

CHEMONICS INTERNATIONAL INC.



BOLIVIA LAND TITLING PROJECT

Contract Number PCE-I-820-99-0003-00

Under the RAISE IQC

Fifth Quarterly Report
Reporting Period: October 1- December 30, 2004

Submitted to:
USAID/Bolivia

Submitted by:
Chemonics International Inc.

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Bolivia Land Titling Program

Contract Number PCE-I-820-99-0003-00

Reporting Period: October 1, 2004 – December 31, 2004

Chemonics Quarterly Report Number 5

Introduction:

This 2004 fourth Quarterly Report is divided into three sections: background, executive summary and strategic objectives. The background section provides a brief history of the project, in order to more fully provide context for accomplishments and progress. The second section is an executive summary that measures overall titling progress as well as progress under each of the four titling plans currently under implementation. The summary contains pie charts summarizing the status of each one of the major seven steps of the titling process both by percentage of hectares and land plots in each step, globally and by titling plan. The third section briefly describes titling progress in the reporting period by strategic objective and highlights major actions taken. The attached annex graphically depicts work plan progress during the quarter.

This Quarterly Report serves to communicate BLTP accomplishments and identify obstacles the project encountered, including the project's efforts to surpass them. In spite of formidable obstacles, BLTP has continually maintained focus on the final product of this project: the delivery and registration of property titles.

A. Background

The Project:

This report, covering the period of October 1, through December 31st, 2004, is the fifth quarterly report for the **Bolivian Land Titling Program** (BLTP). The BLTP project (Contract No. PCE-I-820-99-0003-00, Task Order 820) was signed by USAID/Bolivia and Chemonics International Inc. on November 6, 2003, with project implementation starting in December, 2003. The current task order is expected to last 30 months, finalizing on May 5, 2006.

The overall objective of project activities is to improve the security of property rights through land titling and to expand individual access to land markets and the full benefits of land ownership in Bolivia. To achieve this objective, the project is supporting the National Institute of Agrarian Reform (INRA) and the Property Registry System (DDDR) in their respective efforts to title all land in the tropics of Cochabamba. The project provides financial and technical assistance to INRA (locally and at the central office) and DDDR in order to strengthen and develop the institutional capacity with the final objective to improve the efficiency in issuing property titles. The project has four strategic objectives. Objective 1, 2 and 4 are focused on building the institutional capacity of INRA, DDDR.

The third cross cutting strategic objective aims to strengthen the outreach and communications capacity of the three institutions.

Titling Process:

The titling and registration process is divided into the following seven major steps, six of which correspond to the titling process and the seventh corresponding to title registration:

1. Community Campaign (Information dissemination to generate interest)
2. Field Work
3. Technical and Legal Evaluations
4. Public Presentation of Results
5. Final Resolution
6. Titling
7. Registration

Each step is divided into sub-steps. The project is reporting progress and results by monitoring the number of hectares and properties that move progressively from step one to step seven. On occasion, the project uses sub-steps for further clarification.

The titling process is carried out in a predetermined geographical area known as a “poligono” or “polygon”. Polygons vary in size from one hundred to several thousand hectares and contain varying numbers of properties. In order to complete the titling process all properties within a polygon must be successfully processed through the first six steps. If adjoining land disputes cannot be resolved at any point in the process, the entire portfolio is put on hold. Polygons can and are redefined to exclude the properties involved in a dispute. It is unclear, however, how often this is done and whether it is realistic in polygons comprised of hundreds of properties.

B. Executive Summary

The following series of figures summarize the status of land titling in April 2004 and at the end of this quarter. The pie charts in the figures are divided into the seven major steps involved in the process of titling. In certain cases where steps have been completed for all properties, fewer than seven steps have been used.

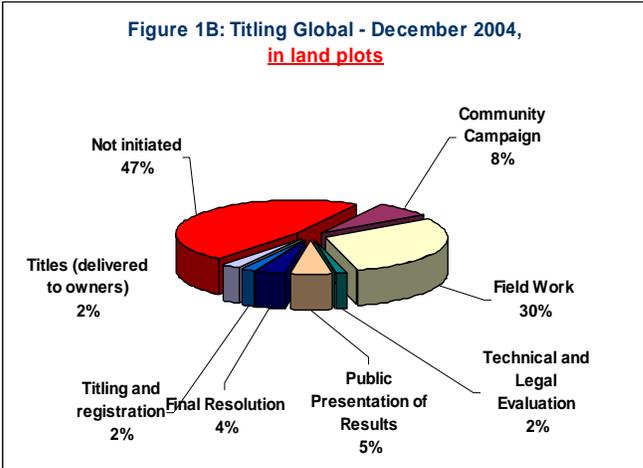
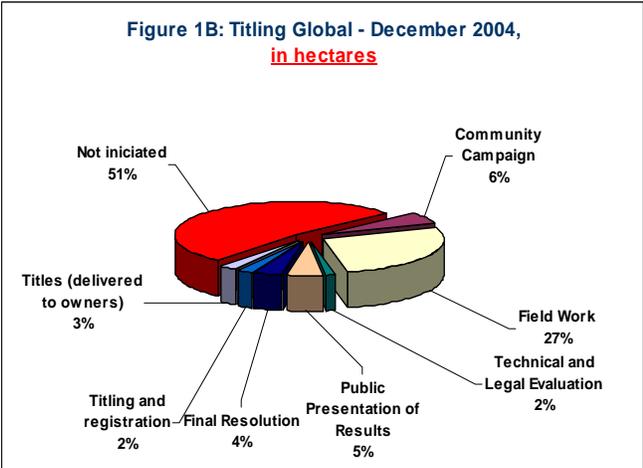
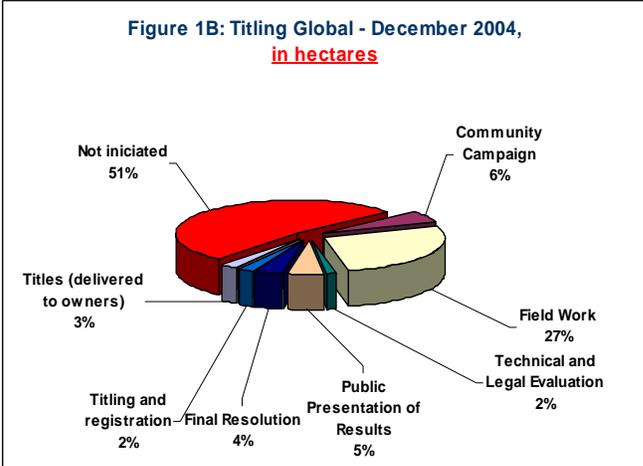
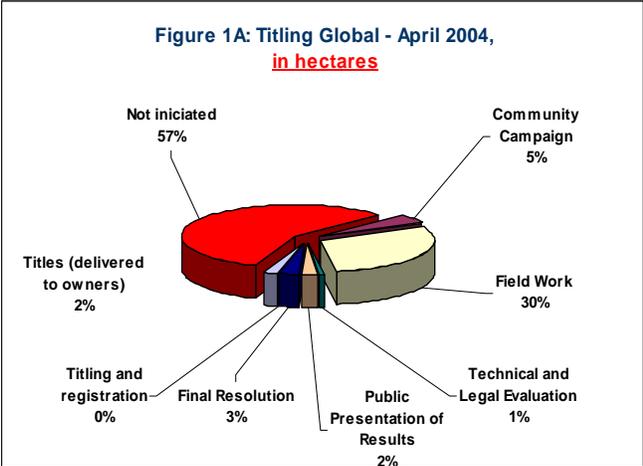
There are four sets of figures. Each set contains the status of every step in the titling process expressed in percentages by hectares and by properties. The four sets of figures correspond to:

- Titling Global progress - Figures 1a and 1b
- Titling Plans Ia and IIa - Figures 2a and 2b
- Titling Plan IIb - Figures 3a and 3b
- Titling Plan III. – PRAEDAC/BKP- Figures 4a and 4b

Progress is measured by moving from step one to step seven. The higher the percentages in the final steps, the closer INRA is to completing the process. Because the project received detailed data on plans I, IIa, IIb and III in April of 2004, we are accordingly using April as the base month to measure progress.

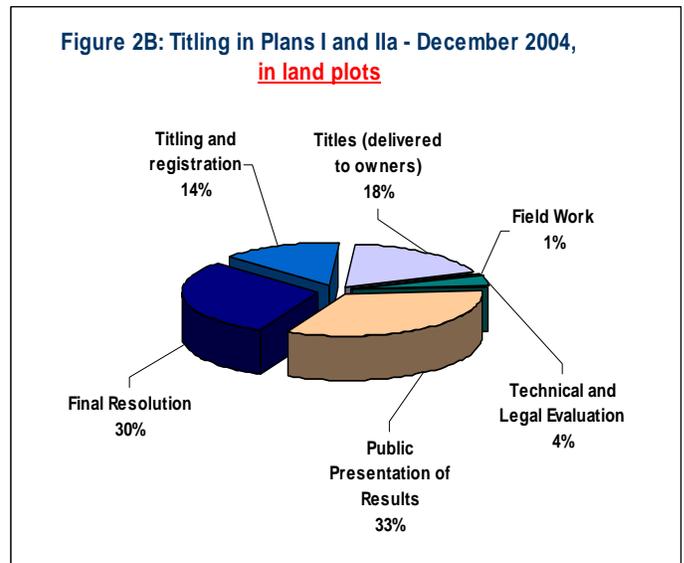
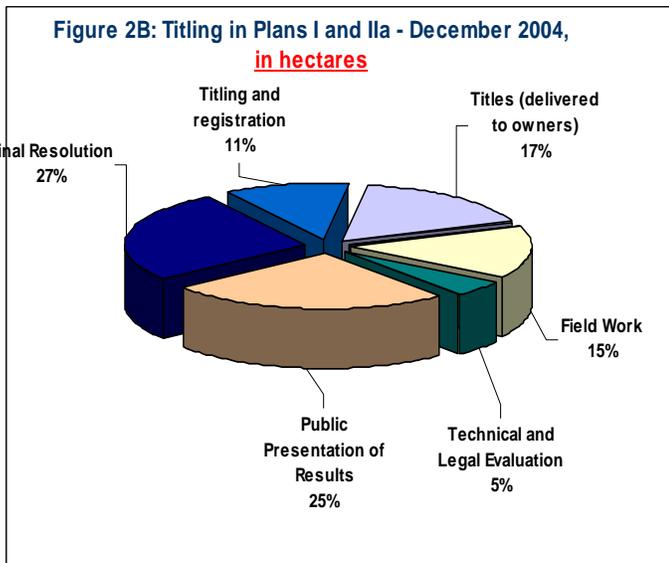
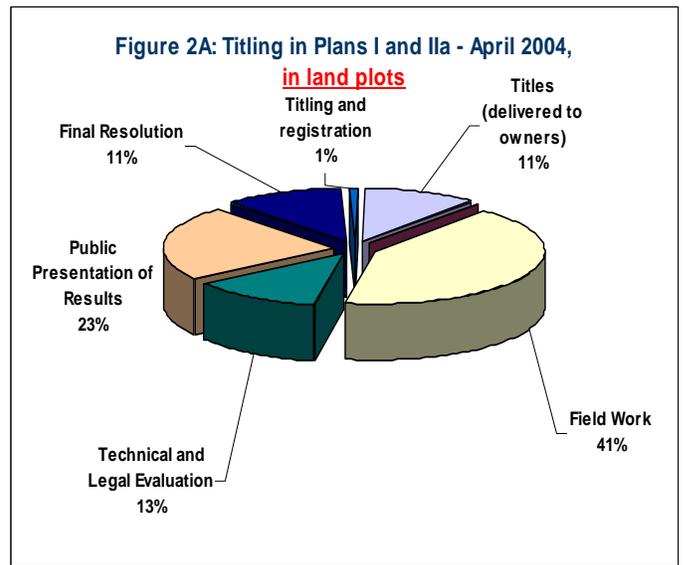
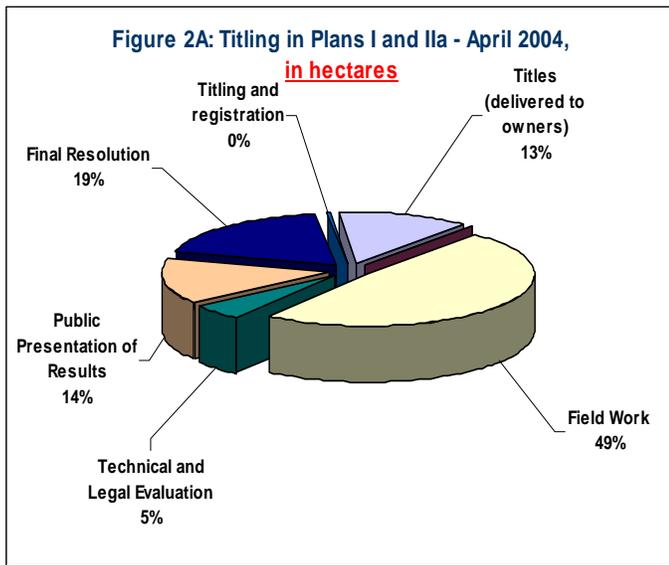
B1. Global Progress – Figures 1a and 1b.

Under existing inter-institutional agreements, global progress is highly dependant on PRAEDAC/BPK progress. PRAEDAC/BPK was responsible for carrying out the first four steps of the titling process in over 83% of the total number of estimated properties in the tropics. Under the agreements, BLTP was responsible for assisting INRA process the titles once the documentation was received from PRAEDAC/BPK, and to support INRA throughout the entire process in 17% of the territory. As the figures 1a and 1b show, the overall situation has not changed significantly since the last quarter. The number of titles delivered went up by 1% over the quarter. The lack of progress by PREDAC continues to hinder progress made in this quarter by INRA with BLTP support.



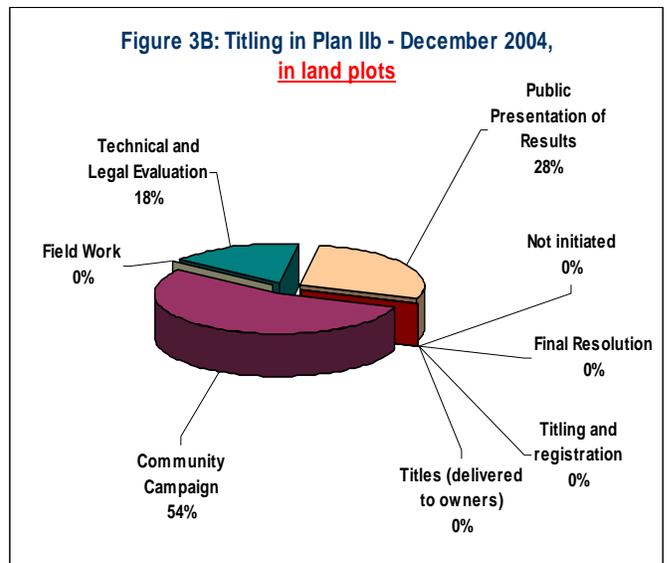
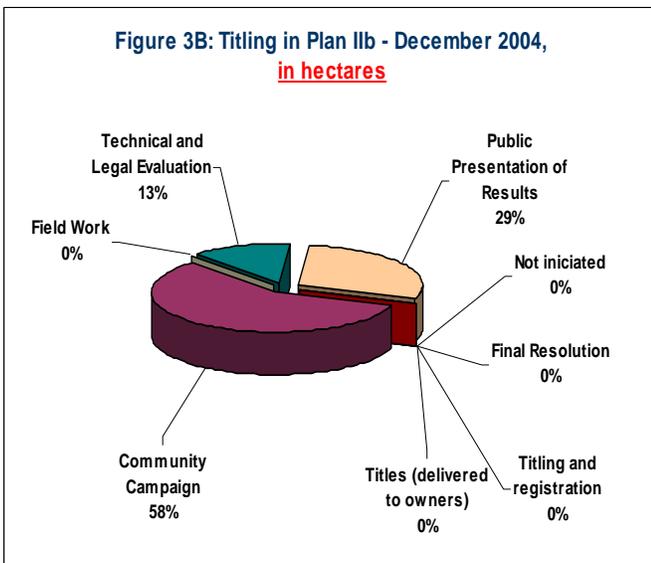
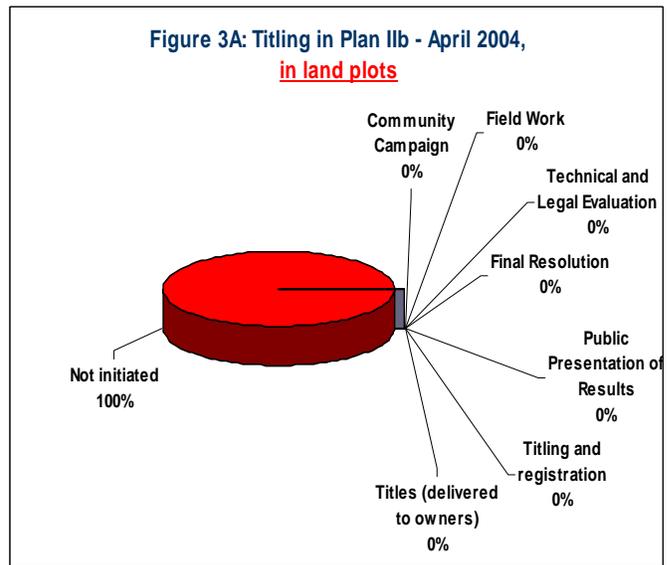
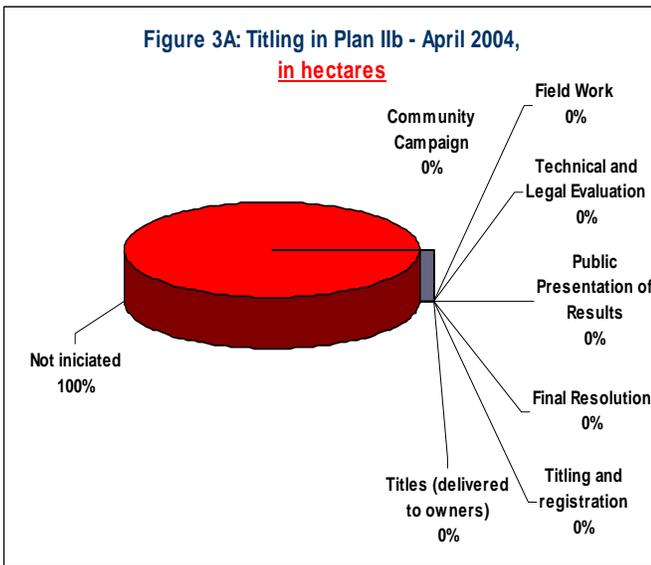
B2. Plans I and IIa. – Figures 2a and 2b.

As information becomes available to BLTP, reporting on the numbers of hectares and properties in each of the land regularization steps becomes more accurate. Plans I and IIa cover an area of 86,168 hectares which contain 4,022 properties. With BLTP support since April, considerable progress has been made in plans I and IIa. The number of titles delivered went up from 439 to 740. The bulk of the remaining properties are in the final stages of the titling process.



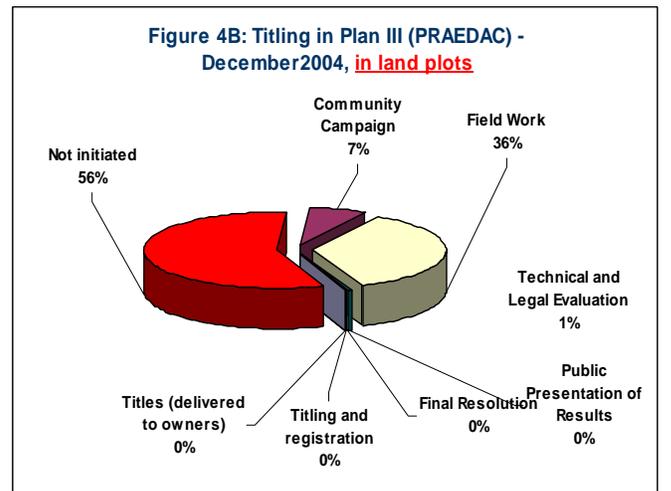
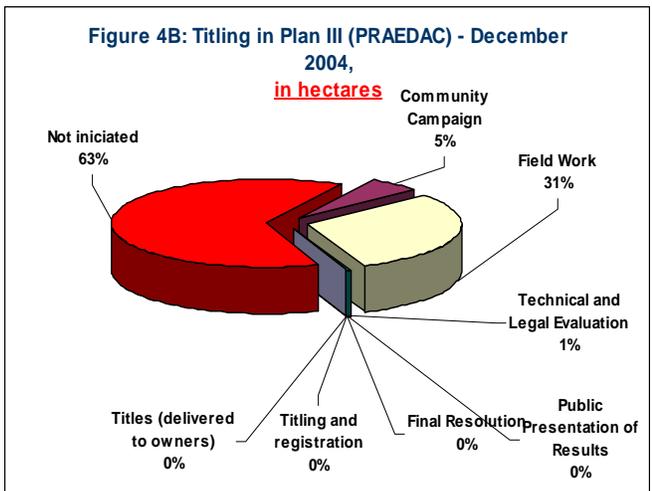
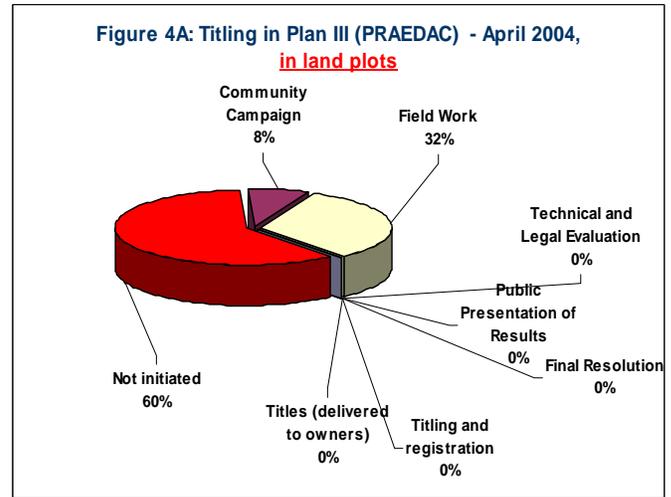
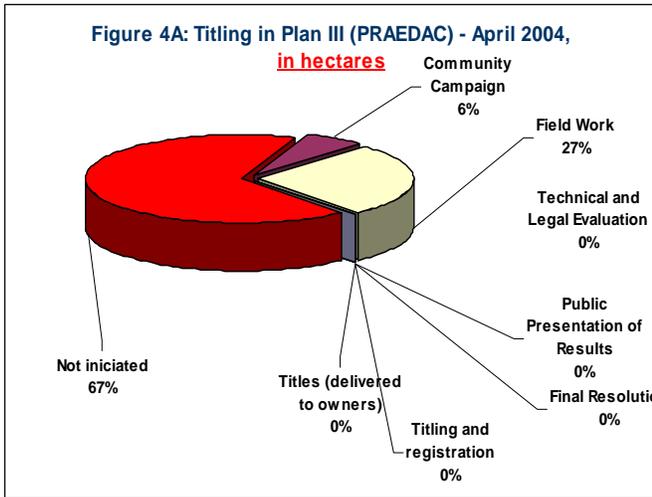
B3. Plan IIb – Figures 3a and 3b.

Plan IIb was formulated so that the BLTP/INRA’s goal of 5,000 titles could be met. In June of this year, INRA/BLT started land regularization work in 1025 additional properties covering an area of 14,534 hectares. By December the identification of these areas was complete, as evident in figures 3a and 3b. In conjunction with BLTP, INRA has been working to increase the rate of regularization by identifying bottle-necks and proposing subsequent solutions.



B4. Plan III PRAEDAC/BPK – Figures 4a and 4b.

As can be seen in figures 4a and 4b, some progress was made during the quarter under this plan. However, by December, PRAEDAC/BPK had not yet started work in over 50 percent of the area assigned to them. During the quarter, PRAEDAC/BPK focused its efforts on ordering the documentation of the 168,000 hectares where it had started the process. By the end of the quarter, the documentation of some 137 properties in 30 portfolios was delivered by BPK to INRA for further processing. After a review by INRA of the documentation, 25 of these portfolios had to be returned to BPK for corrections. It should be noted that as of December 2004, not a single title was produced under Plan III.



C. Strategic Objectives

In this section we report on the specific achievements and activities during the quarter for each of the four strategic objectives.

C1. Strategic Objective 1: Develop and Strengthen INRA's Institutional Capacity

INRA Cochabamba

The third FARA, which specifies the goals of each activity by month, was signed and implemented during this quarter. The emphasis on accountability for concrete results and the policy of using three month FARA's to pressure INRA to deliver are producing the expected changes in the work culture of INRA. These changes, however, are not being implemented easily or enthusiastically. In fact, there is still considerable resistance and hostility towards BLTP.

During the quarter the number of Cochabamba INRA employees supported by BLTP increased from 38 to 42 primarily to accommodate the demands of opening an office in Villa Tunari.

Plan I and IIA

As previously explained the FARA's contain specific goals for each month of the quarter. Table 1 shows the target and accomplishments for the quarter.

Table 1. Plans I and IIA progress status for the quarter

| Status | Field work | Technical and legal evaluation | Public Presentation Results | Final Resolution 1/ | Titling (including registration) 1/ | Titles (delivered to owners) 1/ |
|-------------|-------------------|--------------------------------|-----------------------------|---------------------|-------------------------------------|---------------------------------|
| | Properties | | | | | |
| Target | 120 | 910 | 1.300 | 1.230 | 1.160 | 530 |
| Achievement | 191 | 1.167 | 480 | 427 | 100 | 100 |
| Percentage | 159% | 128% | 37% | 35% | 9% | 19% |

1/ these activities were not included in the FARA with INRA Cochabamba because they are carried out by INRA La Paz and will be included in the FARA with La Paz. They are shown here for monitoring purposes.

To provide context, plans I and IIA cover 86,200 hectares and contain 4022 properties. The area is divided into 91 polygons with an average of 947 properties per polygon.

The table above shows that INRA Cochabamba exceeded all its targets in the steps under its direct control, barring the Public Presentation of Results. The Public Presentation of Results was delayed because INRA La Paz failed to obtain the required price certification

on time, and because all activities were suspended during the holidays. The table also makes it clear; once again, that INRA La Paz is proving to be a major bottleneck. Accomplishments in the final three steps fell short of the planned results.

By the end of the quarter an additional 218 titles had been signed by the President but not yet delivered, 280 were expecting his signature, and 42 were ready to be sent to the President's office. This totals 540 titles that can be delivered early in 2005. One major accomplishment was to persuade INRA La Paz to delegate two steps in the titling process to the regional departmental offices: 1) the authority to directly request land price certification to the Agrarian Superintendence, and 2) the authority to issue the technical and legal certificates needed for the public presentation of results. Delegating these two relatively simple steps has reduced the time needed to accomplish them from months to less than three weeks.

Plan IIB

Plan IIB is a recent addition to the INRA/BLTP workload to raise the number of titles to 5,000 and the total area to 100,000 hectares as specified in the contract and in the agreements with INRA. The area identified contains 1,025 properties divided into 24 polygons and covers an extension of 14,534 hectares. The area is densely populated with smaller properties, as there are only an average of 43 properties per polygon in contrast to the 943 in plans I and IIa.

Table 2 shows the targeted results and the actual accomplishments for the quarter. The table also shows two additional steps needed to reach the stage of field work: the identification of the specific areas (polygons) and the work with the communities and their leaders prior to initiating the actual field work of the titling process.

Table 2 Plan IIB progress status for the quarter

| Status | Identification of New Polygons | Internal Regularization and Community Campaign | Field work | Technical and legal evaluation | Public Presentation Results | Final Resolution |
|-------------|--------------------------------|--|------------|--------------------------------|-----------------------------|------------------|
| | Hectares | | | | | |
| Target | 10.000 | 6.000 | 4.400 | 880 | 1.140 | 142 |
| Achievement | 12.671 | 4.281 | 4.997 | 3.268 | - | - |
| Percentage | 127% | 71% | 114% | 371% | 0% | 0% |

- Considering that work began in late August, the progress made is record setting, chiefly due to the innovations introduced by the BLTP Project aimed at speeding up the entire process. A scheduled 995 hectares ready for public presentation had to be postponed because of INRA's suspension of activities on December 15.

Plan III – PRAEDAC / BKP

As planned, BLTP was tasked to help INRA process the documentation of some 25,000 titles produced by PRAEDAC/BPK and support INRA in the whole process of some 5,000 titles.

The lack of progress by PRAEDAC/BPK negatively affects BLTP's potential progress and has contributed to a strained relationship with PRAEDAC/BPK.

Some progress was made during the quarter, but the final definition of areas and tasks assigned to each project needs to be reached as soon as possible.

INRA Nacional

An amendment to the three month FARA with INRA La Paz was signed in November 2004 extending its period until January 2005. Through this FARA, BLTP is financing 14 staff members for titling of properties in the tropics.

An important accomplishment this quarter was to persuade a reluctant national office to decentralize the execution of two simple but time consuming steps in the titling process to its departmental offices: the direct solicitation of land prices to the Agrarian Superintendence and the issuance of the final certification needed to issue the title.

In order to train INRA to more efficiently use its resources and improve coordination between donor assistance, the national director encouraged INRA to undergo a reengineering assessment. The projected completion date of this important assessment is February 15th, 2005.

By the end of this quarter a six month FARA (scheduled to start in January 2005) was completed. This is the second FARA and it includes detailed activities and indicators as well as clear titling targets per quarter. The FARA holds INRA La Paz accountable for specific results, which represents an unprecedented level of accountability for INRA La Paz. This milestone hopefully is a first step to shifting the work culture emphasizing process over results, to that of one emphasizing results over process.

A3. Strategic Objective 2: Develop and Strengthen DRR's Institutional Capacity

DRR currently has the capacity to process large number of titles. However, until INRA starts producing significant numbers of titles, BLTP support is limited to maintaining the installed capacity. For this reason the second FARA with DRR was extended until the end of the year without major modifications.

A4. Specific Objective 3: Outreach Dissemination Program

BLT's community outreach program was implemented successfully in Plan II facilitating the incorporation of new polygons into the land regularization process in record time and with a minimum of difficulties.

The first steps of a mass communication campaign were launched with three radio jingles in Quechua and Spanish announcing the opening of the INRA offices in Villa Tunari. The jingles highlighted how INRA could lower the cost and accelerate the titling process, while

also emphasizing the role of women in the land regularization process and their property rights.

A5. Strategic Objective 5: Develop and strengthen the municipalities' capacity

The Vice Ministry of Alternative Development did not issue the expected guidelines to work with Municipalities. Consequently, the project did not initiate any activities other than maintaining informal relations with some municipal leaders.

It should be noted that as expected, MAS won the elections in all Chapare municipalities. The new municipal authorities will take office around mid-January.

A6. Quarterly Financial Information

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ANNEX A

Work Plan Progress Monitor

| Id | OBJETIVOS Y ACTIVIDADES | % Avanzado | Duración | FECHA DE INICIO | FECHA DE FINALIZACIÓN | 4T03 | 1T04 | 2T04 | 3T04 | tr |
|-----|--|------------|----------|-----------------|-----------------------|-------------|-------------|-------------|-------------|----|
| | | | | | | trimestre 1 | trimestre 2 | trimestre 3 | trimestre 4 | tr |
| 1 | PROYECTO DE TITULACIÓN DE TIERRAS | 37% | 652 días | lun 17/11/03 | vie 26/05/06 | | | | | |
| 2 | 0. INICIAR LAS ACTIVIDADES DEL PROYECTO | 100% | 78 días | lun 17/11/03 | mié 03/03/04 | | | | | |
| 3 | A. DESARROLLAR Y FORTALECER LA CAPACIDAD INSTITUCIONAL DEL INRA | 32% | 621 días | vie 09/01/04 | vie 26/05/06 | | | | | |
| 1 | 1. Establecer acuerdo interinstitucional | 100% | 31 días | vie 09/01/04 | vie 20/02/04 | | | | | |
| 2 | a) Reunirse con representantes del INRA Nacional y Departamental | 100% | 6 días | vie 09/01/04 | vie 16/01/04 | | | | | |
| 3 | b) Desarrollar mecanismos de financiamiento | 100% | 22 días | lun 19/01/04 | mar 17/02/04 | | | | | |
| 4 | c) Aprobación de FARA y Plan por USAID | 100% | 0 días | vie 20/02/04 | vie 20/02/04 | | | | | |
| 5 | 2. Elaborar y ejecutar el plan de desarrollo de la capacidad institucional | 68% | 485 días | lun 19/01/04 | vie 25/11/05 | | | | | |
| 6 | a) Realizar evaluación del estado actual y las necesidades de recursos | 100% | 8 días | lun 19/01/04 | mié 28/01/04 | | | | | |
| 7 | b) Dotar recursos humanos y materiales | 64% | 480 días | lun 26/01/04 | vie 25/11/05 | | | | | |
| 40 | c) Realizar la reingeniería del proceso de saneamiento y titulación | 100% | 129 días | lun 03/05/04 | jue 28/10/04 | | | | | |
| 49 | d) Crear capacidades de mediación, conciliación y | 0% | 27 días | lun 07/03/05 | mar 12/04/05 | | | | | |
| 53 | e) Expandir el Sistema Integrado de Saneamiento y Titulación de Tierras (SIST) a INRA Cochabamba | 100% | 105 días | lun 24/05/04 | vie 15/10/04 | | | | | |
| 56 | 3. Realizar el saneamiento y titulación | 28% | 615 días | lun 19/01/04 | vie 26/05/06 | | | | | |
| 57 | a) Agilizar saneamiento y titulación con procedimientos vigentes Plan I y IIA | 49% | 430 días | lun 19/01/04 | vie 09/09/05 | | | | | |
| 69 | b) Realizar saneamiento y titulación Plan IIB y nuevas áreas | 20% | 503 días | mié 23/06/04 | vie 26/05/06 | | | | | |
| 79 | c) Ejecutar la titulación de polígonos saneados en el Plan III (BKP) | 0% | 255 días | mar 01/03/05 | lun 20/02/06 | | | | | |
| 83 | 4. Apoyar al INRA Nacional para el saneamiento y titulación de tierras en el Trópico de Cochabamba | 20% | 497 días | lun 08/03/04 | mar 31/01/06 | | | | | |
| 84 | a) Establecer FARA's | 100% | 42 días | lun 08/03/04 | mar 04/05/04 | | | | | |
| 87 | b) Dotar recursos humanos y materiales | 100% | 130 días | lun 12/04/04 | vie 08/10/04 | | | | | |
| 97 | c) Realizar, junto con el INRA Cochabamba, la reingeniería del proceso de saneamiento y titulación | 85% | 108 días | mar 28/09/04 | jue 24/02/05 | | | | | |
| 103 | d) Apoyar a la expansión del Sistema Integrado de Saneamiento y Titulación de Tierras (SIST) a INRA Cochabamba | 100% | 20 días | lun 21/06/04 | vie 16/07/04 | | | | | |
| 105 | e) Apoyar el saneamiento y titulación en el Trópico de Cochabamba | 13% | 436 días | mar 01/06/04 | mar 31/01/06 | | | | | |

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|---|----------------------------------|--|--------------------------------|--|---------------------------------|--|
| Project: BLTP Chemiconics Quarterly Report Number 5 | Actividad crítica | | Programación (Línea Base) | | Suma de actividades programadas | |
| | Progreso de la actividad crítica | | Hito Línea Base | | Project Summary | |
| | Actividad | | Hito | | Actividad externa | |
| | Progreso de la actividad | | Suma de actividades realizadas | | | |

| id | OBJETIVOS Y ACTIVIDADES | % Avanzado | Duración | FECHA DE INICIO | FECHA DE FINALIZACIÓN | 4T03 | 1T04 | 2T04 | 3T04 | 4T04 |
|----|---|------------|----------|-----------------|-----------------------|-------------|-------------|-------------|-------------|-------------|
| | | | | | | trimestre 1 | trimestre 2 | trimestre 3 | trimestre 4 | trimestre 5 |
| 4 | B. DESARROLLAR Y FORTALECER LA CAPACIDAD INSTITUCIONAL DE DRR SACABA | 22% | 568 días | mié 25/02/04 | vie 28/04/06 | | | | | |
| 1 | 1. Establecer acuerdo interinstitucional | 100% | 53 días | mié 25/02/04 | dom 09/05/04 | | | | | |
| 2 | a) Reunirse con representantes del Consejo de la Judicatura (SUCRE), Corte Superior de Distrito Judicial y DRRR Departamental | 100% | 27 días | mié 25/02/04 | jue 01/04/04 | | | | | |
| 3 | b) Desarrollar mecanismos de financiamiento | 100% | 10 días | lun 15/03/04 | vie 26/03/04 | | | | | |
| 4 | c) Aprobación de FARA y Plan por USAID | 100% | 0 días | dom 09/05/04 | dom 09/05/04 | | | | | |
| 5 | 2. Elaborar y ejecutar el plan de desarrollo de la capacidad institucional | 25% | 447 días | jue 11/03/04 | vie 25/11/05 | | | | | |
| 6 | a) Realizar evaluación del estado actual y las necesidades de recursos | 100% | 10 días | lun 15/03/04 | vie 26/03/04 | | | | | |
| 7 | b) Dotar recursos humanos y materiales | 100% | 87 días | jue 11/03/04 | vie 09/07/04 | | | | | |
| 29 | c) Contar con los recursos humanos, equipos y materiales asignados | 100% | 0 días | vie 09/07/04 | vie 09/07/04 | | | | | |
| 30 | d) Contratar recursos humanos adicionales o en reemplazo a bajas | 15% | 332 días | jue 17/06/04 | vie 23/09/05 | | | | | |
| 31 | e) Adquirir materiales y equipos adicionales y contratar y recontratar servicios | 5% | 342 días | jue 05/08/04 | vie 25/11/05 | | | | | |
| 32 | 3. Expansión del Geo Themis a DRRR Cochabamba - SACABA | 12% | 515 días | lun 10/05/04 | vie 28/04/06 | | | | | |
| 33 | a) Ayudar DRRR a completar la instalación y funcionamiento del Geo Themis en Cochabamba | 100% | 15 días | lun 10/05/04 | vie 28/05/04 | | | | | |
| 34 | b) Entregar el Sistema en funcionamiento | 100% | 0 días | vie 11/06/04 | vie 11/06/04 | | | | | |
| 35 | c) Realizar coordinación permanente en el registro de títulos | 9% | 452 días | jue 05/08/04 | vie 28/04/06 | | | | | |
| 5 | C. DESARROLLAR Y EJECUTAR EL PLAN DE COMUNICACIÓN Y EXTENSIÓN COMUNITARIA | 49% | 572 días | lun 02/02/04 | mar 11/04/06 | | | | | |
| 1 | 1. Obtener información sobre conocimientos, aptitudes y prácticas | 82% | 567 días | lun 09/02/04 | mar 11/04/06 | | | | | |
| 2 | a) Encuesta de línea base sobre conocimientos y satisfacción de servicios | 100% | 131 días | lun 09/02/04 | lun 09/08/04 | | | | | |
| 8 | b) Obtener información secundaria sobre la región | 100% | 111 días | lun 08/03/04 | lun 09/08/04 | | | | | |
| 12 | c) Encuesta de medición de impacto sobre conocimientos y satisfacción de servicios | 0% | 92 días | lun 05/12/05 | mar 11/04/06 | | | | | |
| 18 | 2. Elaborar y ejecutar el programa de comunicación | 53% | 457 días | lun 02/02/04 | mar 01/11/05 | | | | | |
| 19 | a) Diseñar la estrategia general de comunicaciones | 92% | 261 días | lun 02/02/04 | lun 31/01/05 | | | | | |
| 24 | b) Definir y ejecutar estrategias de comunicaciones institucionales | 63% | 232 días | vie 30/04/04 | lun 21/03/05 | | | | | |

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|---|----------------------------------|--|--------------------------------|--|---------------------------------|--|
| Project: BLTP Chemonics Quarterly Report Number 5 | Actividad crítica | | Programación (Línea Base) | | Suma de actividades programadas | |
| | Progreso de la actividad crítica | | Hito Línea Base | | Project Summary | |
| | Actividad | | Hito | | Actividad externa | |
| | Progreso de la actividad | | Suma de actividades realizadas | | | |

Page 2

| Id | OBJETIVOS Y ACTIVIDADES | % Avanzado | Duración | FECHA DE INICIO | FECHA DE FINALIZACIÓN | 4T03 | 1T04 | 2T04 | 3T04 | 4T04 |
|----|---|------------|------------|-----------------|-----------------------|-------------|-------------|-------------|-------------|-------------|
| | | | | | | trimestre 1 | trimestre 2 | trimestre 3 | trimestre 4 | trimestre 5 |
| 34 | c) Ejecutar la Campaña de Comunicaciones por medios masivos y relaciones públicas | 9% | 228 días | vie 17/12/04 | mar 01/11/05 | | | | | |
| 40 | 3. Elaborar y ejecutar el programa de extensión comunitaria | 32% | 555 días | lun 02/02/04 | vie 17/03/06 | | | | | |
| 41 | a) Elaborar y ejecutar el programa de capacitación para el personal del INRA | 25% | 555 días | lun 02/02/04 | vie 17/03/06 | | | | | |
| 50 | b) Desarrollar y ejecutar el programa de acercamiento a las comunidades | 39% | 439,8 días | mar 11/05/04 | lun 16/01/06 | | | | | |

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|---|----------------------------------|--|--------------------------------|--|---------------------------------|--|
| Project: BLTP Chemomics Quarterly Report Number 5 | Actividad crítica | | Programación (Línea Base) | | Suma de actividades programadas | |
| | Progreso de la actividad crítica | | Hito Línea Base | | Project Summary | |
| | Actividad | | Hito | | Actividad externa | |
| | Progreso de la actividad | | Suma de actividades realizadas | | | |

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