

**PROGRAM FOR LAND TITLING AND MODERNIZATION OF  
THE REGISTRY OF DEEDS AND CADASTRE**

(CO-0157)

**EXECUTIVE SUMMARY**

**BORROWER AND GUARANTOR:** Republic of Colombia

**EXECUTING AGENCY:** Administrative Department, Office of the President of the Republic

**AMOUNT AND SOURCE:** IDB: US\$ 38.5 million (OC)  
Local counterpart funding: US\$ 65.5 million  
Total: US\$104.0 million

**FINANCIAL TERMS AND CONDITIONS:** Amortization period: 20 years  
Disbursement period: 4 years  
Interest rate: variable  
Inspection and supervision: 1%  
Credit fee: 0.75%  
Currency: U.S. dollars from the Single Currency Facility

**OBJECTIVES:** The program will consolidate an open, transparent, land market in urban and rural Colombia that functions expeditiously. The program's specific objectives are to (i) legalize ownership of more parcels of urban and rural land by issuing deeds thereto and officially recording the deeds; (ii) make for greater certainty of property ownership by modernizing the deed-recording and cadastre systems; and (iii) protect environmentally fragile areas and safeguard the collective rights of ethnic minorities against the potential effects of land titling operations in rural areas.

**DESCRIPTION:** The program consists of four components: (i) titling of uncultivated rural parcels of land (US\$23.5 million); (ii) deeding of urban property (US\$9.5 million); (iii) modernization of the deed-recording and cadastre systems (US\$54 million), and (iv) environmental protection in rural areas (US\$4 million).

Under this program, registered title will be awarded for approximately 100,000 parcels of uncultivated land in 200 rural municipalities and 150,000 pieces of urban property in 50 municipalities; the systems

of over 100 recording offices and around 15 district cadastres within the program area will be computerized, with nearly 5 million paper records transferred to magnetic media; 1.5 million properties will be digitally mapped and georeferenced; a geographic information system will be developed as a support for the process of deeding rural lands, and areas of conflict will be demarcated in conservation areas of the National Parks System and legally-protected indigenous territories (*resguardos*).

This four-year program will be carried out by the Office of the President of the Republic through the Presidential Program for Legalization of Property Ownership and Modernization of Property Titling (the PP), with four subexecuting agencies: the Notarization and Recording Office (SNR), the Agustín Codazzi National Survey Bureau (IGAC), the Colombian Agrarian Renewal Institute (INCORA), and the National Low-income Housing and Urban Reform Institute (INURBE).

**ENVIRONMENTAL  
CLASSIFICATION:**

The Environment Committee, at its meeting of May 7, 1996, classified this as a Category III operation. The environment and social impact report was approved on March 14, 1997.

**BENEFITS:**

The progress made in legalizing property rights and the added legal certainty of tenure that the program will afford will make access to the financial system easier for urban and rural property owners, stimulate production and investment to make for sustained growth, and energize the country's land market.

In the environmental and social area, the program will create incentives for sustainable management of rural land, through investments and appropriate farming practices, by lessening the insecurity associated with the lack of formal title to property. The program will also help protect the country's environment and native cultural traditions by prohibiting land titling in environmentally fragile areas, national parks, indigenous *resguardos*, and black communities' collectively held lands.

**POVERTY LEVEL IN  
THE BENEFICIARY  
MUNICIPALITIES:**

The chief beneficiaries of this operation will be approximately 250,000 property owners in over 200 rural and urban municipalities, selected on the basis of a set of criteria, a high poverty index being among them. Since the poverty index was not one of the main eligibility criteria for selecting municipalities, the project is not targeted to the lowest-income groups. Nevertheless, using the index of unmet basic needs as a poverty yardstick, it was

found that, on average, 64% of the population in these municipalities have unmet basic needs, and that in 181 municipalities, over half the population do have the means to satisfy basic needs.

**RISKS:**

Potential delays caused by social conflict in areas being deeded. Any social conflict in the country could delay or hold up the titling work planned under the program, especially in rural areas. The program has sought to minimize this risk by selecting municipalities that are not presently experiencing such conflict. Also, in accordance with established criteria, new municipalities can be selected in the event that any of those originally chosen experience social conflict of a kind that would make it impossible to complete the titling operations within the program's time frame.

Weak demand for property deeds. Pursuant to legal procedures for deeding uncultivated rural land or developed city real estate, an occupant must begin by filing an application for title. Because the deeding process is voluntary, the response may not be what is needed to achieve the planned title targets. The program would counter this risk by selecting rural and urban municipalities that have properties on file in the cadastre but with unrecorded deeds, and a real and potential demand for deed applications. Furthermore, the program plans promotional and information campaigns in the local, municipal, and regional media while the titling operations are in progress.

Lack of interagency coordination. For the program to be carried through successfully, the subexecuting agencies will have to work in concert and the Federation of Colombian Municipalities and Ministry of the Environment will need to play an indirect role. While the operation was being prepared, interagency coordination and communication improved considerably. But if collaboration slackens in the course of the program, it might take longer to achieve its planned goals. To offset this risk, the program is strengthening the PP, as coordinating agency, and the coordination units within each subexecuting agency. The Minister of the Environment's presence on the PP's Advisory Board will also allay this risk.

Timely provision of counterpart funding. The country's current fiscal constraints could impede the program's implementation. The chances of achieving the planned targets will be greatly compromised if

the budget program fails to appropriate all the local resources that each subexecuting agency will require for the operation. This risk is minimized, however, by the fact that of the US\$65.5 million in local counterpart funding envisaged, US\$39 million will come from the SNR's own resources.

**PROCUREMENT:** International competitive bidding will be required for goods costing over US\$350,000 and consulting contracts worth over US\$200,000.

**THE BANK'S  
COUNTRY AND  
SECTOR STRATEGY:** The Bank's Board of Executive Directors approved the country paper for Colombia (document GN-1886) in August 1995. That document set out three priorities for the Bank's financing strategy in Colombia: (i) support direct investment in the social sectors to relieve poverty and raise the standard of living; (ii) strengthen public institutions' management capacity in order to make public spending more efficient; and (iii) promote increased private-sector participation through initiatives that will increase the economy's productivity.

The proposed program is consistent with the concept of making investment spending more efficient through increased productivity. As more and more property titles are legalized, and with the legal certainty that a property deed affords, the program will make it easier for city and rural property owners to access the financial system. It will also stimulate production and investment, and thereby make for sustained growth, and energize the country's land market.

**EXCEPTIONS TO  
BANK POLICY:** Because of the technical and institutional advantages that the United Nations Development Programme (UNDP) has demonstrated in projects similar to the one herein proposed, it is recommended that UNDP be hired directly to handle the PP's administration services (paragraph 3.32).

**SPECIAL  
CONTRACTUAL  
CONDITIONS:** The following are conditions precedent to the first disbursement from the loan, fulfilment of which is to be demonstrated in each case to the Bank's satisfaction: (i) framework agreements must have been signed between the PP and the program's subexecuting agencies (paragraph 4.1); (ii) the PP's professional staff must have been hired (paragraph 3.4); (iii) the Program Coordination Unit must have been formally established within the IGAC and its professional staff hired (paragraph 3.15); (iv) a consulting firm must have been selected to produce a study for establishing an official land register for

the country (paragraph 3.16); (v) the borrower must have submitted to the Bank the first annual work plan (paragraph 3.21); (vi) the agreement must have been signed with UNDP (paragraph 3.32); and (vii) the membership of the PP's Advisory Board must have been expanded to include the Minister of the Environment or the Minister's appointed representative (paragraph 4.2).

While the program is in progress, the following conditions must be met: (i) within six months after the effective date of the loan contract, the system for monitoring the program's impact is to have been implemented and the study on land tenure in parks is to have begun (paragraph 5.23 c); (ii) 12, 30 and 46 months after the effective date of the loan contract, reports are to be submitted on the program's social, economic, and environmental impacts (paragraph 5.23 c); and (iii) 45 days before the start of each year of the program, the work plan for that year will be submitted to the Bank for approval (paragraph 3.21).

## I. FRAME OF REFERENCE

### A. Macroeconomic backdrop

- 1.1 The Colombian economy is currently going through a difficult period. The 3% growth in gross domestic product in 1996 is below the average for the previous three years. High interest rates resulting from tight monetary policy, exchange-rate appreciation, and the political crisis triggered declines in the manufacturing and construction industries and in trade, and dampened private investment.
- 1.2 Getting public finances in check is the major challenge for achieving macroeconomic equilibrium. The steady rise in public spending in recent years has basically been financed by surpluses of public enterprises and social security, which kept the consolidated public-sector accounts in the black between 1993 and 1995. Now, however, the worrisome increase in the central government deficit threatens to destabilize the finances of the rest of the public sector.
- 1.3 The difficulty of cutting back on recurrent expenses made the Annual Cash Management Program (PAC) an important tool of fiscal policy. Through the PAC, the government curbed public capital-spending program disbursements, which are estimated to have averaged less than 50% of the 1996 budgeted figure. A number of projects were affected, and the unexpended budget increased by 0.8 points, to 3.4% of GDP.
- 1.4 In late 1996, an expenditure containment law was passed to make for greater flexibility on the revenue side and reduce the unexecuted budget: national government contributions to earmarked funds were reduced and the government was given the authority to enact laws to either do away with or merge government agencies during the first six months of 1997. This law will trim an estimated US\$900 million for 1997. Also, in December the Subnational Government Borrowing Authority Act was passed, which is intended to check the increase in the debt of subnational governments.

### B. Land tenure problems

- 1.5 The two impediments to development of a transparent, open, and expeditious market for rural and urban land in Colombia, which are described in the following paragraphs, are the lack of formal title to property and the legal uncertainty of property ownership.
  1. Lack of formal title to property
- 1.6 Colombia has over 1,050 municipalities grouped into 32 departments, spread over an area of more than one million square kilometers. The country's cadastral agency, the Agustín Codazzi National Survey

Bureau (IGAC), estimates that there are some 10 million properties nationwide, approximately 70% of them in towns or cities. Estimates are that 1.9 million pieces of urban real estate and one million rural parcels have simply been physically occupied or the occupants hold unrecorded title. However, precise figures on the actual extent of the problem are not available.

- 1.7 With the growing urban housing deficit, both in terms of dwellings available and their quality, and weaknesses in government enforcement of the laws and levying of penalties, lands belonging to State agencies and property owned by municipal governments or private parties are being taken over, sometimes as a result of provocation, sometimes spontaneously; and property is being subdivided in violation of local zoning ordinances.
- 1.8 Colombia's policy for adjudicating rural land was a further inducement to the poor and the displaced - frequently pushed out by drug trafficking or social unrest - to homestead on publicly owned uncultivated land.
- 1.9 Up until passage of Law 30 in 1988, these apportionments of land were tied to improvements that the homesteader made to the property, improvements being understood as the clearing of two thirds of the land. However, this policy encouraged deforestation, triggering a loss of vegetation and unsuitable land-use patterns. Estimates are that Colombia is losing 600,000 hectares of woodlands each year.
- 1.10 The land-adjudication process brought heavy pressure to bear on legally-protected indigenous territories (*resguardos*) and reserves. Peasant farmers and indigenous people were competing against each other for land, creating strife and obliging the government to spell out an explicit policy advocating the preservation of ethnic and cultural integrity. The policy calls for continuation of the program to create indigenous *resguardos* on unworked lands, acquisition of properties and improvements from homesteaders to restore to *resguardos*, and legalization of title to lands that the National Agrarian Fund acquired for indigenous communities.
- 1.11 While in 1988 an attempt was made to remedy the environmental problems caused by the land-adjudication policy, it was not until the current land policy was implemented in 1994 that stricter requirements were introduced, such as the environmental appraisal report now required as part of the procedure for deeding unworked

land, intended to safeguard the environment and ethnic diversity 1/. However, the State does not have the means to enforce the rules. In many cases, accurate information about the boundaries of reserves, indigenous *resguardos* and land held collectively by black communities, such as would be needed to ensure that property is deeded in accordance with existing laws, is lacking.

## 2. The legal uncertainty of property ownership

- 1.12 Land tenure in Colombia is uncertain, because there is no single, precise, legal description of a property. The description on property deeds is not adequate to determine the exact physical emplacement of the property. Furthermore, the deed-recording authority, the Notarization and Recording Office (SNR), identifies properties by their historic boundaries, without taking into account changes that may have taken place, without checking that the description matches the property, and without measuring the property. As a result, the same piece of land may be recorded multiple times, and the anomaly can go undetected, making property ownership legally tenuous.
- 1.13 To solve these problems, an official land register needs to be assembled in the country, that will both situate a property geographically and identify its legal owner. For this, three measures are needed: (i) data in the registry of deeds and cadastre need to be computerized; (ii) the IGAC and SNR must be required to share information, and (iii) titles must be cleared.

### C. The process of titling, deed recording and official property surveying

#### 1. Land titling

- 1.14 In recent decades the Government of Colombia has taken measures to arrange for the titling of parcels of rural and urban land so that many more properties will be legally held.

---

1/ Law 160 of 1994 provides that the following types of uncultivated lands may not be adjudicated: (i) land adjacent to national parks, including buffer zones around parks; (ii) those located within a five-kilometer radius of areas where nonrenewable natural resources are being worked; (iii) those selected by public agencies for road construction or for other uses important to economic and social development; (iv) those that by law cannot be transferred or that are part of a State preserve; or (v) those where black or indigenous communities are settled and that constitute their habitat (they must be turned into *resguardos* or collectively deeded, as the case may be).



- 1.15 As a land-adjudication strategy, the deeding of uncultivated lands in rural areas has moved slowly. Since its creation in 1961, the authority responsible for this activity, the Colombian Agrarian Reform Institute (INCORA), has handed over only 380,000 property deeds — many never recorded — involving a total of 12.3 million hectares of land. This weak showing can be attributed to: (i) the passive approach taken, in the form of a case-by-case response to applications filed; (ii) the bureaucracy involved in titling procedures and lack of standardization; (iii) the lack of an adequate information system to track the deeding process, which is hampering effective control of the land adjudicated, the ability to locate unworked properties in the countryside, and determination of nonalienable areas; and (iv) the fact that the titling and cadastral work is handled entirely by the small staff of INCORA and the IGAC; no private businesses are contracted to do that work.
- 1.16 In urban areas, land titling initiatives are relatively recent. The National Low-income Housing and Urban Renewal Institute (INURBE), which is in charge of transferring ownership of publicly owned properties that have been taken over by squatters, launched a titling program with gratuitous conveyance in 1993 that was suspended the following year in the wake of a decision by the Council of State to the effect that the mechanism ran counter to the new Constitution. However, pursuant to a 1996 Constitutional Court ruling, the titling operation was resumed under the authority of the Office of the President.
- 1.17 In the case of municipally managed properties, the municipalities are themselves responsible for legalization of title. However, the municipalities do not yet have the institutional means to perform this work because the Constitutional Court's ruling is still relatively recent. Because of the need for property deeds, the Federation of Colombian Municipalities (FCM), whose members are the municipalities themselves, has taken on the job of coordinating legalization of individual ownership of these properties.
- 1.18 The Colombian government has made some progress toward solving the problem of the many undeeded rural parcels and is starting titling drives in towns and cities. In 1995, the Presidential Program for Legalization of Property Ownership and Modernization of Property Deeding (PP) was created. The PP Advisory Board's basic functions are coordination and support. The PP's objectives are as follows: (i) pursuant to the laws now in effect, regularize title to properties currently occupied without underlying legal instruments, and (ii) design and establish a new land titling and deed recording system.
- 1.19 The PP is coordinating and carrying out specific measures with the responsible agencies. These include: (i) modification of the deeding procedure to make title-processing less bureaucratic; (ii) five pilot projects to test the new procedure; and

(iii) reorganization of INCORA, creating a unit that coordinates the component and reports to its executive office.

- 1.20 The Council of State recently decided that there is nothing in the existing laws to prevent INCORA from outsourcing work for on-site inspection and the environmental appraisals. This will augment INCORA's titling capacity.

## 2. Recording of deeds

- 1.21 Even when property title is legalized, with so much information to be recorded manually at the SNR, the recording process is slow and cumbersome, which in turn cramps the land market.
- 1.22 With so many unregistered properties nationwide, the job of updating the data already on record is all the more difficult. The problem of unrecorded titles was compounded by the fact that prior to 1994, INCORA handed out unrecorded deeds. However, three factors have been singled out as the main obstacles to solving this problem: (i) the cost of the deed itself and of penalties and late-registration charges, which pose a problem primarily for the poorer sectors of society; (ii) the cumbersome process and many requirements for recording a deed; and (iii) the fact that property owners do not know what they need to do to legalize title to their property and are unaware of the advantages a deed can mean.
- 1.23 In 1990, a modernization program was launched to transcribe 13.9 million pages of property records onto magnetic media at the SNR's 192 main offices and district offices nationwide. However, thus far only 25 offices have been automated and only around 50% of the existing files have been moved onto magnetic storage media.
- 1.24 To obviate the financial factors behind the non-recording of deeds, the government reduced the recording fees. The total cost of notarial and recording fees for persons acquiring low-income rural or urban housing is approximately US\$9, or 5% of the official minimum monthly wage. The PP is drafting an ordinance for the departmental governors to consider, which would do away with late-registration fees and fines for poor people who own uncultivated parcels or low-income housing.

## 3. The cadastre

- 1.25 The cadastre in Colombia encompasses three types of activities: establishing, preserving and updating cadastral data. The cadastral database is first set up through a series of measures taken to ascertain the physical, tax, and economic features of each property. Once that information is compiled, the process of preserving or maintaining the cadastre begins. To update these records, data compiled when the property was first entered are renewed or confirmed by means of a physical check of cadastral

elements to ascertain any changes. Data are updated every five years.

- 1.26 At the present time, the cadastre is used only for tax purposes in Colombia. Because these data are not tied in to the registry of deeds, the cadastre can serve only partially as legal identification of a property. Some steps have been taken to expand the present cadastre into an official land register. In 1992, the IGAC began to computerize plat mapping and the handling of cadastral and plat data for tax purposes. However, due to that agency's budgetary constraints, only 12 district and local IGAC offices out of a total of 67 nationwide were equipped, and only about 645,000 records of properties in eight cities and some rural areas were digitized. Starting this year, the IGAC will expand the update form in order to compile additional information about tenure where there is neither a deed nor a contract to prove legal occupancy entitlement.

D. Settling property disputes

- 1.27 In Colombia, property disputes are settled either by the courts or through arbitration and conciliation. Typically, civil suits asserting possessory rights or related to the acquisition of property title (action to quiet title or obtain title, action to claim ownership, action seeking recovery of property, and possessory action) are filed with and settled by the courts. However, because court proceedings move so slowly, arbitration and conciliation are now being turned to as alternative means of settling private-property disputes, including disputes over boundaries or perimeter measurements. With authorization from the Ministry of Justice, conciliation centers are being set up by associations, foundations, trade associations, corporations and chambers of commerce. Also, the Ministry of Justice is considering the idea of creating Justice of the Peace offices to speed up legal proceedings between private parties, including property disputes.
- 1.28 In the specific case of disputes over ownership of rural properties, INCORA may award unworked government-owned land to its occupants, and is also authorized to petition the administrative tribunals to have ownership terminated if the privately owned property is not put to economic use.
- 1.29 A property recording and cadastre system is needed that provides the information required to help settle property disputes between private parties. In Colombia, before property titles can be cleared through dispute resolution, deed-recording and cadastral information need to be computerized and subsequently consolidated.

E. The current legal framework for Colombia's property adjudication and title recording policy

1. Awarding of land

- 1.30 For rural land, under the terms of Law 160 of 1994 the current land policy is to create a land market that makes it easier for individuals to become landowners. The law created the National Agrarian Reform and Rural Development System, under the direction of the Ministry of Agriculture, as a compulsory mechanism for planning, coordinating, carrying out and evaluating activities, while establishing a sound institutional framework to put the policy into practice. Within this framework, INCORA operates a subsystem for property acquisition and adjudication.
- 1.31 Law 160 of 1994 repealed the 1961 Law 135 in its entirety and brought in significant reforms in the system for titling uncultivated lands. This law and its enabling regulations prescribe procedures for adjudicating uncultivated parcels of land, restrictions that are intended to protect the environment and indigenous *resguardos* and reserves, and the maximum and minimum allowable sizes of allottable parcels.
- 1.32 For large towns and cities, Law 9 of 1989 (the Urban Renewal Act) is the legal framework for legalizing title to low-income housing. Specifically, the law states that only land belonging to national public agencies that was unlawfully occupied for low-income housing prior to July 28, 1988, may be conveyed gratuitously.

2. Recording of deeds

- 1.33 Decree 1250 of 1970 contains the property registry statute. In essence, it centralized the title recording service; theretofore, registrars had been public officials in private offices, which made the introduction of modern techniques and technology difficult. The decree also created a master system for recording real estate, with a central property register book, and a recording procedure that took into account the main standards needed for a sound property recording system.

F. The Bank's strategy in the country

- 1.34 In August 1995, the Bank's Board of Executive Directors approved the country paper for Colombia (document GN-1886), which set out three priorities for the Bank's financing strategy in Colombia: (i) strengthening public institutions' management capacity to make for more efficient and more equitable public spending; (ii) support for direct investment in the social sectors in order to relieve poverty and raise the standard of living; and (iii) promotion of private-sector participation through initiatives aimed at increasing the economy's productivity.

- 1.35 The program proposed herein is consistent with the goal of more efficient investment spending by boosting productivity. By the progress made in legalizing titles and support to improve the legal certainty of tenure, the program will facilitate city and rural property owners' access to the financial system, stimulate production and investments for sustained growth, and energize the country's real estate market.

G. The Bank's action in the sector

- 1.36 The Bank has approved US\$680,686,000 in loans for Colombia's farming and fishery sectors, accounting for 10.4% of the total country portfolio. At this writing there are three agricultural projects under way. One is the third stage of the rural development investments program (608/OC-CO), for a total of US\$75 million, which is funding agricultural and environmental investment projects as well as technical assistance and institution-building for decentralized agencies. Political and institutional reforms carried through in the sector subsequent to approval of the loan in 1990 have delayed its execution. The deadline for commitment and disbursement of the loan proceeds has been extended until January 1998. The second operation is a national land improvement program (863/OC-CO) approved in 1995 in the amount of US\$233.4 million, to further the government's strategy in the irrigation and drainage sector. Because compliance with the conditions precedent is moving slowly and budgetary constraints have been imposed on the local counterpart funding by the central government, the loan disbursements are not being made as planned. Lastly, the alternative development program (984/OC-CO) approved in 1996 for a total of US\$90 million will help the government make needed investments in areas affected by the production of illicit crops. The conditions precedent to the first disbursement for this program are in the process of being fulfilled.

H. Work of other agencies

- 1.37 On the multilateral side, the World Bank is supporting the Colombian government's agrarian reform efforts. The agrarian reform project would transfer underused land with agricultural potential from large-scale to small farmers. While the project is still in the development stage, it may eventually comprise activities to select and subdivide existing properties, investments in attendant infrastructure, creation of technical assistance institutions, marketing and financial services, and a legal and policy framework to strengthen the government's agrarian reform program and ensure a viable land market.
- 1.38 In 1991, the World Bank approved a municipal development program, whose general objective was to develop the municipalities by building up their management capacity, investment in basic infrastructure, and the capacity to generate their own revenues on

the basis of the cadastre. Through this project, activities have been financed to complete the property inventory, which includes updating cadastral data, establishment of a land register, and aerial photography.

- 1.39 Also, in late 1993, the World Bank approved a natural resources management program. Under that program, the boundaries of black communities' collectively held lands in the Pacific region are being drawn and property titles arranged. This program is furthering the Colombian government's efforts to recognize and strengthen the ethnic and cultural identity of these communities.

I. Project design

- 1.40 The purpose of the project is to formalize land tenure and afford greater legal security of ownership. This will make it easier for city and rural property owners to gain access to the financial system, and will boost investments that can create sustained growth in the agricultural and construction sectors in the years ahead. In the medium term, accomplishment of these objectives will raise the standard of living of low-income persons and encourage conservation of natural resources and respect for the cultural traditions of the country's indigenous and black communities.
- 1.41 The activities to legalize property title will be carried out in accordance with current legal procedures and safeguards of the integrity of protected areas, which include environmentally sensitive zones, indigenous *resguardos*, black communities' collectively owned lands, archeological heritage sites, and existing city building codes. Priority will be given to areas already surveyed and recorded in the cadastre, so as to avoid pushing back the agricultural frontier.
- 1.42 With modernization of the registry of deeds and cadastre, an official land register can begin to be created in Colombia, making for more efficient recording of deeds, improving the quality of data in both the property records and the cadastre, and making this information more widely available to users.

## II. THE PROJECT

### A. Objectives and targets

- 2.1 The program will help create a solid, open, transparent market for urban and rural land in Colombia that functions expeditiously.
- 2.2 The program's objectives are as follows: (i) legalize ownership of more rural and urban property by deeding property and recording the title with the registry of deeds; (ii) afford greater legal certainty of tenure by modernizing the registry of deeds and cadastral systems, and (iii) protect environmentally fragile areas and safeguard the collective rights of ethnic minorities against possible effects of the titling operation in rural areas.
- 2.3 As a result of this program, title will be awarded to some 100,000 unworked rural parcels in 200 municipalities and 150,000 parcels of urban property in 50 municipalities; the systems of deed recording offices and district cadastres within the program area will be computerized; 5 million property records will be transcribed onto magnetic storage media; 1.5 million properties will be digitally mapped and georeferenced; a geographic information system will be developed with 26 nodes nationwide, and areas of conflict will be demarcated in conservation areas of the National Parks System (SPNN) and indigenous *resguardos*.

### B. Description of the program

#### 1. Component for titling uncultivated rural land

- 2.4 Under this component, technical assistance and administrative procedures will be provided to convey title to unworked plots and properties for homesteading in selected rural municipalities and to record the respective deeds. In addition, INCORA will receive support for planning, supervising, and verifying these activities at headquarters and in the regional offices within the program area.

#### 2. Component for titling of urban property

- 2.5 Under this component, support will be provided to INURBE and selected urban municipalities to arrange formal conveyance of title to city properties owned by State agencies and municipalities, which had been occupied without underlying legal instruments before July 1988, one year prior to approval of Law 9 of 1989.
- 2.6 The activities envisaged in this component are to: (i) inventory, deed and record title to urban property in the registry; (ii) provide technical assistance to INURBE and to the Federation of Colombian Municipalities for planning, supervising, and

validating the deeding work of the central and local offices in the program area; and (iii) do a study for an ex post evaluation of the socioeconomic impact of the titling of urban property.

3. Component for modernization of the registry of deeds and cadastre

- 2.7 This component will help solidify legal ownership of property, providing technical assistance needed to (i) computerize property registry and cadastral data so that agencies involved in the land titling process will have reliable and rapid access to their data; (ii) step up efforts to set up a future land registry system combining deed-recording and cadastral data; and (iii) update registry records, by expediting the recording of more unregistered deeds.
- 2.8 The component's registry activities include: (i) acquiring equipment to automate records at the SNR's regional offices in the program area; (ii) transferring data in paper property records to magnetic storage media in public records offices in the program area; (iii) designing and conducting a nationwide campaign to promote and publicize the registration of deeds as a strategy for reducing numbers of properties to which owners hold unrecorded title; (iv) analyzing the legal, administrative and economic reasons why the registry system is not more efficient; and (v) providing technical assistance to the SNR to supervise the transfer of property records to magnetic storage media.
- 2.9 The cadastral activities involve: (i) reviewing plat maps of urban and rural properties in the program area; (ii) preparing digitized files of such plat maps in the program area; (iii) support for building up the national geodetic network and producing city plat maps; (iv) training surveyors in the country; (v) acquiring equipment for processing, capturing, and producing graphic and alphanumeric cadastral data in IGAC district and local offices in the program area; and (vi) providing technical assistance to the IGAC to oversee the review and digitizing of plat maps, city plat mapping, and setup of the official land register.
- 2.10 To help with the eventual establishment of a consolidated registry of deeds/cadastre, this component also includes a study for evaluation and rewriting of the registry and cadastral laws now in force and of institutional and technical arrangements, including the development of protocols and communications systems that will lay the groundwork for the country's future land register.

4. Component for environmental protection in rural areas

- 2.11 This component includes the following activities: (i) modernization of the state land-tenure inventory by introducing a geographic information system in 25 INCORA regional offices and at INCORA headquarters in Bogota, providing the necessary training and



procedures to institutionalize the use of geographic information in program areas; (ii) georeferencing of topographic maps of indigenous *resguardos* in rural municipalities in the program; (iii) review and digitizing of plat maps of physically homogenous rural areas in the program; (iv) demarcation of conflictive areas in 10 SPNN conservation areas, which will include a study of land tenure and squatting in national parks; (v) training for staff or contractors who will conduct the environmental appraisals of properties, and (vi) evaluation of the socioeconomic and environmental effects of rural property deeding.

C. Cost and financing

- 2.12 The total cost of the proposed program is US\$104 million. In keeping with the borrowing limit set by the Colombian authorities, the Bank will finance US\$38.5 million (37%), with ordinary capital resources, and the local contribution will be the equivalent of US\$65.5 million (63%). Of the total local counterpart, US\$26.5 million will come from the national budget and the equivalent of US\$39 million from the SNR's own resources. The following table shows expenditure items for each activity and sources of financing.

**COST AND FINANCING**  
(in thousands of U.S. dollars)

	IDB	Local counterpart	Total	%
<b>I. Administration and coordination</b>	2,500	0	2,500	2.4
<b>II. Direct costs</b>	34,000	57,000	91,000	87.5
2.1 Titling of unworked rural lands	15,500	8,000	23,500	22.6
2.2 Titling of urban properties	4,000	5,500	9,500	9.1
2.3 Modernization of registry of deeds and cadastre	11,000	43,000	54,000	51.9
2.4 Environmental protection in rural areas	3,500	500	4,000	3.9
<b>III. Unallocated</b>	1,615	3,100	4,715	4.5
<b>IV. Financial charges</b>	385	5,400	5,785	5.6
4.1 Interest	0	4,800	4,800	4.6
4.2 Credit fee	0	600	600	0.6
4.3 Inspection and supervision	385	0	385	0.4
<b>TOTAL</b>	38,500	65,500	104,000	100.0

- 2.13 The following is a description of the principal items of expenditure.

1. Administration and coordination

- 2.14 This item (2.4% of the total cost) consists of technical assistance to the PP, which will operate as a coordination unit and technical secretariat of the program. It also covers the costs of UNDP (0.3% of the total cost), which will be in charge of contracts, procurement of this unit's equipment, and accounting support, and the costs of the external auditing firm.

2. Direct costs

- 2.15 This item (87.5% of the total cost) includes direct costs of the following components:

- a. Titling of uncultivated rural lands. Contracting of specialized consulting firms for the deeding activities and individual consultants to assist with INCORA's planning, supervision, and validation activities.
- b. Titling of urban property. Services of consulting firms for inventory and deeding; and individual consultants to assist INURBE and the Federation of Colombian Municipalities with coordination, supervision, and evaluation.
- c. Modernization of the registry of deeds and cadastre services. Hiring of consulting firms for deed recording and cadastral activities and to conduct a study for the establishment of an official land register; individual consultants to assist with the IGAC's and SNR's supervisory functions, and to help establish the official land register group within the IGAC; and procurement of equipment to modernize SNR and IGAC operations.
- d. Environmental protection in rural areas. Procurement of equipment needed for the geographic information system and hiring of specialized consulting firms for various services.

3. Unallocated

- 2.16 This item (4.5% of the total cost) covers contingencies associated with the program's direct costs.

4. Financial charges

- 2.17 This item (5.6% of the total cost) includes interest during the project, the commitment fee on undisbursed balances, and the Bank's inspection and supervision charge.

### III. PROGRAM IMPLEMENTATION

#### A. Implementation arrangements

- 3.1 The PP will coordinate the program and oversee annual programming and monitoring. Program activities will be carried out directly by private specialized firms, which the PP and the responsible subexecuting agencies (INCORA, INURBE, SNR, IGAC) will engage annually, in accordance with government budget management rules, through their respective administrative offices. Coordination units in each subexecuting agency will plan and supervise each agency's assigned activities. Annex I shows the organization chart for the program.
1. Presidential Program for Legalization of Property Ownership and Modernization of Property Deeding
- 3.2 The Presidential Program for Legalization of Property Ownership and Modernization of Property Deeding (the PP) will be the central interface point between the Bank and the government for the life of the program.
- 3.3 The PP will function as technical and administrative coordinator of the program and perform specific program activities. Its functions under the program will be to (i) establish work plans for projects in the program, oversee procurement and contracting, and request disbursements under the program based on reports submitted by the subexecuting agencies; (ii) draw up the budget and submit it to the Advisory Board for consideration; and (iii) monitor and evaluate the various phases of the program. UNDP will continue to administer procurement and contracts with the PP while the program is under way.
- 3.4 The PP will have a staff of five professionals: one director; three specialists in charge of guiding, directing, coordinating, monitoring, and evaluating the operations to legalize urban property titles, rural property titles, and geomatics; and one administrative and financial specialist whose work will be coordinated with the administrative and budget units of the subexecuting agencies. Contracting of the professionals will be a condition precedent to the first disbursement from the loan.

#### B. Implementation arrangements for each component

1. Titling of uncultivated rural land
- 3.5 The deeding of unworked land in rural areas will be handled by specialized firms contracted through international calls for proposals, following the procedures prescribed in Annex C. Parcels of this kind nationwide will be deeded, in 200 municipalities

grouped into 10 geographic macro-regions (Central East, Atlantic Coast, Bajo Magdalena, Magdalena Medio, Center, Coffee-growing Zone, Southern Pacific, Southeast, East, and North). The firms hired will adhere to deeding procedures, which include preparation and promotion of land titling; receiving, examining, and approving title applications; on-site inspections and environmental appraisals; preparation of plats; clarifications and listing; titling; deed recording and publication.

- 3.6 The deeding operations will be supervised and evaluated by the INCORA regional offices, under the direction of the regional manager and pursuant to guidelines set by the national coordination unit attached to the INCORA executive office. The national coordination unit will have a national coordinator, 10 macro-region coordinators, and experts in administration, planning, mapping, geographic information systems, and the environment.
- 3.7 The PP will contract specialized firms to conduct pilot projects in which 2,000 rural properties will be deeded in areas that are home to farming families. INCORA will commission the design and publication of the titling procedures manual and instructional materials needed to train INCORA staff and the contractors handling the deeding and oversight.

## 2. Component for titling of urban land

- 3.8 Specialized firms will handle the deeding of city properties in 50 municipalities nationwide, geographically grouped into three macro-regions (Atlantic Coast, Central East, Andean Pacific). The firms will follow prescribed deeding procedures, which include a study of the properties' legal history; emplacement of sites; preparation of block plats; census of property occupants; update of cadastral data; initial selection of beneficiaries; property assessment; confirmation of beneficiary eligibility; preparation of plat maps and deeds, and recording of deeded land.
- 3.9 The parcels to be deeded presently belong to State agencies - INURBE among them - or municipalities. INURBE will hire private firms to handle the titling of the property it owns; for all other cases, firms will be hired by the PP.
- 3.10 INURBE's regional offices, with the regional director in charge, will supervise the titling of INURBE-owned city properties, working under the direct supervision of the national coordination unit at headquarters. The latter unit will have a national coordinator and an advisor on planning and information processing.
- 3.11 The Federation of Colombian Municipalities (FCM) will plan, supervise, and verify the titling of city land owned by municipalities or other State agencies. The PP will defray the cost of the consultants hired for the FCM's national coordination unit, which include a coordinator, a legal advisor, and an advisor

on planning and systems. Also, three macro-region coordination units will be set up within the FCM and will receive technical assistance in the persons of a coordinator and assistant hired for each one.

- 3.12 INURBE will be responsible for engaging a firm to inventory the properties it owns. The PP will be responsible for hiring consulting firms to inventory properties owned by municipalities or State agencies other than INURBE; the design of modules, production and publishing of the training materials needed to train the staff of INURBE, the FCM and contractors handling the titling and supervision; and a study for the ex post evaluation of the socioeconomic impact of titling urban property.

3. Component for modernization of the registry of deeds and cadastre

- 3.13 The SNR will engage private consulting firms to carry out its assigned activities. The IGAC will also hire consulting firms for the cadastral work.
- 3.14 The SNR's Office of Planning and Systems will supervise the deed-recording activities. Its basic functions are, inter alia, to serve as official liaison between the SNR and the other program subexecuting agencies; set a timetable for the title-recording work that the agency will build into its technical, operational, and budget programming; monitor to ensure that the program's registry-records automation activities are being performed according to the established terms of reference and technical specifications; and submit periodic monitoring reports to the PP.
- 3.15 For the cadastral survey work, the program will set up a coordination unit within the IGAC, attached to that agency's executive office, to plan, organize, and coordinate supervision of the mapping, systems, planning and cadastre development under the program with the responsible deputy managers' offices. The unit will have three professionals (one national coordinator and two cadastral advisors), and two administrative assistants. The formal institution of this unit and contracting of the professionals on its staff will be a condition precedent to the first disbursement.
- 3.16 The study that will lay the foundation for creating an official land register will be performed by a private consulting firm engaged by the PP. The recommendations coming out of that study will be implemented by the IGAC's Consolidated Land Register and Advisory Services Division and by the SNR's Legal Office and Office of Planning and Systems. The program will provide technical assistance to strengthen a team of experts in the IGAC to set up an official, continuously updated land register. The team will have a national director at the central level, as well as a regional director and two professionals at each of the five macro-region

offices. Selection of the consulting firm for this study will be a condition precedent to the first disbursement of the loan.

4. Component for environmental protection in rural areas

- 3.17 INCORA will be responsible for hiring consulting firms and acquiring equipment to implement the geographic information system, and will engage consulting firms for georeferencing of topographic mapping of indigenous *resguardos*, for training in modern information tools, and for review and digital mapping of physically homogenous rural areas.
- 3.18 The survey and marking of boundaries, signage, and study on land tenure in areas of conflict in national parks will be done in two phases. In the first phase, during year 1 of the program, the PP will hire a specialized firm to devise a work plan and the aforementioned activities for one park, as a pilot project. In the second phase, which will start in year 2, the IGAC will hire specialized firms to carry out the work plan in nine parks. They will be selected for their experience in work of this type on indigenous *resguardos*. The Ministry of the Environment will be involved in the supervision of these tasks.
- 3.19 The PP will hire a private firm to train INCORA staff and the contractors that will produce the environmental appraisals of properties during titling of the uncultivated rural land and the associated supervision. The PP will also hire a private firm to produce a monitoring and evaluation study of the environmental and socioeconomic impact of the titling operation on those lands.

C. Disbursement timetable

- 3.20 The following table shows the disbursement schedule, including financial costs, for this four-year operation.

DISBURSEMENT TIMETABLE  
(in thousands of U.S. dollars)

YEAR	IDB	LOCAL	TOTAL
1	5,500	19,500	25,000
2	12,500	15,500	28,000
3	12,000	21,000	33,000
4	8,500	9,500	18,000
TOTAL	38,500	65,500	104,000

- 3.21 Program funds will be disbursed on the basis of annual work plans, which will be reviewed and cleared with the Bank before the start of the respective year of implementation. The work plans are to

show, inter alia, municipalities selected, targets for each activity, the work timetable, terms of reference, contracting method and number of lots by activity, items of expenditure, and source of local counterpart funding. Presentation of the first work plan is a condition precedent to the first disbursement of the loan. Thereafter, the work plan for a given year is to be submitted within 45 days before the start of that year.

D. Criteria for selecting municipalities

- 3.22 The rural and urban municipalities in which land is to be deeded were selected on the basis of a number of criteria having to do with available cadastral data, potential demand for deeds, poverty levels, and degree of informality of tenure. Should new municipalities have to be added during the course of the program, they may be included on the roster of beneficiaries of the rural and urban property titling components provided they meet the eligibility criteria indicated below.

1. Rural municipalities

- 3.23 The eligibility criteria are as follows:

- a. They have cadastral data no more than seven years old.
- b. There are no areas to which both homesteaders and indigenous people are laying claim.
- c. They have over 100 applications for deeds on file with INCORA thus far.

- 3.24 Municipalities that meet these criteria are to be ranked on the basis of a weighted index of four factors: (i) the index of unmet basic needs, as a poverty yardstick; (ii) average number of properties per municipality, as an indicator of property deeding density; (iii) number of properties in the cadastre for which there is no registered deed, as an indicator of the informality of land tenure, and (iv) distribution of property ownership, as an indicator of equity. The selection will be made from the list of municipalities thus ranked.

2. Urban municipalities

- 3.25 Municipalities eligible for land deeding must have over 1,000 unrecorded properties that appear in the cadastre. Those that meet this criterion will be ranked on the basis of the findings of the deedable-property inventory and their poverty level, measured by the index of unmet basic needs. The selection will be made from the municipalities thus ranked.

E. Monitoring and ex post evaluation of the program

- 3.26 The program monitoring system will be run out of the PP, so that all periodic reports and data from the various supervisory activities at each subexecuting agency can be centralized and organized there. During the course of the program, annual program review meetings will be held 30 days before the end of the calendar year. These meetings will center on the annual progress report produced by the PP and the targets set previously in the program's annual work plans. The progress benchmarks are described in the logical framework for this operation (Annex II). The Bank and the borrower will agree upon any changes and adjustments to the program suggested during discussion of these reports. The Bank's supervisory functions will be performed by its Country Office in concert with the project team.
- 3.27 The ex post evaluation of the program will be financed by the Bank and will be conducted on the basis of the findings of studies done to monitor and assess the environmental and socioeconomic impact of the rural and urban titling operations and the work done to modernize deed-recording and the cadastre. The PP will hire specialized firms to produce both these studies under the program. Also, the independent audits to be commissioned (paragraph 3.37) will supply important information for the program's final evaluation. The ex post evaluation is not to be done until at least one year after the project ends.

F. Procurement

- 3.28 Procurement and contracting will be done in accordance with the procedures stipulated in Annexes B and C to the loan contract. International competitive bidding will be compulsory when the goods to be procured are valued at over US\$350,000; in the case of consulting services, open calls for proposals will be required for contracts in excess of US\$200,000. Calls for proposals and tendering for lesser amounts will be done in accordance with Colombia's laws, which are compatible with the Bank's procedures. Annex III shows the timetable for calls for tenders and proposals for the project.

G. Administrative services for the program

- 3.29 In keeping with Bank policy, the borrower must select consulting services by way of an open competitive process. However, for the present loan, the borrower has requested that the Bank allow it to directly contract the United Nations Development Programme (UNDP) to administer PP resources.
- 3.30 That request is based on the comparative technical and institutional advantages UNDP offers vis-à-vis the available alternatives. On the technical side, this agency and its staff have the capacity and experience in managing consulting services,



and effective coordination arrangements. On the institutional side, UNDP has a good working relationship with the borrower and has helped it find individual specialists and consulting firms, with the attendant administrative coordination and administering and fulfilling the associated commitments. It also is equipped to expedite project execution and employs efficient and effective mechanisms for contracting and disbursing funds.

- 3.31 The Colombian government is basing its request on the PP's own practical experience when it previously engaged UNDP for similar services. Procurement, contract award, and reconciliation processes run more smoothly when administered by UNDP.
- 3.32 Therefore, in keeping with policy GS-403, pursuant to which the Bank may allow an exception whereby specialized agencies can be engaged directly, on a no-bid basis, it is recommended that UNDP be hired directly to manage contracting for PP goods and services. The procurement and contracting procedures followed are to satisfy the Bank's policy requirements. The signing of the agreement with UNDP will be a condition precedent to the first disbursement from the loan.

H. Advance of funds

- 3.33 To expedite the program, an advance equivalent to 10% of the total budget is recommended.

I. Recognition of prior expenditures and retroactive financing

- 3.34 The Government of Colombia has requested recognition of IGAC and SNR outlays for consulting services and equipment that were required for preparation of the program. The total is US\$4.56 million, to charge against the local counterpart. The consultants were hired to (i) produce digital maps of cities (US\$900,000), (ii) convert paper property records to magnetic files (US\$3 million), and (iii) supervise the conversion (US\$300,000). The equipment purchases (US\$360,000) were computers, to modernize SNR offices.
- 3.35 In addition, the Colombian government has requested retroactive financing of consulting services engaged by the PP and equipment it procured to prepare the program. The amount is US\$379,000, chargeable to the Bank's loan. The consulting services include: (i) design of procedures for urban property titling (US\$30,000); (ii) evaluation, systematization and optimization of the rural titling procedure (US\$30,000); (iii) census and strengthening of the surveying sector (US\$30,000); (iv) the PP's technical assistance outlays (US\$144,000), and (v) training of INCORA verification staff (US\$20,000). The equipment purchased (US\$125,000) were computers used to plan preparatory work for the titling of unworked rural lands. Procedures substantially similar

to those established by the Bank were followed when contracting for these goods and services.

- 3.36 The above-described recognition of prior expenditures and retroactive financing are provided for in Bank policy (OP-504).

J. External audit

- 3.37 The PP will submit the program's financial statements to the Bank throughout the life of the program, audited by external auditors. The statements, which the PP will consolidate, are to be furnished within 120 days of the end of the participating agencies' fiscal year. In Colombia, the Office of the Comptroller General of the Republic is the agency that performs external audits of programs partially funded under the national budget. As a rule, such audits are done at the end of the fiscal year, and may be delayed, depending on the availability of staff. Because the proposed program is complex, involving a number of agencies engaged in a variety of activities nationwide, periodic audits would need to be done throughout the year, as is customary in the private sector. The plan is to engage a firm of external auditors, using funds from the loan, to examine the program's financial statements, in order to be able to provide the PP with timely feedback on the financial status of the program and the performance of internal control systems.

#### IV. THE BORROWER AND THE EXECUTING AGENCY

- 4.1 The borrower will be the Republic of Colombia. The program will be carried out by the Administrative Department of the Office of the President of the Republic, through the Presidential Program for Legalization of Property Ownership and Modernization of Property Deeding (PP). The program will operate with four subexecuting agencies: the Notarization and Recording Office (SNR), the Agustín Codazzi National Survey Bureau (IGAC), the Colombian Agrarian Reform Institute (INCORA) and the National Low-income Housing and Urban Renewal Institute (INURBE). Other agencies that will participate indirectly in the operation are the Ministry of the Environment and the Federation of Colombian Municipalities (FCM). Framework agreements between the PP and the program's subexecuting agencies are to be concluded prior to the first disbursement.
- A. The Presidential Program for Legalization of Property Ownership and Modernization of Property Deeding
- 4.2 The PP was created as part of the Department of the Office of the President of the Republic through Decree 755 of May 1995. It has an Advisory Board, whose basic functions are coordination and support. Members are the Ministers of Justice, Economic Development, Finance, and Agriculture and Rural Development or their respective representatives, the Commissioner for the Notarization and Recording Office, the President of the Notaries' Association, the President of the Association of Municipalities, and the Director of the IGAC. One of the conditions precedent to the first disbursement from the loan is that the Minister of the Environment or a representative appointed by the Minister be made a member of the Advisory Board, since that ministry carries out and oversees environmental protection activities in the program's rural areas.
- 4.3 The PP serves as technical secretariat of the Advisory Board. Its director assists in the development, execution and evaluation of policies related to legalization of land tenure and modernization of property deedings and recording.
- 4.4 Through the PP, technical assistance will be provided to the municipalities by way of the FCM, for effective supervision of the deedings of municipally owned properties (paragraph 3.11).
- 4.5 Since its creation in 1995, the PP has committed a total of US\$1.2 million: 30.5% for staff expenses and office organization, 50.6% for land titling programs, and 18.9% for the purchase of equipment. The funds came from grants from the participating agencies and from the national budget, by way of the Social Solidarity Network.

B. Colombian Agrarian Reform Institute

- 4.6 Created under Law 135 of 1961, INCORA is a decentralized public agency with legal status, administrative autonomy and independent assets and capital, attached to the Ministry of Agriculture and Rural Development.
- 4.7 The following are INCORA's functions pertinent to the proposed program: (i) to administer nationally owned uncultivated lands and then award title to them, enter into contracts, set up protected areas and conduct homesteading programs therein; (ii) determine the ownership of parcels of land in order to ascertain which belong to the State and expedite the clearing of private titles; and (iii) determine boundaries of nationally owned properties, and devise procedures for demarcating indigenous *resguardos* and lands belonging to black communities.
- 4.8 INCORA's functional structure was modified through Order 06 of 1996. The agency is headed by a board of directors and administered by a general manager. At the central level it has four assistant managers, for (i) legal affairs, in charge of deeding uncultivated lands; (ii) operations, in charge of promoting the land market, land acquisition, business development, coordination of work of the National Agrarian Reform and Rural Development System, and services to indigenous and black communities; (iii) financial affairs, in charge of budget, accounting, and financial management of subsidy programs; and (iv) planning and information systems, in charge of developing programs and maintaining systems. Rounding out this structure is a general secretariat, which performs administrative functions, and a central internal control office at the advisory level. The operational areas have counterparts in 25 regional offices, which have legal and operations sections, backed up by sections for administrative and financial affairs.
- 4.9 INCORA has a total staff of 1,900, 26% of them professionals. Though the agency has professional staff with legal training in the area of titling of unworked lands, it does not have the technical personnel it would need to supervise the field work. The program, therefore, will provide temporary technical support to both the national coordination unit and the regional offices, for supervision and evaluation of their assigned program activities.
- 4.10 From 1994 to 1996, INCORA expended an average of US\$110.6 million each year. Of that amount, US\$33.7 million went toward current expenses and US\$76.9 million for capital spending. The national budget financed 90.3% of total expenditures. The balance was covered by INCORA's own revenues from property surveying, portfolio returns from its direct interventions, and to a lesser extent the return on its financial investments. In relative terms, the deeding of uncultivated lands has been the activity representing

the least financial outlays, accounting in the past for around 6% of capital investment programs.

C. National Low-income Housing and Urban Renewal Institute

- 4.11 INURBE is a public agency attached to the Ministry of Economic Development. Created by Law 3 in 1991, it replaced the Instituto de Crédito Territorial and became coordinator of activities for the national low-cost housing system. Under Law 3, INURBE's mandate is to promote low-income housing and deliver technical and financial assistance to municipalities to help them make available, develop, and deed property intended for low-income housing and public areas.
- 4.12 In mid-1997 INURBE's institutional structure will change. Under the new organization, the agency will be headed by a general manager. At headquarters, it will have three deputy managers, for (i) urban development and technical assistance, in charge of producing and promoting instruments in the regional offices for managing city development and low-cost housing production; (ii) planning and information systems, to establish planning, management and monitoring criteria and activities; and (iii) administrative and financial affairs. Each of INURBE's 25 regional offices has a director and two operating divisions: (i) urban renewal and housing, in charge of carrying through the agency's policies, plans and programs at the local level, which includes the deeding of urban properties; and (ii) administrative affairs. There are also internal control units at headquarters and in the regional offices.
- 4.13 The institutional restructuring is expected to result in a 23% cut in present staff numbers (610). To ensure the success of the program's titling activities while the restructuring process is in progress, the program will provide technical assistance to the agency for supervision and evaluation of these activities. A support team will work out of a national coordination unit at headquarters, overseeing and monitoring the program. In each of the three work areas, INURBE regional offices will coordinate and supervise the deeding operations, under the guidance of the national coordination unit. In this arrangement, the program's accounts will be consolidated at headquarters, with statements to be forwarded to the PP and then to the Bank.
- 4.14 From 1994 to 1996, INURBE posted a budget execution of US\$178 million a year on average, comprising US\$145.6 million in capital spending and the balance in recurrent expenditures. INURBE itself funded all its recurrent expenses and 34% of its capital outlays; the other 66% came from the national budget. INURBE's own resources came basically from interest earned on its assets, which are managed by fiduciaries for the housing programs, and from the sale of assets of the former ICT. The direct housing subsidy program accounted for 85% of capital expenditures. Costs of

titling operations averaged US\$1.7 million a year, or just 1% of total expenditures.

D. Agustín Codazzi National Survey Bureau

- 4.15 Created in 1957 and restructured under Decree 2123 of 1992, the IGAC is a public agency attached to the Ministry of Finance. Its purpose is to develop policies and execute the national government's plans in the area of mapping, agrology, cadastral surveying and geography, by producing, analyzing, and disseminating georeferenced environmental and cadastral information as inputs for land-use and other planning.
- 4.16 Headed by a general manager, IGAC headquarters has four technical offices, each with a deputy manager: mapping, agrology, cadastral surveying, and geography. Its general secretariat handles administrative, financial, and public information matters. The IGAC has 67 regional and district offices and units, and a total of 1,277 employees, 357 of them at headquarters. Approximately 68% are professional-level.
- 4.17 The program's activities will involve the IGAC's mapping, cadastral, and geography offices. To coordinate this work, the IGAC will formally establish a general coordination unit for the program, attached to the office of the general manager, for the life of the program. The IGAC also plans to expand the role of the Consolidated Land Register and Advisory Services Division so that it performs functions typical of an official, continually updated land register. The program will set up and deliver technical assistance to both units.
- 4.18 As for the agency's finances, for the past three years, annual expenditures have averaged US\$37.5 million. Of that amount, US\$20.8 million were capital outlays and the other US\$16.7 million were recurrent expenses. Capital expenditures were almost entirely defrayed out of the national budget, while the IGAC itself financed 22% of its recurrent expenses, mainly using proceeds from the sale of goods and services, cadastral certificates, and special appraisals. The heaviest outlays, accounting for 53% of total capital spending, were for surveys and updating information and for the purchase of equipment.

E. Notarization and Recording Office

- 4.19 The SNR is a public-law agency attached to the Ministry of Justice, created in 1959. Its objectives are to oversee, inspect, and monitor the public services of notarizing and recording public documents; to organize and manage public records offices, and to advise the national government on policy and plans related to the services that the SNR regulates.

- 4.20 With a Commissioner at its head, the SNR operates at two levels: central and regional. The central level comprises the Office of the Commissioner of Notary Services, the Office of the Recorder of Deeds, the General Secretariat, and support units for legal affairs, planning and information systems, and internal control. The first two offices perform policy-, organization- and control-related functions in their respective areas, with the General Secretariat in charge of administrative and financial matters at headquarters. The SNR has 192 regional public registry offices, organized into 32 main offices located in the departmental capitals and Bogota, and 160 district offices that report to the main offices. At the regional level, there is an administrative office for recording public documents, while the central level has divisions for personnel, management, finance and technical assistance. The SNR has a total of 2,556 employees, 333 of whom are posted at headquarters.
- 4.21 The program's deed-recording activities will be supervised by the Office of Planning and Systems. The accounts of program-related expenses will be carried by staff of the district or main offices, consolidated in the administrative division and transferred to the PP by way of the General Secretariat.
- 4.22 The SNR is financially self-sufficient and operates with a surplus. Surpluses are funneled through the Ministry of Finance to defray a portion of the judicial system's expenses. That Ministry approves the SNR budget and manages surpluses. Some 97% of SNR revenues come from fees charged for recording documents. From 1994 to 1996, the SNR generated an average of US\$103 million in revenues annually, with which it defrayed its total expenses of US\$76 million and passed US\$27 million on to the judicial system. Of its aggregate expenditures, 71% were for capital outlays and the balance for current expenses.

## V. VIABILITY AND RISKS

### A. Technical viability

- 5.1 The rural and urban property titling activities were designed on the basis of pilot projects carried out in early 1996. Those projects supplied very useful experience for the program proposed herein in matters relating to interagency coordination arrangements and implementation mechanisms; the assessment of cadastral data and registry records on file, and decisions as to technical criteria; information on costs and timeframes of the new procedure; prospective beneficiaries' perceptions and reaction; and institutional and logistical problems that the program might encounter.
- 5.2 The title-recording activities will be carried out according to technical criteria established by the SNR as part of its modernization policy. The recording authority has adequate technical expertise, assuring the technical viability of that authority's assigned activities.
- 5.3 The IGAC will carry out the bulk of the cadastral activities and supervise all of them. The IGAC is one of the most experienced institutions in Latin America in the area of mapping, including plat mapping, and cadastral surveying. The systematization of cadastral data, combined with the initial measures to establish an official land register under the program, will ensure the technical feasibility of the cadastral activities.
- 5.4 To ensure that the program's activities are technically efficient, they will be performed by private firms that have the specialized knowledge required. The quality of the work of these firms will be monitored by the responsible agencies, which will themselves be suitably reinforced with consultants and equipment.

### B. Financial and institutional viability

- 5.5 Looking at recent experience and the investment plans of the participating agencies, the following paragraphs assess the effect the program could have on operating capacity in general and the feasibility of the local counterpart funding, in terms of the draw it represents on the agencies' finances.
- 5.6 The following table shows the annualized amounts of the local funding required for the program, average commitments in the past, and an estimate of investments the participating agencies will make during the program, except for the PP. These include program-related investments and are based on the budget assigned for 1997, the 1998 appropriation, and the agency's capital spending plans.



**COMPARISON OF THE PROGRAM'S ANNUALIZED INVESTMENTS WITH  
AVERAGE OUTLAYS IN THE PAST AND FUTURE INVESTMENTS**

<b>AMOUNTS (in millions of December 1996 US\$)</b>	<b>INCORA</b>	<b>INURBE</b>	<b>IGAC</b>	<b>SNR</b>
A. IDB program	7.3	0.85	4.37	10.60
B. Local counterpart requirement	2.96	0.34	1.65	10.60
C. Average past commitments	76.90	145.60	20.80	54.40
i. Share of (C) funded from national budget	71.50	95.40	18.90	0
D. Estimated annualized investment 1997-2000	90.90	106.80	25.30	62.10
ii. Share of (D) funded from national budget	86.30	79.90	22.30	0
<b>PERCENTAGES</b>				
1. % increase in investments (compared with historical commitments)	18.21	-26.65	21.63	14.15
2. Program share of (1)	52	N/A	97	138
3. % increase in future national financing, for counterpart	3.55	0.43	7.99	N/A

- 5.7 Except in INURBE's case, where the planned investments are lower than in the past, the above table shows that the increase in total annualized planned investments ranges from 18% in the case of INCORA to 22% for the IGAC (line 1) and that these increases correlate to the introduction of the program (line 2). The increases will bring with them a need for institutional strengthening to build capacity in the subexecuting agencies, in the form of a system of central and regional coordination units. In INURBE's case, however, the institution-building is necessitated by the fact that urban property-deeding activities will figure more prominently in the institutional reorganization presently under way in the agency.
- 5.8 The local contribution to the program will come from national budget appropriations, except in the case of the SNR, which is financially self-sufficient. The table of percentages above shows that the added draw on the national budget in relation to past appropriations will be modest, ranging from less than 1% in the case of INURBE to 8% for the IGAC. No problems are anticipated for the involvement of the SNR, which entirely funds its own capital budget. It is expected that in future, as a result of the program, the proceeds from recording fees will be approximately US\$103 million higher than what they averaged in the past, which will be more than adequate to cover all capital expenditures (which will average US\$62 million) and current expenses.
- 5.9 No experience-informed conclusions can be drawn in the case of the PP, since the unit was only recently established and its finances

for the period are not indicative in relation to the program's requirements. The average annual counterpart for the investments to be made through this unit is around US\$1.3 million. Since the PP is attached to the Office of the President and given the priority the government is according to the program, the expectation is that the counterpart funds needed for this unit and for the other agencies will be forthcoming.

- 5.10 From the institutional standpoint, the fact that the bulk of program spending will be done through contractors necessitates a supervision and coordination capability, at both the national and regional levels, through the participating agencies. Through the program, the coordination units within the subexecuting agencies will be strengthened, as they will plan and supervise the activities. In the specific case of the IGAC, the Consolidated Land Register and Advisory Services Division will be built up, as it will be in charge of setting up an official land register. The program also includes indirect support to the Federation of Colombian Municipalities as the agency coordinating the deeding of municipally administered city properties. This will guarantee a sound institutional framework for operation of the program.
- 5.11 The program proposed herein will lay the groundwork for the land titling, deed recording, and cadastral activities to continue in the country after the program itself is over. On the financial side, the success of this operation will encourage future budget appropriations, to further the objective of formal property ownership in the country. And from an institutional standpoint, the strengthening of the PP and coordination units in each subexecuting agency will mean better interagency communications when the program is finished.

C. Economic viability

1. The program's benefits

- 5.12 By helping to build a solid, open, and transparent market for urban and rural land that functions expeditiously, the program is expected to yield the following economic benefits:
  - a. Access to credit by rural and urban property owners. With title, their property becomes a negotiable and mortgageable asset that can be offered as collateral to finance capital investments or give its owner more means to purchase goods and services to satisfy immediate wants. Such unimpeded access to formal credit will enable property owners to improve their liquidity and solvency and raise their standard of living.
  - b. A boost in production and capital investment as the legal certainty of tenure is secured. Such investments will mean higher benefit streams and thus enhance a property's market

value. In urban areas, the program will increase real estate values and the demand for construction services.

- c. Better distribution of land as the land market picks up with the delivery of legally secure property titles. A more vigorous market will make for more efficient land use, which will in turn mean that the more proficient producers are those working land in the sector.

5.13 These benefits will accrue to both those in possession of the property to be deeded and to municipalities. The latter are expected to capture a portion of the gains in the form of property taxes, which in more than 75% of Colombian municipalities are the leading source of tax revenues.

5.14 The program's benefits clearly depend on socioeconomic factors that will influence the decision-making of future property owners. Experience in other countries shows that the value of assets at the time of deeding (including the size of the property), wealth accumulation capacity, market imperfections other than those in the land market, and an owner's individual circumstances (education, age, experience) play an important role in determining the benefits that a deeding and recording process can be expected to yield. Also, external social factors unrelated to producing activities, such as social conflict, also affect the benefits that operations of this type can produce.

5.15 A quantitative estimate of economic benefits would require statistical data not now available in the country. However, under the program, two studies are planned to measure the economic impact of the rural and urban titling activities, and will include an estimate of their economic return, once the program is completed.

## 2. Comparative costs

### a. Titling of unworked rural lands

5.16 Under the program, the costs per deeded property will be substantially lower than those incurred by INCORA since the new procedures for conveying title to uncultivated rural lands were introduced in Law 160/94. Based on INCORA's special budgets for its titling programs, the average estimated cost per property in 1994-1995 was US\$394, at current prices. This high cost is mainly due to the limited staff deployed by INCORA for the deeding and environmental appraisals, property surveying by IGAC staff, and one-by-one notification of beneficiaries.

5.17 Under the program, the deeding will be done according to the current procedure, which allows the contracting of private specialized firms, communications during the procedure rather than one-by-one notification of beneficiaries, and the use of maps during site visits. As the following table shows, the average

weighted cost of deeding and recording per rural lot stands at US\$157. The table likewise shows the costs of the environmental appraisal (US\$47) and supervision (US\$23), estimated from pilot projects conducted by the PP.

**AVERAGE TITLING COST PER UNCULTIVATED PARCEL OF RURAL LAND**

	US\$
<b>1. Deeding/recording</b>	<b>157</b>
Operating expenditures <u>a/</u>	90
Communication of acceptance	3
Processing of titles	21
Plats	10
Field inspections <u>b/</u>	20
Legalization <u>c/</u>	13
<b>2. Environmental appraisals <u>d/</u></b>	<b>47</b>
<b>3. Supervision <u>e/</u></b>	<b>23</b>
<b>TOTAL</b>	<b>227</b>

a/ Includes the expenses of planning work, basic mapping, photography and listing, promoting and receiving applications, and deeding sessions.

b/ Includes legal review and verification of boundaries.

c/ Includes notarization and recording expenses.

d/ The environmental appraisal is required by law to protect fragile environments.

e/ Includes supervision costs in national and regional coordination units in INCORA.

- 5.18 When the costs associated with the environmental appraisals and supervision are factored in, the cost per title deed is higher. However, with the new procedures (see paragraph 3.5) to be used under the program the average unit cost is almost 40% less than INCORA's cost in 1994-1995.

b. Urban property titling

- 5.19 The following table shows the average cost of arranging title to an urban property, estimated on the basis of the pilot project. The cost is close to US\$59, including the direct titling costs (US\$28), legalization of the deed (US\$21) and associated supervisory costs (US\$10).

AVERAGE TITLING COST PER URBAN PROPERTY

	US\$
<b>1. Titling</b>	<b>28.10</b>
Urban census of occupants <u>a/</u>	3.50
Preparation of plats	10.00
Events and contacts with community	1.60
Other operating expenses	13.00
<b>2. Legalization of deeds</b>	<b>20.50</b>
Notarization costs	7.50
Recording	13.00
<b>3. Supervision</b>	<b>10.10</b>
<b>TOTAL</b>	<b>58.70</b>

a/ Includes organization and supervision of the survey, processing of forms, construction of the database and purchase of plat maps and zone plans.

b/ Includes property assessment, title search, preparation of deeds and administration of the process until documents are signed.

5.20 The fact that the State has never deeded properties in towns or cities precludes any cost comparison of the activities this component involves.

D. Environmental and social viability

5.21 The chief environmental and social benefits will be: (i) the inducement to rural beneficiaries to manage their properties in a sustainable manner by means of investments and the use of more modern farming practices, thanks to the stronger legal certainty of tenure and access to credit that comes with possession of a recorded deed; (ii) environmental protection during the deeding process, afforded by the procedures prescribed in the country's environmental laws; (iii) the enormous opportunity for low-income groups to participate in the program, since poverty is a criterion for municipality eligibility; (iv) protection of the collective rights of black communities through restrictions on the deeding of unworked rural parcels in municipalities in which those lands lie; and (v) protection of the property rights of female heads of household in keeping with the existing laws, by monitoring the impact of the deeding activities.

- 5.22 The program's chief adverse environmental and social effects have been identified as the following: (i) possible increase in the use of such inputs as pesticides and fertilizers, as farmers gain access to credit when they have legal certainty of land tenure; (ii) degradation of environmentally fragile areas as title to uncultivated lands is conveyed; (iii) disputes in indigenous *resguardos* territories, and (iv) a ripple effect, whereby other dispossessed people might put pressure on the agricultural frontier in search of the same opportunities.
- 5.23 To keep the negative impact described above at a minimum, the following measures are planned under the program:
- a. Institutional measures. The decree creating the PP will be amended so that the Minister of the Environment or person appointed by the Minister sits on the PP's Advisory Board, the unit that will coordinate the program. This is a condition precedent to the first disbursement.
  - b. Operational design measures. The following environmental and social criteria were devised for selecting municipalities where uncultivated rural lands will be deeded; (i) municipalities with an existing cadastre, so as to avoid pushing back the agricultural frontier; and (ii) no uncultivated lands will be deeded in municipalities with SPNN conservation areas or indigenous *resguardos* until the georeferencing of topographic maps of *resguardos* and the survey and marking of boundaries and signage of SPNN areas have been completed.
  - c. Specific measures under the program. (i) development of a geographical information system to yield input for the titling of uncultivated rural lands (US\$2,500,000); (ii) georeferencing of topographic maps of indigenous *resguardos* (US\$24,000); (iii) digital mapping of physically homogenous rural areas (US\$367,000); (iv) survey and marking of boundaries and signage in national parks (US\$460,000); (v) study to monitor and evaluate the socioeconomic and environmental impact (US\$175,000); and (vi) study on the land tenure situation in national parks (US\$100,000). The contract will stipulate that during execution the borrower will: (i) submit to the Bank, within six months after the start of the program, proof of implementation of the system for monitoring the program's effects and commissioning of the study on land tenure in parks; and (ii) submit reports on the social, economic, and environmental impacts of the program 12, 30 and 46 months into the program. The borrower and the Bank will agree on any changes and adjustments that the reports indicate the program requires.
- 5.24 The total budget allocated in the program for mitigating negative environmental and social effects is US\$3,626,000.

- 5.25 These alleviating measures, in combination with the positive social and environmental effects of the program, make the proposed operation environmentally and socially viable.

E. Poverty in the beneficiary communities

- 5.26 This operation will have an estimated 250,000 beneficiaries, who will gain legal title to land (not counting individuals who already have a property deed and will have it recorded). Since the poverty index was not one of the main eligibility criteria for selecting municipalities, the project is not poverty-targeted.
- 5.27 The beneficiaries live in a total of 239 municipalities, both rural and urban, selected on the basis of a set of criteria (paragraphs 3.23, 3.24 and 3.25), one of which is poverty measured by the index of unmet basic needs (UBN). The UBN measures the level of 'poverty' by the quality of housing, access to public services, number of persons per dwelling, children's school attendance, and number of dependents per family. The most recent official data available for this index at the national level are from 1985. While recent studies point up flaws in the UBN as a yardstick of rural poverty, it is the only indicator available for all the country's municipalities.
- 5.28 On average, 64% of the population in these municipalities have unmet basic needs. In the 200 rural municipalities where the titling activities will be carried out, this figure increases to 68%. In the 50 urban municipalities (11 of which also involve deeding of unworked parcels), the figure is 45%, compared to the national composite UBN of 45.6% (urban 32.3%, rural 72.6%).
- 5.29 The following table shows the breakdown of municipalities by UBN figures. A total of 181 municipalities, accounting for 75.7% of the total number of project participants, show more than half their population with UBN.

Range	Number of municipalities	%
UBN $\geq$ 90	19	7.9
70 $\leq$ UBN < 90	86	36.0
50 $\leq$ UBN < 70	76	31.8
40 $\leq$ UBN < 50	30	12.6
20 $\leq$ UBN < 40	28	11.7
TOTAL	239	100.0

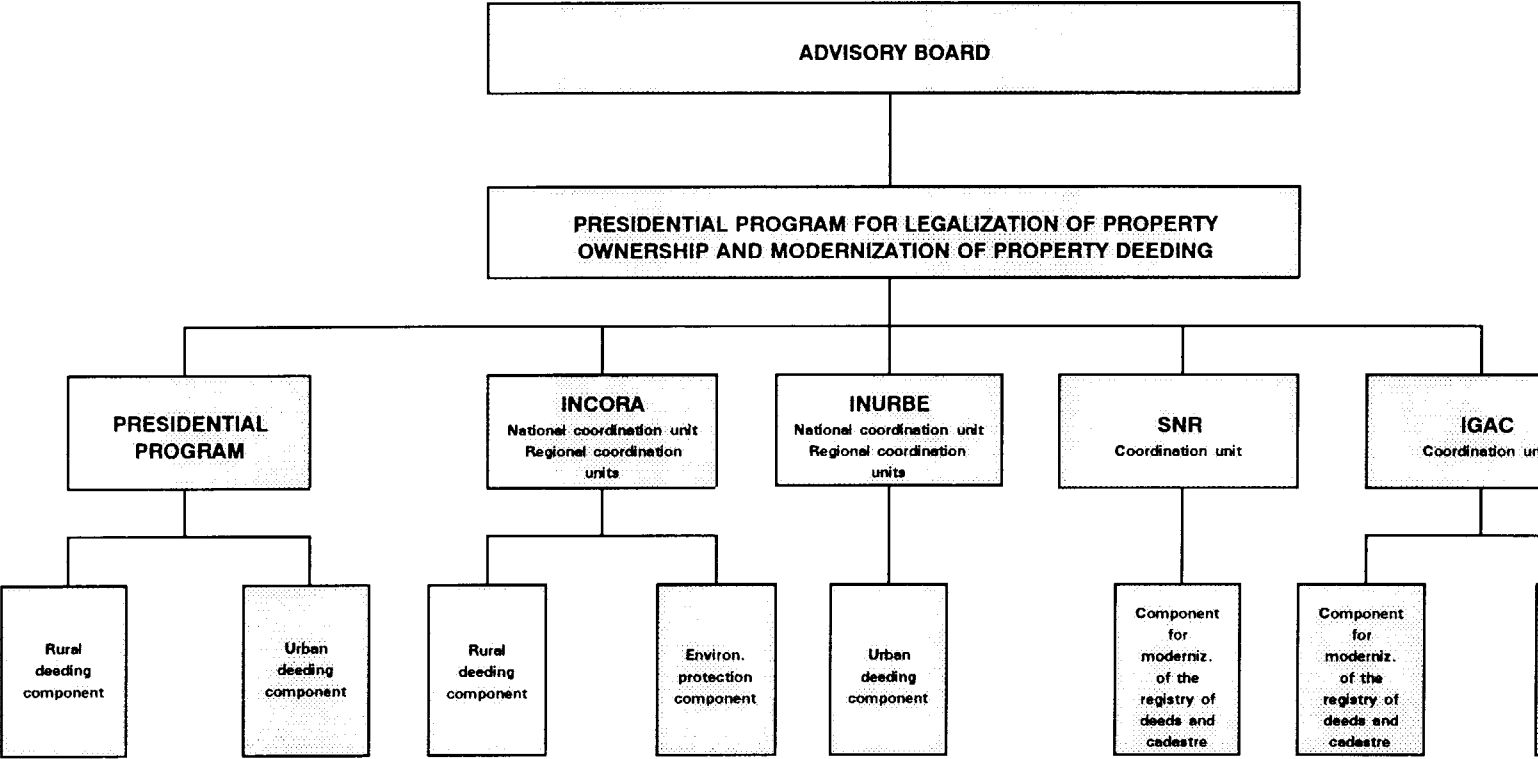
F. Risks

- 5.30 Potential delays caused by social conflict in areas being deeded. Any social conflict in the country could delay or hold up the titling work planned under the program, especially in rural areas. The program has sought to minimize this risk by selecting municipalities that are not presently experiencing such conflict. Also, in accordance with established criteria, new municipalities can be selected in the event that any of those originally chosen experience social conflict of a kind that would make it impossible to complete the titling operations within the program's time frame.
- 5.31 Weak demand for property deeds. Pursuant to legal procedures for deeding uncultivated rural land or developed urban real estate, an occupant must begin by filing an application for title. Because the deeding process is voluntary, the response may not be what is needed to achieve the planned title targets. The program would counter this risk by selecting rural and urban municipalities that have properties on file in the cadastre but with unrecorded deeds, and an effective demand for deeds. Furthermore, the program plans promotional and information campaigns in the local, municipal, and regional media while the titling operations are in progress.
- 5.32 Lack of interagency coordination. For the program to be carried through successfully, the subexecuting agencies will have to work in concert and the Federation of Colombian Municipalities and Ministry of the Environment will need to play an indirect role. While the operation was being prepared, interagency coordination and communication improved considerably. But if collaboration slackens in the course of the program, it might take longer to achieve its planned goals. To offset this risk, the program is strengthening the PP, as coordinating agency, and the coordination units within each subexecuting agency. The Minister of the Environment's presence on the PP's Advisory Board will also allay this risk.
- 5.33 Timely provision of counterpart funding. The country's current fiscal constraints could impede the program's implementation. The chances of achieving the planned targets will be greatly compromised if the budget program fails to appropriate all the local resources that each subexecuting agency will require for the operation. This risk is minimized, however, by the fact that of the US\$65.5 million total local counterpart funding envisaged, US\$39 million will come from the SNR's own resources.



PROGRAM FOR LAND TITLING AND MODERNIZATION OF THE REGISTRY OF DEEDS AND CADASTRE  
(CO-0157)

ORGANIZATION CHART FOR PROGRAM IMPLEMENTATION



**LOGICAL FRAMEWORK**  
**PROGRAM FOR LAND TITLING AND MODERNIZATION OF THE**  
**REGISTRY OF DEEDS AND CADASTRE**  
**(CO-0157)**

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
There is widespread legal certainty of property	Number of recorded deeds handed over.		The country's socioeconomic conditions are favorable.
There is an open, transparent urban and rural land market in Colombia that functions expeditiously.	(i) Number of applications for deeds filed by individual property occupants and number of deeding initiatives by municipalities.	(i) System for monitoring the titling process.	(i) The titling process continues. (ii) Financial markets develop to serve new low-income property owners. (iii) The legal structure of property ownership is strengthened. (iv) The process of consolidating cadastral records, recording and cadastral services continues.
<b>RESULTS</b>			
Property deeds issued and recorded.	1.1 98,000 recorded property deeds in 200 rural municipalities are delivered: Year 1: 9,500      Year 3: 30,000 Year 2: 25,000      Year 4: 33,500  1.2 Each year for the first two years of the program, 1,000 property deeds for rural homesteading are delivered.	(i) Inventories of rural properties and a system for monitoring granted titles. (ii) Annual evaluations in the course of the project. (iii) Report on social, economic and environmental effects.	(i) The demand for property deeds is anticipated. (ii) INCORA, PP and IGAC coordinating activities. (iii) Activities to promote property registration and deeding are successful; property ownership by women is encouraged.
Property deeds issued and recorded.	2.1 Every year for the four years of the program, 12,500 deeds to urban real estate of State agencies are delivered.  2.2 Over a four-year period, 100,000 properties under municipal management in 50 municipalities are conveyed: Year 1: 7,500      Year 3: 36,500 Year 2: 24,500      Year 4: 31,500	(i) Inventories of rural properties and a system for monitoring granted titles. (ii) Annual evaluations in the course of the project. (iii) Social, economic and environmental impact report.	(i) The municipalities' demand for property registration sessions is as anticipated. (ii) INURBE, Colombian Federation of Municipalities, municipal governments and IGAC are working in coordination. (iii) Activities to promote titling and deeding of deeds are successful; property ownership by women is encouraged.

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>ation and recording and cadastral dures automated, and study for establish- of an official land register produced.</p>	<p>3.1 5 million property records are moved to magnetic storage over a four-year period: Year 1: 2,900,000 Year 3: 700,000 Year 2: 700,000 Year 4: 700,000</p> <p>3.2 800,000 city plat maps and 700,000 rural ones are digitized over a three-year period: Year 1: 250,000 Year 3: 461,500 Year 2: 788,000</p> <p>3.3 Operations of eight IGAC regional offices are automated in year 1 and seven in year 2.</p> <p>3.4 117 SNR offices in the program areas are automated in three years: Year 1: 23 Year 3: 59 Year 2: 36</p> <p>3.5 Digital mapping of cities in the program area done over three years.</p>	<p>(i) Count of magnetic files at SNR and of digital maps at IGAC. (ii) Progress in the other components. (iii) Annual evaluations in the course of the project. (iv) Social, economic and environmental impact report.</p>	<p>(i) Equipment has been purchased and technology transferred.</p>
<p>dures and information systems in place to ward environmental conservation areas indigenous <i>resguardos</i>.</p>	<p>4.1 Over four years, boundaries of 10 conservation areas in the national parks system in the program area are surveyed and marked, with signage.</p> <p>4.2 A network of geographic information systems is established in 26 INCORA offices in the program area.</p> <p>4.3 Digitizing completed of topographic maps of indigenous <i>resguardos</i> and mapping of physically homogenous zones in the program area.</p> <p>4.4 Staff and contractors are trained in environmental appraisal techniques.</p>	<p>(i) Maps and planning information from the titling sessions. (ii) Project monitoring system. (iii) Annual evaluations in the course of the project. (iv) Social, economic and environmental impact report.</p>	

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>and publish a manual of procedures for ing unworked rural land. n modules, prepare and deliver training CORA staff and contractors for the ing and title legalization activities. ork required to deed uncultivated rural ties in the program area and record . ee titling work of contractors through the -region and national coordination units.</p>	<p>BUDGET (in U.S. dollars)</p> <p>1. US\$23.5 million</p>		
<p>e nationwide inventory of deedable ties in the program area. n and publish a manual of modern dures for deeding urban real estate. n modules, prepare and deliver training ff of INURBE, FCM, and contractors for eeding and title legalization activities. er title of properties owned by State and ipal agencies in the program area and l the deeds. ee titling work of contractors, by way of tional and macro-region coordination in INURBE and FCM. e ex post socioeconomic study of the t of urban real estate deeding.</p>	<p>2. US\$9.5 million</p>		<p>All local counterpart funding needed project is programmed in the budget expended in full.</p>

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>(field and desk) and digitize urban and at maps in program area.</p> <p>ete digital city mapping in program area</p> <p>ale of 1:2,000.</p> <p>ce the legal, institutional and technical</p> <p>ork for establishment of an official land</p> <p>.</p> <p>modules, prepare and publish training</p> <p>ls for private property surveyors.</p> <p>se equipment to modernize IGAC and</p> <p>fices in the program area.</p> <p>ecialists for the coordination unit and</p> <p>ous updating group in IGAC.</p> <p>ibe paper property records onto</p> <p>ic media.</p> <p>and implement the national land</p> <p>campaign.</p> <p>ise the program's cadastral survey and</p> <p>recording activities.</p>	<p>3. US\$54 million</p>		<p>All local counterpart funding needed for project is programmed in the budget and expended in full.</p>
<p>and implement a geographic</p> <p>ation system.</p> <p>and mark boundaries and complete</p> <p>e in SPNN conservation areas in</p> <p>m area.</p> <p>topographic maps of indigenous</p> <p>dos and complete digital mapping of</p> <p>ally homogenous rural areas covered in</p> <p>gram.</p> <p>modules, prepare and publish training</p> <p>ls for environmental appraisals.</p> <p>ct a monitoring study on the environ-</p> <p>and socioeconomic impact of the rural</p> <p>ing operations.</p>	<p>4. US\$4 million</p>		<p>All local counterpart funding needed for project is programmed in the budget and expended in full.</p>

**TIMETABLE FOR CALLS FOR BIDS AND PROPOSALS**

DESCRIPTION BY COMPONENT (Amount)	IDB loan (%)	Local counterpart funding (%)	Method	Prequalification	Date of publication (I or II half of year)
<b>A. CONSULTING SERVICES</b>					
<b>ADMINISTRATION AND SUPERVISION</b>					
1. Development of monitoring system No. lots: 2 Amount: US\$120,000	100	0	LCP	NO	97 II
2. External auditing No. lots: multiple Amount: US\$480,000	100	0	LCP	NO	98 I
<b>I. COMPONENT: TITLING OF UNCULTIVATED RURAL LAND</b>					
1. Titling and legal recording of deeds to uncultivated rural land a. Titling: No. lots: multiple Amount: US\$19,325,000	75	25	ICP	YES	97 II
b. Mapping and legalization of title No. lots: multiple Amount: US\$1,363,000	0	100	LCP	NO	97 II
2. Consulting services to develop procedures and provide training, rural No. lots: multiple Amount: US\$280,000	0	100	LCP	NO	97 II
<b>II. COMPONENT: URBAN PROPERTY TITLING</b>					
1. Consulting services for studies on urban property titling 1/ No. lots: multiple Amount: US\$290,000	100	0	LCP	NO	97 II
2. Consulting services to develop procedures and provide training, urban No. lots: Multiple Amount: US\$320,000	0	100	LCP	NO	97 II

DESCRIPTION BY COMPONENT (Amount)	IDB loan (%)	Local counterpart funding (%)	Method	Prequalification	Date of publication (I or II half of year)
3. Titling and legal recording of deeds to urban property a. Titling No. lots: multiple Amount: US\$2,338,000	100	0	LCP	NO	97 II
b. Mapping and legalization of deeds No. lots: multiple Amount: US\$4,763,000	0	100	LCP	NO	97 II
<b>III. COMPONENT: MODERNIZATION OF REGISTRY OF DEEDS AND CADASTRE</b>					
1. Specialized cadastral services 2/ No. lots: multiple Amount: US\$7,188,000	100	0	ICP	YES	97 II
2. Consulting services to review plat maps 3/ and identify procedures for obtaining data No. lots: multiple Amount: US\$1,109,000	0	100	LCP	NO	97 II
3. Specialized city and geodetic mapping services No. lots: multiple Amount: US\$2,560,000	0	100	LCP	NO	98 I
4. Consulting services to study quality of mapping, training of surveyors and study on deed recording No. lots: 3 Amount: US\$210,000	100	0	LCP	NO	97 II
5. Evaluation of legal, institutional, technical framework and development of protocols to set up an official land register No. lots: 2 Amount: US\$300,000	100	0	LCP	NO	97 II
6. Consulting services for supervision of cadastral survey work 4/ No. lots: multiple Amount: US\$882,000	0	100	LCP	NO	97 II
7. Specialized deed-recording services 5/ No. lots: multiple Amount: US\$17,500,000	0	100	LCP	NO	97 II

DESCRIPTION BY COMPONENT (Amount)	IDB loan (%)	Local counterpart funding (%)	Method	Prequalification	Date of publication (I or II half of year)
<b>IV. COMPONENT: ENVIRONMENTAL PROTECTION IN RURAL AREAS</b>					
1. Specialized environmental protection services <u>6</u> / No. lots: multiple Amount: US\$309,000	0	100	LCP	NO	97 II
2. Survey and marking of boundaries in national parks, signage No. lots: 2 Amount: US\$560,000	100	0	LCP/ICP	NO/YES	98 I
3. Study of environmental and socioeconomic impact of rural land titling, and training of field inspectors No. lots: multiple Amount: US\$225,000	100	0	LCP	NO	97 II
4. Consulting services to develop GIS a. User needs assessment and design No. lots: 1 Amount: US\$200,000	100	0	LCP	NO	97 II
b. Implementation No. lots: 2 Amount: US\$591,000	100	0	ICP	YES	97 II
5. Digital mapping of physically homogenous areas No. lots: 2 Amount: US\$367,000	100	0	LCP/ICP	NO/YES	98 I



DESCRIPTION BY COMPONENT (Amount)	IDB loan (%)	Local counterpart funding (%)	Method	Prequalification	Date of publication (I or II half of year)
<b>B. PROCUREMENT</b>					
<b>III. COMPONENT: MODERNIZATION OF REGISTRY OF DEEDS AND CADASTRE</b>					
1. Equipment for IGAC offices No. lots: 1 Amount: US\$1,800,000	100	0	ICB	YES	98 I
2. Medium-precision GIS equipment No. lots: 1 Amount: US\$300,000	100	0	ICB	YES	97 II
3. Equipment for SNR offices No. lots: multiple Amount: US\$21,060,000	0	100	LB	NO	97 II
<b>IV. COMPONENT: ENVIRONMENTAL PROTECTION OF RURAL AREAS</b>					
1. GIS equipment No. lots: 1 Amount: US\$1,431,000	100	0	ICB	YES	98 I

- 1/ National urban property inventories and study evaluating socioeconomic impact of urban property titling.
- 2/ Field review of rural plat maps and digitization of rural and city plat maps.
- 3/ Field review of city plat maps; desk review of rural and city plat maps.
- 4/ Supervision of field review and digitization of plat maps and of city digital mapping, scale 1:2,000.
- 5/ Moving property records onto magnetic storage; nationwide campaign promoting deed-recording, and supervision of conversion of property records.
- 6/ Georeferencing of topographic maps and training in information tools.

ICP = international call for proposals  
ICB = international competitive bidding  
LB = local bidding  
LCP = local call for proposals

Open calls for proposal will be required for consulting services valued at over US\$200,000, and international competitive bidding for goods worth over US\$350,000. Consulting contracts for less than US\$200,000 will be awarded pursuant to the national statute governing public-sector procurement (Law 80 of 1993).

PROPOSED RESOLUTION  
COLOMBIA. LOAN \_\_\_\_/OC-CO TO THE REPUBLICA DE COLOMBIA  
(Registry and Records Modernization and Land Titling Program )

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Republic of Colombia, as Borrower, for the purpose of granting it a financing to cooperate in the execution of a Registry and Records Modernization and Land Titling Program. Such financing will be for the amount of up to thirty eight million five hundred thousand United States of America Dollars (US\$38,500,000), from the Single Currency Facility resources of the Ordinary Capital resources of the Bank, and will be subject to the "Special Contractual Conditions" and the "Terms and Financial Conditions" set forth in the Executive Summary of the Loan Proposal.