

MEMORANDUM

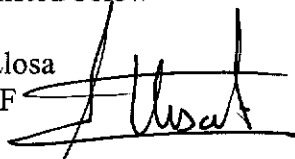
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RE3/EN3/136/2004

DATE: MAY 26 2004

TO: Persons listed below

FROM: Alvaro Llosa
EN3/CHF



SUBJECT: **Bahamas.** Land Use, Policy and Administration Project. (BH-L1001). Management Review Committee (MRC).

Please find attached, for your review, the Project Concept Document (PCD) of the above-mentioned Program. This document will be discussed at a meeting of the Management Review Committee (MRC) to take place:

Date: Wednesday, June 2, 2004

Time: 9:30 a.m.

Place: NE-0819

Mr. Sergio Campos, (RE3/EN3/) will act as Secretary of the MRC.

CRG Members:

Juan Manuel Fariña, SO3/CHF
Jaime Fernández, FI3/CHF
Xavier Comas, SC3/CHF
Alvaro Llosa, EN3/CHF
Neville Beharie, OD6/CHF
Liliana Rojas, RE3/RE3
Rafael Hernández, RE3/RE3
Elio Londero, RE3/RE3
Arne Paulson, RE3/RE3
Laura Profeta, LEG/OPR
Frank Mareska, COF/CBH
Clark Sand, RE3/OD6
Dougal Martin, RE3/OD6

Project team members

Fernando Bretas, RE3/EN3
Cesar Falconi, RE3/EN3
Sergio Campos, RE3/EN3
Trevor Boothe, COF/CBH
Kevin Barthel, Consultant

Other guests:

Ciro De Falco, RE3/MGR
Máximo Jeria, RE3/DEP
Max Pulgar-Vidal, EVP/DEP
Adriana Arroyave-Shiple, ROS/DAU
Camile Gaskin-Reyes, ROS/PMP
Laura Ramirez-Ramos, ROS/PMP
Rodolfo Hernández, ROS/PRM
Carlos Jarque, SDS/MGR
Manuel Rapoport, DPP/MGR
Eduardo Lora, RES
Guillermo Calvo, RES
Jacques Rogozinski, IIC/GEN
Keisuke Nakamura, FSS/DEP
Carlos Valencia, EVP/DEV
Sandra Freundt, EVP/DEV
Sixto Aquino, OVE
Janine Ferretti, SDS/ENV
Rubén Echeverría, RUR/CHF
Asunción Águila, EN1/CHF
Robert Kaplan, EN2/CHF

PROJECT CONCEPT DOCUMENT (PCD)

THE BAHAMAS

I. BASIC DATA

Project title: Land Use, Policy and Administration Project (LUPAP)

Project number: BH-L1001

Date of entry in the operative program: February 18, 2004

Project team: Division Chief: Alvaro Llosa (EN3/CHF); Team Leader: Cesar Falconí (RE3/EN3); other members: Fernando Bretas (RE3/EN3); Sergio Campos (RE3/EN3), Trevor Boothe (COF/CBH); Kevin Barthel (Consultant); and Giovanna Mahfouz (RE3/EN3).

Borrower: Government of the Commonwealth of The Bahamas (GOBH)

Executing agency: Office of the Prime Minister (OPM)

Financing plan:

IDB:	US\$2.96 million
Local:	<u>US\$1.47 million</u>
Total:	US\$4.43 million

PTI/SEQ: No

Tentative calendar of activities:

Analysis Mission:	August 2004
Loan Committee:	September 2004
Board:	October 2004

II. INTRODUCTION

A. Background

- 2.1 The Bahamian archipelago extends over 100,000 square miles of the southwestern edge of the North Atlantic Ocean and is comprised of some 700 islands and cays with a total land area of 5,833 square miles. There are 17 main inhabited islands and the country had a population of 316,000. Most of the population (66%) resides on New Providence with 16% of Bahamians living on Grand Bahama. The remaining islands are sparsely populated with the most developed being, Andros, Eleuthera and Abaco. Close proximity to the United States, a sub-tropical climate, and extensive coral-based white sand beaches have contributed to a vibrant tourism-led economy of around US\$5.2 billion annually and a high degree of economic linkages between the two countries. GDP per capita is estimated at US\$16,592.

B. Land tenure in The Bahamas

- 2.2 Land tenure in The Bahamas (BH) is based on English law and practices mostly continued from colonial times. There are two main land tenure regimes¹ in BH: (i) private real property held by individuals as freehold; and (ii) Crown Land, which is held in trust by the Crown² on behalf of the Bahamian people. Crown Land accounts for approximately 70% of all land in the country with the remainder being private property. Crown Land can be divested either by a short or long-term lease agreement or through a rent to buy agreement, which can eventually result in the issuance of a Crown Grant. Of the approximately 3.45 million acres of Crown Land on the major islands, a little more than 32% has been alienated by The Government of the Bahamas (GOBH) over the years. Freehold land is secured by a deed of conveyance of rights to real property, which may be recorded in the GOBH Registry.
- 2.3 Land tenure security in the country is reduced by four key factors: (i) overlapping claims and rights to land as a result of property disputes and the lack of a parcel-based cadastral map; (ii) uncertainty regarding ownership of land resulting from the person-based and non-mandatory nature of the real property rights records system and the questionable reliability of the information in Registry; (iii) an outdated policy for Crown Land divestment and administration which does not promote an efficient use of these lands; and (iv) existence on commonage and generational land.
- 2.4 Recent studies indicate that over 15% of all parcels are in dispute. This estimate is probably low since there is no comprehensive cadastral map of all parcels. Without a cadastral map showing the geographic location and physical extent of each parcel and its relation to adjacent parcels, which is linked to information on land ownership, it is difficult to determine where overlapping rights and claims exist. Since 1975, legislation requires that, when prepared, survey plans include precise geographic references as to the location and extent of the parcel. This legislation should facilitate the piecing together of individual parcel plans into a comprehensive cadastral map, however, not all surveys are filed with the government.
- 2.5 The deed recording system used in The Bahamas records land transactions in chronological order and based on the names of persons involved in the transaction. This person-based system requires a time consuming and cumbersome backward search of the "chain" of all previous transactions to determine the current ownership of the land. These searches result in long turn-around time on land transactions, and higher than necessary transaction costs as property attorneys charge clients more for searching records to provide an opinion of clear ownership.
- 2.6 Land tenure security is reduced since recording is not mandatory and as a result individual properties may be omitted from the Registry. Being a deed recording system, as opposed to a registration of title system, land transactions among parties

¹ Government land is a third category, which is land that has been acquired by the Government from private individuals for public purposes.

² Her Majesty Queen Elizabeth II.

are valid even if they are not recorded in the Registry. However, recording of transactions provides more security of tenure and the laws of the country provide incentive to record because recorded transactions have priority. Moreover, even if a property is recorded, there is no requirement for recording subsequent transactions. Since the Registry has no responsibility for validating the information regarding the land (location, size and value) prior to recording, the reliability of the Registry information is open to question.

- 2.7 The person-based character and non-mandatory nature of the deeds recording system and the resulting unreliability of the information of the Registry combine to reduce land tenure security, increase the cost of land transactions and decrease the efficiency of the land market. In technical terms, replacing deeds recording system with a land title registration system may resolve the majority of these problems. However, changing the real property system is a long-term and major economic, legal, cultural and political undertaking. In the short-term, however, a major increase in land tenure security, as well as significant increases in efficiency, reduction in risk to investment and improvement in reliability of information can be achieved by establishing a parcel-based deed recording system accompanied by the installation of modern information systems and streamlined administrative procedures.
- 2.8 With as much as 70% of all land in the country administered by the GOBH, a clearly defined Crown Land policy is essential in order to improve land tenure security, and ensure the effective and sustainable use of land resources³. While standard administrative procedures are in place, allocation, administration and pricing are done on a largely ad-hoc basis⁴. In general, the process for allocating Crown Land is not well understood by the general public and, largely in part to the lack of a clearly stated GOBH policy, is open to the perception of unfairness and favoritism.
- 2.9 Two group tenure regimes are recognized, Commonage and Generational land. Commonage land was historically granted to a group of individuals and is still held in common by the heirs of the original community. Commonage land is limited to less than ten locations throughout the islands. This land is essentially inalienable, which limits its potential productive use and development. Generational land results when families neglect to probate estates generation after generation and the rights to the land become vested in an increasingly large group of descendants who are tenants in common of an undivided property. Due to the uncertainty of ownership, there is little incentive to improve or invest in the use of this land. The issue of ownership could be resolved through a proper legal administration of the estate; however, this is sometimes difficult within an extended family for obvious logistical and personal relationship reasons. The scope of Generational land is not fully known, nor are its economic and social impacts.

³ The primary Crown Land tenancies are: (i) Crown Grants; (ii) Conditional Lease Purchases; (iii) Renewable Leases for agricultural, industrial or commercial purposes; and (iv) Annual License of Occupancy.

⁴ Such as, no established criteria for determining successful applicants; no information on land available for certain uses; no clear criteria for establishing the length of lease, rental rates and sales prices; no prescribed time limits; no formal mechanism for informing of the status of the application; and no formal means for appeal.

C. Land administration

- 2.10 Land administration is the term used to describe the various processes for collecting, recording, using and disseminating information about the physical location and extent, the ownership, and the value of land. In the Bahamas, these cadastral, registry and property taxation processes are outdated; the responsibility for carrying them out is divided among various agencies, which are not coordinated; and the systems for managing and disseminating land information are not integrated. To achieve efficiency and effectiveness in administering land and to improve and expand land administration services to the public and private sector, these processes need to be streamlined and an integrated parcel-based system for land information management developed.
- 2.11 The majority of land information used by the government is outdated or incomplete, is scattered among various government agencies and much of it is in paper form, which limits its accessibility and use. Various agencies collect the same land information to meet their specific needs. This uncoordinated effort causes inconsistency and inaccuracy, duplication of effort and higher costs. Due to the lack of data standards, rules for interagency data sharing and clear responsibilities for data upkeep and maintenance, integrated management and use of land information to improve land administration, help resolve competing land development needs and guide rational and sustainable land and development policy is difficult.
- 2.12 **Physical location and extent of land:** There is no complete cadastral map of all private and Crown Land parcels in the country. In addition, the legislation regulating the collection and use of cadastral information has two major weaknesses. First, there have been significant technological advances in computerized surveying technology, and while the Land Surveyors Act does not preclude the use of this technology, greater benefits could be derived if the legislation was modernized to serve the needs of integrated land administration. Second, since the Act does not require survey plans to be recorded, overtime the cadastral records become unreliable.
- 2.13 **Ownership of land:** As previously presented (§ 2.5-2.7) the person-based character of the deed recording system hinders the referencing of land ownership information to the physical parcel and limits the ability to combine information on the location, ownership and use and value of land.
- 2.14 **Value of land:** In terms of managing information on the value of land, the implementation of an equitable real property tax policy that effectively generates revenue for government is hindered by three main reasons: (i) many properties are under-valued; (ii) tax rolls are incomplete; and (iii) collection is passive. While both Bahamians and non-Bahamians owning real property in the country are required to pay property tax⁵.

⁵ Property held by Bahamians and located outside of New Providence is exempt from taxes.

- 2.15 Actual revenue from property tax in 2002-2003 was US\$37 million with estimated US\$45 million revenue for 2003-2004. This gap between actual collection and estimated potential tax revenue highlights the poor collection performance that is evident in a 2000 study that put arrears of past due taxes and penalties at US\$156.5 million. Collection of real property taxes is passive and the government relies on capturing lost revenue when properties are transferred. This is done through the levy of a high transfer tax, which ranges from 0.75% to 8% as a percentage of property value⁶. High transfer taxes, combined with the non-mandatory nature of the land registry, provide strong incentives to not record property transfers, or to obscure true sales prices thereby reducing the reliability of land information and affecting revenue collection.

D. Land policy, planning and development in The Bahamas

- 2.16 Given the significant role nature-based tourism plays in the economy of the country, the sustainable use and rational development of land and coastal resources is vital to avoid long-term detrimental impact on the economy and the lifestyle and culture of the country. Currently the natural resources are under pressure from largely unplanned, uncontrolled, and in some cases, difficult to sustain development. Government agencies responsible to plan for and make decisions regarding land development lack the necessary up-to-date geographic information to make informed decisions on specific and immediate projects, nonetheless to plan for long-term sustainable development. As a result much of the government decision-making regarding land development is done in a vacuum without a real understanding of the carrying capacity of the infrastructure, the natural resources and the society of the affected area.
- 2.17 Within this setting, there is no integrated national land policy to ensure a pattern of growth and use of land that supports land development while addressing sustainability issues and environmental concerns. While land use planning and development is always important, particularly in the absence of a national land policy, land use planning and development control plays a pivotal role between land use and the protection of the environment and natural resources. In this regard, the existing land use planning and development framework for the country was not designed to address the type of development pressure which the country, and specifically the Family Islands, is currently experiencing and actively promoting as a strategy for economic development. As a result, the administrative and technical processes for planning and development control are not responsive to either the needs of the GOBH or the public sector.
- 2.18 The land use planning and development process is limited by three specific issues: (i) Zoning Orders, which are the only legislative tool to plan and regulate land development, have only been prepared for a limited number of specific areas of New Providence and none of the Family Islands; (ii) the Town Planning Act lacks

⁶ International experience shows that transfer taxes in countries with harmonious real property tax and transfer tax systems do not exceed 1 to 2%.

regulations to guide the work of the Department of Physical Planning; and (iii) the capacity of local government, as well as the participation of civil society in the land use planning and development process are severely limited.

E. Public institutional and legal framework relating to land

- 2.19 **Land Policy and The Office of the Prime Minister:** The Office of the Prime Minister (OPM) has responsibility for cross-agency coordination and the development and implementation of national policy as a foundation for the strengthening of various productive activities as well as tourism and investment. Within this context, while there is no comprehensive national land policy, the OPM has an Under Secretary with responsibility for Crown Land divestment and acquisition of land for public purposes, and is responsible for the Department of Lands and Surveys (DOLS) and Bahamas National Geographic Information Systems (BNGIS).
- 2.20 **Land surveying and management of Crown Land:** The administrative authority for land surveying, national mapping and geodetic control and management of Crown Lands is the DOLS. The DOLS is divided into five sections: (i) estate management, manages Crown land; (ii) forestry, manages and plans the sustainable use and protection of forest resources; (iii) research, in charge of investigating GOBH property records; (iv) surveying and mapping, examines and records cadastral surveys, maintains the geodetic infrastructure, and surveys Crown Land prior divestment; and (v) accounts, collects rents and fees collection from Crown Land, and sales of maps, plans and copies of records. In terms of cadastral surveying, as established in the Land Surveyors Act the Surveyor General regulates public and private sector land surveying activities, as well as stores and maintains survey records for the country.
- 2.21 **Land and geographic information management:** By Cabinet Decision effective January 2004, the BNGIS was established as a Unit within the OPM. The BNGIS serves as the GOBH's technical focal point for the collection and management of geographic information; is responsible to set and implement GIS policy including data standards and data sharing protocols; maintains a clearinghouse for the dissemination of geographic information to the public and private sector; and provides training in the use of geographic information systems technology to personnel in various government agencies. As an important part of its mandate, the Center leads the way in the collection, integration, analysis and provision of geographic information for use in land use planning and monitoring of development.
- 2.22 **Real property registration:** The Registrar General's Department (RGD) is established by Registrar General Act and has the legal responsibility for the recording of rights in land under the authority of Registration of Records Act. The RGD is managed by the Registrar General and is a department in the portfolio of the Ministry of Financial Services and Investments and is responsible for the maintenance of both the civil and property registries. The recording of real property is the responsibility of the Deeds and Documents Section of the RGD.

- 2.23 **Assessment and taxation of real property:** The Business License/Valuations Unit of the Ministry of Trade and Industry is responsible for the assessment of property values and taxation of real property in the country. The Valuation Unit is headed by the Chief Valuations Officer who administers the Real Property Tax Act and maintains the tax roll of taxable properties.
- 2.24 **Land use planning and development:** The Town Planning Act provides the legal basis for planning and development of land. The Department of Physical Planning (DPP) of the Ministry of Works and Utilities is responsible for land use planning and development control. While the vision and mandate of the Department is broad in terms of preservation, protection, development and use of natural resources of land, water and air, in practice the Department focuses on administering land-use and development control and less on strategic long-term planning for sustainable development of land. The functions of the Department include: (i) setting and enforcing land use controls; (ii) levying penalties and fines for non-compliance; (iii) formulating plans for the control and regulation of physical development; and (iv) providing technical planning assistance and advice to the Town Planning Committee. Controlling and regulating subdivision development and partitioning of properties is the responsibility of the Subdivision Unit within the Ministry of Works and Utilities.
- 2.25 **Land administration in Freeport, Grand Bahama:** Land administration in Freeport is the responsibility of the Grand Bahama Port Authority, Limited (GBPA). The Hawksbill Creek Agreement of 1955 (as amended) between the GOBH and the GBPA established the Port Authority as the entity responsible for land administration in the city of Freeport, which comprises around 35% of the landmass of the island.

F. Strategy of the Bank and coordination with other organizations

- 2.26 The Country Strategy of the Bank (GN-2290-1) as approved by March 10th, 2004 has identified the following principal areas of strategic focus for the country: (i) sustained economic growth and private sector development; (ii) social development and equity; (iii) environmental management; and (iv) public sector modernization. The Project seeks to directly improve, modernize and expand those government services that support private sector development, as well as to streamline government processes and provide policy options to improve environmental management. The objectives of the Project are consistent with the Bank's efforts of assisting the GOBH to achieve sustainable economic growth and private sector development and improving the management of natural resources.
- 2.27 As is consistent with the Country Strategy, the Project is being designed to be relatively small, straightforward to execute and to focus on providing a high-level of technical assistance to develop practical outputs that can be readily implemented. In addition, the Project is being designed with the importance of promoting sustainable development and providing social equity in the Family Islands in mind. As a result, much of the emphasis of the Project is dedicated to developing products and achieving results outside of New Providence.

G. Lessons learned

- 2.28 In an effort to improve impacts of the Project and reduce risks to successful execution, lessons learned from land policy research in the Caribbean, the design and execution of similar land-related projects in the region, as well as the results of Bahamas National Geographic Information Systems Project, (ATN/JC-5747-BH) are being taken into full consideration during the Project design phase.
- 2.29 In March 2003 the Bank co-sponsored a workshop on land administration and management in the English-speaking Caribbean. This workshop analyzed the land-related challenges faced by Caribbean countries as they seek to balance economic development, social equity and environmental protection objectives through the sustainable use of land resources. One of the main recommendations was the need for countries to take an approach, which improves land administration, develops efficient systems for securing land tenure and modernizes land legislation and institutions over the longer-term. This longer-term approach should be built on clear government commitment and implemented through a series of incremental steps that are supported by project-based initiatives.
- 2.30 Recent experiences from the execution of land-related policy reform and investment operations in the Caribbean countries also confirm the need to take a longer-term approach to achieve the intended objectives. Developing and implementing operations in these countries have drawn attention to the prevailing linkage between land and political power. As a result, to be successful, land-related operations have to be founded in solid government willingness to overcome antiquated land policies and administrative procedures that are based on maintaining the *status-quo*. In addition, operations that seek to modernize land administration must consider the presence of various weak and overlapping land institutions that are typically adverse to change, and as result of historic under-funding require the injection of financial resources to update technical skills and to procure and implement the new technologies and systems required for effective land administration and management.
- 2.31 The outputs of the Project BNGIS include: (i) the physical establishment of the BNGIS; (ii) the procurement and installation of specialized computer equipment and software; (iii) training of over 100 public sector employees in the use of geographic information systems; and (iv) the collection, analysis and dissemination of geographic information related to land to various government agencies. While this Project met its expected outputs, once it was completed the sustainability of the BNGIS was jeopardized by GOBH's inability to: (i) formally identify an institutional home for the BNGIS; (ii) to provide adequate budget for its operation; (iii) to retain trained staff; and (iv) to formalize the mandate and function of the BNGIS. As a result, the subsequent departure of key technical staff left the BNGIS unable to continue effective operation and to meet its original mandate. The BNGIS Project demonstrates the importance of these issues for long-term sustainability.

H. Government's strategy in the sector and basic concept of the Project

- 2.32 The GOBH is committed to implementing a strategy to address key land issues, including, improving land tenure security; developing a land registration system; modernization of land legislation; studying impacts of commonage and generational land and improving the management of Crown Land. Supporting this strategy, a comprehensive study completed as part of the BNGIS Project proposed an operation to address challenges to achieving the sustainable use of land resources, these are: (i) improve systems, procedures and data sharing to expand the provision of land administration services particularly for land surveying and Crown Land management, registration of land rights and taxation of real property; (ii) expand collection of primary land information, in particular for the Family Islands; (iii) improve the use of geographic information systems throughout government agencies; and (iv) begin the development of a comprehensive national land policy and improve land tenure security.
- 2.33 The concept of the Project is to support GOBH's strategy by working in a stepwise manner to provide technical assistance and investment to meet immediate needs in land administration and land information management, while also completing studies to prepare the policy, legal and institutional recommendations needed to address broader land policy and land tenure issues in the longer-term. In regard to improving land administration, the Project will focus on New Providence and Grand Bahama due to their significance as the principal islands of the country. In terms of improving land information management for land use planning and sustainable development in the Family Islands, the islands of Abaco, Andros and Great Inagua have been selected due to their individual natural characteristics, their lack of geographic information and as models of out islands facing future development pressure.

III. THE PROJECT

A. Objective

- 3.1 The objective is to improve the provision of land administration services and prepare the technical, legal and policy foundations for ensuring the sustainable use of land resources.

B. Project Description

- 3.2 The Project consists of three standalone but interrelated components.

1. Land administration modernization (US\$3.25 million)

- 3.3 This component will improve systems, procedures and data sharing to expand the provision of GOBH land administration services at the DOLS, the RGD, Valuation Unit and the GBPA by designing, developing and installing a computerized Parcel Index Map System containing all properties on the islands of New Providence and Grand Bahama. This Parcel Information Map System (PIMS) will permit the

collection, integration and use of data regarding the physical location and extent, ownership and value of each individual land parcel. As technical inputs for the development of the PIMS, the component will finance the acquisition of up to 400,000 acres of aerial photography, the production of digital maps and geographic information system data bases of New Providence and Grand Bahama and the purchase of specialized computer systems and software to computerize approximately 1,500,000 pages of deeds and documents relating to private land (which represents the past 10 years of property transactions), 560,000 documents and plans relating to Crown Land grants and leases, 3,700 subdivision and parcel survey plans and the tax records of approximately 70,000 properties.

- 3.4 The component also includes additional activities to improve land administration in general and Crown Land Management: (i) development of a computerized information system for the management of Crown Lands, (ii) completion of a study to provide technical, legal and policy recommendations intended to rationalize the allocation, administration and pricing of Crown Lands; (iii) surveying of up to 750 parcels of Crown Land to expedite its transfer to private individuals, (iv) modernization of the geodetic infrastructure of New Providence, Grand Bahama, Andros, Abaco and Great Inagua to support more accurate and efficient cadastral surveying by the public and private sector surveyors; (v) acquisition of modern surveying equipment for the DOLS; (vi) completion of a training program for up to 25 public and private sector land surveyors in the use of modern surveying technology; (vii) conversion of historic archives of aerial photography to digital images; (viii) upgrading of office and specialized equipment in the DOLS; and (ix) development and implementation of a public awareness campaign for disseminating information regarding land tenure and land administration to civil society.

2. Land information management (US\$0.59 million)

- 3.5 Building upon the GOBH's reactivation of the BNGIS the component will improve the collection and management of land information to support land use planning and sustainable development of land resources. The component will provide the technical assistance needed to integrate existing land and geographic data from various government sources, as well as collect new data to develop GIS-based geographical profiles of the islands of Andros, Abaco and Great Inagua. These islands will serve as models for the replication of geographic profiles on other Family Islands by the government in the future.
- 3.6 The component will also improve the use of geographic information systems throughout government agencies and expand its use to the Family Islands by: (i) development of a national GIS Policy including the establishment of geographic data standards and data sharing protocols; (ii) organization and presentation of annual GIS users conferences; (iii) completion of a training program in the use of GIS for 25 participants; (iv) upgrading of specialized computer hardware and software in the BNGIS; and (v) installing limited GIS systems and data bases at the Local Administrator's Offices on Andros, Abaco and Great Inagua.

3. National land issues and policy guidelines (US\$0.29 million)

- 3.7 This component will begin the development of a comprehensive national land policy by completing an analysis of the following five overriding land policy issues: (i) improving land tenure security; (ii) reform and modernization of land legislation; (iii) rationalization of institutions for land administration; (iv) development of an integrated land use planning process; and (v) improving real property valuation and taxation. These issues will be analyzed considering legal, technical, institutional, economic, social and environmental aspects and from the recommendations a set of policy options will be prepared. A series of consultations with civil society, principally at the local and Family Island level, will provide feedback on the results of the analysis and policy options. Finally, land policy guidelines will be produced and consulted with civil society. These guidelines are intended to serve as the foundation of an eventual national land policy for The Bahamas. A facilitator will be contracted to plan and implement the consultation process.
- 3.8 As a result of the study related to the improving of land tenure, the cost and benefits and professional and civil society acceptance of migrating from the deeds recording system to a registration of land title will be analyzed. Included in the study to reform and modernize land legislation, draft legislation to modernize the Land Surveyors Act and to reflect the management of real property records on a parcel-basis, as well as regulations for the Town Planning Act will be prepared. In addition, as part of the rationalization of institutions for land administration study, an analysis of the potential benefits of consolidating the cadastral surveying, Crown Land management, property rights registration, real property assessment and taxation and GIS agencies into a National Land Agency will be completed.

C. Cost and Financing

- 3.9 The preliminary cost of the Project without contingency and financial costs is estimated at approximately US\$4.43 million. The following table presents the distribution by source of financing and category of investment:

Table 1: Preliminary Project Costs (US\$ thousands)

Categories	Bank-OC	Local	Total
1. Administration and Supervision	40	265	305
2. Direct Costs	2,920	1,208	4,130
2.1 Land administration modernization	2,133	1,120	3,253
2.2 Land information management for sustainable development	503	88	592
2.3 National land issues and policy guidelines	285	0	285
Total	2,962	1,473	4,435
Percentage by source of financing	67%	33%	100%

IV. PROJECT EXECUTION

A. Borrower and executing agency

- 4.1 The borrower is the Commonwealth of The Bahamas. The Executing Agency will be the OPM through the DOLS and the BNGIS.

B. Execution and administration of the Project

- 4.2 For the coordination of the Project the OPM will form a Coordinating Unit that will be responsible for coordinating administration and procurement activities for the Project, monitoring and evaluating the project during its execution and supervising the activities under Component #3. This Coordinating Unit will be comprised of a Project Coordinator and an Administrative Assistant. Technical responsibility for Component #1 will lie with the DOLS, with the BNGIS Center Component #2.
- 4.3 These units will be responsible for preparing the terms of reference and technical specifications for the contracts and procurements of the respective components, the technical supervision and quality control of these activities, as well as reporting on a periodic and annual basis. The Project Coordinator will serve as the conduit for procurement aspects, as well as reporting between these units, the Permanent Secretary of OPM and the Bank. Existing financial and administrative staff within the OPM will undertake all procurement and bidding activities associated with the Project.
- 4.4 The Coordinating Committee established to support Project design and development will continue to serve as a technical review and advisory body to the OPM during execution of the Project. This Committee is chaired by the Permanent Secretary of the OPM and includes representatives from the beneficiary and affected GOBH agencies: DOLS, BNGIS, RGD, DPP, Business License/Valuation Office, Attorney General's Office, GBPA (only related to the PIMS) and Ministry of Finance.

C. Period of execution and estimated disbursement schedule

- 4.5 The duration of execution and disbursements of the Project will be three years. The following table presents the estimated disbursement schedule for the Project:

Table 2: Estimated Schedule of Disbursements by Year of Execution (US\$ thousands)

Financing Source	Year 1	Year 2	Year 3	Total
IDB	854	1,673	434	2,961
Local	1,156	229	87	1,472
Total	2,010	1,902	521	4,433

- 4.6 The GOBH anticipates requesting the recognition of prior expenditures of up to US\$1.01 million. This amount is tentatively presented in Year 1 of the budget in the local counterpart category. The main expected expenditures are acquisition of aerial

photography and digital mapping for New Providence and Grand Bahama and procurement of software for Crown Land management. Government's request for recognition of prior expenditures will be reviewed during analysis mission to ensure compliance with Bank procedures.

D. Monitoring and evaluation

- 4.7 As part of the Administration and Supervision of the Project, an information gathering and reporting system will be implemented by the Coordinating Unit. This system will periodically monitor the Logical Framework indicators, as well as facilitate the final evaluation of the overall economic, social and environmental outcomes of the Project. Funds are included to assist the Coordinating Unit in completing a final evaluation of the Project and recommend possible next steps to facilitate GOBH's strategy in the land sector.

V. DEVELOPMENT IMPACTS

A. Expected benefits and beneficiaries

- 5.1 In general the Project will have five main benefits: (i) better access to land information thereby improving the efficiency of land market transactions; (ii) improved efficiency of Crown Land management and allocation thereby improving the use of the resource and its ability to generate revenue; (iii) improved equity and effectiveness in property assessment and taxation as a mechanism to promote the efficient and sustainable use of land resources; (iv) up-to-date geographical information will be available for the private sector and government agencies to use in making land use planning and development decisions; and (v) thorough understanding of overriding land issues, including their economic, environmental and social implications, to proceed with the task of the developing a national land policy.
- 5.2 The direct beneficiaries of the Project are the government agencies responsible for the management, administration and planning of land, land-owners in the country and private land surveyors, property conveyance attorneys, land developers and investors. As geographic information resulting from the Project is used to make better decisions regarding the sustainable development of land, all Bahamians and visitors to the country will be indirect beneficiaries of the Project.

B. Expected results

- 5.3 Specific results of the Project will be: (i) modernization and expansion of the land administration services provided by government land agencies responsible for the surveying and management, registration and taxation of real property; (ii) provision of geographic information for use in land use planning and monitoring of development; (iii) strengthening of the technical capacity of the government in collecting, analyzing and dissemination of land information; and (iv) preparation of

policy options and guidelines for national land issues that include stakeholders feedback.

C. PTI and SEQ analysis

- 5.4 This operation does not qualify as a social equity-enhancing project, as described in the indicative targets mandated by the Bank's Eighth Replenishment (Document AB-1704). Furthermore, this operation does not qualify as poverty targeted investment.

D. Social and environmental impacts

- 5.5 The present operation will not generate any direct negative social and environmental impacts. It will foster opportunities to promote positive social and environmental impacts through: (i) establishing and implementing efficient and transparent procedures to improve the efficiency of the Crown Land management and allocation process for housing and productive purposes; (ii) developing databases of geographical information for model Family Islands which are intended to guide sustainable land use and physical development decisions; and (iii) developing land policy guidelines that give due consideration to social and environmental issues in order to avoid or mitigate potential negative social and environmental impacts.
- 5.6 The Project Team does not see the need to undertake an environmental assessment of this operation and, to mitigate potential negative indirect impacts of the identified land policy guidelines, proposes the following strategy: (i) promote an open public discussion of the land policy guidelines identified for which a facilitator will be hired; (ii) require that the land policy guidelines development process includes a Strategic Environmental and Social Assessment of the alternatives. For the Loan Proposal, the Project Team will prepare Terms of Reference for the consultants developing land policy guidelines, which include the requirement to carry out a Strategic Environmental and Social Assessment. Having information regarding the potential social and environmental impacts of these policy recommendations will allow the government to make a more informed decision regarding the appropriate land policy.

VI. SPECIAL ASPECTS

A. Principal issues and risks to Project execution

- 6.1 **Institutional Cooperation for PIMS:** Institutional cooperation among the DOLS, RGD, Business License/Valuations Unit and the GBPA is critical to implement the administrative procedures needed to increase effectiveness and maintain the Parcel Index Map System. A Memorandum of Understanding between these agencies and the OPM will be established to ensure coordination and maintenance of the system. As a first step to ensuring this institutional cooperation, preliminary procedures have been developed in March 2004, and is expected that the GOBH will formalize these procedures during project preparation. Additionally, a Memorandum of Understanding between the Surveyor General and the Surveyor's Association will be

established to facilitate the collection of unrecorded survey plans that are in the possession of individual land surveyors.

- 6.2 **Implementation of Policy recommendations:** The Project will generate studies that will result in policy recommendations such as the National Land Policy Guidelines, GIS Policy Statement and Crown Land allocation, management and pricing options. It is clear that land is a relevant topic in the GOBH's overall strategy for development. In this regard, various actions such as the reactivation of the BNGIS, completion of rapid land use assessments of islands under development pressure, procurements of Crown Land management software and acquisition aerial of photography and digital mapping of New Providence and Grand Bahama are indications of government's willingness to implement the eventual land policy recommendations.

VII. STATUS OF PREPARATION AND OPERATION APPROVAL PLAN

- 7.1 The Project Outline was approved on February 18th, 2004. A Coordinating Committee, serving as technical counterpart, was designated by the Permanent Secretary of the OPM on January 7th, 2004 and a land administration consultant has been contracted to work with the Committee to prepare the technical, institutional, operative and financial information required. A Logical Framework workshop is scheduled for June and the Analysis Mission is expected to take place in August. Presentation of the operation to the Board of Executive Directors is expected in October of 2004.

THE BAHAMAS
LAND USE, POLICY AND ADMINISTRATION PROJECT – LUPAP
(BH-L1001)

PRELIMINARY LOGICAL FRAMEWORK

SUMMARY	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
GOAL			
Contribute to ensuring the sustainable use of land resources	<ol style="list-style-type: none"> Modern land legislation and policy guidelines approved at high level of the Government. Preparation of a new Program to implement LUPAP results. 	<ol style="list-style-type: none"> Official documents 	<ol style="list-style-type: none"> Economic and social development and modernization of the country continue.
PURPOSE			
Land administration services improved, including the preparation of the technical, legal and policy foundations for the land sector in the Bahamas.	<p>Indicators to be used:</p> <ol style="list-style-type: none"> Time of title search reduced from an average 30 minutes to 5 minutes by year 3 of Project. Productivity of title searches hours increased from 'x' to 'y' hours per month by year 3 of Project. DOLS recommendation on applications for Crown Land will be made monthly as opposed to quarterly by Year 2 of Project. 20% increase in number of properties on tax roll by Year 3 of Project (current: 70,000 properties on tax rolls). 40% increase in revenues generated from Crown Lands by Year 3 of Project (current: US\$ 1.1 million) Modern land legislation and policy guidelines discussed at high level of the Government 	<ol style="list-style-type: none"> Project progress reports prepared and submitted in a timely manner on quarterly basis by Coordinating unit. 	<ol style="list-style-type: none"> Government willing and able to address politically sensitive issues associated with land use, policy and administration. Government maintains its priority on land administration and management.
COMPONENTS			
<ol style="list-style-type: none"> Land administration modernization <ul style="list-style-type: none"> Computerized parcel information map developed and implemented and Crown Land Management improved. 	<p>Products: (Baseline is zero for all products)</p> <ol style="list-style-type: none"> 70,000 of parcels indexed by year 3. Parcel Information Map System implemented in four key land agencies (RGD, DOLS, RPT and GBPA) by year 3. 400,000 acres mapped by year 1. 1.5 million deeds and documents archived in the land registry in digital format by year 3 of Project. 	<ol style="list-style-type: none"> Coordinating Unit reports Consultant reports Statistics on Parcel Information Map system database Contracts of orthophography. DOLS reports 	<ol style="list-style-type: none"> Government maintains current policy and budget to sustain the Parcel Information Map. Coordination among the four key land agencies (DOLS, RGD, RPT and BPA) is maintained.

SUMMARY	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	<p>1.5 Tax rolls at Real Property Tax and cadastral records at DLS automatically updated with transaction information from RGD by Year 3 of Project</p> <p>1.6 Crown Land Management System installed in five sections of DOLS by Year 2 of Project.</p> <p>1.7 Study regarding Crown Land allocation, management and pricing completed by end of Year 1 of Project.</p> <p>1.8 Backlog of Crown Land surveys reduced by 80% by Year 3 of Project.</p> <p>1.9 Bills for Crown Land leases and licenses issued by DOLS on a yearly basis by Year 2 of Project.</p> <p>1.10 Geodetic Infrastructure for New Providence, Grand Bahama, Andros, Abaco and Great Inagua established by Year 2 of Project.</p> <p>1.11 25 surveyors from the public and private sector trained in the use of modern surveying technologies by Year 2 of the Project.</p>		
<p>2. <u>Land information management for sustainable development</u></p> <p>Collection and management of land information improved.</p>	<p>2.1 National GIS Policy prepared by Year 2 of Project.</p> <p>2.2 Geographic profiles of Andros, Abaco and Great Inagua completed by Year 2 of Project.</p> <p>2.3 25 technicians trained in the use of geographic information systems by Year 2 of Project.</p>	<p>1. BNGIS and consultants reports.</p>	
<p>3. <u>National land issues and policy guidelines</u></p> <p>National land policy issues analyzed and consulted with stakeholders.</p>	<p>3.1 Five studies on land issues completed by year 1.</p> <p>3.2 At least 5 local meetings conducted by year 2.</p> <p>3.3 A central meeting conducted by year 2.</p> <p>3.4 Policy guidelines report completed by year 2.</p>	<p>1. Consultant reports</p> <p>2. Meetings reports</p>	
ACTIVITIES			<p>1. DOLS's authorities and staff continue to have the will to modernize during the project period</p> <p>2. Availability of information needed to develop the profiles</p> <p>3. Government institutions and stakeholders actively participate in meetings.</p>