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IDA/R2019-0074/1

April 8, 2019

**Closing Date: Thursday, April 25, 2019  
at 6:00 p.m.**

FROM: Vice President and Corporate Secretary

**Afghanistan**

**Afghanistan Land Administration System Project**

**Project Appraisal Document**

Attached is the Project Appraisal Document regarding a proposed grant to Afghanistan for an Afghanistan Land Administration System Project (IDA/R2019-0074/1), which is being processed on an absence-of-objection basis.

Distribution:

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Directors and Department Heads, Bank, IFC, and MIGA





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Report No: PAD2961

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT

IN THE AMOUNT OF SDR 17.9 MILLION

(US\$25 MILLION EQUIVALENT)

AND PROPOSED GRANT

FROM THE AFGHANISTAN RECONSTRUCTION TRUST FUND GRANT

IN THE AMOUNT OF US\$10 MILLION

TO THE

THE ISLAMIC REPUBLIC OF AFGHANISTAN

FOR THE

AFGHANISTAN LAND ADMINISTRATION SYSTEM PROJECT

April 2, 2019

Social, Urban, Rural And Resilience Global Practice  
South Asia Region

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## CURRENCY EQUIVALENTS

(Exchange Rate Effective February 28, 2019)

Currency Unit = Afghani

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75.42 AFN = US\$1

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1.39 US\$ = SDR 1

## FISCAL YEAR

December 22 - December 21 (Government of the Islamic Republic of Afghanistan)

July 1 - June 30 (World Bank)

Regional Vice President: Hartwig Schafer

Country Director: Shubham Chaudhuri

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**ABBREVIATIONS AND ACRONYMS**

AFMIS	Afghanistan Financial Management Information System
AGCHO	Afghanistan Geology and Cartography High Office
ALASP	Afghanistan Land Administration System Project
AMLAK	Land Management Department of Ministry of Agriculture, Irrigation and Livestock
ARAZI	Afghanistan Independent Land Authority
ARCP	Afghanistan Resource Corridor Project
ARTF	Afghanistan Reconstruction Trust Fund
BP	Bank Policy
CE	Citizen Engagement
CEO	Chief Executive Officer
CFA	City For All Program
CPF	Country Partnership Framework
CTU	Cadastral Territorial Unit
DML	Deputy Ministry of Land in the Ministry of Urban Development and Land
DRM	Disaster Risk Management
FAO	Food and Agriculture Organization
FMM	Financial Management Manual
FM	Financial Management
GDP	Gross Domestic Product
GoIRA	Government of the Islamic Republic of Afghanistan
HE	His Excellency
ICO	Information and Communication Officer
ICS	Internal Control System
ICT	Information Communication Technologies
IDA	International Development Association
IDP	Internally Displaced People/Person
IDPL	Institutional Development Plan for Land Administration
INTOSAI	International Organization of Supreme Audit Institutions
IPF	Investment Project Financing
ISM	Implementation Support Missions
IPSAS	International Public Sector Accounting Standards
IT	Information Technology
IUFR	Interim Unaudited Financial Report
LADM	Land Administration Domain Model
LARA	Land Reform in Afghanistan Project
LGAF	Land Governance Assessment Framework
LIS	Land Information System
LTERRA	Land Titling and Economic Restructuring Activity Project
M&E	Monitoring and Evaluation
MAIL	Ministry of Agriculture, Irrigation and Livestock
MOF	Ministry of Finance



MRO	Monitoring and Reporting Officer
MRRD	Ministry of Rural, Rehabilitation and Development
MUDH	Ministry of Urban Development and Housing
MUDL	Ministry of Urban Development and Land
NLP	National Land Policy
OC	Occupancy Certificate
OP	Operational Policy
OPCS	Operations Policy and Country Services
PD	Procurement Department
PDO	Project Development Objective
PIU	Project Implementation Unit
PM&E	Planning, Monitoring and Evaluation
POM	Project Operations Manual
PPG	Project Preparation Grant
PPSD	Project Procurement Strategy for Development
SCD	Systematic Country Diagnostic
SDLC	System Development Life Cycle
SORT	Systematic Operations Risk-Rating Tool
STA	Senior Technical Advisor
STEP	Systematic Tracking of Exchanges in Procurement
TIKA	Turkish International Cooperation and Development Agency
TKGM	Turkish Land Administration Agency
USAID	United States Agency for International Development
VGGT	Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests



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## DATASHEET

### BASIC INFORMATION

Country(ies)	Project Name	
Afghanistan	Afghanistan Land Administration System Project	
Project ID	Financing Instrument	Environmental Assessment Category
P164762	Investment Project Financing	B-Partial Assessment

### Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input checked="" type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Disbursement-linked Indicators (DLIs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	

Expected Approval Date	Expected Closing Date
25-Apr-2019	30-Sep-2024

Bank/IFC Collaboration

No

### Proposed Development Objective(s)

The Project Development Objective is (a) to support the development of the Afghanistan land administration system; and (b) to provide the population in selected areas with improved land registration services, including issuance of Titles and Occupancy Certificates.



**Components**

Component Name	Cost (US\$, millions)
Land Policy and Institutional Strengthening	5.30
Developing Technological Capacity, Information and Systems for Land Administration	26.30
Project Management, Monitoring and Evaluation	3.40

**Organizations**

Borrower:	Ministry of Finance
Implementing Agency:	Ministry of Urban Development and Land

**PROJECT FINANCING DATA (US\$, Millions)****SUMMARY**

Total Project Cost	35.00
Total Financing	35.00
of which IBRD/IDA	25.00
Financing Gap	0.00

**DETAILS****World Bank Group Financing**

International Development Association (IDA)	25.00
IDA Grant	25.00

**Non-World Bank Group Financing**

Trust Funds	10.00
Afghanistan Reconstruction Trust Fund	10.00

**IDA Resources (in US\$, Millions)**

	Credit Amount	Grant Amount	Guarantee Amount	Total Amount
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National PBA	0.00	25.00	0.00	25.00
<b>Total</b>	<b>0.00</b>	<b>25.00</b>	<b>0.00</b>	<b>25.00</b>

**Expected Disbursements (in US\$, Millions)**

WB Fiscal Year	2019	2020	2021	2022	2023	2024	2025
Annual	0.10	2.00	3.40	4.90	6.10	6.00	2.50
Cumulative	0.10	2.10	5.50	10.40	16.50	22.50	25.00

**INSTITUTIONAL DATA****Practice Area (Lead)**

Social, Urban, Rural and Resilience Global Practice

**Contributing Practice Areas**

Environment & Natural Resources, Finance, Competitiveness and Innovation, Fragile, Conflict & Violence

**Climate Change and Disaster Screening**

This operation has been screened for short and long-term climate change and disaster risks

**Gender Tag****Does the project plan to undertake any of the following?**

a. Analysis to identify Project-relevant gaps between males and females, especially in light of country gaps identified through SCD and CPF	Yes
b. Specific action(s) to address the gender gaps identified in (a) and/or to improve women or men's empowerment	Yes
c. Include Indicators in results framework to monitor outcomes from actions identified in (b)	Yes

**SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)**

Risk Category	Rating
1. Political and Governance	● High
2. Macroeconomic	● Substantial
3. Sector Strategies and Policies	● Substantial



4. Technical Design of Project or Program	● Substantial
5. Institutional Capacity for Implementation and Sustainability	● High
6. Fiduciary	● High
7. Environment and Social	● Substantial
8. Stakeholders	● High
9. Other	● High
10. Overall	● High

## COMPLIANCE

### Policy

Does the project depart from the CPF in content or in other significant respects?

☐ Yes ☒ No

Does the project require any waivers of Bank policies?

☐ Yes ☒ No

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	✓	
Performance Standards for Private Sector Activities OP/BP 4.03		✓
Natural Habitats OP/BP 4.04		✓
Forests OP/BP 4.36		✓
Pest Management OP 4.09		✓
Physical Cultural Resources OP/BP 4.11		✓
Indigenous Peoples OP/BP 4.10		✓
Involuntary Resettlement OP/BP 4.12	✓	
Safety of Dams OP/BP 4.37		✓
Projects on International Waterways OP/BP 7.50		✓
Projects in Disputed Areas OP/BP 7.60		✓



## Legal Covenants

### Sections and Description

establish, by not later than two (2) months after the Effective Date, and maintain throughout the period of Project implementation, the Project Steering Committee, chaired by Minister of MUDL, with composition, mandate, resources, and terms of reference satisfactory to the Association, to be responsible for general oversight and coordination of the Project

### Sections and Description

The Recipient shall, through MUDL, establish, by not later than one (1) month after the Effective Date, and maintain throughout the period of Project implementation, the Project Implementation Unit, led by a qualified and experienced Project director, with sufficient resources and staff in adequate numbers and under terms of reference satisfactory to the Association, to be responsible for, inter alia, the day-to-day implementation of the Project, including administrative and fiduciary functions, social and environmental compliance, monitoring, and reporting

### Sections and Description

The Recipient shall, through MUDL, establish, by not later than six (6) months after the Effective Date, at least one special desk, with mandate and resources as well as adequate number of qualified staff under terms of reference satisfactory to the Association, at each one of the provincial offices of the MUDL in selected areas covered under Part 2(d) of the Project, to be responsible for providing guidance and assistance to female applicants of Occupancy Certificates, including processing of key property-related transactions

### Sections and Description

The Recipient shall ensure that the Project is carried out with due regard to appropriate health, safety, social, and environmental practices and standards, and in accordance with the Safeguards Instruments

### Sections and Description

The Recipient shall, through MUDL, engage, by not later than six (6) months after the Effective Date, and maintain throughout the period of the Project implementation, the services of a qualified and chartered accountancy firm, under terms of reference satisfactory to the Association, to strengthen MUDL's internal audit function

### Sections and Description

The Recipient shall, through MUDL: (a) ensure that the Project is carried out in accordance with the procedures, principles, practices, and arrangements set out in the Project Operations Manual and the Financial Management Manual, including any annexes thereof, (provided, however, that in the event of any conflict between the arrangements and procedures set out in the Project Operations Manual or the Financial Management Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail); and (b) not amend, abrogate or waive the Project Operations Manual or the Financial Management Manual, including any of their annexes, or any provision thereof, unless the Association has provided its prior approval thereof in writing.

### Sections and Description

The Recipient shall, through MUDL, maintain, throughout Project implementation, and publicize the availability of a Project grievance redress mechanism, in form and substance satisfactory to the Association, to hear and determine fairly and in good faith all complaints raised in relation to the Project and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Association.



#### Sections and Description

The Recipient shall, through MUDL develop, by not later than May 28, 2022 or any other date as agreed between the Recipient and the Association, and thereafter implement throughout the period of Project implementation, the Human Resources Strategic Plan, with objectives and content satisfactory to the Association, to support efficient operation of MUDL's DML.

#### Sections and Description

The Recipient shall, through MUDL recruit, and maintain throughout the period of Project implementation, Project Technical and Implementation Staff in line with the requirements of the Project Operations Manual, including the detailed hiring procedure and qualifications as well as terms of reference agreed upon between the Recipient and the Association; and

#### Sections and Description

The Recipient shall furnish to the Association each Project Report not later than one month after the end of each calendar semester, covering the calendar semester.

#### Sections and Description

The Recipient shall through MUDL: (a) carry out semi-annual internal audit of the Project in a manner satisfactory to the Association; and (b) furnish to the Association internal audit reports not later than two months after the end of each calendar semester, covering such calendar semester.

#### Conditions



## I. STRATEGIC CONTEXT

### A. Country Context

1. **Afghanistan is a deeply fragile and conflict affected state.** It has been in almost constant conflict for over 35 years. Civilian casualties remained at unprecedented levels, with 10,459 killed or wounded in 2017 and 10,993 in 2018 while some areas of the country are still difficult to access because of insecurity. This situation has had a destabilizing effect on the social cohesion of the country, exacerbating ethnic divisions and weakening government institutions and the rule of law. As a result, competing claims to land, and conflicts between individuals, communities, and citizens and the state have accumulated over time.
2. **Falling economic growth, high incidence of poverty and sharp inequalities drive the country's developmental challenges and have contributed to Afghanistan remaining among the least developed in the world.** The political context of Afghanistan remains complex and dominated by the Taliban insurgency, narcotics production, weak governance and rule of law. Despite challenges, substantial improvements in development outcomes in areas such as water, sanitation, electricity, education and health, have been observed in the country since 2001. However, the poverty rate has increased from 38 percent in 2011-2012 to 55 percent in 2016-2017, and it is expected to remain high in the medium-term.<sup>1</sup> At the same time, the real GDP growth fell sharply to 1.5 percent in 2015, with signs of growing inequality, influenced in part by the deteriorating security, declining external financial aid and certain demographic and geographic factors. Real GDP growth accelerated to 2.7 percent in 2017 and is projected to moderate to 2.0 percent in 2018 amid political and security concerns around the parliamentary and presidential elections.<sup>2</sup> Ongoing negotiations present the possibility of a peace deal with the Taliban and potentially significant improvements in the security situation, service delivery and investor confidence. Stronger growth is predicated on such improvements as well as steady reform progress and sustained aid.
3. **Afghanistan's development depends, to a large extent, on the efficient use of its land resources.** Agriculture is particularly important given its relative resilience to conflict. However, it is estimated that 25 to 30 percent of rural families do not own land and sharecropping is a major source of subsistence. Several million people, moreover, are nomadic or semi-nomadic without clear land tenure or land use rights. On the other hand, Afghan cities have witnessed rapid urban growth, estimated at 4.7 percent per annum (2010-2015) which is increasing the pressure on land. An estimated 8 million people (25 percent of total population) live today in cities and it is projected that half the country's population will reside in urban areas by 2060. This growth is in part due to the influx of returnees and Internally Displaced Persons (IDPs).<sup>3</sup> Currently, 18 percent of Afghanistan's poor live in urban areas, mostly in informal settlements, with urban poverty concentrated in Kabul, Herat, Kandahar, Balkh, and Kunduz. In this context, improving tenure rights and in general the functioning of land markets can help the poor and bolster state legitimacy and private sector confidence.
4. **According to the Global Climate Risk Index, Afghanistan ranks in the top fifth of countries with substantial climate change vulnerabilities.** The country is likely to be negatively affected by higher and more frequent extreme temperatures, drought, and higher frequency of precipitation and flooding anticipated in the western

<sup>1</sup> Based on the poverty headcount rate, which measures the share of the population whose monthly per capita expenditure falls below the poverty line (World Bank, 2016, Trends in Poverty and Inequality 2007-17).

<sup>2</sup> Parliamentary elections were held in October 2018. Presidential Elections are currently scheduled for July 2019.

<sup>3</sup> More than 1.7 million Afghans are internally displaced and more than 2 million have been returning to Afghanistan since 2015.



and central regions of the country. Afghanistan faces many stresses that impact food, water and energy security, including those linked to its arid/semi-arid climate and vulnerability to droughts and floods. In the past 30 years, the country has ranked 24th globally for climate risk and 15th for weather-related disasters.<sup>4</sup> Such vulnerability is expected to continue as Afghanistan is ranked 8 of 170 countries for its vulnerability to climate change in the next 30 years. The high poverty rate, exposure to climate change events, and reliance on flood/drought prone agricultural land are significant contributing factors.<sup>5</sup> In areas affected by increased precipitation, there is a greater risk for urban flooding and landslides, particularly in informal settlements located in flood plains, embankments and hillsides. These disasters will cause displacement, while unclear tenure conditions and poor coverage of land records makes it challenging for people to reclaim their land after the displacement. USAID has estimated that the unclear land tenure conditions promote both unsustainable use of natural resources and conflicts arising from diminishing natural resource pool that is the outcome of climate change.<sup>6</sup> Therefore, efficient land management and improved land administration services would play a key role both in mitigation and adaptation efforts to tackle vulnerabilities arising out of climate change.

## B. Sectoral and Institutional Context

5. **Weaknesses in Afghanistan's land governance environment are a major source of conflict and poverty.** The post-Taliban period has seen strong political will from the government, as well as international donors' support, for land reform. Demand for land for agriculture, commercial development, physical infrastructure, housing, and urban development is high. Addressing this demand adequately requires a legal and institutional framework that allows efficient and effective allocation of land, provision of land for public infrastructure, the resolution of conflicts over access and usage of land, and the establishment of a comprehensive land information database. Recent analytical work, including a 2016 World Bank Land Governance Assessment Framework (LGAF) Report, shows that Afghanistan faces critical constraints including outdated systems, overlapping responsibilities across agencies, lack of capacity at local levels, conflicting systems for land ownership, and an incomplete legal framework. Compounded by decades of conflict and widespread displacement, these constraints have resulted in weak property rights, inequitable distribution, and land-related conflict. In this context, land-grabbing has been a recurrent issue, with almost 240,000 hectares of state lands having been taken by powerful people and warlords.
6. **Rapid urbanization since the overthrow of the Taliban in 2001 has dramatically reshaped the spatial and demographic profile of Afghanistan and increased the need for providing tenure security.** Rapid urban growth is increasing the pressure on land and posing challenges to urban policy and planning. Much of the urban population growth has been driven by IDPs and refugee returnees, over 5.8 million of whom returned to Afghanistan between 2002 and 2015. Land tenure insecurity in urban areas is a significant issue, while the majority (61 per cent) of the housing stock consists of unplanned, informal housing.<sup>7</sup> The 2013-2014 Afghanistan Living Conditions Survey estimates that 74 percent of the urban population lived in underserved, informal settlements, many of which faced a potential risk of eviction. Improving the tenure security for this population can have substantial social and economic impact. Moreover, stronger property rights and a better land administration system would help in making urban land markets more efficient.

<sup>4</sup> Germanwatch (2018). Global Climate Risk Index.

<sup>5</sup> Maplecroft (2011). Climate Change Risk Atlas.

<sup>6</sup> USAID (2018). Afghanistan Country Brief: Property Rights and Resource Governance.

<sup>7</sup> Matthew French, Abdul Popal, Habib Rahimi, Srinivasa Popuri and Jan Turkstra, institutionalizing participatory slum upgrading: a case study of urban co-production from Afghanistan, 2002–2016



7. **An important, positive step has been the consolidation of land administration agencies, culminating in the establishment of the Ministry of Urban Development and Land (MUDL) in 2018.** In August 2009, The Government of the Islamic Republic of Afghanistan (GoIRA) merged the AMLAK<sup>8</sup> with the Independent Commission for the Restitution of Illegally Occupied Land, naming the new organization ARAZI and ascribing it under the Ministry of Agriculture, Irrigation and Livestock (MAIL). Subsequently, through a Presidential Decree in 2013, ARAZI became Afghanistan's Land Authority. The Cadastral Survey Department of the Afghanistan Geology and Cartography High Office (AGCHO) was then merged with ARAZI, with all structure and service transferred to ARAZI. In general, ARAZI was given an extensive mandate over land administration demanding a balanced approach between (i) land administration services in support of individual and collective tenure security through land registration, and (ii) land allocation and the provision of land to support private sector investment. While maintaining its mandate and basic structure, as of December 2018, ARAZI became the Deputy Ministry of Land (DML) in MUDL.
8. **MUDL faces many legal, policy and institutional challenges in implementing its land administration mandate, coupled with a substantial need for capacity building.** First, an important building block for a modern land administration is the legal and policy framework, which is still under development in Afghanistan. The Land Management Law (LML, endorsed by the President in 2017) and the National Land Policy (endorsed by Afghanistan's Cabinet in 2018) represent good progress.<sup>9</sup> However, it is essential to continue completing and clarifying the legal framework for land as several important areas require laws and regulations, including land survey, land registration, geodetic services, and valuation. Second, MUDL faces institutional challenges such as limited capacity, lack of IT systems, limited availability of information and records, in addition to constraints for field work and citizens outreach due to the prevalent security situation. The latter also makes it difficult to contract international expertise. MUDL's mandate requires increased technical knowledge and skills in areas such as land mapping and survey, as well as modern and connected IT systems with up to date information. Investing substantially in capacity building to improve MUDL's technical knowledge and skills, and by extension performance and quality of service delivery is key to the GoIRA's goal of developing a modern land administration for the country.
9. **MUDL also needs to assume responsibilities for land registration, which is currently fragmented across various entities while registration remains low.** Afghanistan does not have one single land register and information is scattered across different entities with limited interconnection. Many documents were destroyed due to the war while document forgery is prevalent. Ambiguous and high costs, coupled with a perception of registration being a lengthy and corrupt process, dissuade landowners from registering their land with the courts, which deal with both the registration and titling process and the adjudication of land disputes. The situation is compounded by the unclear lines between the jurisdiction of the formal and informal systems for land dispute resolution. As a result, more than 80 percent of lands in the country are unregistered. Less than 30 percent properties in urban areas, and less than 10 percent of properties in rural areas have been registered by official state institutions. Moreover, the limited land cadaster, covering only around one-third of total land, is outdated as it has not been maintained since it was first conducted almost 40 years ago. It is thus critical to gather and update cadastre information and to revamp the registration system. Regarding the latter, the GoIRA has decided to transform the court-based deed registration system into an administrative function under MUDL, while gradually moving away from a deed registration to title registration system.

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<sup>8</sup> AMLAK is another term for lands or property which in this context refers to the Land Management Department of Ministry of Agriculture, Irrigation and Livestock.

<sup>9</sup> The LML is still under discussion by the National Assembly. Once endorsed, the next step would be to develop its regulations.





### C. Relevance to Higher Level Objectives

10. **The Project is fully consistent with the FY 2017-2020 Country Partnership Framework (CPF) for Afghanistan, which has specific emphasis on improving land management.** The two pillars of the CPF on '*Building Strong and Accountable Institutions*' and on '*Supporting Inclusive Growth*', lay the foundation for state building and promoting trust in the government, and for promoting private sector development, respectively. In line with these pillars, the project will support building MUDL's capacity and improving its governance structure to enhance its institutional effectiveness and accountability. There will also be a focus towards women's economic empowerment through policy development to enhance ownership and inheritance of land and other family assets. Transparent land administration would foster, in the long term, business development and a conducive environment for private sector investment. This would also benefit the country's population in general by promoting the development of land markets, thus contributing to the GoIRA's goals of state-building and self-reliance.
11. **The Project is also aligned with the Government's Institutional Development Program for Land Administration (IDPL).** This program seeks to establish an effective land administration system in Afghanistan that provides transparent land services, contributing to stability and growth. MUDL, and particularly the DML, lies at the heart of this system, and its strengthening is critical to the IDPL success. In its first phase, IDPL covers the urban areas of six provinces (Kabul, Herat, Mazar-i-Sharif, Kandahar, Jalalabad and Paktia), with a view to gradually rolling out activities to the rest of the country in subsequent phases considering institutional absorption capacities, the need to learn and adapt to changing environments as well as security concerns. The initial focus on urban areas will positively affect land markets, thus likely having an early direct fiscal impact. In addition, by focusing on legal, policy and institutional strengthening, and on building a capable and trustworthy land entity, the IDPL – and the Project – would benefit both urban and rural populations from the start. Further details on IDPL are given in Annex 2.

## II. PROJECT DESCRIPTION

### A. Project Development Objective

#### PDO Statement

12. The Project Development Objective is (a) to support the development of the Afghanistan land administration system; and (b) to provide the population in selected areas with improved land registration services, including issuance of Titles and Occupancy Certificates. As reflected in its underlying theory of change (Section D), in the medium to long term, the Project will contribute, through a programmatic approach, to the establishment of a modern land administration system that will secure land tenure rights for all citizens and the State, based on an adequate policy, legal, institutional and technological framework that is responsive to the country's context, needs and aspirations.

#### PDO Level Indicators

13. The proposed PDO level indicators are:



**Outcome (a)**

- Land Information System (LIS) is operational and available to use centrally and in the Project's selected areas
- Standard Operating Procedures (SOPs) and uniform service standards for DML/MUDL are adopted and effectively implemented through its everyday operations

**Outcome (b)**

- Number of households benefiting from systematic land registration and issuance of Occupancy Certificates
- Number of women receiving Occupancy Certificates (alone or jointly)
- Level of satisfaction of target population with land registry services (disaggregated by gender)

**B. Project Components**

- 14. The Project is designed within a programmatic framework, considering the land administration challenges faced by the country.** These challenges create the need to build over time a clearer and comprehensive policy and legal enabling framework, institutional and technical capacity, professional knowledge and experience, technology and systems, as well as adequate cadaster and property registry information. Drawing on the framework of the IDPL, the project will focus on critical building blocks required to develop a modern land administration system in the country, while allowing MUDL and other relevant stakeholders, including municipalities and local communities, to gain experience in implementing land survey, registration and other land sector-related activities in two of the IDPL's selected cities, namely Kabul and Herat. Building upon the work led by UN Habitat, the project will also support the issuance of land Occupancy Certificates (OCs) to informal urban population. Importantly, the project will help start the process of transforming the court-based deed registration system to an administrative function as well as to gradually move away from deed registration to title registration system.
- 15. The Project builds upon over a decade of Bank engagement in the land sector in Afghanistan, while helping to deepen this engagement in close coordination with other development partners.** The Bank gave analytical advice during the development of the National Land Policy in 2007 and has since continued to provide technical assistance to the GoIRA and MUDL to strengthen the legal framework and institutional capacity. Through this support, the Bank has helped build the analytical basis for improving the legal framework for land administration and management, including through assessments of existing laws, development of new legislation, and expert technical reviews of draft legislation. A specific effort was the application of the World Bank LGAF in 2016 to identify institutional and legal weaknesses and provide recommendations for priority reforms. In tandem, the Bank has also supported key reforms through development policy financing and the Afghanistan Reconstruction Trust Fund (ARTF) incentive program. Technical assistance has continued during Project preparation through a US\$4.95 million grant (P156225), which has provided international expertise and additional capacity to MUDL, including for the IDPL's preparation.
- 16. Project design has been developed in close alignment with ongoing operations financed by the Bank and development partners and informed by policy and analytical work.** The Bank-financed operations include the Urban Development Support Project (P147147), the Citizen Charter Afghanistan Project (P160567), the Cities Investment Program (P160619), the Eshteghal Zaiee - Karmondena (Ez-Kar) Project (P166127), and the Kabul Municipal Development Program (P125597). Importantly, the project is aligned with the current UN-Habitat led effort under the City for All (CFA) Program, financed by USAID and EU, which supports the issuance



of OCs for properties of nearly 725,000 urban informal settlers in 8 cities of Afghanistan. In addition to the LGAF Report, institutional, policy and legal, and gender assessments were conducted as part of project preparation and its recommendations reflected in project design.

17. **The project will cover the following selected areas of the country:** (a) the land surveying and registration will focus on selected urban districts of Kabul and Herat, with an expected target of 100,000 parcels in formal areas; and (b) the issuance of OCs in informal settlements will focus on 8 cities, including in addition to Kabul and Herat, the cities of Jalalabad, Kandahar, Mazhar e Sharif, Nili, Farah and Bamyan, with an expected target of 150,000 parcels. In the case of OC issuance, the selected areas have been expanded to make Project support consistent with the geographical scope under the CFA program. Only minimal field work is expected given that the project builds on the work conducted by UN Habitat.
18. **The Project includes the following three components** (see Annex 2 for a detailed Project description):
19. **Component 1 – Land Policy and Institutional Strengthening (US\$ 5.3 million).** This component's objective is to help close gaps and further develop the policy, legal and institutional framework for land administration while building technical, institutional and citizen engagement and communication capacities. Activities will focus on the critical aspects of this framework to provide an enabling environment for MUDL to meet its institutional mandate, and to contribute to GoIRA's medium term goal of consolidating the various laws under a Land Code. Accordingly, Component 1 will comprise the following subcomponents and activities:
  - *Subcomponent 1.1 – Strengthening the Land Policy, Regulatory and Institutional Framework* of MUDL through (i) new legislative instruments; and (ii) its standard operation procedures, uniform service standards, related technical procedures and field manuals, as well as strategic human resources plan.
  - *Subcomponent 1.2 – Institutional and Technical Capacity Building* through geo-spatial and training equipment to selected organizations as well as support for carrying out of training and knowledge exchange programs, development of specialized curricula and learning modules, and development of professional requirement and certification for Afghanistan Land Surveyors Association.
  - *Subcomponent 1.3 – Public Awareness Raising, Communication and Citizen Engagement* including the operation of a grievance redress mechanism (GRM) and support for implementation of guidelines and procedures as well as training for alternative dispute resolution mechanisms.
20. **Component 2 – Developing Technological Capacity, Information and Systems for Land Administration (US\$26.3 million).** The objective of Component 2 is to provide the building blocks for a modern land administration system in Afghanistan. Through this initial effort, the project will help Afghanistan, in the medium term, to develop a modern cadastre capable of issuing and certifying map-based titling, dispute resolution, and recording and maintaining changes, which will lead to a State-guaranteed land registration system. Specifically, Component 2 will include the following subcomponents and activities:
  - *Subcomponent 2.1 – Developing Geo-Information Infrastructure* through: (i) establishment of a geodetic reference network, including development of technical and financial sustainability plan; (ii) generation of orthophotography and vector base maps; and (iii) strengthening MUDL's information communication technology.
  - *Subcomponent 2.2 – Establishing of a Land Information System (LIS)*, linked to a land pricing information system, through: (i) the preparation of user needs, design and feasibility studies, and technical



specifications; (ii) hardware and software support, testing of modules, as well as training; and (iii) automation of deed registration.

- *Subcomponent 2.3 – Supporting Cadastral Surveying and Land Registration in Selected Areas* through, *inter alia*: (i) surveying and land registration; (ii) incorporation of information from surveying and registration into the land information system; and (iii) establishment of zonal land registration offices, including construction of facilities and provision of equipment and training.
- *Subcomponent 2.4 – Supporting Issuance of Occupancy Certificates (OCs) in Selected Areas* through, *inter alia*, strengthening the capacity of MUDL and relevant municipalities, and development of a database management system and digital archive.

21. **Component 3 – Project Management, Monitoring and Evaluation (US\$ 3.4 million).** The objective of this component is to ensure adequate capacity for project implementation and oversight, monitoring and evaluation, compliance with fiduciary requirements and social and environmental safeguards, as well as adequate project risk monitoring and inter-institutional coordination.

### Summary of Project Costs

Project Components	Project cost (US\$ million)	IDA Financing (US\$ million)	ARTF (US\$ million)
1. Land Policy and Institutional Strengthening	5.3	3.8	1.5
2. Developing Technological Capacity, Information and Systems for Land Administration	26.3	18.8	7.5
3. Project Management and M&E	3.4	2.40	1.0
<b>Total Costs</b>			
Total Project Costs	35.0	25.0	10.0
<b>Total Financing Required</b>	35.0	25.0	10.0

### Cross Cutting Activities

22. **Gender:** The gender gaps in land tenure rights and land ownership in Afghanistan are severe. Almost all land in Afghanistan is registered in the name of the male head of household and less than 2 percent of women own land, most of whom are widows. A standalone gender assessment was carried out to understand the state of women's land rights, the barriers women face in attaining and exercising their rights, and to identify recommendations to help close gaps related to these rights. The assessment found that although Sharia law and the Civil Code guarantee comprehensive land rights (ownership and inheritance) for both men and women, in practice the exercise of women's land rights is inhibited by the society's lack of legal knowledge in this area and strongly embedded male-dominated social norms. Shifting the socio-cultural values and norms that allow discrimination against women in the land sector to persist will be a gradual and long-term process.
23. In the near-term, the project will help promote more secure tenure rights for women through the issuance of Occupancy Certificates (OCs). MUDL will ensure that OCs are issued jointly for men and women occupying



state land, which is a critical first step in the longer-term endeavor of land titling. The project will track the number of women receiving OCs, with a target of reaching 105,000 (70 percent of the overall OC issuance target). For the systematic registration of formal land, MUDL is committed to closing existing gender disparities by supporting, whenever possible, affirmative actions that are relevant to Component 2. To help achieve these aims, the project will establish a special desk at MUDL provincial offices in the selected areas, staffed by women, which will provide guidance and assistance to help address some of the structural barriers faced by women, including time, cost and bureaucratic and male dominated processes. In addition, the project will also support actions to promote a more favorable policy environment and gender-equitable normative change in the land sector. The project will also help fill a critical data gap by establishing a LIS that will contain sex-disaggregated land registration information. Moreover, the project will support comprehensive public awareness campaigns about women's land rights in Islam to gradually shift the traditions and customary laws. At the institutional level, the project will support MUDL in meeting the new government policy (IARCS) to increase women's participation in civil service through training and internships. (See more details in Annex 2).

24. **Citizen Engagement and Project Grievance Redress Mechanism (GRM):** Land in Afghanistan remains one of the main obstacles for development projects and most importantly for the ordinary citizen. MUDL as the responsible institution for land administration needs to ensure that it can fulfill its mandate to a wider range of stakeholders. For this, MUDL recognizes as fundamental the value of citizen engagement (CE) through different platforms including a GRM. Under the project, the GRM will be strengthened to make it a robust, accessible and responsive institutional mechanism. As one of the GRM functions, MUDL is launching a new calling center/information center. MUDL will take into consideration key aspects of complaint handling system, including sustainability by training civil servants to operate the system and developing procedures. MUDL will continue to work towards creating a sympathetic culture towards GRM and its role to be recognized as a tool for improving service delivery, and most importantly taking a systematic approach to further expanding and improving the GRM system within the organization (see Annex 2 for further details).
25. **Climate Change and Disaster Risks:** The project will address climate change mitigation and adaptation. Based on the Climate and Disaster Risk Screening Tool applied at Project concept stage, Afghanistan is facing rise in extreme temperatures as well as worsening drought conditions. Project interventions in terms of access to technology and land information systems would significantly reduce impact from climate hazards as it provides a critical service and allows government ministries and agencies generally to access improved information to strengthen their planning, design and implementation in support of better adaptation efforts across government. As detailed in Annex 2, the project subcomponents that have direct climate change and disaster risk planning co-benefits are: Subcomponents 1.1 and 1.2; and subcomponents 2.3. and 2.4. Based on the cost estimates related to these subcomponents and their activities, the climate co-benefits under the Project would be US\$2.12 million or 8.5 percent of IDA financing.

### **C. Project Beneficiaries**

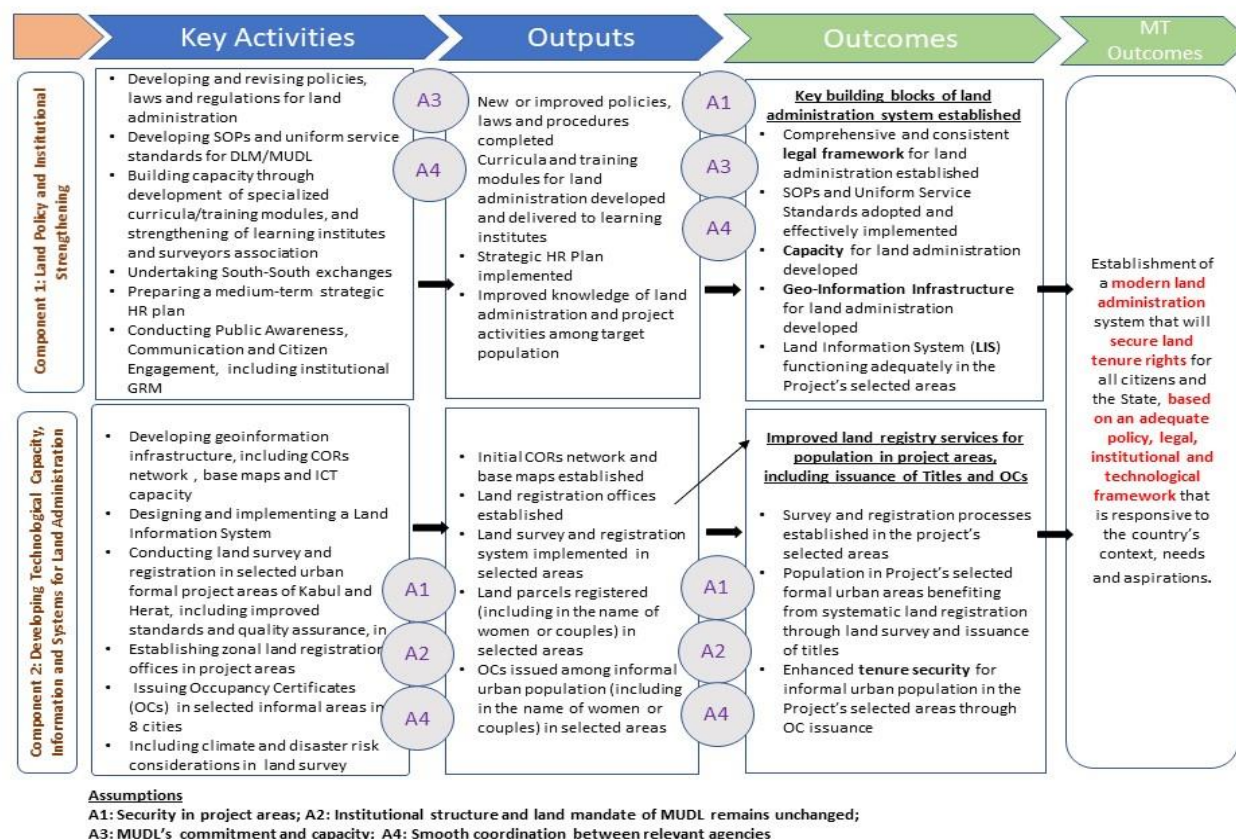
26. The key beneficiaries of the project will be: (i) owners of formal urban properties and informal occupants of urban land, who will benefit from improved security of ownership and tenure rights; (ii) Municipalities through the cadastral information generated by the Project, which in the medium term could result in better municipal revenues to pay for services, revenue from increased transactions, and eventually decrease in public expenditures on land transactions and conflicts; and (iii) MUDL and other agencies involved in implementation at national and sub-national level through capacity enhancement. More generally, the Project is expected to





benefit the country's population, both in urban and rural areas, through a clearer and predictable legal and policy framework, streamlining of the methodologies and procedures, and improvement in land administration services. Afghanistan is among the most disaster-prone countries in the world. Investment in the geodetic infrastructure and base mapping will benefit land surveying for establishing the cadastre, the users of geospatial information and technologies, the scientific community responsible for earth monitoring and other sectors responsible for disaster planning and response.

## D. Results Chain



## E. Rationale for Bank Involvement and Role of Partners

27. The World Bank has over thirty years of experience in supporting land administration system development. The Bank can thus provide global good practices and knowledge to support project design and implementation. The Bank has also accumulated experience on land administration in the South Asia region. This combination of understanding of the local context and global knowledge of what works is unique to the Bank. The Bank, through its organization of Global Practices is best placed to creatively deploy the learning from these experiences. It has a specialized global land unit which works closely with other related technical teams, such as urban, agriculture, social, environment, and governance, in addressing multi-sectoral land tenure issues. The Bank was closely involved with the preparation of the IDPL as well as subsequent institutional and legal assessments. It is thus well-placed as a development partner to provide suitable support in implementation of the IDPL. The Bank support builds upon the Un Habitat-led CFA program financed by EU and USAID, and close coordination was ensured during project preparation to avoid duplication of efforts.



## F. Lessons Learned and Reflected in the Project Design

28. The project design draws on the experience of land administration projects globally and in Afghanistan and South Asia region, including in conflict and post-conflict contexts. Main relevant lessons are:
- **In terms of land administration reform**, mobilization of high-level political will is critical; support for reforms needs to be built through consultation and service orientation. Given the type of challenges and need for capacity building, a long-term programmatic approach has typically worked better than a project only approach.
  - **From an institutional and governance perspective**, land administration agencies need to be accountable to government and the people they serve. As such, audit and monitoring functions need to be built into administrative functions, and land records should be made as transparent as possible within bounds of privacy policy. Moreover, land administration systems need to generate revenues and responsible agencies need to move towards self-financing for sustainability.
  - **With respect to technology**, investments should be tailored appropriately to the country's needs and capacity and acquired incrementally in a fit-for-purpose manner. Agencies should be ready to take over investments in technology after each phase of a programmatic approach. Moreover, cadaster and registry databases need to be linked, either in a single system or a single entity, or through reciprocal updating. The approach best suited for the country should be identified and adopted progressively.
  - **In the case of land regularization processes**, sustainability can be ensured by integrating a participatory and consultative approach, providing effective legal security and reduction of transaction costs, managing property information through a geo-referenced cadaster system, promoting effective conflict resolution mechanisms, and building on collaboration between central, decentralized agencies, local governments and especially local communities. As much attention should be paid to social aspects as to technical issues. Ensuring beneficiaries' support is as important as having adequate technical specifications and expertise for surveying and regularization.
  - **In conflict and post-conflict situations**, it is even more relevant to adopt an incremental approach (El Salvador), while law and order concerns (Guatemala) should be sufficiently factored into project design. Lack of capacity of the implementing entity, lack of commitment and overly ambitious targets have resulted in cancellation of projects in conflict/post-conflict situations.

## III. IMPLEMENTATION ARRANGEMENTS

### A. Institutional and Implementation Arrangements

29. The Project will be implemented by MUDL, particularly within the Deputy Ministry of Land (DML) which provides land-related services and information to citizens, institutions and investors. The Minister of MUDL will provide general implementation and coordination oversight, while Project management will be delegated to the Deputy Minister of Land. Specifically, MUDL will implement the Project through a **Project Implementation Unit (PIU)** under the direct guidance and supervision of MUDL management. The PIU, which will be led by a Project Director, will be responsible for administrative functions, and for ensuring social and environmental compliance, coordination and oversight of activities, as well as monitoring and reporting. The Project Operations Manual includes the PIU's organizational structure and describes the duties and responsibilities of PIU personnel along with the Project's technical, administrative, financial, procurement, safeguards, gender and PM&E procedures. (Further details in Annex 1)



30. A **Project Steering Committee** will be established to ensure coordination, collaboration and smooth implementation. As detailed in Annex 1, the Committee will be chaired by the Minister of MUDL and will include in addition to MUDL and the Ministry of Finance (MoF), representatives from key entities such as Kabul Municipality, the Independent Directorate of Land Governance (IDLG), the National Statistics and Information Authority (NSIA), Kabul Polytechnic University (KPU), the Ministry of Energy and Water (MoEW), the Ministry of Agriculture, Irrigation and Livestock (MAI), the National Environmental Protection Agency (NEPA), and the Afghanistan Surveyors Association. Among these, five are considered key **partner agencies for implementation**, namely Kabul Municipality, IDLG, Deputy Ministry of Urban-MUDL, NSIA, and KPU. Finally, in the project's selected areas, MUDL through the PIU in DML and provincial offices will work closely with local governments to ensure adequate implementation of field activities and overall project progress.

## B. Results Planning, Monitoring and Evaluation Arrangements

31. A comprehensive Planning, Monitoring and Evaluation (PM&E) system to capture and document outcomes and results is a core part of the project design. The PIU will be responsible for the PM&E system, which will provide support for all aspects of project management, reporting, and evaluation requirements. Monitoring will not only focus on regular performance monitoring of project results through a PM&E system. The project will also have Mid-Term and Final Project evaluations undertaken independently. A baseline customer survey will be adopted and carried out during the first months of the project. Information on project beneficiaries will be collected in a manner to understand project impacts in a disaggregated manner. Data collection will also support the establishment of a database for future financial and economic analysis. The PIU will be responsible for collecting and presenting data on project targets and overall progress in bi-annual reports. Project indicators will be monitored and reported as agreed in the PM&E Section included in the Project Operations Manual and reflected in the Results Framework.

## C. Sustainability

32. The project is designed to build capacity to deliver land administration services as part of a programmatic approach. To that extent, it will contribute to supporting MUDL in implementing the IDPL and becoming in the long term an efficient, effective and financially self-sustaining public institution which provides transparent land services, contributing to stability and growth. Medium to long term sustainability would require a steady stream of qualified personnel required to deliver the requisite services. For this, the project is focusing on providing support for development of training modules and new specialized curricula in collaboration with relevant institutions, whose capacity will also be strengthened with provision of equipment and materials for training and professional development. Central to the land administration services which MUDL seeks to deliver is maintaining and managing secure data, and by supporting the development of a LIS and supporting ICT infrastructure, the project would promote sustainability of the services. Through support in preparing the constituent elements of the Land Code, the project would promote sustainable use of land resources. Overall the project components are designed to facilitate sustainable land use and establish systems for sustainable land administration services in the medium term.





#### IV. PROJECT APPRAISAL SUMMARY

##### A. Technical, Economic and Financial Analysis (if applicable)

###### Economic Analysis (see Annex 3 for details)

33. In the long-term, economic benefits from the project and the broader IDPL will occur economy and country-wide. However, the specific ex-ante quantification of directly attributable economic benefits from Project activities is difficult due to lack of systematic data and information. Moreover, given the conflict situation, many factors beyond the project's control affect the anticipated increases in property values and the improvements in public and private resource allocations. Given this, a comparative analysis was developed for project appraisal looking at the general economic analysis made for IDPL, and at the potential financial benefits of the fees related to OC issuance. The project also includes an M&E activity to ensure collection of adequate data to update the economic analysis during the Mid-Term Review.
34. Specifically, the Internal Rate of Return (IRR) for the IDPL analysis is 19.05 percent, indicating the significantly positive benefits of IDPL in terms of return on investment, and by extension, of the project as a cross-cutting subset of IDPL's activities. In addition, there are potential financial benefits to the Government from the fees charged for the issuance of OCs. Based on a set of basic assumptions described in Annex 3, it is estimated that a minimum of new public revenue of US\$25.0 to US\$35.0 million would be generated from OC issuance. With respect to the project itself, the estimated contribution to new public revenue generation would be between US\$5.0 to US\$7.0 million. Importantly, general benefits will also come from the project's systemic investment in policy and OC operating procedures and other improvements in data and social risk management.
35. **Public Sector Financing.** Providing security of ownership and tenure rights are core government responsibilities vis-à-vis its citizens. The GoIRA has decided to develop and provide the respective land administration services to its population through MUDL. Although implementation of a land administration system should not be governed by purely financial and economic considerations, the project ensures that an effective and efficient system is established that does not put a fiscal burden on government finances, and citizens and firms can reap the benefits from the land services they pay for. At the same time, the conflict situation in Afghanistan will constrain in the foreseeable future the development of a strong private sector service provision, substituting or at least supplementing MUDL services. An area for private sector involvement is surveying and valuation, for which the project is providing initial support through improved capacity for training and professional development.
36. **World Bank's Value Added.** The World Bank's value-added is comprised of the unique combination of its financing capacity and its staff's extensive global experience in land administration, which are not available to the Government from any other source, and which also are likely to serve to attract other external cooperators into the sector, as well as lowering risks for private sector actors to work with the Government in the land sector. Without World Bank value-added, it is likely that either very small or zero new investment would be made into the land administration function in the medium term, incurring additional economic and social costs from the business-as-usual scenario of unprotected rights, conflict and land mis-allocation. These mounting costs further underscores the benefit from a timely investment by the Bank.



## Technical Analysis

37. The Project design reflects good practices while considering the Afghan context, particularly the need for capacity development and adaptation of technological solutions. Systematic cadastre and registration technical standards and procedures will be adopted to improve processing and managing costs taking into consideration information and accuracy needs. Given the country's situation, social aspects of land survey and registration tend to have as much – and often more – weight, which demands that technical processes be well integrated with the population's awareness raising, outreach and participation. Overall, the technical design is fit for purpose, with the understanding that in some of the project's selected areas, more accurate land surveying may be needed. While more capacity is developed in the country, international expertise will be brought in, as needed, for helping to carry out cadastral surveys and designing of critical ICT infrastructure and systems (such as the LIS). More specifically, key investments such as LIS will be designed based on international standards including the Land Administration Domain Model (LADM), and its development will adhere to a process known as the System Development Life Cycle (SDLC). The ICT infrastructure will be based on a feasibility and design study to determine the most suitable technical designs for investments such as the Data Center, the ICT network, and telecommunications.

## B. Fiduciary

38. **Financial Management.** The project FM risk is assessed as Substantial, and time bound measures have been agreed with MUDL to mitigate this risk and strengthen FM capacity. The substantial risk rating is due to: (i) limited FM capacity of MUDL in terms of staff number, qualification and experience; (ii) low budget credibility due to weak planning process; (iii) limited scope and coverage of internal audit as well as average quality of audit reports; (iv) non-compliance with external audit recommendations; and (v) no previous experience of MUDL using an accounting information system capable of classified reporting for the Bank and the Government. As described in Annex 1, Project FM arrangements rely on country systems. Government budgeting processes will apply, and the project's budget will be a part of the government's annual budget. The accounting records will be maintained at the central level by MOF in the Afghanistan Financial Management Information System (AFMIS) based on payment vouchers (M16s), and at the project level the PIU will maintain detailed subsidiary records in MS spreadsheet. A specific accounting information system will be implemented for the project, and the Bank's FM team will assist the PIU to implement this system by end June 2019. Annual audited financial statements and semi-annual Interim Unaudited Financial Reports (IUFR) will be required, in addition to semi-annual internal audit reports. The Financial Management Manual (FMM) developed for ARTF and IDA financed operations in the country applies to the project.
39. **Procurement:** Procurement will be carried out in accordance with the Bank's Procurement Regulations for Borrowers for Goods, Works, Non-Consulting and Consulting Services and applicable to Investment Project Financing (IPF) dated July 2016 Revised November 2017 and August 2018. The Project will be subject to the Bank's Anticorruption Guidelines, dated October 15, 2006. Based on the capacity assessment of MUDL, procurement risk is rated as High. MUDL prepared a Project Procurement Strategy for Development (PPSD) to identify procurement methods and approaches for procurement, and a procurement plan for the first 18 months of implementation. The Project Operations Manual includes details the roles and responsibility for the project's procurement and contract management. The project will use STEP, a World Bank planning and tracking system, which would provide data on procurement activities and establish benchmarks. The Bank will carry out prior and post review based on the agreed procurement arrangements.



### C. Safeguards

40. **Environmental Safeguards:** The Project is classified as Category B. The Project triggers environmental safeguard policies for Environmental Assessment (OP/BP 4.01). Accordingly, an Environmental Management Framework (EMF) including an environmental assessment and generic Environmental Management Plan (EMP) has been prepared and consulted upon on December 3, 2018. The environmental assessment looked at the concrete and potential environmental risks and benefits that the project is likely to face due to its design and during implementation. The Project activities consist mostly of soft activities which are expected to have overall positive environmental impacts. These activities, especially under Component 2, will lead in the medium term to more secure land tenure. Additionally, the generic EMP includes guidance and procedures to affectively handle any impacts identified in the environmental assessment. Furthermore, the EMF also includes guidelines to prepare Environmental Management Plans (EMP) for impacts related to civil works. The EMF was made public in country and on the World Bank external website on January 1, 2019.
41. **Social Safeguards:** The Operational Policy (OP) on Involuntary Resettlement 4.12 is triggered specifically with respect to Subcomponent 2.4 (Support to OC issuance) and the construction of six zonal offices in the project's selected areas.<sup>10</sup> Building of the zonal offices may require relatively small land parcels. In most of the potential places for these offices, land included in the city plans have been transferred to MULD by the municipalities. On the other hand, several social risks are generated by the design of the OC issuance program. In general, OC issuance is expected to have a positive social impact by providing an increased level of tenure security to potential beneficiaries. Moreover, the project builds upon the strength of the community engagement processes implemented by UN Habitat. However, as identified in the Social Assessment (SA) conducted for the project and an analysis of the OC regulations (2018), there are several specific risks: (i) potential difficulty for some occupants to meet requirement payments for state land in parcels larger than 300 sq. meters, (ii) the need to surrender areas beyond 1,000 sq. meters, which may result in structures becoming unviable or unsafe; and (iii) exclusion of owners in informal private land may occur as some may not be able to provide necessary documentation for OC issuance. Since the area of intervention is unknown, a Resettlement Policy Framework (RPF) and Social Management Framework (SMF) were developed to assess risks and adverse impacts and identify an appropriate mitigation plan to comply with OP 4.12 and national law. Both SMF and RPF were consulted on December 3, 2018 and disclosed in country on December 3 and on the World Bank external website on January 1, 2019. In addition to the RPF, MUDL prepared procedures for the OC Regulations that will help address the gaps to minimize these risks. (See Annex 2 for further details).

### World Bank Grievance Redress Mechanisms

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

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<sup>10</sup> The systematic cadastral and registration activities are largely outside the purview of OP 4.12 as set forth in footnote 8 of this policy regarding disputes between private parties in land titling projects.



Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

## V. KEY RISKS

43. Overall Project risk is considered **High**. As shown in SORT, risks related to Political and Governance, Institutional Capacity, Stakeholders, and Conflict and Violence (others) are rated high, while risks related to Macroeconomic, Sector Strategies and Policies, Technical Design, Fiduciary and Social are rated substantial.
44. **Political and Governance:** Risks to PDO achievement are due to (i) political instability, which may cause the reform momentum to become personalized around the President rather than broad-based across the government; and (ii) increasing pressures that could side-track strategic decisions. Considering upcoming presidential elections, there is also the risk that a new government may have different priorities or less commitment to land reforms. While there are limited options to mitigate these risks, an encouraging factor is strong Government commitment evidenced by the establishment of the High Council on Land, Water and the Environment. This provides some reassurance that the Government will continue to prioritize land sector issues and reforms. The decision to consolidate land administration responsibilities with MUDL is also a factor which could help the new laws to deliver benefits over time.
45. **Macroeconomic risks:** The prospects for more rapid economic growth and substantial increases in domestic revenue generation are limited over the next four years. Slowdown in GDP growth and per capita incomes also increases the risk of potential beneficiaries of OC issuance being unable to afford payments established by MUDL, or in general less able to afford fees for MUDL's land administration services. This risk and associated mitigation measures related to the OCs have been detailed in the RPF. The project is aligned with the Bank Group risk mitigation strategy of supporting more efficient public expenditure management. This will be advanced by supporting IDPL implementation, which envisions self-sustaining, revenue generating services and client-oriented land administration.
46. **Sector Strategies and Policies:** Like many countries, Afghanistan faces critical challenges in land governance, for which the legal, policy and institutional framework is still evolving, and the results of this process difficult to predict. The GoIRA has established the High Council mentioned above, with MUDL acting as the Secretariat. The deliberations of this multidisciplinary group have already shown tangible results in terms of appreciation of multiple perspectives to addressing similar issues across agencies. Under the Project, moreover, a Steering Committee will be established to ensure coordination of ministries and agencies critical for implementation and achievement of results.
47. **Technical Design:** Like many similar agencies and quite understandably, MUDL would like to benefit from the best available technology and approaches that are common place in more advanced and experienced countries. During project preparation, the Bank team and external consultants have worked with MUDL to adapt project design to local needs and levels of infrastructure availability and reliability through an iterative dialogue. This process, which will continue during project implementation, has produced win-win solutions and is helping MUDL see the direction for its future.



48. **Institutional Capacity:** MUDL is a young institution low in experienced technical staff and an enormous mandate to fulfill under difficult conditions of conflict, low confidence in government and widespread incentives to rent-seeking behavior. The capacity of MUDL and its partners pose reputational risks if they fail to win public trust through continued poor service delivery or public perceptions of corruption in land transactions or allocation of rights. The institution's relative newness and its mandate expose it to high risks of potential political interference and the pressure of an status quo prone to rent seeking and nepotism. On the positive side, MUDL's "clean slate" institutionally offers the Bank and donors a unique opportunity to support an entity that could make a major difference in the country. Risk mitigation involves attention to governance with oversight from multiple authorities via activation of the High Council and monitoring of fiduciary and land data within MUDL's systems and the project. Strong technical support under the project for development of policy, legislative and regulatory instruments will also help mitigate these risks.
49. **Stakeholders:** Experience with land administration reform from other fragile states highlights potential implementation challenges, including political opposition, influencing of new laws and administrative processes by vested interests, and limited capacity and resources to enforce formal frameworks. The project will be an important vehicle for bringing in knowledge and expertise on good global practices. Consultations with donors and other stakeholders have taken place during project preparation and will continue during implementation. Specific risk mitigation measures involve (i) community involvement to generate transparency and credibility to MUDL's role; (ii) implementing technology in an incremental and fit-for-purpose fashion; and (iii) managing institutional change to ensure that core functionality around existing land records and the role of critical actors in the land system such as courts and local elders are incorporated into transitional and new institutional arrangements.
50. **Fiduciary risks.** Financial Management (FM) risk is rated substantial while procurement risk is considered High (thus making the overall risk rating high). MUDL has limited experience of implementing a Bank-financed operation through the Project Preparation Grant. The PPG is rated Satisfactory for financial management but has experienced issues related to procurement including delays in bid evaluation. Moreover, the existing Financial Management staff needs capacity building as number of errors were noted in IUFs submitted to the Bank under the PPG. These risks will be mitigated through, inter alia, use of an improved accounting software, application of a portfolio-wide FM Manual, better internal audit controls, and provision of training and close supervision.
51. **Social and environmental risk.** While the environmental risk is assessed as Moderate, social risk is considered Substantial (making the overall risk Substantial). The social risk rating relates especially to the Project support to OC issuance, which requires implementing the OC Regulation. As described above, this regulation implies several social risks, even if it also has substantial potential benefits. MUDL has prepared procedures and an RPF to manage risks and ensure adherence to the OP 4.12 and national laws.
52. **Other Risk - Conflict and Violence:** Security problems will continue to limit what the project can do in terms of direct interaction with MUDL-DML staff especially in the provinces, and in delivering services at grass-root level. Technical and managerial capacity of staff is limited. Developing MUDL to be an effective and efficient service provider will take time. Supporting MUDL's linkages to the Tackling Afghanistan's Government HRM and Institutional Reforms (TAGHIR) Project will be part of other project efforts to address this issue. Recognizing community and customary authority in establishing the legitimacy of land rights will also help mitigate these risks.



## VI. RESULTS FRAMEWORK AND MONITORING

### Results Framework

COUNTRY: Afghanistan

Afghanistan Land Administration System Project

#### Project Development Objectives(s)

The Project Development Objective is (a) to support the development of the Afghanistan land administration system; and (b) to provide the population in selected areas with improved land registration services, including issuance of Titles and Occupancy Certificates.

#### Project Development Objective Indicators

Indicator Name	DLI	Baseline	End Target
<b>To support the development of the Afghanistan land administration system</b>			
Land Information System (LIS) is operational and available to use centrally and in the Project's selected areas (Percentage)		0.00	100.00
Standard Operating Procedures (SOPs) and uniform service standards for Deputy Land Ministry / MUDL are adopted and effectively implemented through its everyday operations (Yes/No)		No	Yes
<b>To provide the population in the Project area with improved cadastre and property registry services</b>			
Households benefiting from systematic land registration and issuance of Occupancy Certificates (Number)		0.00	220,000.00
Women receiving Occupancy Certificates (alone or jointly) (Number)		0.00	105,000.00
Level of satisfaction of target population with land registry		0.00	75.00



Indicator Name	DLI	Baseline	End Target
services (Percentage)			
Level of satisfaction of female target population with land registry services (Percentage)		0.00	75.00

### Intermediate Results Indicators by Components

Indicator Name	DLI	Baseline	End Target
<b>Component 1: Land Policy Development and Institutional Strengthening</b>			
Key Laws for land administration (land survey, land registration, geodetic activities) drafted and consulted (Number)		0.00	3.00
Regulation for Land Dispute Resolution consulted and approved by Cabinet of Ministers (Yes/No)		No	Yes
Curricula and training modules for land administration designed (Number)		0.00	4.00
Effective resolution of grievances related to the project resolved within standards stipulated in GRM procedures (Percentage)		0.00	90.00
Strategic HR Plan finalized and adopted by DML/MUDL (Yes/No)		No	Yes
<b>Component 2: Developing Technological Capacity, Information and Systems for Land Administration</b>			
Zonal land registration offices established in Project's selected areas (Number)		0.00	6.00
Parcels covered by cadastral survey in Project's selected areas (Number)		0.00	100,000.00
Occupancy Certificates issued in Project's selected areas (Number)		0.00	150,000.00
Computerization of cadastral mapping and land records completed for Project's selected areas (Percentage)		0.00	100.00





Indicator Name	DLI	Baseline	End Target
Gender disaggregated records of land ownership available under MUDL's LIS (Yes/No)		No	Yes
<b>Component 3: Project Management, Monitoring and Evaluation</b>			
M&E evaluated as fully functional, producing all required products (Yes/No)		No	Yes
Reports completed on a satisfactory manner (MTR, Final Completion, Assessment of OC Issuance) (Number)		0.00	3.00

Monitoring & Evaluation Plan: PDO Indicators					
Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Land Information System (LIS) is operational and available to use centrally and in the Project's selected areas	This indicator will measure the progress on the modular development of the LIS, and its final deployment in the Project's selected areas.	Annually, starting on year 2 of the project	Progress Reports and Completion Reports on LIS	Monitoring against LIS developmet plan and modules' delivery targets; attention to critical path and beta testing	PIU - MUDL
Standard Operating Procedures (SOPs) and uniform service standards for Deputy Land Ministry / MUDL are adopted and effectively implemented through its everyday operations	This indicator will measure the extent to which DLM effectively applies the SOPs and service standards for land administration	Mid-Term Review and Final Project Evaluation	Independent Expert Assessments	Field visits, review of process and staff interviews by expert team	PIU-MUDL
Households benefiting from systematic land registration and issuance of	Through this indicator, information will be collected	Quarterly	Field reports	Field monitoring and data analysis	PIU-MUDL





Occupancy Certificates	on the beneficiaries of the systematic land registration and OC issuance activities.				
Women receiving Occupancy Certificates (alone or jointly)	Information on women beneficiaries of Occupancy Certificates	Quarterly	Field Reports	Field monitoring and Data analysis	PIU-MUDL
Level of satisfaction of target population with land registry services	Through a series of surveys, this indicator will measure the level of satisfaction of project beneficiaries regarding the services provided in issuance of map-based titles and OCs.	At least 3 surveys, starting on Year 2 of the project, plus Mid-Term Review and Final Project Evaluation	Beneficiary Surveys	Surveys based on representative samples conducted in Project's selected areas for both systematic land registration and OC issuance.	PIU-MUDL
Level of satisfaction of female target population with land registry services	Surveys will collect information in a gender disaggregated matter				

#### Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Key Laws for land administration (land survey, land registration, geodetic activities) drafted and consulted	Collection of evidence of support for strengthening of the legal framework for land administration	Mid-Term Review and Final Project Evaluation	Draft documents	Documentation of consultation and drafting process	PIU - MUDL



Regulation for Land Dispute Resolution consulted and approved by Cabinet of Ministers	Collection of evidence of support for improvement to dispute resolution capacity	Mid-Term Review and Final Project Evaluation	Draft document	Documentation of drafting and approval process	PIU-MUDL
Curricula and training modules for land administration designed	This indicator will monitor the development of adequate curricula for land administration. It will verify that the modules are provided to the partner institutes	Annually	Copies of modules	Documentation of drafting and provision to partner institutions	PIU-MUDL / Partner institutions (Kabul Polytechnic and Technical Institute)
Effective resolution of grievances related to the project resolved within standards stipulated in GRM procedures	This indicator measures effectiveness of citizen feedback mechanisms established under the Project. It measures the percentage of cases (including complaints and inquiries) that are addressed as per the standards agreed upon in the GRM procedures	Quarterly	Reports from GRM database	Analysis of reports from GRM database; field visits to offices in the selected areas	PIU-MUDL
Strategic HR Plan finalized and adopted by DML/MUDL	HR plan and manual are finalized and adopted	Quarterly	Drafted Document / Recruitments status and record	Adopting Civil Service law/ Policies	M&E Team at PIU HR Section at MUDL
Zonal land registration offices established in Project's selected areas	This Indicator measures the number of established and	Quarterly	Office establishment	Review of (completed) (Sub-) contracts	M&E Team at PIU Regional Directorates and



	functional zonal land registration offices		t; Operation records		PIU / DML
Parcels covered by cadastral survey in Project's selected areas	This indicator will measure the number of parcels /properties that are served by cadastral teams at HQ and provincial areas. While reporting is on overall total number, separate numbers for individual project locations will be recorded.	Quarterly	Survey records and reports	Survey/Field monitoring	Cadaster Directorate M&E Team at PIU - MUDL
Occupancy Certificates issued in Project's selected areas	This indicator tracks the number of OCs issued at all project locations. The numbers will be assessed and reported disaggregated by project area, state land vs. private land, etc.	Quarterly	OC issuance record/field data	Database tracking / application submitted/bank deposits as OC Fee	Informal Urban Property Registration Directorate / OC at DML M&E Team at PIU
Computerization of cadastral mapping and land records completed for Project's selected areas	This indicator measures the progress (percentage) in producing complete coverage of cadastral maps for all the Project's selected areas.	Quarterly	Number of records in respective database(s) at HQ and regional levels	Review of database entries	Cadaster Directorate DML M&E Team at PIU
Gender disaggregated records of land ownership available under MUDL's LIS	As data is incorporated into the LIS, it is critical to monitor that it will be possible to monitor data in a gender disaggregated	Mid-Term Review and Final Project Evaluation	Data reports	Analysis of the reports	PIU-MUDL



	manner				
M&E evaluated as fully functional, producing all required products	This indicator will measure quality of M&E system and its institutionalization	Mid-Term Review and Final Project Evaluation	Independent expert assessment	Review of M&E System and its reports	PIU-MUDL
Reports completed on a satisfactory manner (MTR, Final Completion, Assessment of OC Issuance)	This indicator measures progress and effectiveness of M&E strategy. Independent consultants will be contracted to carry out the mid-term and final project evaluations.	Mid-Term Review and Final Project Evaluation	Copies of documents	Review of documents	PIU-MUDL



## ANNEX 1: Implementation Arrangements and Implementation Support Plan

### COUNTRY: Afghanistan

### Afghanistan Land Administration System Project

#### A. Project Institutional and Implementation Arrangements

1. The Project will be implemented by the Ministry of Urban Development and Land (MUDL), and particularly within the Deputy Ministry of Land (DML, formerly ARAZI). MUDL through DML maintains the land administration and management authority of ARAZI, including the provision of land-related services and information to citizens, institutions and investors. In line with IDPL implementation arrangements, the Minister of MUDL will provide general implementation and coordination oversight, while Project management will be delegated to the Deputy Minister of DML. Specifically, MUDL will implement the Project through a **Project Implementation Unit (PIU)** under the direct guidance and supervision of MUDL management. The PIU will be responsible for administrative and fiduciary functions, and for ensuring social and environmental compliance, as well as coordination and oversight of activities, and monitoring and reporting on a regular and timely manner to ensure effective implementation.
2. The PIU will be led by a Project Director and its core team will include a Senior Technical Advisor, an Information and Communication Specialist, a Senior Monitoring, Evaluation and Reporting Specialist, a Social and Environmental Safeguard Specialist, a Gender Specialist, Senior Financial Management Specialist, Senior Procurement Specialist, and a Human Resources Specialist. The Project Director will supervise the PIU team, keep MUDL management informed, and will coordinate implementation while ensuring that all aspects of implementation adhere to financial, procurement and other fiduciary aspects. The Project Operations Manual includes the PIU's organizational structure and describes the duties and responsibilities of PIU personnel along with the Project's technical, administrative, financial, procurement, safeguards, gender and PM&E procedures.
3. A **Project Steering Committee** will be established to ensure coordination, collaboration and smooth implementation. The Committee will be chaired by the Minister of MUDL, and will include the following: Mayor Kabul Municipality; the Deputy Minister of Municipal Administration in the Independent Directorate of Land Governance (IDLG); the Deputy Minister of Urban Development, MUDL; the Director General of the National Statistics and Information Authority (NSIA); the Vice Chancellor Kabul Polytechnic University (KPU); the Deputy Minister Policy, Ministry of Finance (MoF); the Deputy Minister Water, Ministry of Energy and Water (MoEW); the Deputy Minister Ministry of Agriculture, Irrigation and Livestock (MAIL); the Technical Deputy of National Environmental Protection Agency (NEPA); and the Director of the Afghanistan Surveyors Association. The Committee will meet at least four times a year or whenever an urgent issue, as determined by Minister-MUDL, arises.
4. **For Project implementation, the following five Partner agencies / entities will be required:** Kabul Municipality, IDLG, Deputy Ministry of Urban-MUDL, NSIA, and Kabul Polytechnic University (KPU). The role of these partners is described below:



- Kabul Municipality, IDLG and Dy. Ministry of Urban-MUDL will ensure coordination on the implementation of sub components 2.2 on Designing and implementing a Land Information System (LIS), and Subcomponent 2.3 on Supporting Cadastral Surveying and Land Registration.
  - NSIA will ensure geospatial information coordination, contributing to the technical development of Sub Component 2.1 on Developing Geo-information Infrastructure, and keeping updated relevant ministries, such as: Ministry of Interior (MoI), Ministry of Communications and Information Technology (MoCIT), Ministry of Energy and Water (MoEW), DABS, Ministry of Agriculture, Irrigation and Livestock (MAIL), Ministry of Rural Rehabilitation and Development (MRRD), and Ministry of Information and Culture (MoIC).
  - The Kabul Polytechnic University will be the key agency involved in helping to coordinate training and capacity building activities related to the project as well as the development of a land pricing information system for the country.
5. In the Project area, MUDL through DML and its PIU and provincial offices, will work in collaboration with local governments to ensure adequate implementation of field activities, including specific processes of the systematic land survey and registration, and the potential access to relevant project outputs. Memoranda of Understanding (MoUs) will be signed between MUDL and partners for project implementation.

## **B. Financial Management**

6. **Afghanistan is a unitary government with a centralized PFM architecture.** The Public Finance and Expenditure Management Law 2005 (PFEML), sets out the responsibilities, authorities and obligations related to the management of public finance in the country. Ministry of Finance (MOF) has a lead role in preparing and managing the annual government budget. It is also responsible for treasury functions, government financial reporting as well as tax policy and administration. At the provincial level, Mustofiasts as MOF representatives perform treasury functions. The central line ministries have the mandate of country wide public service delivery. Accordingly, they prepare and after approval of the Parliament execute their annual budgets. The central line ministries are also responsible for maintaining an internal audit function as required by PFEML. The Supreme Audit Office Law 2013 requires the Auditor General to conduct annual audit of the government accounts.
7. The recent PEFA assessment (July 2018) noted that the government maintained aggregate fiscal discipline by controlling expenditure within available resources, but budget credibility remains poor and the overall control environment is weak. MOF uses the Afghanistan Financial Management Information System (AFMIS) to manage budget execution including budget control over spending. The expenditure authorities are centralized, which creates spending rigidities and hampers innovations in service delivery. The service delivery units have virtually no role in budget planning and execution. Over the last three fiscal years, approximately half of the development budget has remained unspent. Although the prescribed internal control framework is reasonably detailed, compliance is uneven. The control systems for payroll are insufficient and represent a major weakness for a significant proportion of expenditure. The asset and liability management and monitoring of fiscal risks displayed considerable gaps.
8. The budget allocation mechanism is largely incremental and impedes the linkages between the budget and policy priorities. Owing to the lack of required financing and uninformed budget allocation decisions, the social sector strategies have not been adequately funded. Weak budget expenditure execution is the result of poor



project selection and inadequacies in the entire public investment management cycle—project preparation, project appraisal, execution and monitoring and evaluation. The budget documents lack the required performance information; the Chart of Accounts does not facilitate information availability to the service delivery units; and there are no performance plans for service delivery. Consequently, the performance orientation of the entire budget formulation and execution process is undermined.

9. **The overall financial management risk of the project is assessed as Substantial due to certain weaknesses noted in the financial management system of MUDL, the implementing entity.** At present, 30 percent of Taskheel positions in MUDL's finance department are vacant; 12 out of 43 at central office and 34 of 119 positions at regional offices are vacant. Highest qualification of most of the existing FM staff is baccalaureate with few having a university degree but not in a relevant discipline. Due to the limited capacity, the internal audit does not cover the regional offices and the core business areas. There is no audit follow-up mechanism and a number of audit observations are unresolved. MUDL's development budget has consistently increased over the last three years but the utilization remained about 80 percent (on average) due to weak budget making process lacking detailed cost estimates. The project involves several large consultancy contracts and MUDL does not have the experience of managing similar contracts. MUDL maintains accounting records as per the government regulations and are not detailed to record and report accounting information by disbursement categories, components and type of expenditure.
10. **To mitigate the financial management risk, the following mitigation measures have been agreed:**
- By March 2019, MUDL to adopt and implement the Financial Management Manual (FMM) for IDA and ARTF-financed projects, jointly prepared by the World Bank and MOF, to execute the financial management function of the project and the Project Preparation Grant (PPG). (Action Met)
  - By May 2019, the Minister of MUDL will approve a HR plan to fill the vacant Tashkeel positions in its finance department. (Agreed Action)
  - By June 2019, MUDL to implement an accounting software, acceptable to the Bank, that can record and report the project transactions at detailed level for the project and PPG. (Agreed Action)
  - Within three months of project effectiveness, MUDL to engage a chartered accountancy, as per the TORs agreed with the Bank, to strengthen MUDL's internal audit function. (Legal Covenant)

### **Financial Management Arrangements**

11. There are two deputy ministries within MUDL, Deputy Ministry for Land (DML) and Deputy Ministry for Urban Development (DMUD). The Financial Management Directorate of the ministry is centralized under a Director of Finance. This directorate is responsible for planning, consolidating and the budget for the ministry and donor funded operations including the Project. The PIU will be responsible for the project financial management and will maintain separate books of account for the project.
12. A comprehensive Financial Management Manual (FMM) has been developed that sets out the Finance & Accounting policies and procedures applicable to IDA and ARTF funded projects in Afghanistan. The FMM includes a comprehensive internal control framework by defining preventive, detective and corrective controls for different processes and transactions. For each process, the FMM defines key tasks, responsibilities, specific steps and timelines as the FMM also serves as a benchmark for performance management. The FMM provides a source of instruction and guidance to employees working in the Finance sections of the projects for the application of policies and procedures. The FMM has been adopted by MUDL



to manage the financial management matters of the project.

13. **Staffing:** The PIU financial management team will consist of two staff – one senior financial management specialist and one accounting specialist. The accounting specialist has been hired under the PPG, and the senior financial management specialist will be hired within the first three months of project effectiveness, as per ToR agreed with the Bank. The FM staff will report to the Project Director and will work in close coordination with the finance directorate of the ministry for budget preparation, budget revision, and audits of the project.
14. **Budgeting.** For annual budget preparation, the detailed guidelines of the FMM will be followed. The Project budget will be based on the annual work plan and procurement plan. The annual budget will be broken down into quarters to facilitate budget monitoring. Actual expenditures will be monitored against quarterly plan and the progress will also be reported to the Bank.
15. **Accounting and Reporting.** The PIU will maintain separate books of accounts for the project in accordance with the Financial Management Manual (FMM). Payment vouchers (M16s) will be prepared for each transaction and the relevant accounting codes, disbursement category and project component will be mentioned on the payment vouchers. Treasury Department, MOF will process all payments based on M16s submitted by PIU and will record the transactions in the AFMIS. At the project level, the PIU will maintain detailed subsidiary records in MS spreadsheet. A specific accounting information system will be implemented for the project, and the Bank's FM team will assist the PIU to implement this system by end June 2019. The following financial reports will be required:
  - **Monthly budget monitoring report** will be prepared and submitted to the Project Director within 15 days of the close of the month.
  - **Semester reports:** PIU will prepare and furnish to the World Bank, within 45 days of the close of the semester, an IFR that will report funds receipt and utilization during the semester according to project components, (and subcomponents) and disbursement categories. The IUFR will report categorically for each grant and will also have a consolidated report for the whole project. The FM team of the Bank will share the format and contents of the IUFR with the project team before effectiveness of the grants. The cost under project will be recognized against each grant on pro rata basis in the IUFRs.
  - **Annual report:** The MoF will prepare project level annual financial statements (AFS) in accordance with Cash Basis - International Public-Sector Accounting Standards (IPSAS). The financial statements will cover one financial year and will be submitted to the auditors within two months of the close of the financial year. The cost under project will be recognized against each grant on pro rata basis in the annual financial statements.
16. The FMM provide details of accounting records and book of accounts to be maintained for the Project that at minimum will include;
  - (a) Advance register - to record the advances made
  - (b) Cash/ Bank Book – to record all cash/ bank receipts and payments
  - (c) General Ledger – to record all receipts and payments
  - (d) Asset Register – to maintain up to date record of assets procured



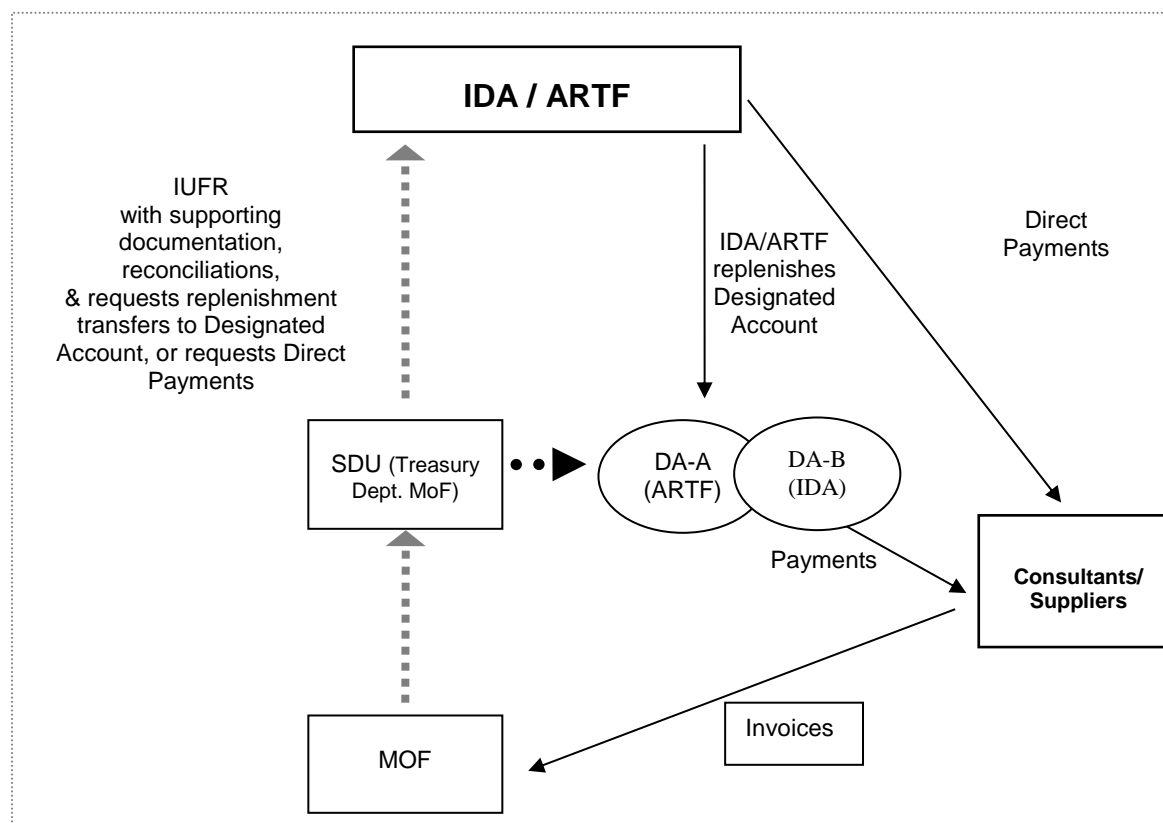


- (e) Invoice Register – to track payments
- (f) Contract Register – to record all contract payments
- (g) M-16 register - to record all the expenditures/ payments
- (h) Taminat Register - to record the amounts retained from the payment made to vendors

17. **Operational Advance:** The operational advance will be recorded properly, and the advance will only be recorded as cost once the cost incurred and paid off. The PIU will keep the operational advance at the minimum of US\$5,000.
18. **Internal Audit Arrangements:** The Internal audit of the project will be conducted by IA department of MUDL. Semi-annual internal audits of the project will be carried out and internal audit reports will be submitted to the Bank within two months after the end of each semester. The department will be strengthened further to provide consistent support to the entity for an efficient operation. Within three months of effectiveness, the PIU will hire a firm to develop internal audit framework for MUDL including capacity building of IA staff, as per TORs agreed with the Bank. The Bank's FM team will provide technical support for drafting the TORs for the firm.
19. **External Audit Arrangements:** The Supreme Audit Office (SAO), with the support of consultants, carries out the annual audit of all ARTF/World Bank-funded projects. The same audit arrangements will be used. The SAO will submit to the World Bank, audited Annual Financial Statements (AFS) and Management Letters within six months of the close of the fiscal year. There are common TORs for the audit of all projects that are reviewed by the World Bank annually. The first audit report will be due on June 21, 2020.
20. **Fund Flow and Disbursement Arrangements:** The project will be jointly financed by an IDA grant and an ARTF grant, and disbursement will be report-based. Financing of this project by IDA and ARTF will be on pro rata basis, i.e. 71.4% by IDA and 28.6% by ARTF. A separate pooled designated account in US Dollars will be established at the DA Afghanistan Bank to channel the grant proceeds from IDA and ARTF. Funds will be front loaded in the designed account based on six months' cash forecast. Subsequent IFRs will be used to document the expenditure and determine the amount of additional advance. The project may also request direct payments to suppliers, contractors, and consultant. MOF will be responsible to submit the withdrawal applications for advance, expenditure documentation and direct payments.
21. The **Project Disbursement Schedule** is as follows:



Disbursement Categories	Amount of IDA Grant	Amount of ARTF Grant	Percentage of Expenditure to Be Financed		Disbursement Method	Disbursement Condition
	USD	USD	IDA	ARTF		
(1) Goods, works, non-consulting services, consulting services, Incremental Operating Costs for the Project	19,502,000	7,798,000	71.4	28.6	Report based	---
(2) Project Technical and Implementation Staff for the Project	4,070,000	1,630,000	71.4	28.6	Report based	---
(3) Training and Capacity Development for the Project	714,000	286,000	71.4	28.6	Report based	---
(4) Unallocated	714,000	286,000	--	--	Report based	---
<b>TOTAL</b>	<b>25,000,000</b>	<b>10,000,000</b>	<b>100 %</b>			



### C. Procurement

22. Procurement will be carried out in accordance with the Bank's Procurement Regulations for Borrowers for Goods, Works, Non-Consulting and Consulting Services and applicable to Investment Project Financing (IPF) hereinafter referred to as "Regulations" dated July 1, 2016 Revised November 2017 and August 2018. The project will be subject to the Bank's Anticorruption Guidelines, dated October 15, 2006. The World Bank's



Standard Procurement Documents, Requests for Proposals, and Forms of Consultant Contract shall be used for Open International Competition. Goods, works, and non-consultancy services following Open National Competition shall be procured using agreed bidding documents for Afghanistan. In case of conflict/contradiction between the World Bank's procurement procedures and any national rules and regulations, the World Bank's procurement procedures will take precedence according to the Article 4(2) of the Procurement Law of the Islamic Republic of Afghanistan dated 27/06/1396 (September 17, 2016) published in the Official Gazette No.1223.

23. **Based on the procurement capacity assessment of MUDL, the procurement risk is rated High.** Procurement will be conducted by the Procurement Directorate [PD] of MUDL in accordance with the above Procurement Regulations for Borrowers. As noted before, ARAZI was merged with the Ministry of Urban Development, which established MUDL. Before integration, ARAZI procurement staff consisted of 6 civil servants, and three contracted staff (Sr. Procurement Specialist, a Procurement Officer and an Assistant). At the same time, the Procurement Directorate in MUDL currently has 74 staff members out of which 37 are civil servants and the remaining 37 are contracted staff hired to cope with the existing workload. MUDL will hire 7 more civil servants to fill in the vacant positions that exist under the procurement directorate structure. After filling the vacant positions, and transfer of the civil servants from former ARAZI, the total civil servant staff in the PD will be 50. These civil servants are not familiar with World Bank procurement regulations.
24. **To mitigate the procurement risk, the following measures have been agreed:**
- The Senior Procurement Specialist, already hired for the PPG, and Contract Management Specialist (to be hired by January 2020) will be transferred to the MUDL Procurement Directorate, and their main priority will be to provide the procurement and contract management support to the project. The staff will report to the Procurement Director and the Project Director. This staff will enhance capacity of civil servants of the Procurement Directorate of MUDL.
  - The Bank procurement team will provide training on procurement regulation to Procurement Directorate staff of MUDL.
  - The procurement specialist hired under the PPG will be sent to Dushanbe to attend the training on the new procurement framework of the Bank.
25. MUDL has prepared a Project Procurement Strategy for Development (PPSD) and a procurement plan for the first 18 months of implementation. All procurement using national procedures will be subject to the National Procurement Conditions as detailed in the Procurement Plan and use the agreed Model National Procurement documents for Afghanistan. The Project Operations Manual includes a section on procurement arrangements and details on the roles and responsibilities, service standards, and coordination steps of the different departments for procurement and contract management.
26. The efficiency of the above arrangement will be assessed during project implementation by the Bank and the MUDL and necessary action will be taken. However, if the GoIRA decides to transfer the procurement functions and responsibilities to other entities including NPA, a new capacity assessment will be required for effecting such changes in procurement management arrangements for the project.
27. **Project Technical and Implementation Staff:** A total of US\$5.7 million has been initially allocated for Project technical and implementation national staff, based on details of proposed positions and number, required minimum qualifications, time scale and fee/salaries. As per the Procurement Framework 2016, Procurement



Regulations for IPF Borrowers July 2016, these Project Technical and Implementation Staff contracted by the Borrower are not treated as Individual Consultants for the project. These staff will be selected according to the hiring procedures agreed between the Bank and GoIRA for such activities. MUDL will submit the TOR and selection details including proposed candidates to the Bank for review and clearance. It is noted that 'Individual Consultants' required for delivering a specific assignment under the project are different from Project Technical and Implementation Staff/Individuals. Individual consultants are hired when a team of experts is not required; no additional home office professional support is required; and the experience and qualifications of the individual are of paramount requirement for delivering the assignment. All Individual Consultants will be included in the Procurement Plan and their selection will be subject to provisions in the Procurement Regulations.

28. **Systematic Tracking of Exchanges in Procurement (STEP) and procurement planning.** The project will implement STEP, a World Bank planning and tracking system, which would provide data on procurement activities, and establish benchmarks. Procurement Plan will be prepared in STEP and the same will be updated in agreement with the project team annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.
29. **Frequency of Procurement Supervision by the World Bank:** In addition to the prior review, supervision will be carried out by the Bank team. There will be two Implementation Support Missions (ISMs) per year and the Kabul and Dubai based staff will provide ongoing implementation support in between these missions.
30. **Procurement audit and review.** In addition to prior review, WB staff or WB-appointed Consultants will carry out post procurement review once per year and the GoIRA auditing institutions will do the procurement audit.
31. **Governance and Anticorruption.** All the contract opportunities and contract awards will be widely published in the Internet, NPA website, IAs website, and when required in United Nations Development Business (UNDB). Other actions are (a) alerting implementing agencies' officials/staff about any fraud and corruption issues; (b) alerting bidders against adopting fraud and corruption practices; (c) awarding contracts within the initial bid validity period, and closely monitoring the timing; (d) taking action against any corrupt bidder in accordance with the law of the GoIRA and informing the Bank's Integrity Unit (INT); (e) preserving records and all documents regarding public procurement, in accordance with the Procurement Law provisions; (f) publishing contract award information in UNDB online, NPA's website, and agencies' websites within two weeks of contract award; (g) ensuring timely payments to the suppliers/contractors/consultants and imposing liquidated damages for delayed completion; and (h) enforcing a procurement filing system.
32. **Grievance Redress Mechanisms – Complaints Handling:** With regard to procurement complaints, the implementing agency has already implemented a PPG and have knowledge of the World Bank procurement regulations. The Implementing agencies will inform the World Bank as soon as the procurement complaint is received and the outcome subsequently. MUDL will prepare a comprehensive complain handling mechanism that will be published in NPA and MUDL websites. This mechanism should have a system to register and monitor the receipt and resolution of complaints, such as through the proposed hotlines. The progress of such action will be reviewed during supervision missions.
33. The implementing agencies will ensure that all invitations for bids, Expressions of Interest are given wide publicity using its own website, the NPA website, UNDB, and national newspapers. It will be mandatory to



publish all bidding and consulting opportunities in the Afghanistan e-Procurement portal <https://ageops.net>. Further for individual consultants, the Request for Expression of Interest/vacancy notice will be published on the following websites: [www.npa.gov.af](http://www.npa.gov.af), [www.acbar.org](http://www.acbar.org), [www.devnetjobs.org](http://www.devnetjobs.org), and [www.reliefweb.int](http://www.reliefweb.int).

34. **Incremental Operating Cost (IOC):** IOC will be procured using the Afghanistan procurement law procedures. The operating costs will include operations and maintenance of equipment and vehicles, hiring of vehicles, office rent, costs of consumable, fuel, office utilities and supplies, and Bank charges, advertising expenses, training fees for individuals with prior agreement with the bank for professional development, but exclude any salaries and allowances of civil servants.

#### **D. Safeguards**

53. **Environmental Safeguards:** The Project is classified as Category B. The Project triggers environmental safeguard policies for Environmental Assessment (OP/BP 4.01). Accordingly, an Environmental Management Framework (EMF) including an environmental assessment and generic Environmental Management Plan (EMP) has been prepared and consulted upon on December 3, 2018. The EMF was made public in country and on the World Bank external website on January 1, 2019.
54. The environmental assessment looked at the concrete and potential environmental risks and benefits that the project is likely to face due to its design and during implementation. The Project activities consist mostly of soft activities which are expected to have overall positive environmental impacts, including provision of land information through field surveys and beneficiary participation in the project selected areas. These activities, especially under Component 2, will lead in the medium term to more secure land tenure. Additionally, the generic EMP will have necessary guidance and procedures to affectively handle any impacts identified in the environmental assessment, which along with the EMF will be reviewed by the National Environmental Protection Agency (NEPA). Furthermore, the EMF also includes guidelines to prepare Environmental Management Plans (EMP) for impacts related to civil works.
55. **Social Safeguards:** The Operational Policy (OP) on Involuntary Resettlement 4.12 is triggered specifically with respect to Subcomponent 2.4 (OC issuance) and the construction of six zonal offices in the project's selected areas under Subcomponent 2.3 (Cadastral Surveying and Land Registration). Overall, the project will support (a) legal, policy and institutional strengthening, (b) systems development and systematic land surveying and registration of property to improve land administration, and (c) issuance of Occupancy Certificates (OC) to eligible households settled in informal urban areas under the regulation passed in February 2018. Support to the drafting of new policies and laws will focus on areas that will help strengthen property rights and provide access to information, and improve technical processes including through better integration of citizens feedback and participation. The systematic cadastral and registration activities are largely outside the purview of OP 4.12 as set forth in footnote 8 of this policy regarding disputes between private parties in land titling projects. Accordingly, OP 4.12 is applicable specifically due to:
- Support to build zonal offices, which may require land. In most places identified land included in the city plans have been transferred to MULD by the municipalities, and only small parcels of urban land may be required.
  - Support to the OC issuance program whose design, as explained below, generates social risk. OC issuance is expected to have a positive social impact by providing an increased level of tenure security



to potential beneficiaries. The project builds upon the strength of the community engagement processes for validation implemented by UN Habitat to firm up boundaries of informal areas and identification of households. It is relevant to note that the project supports the second phase of the OC issuance process. The two phases include: (i) a participatory process to survey each land parcel in urban informal areas and collect information on the occupants of the parcel. This first phase has been led by Un Habitat; and (ii) validation of eligibility for OCs and issuance of the OCs, in accordance with the OC Regulations. Importantly, the social and economic impact of this component could be substantial by improving the tenure security of approximately 150,000 households through OC issuance, and by benefiting women as it is mandatory to issue the OC under the name of the eligible couple occupying a land plot in State land. It is also expected that OCs may in a few years be replaced by registered titles.

56. A Social Assessment (SA) was carried out to analyze the social risks and opportunities in four cities i.e. Herat, Jalalabad, Mazar E Sharif and Kandahar. The sample was selected to represent the diverse regions of Afghanistan and was also influenced by accessibility to the cities. The SA was based on household surveys, and included focus group discussions, key informant interviews and consultations with stakeholders in October 2018. The SA covered households' perception of the processes adopted for identifying households for issuance of OC for the land under their possession. While overall impacts of OC issuance for tenure security are expected to be positive, the analyses of the OC regulation (2018) brings out some key social risks and challenges. These are likely to arise from the weak capacity of households to pay fair price and market rates for areas under possession on state land, that are beyond the threshold limit of 300 and 500 sqm respectively. In addition, households on state land are expected to surrender areas beyond 1,000 sq. meters. Households in possession of land beyond these threshold limits may continue to live under uncertain environment. Moreover, if a situation arises where households are expected to surrender the land beyond the threshold limit, the structures that exist on such land may become unviable or unsafe. Other provisions of the regulations may lead to exclusion of owners of private property who may not be able to provide necessary documentation from receiving the OC. The occupiers of state land are expected to surrender their right to be consulted if land in question is required for development purposes. MUDL has finalized the procedures for the OC Regulations that will help address the gaps to minimize these risks.
57. Since the area of intervention is unknown a Resettlement Policy Framework (RPF) and Social Management Framework (SMF) has been developed to assess risks and adverse impacts, and identify appropriate mitigation plans to comply with Land Acquisition Law (LAL), 2017; Land Management Law (LML) February 2018 and World Bank Operational Policy (OP) 4.12. The mitigation plan is based on the provisions of OP 4.12 and LAL 2017. The latter specifically recognizes all affected people irrespective of their rights over land for compensation and relocation if displaced. The SMF comprises of citizen engagement strategy, gender strategy, grievance redressal mechanism, implementation arrangements, monitoring, capacity building strategy and budget which is also detailed in RPF. The SMF also includes guidelines to prepare a Social Management Plan (SMP) for impacts related to civil works, if needed. The GRM system includes a toll-free number, in addition to provincial level committees and the dispute resolution mechanism stipulated in the regulation for OC. The project will also include, as part of the Communication Strategy, messages that will cover institutional responsibilities and obligations of the people to facilitate issuance of OC. The citizen feedback mechanism includes a beneficiary satisfaction survey every two years. The analysis of the data will provide guidance to further strengthen the processes for OC. Both SMF and RPF were consulted on December 3, 2018 and disclosed in country on December 3 and on the World Bank external website on January 1, 2019.



## **E. Planning, Monitoring and Evaluation**

58. A comprehensive Planning, Monitoring and Evaluation (PM&E) system to capture and document outcomes and results are a core part of the project design. The system will provide support for all aspects of project management and reporting requirements. Monitoring will not only focus on regular performance monitoring of project results through a PM&E system. The project will also have Mid-Term and Final Project evaluations undertaken independently. A baseline customer survey will be adopted and carried out during the first months of the project. Information on project beneficiaries will be collected in a disaggregated manner. The PIU will be responsible for collecting and presenting data on project targets and overall progress in bi-annual reports that will be submitted to the Government and the World Bank.
59. The PIU will be responsible for implementing the Management Information System (MIS) in cooperation with the respective technical unit(s) in Kabul and in the selected project provinces. The data and information collection, processing and analysis system will, however, be designed for country-wide application.
60. **In response to the need for adequate information for a detailed economic and financial analysis of the project, data collection will also include:**
- Registration cost of tenure documents (e.g. costs of producing a land title or other tenure rights documents (OC);
  - Time required for a property transaction (ownership transfer lease of public land, time to produce a land title);
  - Number of transactions (in different urban and rural location, transactions per year, time series);
  - Income generated by registered transitions (fees, taxes);
  - Property valuation (changes in market values of properties with different tenure rights attached to them);
  - Differences in productivity of land with different types of tenure security attached to them to (e.g. yields in titled farm land and untitled farm land, customary vs. formalized tenure security, urban and potentially commercial property);
  - Differences in investments in land with different types of tenure security attached to them (e.g. amelioration, or irrigation investment in titled land vs other, choice of land for commercial investments);
  - Use of tenure documents to access loans.

## **F. Implementation Support Plan (Strategy and Approach for Implementation Support)**

61. The strategy for Project Implementation Support (IS) by the Bank reflects the nature of the Project and its risk profile. The strategy aims at making IS to the government more efficient while remaining focused on implementation of the risk mitigation measures identified in the SORT. The strategy is also an indicative and flexible instrument which will be revisited during Project implementation and as part of the Implementation Status and Results Report (ISR) reviews and adjusted based on emerging project challenges and field conditions. The country's security situation will also be taken into consideration as project implementation advances.
62. **Overall Project Implementation.** Project implementation support will cover the following critical areas: (i) fiduciary capacity to ensure adequate internal control systems and overall governance; (ii) technical expertise on cadastral surveying, regularization, titling and registration, OC issuance, dispute resolution, ICT and LIS





development, and other land administration functions to support further adoption of good practices and cost-effectiveness; (iii) management of environmental and social factors in the Project's selected areas; (iv) communication campaigns to keep stakeholders informed and engaged; and (v) gender strategy to ensure that Project benefits are gender inclusive. As needed, in addition to Bank staff, Third Party Monitoring may be used to provide adequate implementation support and direct oversight of field activities.

63. **Fiduciary aspects.** The Bank will: (i) provide implementation support and training as necessary; (ii) follow up on the Project's financial management system and its adherence to the Project Operations Manual, including but not limited to accounting, reporting and internal controls; (iii) provide guidance on Procurement Regulations to the PIU; (iv) review procurement documents and provide timely feedback to the PIU; and (v) help monitor procurement progress against the Procurement Plan. The Bank will ensure proper support is provided to MUDL on procurement, including specialized IT procurement capacity as needed, either from Bank staff or experienced consultants.
64. **Environmental and Social aspects.** The Bank will emphasize opportunities for social development and environmental sustainability provided by the Project, as well as adequate attention to gender equity issues. Within this framework, the Bank will help to monitor the implementation of activities and of safeguard instruments. Bank social and environmental specialists will be available to provide timely guidance to MUDL and ensure compliance with the applicable safeguards policies.
65. **Information and Communication.** A communications strategy will support the implementation of the Project in its different areas of intervention. The strategy will also seek to support implementation of consultative and accountability processes, including a grievance redress mechanism.
66. **Implementation Support Plan and Resource Requirements:** Task team leadership and technical aspects will be co-managed from Dubai and Washington, in close collaboration with the Country Office in Kabul. Implementation support for Project financial management will be carried out from the Kabul office. International and national consultants will be hired to provide advisory services in specialized land administration issues. Depending on the security situation, formal supervision and field visits will be carried out semi-annually or as needed to help promote satisfactory project implementation. The main focus of implementation support is summarized below:

Time Period	Focus	Skills Needed	Resource Estimate	Partner Role
0-12 months	Start-up of large consultant support contracts, and review of bidding documents; PM&E arrangements/ defining baselines; Support with implementation of institutional capacity building, including project management, social, environment, and gender and	Team Leader	8 weeks	
		Cadastral Survey Specialist	4 weeks	
		Procurement Specialist	4 weeks	
		FM specialist	4 weeks	
		Social Specialist	5 weeks	
		Gender Specialist	2 weeks	
		Environment	5 weeks	





Time Period	Focus	Skills Needed	Resource Estimate	Partner Role
13 – 48 months	communication/information	Specialist		
		Operations Analyst	4 weeks	
		Land Administration Specialist	4 weeks	
	Cadastral surveying; ICT development; Social and Environmental Sustainability and Safeguards; Financial Management; Disbursement; Procurement; Project Management; Communication / Information	Team Leader	8 weeks	
		Cadastral Survey Specialist	4 weeks	
		Procurement Specialist	3 weeks	
		FM specialist	4 weeks	
		Social Specialist	4 weeks	
		Gender Specialist	3 weeks	
		Environment Specialist	4 weeks	
		Operations Specialist	4 weeks	
		Land Administration Specialist	6 weeks	
		ICT specialist	4 weeks	
		M&E and Reporting Specialist	3 Weeks	

### 35. Skills Mix Required

Skills	Staff Weeks / year	No. of trips / year	Comments
Task Team Leader	20 weeks	4	
Land Administration Specialist	6 weeks	3	
Survey Specialist		3	
ICT Specialist	4 weeks	3	
Procurement Specialist	6 weeks	4	
FM Specialist	6 weeks	3	
Social Specialist	4 weeks	2	
Gender Specialist	4 weeks	2	
Environmental Specialist	4 weeks	2	
Communications Specialist	6 weeks	3	
Project Management and M&E and Reporting Specialist	3 weeks	1	



## ANNEX 2: Detailed Project Description

### COUNTRY: Afghanistan Afghanistan Land Administration System Project

#### A. Overview

- 1. The Project is aligned with the Government's Institutional Development Program for Land Administration (IDPL).** This long-term program seeks to establish an effective land administration system in Afghanistan that provides transparent land services, contributing to stability and growth.<sup>11</sup> MUDL, and particularly DML, lies at the heart of this system, and as such its strengthening is critical to the IDPL, more so given the expected transition from the deed registration (still under the courts' purview) into a title registration system to be managed by MUDL. Adopting an institutional approach, the IDPL focuses on creating an enabling environment (policies, laws and regulations), human capacity development, adaptation of appropriate technologies, processes and guidelines as well as technical infrastructure, with emphasis given to capacity building. The programmatic implementation strategy underpinning IDPL takes into consideration institutional absorption capacities, the need to gradually learn and adapt to changing environments as well as security concerns. The IDPL also envisages an increasing role for the private sector in the medium term.
- 2. In its first phase, IDPL will cover urban and peri-urban areas of six provinces with a view to gradually roll out the program to the rest of the country in the subsequent phases.** These provinces include Kabul, Herat, Mazar-i-Sharif, Kandahar, Jalalabad and Paktia. The initial focus on urban areas will positively affect land and property markets, thus likely having an early direct fiscal impact. Moreover, incremental learning while capacity is strengthened, and the legal and policy environment is improved, should allow MUDL to broaden the program more effectively to other urban and rural areas, where major challenges can be addressed once legal and policy gaps regarding customary and collective rights, and land use rights for nomadic populations are further developed.<sup>12</sup> Moreover, by focusing on legal, policy and institutional strengthening, and on building a capable and trustworthy land entity, the IDPL would benefit both urban and rural populations from the start.
- 3. To meet its program objective, IDPL comprises three components:** (1) Geo-Information Infrastructure; (2) Land Administration; and (3) Land Policy and Capacity Development. With the IDPL, the GoIRA expects to achieve the following outcomes: (a) Base mapping, containing geodetic coordinates, reference grid and other and background details for location orientation among others, are prepared and shared with a number of institutions; (b) Land Information System (LIS) is established, operational and land information is accessible to all stakeholders ; (c) Information and Communication Technology (ICT) infrastructure to support ARAZI operations is established and operational; (d) Cadastral information of land parcels is recorded, verified and any disputes resolved; (e) Land titles are issued, disseminated and registered with state guarantee; (f) Purpose-built modern land offices are developed and operational; and (g) An effective Internal Control System (ICS) is established for MUDL. In addition, the IDPL is expected to have the following outcomes which are national in scope: (a) The Afghanistan National Geodetic network is established, operational and provides

<sup>11</sup> The IDPL was prepared with the support of the Turkish International Cooperation (TIKA) and the Land Administration Organization (TKGM).

<sup>12</sup> One of the more difficult forms of land tenure to incorporate into a title registration system, for instance, is the identification and registration of legitimate users of community and public pastures.



standard national geo-referenced and geo-positioning services to all stakeholders; (b) National Land Code is prepared; (c) an Institute of Cartography and Land Administration (ICLA) is established with improved capacity; and (d) Private professional associations in land administration are established and certified to provide specific services on contract basis.

## **B. Project Description**

4. **The Project is designed within a programmatic framework, considering the land administration challenges faced by the country.** These challenges create the need to build over time a clearer and comprehensive policy and legal enabling framework, institutional and technical capacity, professional knowledge and experience, technology and systems, as well as adequate cadaster and property registry information. Drawing on the framework of the IDPL, the project will focus on critical building blocks required to develop a modern land administration system in the country, while allowing MUDL and other relevant stakeholders, including municipalities and local communities, to gain experience in implementing land survey, registration and other land sector-related activities in two of the IDPL's selected cities, namely Kabul and Herat. Building upon the work led by UN Habitat, the project will also support the issuance of land Occupancy Certificates (OCs) to informal urban population ensuring a systematic approach to land tenure rights. Importantly, the project will help start the process of transforming the court-based deed registration system to an administrative function as well as to gradually move away from deed registration to title registration system.
5. Emphasizing modern technological approaches and global good practices suitable to the Afghan context, subsequent phases would help expand systematic land survey and registration to other urban and rural areas, as MUDL capacity is strengthened at the provincial level and new land policies and laws are made operational. This would further help decentralize land administration services and build citizens' trust at the local level. In addition, the transition from deed to title registration will continue as well as the development of national capacity for land survey and valuation. Subsequently, the Land Information System (LIS) would be made fully interoperable with other information systems in the country, leading eventually to the establishment of a National Spatial Data Infrastructure (NSDI).

## **Project Development Objective**

6. The Project Development Objective (PDO) is (a) to support the development of the Afghanistan land administration system, and (b) to provide the population in selected areas with improved land registry services, including issuance of Titles and Occupancy Certificates. As reflected in its underlying theory of change, in the medium to long term, the Project – through a programmatic approach – will contribute to the establishment of a modern land administration system that will secure land tenure rights for all citizens and the State, based on an adequate legal, institutional and technological framework that is responsive to the country's context, needs and aspirations.

## **Project Area**

7. The project will cover the following selected areas:
  - The cadastral surveying and land registration will focus on urban districts of Kabul and Herat. Kabul covers 22 districts with a total population of 4 million people, while Herat covers 12 districts with a



total population of 1 million people. It is estimated that in Kabul there are 770,000 parcels, which correspond to 464,902 properties, while in Herat there are 160,000 parcels which correspond to 85,301 properties. From these total number of parcels, the total expected target under the project is 100,000.

- The issuance of OCs in informal urban settlements, building on the survey and validation work carried out by UN Habitat, will focus on 8 cities, including in addition to Kabul and Herat, the cities of Jalalabad, Kandahar, Mazhar e Sharif, Nili, Farah and Bamyan. The expansion of selected areas under OC issuance is necessary to align Project support with the geographical scope of the CFA program. UN-Habitat has provided MUDL with information on more than 500,000 parcels, from which the final project target of 150,000 will be derived based on the OC regulation and procedures.

### **Project Components**

8. The Project will have the following three components:

#### **Component 1 – Land Policy and Institutional Strengthening (US\$5.3 million)**

9. This Component's objective is to help close gaps and further develop the policy, legal and institutional framework for land administration, while building the necessary technical, institutional and citizen engagement and communication capacities. Activities will focus on the critical aspects of this framework to provide an enabling environment for MUDL to meet its institutional mandate, and to contribute to GoIRA's medium term goal of consolidating the various laws under a Land Code that addresses the main land related matters for the country comprehensively. As such, both rural and urban populations will benefit from this component's results through new country-level laws and policies and increased institutional capacity to deal with critical urban and rural land challenges in the future. Moreover, the component will help start the process of transforming the court-based deed registration system to an administrative function as well as to gradually move away from deed registration to title registration system. In critical areas where further legal clarity or definition is needed, such as land registration, land survey, and valuation, the project will support the drafting of these laws and their regulations. This support will also include the required consultation, as well as social and environmental considerations, when applicable. With respect to training and professional development, capacity will be strengthened within existing institutions, and coupled with development of professional requirements and certification through the recently established Afghanistan Surveyors Association. Citizen engagement and grievance redress mechanisms will be established at the institutional level, including capacity building and systems in provincial offices, which will help MUDL to be more responsive and accountable to people and to implement the project. In general, activities under this component will require provision of consultancies and technical services, office and other equipment, training, and small works.

10. Component 1 will comprise the following subcomponents and activities:

#### ***Subcomponent 1.1 – Strengthening the Land Policy, Regulatory and Institutional Framework***

11. This subcomponent will help in the development of well-defined, implementable and enforceable policies and legislation, as well as procedures and strategic plans that will help MUDL adapt to the enhanced operational demands resulting from the project. In line with the IDPL, this subcomponent will contribute to the development of critical components of the Land Code as stand-alone legislation which can incrementally



strengthen the legal and regulatory framework for land in the country. The National Land Policy (2018) will help frame these efforts, as it provides substantive guidance with respect to the needed reforms to the legal and policy framework, and especially on how to deal with deficiencies and gaps related to laws dealing with land rights classification and management. The NLP and its roadmap and the Land Management Law (2017), among others, can serve as starting points for further incremental development. The Legal Assessment conducted during project preparation helped to identify critical areas where there is no adequate legal clarity or definition, such as land registration, land survey, geodetical services, and valuation. Overall, the project will support the drafting of these laws through, inter alia, a comparative review of legislation from other countries, analysis of their experiences in implementing such laws, and consideration of social and environmental aspects. Finally, utilization of human resources is critical for MUDL's functioning. Accordingly, a medium-term strategic human resources plan will be finalized and carried out in tandem with project implementation to respond to the new demands resulting from key outputs such as the LIS and the CORS network, for instance.

12. *Specifically, this Subcomponent will support:* (i) the analysis, development and consultation of new policies, laws and regulations for key areas such as land survey, land registration, land valuation, and geodetic activities, including consideration of disaster risk and climate change in land survey and information management; (ii) supporting the development of standard operation procedures (SOPs) and uniform service standards for DML/MUDL, as well as related technical procedures and field manuals; and (iii) preparation of a medium-term strategic human resources plan to support the enhanced operational needs of DML/MUDL related to land administration.

#### ***Subcomponent 1.2 – Institutional and Technical Capacity Building***

13. Responding to the major challenge of technical capacity, this subcomponent will support the development of professional and technical skills required for land administration and increasing capacity for effective delivery of training and professional courses. This subcomponent will thus focus on the development of training modules which could initially be used by relevant institutes in the country, as well as specialized curricula for professional learning in collaboration with Kabul Polytechnic University, which already has experience in delivering these courses. The training and content delivery will also be coordinated with relevant agencies such as MAIL and NEPA. Complementing this effort, access to global knowledge will be provided through partnerships with international technical and academic institutions and first steps to support private sector capacity development.
14. *Considering the above, Subcomponent 1.2 will support:* (i) the development of specialized curricula and learning modules for academic and training programs for technicians and professionals of MUDL and relevant land agencies, based on training needs assessments; (ii) provision of geo-spatial and training equipment to partner organizations (such as Kabul Polytechnic University and Technical Institute) to be able to deliver training and professional development courses; (iii) carrying out of training for MUDL staff on basic principles of climate-induced disaster risk management and the use of available risk information; (iv) undertaking knowledge exchanges to facilitate relevant learning and sharing of experiences; and (v) provision of support to the Afghanistan Surveyors Association for the development of professional requirements and certification.

#### ***Subcomponent 1.3 – Public Awareness Raising, Communication and Citizen Engagement***

15. This subcomponent is critical for the successful implementation of the project. For a land administration system to provide services adequately, it is important that the public understands and is interested in the full



array of services provided, the standards of services, fees, and how and when they may access the services. Associated with this is the need for the public to gain trust and confidence during land surveying and registration and OC issuance activities to be carried out under the project, particularly given the usual communication gap between land administration and its customers due to the use of complex language and procedures. The sub-component will help project beneficiaries directly, and the population in general, through implementation of a communication campaign, awareness raising activities, and the establishment of an institutional Grievance Redress Mechanism (GRM), with attention to the poor, women and ethnic minorities (details on the GRM are provided below). This would greatly broaden the scope of the public awareness activities routinely conducted by MUDL which have generally focused on laws and regulations. Specifically, A Women's Inheritance and Land Rights campaign is envisaged to enhance and reinforce the importance of women as a critical component of the social and economic growth of Afghanistan. The campaign will feature messages geared toward raising the awareness that women have the constitutional rights to inherit and own property. The campaign may feature broadcasted radio and television public service announcements as well as billboards with the same messages and images throughout targeted municipalities.

16. Accordingly, Subcomponent 1.3 will support: (i) the carrying out of project-related public awareness and communication activities, as reflected in MUDL's Communication Strategy; (ii) the implementation of an institutional Grievance Redress Mechanism (GRM), including MUDL's offices in the selected areas, with capability for tracking of cases and their resolution; and (iii) the support for the design and implementation of guidelines and procedures and training on alternative dispute resolution.

**Component 2 – Developing Technological Capacity, Information and Systems for Land Administration (US\$26.3 million)**

17. The objective of Component 2 is to provide the building blocks for a modern land administration system in Afghanistan, particularly with respect to technology, land tenure information and data management. Through this initial effort, the project will help Afghanistan, in the medium term, to develop a modern cadastre capable of issuing and certifying map-based titling, dispute resolution, and recording and maintaining changes, which will lead to a State-guaranteed land registration system. Complementing activities under Component 1, this component will also contribute to the gradual transition from deed registration to title registration system, initially in the selected urban areas of Kabul and Herat. Accordingly, Component 2 will support the development of geo-information infrastructure, the design and implementation of a Land Information System (LIS), cadastral surveying and land registration in selected formal urban areas, and issuance of Occupancy Certificates (OCs) in selected informal urban areas. Overall, activities under this component will require the provision of consultancies and technical services, acquisition of high-resolution imagery from satellites and aerial platforms, training, software and hardware, office and other equipment, vehicles, and civil works.

18. Component 2 will include the following subcomponents and activities:

***Subcomponent 2.1 – developing geo-information infrastructure***

19. The proposed geo-information infrastructure to be developed under this subcomponent will contribute to the establishment of a modern land administration system mainly by (a) providing means for common, consistent and accurate geo-referential data through the initial support to the country's continuously operating reference stations (CORS) network; and (b) providing geo-reference base maps useful not only for MUDL but other agencies engaged in land-related activities. The CORS network will initially have 11 stations, each with





a ratio of around 200 kilometers, which will be installed in a manner consistent with the roll out of the base mapping activities. The CORS network will in the future contribute to key areas beyond land administration, such as urban upgrading, engineering works, and subsidence monitoring in geologically unstable areas. As a key requirement, the subcomponent includes the preparation of a long-term technical and sustainability plan for the CORS network. Base mapping will include conducting aerial photogrammetric surveys, followed by an ortho-rectification process to create ortho-photo maps. The ortho-rectified imagery will be produced on the CORS network in a standard cartographic projection and on approved standards for Afghanistan (supported under Subcomponent 1.1). With respect to the high-resolution imagery needed for project activities, whenever possible, imagery that is available free-of-charge from the United States mission in Afghanistan or Resolute Support Force (RSF) will be accessed.

20. Establishment of a modern ICT infrastructure will provide MUDL with a safe and reliable operating environment to meet its increasing information technology requirements, including fully taking advantage of the CORS network. Investments in ICT infrastructure supported by this subcomponent will cover computing infrastructure, networking, data storage, and telecommunications. A first and essential step will involve conducting an ICT Feasibility and Design Study to determine the final requirements for hardware, software, physical facilities, and infrastructure. This study will be framed within the larger GoIRA's strategy for ICT and geo-spatial development.
21. *Specifically, Subcomponent 2.1 will entail:* (i) supporting the establishment of a geodetic reference network, including permanent GNSS stations, equipment and related works, and the preparation of a technical and financial sustainability plan; (ii) the generation of orthophotography and vector base maps; and (iii) the strengthening of MUDL's information communications technology (ICT), including an ICT Feasibility and Design Study, communications network, and connectivity between central and offices in the selected areas, a data center, and small works to adjust offices in the selected areas.

### ***Subcomponent 2.2 – Establishing of a Land Information System***

22. The Land Information System (LIS), which will be designed as an integrated and centralized, web-based system for storing, managing, processing, and distributing land and property information, is a critical building block of the country's land administration system. At its core, the LIS will comprise an integrated database containing land registry data and geospatial cadastral data. As such, it will be comprised of several subsystems, including land registry, cadastre, document management, workflow management, land registration transaction management, and web portal. Moreover, the LIS will be based on the Land Administration Domain Model (LADM), an international standard for the domain of land administration. This model allows for a flexible, step-by-step approach in the development of a LIS responding to the needs, priorities and requirement of users and the country in general. In terms of sequencing, development of new laws and regulations for land survey, and especially land registry, will be a critical aspect to consider. At the same time, development of the LIS is planned based on the System Development Life Cycle (SDLC), which not only focused on technical aspects but also ensures that the system is designed to be fit for purpose.
23. The LML authorizes MUDL to assume the responsibility of registering all transactions involving land and buildings attached to the land, immovable properties. Since at least 1919, Primary Court judges have prepared title deeds of various sorts to document transactions in collaboration with Provincial Courts (Makhzan), and other entities including ARAZI (now MUDL). These deeds are indexed and bound (in volumes called "kondas")



and sent for storage in the Provincial Court archives. Complementing the development of the LIS, MUDL will need to assume incrementally the functions of the courts regarding the administration of formal deeds, which includes the issuance, indexing and archiving of new deeds and completing the digitization and indexing of old deeds. For this, automation of the process and data management is required as well. Advancing this effort in parallel to the establishment of the LIS will help in the transition towards the map-based title registry system envisioned under IDPL, while improving the operation of the deed system during the transition.

24. In line with above, *this subcomponent will specifically support*: (i) the preparation of user needs, design and feasibility studies, and technical specifications; (ii) software development, testing of LIS modules, and provision of hardware and training; (iii) the integration of a land pricing information system into LIS; and (iv) automation of deeds registration system, including data storage and management and digitization and indexing of deeds records.

**25. Subcomponent 2.3 – supporting cadastral surveying and land registration in selected areas**

26. Through this subcomponent, the project will help establish a modern, fit-for-purpose cadastre in selected urban formal areas of Kabul and Herat, and a digital set of tenure rights records through systematic surveying and registration. It is expected that these efforts will set in motion the transition to a modern and transparent title-based land register in the selected areas, while helping to strengthen property rights in these areas. Cadastre outputs will support MUDL in its tasks of issuing and certifying map-based titling, dispute resolution, recording and maintaining changes to the land parcels, and providing a means for managing valuation data. The land register will directly contribute to the GoIRA's goal of providing a guarantee of land titles to property owners. Project support will not duplicate the surveying and related work under the City for All (CFA) program.

27. The systematic process to be supported by this subcomponent includes parcel delineation and field survey work, including tenure information; public dissemination of survey results; finalization of cadastral maps and tenure/ownership data files; integration of data into the land register under the LIS; and subsequent maintenance of data. The underlying property fabric of the cadastre will be referenced to the Cadastre Territorial Unit (CTU), which has been adopted as an administrative area in which properties are supported with deeds. Land register records will be established as an output of the cadastral works, and integration of the register will start from the beginning of arrival of the first cadastre data for Kabul and Herat. To support the process, six zonal offices will be established in these cities (2 in Kabul and 4 in Herat). The Cadastre graphical and attribute database will be linked to the Land Register database by a unique land/property identifier and both will be managed by the LIS.<sup>13</sup> Technical oversight and quality assurance will be conducted by experts working with a special unit in DML-MUDL, independent of the teams working directly in the land surveying. The detailed procedures for systematic land survey and registration will be a technical annex to the Project Operations Manual. The public awareness and communication activities, and the GRM that must accompany this process, are included under Subcomponent 1.3.

28. Accordingly, *Subcomponent 2.3 will include*: (i) the surveying and registration of urban land parcels, including preparation of procedures, standards and technical manuals, field work, validation of results, and quality assurance; (ii) the incorporation of information from surveying and registration in the Land Information

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<sup>13</sup> This unique identifier is the link to cadastral attribute data, including the value of the land and its improvements. It is also the link to other legal records describing the nature of tenure rights and interests, ownership or control of those interests. In other words, the unique identifier is the link to an authoritative and evidence-based land register.





System; and (iii) the establishment of zonal land registration offices, including construction of facilities, equipment and training of personnel.

***Subcomponent 2.4 – Supporting issuance of OCs in selected areas***

29. This subcomponent will support MUDL in the final issuance of 150,000 OCs to eligible informal occupants of state and private land within urban areas of 8 cities, including Kabul, Herat, Jalalabad, Kandahar, Mazhar e Sharif, Nili, Farah and Bamyan. The project builds upon the work conducted by UN-Habitat under the CFA Program financed by USAID and EU. Specifically, UN-Habitat under CFA's Effective Land Management Component has surveyed more than 500,000 informal properties, including relevant information on its occupants, in collaboration with MUDL and municipalities. UN-Habitat has completed this first phase of survey and community led validation of both households and property related information and spatial data with strong attention to community consultation and participation.
30. The Project will specifically support the second phase of the OC issuance process, which basically entails the effort by MUDL to determine eligibility of the properties and occupants surveyed during the first phase. As such, the second phase requires careful review and analysis for which more technical capacity and equipment is needed.<sup>14</sup> Moreover, to ensure sustainability of OC records, a database management system is required. Based on the OC Regulation<sup>15</sup> and related Procedures, the Second Phase will follow the following main steps: (a) identification of eligible areas in cooperation with city officials based on a District Information Map; (b) identification of eligible beneficiaries by reviewing data and information prepared during the first phase as well as the District Information Map, with decisions made in consultation with an Identification Committee integrated by relevant stakeholders such as MUDL, municipality, and the CTU which includes community representatives;<sup>16</sup> (c) if property is on state land, calculation of cost of land considering a flat rate (for properties up to 300 sq meters), fair price valuation (if the land plot is between 300 and 500 sq. meters), and market-based valuation (if land plot is between 500 and 1,000 sq. meters); (d) if property is on private land, occupant will need to show proof of ownership through various documents; and (e) issuance of OC after eligible person(s) have made the respective payment depending on the size of their land (state land) or proof of ownership (private land). Procedures for OC Issuance will be a separate technical annex of the Project Operations Manual. The necessary community outreach and communication activities are included under Subcomponent 1.3, and the GRM will also be available to land occupants throughout the OC issuance process.
31. While the design of the OC issuance program poses potential social risks requiring careful management (as noted in the social assessment and reflected in the SMF and RPF), the social impact of this subcomponent could be substantial as it may benefit close to one million people, and for properties on state land, by benefiting women as it is mandatory to issue the OC under the name of the couple occupying a given land plot.

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<sup>14</sup> Eligibility criteria is provided in Article 5 of the OC Regulation and clarified in the OC Procedures. Criteria applies to the settlement, such as that it is included in the urban plan by the municipality and that it should have existed for at least 15 years before the passing of the regulation; and to the property, which should be within the boundaries of the master plan and/or urban strategic plan, and it should not be located within a water source area, or in public service establishments, entertainment parks, sport grounds, green areas and protectable area. Moreover, the property should not be in an area that is planned for the development of government or public projects within a period of ten years.

<sup>15</sup> The OC Regulation was published in the government's gazette on February 26, 2018.

<sup>16</sup> A Council is established for each CTU during the first phase. The Council is integrated by 13 elected members, with each member representing a maximum of 100 households.



32. Specifically, *this subcomponent will support*: (i) strengthening of MUDL capacity for issuing OCs, including provision of technical and other expertise, training, and equipment; (ii) the carrying out of field work and collection and analysis of information; (iii) developing a database management system and digital archive of OCs; and (iv) strengthening of capacity of MUDL and municipalities to carry out valuation to support the OC process.

### **Component 3 – Project Management, Monitoring and Evaluation (US\$3.4 million)**

33. The objective of this component is to ensure adequate capacity for project implementation and oversight, monitoring and evaluation, compliance with fiduciary requirements, social and environmental safeguards, as well as adequate project risk monitoring and inter-institutional coordination. To achieve this objective, the Project will support the PIU personnel and related project management and PM&E costs.
34. This component will include the following subcomponents and activities:

#### ***Subcomponent 3.1 – Supporting Project Management***

35. This subcomponent will support (i) the carrying out of the coordination, administrative and fiduciary aspects of the Project; and (ii) the provision of training and the carrying out of workshops.

#### ***Subcomponent 3.2 – Supporting Monitoring and Evaluation***

36. This subcomponent will support (i) implementation of a PM&E system at central, and province and district levels in the project area; (ii) the carrying out of surveys and other activities related to the measurement of the Project's results framework; and (iii) the preparation of any required project reports, including the midterm review and final evaluation reports, as well as social assessments and required monitoring relevant to the OC issuance process.

### **C. Cross Cutting Activities**

#### **Gender**

37. The gender gaps in land tenure rights and land ownership in Afghanistan are severe. Almost all land in Afghanistan is registered in the name of the male head of household and less than 2 percent of women own land, most of whom are widows.<sup>17</sup> A standalone gender assessment was carried out to understand the state of women's land rights, the barriers women face in attaining and exercising their rights, and to identify recommendations to help close gaps related to these rights. The assessment was based on secondary research and 7 focus group discussions including 48 interviews with diverse stakeholder in Kabul, Herat, Mazar-i-Sharif. The objective was to gain insights and seek guidance on women's access to land, the barriers they face, and the recommendations to realize women's land rights. The Constitution of Afghanistan recognizes women's rights and equal opportunity. The land and property rights are explained in Articles 9, 14, 40, and 66 for all Afghan citizens. The constitutional rights have been translated through laws to safeguard women's rights to property such as: (i) the National Land Policy (NLP), which reiterates that Sharia law and the Civil Code

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<sup>17</sup> USAID Country Profile Property Rights and Resource Governance



guarantee comprehensive rights of ownership and inheritances of land to both men and women; (ii) the Land Management Law (LML), which establishes that a marriage contract is considered a valid document as proof of land ownership; (iii) the 305 Decree that states that property deeds to returnees and IDPs will be issued to both the men spouse/s; and (iv) The OC Regulation that establishes that for state land the certificates will be issued on joint names of the men and spouses/s.

38. The assessment's secondary research of numerous studies showed that almost all land in Afghanistan is registered in the name of the male head of household, that less than 2 percent of women own land, and that most of those women are widows. The reasons for low rates of female land ownership include strong social and customary barriers to property ownership by women, where patriarchal structures remain prevalent. Legal rights are not enough to increase women's access to land. Two factors prevent women's attainment of their legal rights: the lack of knowledge about such laws and regulations and strongly embedded male-dominated social norms. Women traditionally rely on their husbands or brothers to take care of them and as a result they are often reluctant to pursue land inheritance claims that would reduce men's ability to play the role of breadwinner. Most men and women who were interviewed in the gender assessment were aware of the Sharia Law regarding Mahr and inheritance rights of women but reported that it is not socially acceptable for women to claim these rights. Shifting the socio-cultural values and norms that allow discrimination against women in the land market to persist will be a gradual and long-term process.
39. In the near-term (within the project lifecycle), the project will help promote more secure tenure rights for women through the issuance of Occupancy Certificates (OCs). In accordance with the law governing properties on State land, MUDL will ensure that OCs are issued jointly for men and women. The issuance of the OC is the critical first step in the longer-term endeavor of land titling (which may occur 4 to 6 years after the OC is issued). Ensuring that OCs are issued jointly to women will help lay the foundation for fair and inclusive titling. Because the issuance of OC's will be targeted to informal settlements on state land, direct female beneficiaries will primarily be urban poor. The project will track the number of women receiving OCs, with a target of reaching 105,000 women (70% of the overall OC issuance target). MUDL has begun to remedy the practical and institutional obstacles to recognize and mitigate the official and hidden costs of registering land by way of issuance of OC that can now include up to three wives. For the systematic registration of formal land, MUDL is committed to closing existing gender disparities by supporting, whenever possible, affirmative actions that are relevant to Component 2. These include potentially, for example, providing a one percent discount on property-related transactions when a property has a female title holder, and waiving any required fee(s) on transactions related to land registration for female title owners. To help achieve these aims, the project will establish a special desk at MUDL provincial offices in the selected areas, staffed by women. By providing guidance and assistance, the women's desk will help address some of the structural barriers faced by women including time, cost and bureaucratic and male dominated processes. The desk will deal with the OC issuance process and when relevant, with other key transactions such as property/land leasing, renting, and acquisition/registration.
40. In parallel to this immediate agenda on OC issuance, the project will also take actions to promote a more favorable policy environment and to help promote gender-equitable normative change in the land market. Under Component 1, MUDL will develop key land administration related policy, laws and procedures, for which a gender expert will be contracted to ensure that women's rights are adequately reflected. The project will also help fill a critical data gap by establishing a Land Information System (LIS) that contains sex-disaggregated land registration information. The LIS will be operational by the end of the project. The project



will also support comprehensive public awareness campaigns about women's land rights in Islam to gradually shift the traditions and customary laws. At the institutional level, the project will support MUDL in meeting the new government policy (IARCS) to increase women's participation in civil service through training and internships.

### **Citizen Engagement (CE) and Grievance Redressal Mechanism (GRM)**

41. Citizen Engagement will form an integral part of project implementation to enable an effective two-way interaction between citizen and governmental officials from all relevant sectors. The primary focus of citizen engagement will be to ensure project beneficiaries understand what to expect from the project. Beneficiaries expectation management through effective citizen engagement will be key to gaining their trust and confidence during surveying, registration and issuance of OC certificates. MUDL will further build on senior leadership enthusiasm and commitment to citizen engagement, by capitalizing on the Ministry initiative to develop an information calling center. The information calling center is aimed at closing the gap between citizens and the Ministry. In addition to the calling center, the proposed social mobilisers under the project are expected to act as a communication bridge between citizens and the Ministry. The social safeguards instruments developed for the project provide further details about institutional responsibility of the Ministry for the implementation, monitoring and further improvement of citizen engagement platforms, including detailed procedure for grievance redress mechanism (GRM).
42. The procedure for GRM will include responsibilities of MUDL to address concerns related to the project activities. MUDL will develop an effective and standalone GRM manual for the project. This will include: (i) public awareness program to inform project's beneficiaries to use grievance services, (ii) establish multiple uptake channels to provide access, including hotline for grievance registration; (iii) proper registration of all grievances related to project activities to enable tracking and review, and (iv) strengthen capacity of all relevant functions of the ministry to address local concerns. The GRM manual will also include procedures for establishment of a functional GRM system physical infrastructure, which will include (a) establishment of grievance redress committee at various level based on project institutional arrangements, (b) development of Grievance Logbook at community level and database at central level, (c) registration of grievances and tracking of feedback to the complainant and relevant departments within the Ministry in the logbook and database, and (d) delivery of trainings and awareness activities on GRM utilization. Funds for GRM establishment and functioning have been included under Subcomponent 1.2.

### **Climate Change and Disaster Risks**

43. This project will address climate change mitigation and adaptation. Building resilience to natural disasters and climate change, including financial resilience, is vital to safeguard development gains, reduce poverty, and foster sustainable development. To that end, increasing disaster risk and climate change knowledge and considerations in land management are essential for Afghanistan's development and to improve sustainability and identify investments in adaptation and risk mitigation. In this regard, a training has already been carried out of staff from the former ARAZI on core DRM principles and the use of the existing risk screening tool ([www.disasterrisk.af](http://www.disasterrisk.af)), which would allow staff to properly screen various land locations for disaster and climate risks. The Project will aim to further this work to support climate change and disaster risk adaptation through land administration and management.



44. The project was screened at concept stage applying the Climate and Disaster Risk Screening Tool. The screening showed that Afghanistan is facing rise in extreme temperatures as well as worsening drought conditions. Project interventions in terms of access to technology and land information systems would significantly reduce impact from climate hazards as it provides a critical service and allows government ministries and agencies generally to access improved information to strengthen their planning, design and implementation in support of better adaptation efforts across government. The incorporation of climate and disaster resilience across the Project activities is therefore critical to enable and facilitate improved and government-owned adaptation in Afghanistan.
45. **The following Subcomponents and activities have direct climate change and disaster risk planning co-benefits.** Each sub-component plays a key role in the overall strengthening of land administration and management in support of improved risk mitigation and adaptation efforts: (i) Subcomponents 1.1 and 1.2 will have long-term impacts providing clarity in land tenure conditions, which will in return promote sustainable use of natural resources and reduces conflicts arising from diminishing natural resource pool caused by climate change; (ii) Subcomponent 1.1 will also ensure that strengthened land policies reflect disaster and climate risk considerations in land surveying and management; (iii) subcomponent 1.2 will include training of MUDL staff on basic principles of climate-induced disaster resilience and the use of available risk information for improved adaptation; (iv) subcomponents 2.1 and 2.2. will enhance the production and sharing of geospatial data that is required for integrating climate change consideration into urban and other spatial planning and (v) subcomponents 2.3. and 2.4 will expand the coverage of formal land records, which will provide legal basis for people to reclaim their properties after climate disaster caused displacement, while simultaneously providing clarity on land tenure conditions; (vi) subcomponents 2.3 and 2.4 will also help generate geospatial information at the parcel level that can be used for urban disaster risk assessment and incorporation of other climate change considerations into urban planning. When land is registered and data on land uses and ownership is available, MUDL and other stakeholders will have access to critical information necessary to ensure that land management in general takes into consideration climate-induced risk. Overall, the Government would have access to data and analysis that can inform land management efforts and improve planning, mitigation and adaptation in the medium term.



### **ANNEX 3: Economic and Financial Analysis**

**COUNTRY: Afghanistan**

**Afghanistan Land Administration System Project**

#### **A. Development Impact**

##### **Overall Development Impact**

1. More secure land rights are considered a pre-condition for sustainable land-related investment. First, strengthened land rights reduce expropriation risks, bringing down the probability that individuals are not able to realize the fruits of their efforts and investments. Second, enhanced land rights reduce the need to incur economically unproductive costs to secure or defend use informally. Moreover, the Project can lead to efficiency gains in land administration services and processes, manifesting themselves as reductions of time and/or costs to members of society, resulting from infrastructural investments and technological and organizational innovation. Fourth, land rights promote economic activity by allowing the use of property as a support for other transactions. The latter is not yet a common feature of Afghanistan's financial system, but the Project is expected to pave the way for properties to become feasible collaterals for finance requirements.
2. Establishing a transparent and efficient land management and administration system will improve tenure security and facilitate investment decision. The likely positive impacts and benefits of the project in the medium to long term would manifest through: (i) increased agricultural investment and productivity expected from strengthened tenurial security, with 80 percent of the poor relying on agriculture for income; (ii) increased opportunities to register land likely to increase security and opportunities for economic participation for those occupying informal settlements; and (iii) public land acquisition and resettlement processes less likely to impose costs on the poor, with social impact assessment now required as part of the public land acquisition and resettlement process and compensation required for affected persons; and (iv) private investment decisions becoming more long-term and sustainable with commercial (and residential) land becoming protected through tenure and ownership registration. More immediately, the project's anticipated benefits will mainly materialize in the urban project areas of Kabul and Herat, and to some extent in the other cities included specifically for OC issuance. However, legal and institutional framework improvement will have sector and country-wide impacts where a favorable security situation can be maintained.
3. The land administrative framework improvements will also provide the ground for an increased tax collection from areas with regularized ownership and tenure rights. This will go beyond tax and fee collection for only land related (first time) registrations and transfers. Cadastral maps will also facilitate broader and more equitable tax collection from users of other public services such as water electricity, garbage collection etc. Increases in overall tax and fee collection is expected to provide a positive fiscal impact on public finances.
4. Other potential benefits would be of an environmental and social nature. Updated land use information may result in a decrease in the rate of deforestation and natural resources degradation and generate other related benefits (e.g. biodiversity conservation). The demarcation and certification of communities'





land can lead to more sustainable natural resources management practices with economic gains more readily perceived in the medium- to long-term, while it may also reduce costs of land-related conflict resolution and enhance associated benefits (such as increased community investments and through them, incremental income generation). Based on the above, the Project's activities may create an enabling environment for communities to negotiate with investors or seek partners of their own and to facilitate their participation in government programs.

5. Transparent processes to access commercial and residential property will benefit particularly urban development. Savings in time and expenditures in the process of registering property, accessing land-related information for planning purposes by private and public-sector agencies, reducing direct and indirect costs of land conflicts and their resolution, will accrue to the broad range of stakeholders that use land services at one (or more points) in time.
6. Qualitative improvements in service delivery and a pro-poor and gender-sensitive tenure regime will ease tensions and the often-violent conflicts about land. Reforms to land administration are also expected to benefit women, with traditional marriage certificates now recognized as valid legal documents for land ownership, allowing establishment of women's property rights if land was part of the dowry. This specifically would strengthen and protect women's claim to land rights and increase the proportion of women with formal land ownership. Hence, the Project will incorporate in its PM&E system the assessment of tangible and intangible, quantifiable and qualitative changes in the land sector. Beneficiary/User information will be collected and reported gender-disaggregated to allow differentiating benefits to women and to men.

### **Project-specific Analysis**

7. The ex-ante quantification of directly attributable economic benefits from Project activities is difficult. Systematic data and information collection on any indicators that would allow a comprehensive ex-ante financial and economic analysis are still absent. Anticipated increases in property values and the improvements in public and private resource allocations and investment decisions in a conflict country situation as in Afghanistan are influenced by also multiple other factors beyond the control of the project. The security issues that drive benefits (and costs) of land-related service delivery and investment decisions are in the Afghan context only partly impacted by land rights. This is a concern when it comes to non-agricultural investments in land, e.g. for commercial development or housing and related infrastructure. Accordingly, as detailed below, a comparative analysis was carried out during appraisal.
8. Expected returns to project investments are expected to fall in the range of land administration support projects of similar scope and magnitude. Cross-country empirical research has argued that security of land rights has a significant impact on overall growth, and that initial access to assets affects subsequent outcomes. Recent World Bank-supported land administration projects report (E)IRRs in the range of 19% (Nicaragua) to 60% (Indonesia). The investments in MUDL, its staff and equipment, and in the land administration system developed and implemented by and with MUDL are expected to deliver the financial and economic benefits that will make the system viable and sustainable.
9. In addition, it is also relevant to look at the economic analysis carried out for IDPL. For the project, two benefits applied to the IDPL's analysis were considered: (a) Functioning land markets with broad



participation, and (b) Government revenue generation. Although the project will not include every investment envisioned under the IDPL, it will include essentially a subset of the same activities and facilitate approximately the same stream of benefits as IDPL, under the assumption that the project will create the legal and capacity foundations for the benefits assumed under IDPL. These benefits include a significant stream of revenues from the leasing of public land which is currently assumed to be unused and generating no benefits for the economy or the Government. Other benefits streams include the creating of cartographic products and geographic services for use in the economy.

10. Other benefits linked to value increases from improving the security of tenure of private and community-owned lands, which would normally be assumed to compose a significant stream of benefits, are not included in this analysis due to the limitations of data and the uncertainty surrounding property values during an on-going period of conflict. Therefore, this analysis of project's benefit streams only accounts for the benefits accounted for in the IDPL's analysis, while noting that an important long-term stream of benefits—the increase in property values from increased tenure security, often estimated in other country contexts in the range of 20-30 percent per property—is omitted.
11. The Internal Rate of Return (IRR) for the IDPL analysis is 19.05 percent, indicating the significantly positive benefits of IDPL in terms of return on investment, and by extension, of the project as a cross-cutting subset of IDPL's activities. This IRR compares favorably with Afghanistan's bank lending rates for capital project of about 15 percent in late 2018, which provide an approximate comparator for the cost of capital in the country.
12. In addition to the economic benefits from bringing public land into use, there are financial benefits to the Government expected from the fees charged for the issuance of Occupancy Certificates (OCs) in currently informal areas. The overall project amount of these fees is difficult to estimate at the current time because it requires information about the exact sizes of the parcels for which certificates will be issued in three size tiers (<300m<sup>2</sup>, 300-500m<sup>2</sup> and 500-1000m<sup>2</sup>), and understanding of the market rates for the largest size tier.
13. In these circumstances we estimate an expected minimum revenue based on the assumption that every property will contain at least 100m<sup>2</sup>, requiring a payment of 1,000 Afghanis (US\$13.19 at current exchange rate), plus the payment of 1000 Afghanis for the certificate itself. We also use the information that 28 percent of parcels in the Occupancy Certificate program to date are within the size category of 300-500m<sup>2</sup>, which means they will pay at a minimum 3,000 Afghanis plus the cost of the certificate. With these assumptions and the expectation that 750,000 Occupancy Certificates will be issued and that the distribution within the size categories will remain similar to those observed to date, a minimum of new public revenue of US\$25.0 to US\$35.0 million is expected to be generated from the issuance of Occupancy Certificates. It is difficult to exactly estimate the fraction of these revenue benefits which will be directly attributable to the project. About 20 percent of the total target (150,000 OCs) are planned to be issued with financial support from the project. The rest of the certificates to be issued will benefit from the project's systemic investment in policy and operating procedures for OC issuance, improved data management, and quality enhancement of the OC review process. On this basis, it can be estimated that the project's contribution to new public revenue generation via OC issuance would fall between lower and upper bounds of US\$5.0 to US\$7.0 million.





14. Finally, an additional benefit to consider is improved land allocation and land use practices. The nature and magnitude of this expected benefit has not been estimated quantitatively due to data constraints. Qualitatively, the project assumes these benefits will be modest during project implementation as time will be required for the institutional developments to translate into improved land allocation and land use, and that these benefits will accrue over time, with potentially long cumulative periods of benefit flows as land allocations and land uses are locked in. The project also assumes significant benefits from avoided costs of mis-allocation of land and destructive land use practices, also with long term accrual of benefits.
15. With regards to costs, the Project will establish the basis for a comprehensive assessment of all costs associated with the establishment of Afghanistan's land administration system, distinguishing between project specific costs and costs borne by other related, necessary interventions. Once the database for analysis is established, the economic analysis could account for all project implementation costs and estimated incremental recurrent costs. That is, all expenses required to sustain the provision of services through the end of the project's implementation period. These would include associated investments by other projects and partners, and, amongst other things, incremental labor required to sustain service provision, maintenance and replacement of IT equipment.
16. Finally, the Project will support the establishment of a data and information collection system that will allow the quantitative assessment of costs and benefits, facilitating, in the medium and long-term the financial and economic analysis of the establishment and operation of the project and IDPL implementation. In this regard, data and information collection will include:
- Registration cost of tenure documents (e.g. costs of producing a land title or other tenure rights documents (OC)
  - Time required for a property transaction (ownership transfer lease of public land, time to produce a land title)
  - Number of transactions (in different urban and rural location, transactions per year, time series)
  - Income generated by registered transitions (fees, taxes)
  - Property valuation (changes in market values of properties with different tenure rights attached to them, tracking market value dynamics as ALASP allows markets to work towards facilitating land policies, including progressively fairer and more accountable expropriation compensations, distributions of tax burdens, and other benefits)
  - Differences in productivity of land with different types of tenure security attached to them to (e.g. yields in titled farm land and untitled farm land, customary vs. formalized tenure security, urban and potentially commercial property)
  - Differences in investments in land with different types of tenure security attached to them (e.g. amelioration, or irrigation investment in titled land vs other, choice of land for commercial investments)
  - Use of tenure documents to access loans

## **B. Public Sector Financing**

17. Providing security of ownership and tenure rights are core government responsibilities vis-à-vis its citizens. The GoIRA, through MUDL as the implementing institution, has decided to develop and provide



the respective land administration services to its population. Although implementation of a land administration system should not be governed by purely financial and economic considerations, the Project ensures that an effective and efficient system is put in place that does not put a fiscal burden on government finances, and private users and beneficiaries can reap the benefits from the land services they pay for.

18. The ongoing conflict situation in Afghanistan will constrain in the foreseeable future the development of a strong private sector service provision, substituting or at least supplementing MUDL services. An area for complementing involvement of private sector are surveying and valuation activities. Regulated by clear policies and laws, certified valuers and surveyors will increase efficiency in the sector and provide in the medium and long-term a cost-effective alternative to MUDL services in this regard. Under the project, the development of curricula for training and professional development, the strengthening of learning institutes and the Afghan Surveyors Association, all of which will build the capacity of future professionals for public and private sector activities, supports this.

### **C. World Bank's Value Added**

19. The World Bank's value-added is comprised of the unique combination of its grant financing capacity and its staff's global experience in land administration, which are not available to the Government from any other source, and which also are likely to serve to attract other external cooperators into the sector, as well as lowering risks for private sector actors to work with the Government in the land sector. Without World Bank value-added, it is likely that either very small or zero new investment would be made into the land administration function in the medium term, incurring additional economic and social costs from the business-as-usual scenario of unprotected rights, conflict and land mis-allocation. These mounting costs further underscores the benefit from a timely investment by the Bank.
20. Moreover, all past and ongoing assistance has laid the ground for a comprehensive support project to address the institutional capacity constraints of MUDL, which will be part of the broader IDPL and subsequently further facilitate the implementation of also other infrastructure and economic development projects. Finally, the project design and implementation will benefit from lessons learned from other similar Bank-supported land administration projects in the region and elsewhere where e.g. a fit-for-purpose approach, the establishment and use of the national Land Information System (LIS), and other land sector issue have successfully been addressed.



## ANNEX 4: Institutional, Policy and Legal Context<sup>18</sup>

COUNTRY: Afghanistan

Afghanistan Land Administration System Project

### A. Institutional Context

1. **The Ministry of Urban Development and Land (MUDL) is currently Afghanistan's land authority following a merger with ARAZI in December 2018.**<sup>19</sup> This decision is the continuation of an almost decade long process of consolidation of land administration and management functions. ARAZI's functions are now under the Deputy Ministry of Land (DML), which is led by a Deputy Minister of Land Affairs. Accordingly, MUDL through DML, has the responsibility for land administration (registration, valuation, and mapping) and state land management. To fulfil its mandate, DML inherited ARAZI's geographical coverage through a headquarters office and 34 provincial and district offices in every province. Currently, total staff is over 2,500 people.
2. **Under the Land Management Law (2017), MUDL has substantial land administration responsibilities.** These include: (i) managing the registration of all land referred to in this Law; (ii) collecting land related statistics for state developmental plans; (iii) identifying and differentiating between state, public, private, pasture, and endowed land; (iv) issuing and registering title deeds for private and state land and property; (v) planning and conducting geodesy and cartography activities throughout the country, and (vi) performing other duties stated in the Land Management Law (LML).<sup>20</sup> The LML also mandates MUDL as one of the institutional partners for the process of land clearance activity, which is the process used for the identification of ownership of land in a particular area.<sup>21</sup> Additionally, MUDL is also mandated with valuation, which requires it to determine lowest minimum value of land across the country every five years and inform relevant agencies after formal approval.
3. **Although the current institutional structure for land administration is multi-functional and with potential for addressing Afghanistan's land-related challenges at a new scale, further development is needed.** There is room to manage these challenges better by outlining the institutional mandates of land administration and land management more clearly. For instance, MUDL makes decisions on state land leasing while also being responsible for its monitoring. Furthermore, the agency's institutional capacity is concentrated in the headquarters, with much weaker capacity in its provincial and district offices and a lack of connectivity between headquarters and these offices, calling for ambitious new data exchange and communications infrastructure to link this geographically dispersed structure. Institutional capacity to develop policy and appropriate regulation will be challenged by the volume and complexity of regulatory changes needed under IDPL's vision of widespread title registration and automation.

<sup>18</sup> This Annex draws mainly upon the World Bank Land Governance Assessment Framework (2016), the Government's IDPL, and the institutional and legal assessments conducted as part of project preparation, which are available in project files.

<sup>19</sup> Arazi was merged with the Ministry of Urban Development and Housing as per Decree #107 of December 1<sup>st</sup>, 2018, under the new name of Ministry of Urban Development and Land (MUDL).

<sup>20</sup> Article 7, Land Management Law

<sup>21</sup> Article 39, Land Management Law



4. **Other actors relevant to land administration are the courts and municipalities, and collaboration and coordination among these entities is needed.** The courts are not only still engaged in the registration and titling process but also adjudicate land disputes, many which are pending in Afghanistan. This can lead to a conflict of interest. The situation is compounded by blurring lines between the scope (jurisdiction) of the formal and informal systems when it comes to land dispute resolution. Municipalities play a role regarding valuation and tax, as well as urban land management. It is expected that with the integration of the land mandate under MUDL, coordination with local municipalities regarding urban expansion and development, and other land issues will improve. For the land clearance process, moreover, MUDL needs to work with the Ministries of Agriculture, Irrigation and Livestock, Finance, Energy and Water, and other local departments.
5. **Under the LML, MUDL has the obligation to assume the functions of the courts in administration of formal deeds.** This includes the issuance, indexing and archiving of new deeds and administration of the deeds archives, which are nearly a century old. Currently, MUDL's Provincial and District offices manually maintain land record books which derive from sporadically updated rural landowner declarations of their land holdings in the mid-1970s. The courts are continuing to record deeds mostly involving urban or high value properties, largely without reference to recorded survey plans.
6. **In addition, MUDL, through DML, is responsible for issuing Occupancy Certificates (OCs) for informal areas,** currently in partnership with municipal governments and UN-Habitat under the City for All (CFA) Program. MUDL has a Directorate for Informal Settlements for this work. In the medium to long term, the IDPL envisions MUDL also undertaking the application of the OC Regulation under Article 112 of the Land Management Law in areas of selected cities outside of those areas where MUDL is collaborating with the CFA Program.
7. **At the general level, a High Council of Land and Water was established in 2015 under the leadership of Afghanistan's President.** The Council has 16 members, most of whom are sector ministers, as well as the representatives from private sector and civil society. In addition to providing inter-sectoral coordination, the Council's mandate is to approve new policies related to land administration and management as well as for the water sector. It also supports and oversees the implementation of these policies, and provides coordination among government entities, private sector, and development partners. Moreover, the Council functions as the Steering Committee for the IDPL providing overall guidance, fostering an enabling environment, and addressing higher level conflicts and implementation bottlenecks.

## **B. Policy and Legal Context**

8. **Afghanistan has made progress in developing a policy and legal framework for land administration and land management.** The Afghan Constitution of 2004 established a legal framework for property rights safeguarding the right of individuals to own property. Since 2001, there has been several major land policy and legal initiatives in Afghanistan. In 2007, the first National Land Policy (NLP) was adopted with the objective of providing a strategic framework to the country's land sector. The new NLP (2017) gives substantive direction on the principles for the legal framework, practical guidance on how to rectify deficiencies and gaps, and addresses the confusion surrounding land rights classification and management by offering an appropriate classification and management system that recognizes private, community, public, and state land rights.



9. **Another important step is the Land Management Law (LML) adopted in 2008 and amended in 2017.** The LML of 2017 considerably improves the original law. To a large extent, the provisions of the law are clearly and coherently provided. The law is relatively comprehensive, but it is not a comprehensive land law. As noted below, as a basic land law aiming to provide overarching rules and principles it needs to be complemented by other primary and/or secondary legislation.
10. **As noted in the new NLP, the legal framework for land administration and management still requires further updating, clarification and development to close exiting gaps.** The confluence of religious, customary and somewhat antiquated state issued land related laws presents multi-faceted challenges to respond to the current reality and needs of the nation. As in other countries facing similar issues, Afghan land laws sometimes contradict each other on the classification of state, public and private land and other issues. Legislation for classification of land tenure is comprised of over 30 laws and decrees.<sup>22</sup>
11. **There are key gaps in the land legal framework that need to be addressed as part of the legal modernization agenda.** As further detailed below, there is no coherent land registration law that is responsive to the current needs of the country. The provisions of the LML that deal with land survey are not adequate to regulate the land survey practice and profession. There is also a need for effective legislation and institutional structure by which State and Public Land can be identified, evaluated, conserved, recovered, and used. There is also a legal lacuna with respect to land adjudication. There is still a gap in the law with respect to formalization or regularization of property rights in informal settlements including the implementation of informal settlements schemes.
12. **A key area requiring new legislation is land registration.** MUDL will lead the move away from the deed-based system to a title-based system. Caution and time are needed in trying to move from the deeds registration to parcel based title registration to avoid unnecessary disruption in the land recording system. To ensure gradual and smooth transition from the deed registration to title registration, there will be a time during which both systems will coexist. Given the limitations of the existing legal framework and the IDPL's vision on transforming the land registration system, Afghanistan needs a new land registration law that supports the coordination and gradual integration of the deed registration and title registration systems.
13. **The provisions on cadastral survey included in the LML are not sufficient to achieve IDPL vision.** A more elaborated law is needed to introduce modern surveying and mapping standards and processes, and to ensure accountability and professional and ethical standards in land surveying. Moreover, the law needs to ensure that the procedures for demarcation and surveying for settlement purposes are conducted in a manner that is more participatory. The law will need to seek to establish settlement (adjudication)<sup>23</sup> processes and create an enabling environment to establish a national cadaster.

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<sup>22</sup> Some of these laws and decrees include Civil Code, Presidential Decree 83 of 2003, Presidential Decree 99 of 2002, Land Expropriation Law of 2000, Survey and Cadastre Law of 1988, The Law on Pastures and Mara'a of 2000, Forest Law of 2012, Municipal Law 2000, Mineral Law 2015, Land Tax Law of 1976 and Income Tax Law 2007.

<sup>23</sup> Settlement or adjudication is defined as the process of final and authoritative determination of the existing rights and claims of people to land.



14. **Overall, the IDPL envisions the development of a land code to provide a legal and institutional environment that promotes a functioning modern land administration system.** The land code is conceived as having provisions that exhaustively govern all aspects of land administration and land management in a comprehensive fashion. Towards this end, IDPL envisions that MUDL would be responsible for drafting laws, including the ones most relevant to the project's objectives such as laws regarding land registration, which will help strengthen property rights, and land survey, land valuation, and geodetic services, which will help clarify technical processes and professional roles. Other complementary laws include those related to public and state Land management, community land management, urban planning, and condominiums. In addition, the IDPL proposes the development of regulations needed to implement the Land Management Law and Civil Law of Afghanistan. The existing Land Management and Land Acquisition laws would provide a good starting point for incrementally developing the laws.
15. **Addressing issues on rural and pasture lands represent major medium-term challenges, especially regarding customary and collective land rights, and land use rights for nomadic communities.** Customary land tenure is only recognized in certain situations, and the requirements to formalize it are difficult to meet. Numerous conflicts over the ownership and use of land exist between Kuchi nomad tribes and local communities. Nearly all the pastures in Afghanistan are officially owned by the State, but used by families, clans or tribes, including nomadic groups who herd sheep, goats, cattle and camels across semi-arid lands. Under the traditional informal arrangements which have existed for the use of these pasture lands, differences of opinion about use rights often emerge. While collectively held land is prevalent in many rural areas, the legal framework does not provide for collective rights. Public land is not clearly defined in Afghan land laws, thus resulting in a lack of clarity over ownership, transferability, and usage restrictions.
16. **Finally, both state and non-state land dispute resolution systems face major challenges.** Afghanistan's courts have the mandate to address land disputes, but due to perception of corruption and costliness of the processes, people tend to stay away from the formal legal system. Although there have been improvements in the formal justice system since 2001, the informal non-state justice sector continues to handle most of land disputes in the country. However, this informal justice system lacks legal recognition, and often the courts decide on a case differently from the informal system (such as shura or jirga) thus creating obstacles for the implementation of any decision. Reflecting the government's interest in addressing this issue, preparation of an Outside Courts Land Dispute Resolution Law has been underway in recent years. An additional issue is that the level of access to conflict result mechanisms for land disputes varies significantly across social groups and genders. While access for most adult men is higher than for women, men from marginalized population groups experience additional barriers to accessing conflict resolution services. More critically, women in the country have extremely limited access to both state and non-state land dispute resolution mechanisms. Existing social norms, among other factors, discourage women from accessing such mechanisms.