



Lao People's Democratic Republic

Peace Independence Democracy Unity Prosperity

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Government

No...../

Vientiane Capital, date.....

Draft National Land Policy

I. General situation

Our country has a large land territory compared to the number of population. Our land has abundant natural resources and serves as living and working places for citizens. It is an important factor for production. Our good supervision and management of land will create a favorable condition for the social-economic development, national defense and security, protection of our sovereignty in a civilized and sustainable manner.

After the independence in 1975, land supervision and management were implemented in a centralized form, aiming at developing state and collective economy as priority, agriculture production by combining land plots to be used for agricultural settlements and unions throughout the country.

In 1992, the Government enacted and improved regulatory framework relating to the land supervision and management notably Land Decree No. 99/PM dated 12 July 1992 and then upgraded it to law to be the first Land Law in 1997 with one amendment in 2003.

During the period from 1994 to 2003, the Party has the policy to allocate land and forest by which land and forest allocation had been completed in 5,400 villages and more than 3 hundred thousand temporary land use certificates had been issued. From 2009 to 2013, the Government had completed the basic level of land allocation in more than 4,900 villages or village groups; district land allocation in 36 districts nationwide; registration of 2.1 million plots of land of which land title certificates had been issued for more than 7 hundred thousand plots of which more than 50 thousand plots were state land and collective land.

Along with these achievements, there are several pending issues that need improvement and solution such as the implementation of directions, policies, laws and regulations related to land is still not far-reaching and not strict; determination of land ownership, land use rights and land utilization rights is still not detailed; allocation, zoning, classification and planning for land use are not yet completed nationwide, resulting in the illegal occupation and trespass of state-reserved land, illegal appropriation of state-supervised land.

The granting of lease and concession of state land still encroaches reserved-forest land, protection-forest land, people's living and working areas, due to unclear measurement survey and allocation of land, incomprehensive data collection, incomprehensive study of social and environmental impact, stirring up public discontent; in addition term granted for state land lease and concession is too long.

The allocation of land supervision mandates among state agencies, central and local levels is still not clear.

The land areas allocated to individuals and families for construction and agriculture are deemed too large, taking into account the increase of population; measures for solving land quota

excess issues are still not good; there is still no land allocation for legal entities, collectives and communities and no opening for Lao expatriates and foreign investors to buy the land use rights with conditions and time limits.

The land registration and issuance of land title certificates are still not far-reaching nationwide. The authorization for state land use is still not systemized and centralized.

The Government has not yet set up principles, methods, forms and measures for land-to-capital conversion by determining exploitation areas, no-exploitation areas and development areas as well as revenue collection from land potentials.

The Government has not laid out regulations on land for building condominiums to reduce the urban areas for residential need.

1. Purposes

- To protect land use rights and possession of individuals, entities, organizations, collectives and communities;
- To allocate, zone, categorize land clearly;
- To supervise-manage land in a strong, transparent and effective manner;
- To open policy to promote investment with preferential policy towards Lao expatriates and foreign investors, entitling them to buy the land use rights for residential and business purposes, contributing to the gradually-better social-economic development as well as to the sustainable protection of natural resources, in order to graduate the country from the status of least developed country in 2020.

2. Necessity

Land is the precious natural resource, a decisive factor for the national existence. It is where citizens live and work and is an important factor for production, a condition for the social-economic development, national defense and security, protection of national sovereignty. It is therefore necessary to lay out a comprehensive, clear and thorough land allocation, supervision and management policy, in order to extract the highest benefits from the land use for the country and peoples, ensuring a highly effective mechanism of land supervision and management. In contrast, if we lay out an inadequate policy, taking into account the actual situation and conditions, it will create confusion and complication in the supervision, more problems and disputes, affecting the social-economic and environmental developments.

3. Goals

The goals of this National Land Policy aim at determining the overall direction for establishing and improving regulatory framework and mechanism for more effective and efficient landsupervisionandmanagement, to contribute to the social-economic development, ensuring food security and moving towards poverty eradication.

4. Principles

Ensure the legal equality of Lao citizens, ensuring their rights and interests without discrimination of their gender, social status, educational level, belief and ethnic origin, in relation to the possession of land use rights and their lawful obtaining of land use rights for their living and working purposes

Protect the rights and interests of state, organizations, individuals, entities, collectives, communities, local and foreign investors that use land, including customary land use rightsof peoples.

Ensure the establishment of transparent andfairland supervision and management mechanisms;

Ensure the coordination among relevant agencies and public participation in the land allocation, planning and supervision in a centralized and uniform manner throughout the country by mandating responsibilities to authorities for supervising each land category in an effective and strict manner;

Ensure that the creation and improvement of regulations relating to land and natural resources are in line with Constitution, laws and agreements or conventions to which Lao PDR is a party.

II. Land Policies

Policy 1

Land ownership

Land is under the ownership of the national community, owned by Lao peoples as represented by the State to supervise the land in a centralized and uniform manner throughout the country. The State divides levels of supervision, allocates and plans the land use, grants land use rights to individuals, entities, collectives, communities and organizations.

1. Land use rights

The state recognizes and protects the lawful land use rights of individuals, entities, collectives or organizations by recognition of the following 5 rights: the right to protect land, the right to use land, the right to derive benefits from land, the right to transfer the land use rights and the right to inherit the land use rights.

The State recognizes customary rights of Lao peoples to use land that is under long, continuous, regular, peaceful and collective possession, protection, development and use with or without a properly certified document relating to the land use rights and provided that such a land is not within the state reserved or conserved zones.

2. Rights to use state land

The rights to use state land are the rights to use all land which is directly under state supervision except for land granted by the state to individuals, entities, collectives and lands on which peoples hold the customary rights as duly certified by the state.

The rights to use state land include: the right to protect, the right to use, the right to derive benefits from and the right to inherit excluding the right to transfer the rights to use state land such as buying-selling, transfer, trade, equity contribution and security, unless otherwise approved by the Government or the National Assembly as prescribed by laws and regulations.

3. Community land use rights

The state recognizes and protects the community land use rights for purposes as per the state land use allocation plan. Communities granted of such rights will have the right to protect, the right to use, the right to derive benefits from and the right to inherit, without the right to transfer. The community land use rights cover the right to grant lease or concession on the community land, subject to favorable majority vote of all community members and subject to the state authorization.

Policy 2

Setting land use goals, master plan of national land use allocation, planning for land use, land development and change of land category

1. Setting land use goals

The state sets three land use goals to supervise the use including goals for forest coverage, agriculture and other utilization goals.

1.1 Setting land use goals for forest coverage

The state allocates land for the purpose of forest coverage for approximately 16.9 ha or 70% of total areas nationwide including conserved forest land, protection forest land, production forest land, forest plantation land for conservation, rehabilitated forest land for conservation and land not yet allocated for use.

The State allocates land for forest rehabilitation, protection of ecological balance, biodiversity, and forest coverage to obtain carbon credit, to ensure that water sources are not dried and to prevent natural disasters and climate change in line with socio-economic development and environmental protection plan.

The government allocates village and community forest land to manage, protect, develop and utilize forest resources in a sustainable and inexhaustible manner and in accordance with laws and regulations.

1.2 Setting land use goals for agriculture

The state allocates agricultural land nationwide for 4.5 million hectares, equivalent to 19% of the total areas nationwide out of which 2 million hectares are for food production.

The state periodically allocates and makes plans for agricultural land use at the village level in order to allow farmers and business owners to use such land effectively.

1.3 Setting land use for other goals

The state allocates land to be used for other goals for around 2.28 million hectares or equivalent to 11% of total areas nationwide including construction land, land for industry, energy, mining and special economic zone, communication-telecommunication, culture-tourism, land for national defense and security and for other developments.

2. Master plan of national land use allocation

The state develops master plan of national land use allocation for 5 years and longer term through survey, allocation, zoning and classification of land and to be approved by the National Assembly.

The provincial and capital master plan is approved by the Government; the district and municipal level by the provincial and capital administration, and the village level by the district, municipal administration.

The creation of the master plan at each level requires coordination between relevant authorities and local administration in line with the socio-economic development plan in each period.

3. Land use planning

The state lays out use plans for each land category for each zone nationwide by setting up use plans that cover all aspects and in line with land use goals as specified in the master plan of national land use allocation and by sector, based on the potentials and actual characteristics of each local area.

The state mandates the authorities who supervise each land category to take ownership in the planning for the use of land under their supervision in line with land allocation plan of each level, in coordination with natural resource and environment authority, local administration and relevant stakeholders.

4. Land Development

The state cooperates with and promotes individuals, entities, collectives, communities and organizations to develop land sustainably in line with land use goals, master plan of national land use master plan, sector and local land use plan through investment in labor, materials, capital, technology

and infrastructure construction to suit with the characteristics of each locality, in order to ensure land quality, high productivity, increased value and no adverse impact on the environment and society.

5. Change of land category

The state allows change in land categories from one to another if only it is consistent with the land use goals, the master plan of national land use allocation, sector and local land use plans. The state delegates the authorization on change of land category to the district administrations, provincial administrations, the Government and the National Assembly as set forth in laws and regulations.

Changing from agriculture land into other land category requires land compensation to maintain the same proportion of agriculture land at 19% of the total areas nationwide. Regarding land use for food production with availability of basic irrigation infrastructure, authorization for changing land categories will be granted by the Government only.

Changing of other land categories for conducting a research, survey and mining requires, after the completion of such mining activities, improvement and rehabilitation to regain the regular condition of the relevant land category.

The Government requests for the approval from the National Assembly on change of forest land category. Changes of each forest land category require reforestation to maintain the proportion of the forest coverage at 70% of the total areas nationwide.

Policy 3 Land supervision

1. Centralized supervision

The state supervises land nationwide by mandating the natural resources and environment authority to be the center of centralized and uniform supervision by collaborating with relevant authorities and local administrations in the land survey, allocation, classification, national and local land use mapping; to establish database, develop land cadaster, conduct land registration, issue land titles, estimate land value, issue apartment ownership certificates, conduct registration on legal documents related to land, issue land use certificates, issue land development certificates, land category change certificates, state land use authorization, grant land lease and concession, withdraw land use rights, collect land-related service fees, supervise land-related professionals, inspect land use, settle land issues and disputes etc.

2. Land supervision by sectors

The state mandates authorities supervising each land category to sectors to research and develop regulations, strategies, land use plan to be in line with the set goals and laws and regulations and in accordance with the master plan of national land use allocation.

3. Decentralization of land supervision

The state decentralizes its land supervision by clearly defining scope of rights, duties and responsibilities for central and local levels to ensure the effective land supervision and management.

4. State land supervision

The state mandates the natural resources and environment authority to supervise state land in a centralized manner through the research and development of regulations in coordination with relevant authorities in the monitoring and inspection over state land use to be in line with the goals and laws and regulations.

The state continues applying land policies towards all national heroes, outstanding soldiers, senior revolutionary staff and government staff that have served the nation with outstanding performance and good action, to be completed by 2020.

5. Supervision of individual and entity land

The state supervises the use of individual and entity land for it to be in line with the goals and laws and regulations.

The state sets a reasonable quota of agriculture land and construction land for use by individuals and entities as well as to ensure that Lao peoples have land for living and working.

6. Supervision of collective land

The state supervises the use of collective land of farmer unions, collective production groups or associations in line with the goals and laws and regulations.

The state sets a reasonable quota of agriculture land and construction land for use by such unions, groups or associations, depending on the size of relevant activities.

7. Community land supervision

The state recognizes the land use rights of communities which co-use land without any individual person as the owner such as lake land, conserved land, plantation land, cemetery land, sacred forest and other land of village and ethnic group.

The state supervises community land by mandating the village administration and people of all ethnic groups within the village to protect and use the land for highest benefits for the community in line with the goals and laws and regulations.

8. Land supervision in special and specific economic zones

The state allocates proportion of lands based on development potentials as special and specific economic zones aiming at expanding production base through prioritizing labor force, technical materials, fund, customs, tax, basic infrastructure, etc. in order to attract domestic and foreign investments.

The state issues specific regulations to supervise land in the special and specific economic zones.

Policy 4 Land management

1. Development of land cadaster

The state mandates the natural resources and environment authority to establish statistical system for all land categories by developing land cadaster. District Offices of Natural Resources and Environment in collaboration with the relevant village administrations develop land cadaster within their jurisdiction.

2. Land registration and issuance of land title certificates

The state conducts land registration and issues land title certificates to certify land use rights of individual, entities, collectives, organizations and communities nationwide by 2025.

The state allocates responsibilities on land registration and issuance of land title certificates to the eligible districts to support their all-aspect capacity building, based on “three builds” policy and to ensure the far-reaching coverage of land title certificates nationwide.

The state applies gender equality principle for the status of holder of land use rights as appears in the land title certificates.

3. Registration of legal documents related to land

All activities and changes of land use rights such as trading, purchasing-selling, assigning-transferring, equity contribution, inheritance, mortgaging of land use rights etc. require registration of legal documents related to land in accordance with laws and regulations.

The state develops and issues regulations on the registration on legal documents related to land to ensure legal compliance of the land supervision and management mechanism and to generate revenues into the national budget.

4. Fulfillment of obligations and withdrawal of land use rights

The holders of land use rights shall fulfill obligations to comply with the land use goals, to maintain land quality, pay land fees, service charges and to fulfill other land-related obligations as prescribed in laws and regulations.

The state applies strict measures on the withdrawal of land use rights if the holders fail to comply with land use goals, contractual or legal obligations related to land.

5. Land information system

The state establishes land information system across the country to support land supervision routine and land use planning, land development and land related revenue collection while it contributes in ensuring transparency and justice for individual, entities and organizations through access into the sources of information on land aiming at facilitating land development and deriving benefits from land use.

6. Revenue collection from land

The state collects revenue from land through land fees and land service charges in line with the level of socio-economic development in each period and in compliance with laws and regulations. For poor families, these fees are either exempted or discounted as appropriate.

The state allocates revenues collected from land in an appropriate portion to be used in land use supervision.

7. Promotion of condominium construction

The state promotes the construction of multi-floor buildings and condominiums to save the horizontal spaces by increasing the vertical occupation. Land use rights attached to multi-floor buildings will be provided for in laws and regulations.

8. Land valuation

The state determines land valuation system for each zone, each category following market-based mechanism of each period to provide supporting information for determining land fees. The land valuation shall be conducted in a publicly transparent manner with the participation of the administration of each level and shall be publicly accessible.

9. Land market

The state researches develop and improve regulatory framework to set principles, methods and measures to adjust land market; widely disseminate and raise awareness for the society on land market and the implementation of relevant rights and obligations thereof.

The state determines the mechanisms for supervision, promotion and adjustment of land market by applying necessary tools to ensure transparency, justice and effective land market supervision and creates favorable conditions for land purchasing-selling, trading, equity contribution, security, leasing or concession among others without causing any adverse social and environmental impacts.

Policy 5 Land capitalization

The state applies policy on land capitalization by setting land areas for use to create highest benefits such as setting mining-free areas to reserve natural, historical and cultural sites and for

carbon credit; areas for prospecting, survey and mining for potential natural resources; areas for infrastructure development to attract investments.

The state may convert land into capital directly and may do so with the land on which individuals, entities and organizations hold land use rights, subject to compensation as prescribed by laws and regulations. Land capitalization shall be in line with land allocation plan and ensure the creation of highest benefits where only the state has the authority to decide on land capitalization.

Policy 6 Determination of areas for land use rights

The state determines the areas for land use rights for agriculture and construction land for individuals, entities and collectives as appropriate based on conditions, characteristics and population density.

The state lays out laws and regulations to adjust the exceeding areas for land use rights of individuals, entities and collectives.

Policy 7 Compensation for expropriation of land use rights

The state has the right to expropriate land use rights from individuals, entities, collectives and organizations for public use and national interests. Expropriation shall be subject to compensation for the value of expropriated land, assets and plantations, to ensure better life conditions of persons losing such land use rights in a fair and reasonable manner.

If the state wishes to expropriate land use rights from individuals, entities, collectives and organizations for business purposes, it shall provide timely compensation based on market value.

The expropriation shall comply with the compensation rules in a publicly transparent manner with the participation of affected peoples, organizations and stateholders.

Policy 8 Recognition of land use rights of Lao expatriates and foreign investors

The state allows Lao expatriates who have certain level of incomes and knowledge and wish to return to live in the Lao PDR permanently to hold land use rights for residential purpose subject to time and space limits as prescribed in laws and regulations.

The state allows foreign investors who invest in the Lao PDR to hold land use rights for residential and office purposes subject to certain conditions, time and space limits as prescribed in laws and regulations.

Policy 9 Monitoring, inspection, evaluation and settlement of land disputes

1. Monitoring and inspection of land use

The state sets detailed rules and mechanisms for monitoring and inspecting the use of each land category in order to collect information on the strengths and weaknesses of the use of land by individuals, entities, state, collectives and communities to promote land protection, development and highest benefits of land use and timely resolve land issues.

The state continuously pays high attention to land use monitoring and inspection and protects lawful rights and interests of land users and takes measures against those who violate laws and regulations.

2. Evaluation on land use

The state sets rules, mechanisms, forms and methods for regularly evaluating the use of each land category including land lease or concession to ensure land use to be in line with allocation plan, national socio-economic development plan in each period and in compliance with laws and regulations.

3. Settlement of land disputes

The land issue resolution shall comply with the principle of legal equality of citizens.

The land issue resolution is carried out by administrative and judicial ways.

The state creates strong mechanisms for resolving land issues at grassroots level in order to timely settle land disputes.

III. Implementation

The natural resource and environment authority is mandated to be the center to transform the National Land Policy into law and sub-regulations for effective implementation.

The natural resource and environment authority shall coordinate with other relevant authorities, local administrations to complete the establishment of the master plan of national land use allocation, plan for using each land category to be the bases for the allocation of supervision between central and local levels and between sectors.

Party and state organizations and mass organizations shall pay attention to dissemination and education on land work to the society for their awareness and understanding deeply and widely with their participation in the implementation process to counter and prevent violations of land laws and regulations.

On behalf of the Government of Lao PDR
Prime Minister