Development Project Agreement (DPA)</p> <p>4.9. OSSI organizes a Meeting with FI for negotiation</p> <p>4.10.OSSI submits the final contract to MPI or Provincial Authority for approval.</p> <p>4.11.FI develops the DPA and prepares investments and concession activities in details</p> <p>4.12.Refer to the DPA in details, MPI or the Provincial Authority issues the Final Contract or Concession Agreement .</p> <p><u>Note</u> : In case, there are rejections of the application for land concession, OSSI shall notify the rejection including the reasons of the rejection.</p>	<p>through upgrading and developing legal and institutional frameworks</p> <p>(Investment promotion law 2009, set up One Stop Service for investment at Dept of Planning & Investment og MPI and OSSI at provincial level.)</p>
<p>2. Land Ownership Rights for Farmers: (How can Lao farmers own a land?)</p>	<ul style="list-style-type: none"> • The issuance of Land titles through systematic land registration costly. • The issuance of Land titles from sporadic land registration is costly. Farmers cannot afford to pay for the land title with high cost and cannot access credit. 	<ul style="list-style-type: none"> • Land titling and registration: the government continues to support the land titling and registration programs in order to improve land tenure security for small-scale farmers and indigenous communities, to assign the districts land management authorities of the whole country to issue the land title through systematic land registration and sporadic land registration, but no budget for systematic land registration. Now districts can implement only the sporadic land registration (issue the land title as the request of individual) • The systematic land registration can be done slowly by some districts which are having support from the provincial administrative authorities, one land title is issued per day per systematic adjudication team (5 staff/SAT); Not enough GPS, no necessary equipment and no vehicles and skilled surveyors and adjudication staff. In many villages many land owners cannot afford to pay the land title fee which is on average 300,000 kip per title. • Land titles cannot be issued to individuals: <ol style="list-style-type: none"> 1. in case it is state land . 2. in case there is a land dispute. 3. in case the land parcel is located in the unclear



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		<p>boundary demarcation between villages.</p> <p>4. for resettled villages which are not permanent villages.</p> <ul style="list-style-type: none">• The Temporary LUCs were issued by MAF in collaboration with the Provincial and Districts Authorities in the past; if Lao citizens using the land productively for at least three years and paying the land tax, the land user can acquire a land use right and the state will issue the land title as requested; Since many years the state cannot afford to issue the LT. In this case, the land owner can get the compensation only from the state if it will be used for state purpose or FDI.• No land title: Limits farmers to access to credit and thereby their opportunities to improve their livelihoods.• MONRE requesting a loan for a land titling project from WB.
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<p>3. What are the different land access rights defined in Lao PDR Land Law?</p>	<p>There are six forms of land certificate recognized officially :</p> <ol style="list-style-type: none"> 1. The Land Title is the only official land certificate, allowed for selling, mortgage and inheritance. The District Office has been assigned to issue the systematic land registration and sporadic land registration (based on the individual request) for land owners of the whole country. 2. The Land Survey Certificate is issued by the Provincial Land Office and is recognized by most commercial banks in the past. However, it is not accepted now. 3. The Temporary Land Use Certificate (TLUC) was issued by MAF in the past; After 3 years, the land users can acquire a land use right and the State will issue the LT. However, up to now GoL cannot afford to issue the Land Titles. 4. The Land Tax Declaration (LTD) is only allowed for use and inheritance and generally it is recognized as basis for compensation. The LTD does not reflect the real size of the plot and the actual land tax service. 5. The Land Tax Receipts (LTR) are mainly given for tax payments and will be used by land users when land is sold or leased. 6. The Village Heads Certificates on Land Ownership is issued by village heads to certify the land use right to Lao citizens for having a land title to get access to a bank loan or for selling or leasing the land. <p><u>Note:</u> None of the documents issued in rural areas gives the owner 100% security to exclude others from the use of the land. People have no security in case of government projects or state concessions.</p>	
<p>4. What are the requirements for the issuance of land certificates to farmers?</p>	<p>Some documents required for getting the issuance of the land titles:</p> <ol style="list-style-type: none"> 1) Family book 2) Permanent resident certificate or identity card 3) Land ownership Certificates or the purchase or sale contract, transfer contract or exchange contract on the land parcel, signed by both sides, recognized by the head of village used as evidence, or the Temporary Land Use Certificate or the Land Survey Certificate. 4) Land Tax Declaration 5) Land Inheritance Document. 	



APPENDIX B: Steps for Obtaining Land Certificate of Ownership

STEPS (Work Instruction 564/ MOF on the Land adjudication for issuing the land title)	PERCEIVED PROBLEM OR OBSTACLE	PROPOSED SOLUTION
Step 1: Buy the request form for getting land title at the District Land Management Office.	One request form costs 15,000Kips	No problem
Step 2: Fill the request form and necessary documents required : 1) Family book 2) Permanent resident certificate or identity card 3) Land Ownership Certificates or the purchase or sale contract, transfer contract or exchange contract on the land parcel signed by both sides, recognized by the head of village used as evidence, or the Temporary Land Use Certificate or the Land Survey Certificate. 4) Land Tax Declaration 5) Land inheritance document.	No problem	No problem
Step 3: Submit the documents to District Land Management Office and fix date for land parcel survey and adjudication	Fee for submitting the land documents: 150,000kips	It is too high; it must be included in the total fee for land parcel survey and adjudication and the issuance of the land title and the land owner will pay after receiving the title.
Step 4: The District sends the Systematic Adjudication Team (SAT) to measure the land parcel and interview the land owner on the background of the land.	The land owner has to pay the fee and the transportation for the SAT team to go to measure the land parcel and interview the land owner. The cost of the service depends on the distance of the location and the dimension of the land parcel areas. Land owner mostly comes to pick up and feed the SAT team staffs.	<ul style="list-style-type: none"> • District Land Management Office should own vehicles and have budget for official field work. • The neighbors must be present during the measurement of the land parcel.
Step 5: The SAT completes the adjudication form and draws the map of the land parcel and submit to District Land Evaluation Committee for determining the land category (construction land, paddy land, etc..) and calculating the land title fee, which depends on the use of the land, the fee for the services of SAT, and additionally the fee of the land title itself.	The land registration fee (Systematic land registration or sporadic land registration) : <ul style="list-style-type: none"> • 30,000k/land title for urban and outskirt areas. • 15,000 k/land title for rural areas. In reality, the land owner has to pay more than the fee rate: land title in the case of inheritance (0.1% -0.5% of the land value) or in the case of non-inheritance (1% of the land value) and pay for the SAT service fee. For systematic land registration in rural areas , the cost of one land title is on average 300,000kip and the majority	There are many gaps on the fee rate that need to be reviewed and updated. The fee rate is too high and not adequate for the Lao context. With a lower fee rate, Lao people could afford to pay, develop their land and improve their livelihoods.



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	<p>of poor people of the village cannot afford to pay. For sporadic land registration, the calculation of a land title cost is very high and it is based on the land use fee and the fee rate on inheritance and non-inheritance .</p>	
<p>Step 6: Posting of exclusive claims of one month before land ownership certification can be issued to the claimant.</p>	<ul style="list-style-type: none"> • Announcement only at the village office. 	<ul style="list-style-type: none"> • Announcement should be in the public place (Market, Bus station etc..)
<p>Step 7: When there is no complaint, the District Land Management Office sends the registration land documents + Land Title to Provincial Land Management Authority for approval and signature of the land title.</p>	<ul style="list-style-type: none"> • The documents stay long time at Provincial Land Management Authority. • Land owners can take the registration land documents + Land Title to Provincial Land Management Authority by themselves. • District Land Management Office has no rights to sign the land title. 	<ul style="list-style-type: none"> • Provincial Land Office should fix the date of the issuance of the Land Title after receiving the land documents from district. • Land owner can get the title quickly • District Land Management Office should have the rights to sign the land title.
<p>Step 8: District Land Management Office informs the land owner and the land title is issued upon payment.</p>	<ul style="list-style-type: none"> • Land owner pays the land title fee service at the District Lands Office before sending the registration land documents + Land Title to Provincial Land Management Authority for approval and signature of the land title. The cost of a land title is high or very high because depends on the land use fee and the fee rate on inheritance and non-inheritance (mentioned above) 	<ul style="list-style-type: none"> • The existing fee rate is too high and it should be reviewed .