



1. Project Data

Project ID

P106680

Project Name

HN (APL2) Land Administration

Country

Honduras

Practice Area(Lead)

Social, Urban, Rural and Resilience Global Practice

L/C/TF Number(s)

IDA-46410

Closing Date (Original)

30-Jan-2017

Total Project Cost (USD)

32,800,000.00

Bank Approval Date

30-Jun-2011

Closing Date (Actual)

30-Jan-2017

IBRD/IDA (USD)
Grants (USD)

Original Commitment

32,800,000.00

0.00

Revised Commitment

32,793,601.59

0.00

Actual

30,823,569.73

0.00

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2. Project Objectives and Components

a. Objectives

The Project Development Objective (PDO) in the Financing Agreement, Project Appraisal Document, and the Implementation Completion and Results Report was the same: to provide the population in the Project Area with improved, decentralized land administration services, including better access to, and more accurate information on, property records and transactions.

b. Were the project objectives/key associated outcome targets revised during implementation?



No

c. Will a split evaluation be undertaken?

No

d. Components

The project had five components. The components were not revised during the life of the project.

Component 1. Policy and Institutional Strengthening: (Appraisal US\$9 million; Additional Funds; US\$5.5 million; Total Allocated: US\$14.5 million; Actual US\$13.5 million)

This component was to finance the consolidation of the Recipient's land policy and strategy to enhance the governance of land administration and strengthen the institutional capacity for land administration in the country, and it had 2 sub-components:

Sub-component 1.1: (a) Consolidation of its land policy and strategy via workshops and technical assistance linked to land policy and territorial planning; and preparation of a policy and master plan to develop a national cadastral system; (b) at least two social audits to ensure social transparency; (c) development of the normative and procedural framework for municipalities to become Associated Centers of the Property Institute (the implementing agency) for cadaster, registry and property regularization; and (d) development of standard documents for notary protocols on property registry procedures.

Sub-component 1.2: Strengthening the institutional capacity for land administration through (a) cadaster and registry implementation and maintenance, regularization, and territorial development; (b) improving administrative and organizational capacity of the Property Institute (PI) so that it can play a more effective leadership role in land administration, as well as capacity of co-executing agencies; (c) supporting municipalities to become associated centers of PI; and (d) promoting the gradual incorporation of norms into the Territorial Planning and Registry Norms (RENOT) to achieve the interaction between the National System of Property Administration's (SINAP) other two sub-systems and National System of Territorial Information (SINIT).

Component 2. Cadastral Surveying and Land Regularization: (Appraisal US\$18 million; Reallocation -US\$5.5 million; Total Allocated; US\$12.5 million; Actual \$11.7 million)

This component was to finance geo-referenced cadastral surveying and the legalization, titling and registration of at least 90,000 parcels, and it had 2 sub-components:

Subcomponent 2.1: Geo-referenced cadastral surveying in the project area, identifying the legal status of each property and incorporating the properties in the Unified Registry System under SINAP (National Territorial Information System Module (SURE)), including: (a) preparatory activities such as declaration of zones under the cadastral process by aerial photography and preparation of digital ortho-photos, and purchasing of satellite imagery within the Project Area; (b) surveying, validation and incorporation in SURE of at least 390,000 urban and rural parcels in the Project Area; and (c) geo-referenced surveying of the administrative limits of at least ten selected municipalities.

Subcomponent 2.2: The legalization, titling and registration under the Folio Real of at least 90,000 parcels in the project area, including: (a) the provision of new titles for approximately 50,000 families through the various options provided under the Property Law and in close collaboration with the



National Agrarian Institute (INA), the Municipalities and/or the Institute for the Forest Conservation and Development (ICF); (b) the legalization of 40,000 parcels with an existing property registry to be transferred into the Folio Real through a coordinated effort between the three main directorates of the Property Institute to carry out an investigation comparing geographical with legal data.

Component 3. Demarcation of Protected Areas: Appraisal US\$0.5 million; Actual US\$0.7 million. This component was to finance the demarcation of protected areas and related public awareness activities and the implementation of the Environmental Management Plan and it had 3 sub-components:

Sub-component 3.1: Delimitation and demarcation of the buffer zone of at least four protected areas in the project area, including the incorporation of the cadastral information and its link to the ordinances and norms that establish land use into SURE and RENOT, respectively;

Sub-component 3.2: Specific activities under the project's communication strategy for community outreach to raise awareness among residents in and around the area of the buffer zone demarcated under the project on the land use designation;

Sub-component 3.3: Implementation of the Environmental Management Plan (EMP) and the Process Framework.

Component 4. Strengthening of Miskito People's Land Rights: (Appraisal US\$1.8 million; Reallocation -US\$0.4 million; Total Allocated US\$1.4 million; Actual US\$1.3 million)

This component was to finance activities related to the demarcation and titling of indigenous peoples' land and related capacity building to ensure their land rights and it had 3 sub-components:

Sub-component 4.1: Participatory delimitation, demarcation, collective titling, and registration of Indigenous Peoples' Lands in the department of Gracias a Dios, based on culturally accepted practices and with a focus on at least 25 participating Miskito Communities;

Sub-component 4.2: Capacity building and organizational support to participating Miskito communities to establish alternative conflict resolution mechanisms during the process of delimitation, demarcation, titling and registration, with the support of the project's communication strategy;

Sub-component 4.3: Technical assistance and capacity building for participating Miskito communities, including: territorial planning and natural resource management; and, education to increase legal awareness and help improve organizational capacity in relation to land tenure.

Component 5. Project Management and Monitoring and Evaluation: (Appraisal US\$3.5 million; Reallocated US\$0.1, Total Allocation US\$3.6; Actual US\$3.6 million)

This component was to finance the implementation of the project, as well as training, financial reporting and monitoring and evaluation of the project and it had 2 sub-components:

Sub-component 5.1: Project management, including: (a) training and workshops; (b) technical assistance; (c) fiduciary aspects of the project, including financial management, audits and procurement; (d) establishment of the Steering Committee; and (e) oversight of the implementation of the project's communication and gender strategies; and

Sub-component 5.2: Project monitoring and evaluation, including: (a) the Integrated Financial Administration system (Sistema de Administración Financiera, SIAFI), which would record the project's physical and financial progress; (b) the semi-annual progress reports periodically measuring project indicators based on agreed methodologies; (c) a mid-term review report; and, (d) a final project impact



evaluation and implementation completion report.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project Costs: The Mid Term Review (MTR) found that some components had exceeded original allocations, and recommended cost adjustments. This resulted in a level 2 restructuring which involved the following:

- (a) Component 1 (US \$ 5.5 million reallocated to this component): (i) extra investment in the SURE technology platform, not originally contemplated; (ii) higher than planned costs of modernizing the registries; and (iii) additional institutional strengthening associated with the PI's new vision;
- (b) Components 2 and 4 (US\$5.5 million and US\$0.4 million respectively reallocated from these components): both components had surplus funds and had already met expected goals;
- (c) Component 3 (US \$ 0.3 million dollars reallocated to this component): this component had managed to pay for many cross-component activities and required this reallocation to meet its physical targets; and,
- (d) Component 5 (US \$ 0.1 million dollars reallocated to this component): to ensure a smooth transition to the next phase. The total overall actual costs were US\$30.8 million, which was less than the original commitment of US\$32.8 due to exchange rate fluctuations. However, the Bank's funds were fully disbursed in Special Drawing Rights (SDR).

The Total Allocated Project Cost was US\$32.8 million, and Actual Cost was US\$30.9 million. The project funds were fully disbursed in SDR. The difference is due to exchange rate fluctuations.

Financing: The project was fully financed by IDA and ran out of money six months before the closing date, with activities still to be completed. The Government of Honduras (GoH) agreed to supply an additional US\$0.5 million to bridge the funding gap.

Borrower Contribution: There was no planned contribution from the borrower. The only contribution was in the last year, when the GoH agreed to supply an additional US\$0.5 million to bridge the funding gap.

Dates: The Project was appraised on May 4, 2009, approved on June 30, 2011 and made effective on November 21, 2011. There were two Level 2 Restructurings, one on December 9, 2011 and another on January 12, 2016. The original Mid-term review date was September 8, 2014, but this was pushed out six months to February 7, 2015. The project closed on time on January 30, 2017.

The first restructuring in December 2011 reallocated credit proceeds between categories of Eligible Expenditures, as detailed above. The second restructuring in January 2016 reflected agreements from the Mid-Term Review and adjustment to a new institutional reorganization of the Government of Honduras, and made adjustments to the Results Framework and changed the names of a co-existing agency and two advisory agencies.

3. Relevance of Objectives & Design



a. Relevance of Objectives

Land tenure security was, and remains, central to economic growth and poverty reduction in Honduras. Weak property rights have discouraged investment and restricted access to credit. The overall objective of strengthening the property rights through modernization of the legal framework, institutional strengthening and development of a fully integrated and decentralized National System for Property Administration (SINAP), is still essential for the GoH.

The PDO is in line with (i) the Bank's current Honduras Country Partnership Framework for FY16 to FY20, which includes the pillar: "Fostering inclusion, bolstering conditions for growth and reducing vulnerabilities, and recognizes strengthening property rights and enhancing land regularization as key elements for achieving them;" (ii) the latest Systematic Country Diagnostic which highlights that addressing weaknesses in land rights would help build the country's social sustainability by fostering social cohesion and empowerment, (iii) Honduras' long-term strategy set forth in Honduras' Country Vision 2010-2038 and National Plan 2010-2022, approved by Congress in 2009 which supports the consolidation of private property, land tenure regularization, and strengthening of municipal capacity for fiscal and territorial planning. Also, strengthening property rights and consequently helping to increase the intensity with which households use their land and/or property assets is considered a main driver to boost economic growth and achieve the Bank's twin goals of poverty reduction and shared prosperity.

Rating

High

b. Relevance of Design

The project design was consistent with and relevant to the stated objectives. There was a clear statement of objectives, which was linked to intermediate and final outcomes. The causal chain between funding and outcomes was clear and convincing. Exogenous factors and unintended effects were not identified.

Rating

Substantial

4. Achievement of Objectives (Efficacy)

Objective 1

Objective

To provide the population in the project area with improved land administration services.

Rationale



Outputs:

4 property registries were modernized (Baseline: 0, Original target: 5, Revised target: 4) **Target achieved.**
11 municipalities met the technical certification to qualify as associated centers for the Property Institute (PI). Baseline: 0, Target: 5) **Target exceeded.**

1367 people (Baseline: 0, target: 700) trained to use the IT system SURE. **Target exceeded.**

SURE (The National Territorial Information System Module) has been under development and implementation since 2003 as result of the Property Law enactment. The IT system manages administrative information and provides transactional services to all property registries, including movable, immovable, commercial and intellectual property.

The project consolidated SURE as the main IT system for managing land and real estate information in Honduras. **Target achieved.**

94.4 percent of financial targets for approved Annual Operations Plans at the end of each fiscal year were met, exceeding target of 80 percent. **Target exceeded.**

The PI fully implemented its financial transparency and accounting system. **Target achieved.**

The PI uses key modules of the integrated financial management system (SIAF). **Target achieved.**

3 participatory and social consultation processes conducted. (Baseline: 0, Target: 2). **Target exceeded.**

117 community leaders (48 women) trained in alternative conflict resolution mechanisms. (Baseline: 0, Target: 80 community leaders (20 women)). **Target exceeded.**

Standard documents for notary protocols related to property registry procedures were developed, but the documents were not adopted by the PI and were not disseminated by the Association of Notaries. IEG was informed by the Project Team that the PI did not have the authority to adopt and disseminate the documents. **Target not achieved.**

The average cost to register a transaction almost doubled, rather than being reduced, as per the target. This was due to the elevated cost of salaries and management in the IP, and issue beyond the control of the project. **Target not achieved.**

Outcomes

An independent evaluation concluded that 82.5 percent of users rated the modernized registry services as satisfactory, exceeding the target of 70 percent. Of these, 87.5 percent were women, exceeding that target of 70 percent. **Targets exceeded.**

There was no reduction in the average time to register a land transaction. **Target not achieved.** This was, however, due to new procedural reforms under a Property Law amendment in 2014, which added new transaction requirements that made the registration process slower.

All operational costs of the modernized registries were covered by registration fees, which were generated through the sale of land related services. The target was 100 percent. **Target achieved.**

177,791 urban and rural parcels in the Project area are registered in Folio Real (Baseline: 0, Target: 90,000). **Target exceeded.**

The lands of 78 communities in La Mosquita are delimited, demarcated, titled and registered following participatory and culturally acceptable processes. (Baseline: 0, Target: 25)

The project also piloted a public/private partnership initiative that proved helpful in achieving this sub-objective using bank mortgages. This was not foreseen at project appraisal so there are no baselines or original targets. However, it is estimated that almost 50 percent of the real estate registry transactions are



related to banking services such as mortgages. Preliminary studies show that these PROs (Peripheral Registration Offices) are cutting their processing times almost in half when compared to other registries. The PI intends to replicate this model in other banking agencies nationwide.

Rating

Substantial

Objective 2

Objective

To provide the population in the project area with decentralized land administration services.

Rationale

Outputs:

11 municipalities met technical certifications to qualify as associated centers of the Property Institute.

(Baseline: 0, target: 5) **Target exceeded.**

6 municipalities prepared municipal development plans with a focus on territorial planning. (Baseline: 0, target: 4). **Target exceeded.**

4 Registry Jurisdictions operate with real estate information in Sure, under a single registry code. (Baseline 0, target 4): **Target achieved.**

117 community leaders trained in territorial planning and natural resource management, exceeding the target of 80; of which 48 were women, exceeding the target of 20. **Targets exceeded.**

Lands of 78 communities in La Mosquita are delimited, demarcated, titled and registered. (Baseline: 0, Target: 25). **Target exceeded.**

The normative and procedural framework was developed for municipalities to become associated centers of the PI for cadaster, registry and property regularization purposes. This was noted in the ICR, with no targets given.

Outcomes:

The ICR reports that about 55 percent of the country's total Municipalities are currently covered by SURE, although no baseline or target was noted.

Rating

Substantial

Objective 3

Objective

To provide the population in the project area with better access to property records and transactions



information.

Rationale

Outputs:

Surveying, validation and incorporation in SURE of 421,014 land parcels with use or ownership rights were recorded, which exceeded the target of 390,000. Baseline recorded in the ICR was 0. **Target exceeded.**

The lands of 78 communities in La Mosquitia were delimited, titles demarcated and registered following participatory and culturally acceptable processes, greatly exceeding the target of 25, from a 0 baseline.

Target exceeded.

117 community leaders trained in alternative conflict resolution, exceeding the target of 80; of which 48 are women, exceeding the target of 20. **Targets exceeded.**

Administrative limits of 10 municipalities were surveyed, as targeted, from a baseline of 0. **Target achieved.**

Cadastral surveying covering 14 municipalities (250,000 hectares) and adding more than 440,000 new plots. (No baseline or target recorded in ICR.)

Outcomes:

Almost 50,800 families in rural and urban areas obtained new land titles through the project, exceeding the target of 50,000; and at least 48 percent of these new titles are issued to women, also exceeding the target of 30 percent. An investigation comparing geographical and legal data was part of this activity. **Targets exceeded.**

52 percent of the population in survey target areas participated in cadastral surveying and public disclosure of information. This was above a revised target of 50 percent of the population. Of these participants, 93 percent rated the process as satisfactory, which is much higher than the original target of 70 percent.

Revised targets exceeded.

The only target that was not met under this objective, was reduced transaction time. **Target not achieved.** Furthermore, the project digitized 2.8 million images for the Agrarian Registry. (Baseline and target not recorded in ICR.)

Rating

Substantial

Objective 4

Objective

To provide the population in the project area with more accurate information on property records and transactions.

Rationale

Outputs:

177,791 urban and rural parcels were registered in "Folio Real," almost double the target of 90,000, starting



from a baseline of 0. **Target exceeded.**

Buffer zones for 3 protected areas were delimited and demarcated, (Baseline: 0, Target: 4). **Target achieved.**

Aerial ortho-photography of almost 2,400 square kilometers for 10 municipalities were digitized and published. (Baseline and target not recorded in ICR.)

The activity successfully implemented the communication strategy to promote the participation of beneficiaries. (Baseline and target not recorded in ICR.)

Outcomes:

Rating

Substantial

5. Efficiency

The ex-post economic cost-benefit analysis (CBA) evaluated the worthiness of PATH II to Honduran society in general. The economic benefits were estimated to be US\$ 57.2 million and they were calculated as the increase in property values derived from the enhanced sense of tenure security provided by a new property title, a technique widely used in other land projects. PATH II provided Honduras with a net benefit of US\$ 47.3 million which is equivalent to an Economic IRR of 43.7% (using a 12% discount rate). The ex-post CBA did not use the ex-ante CBA due to some methodological inconsistencies between the ex-ante and ex-post analyses that made the ex-ante results imprecise: (i) during the ex-ante done at appraisal, the effect of titling on property values was computed measuring differences in the average property values using two different databases and a short and somewhat arbitrary period of analysis (from 2001 to 2004), and (ii) given the methodology utilized, it was not possible to isolate the likely impact of titling from other factors that might have had an effect on property values. Therefore, direct comparisons of the results of the ex-ante and ex-post CBAs are not meaningful. The appraisal rate is included here, but it is not directly comparable to the ex-post estimate.

Outcomes:

Efficiency Rating

Substantial



a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal	✓	18.60	100.00 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	43.70	100.00 <input type="checkbox"/> Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

The overall outcome of this project is Satisfactory. Both Relevance of Objectives and Relevance of Design is rated Substantial. All four development objectives were substantially achieved. Efficiency is also rated substantial as the rate of return showed that the project achieved high levels of value for money.

a. Outcome Rating

Satisfactory

7. Rationale for Risk to Development Outcome Rating

Although the project had many achievements, by the time of closure, there were three principal risks:

Financial Risk: The financial management of the Property Institute has been weak, leading to questions of its long-term sustainability. The costs have been growing over time, especially in terms of salaries and expenses for management and coordination. The financial analysis (ICR Annex 3) shows that of the four Land Registry offices that were modernized with the support of PATH II, only one registry has revenue exceeding its operating costs, and for the six registries that were modernized with the support of the previous project (PATH I), only three has yielded a significant financial surplus. With the establishment of the Trust (Fideicomiso) the General Treasury no longer retains 25 percent of the PI's income as it did until 2014 and the 2017 National Budget did not include allocation of funds for the PI.

Stakeholder Support Risk: The Household Impact Assessment showed that there is a moderate trend towards the downgrading of cadaster-registry information, since not all users register their new transactions in SURE (10 percent of graduates in Phase II and 15 percent in Phase I were unregistered). Although the number of titles registered in the Folio Real increased considerably during PATH I and II, the number of registrations using the Folio Real technique is now decreasing relative to total registrations. This is because the Folio Real technique needs the properties to be geo-referenced, yet not all the registries have their cadaster complete, so they still need to use the Folio Personal technique to register properties.



Institutional Risk: PI's institutional capacity to lead the sector continues to be weak. The PI's high turnover in key leadership positions and the intermittently tense institutional relationship with the technical, administrative and fiduciary team in charge of the project, hampered communication and eventually affected the PI's ability to fully-absorb/institutionalize key project outputs. However, by the end of the project, the PI Board of Directors, acknowledging this situation, had recruited key, relevant personnel (many from the PCU) who are likely to enhance its capacity and performance, and improve the post-project sustainability of the project.

a. Risk to Development Outcome Rating

Substantial

8. Assessment of Bank Performance

a. Quality-at-Entry

The project was consistent with key analytical reports of the World Bank Group and the Government of Honduras and aligned with the country program, complementing other projects. The Bank team incorporated lessons learned from PATH I and other land administration projects in the region. These included: (i) making gradual changes in the legal and institutional reforms; (ii) focusing land regularization activities in priority areas to increase their impact and sustainability; (iii) strong focus on municipalities, integrating land administration into their longer-term vision and making them partners in the decentralized implementation of cadastral systems; (iv) attention to the representativeness and legitimacy of consultation mechanisms - including consultation frameworks which rely on existing structures/organizations - to ensure the broad support of indigenous communities; and, (v) reinforcing accountability systems in the Project Coordination Unit (PCU) to ensure compliance with Bank and government policies and procedures, along with effective mechanisms for their coordination with co-executing agencies. The participatory processes adopted assured a high level of commitment among stakeholders.

The project's risks were appropriately identified with adequate mitigation measures. Although the team recognized shortcomings from PATH I, such that strengthening of the PI and other land institutions would take longer than originally thought, not enough was designed in the project to sufficiently strengthen the PI to help it coordinate with the many entities involved in decentralization and attain more commitment to its sustainability from the GoH.

There were some shortcomings in project design: (i) project scope was too ambitious for the PI's technical, institutional and fiduciary capacity which needed to coordinate with multiple institutions and key agencies to implement the operation and eventually had trouble internalizing and absorbing some project outputs (ii) some PDO and intermediate indicators were inappropriate and beyond the control of PCU or PI; (iii) There were challenges setting up the baseline and establishing the measurement frequency for some indicators.



Quality-at-Entry Rating

Moderately Satisfactory

b. Quality of supervision

The Bank provided a high level of supervision and technical expertise. There were up to four supervision missions a year, and steering and technical committee facilitated the project's workflow. The project also had special assistance from the Bank's environmental management, communications, gender, ethnic, safeguard policies, institutional strengthening, technology, monitoring and evaluation, fiduciary and procurement teams.

However, the Bank could have more carefully tracked the disbursement of project funds. In September 2015, the Bank project TTL changed through a smooth transition including a hand-over mission. Unfortunately, almost all the funds had been disbursed six months earlier than predicted even though there were some outputs yet to be completed. The Government and the Bank decided to implement a work plan and successfully reached agreement with the Implementing Agency to get additional savings via selective reduction of PCU staff and funding from the GoH to ensure achievement of targets.

Also, the Results Framework was revised late in the project, and this should have been done much earlier, when it was clear that some of the indicators were became irrelevant and targets no longer realistic.

Quality of Supervision Rating

Satisfactory

Overall Bank Performance Rating

Moderately Satisfactory

9. Assessment of Borrower Performance

a. Government Performance

The project built on the Government's commitment to develop a reliable and customer-oriented cadaster and registry system to transform the land sector. During preparation, the GoH provided US\$3 million to prepare the project. The country went through a political crisis in 2009, which led to delays in the approval of this project. Nevertheless, the Government of Honduras successfully included a wide array of stakeholders, including indigenous peoples, local churches, municipal authorities, neighborhood associations and NGOs, including those overseeing the recognition of Miskito peoples' land rights. Special attention was also given to putting in place appropriate consultation and promotional features enabling women to express their preferences on how to participate during the implementation of the project and how to ensure that their access to land would increase.

The new administration took office in 2014 with a renovated vision for the Property Institute (PI), and it reinforced its commitment by updating strategy documents and policy statements to make the country's land administration system more effective and sustainable. Also, at project closing, the GoH provided US\$500,000 to help finalize the project.



The GoH showed its commitment to keep the core team of the PCU and has hired them at PI, the implementing agency.

Government Performance Rating

Moderately Satisfactory

b. Implementing Agency Performance

the first half of the project, the Project Coordinating Unit (PCU) had technical, administrative and fiduciary autonomy which affected coordination with the PI, the implementing agency. The high turnover in the PI's leadership (2 different Boards, 3 Board presidents and 5 CEOs), coupled with the PCU's autonomy affected coordination and eventually led to implementation delays. After 2014, however, when the new administration took office, only one PI CEO was substituted.

Strong and resourceful project management led to innovative implementation approaches. The core of the PCU team remained in place after the closing of PATH I, which facilitate implementation and sustainability. The PCU carried out many of the project activities "in-house" but, to also enhance the capacities of local land administration services, the PCU outsourced and supervised some key responsibilities to local companies.

The PI is still a relatively weak agency that requires further institutional strengthening to fully exercise its leadership, to continue the modernization of property registries, and to advance the development and institutionalization of SINAP (Sistema Nacional de Administracion de la Propriedad). The PI Board of Directors have decided to incorporate the PCU's entire technical core as staff of the Property Institute and to create a new unit that will be responsible for analyzing, supervising and monitoring the decentralization and outsourcing of land related services to regional offices of the PI, other public institutions and to the private sector. This strongly indicates that the PI appreciates the importance of institutionalizing the project

Implementing Agency Performance Rating

Moderately Satisfactory

Overall Borrower Performance Rating

Moderately Satisfactory

10. M&E Design, Implementation, & Utilization

a. M&E Design

The overall M&E design was adequate, with a clear PDO and with relevant PDO indicators. The PDO indicators included three Bank Core Sector indicators related to Land Administration Projects, such as number of beneficiaries disaggregated by gender, registry efficiency and adjudication and registry of tenure rights. The M&E system did have some shortcomings, though, such as too many indicators, and some of them not very realistic or relevant to measure relative achievement of objectives. PDO indicator and target 2, for example



“The average time to register land transaction through the modernized registries under the project is 18 days (from a baseline of 23)”.

There was no coherent Theory of Change or logical chain between Inputs, Outputs, Outcomes and Objectives. Outcome indicators were not adequately linked to project objectives. The indicators measured issues such as numbers and amounts of land recorded titles, but many of the indicators did not adequately measure relative achievement of the project development objective or expected project outcomes. The majority of the indicators measure achievements at output level.

b. M&E Implementation

According to the ICR, the project’s M&E system was maintained and regularly updated during implementation by a specialized unit within the PCU. However, inserting M&E data from the PI and from co-executing agencies’ M&E systems into the project’s own ME& system proved challenging and led to delays. A comprehensive series of external evaluations was conducted at the MTR stage and at the end of the project, to measure the number of property transactions in several departments, audit the registry systems, and assess developments in the institutional capacity of municipalities. These additional studies provided useful information not readily available from the M&E system.

c. M&E Utilization

A quasi-experimental impact evaluation was undertaken by an external company and aimed measured to what degree an improvement in tenure security was contributing to the livelihoods of poor households. The impact evaluation provided the project with updated information on the increase in land value through titling and the increase in tax payment, information which was used for the economic and financial analysis. In addition, during the impact evaluation, methodologies to assess key indicators for land administration projects were developed, and these may potentially be useful for a follow up project. The IE’s findings indicated that 96% of the households that received a land title through the project experienced more secure tenure and a reduction in the risks of being evicted or experiencing a tenure conflict.

Despite its flaws, the M&E system did contribute to some key decision-making, such as the preparation of a strategy to abate the rise in the cost of delivering land registry services based on cost efficiency indicators

M&E Quality Rating

Substantial

11. Other Issues

a. Safeguards

Financial Management:

From project approval in June 2011 to June 2014, Financial Management was rated Satisfactory. The June



2014 FM mission downgraded the FM performance to Moderately Satisfactory, based on inconsistencies in the financial information produced by the different FM tools, which required proper reconciliation to ensure consistency of the project's financial information. On a follow-up supervision mission in March 2015, the Bank assessed the status of the agreed Action Plan and found that it was substantially implemented. The FM performance rating was upgraded to Satisfactory, a rating maintained until closing. The ICR states (para 40, page 11) that all audit reports were furnished to the Bank in a timely fashion. Audit opinions were unqualified throughout the project and there were no internal control issues reported in any year.

b. Fiduciary Compliance

Procurement performance was rated Satisfactory throughout the life of the project. The project managed its Procurement Plan through the Procurement Plan Execution System (SEPA), updating all information related to each process in the system. Processes were reviewed by the Bank in prior and post reviews. The project procurement team had adequate capacity and knowledge to implement the diverse procurement processes and participated in the annual training events sponsored by the Bank. No complaints or arbitration processes were registered or requested by bidders for contracts funded by the project.

c. Unintended impacts (Positive or Negative)

The ICR does not discuss unintended impacts.

d. Other

12. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	---
Risk to Development Outcome	Substantial	Substantial	---
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	---
Borrower Performance	Moderately Satisfactory	Moderately Satisfactory	---
Quality of ICR		Substantial	---



Note

When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.

The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

13. Lessons

following lessons are taken from the ICR with some adaptation of language.

Decentralization of land administration services needs to be adequately assessed beforehand.

Decentralization is complex and is also a lengthy and expensive process. An accurate assessment of the Government's capacity is needed to determine the appropriate level of institutional and technical support and assess what progress can be achieved regarding the decentralization of land services. A series of incremental institutional and technical support activities may be the most appropriate approach. It was learned that serious consideration should be given to strategically identifying the activities, efforts and timeframe to build the desired decentralized capacity along with strengthening government institutions and local governments. Setting unrealistic milestones that depend on measures independent from the project coordinating unit will also place the project at risk.

In order to decrease the waiting time for users to register their land titles, the varying levels of institutional capacities (human and technical) in selected municipalities need to be taken into account.

The capacity of one municipality can be considerably different than another municipality and the compatibility and additional time it takes to make transactions compatible from one system to another should be taken into account. In this project, some municipalities already had a cadaster that needed to be made compatible with the national cadaster that the project was establishing at national level with the use of SURE. So some municipalities had significantly more work to do to register the land titles and the implementing agency had no control over that.

A weak implementing institution can put the project at risk and place undue responsibility onto the project coordinating unit that, in principle, corresponds to their own mandate. Experience from this project shows that a PCU working with a certain degree of autonomy from the land institution is not necessarily beneficial, as it may compromise the government ownership and may affect the sustainability of land projects

14. Assessment Recommended?

No

15. Comments on Quality of ICR

The ICR is comprehensive, well written and candid. It provides relevant information about the project context and follows the guidelines for preparation of ICRs. The ICR is results-oriented and provides solid evidence for



the achievement of objectives. The annexes on the Cost Benefit Analysis and the Impact evaluation were informative.

a. Quality of ICR Rating
Substantial