

Bolivia Land Titling Program Quarterly Report October – December 2005

BLTP Quarterly Report

Fourth Quarter 2005

Chemonics International Inc.

Contract No. PCE-I-820-99-0003-00 RAISE IQC Task Order No. 820

The author's views expressed in this publication do not necessarily reflect the views of the United Sates Agency for International Development or the United States Government.

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INTRODUCTION

A. INTRODUCTION

The Bolivia Land Titling Project, Contract PCE-I-820-99-0003-00, Task Order 820, quarterly report covering the period from October 1st through December 31st, 2005 is the ninth quarterly report submitted to the United States Agency for International Development (USAID) under the Rural and Agricultural Incomes with a Sustainable Environment (RAISE) IQC.

This report provides a summary of project activities, progress and accomplishments achieved during the fourth quarter of 2005. The first chapter of this report provides a synopsis of the Bolivia Land Titling Project contract, a description of the contract's objectives and a brief history of the project. Chapter two provides an overview of the titling process and the latest revisions to scope of the Bolivia Land Titling Project. Chapter three highlights the progress made at each step in the titling process and also in relation to the project's strategic objectives. Finally, the last chapter includes the Bolivia Land Titling Project's latest financial information. The report includes three annexes: a. State of Titling Activities in Hectares, b. Work Plan Progress Monitor, and c. Map of Project Coverage in the region.

B. OVERVIEW OF THE PROJECT

The Bolivia Land Titling Project contract was awarded by USAID/Bolivia to and signed by Chemonics International Inc. on November 6, 2003, with project implementation starting in December, 2003. The task order is expected to last 30 months, with an estimated completion date of May 5, 2006.

The objective of the activity is to significantly improve security of property rights and expand individual access to land markets and to the full benefits of their land assets. To achieve this objective, the project is supporting the National Institute of Agrarian Reform (INRA) and the Property Registry System (DDRR) in their respective efforts to title and register properties in the Cochabamba Tropics. The project provides technical assistance to INRA Cochabamba and the technical office of Villa Tunari, INRA Nacional, and the Sacaba offices of DDRR to strengthen and develop their institutional capacity to issue and register property titles.

LAND TITLING PROCESS

CHAPTER ONE

This chapter provides an overview of the phases involved in the titling process, of the revisions to the Bolivia Land Titling Project's scope of work and the project's current contractual targets.

A. TITLING PROCESS

The titling process is divided into two phases or stages: the first phase known as *Saneamiento*, or ownership verification, is done on the field and involves the property owner and neighbors. The second phase known as *Titulación*, or titling, corresponds to the processing of all the documentation needed to register and issue a property title.

The Bolivia Land Titling Project was designed to assist INRA and DDRR in the completion of the entire titling process (ownership verification and titling) of 5,000 properties in an area covering 100,000 hectares under INRA's plans I and II; and to assist INRA and DDRR carry out the titling of an additional 25,000 property titles (in an area covering 465,000 hectares) to be verified by the European Community's PRAEDAC project under INRA's plan III.

B. SCOPE OF WORK MODIFICATION

Early in 2004, it became evident that the reality of the titling situation in the Chapare was far different than what was originally assumed during the design of the Bolivia Land Titling Project. Consequently, the original targets proposed in the Bolivia Land Titling Project contract were revisited and revised according to the actual circumstances. Two major differences exist between the original assumptions at the project conception and the field reality. First, the target area assigned to the Bolivia Land Titling Project initially contained less than the 5,000 titles, the target specified in the Chemonics contract. To fulfill contract objectives, an additional 1,024 properties covering an area of 12,000 hectares were assigned to Chemonics so that the 5,000 target could be reached. This addition is known as Plan IIb. Second, PRAEDAC has not been able to deliver to INRA the ownership verification documentation of the 25,000 properties for which it was responsible under Plan III for further processing with Chemonics assistance.

Given the difficulties which PRAEDAC has encountered in delivering ownership verification documentation to INRA, and given the fact that INRA had considerable idle capacity, installed by the Bolivia Land Titling Project, the Technical Inter-Institutional Committee (CTI) composed of USAID Bolivia, INRA, the Regional Alternative Development Program (PDAR) and the Vice Ministry of Alternative Development (VDA) decided to make the following adjustment to the titling plans for the Cochabamba Tropics:

Reassigned responsibilities and geographic areas to the Bolivia Land Titling Project and PRAEDAC projects. PRAEDAC assumed full responsibility for Plan III, under which PRAEDAC is responsible of verifying ownership and titling in the area originally assigned to PRAEDAC comprised of 465,000 hectares with approximately 25,000 properties. Subsequently, in view of implementation delays and the short period of time remaining in the life of the project, PRAEDAC revised its results projections several times, standing now at 145,000 hectares or about 10,508 titles.

Approved the implementation of Plan IV developed by the Bolivia Land Titling Project/INRA. Under Plan IV the Bolivia Land Titling Project/INRA will carry out ownership verification saneamiento of 25,000 hectares containing approximately 1,600 properties, and ownership verification and titling of an additional 25,000 hectares containing approximately another 1,600 properties.

C. REVISED BOLIVIA LAND TITLING PROJECT RESULTS AND INDICATORS

As a result of the above changes, the quantifiable targets to be achieved by the Bolivia Land Titling Project by May 2006 are:

- Verification of ownership *saneamiento* and titling of approximately 100,000 hectares containing approximately 5,000 titles under Plans I and II and IIb.¹
- Verification of ownership and titling of 25,000 hectares containing approximately 1,600 titles under Plan IV.
- Verification of ownership of 25,000 hectares containing approximately another 1,600 hectares, under Plan IV.

D. ADJUSTMENT OF RESULTS AND INDICATORS AS A RESULT OF TITLING.

In the original design, results and indicator targets were established using best guess approximations regarding the average size and number of properties of areas drawn on paper maps. In this report, new revised totals in number of hectares and properties are reported to reflect actual results to date. As ownership verification is completed, the estimated number of properties, as well as the area they cover can be adjusted for each plan. The adjustments are the result of actual measurements of property boundaries which exclude areas such as wetlands, rivers, roads, settlements, and other public places.

When originally assigned to the Bolivia Land Titling Project, Plans I and IIa were considered to have 5,000 properties covering some 100,000 hectares. Plan IIb was added to reach the original target of 5,000 titles, when actual measurements revealed that the area assigned contained some 4,000 properties. As the work of ownership verification and titling is completed, the final number of properties and the area they cover changes. Early in 2005, INRA decided that in order not to delay the project activities, sub areas or communities with hard-to-solve conflicting ownership claims would be taken out of the Plans and dealt with separately because of the time and resources required. This again will affect the total of properties titled under Plans I, II and IV and the areas they cover.

Plan IV was officially added to the Bolivia Land Titling Project scope of work in July 2005. It aims to verify ownership in 25,000 hectares and to verify ownership and title an additional 25,000 hectares. The number of properties included in these 50,000 hectares is estimated to be approximately 3,200.

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¹ The initial study, underpinning the development of the BOLIVIA LAND TITLING PROJECT Project, indicated that each property has approximately 20 hectares and therefore 5,000 properties were thought to cover 100,000 hectares of land. Plan I and II consisted of 5,043 properties and 89,602 hectares, assuming an average of 17.8 hectares per property.

QUARTERLY PROGRESS REVIEW: STAGES OF THE LAND TITLING PROCESS

CHAPTER TWO

A. INTRODUCTION

In order to clarify and simplify the graphic presentation of results in this report, we have replaced the pie charts that used to show progress in previous reports with bar charts. The following series of bar charts provide a graphic comparison of the status of land titling by quarter since April 2004 by Plans.

It is important to keep in mind that ownership verification is a four step process, while land titling is a three step process. The four steps in the ownership verification process include: community campaigns, field work, technical and legal evaluation, and public presentation of results. The three steps in the titling process are: final resolution, titling, and registration. During 2004, it became increasingly clear that the issuance of final resolutions by the President's Office became a bottle neck beyond the control of the contractor or INRA.

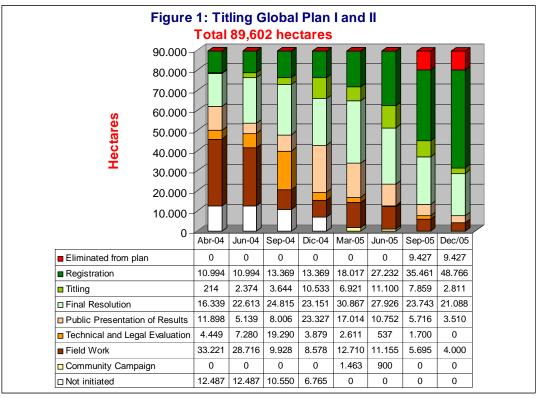
B. GLOBAL PROGRESS IN PLAN I, AND II (A AND B)

The status of Plan I, IIa and IIb as of December 2005 is summarized in Table 1 and depicted graphically in Figures 1 and 2 below.

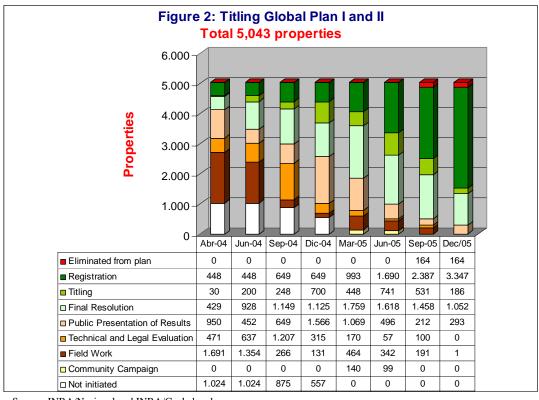
Status	Delymone				Percentage		
Status	Polygons	Properties	Hectares	POLYGONS			
Registered	81	3.347	48.766	72%	66%	54%	
Withdrawn	7	164	9.427	6%	3%	11%	
In titling phase	20	1.238	23.898	18%	25%	27%	
Ownership verification	5	294	7.510	4%	6%	8%	
Total	113	5.043	89.602	100%	100%	1009	

The contractual target for plans I, IIa and IIb is 5,000 titles. As can be observed in the figure and the accompanying table, 3,347 titles had completed the process and were fully registered in *Derechos Reales*. 1,238 properties were held up by the unwillingness of the President's Office to issue Final Resolutions. 294 properties were still in the phase of ownership verification primarily because of boundary disputes and 164 titles were withdrawn due to issues needing judicial intervention beyond the competencies of INRA. It should be noted that these results include Plan IIb which begun in mid 2004 in an area where no titling work had been undertaken before.

It is unclear what the Morales administration will do with regard to titling in general, and more specifically with the 1,238 titles held up in the President's Office and the 249 titles still in process.



Source: INRA/Nacional and INRA/Cochabamba



Source: INRA/Nacional and INRA/Cochabamba

C. PLAN III - PRAEDAC/INRA

PRAEDAC assumed full responsibility for financing Plan III in May 2005. At year end, only 69 of the original 25,000 titles were completed. This corresponded to an area of 882 hectares. INRA reports that as of December 2005, of the original 450,000 hectares only 145,000 underwent ownership verification and titling, containing approximately 10,500 properties. The remaining properties were primarily in the titling phase with a considerable number still in the ownership verification phase.

Table 2 summarizes the situation of Plan III as reported by INRA in December 2005.

Status	Properties	Hectares	Percentage	
Sidius	Froperties	nectares	Titled	Hectares
Registered	69	882	1%	1%
In titling phase	7.917	115.346	75%	79%
Ownership verification	2.522	29.440	24%	20%
Total	10.508	145.668	100%	100%

As we emphasized in previous reports, the results obtained by PRAEDAC fell far short of the original goals and even worse of the expectations raised among the property owners in the region and could become the source of problems for INRA in the immediate future.

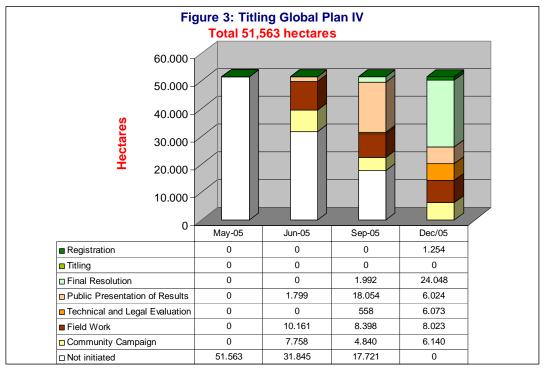
D. PLAN IV

The status of Plan IV as of December 2005 is summarized in the Table 3 and depicted graphically in figures 3 and 4 below.

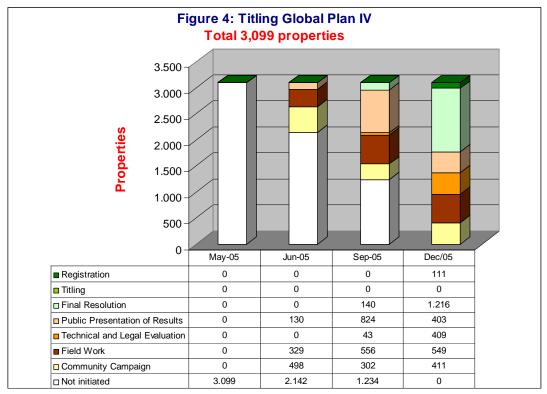
Status	Delymene	Dramantica	Hectares	Percentage		
Status	Polygons	Properties	nectares	Polygons Properties H		Hectares
Registered	4	111	1.254	5%	4%	2%
Withdrawn	-	-	0	0%	0%	0%
In titling phase	33	1.216	24.048	44%	39%	47%
Ownership verification	38	1.772	26.261	51%	57%	51%
Total	75	3.099	51.563	100%	100%	100%

Plan IV was officially approved in July 2005. The goals of plan IV are to complete the ownership verification and titling of properties in a pre-designated area of 25,000 hectares and to carry out the ownership verification of properties in an additional area of 25,000 hectares.

As was indicated in the previous report, the streamlined titling process developed with the Bolivia Land Titling Project assistance has dramatically reduced both the time and the cost of producing a title. In six months since Plan IV begun, INRA has initiated work in 51,563 hectares containing approximately 3,099 properties. Of these 111 had completed the process and were registered in *Derechos Reales*. Over 1,216 properties were awaiting Final Resolutions by the President's Office, and the rest were distributed into the various steps preceding Final Resolution.



Source: INRA/Nacional and INRA/Cochabamba



Source: INRA/Nacional and INRA/Cochabamba

Barring new determinations by the Morales Administration, the original targets will be met by April 2006.

QUARTERLY PROGRESS REVIEW: STRATEGIC OBJECTIVES

CHAPTER THREE

A. STRATEGIC OBJECTIVE 1: DEVELOP AND STRENGTHEN INRA'S INSTITUTIONAL CAPACITY

The changes in INRA's attitude and willingness to work for results, noted in the previous report, is best reflected in their achievement of targets as specified in the FARAs. As the tables below show, all offices involved in the titling process have developed sufficient capacity to meet or exceed most of their targets. Unmet targets were generally due to political decisions and not to performance. These included INRA/Nacional Director's decision to prioritize titling work in other regions at the expense of the Chapare region, as well as the decision by the President's Office first to prioritize the signing of titles from Chuquisaca and second to suspend issuing final resolutions as the December Presidential elections approached. The process was also halted for a few weeks in an attempt to force an increase in the salaries of personnel in the President's Agrarian Affairs Office. This request was denied because it was outside the government salary norms and of the signed FARAs.

An important achievement is the fact that an entire polygon was titled in four months. This time would have been reduced even further in the remaining 22 polygons if the President's and Director's offices had not decided to stop processing titles from the Chapare and prioritized other areas in December. It is obvious to every one involved that titles can be processed in a rapid and lower cost manner, if all involved perform their jobs as expected. The highlighting of this fact shows that the Cochabamba office had reached a milestone and established itself as a leader in land titling in Bolivia. The Bolivia Land Titling Project plans to sponsor a national conference where the Cochabamba INRA office can present the rapid and massive titling procedure achieved with USAID support. The plan will be presented to the new administration, as soon as it is possible.

A.2 PLAN I AND PLAN IIa

As previously mentioned, the FARA agreement contains specific goals for each month of the quarter. Table 2 shows the target and accomplishments for the quarter.

TABLE 4 PLANS I AND IIA PROGRESS STATUS FOR THE QUARTER (OCTOBER - DECEMBER, 2005)

Activity	Indicator	Responsible Party	Target	Achievement	Percentage
Technical and Legal Evaluation	N° of hectares with legal and technical evaluation	INRA Cochabamba	1,700	1,700	100.0%
Public	$\ensuremath{N^{\circ}}$ of polygons with a Resolution fixing the price	Agrarian Superintendent	1	1	100.0%
Presentation of Results	N° of plots with Public Exposition of Results and Conclusions	Villa Tunari INRA Office	0	1	
Final Resolution	N° of polygons with Project of Final Resolution sent to INRA National for the signature	INRA Cochabamba	8	8	100.0%
Titling	N° of validated files sent to INRA National for titling	INRA Cochabamba	9	5	55.6%
Registered titles	N° of executive titles sent for the signature	INRA Nacional	895	558	62.3%

As the table shows, satisfactory results were obtained in all indicators except two: The number of validated files sent by INRA Cochabamba to INRA La Paz for further processing and the issuance of the final resolution by the President's Office. Unmet targets, as explained above, were due to political/bureaucratic decisions and not performance. An additional reason for delays in completing titling in Plans I and II are the errors that were generated in the early phase of ownership verification under the INRA/PRAEDAC projects.

A.3 PLAN IIb AND PLAN IV

Unlike Plan I and IIa, Plans IIb and IV have benefited from quality control initiated with Bolivia Land Titling Project support from the start of the process. All targets, except the last three were surpassed. Unmet targets are due to the reasons described above under Plans I and IIa.

TABLE 5 PLAN IIB AND PLAN IV PROGRESS STATUS FOR THE QUARTER (OCTOBER - DECEMBER, 2005)

Activity	Indicator	Responsible Party	Target	Achievement	Percentage
Community Campaign	N° of hectares incorporated into the process of or ownership verification	Villa Tunari Office	16,418	24,485	149.1%
Field Work	N° of hectares with field work completed	Villa Tunari Office	13,105	18,793	143.4%
Technical and Legal Evaluation	N° of hectares with legal and technical evaluation	INRA Cochabamba	12,673	13,192	104.1%
Public Presentation of Results	N° of polygons with a resolution fixing a price	Agrarian Superintendent	20	23	115.0%
	N° of plots with Public Presentation of Results and Conclusions	Villa Tunari Office	406	691	170.2%
Final Resolution	N° of polygons with Project of Final Resolution sent to INRA National for the signature	INRA Cochabamba	32	30	93.8%
Titling	N° of validated files sent to INRA National for titling	INRA Cochabamba	13	9	69.2%
Registered titles	N° of executive titles sent for the signature of the President of the Republic	INRA Nacional	525	400	76.2%

Source: INRA/Nacional and INRA/Cochabamba

B. STRATEGIC OBJECTIVE 2: DEVELOP AND STRENGTHEN *DERECHOS REALES* (DDRR'S) INSTITUTIONAL CAPACITY

Derechos Reales continues to function well and without problems. It has been able to handle easily the increased title registrations over the quarter.

C. STRATEGIC OBJECTIVE 3: OUTREACH DISSEMINATION PROGRAM

INRA has been using effectively the low key outreach approach adopted in 2004. Moreover, the results obtained under Plan IV are generating increasing interest and demand for INRA's services. The speed with which INRA can now title properties is proving to be the most effective outreach program. Producing titles

in three months or less seems to be restoring INRA's credibility and the legalization of property rights. Thanks to the increasing demand for INRA' services, the mass media communications (spots) are no longer necessary.

The Bolivia Land Titling Project has supported INRA to be present with stands in two regional fairs (Feria del Achiote and Feria Expotropico). The stands emphasized titling progress by graphically showing maps over a period of time. Bolivia Land Titling Project also financed a publication (separata) in the Cochabamba newspaper Los Tiempos, highlighting its achievements in titling over the past year, both in the Chapare and elsewhere in the Department of Cochabamba.

D. STRATEGIC OBJECTIVE 4: DEVELOP AND STRENGTHEN MUNICIPALITIES CAPACITY

The contract was modified to reflect the fact that under the current legal and institutional framework, municipalities have neither interest nor incentive to set up a rural cadastre, simply because they can not collect taxes from the majority of the rural property owners. The Bolivia Land Titling Project task was to carry out an assessment of the legal and institutional frameworks that govern rural cadastre.

An extensive cadastre study was completed by Mr. Jorge Cortes in December of 2005. Mr. Cortes' detailed report containing the findings of the study was submitted in early January 2006. The study concludes that establishing municipal cadastre is unrealistic and counterproductive because of the chaotic and confused legal and institutional frameworks.

ANNEX A

State of Titling Activities in Hectares

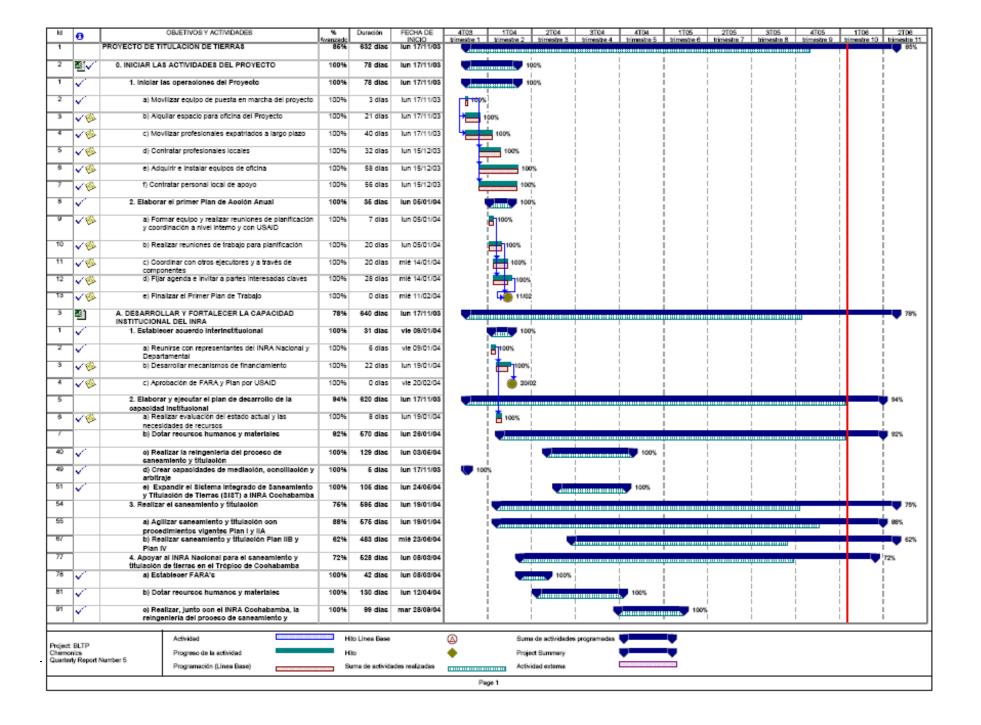
State of the titling according to plans, April 2004 - December 2005 In hectares

Plan	Period	Not initiated	Community Campaign	Field Work	Technical and Legal Evaluation	Public Presentation of Results	Final Resolution	Titling	Registration	Eliminated of the plan	Total
		•			Hectar	es					
Global	April 2004	12,487	0	33,221	4,449	11,898	16,339	214	10,994	0	89,602
Plan I & II	December 2005	0	0	4,000	0	3,510	21,088	2,811	48,766	9,427	89,602
Plans I and	April	0	0	33,221	4,449	11,898	16,339	214	10,994	0	77,115
lla	December 2005	0	0	4,000	0	1,700	17,584	2,811	43,065	7,956	77,115
Plan IIb	April 2004	12,487	0	0	0	0	0	0	0	0	12,487
1 Iun IID	December 2005	0	0	0	0	1,810	3,504	0	5,701	1,472	12,487
	Percentage										
Global Plan I & II	April 2004	14%	0%	37%	5%	13%	18%	0%	12%	0%	100%
	December 2005	0%	0%	4%	0%	4%	24%	3%	54%	11%	100%
Plans I and	April 2004	0%	0%	43%	6%	15%	21%	0%	14%	0%	100%
lla	December 2005	0%	0%	5%	0%	2%	23%	4%	56%	10%	100%
	T	T	I I				T			ı ı	
Plan IIb	April 2004	100%	0%	0%	0%	0%	0%	0%	0%	0%	100%
	December 2005	0%	0%	0%	0%	14%	28%	0%	46%	12%	100%
					Propert	ies					
Plan IV	May 2005	51,563	0	0	0	0	0	0	0	0	51,563
rian iv	December 2005	0	6,140	8,023	6,073	6,024	24,048	0	1,254	0	51,563
			,		Percent	age					
Plan IV	May 2005	100%	0%	0%	0%	0%	0%	0%	0%	0%	100%
	December 2005	0%	12%	16%	12%	12%	47%	0%	2%	0%	100%

Source: INRA/Nacional and INRA/Cochabamba

ANNEX B

Work Plan Progress Monitor



ANNEX C

Map of Project Coverage as of December 31st

MAP OF PROJECT COVERAGE AS OF DECEMBER 31th - FOR STAGES

