



1. Project Data

Project ID P093050	Project Name REGISTRATION	
Country Russian Federation	Practice Area(Lead) Social, Urban, Rural and Resilience Global Practice	
L/C/TF Number(s) IBRD-48260	Closing Date (Original) 31-May-2014	Total Project Cost (USD) 101,500,000.00
Bank Approval Date 13-Jun-2006	Closing Date (Actual) 29-Feb-2016	
	IBRD/IDA (USD)	Grants (USD)
Original Commitment	50,000,000.00	0.00
Revised Commitment	31,244,997.84	0.00
Actual	31,166,016.88	0.00

Sector(s)
Sub-National Government(56%):Law and Justice(37%):Other Public Administration(7%)

Theme(s)
Personal and property rights(29%):Land administration and management(29%):Administrative and civil service reform(14%):Legal institutions for a market economy(14%):Municipal governance and institution building(14%)

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2. Project Objectives and Components

a. Objectives

The Project Development Objective as stated in the Loan Agreement (LA, Schedule 2, page 13) and in the Annex 3 of the Project Appraisal Document (PAD, page 19) was.

"To improve the system of registration of legal rights to immovable property by developing standardized, clear and more efficient registration procedures, and by introducing an improved information management system for the registration offices."

The PDO in the main text of the PAD (page 3) was formulated as.

"The project will support on-going reforms of the registration system of rights in immovable property in Russia through improving



procedures and the information flow from the registry to users with a development objective to facilitate the development of real property markets, improve the quality of services provided, and strengthen the linkages with other organizations dealing with real property."

In line with IEG practice, this assessment is based on the PDO as stated in the LA.

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

No

- c. Components

There were four components.

Component 1. Institutional Development of the Registration Services. Appraisal estimate US\$58.42 million. Actual cost US\$8.47 million. This component aimed at improving the functioning of the offices of the Registration Service through an upgrading of operational and normative procedures and improving service delivery to clients. Sub-component activities included: (i). Development of a set of service standards for the registration system and monitoring their implementation. (ii). Renovation of the local registration offices involved in the project. (iii). Provision of better information to the public and professional community. (iv). Monitoring the quality of registration services through institutional impact assessments. and, (v). Developing a modern mechanical archival system in 52 regions and establishing five regional electronic archives in priority areas.

Component 2. Information and Communication Systems. Appraisal estimate US\$57.07 million. Actual cost US\$51.78 million. This component aimed at developing efficient software application for registration and information transfer, converting existing system in the new system and ensuring that the system was operational in the regions involved in the project. Sub-component activities included: (i). Analysis of the existing information systems currently in use in the regional offices. (ii). Development, testing and roll-out of the unified registration software. (iii). Conversion of existing data in the format required for the unified registration software. (iv). Delivery and installation of the equipment for running the new unified registration system. and, (v). Conversion of documents into an electronic format for archiving in storage centers.

Component 3. Improvement of Professional Skills. Appraisal estimate US\$2.41 million. Actual cost US\$0.41 million. This component aimed at improving the professional skills of the registration staff. Sub-component activities included: (i). Development of an overall training strategy. (ii). Providing training to the staff on specialized courses and themes. (iii). Developing and implementing distance learning courses. (iv). Conducting a program of foreign training and study tours. (v). Creating, printing and distributing operational manuals for the registration staff. (vi). Conducting seminars in Russia. and, (vii). Participation in relevant international conferences.

Component 4. Project Management. Appraisal estimate US\$4.65 million. Actual cost US\$2.36 million. This component planned to support the work of the Project Management Unit (PMU) on financial management, reporting and procurement management. The project was restructured through a Level One restructuring on 08/23/2010 for the following reasons. (i). Under the Presidential Decree issued in December 2008, the Government formally merged the three federal agencies - the Federal Agency for cadaster of Immovable Property (FCA), the Federal Registration Service (FRS) and the Cartography and Geodesy - under one agency called "Rosreestr". This institutional change was in line with International Best Practices and consistent with Bank's recommendations. Following this decision, the organizational structure was changed and Rosreestr's management had to reorganize 6,000 offices and 46,000 staff members. This major change caused several delays and stalling of project activities in the initial years of the project. (ii). The PDO in the PAD was harmonized with the PDO in the LA. (iii) The original key PDO indicators replaced with standard indicators that had been introduced for land sector projects by the Bank, and, (iv) The disbursement schedule and the procurement plan was revised to reflect the delays in implementation.

- d. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project cost. Appraisal estimate (including baseline cost and front-end IBRD Fee) US\$123.05 million. Actual cost at closure US\$63.53 million.

Project Financing. The project was financed by an IBRD loan. The appraisal estimate was US\$50.00 million. US\$17.80 million of the IBRD loan was cancelled as per the Government's request. The cancellation was requested because Rosreestr used other financing sources and also used efficiency gains from previous technical innovations and savings from contracts with amounts that were lower than estimated to finance some activities. With this cancellation, the revised IBRD loan estimate was US\$32.20 million. The amount disbursed at closure was US\$31.25 million.

Borrower Contribution. Appraisal estimate US\$73.05 million. Actual contribution was about half of what was planned at US\$32.28 million. According to the information provided by the team, the difference between the appraisal estimate and actual contribution was due



to two factors. First, part of the loan funds was cancelled and therefore there was also a reduction in corresponding counterpart funding. Second, the Government made funding available through other channels as well, not just the project. So, while the legally agreed funding was presented in Annex 1, the project was part of a wider Government program that benefited from Government support, both financial and otherwise.

Dates. In addition to the Level One project restructuring discussed above, there were three Level Two restructurings. The first on 05/28/2014, extended the project closing date by nine months from May 31, 2014 to February 28, 2015 for completing the procurement packages that could not be completed by the original closing dates and for completing the data processing centers and for introducing unified recording and registration procedures.

The second Level Two restructuring on 02/11/2015, extended the project closing date by a year from February 28, 2015 to February 28, 2016 for completion of ongoing activities and also used the savings generated by strong competition among suppliers in the bidding process for several Information and Communication Technology (ICT) packages to implement additional activities, such as a consultancy to evaluate the institutional impact of the project.

The third Level Two restructuring on 12/14/2015 responded to the Government request to an increase in the Designated Account ceiling of up to US\$6.40 million to meet the cash requirements under the project included in the 2015 Federal Budget. This change was reflected in both the LA and in the Disbursement Letter because the Original LA stipulated a ceiling of US\$2.00 million.

The project closed 21 months behind schedule on 02/29/2016.

3. Relevance of Objectives & Design

a. Relevance of Objectives

There was no change in the Project Development Objective (PDO) at the time of restructuring. The PDO was highly relevant both to country conditions and the Government strategy. At appraisal, the real estate market remained underdeveloped and inefficient in Russia, due to the lack of clarity on land ownership and costly procedures associated with real estate transactions. Lack of information flows between the system of registration rights and agencies that were responsible for cadaster (physical identification and description of real property rights) had complicated the registration process and thereby contributed to high transactions costs in matters associated with the property market. Before appraisal, the Government had initiated legal and administrative reforms under the Federal Targeted Program for the 2006-2011 period for improving the efficiency of the property market and establishing an automated and unified registration system for stimulating property-related investments. The PDOs were also relevant to the E- Government strategy (*Plan of Transition to Public e-services and the Electronic Performance of Public Functions by Federal Authorities*) approved by the Government in 2009 and the Government's Road Map for the 2013-2018 period which highlighted the need for improvement of the quality of government services for real estate transactions.

The objectives also remained relevant to the World Bank Group's strategy. At appraisal, they were consistent with two of the three priorities identified in the Country Assistance Strategy (CAS) for the 2003-2007 period. (i). Strengthening public sector management and improving the business environment through among other things, enhancing accountability mechanisms and information flows within and across different levels of government, improving the efficiency and quality of public service delivery and improving fiscal management. and, (ii). enhancing competition, through among other things, rationalizing the process of registration of property rights and strengthening protection of property rights. The objectives were consistent with two of the four pillars of the Country Partnership Strategy for the 2008-2011 period. (I) Improving the efficiency of Federal budgetary expenditure. and, (ii) supporting regional development. The current CPS for the 2012-2016 period included continued support for the Government's efforts to provide public services more efficiently and to improve service delivery of federal, regional and local agencies through e-government applications, administrative complaints procedures and client feedback mechanism. The CPS further indicates that such initiatives should address important development constraints, such as the time required to complete land registration.

Rating

High

b. Relevance of Design

The design was relatively standard for land registration projects which had become fairly common in the Bank's Europe and Central Asia (ECA) region. The statement of the PDO and the results framework were clear. Design envisaged investments in infrastructure, while the institutional dimension aimed at strengthening the capacity of the implementing agency to ensure sustainability of development outcomes. The causal links between project activities, their outputs and the intended outcomes were clear. Activities under component two (such as developing efficient



software application for application for registration and information transfer, conversion of the existing system to the new system and ensuring that the system was operational in the regions) could be expected to contribute to introducing an improved information management system for the registration services. Activities under component one (such as improving the functioning of the offices of the Registration services and improving service delivery) and component three (such as improving the professional skills of the registration staff through training) could be expected to contribute to improving the system of registration of legal rights to immovable property. The outcomes could be expected to contribute to the higher level objectives of development and expansion of the real estate and mortgage markets in the Russia. The merger of the three federal agencies was not known at the time of project preparation and so it could not have been foreseen at appraisal.

Rating
Substantial

4. Achievement of Objectives (Efficacy)

Objective 1

Objective

"To improve the system of registration of legal rights to immovable property by developing standardized, clear and more efficient registration procedures, and by introducing an improved information management system for the registration offices."

Rationale

A split rating was not conducted as the PDO remained unchanged, the key indicators were not significantly and substantively changed, and the project was restructured when only US\$0.47 million (about one percent of the loan) was disbursed and when all activities pertaining to the new IT strategies were stalled in the wake of the institutional reorganization.

Outputs.

A total of 106 normative acts were approved by project closure (including 20 in 2011, 7 in 2012, 31 in 2013, 23 in 2014 and 25 in 2015). This included the Federal Law No.218-FZ on the State Registration of Immovable Property developed under the project. This law was adopted in July 2015 and is expected to be coming into force on January 1, 2017. A new Federal Law No 431-FZ on Geodesics, Cartography and Spatial Data was also adopted in the State Duma at the end of December 2015 and this law is also to come into force on January 1, 2017.

164 offices and two archive centers, eight times more than before the project were using interdepartmental electronic application at project closure.

The following activities were completed as targeted with respect to the dissemination of registration service information to the general public: (i). Development of materials for the Rosreestr internet site. (ii). Preparation of information materials on Rosreestr activities and services. and, (iii). Provision of information to develop generalized information services based on existing capacity and the capacity of the IT system for specific categories of clients (such as government bodies and institutional and professional clients such as Banks).

Social surveys were conducted by Rosreestr to seek public assessment of ongoing institutional changes and Rosreestr's efforts to create a modern registration system as targeted. Based on the surveys, 88% of the surveyed population understood the requirements and procedures for registration at closure as compared to 70% at the baseline. This was slightly short of the original target of 91%.

Telecommunications equipment was installed, data from existing database was transferred into the database of the new standardized information system in each project region, and infrastructure of data processing centers for the unified system was installed, as targeted. The State Cadaster of property contained information on more than 156 million property items (parcel and buildings) and about 169 million titles of any type officially registered. The project also tracked gender-disaggregated ownership data. According to records at the end of 2014, 64.6 million women were registered as owners or co-owners of property in Russia.

11 training programs and seven workshops were funded by the project. Of the 1,277 staff trained in using the single window technology, 64 were trained using project funds.

Outcomes and Intermediate Outcomes.

Rosreestr increased its ranking in the Bank's Doing Business Registering property index by 37 positions from 45 in 2011 to 8 in 2016. The ICR (page 17) reports that compared to previous years, the 2016 index included some important changes as it assessed not only performance of property registration systems but also qualitative elements such as reliability, transparency, national coverage and dispute resolution.

The time taken for registering property reduced from 30 calendar days to eight working days at project closure. This exceeded the target of



15 calendar days. The time taken for registering property also exceeded the legal requirement of ten days (based on a law enacted in December 2014).

The time for processing information requests from individuals declined significantly from seven days at the baseline to one day for requests submitted electronically through the Portal of Public Services as targeted. Processing time for paper-based extracts decreased from seven days at the baseline to three days. 40.8 million information requests were received by Rosreestr as compared to ten million at the baseline. Based on a survey of public services performed by the Russian Public Opinion Research Center in 2015 in cities of over one million people, e-services provided by Rosreestr were ranked as number one for both individuals' and legal persons' satisfaction ahead of the Federal Migration Service, Ministry of Internal Affairs, the Pension Fund, Ministry of Health and the Federal Tax Service.

Average number of registrations completed per staff per year increased to 1,915 at project closure as compared to 700 registrations per staff per year at the baseline. This also exceeded the target of 1,200 registrations per staff per year.

Two customer satisfaction (individual users, professionals and institutions) surveys were undertaken in connection with the project (in 2011 and in 2013). 95.7% of the people surveyed in the real-time Internet portal expressed satisfaction at project closure as compared to 60% at the baseline.

The ICR (page 8) notes that the project was successfully being implemented in all planned components, despite the fact that only a small portion of the loan had been used. The main reason for this loan portion was that the Bank funds formed only a small percentage of the overall costs of setting up the whole institutional system, estimated by Rosreestr to be ten times the amount. However, the extent to which this particular project contributed to the institutional strengthening component is not entirely clear, given that the amount allocated to this component at closure was less than 15% of the appraisal estimate.

Rating
Substantial

5. Efficiency

Economic Analysis. An economic analysis was conducted at closure. This was only for the Information and Communications system component (component 2) but this component accounted for 81% of the actual project cost. The quantitative benefits of the project were assumed to come from time savings to Rosreestr and to the general public (since they no longer had to travel submit and collect documents). The methodology followed in calculating the monetary value of time saved was using the daily wage estimates and number of days saved. Based on a five percent discount rate, the Net Present Value was US\$137.30 million and the Internal Rate of Return was about 72%. Other potential benefits which were identified but not factored in the economic analysis included, benefits due to increase in the number of transactions in immovable property due to the elimination of the legal requirement for surveys in case of secondary registrations (refers to registrations for which the property had already been registered), reduction in transaction costs due to reductions in bureaucratic requirements and more reliable services of revenue for the municipal governments as they now have better information on property right owners.

Administrative and Operational Issues. Although there were time overruns, with the project closing 21 months behind schedule, these were partly due to the merger and institutional reorganization which caused a virtual stalling of project activities in the initial years of the project. Given the almost negligible early disbursement from this delay, the costs ended up being lagged to almost the same extent as benefits. Given that both costs and benefits lagged, it would have affected the rate of return very little since there was so little expenditure in the initial years of the project. There were also cost savings with the savings generated by strong competition among suppliers in the bidding process for several Information and Communication Technology (ICT) packages and this enabled the government to cancel part of the loan and also extend the scope of project activities. Though disbursements remained low in the initial years, at closure all activities had been completed and the loan was fully disbursed apart from the cancellation.

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		0	0 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	72.00	81.00 <input type="checkbox"/> Not Applicable

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

6. Outcome

Relevance of Objectives was High and Relevance of Design was rated as Substantial. Efficacy of the objective - "To improve the system of registration of legal rights to immovable property by developing standardized, clear and more efficient registration procedures, and by introducing an improved information management system for the registration offices." - was rated as Substantial. Efficiency was also rated as Substantial. The project had minor shortcomings.

- a. Outcome Rating
Satisfactory

7. Rationale for Risk to Development Outcome Rating

Government ownership and Commitment. The risk to development outcome is rated as Negligible. Following the creation of a single agency for registration and cadaster that was consistent with international best practice, the Government has initiated a series of legislation aimed at developing the real estate market. 1.The Federal Target Program "Development of the Unified State System for Registration of Rights and Cadastral Registration of Immovable Property (2014-2019) provides the necessary financial resources for the work included in the program. 2.The new "Unified Law (Federal Law #218) that is to become effective on January 1, 2017 further introduces simplified procedures and stipulates reduction of time for service delivery. and, 3. Rosreestr's Order " On Improving technological processes for implementation of functions in the area of state registration of rights" dated March 31, 2015, aims at improving the technological processes used by regional offices. The institutions and processes are now well established and fully operational and there are plans for the future.

- a. Risk to Development Outcome Rating
Negligible

8. Assessment of Bank Performance

- a. Quality-at-Entry

The Bank had a well established record of designing projects in areas relating to registration of rights and cadaster in many of the Commonwealth of Independent States (CIS) countries and several Bank members had long experience in designing land administration projects. The project was prepared by a team - with several members also supervising an ongoing Bank-financed complementary project in Russia (Cadaster Development Project -P078420) and the team's involvement in both projects helped in ensuring coordination and consistency between the cadaster and property registration systems. Several risks were identified at appraisal in the country context, including Substantial risks associated with implementation delays in projects requiring coordination between project implementation units and the designated implementing agencies of the Government and risks associated institutional capacity. Appropriate mitigation measures were incorporated at appraisal. The measures included: (i) Linking the Project Implementation Unit (PIU) to the implementing agency through the Project Director to address the risk of coordination between the projected implementation units and the designated implementing agency. and, (ii) keeping the design simple and focused on key development aspects of the system of registration of rights to



address the risk associated with institutional capacity. (The merger of the three agencies was not known at the time of preparation and hence could not have been foreseen at appraisal or accounted for in the risks). The agency chosen for implementing this project had prior experience with several Bank-financed projects (see also section 9). Appropriate arrangements were made at appraisal for compliance with fiduciary and safeguards issues (see also Section 11).

The decision to split the project into two separate projects - the Cadaster Development Project and the Real Estate Registration Project - contributed to the slow disbursement in the initial years since the management of the newly merged agency put the priority on the Cadaster project that was already started. This caused delays in implementation of activities associated with this project.

Quality-at-Entry Rating
Moderately Satisfactory

b. Quality of supervision

Supervision missions were conducted on a regular basis, with 18 missions over a ten year period. The missions included Bank specialists who had designed and supervised projects of this kind in Europe and Central Asia (ECA), as well as key specialists from the Food and Agriculture Organization (FAO) of the United Nations under the World Bank/FAO partnership program. The high-level technical expertise provided by FAO on international standards and best practices in Information Technology (IT) systems was especially beneficial to the project, as this component accounted for the largest component of the project. Issues requiring Bank attention, including the merger and critical procurement items, were addressed proactively. In dealing with the merger, the Bank team was constructive and accommodating and facilitated the extension of the project closing date.

The team adopted a flexible approach to procurement of IT equipment and the signing of contract amendments. This contributed to timely procurement of equipment necessary for the operation of the registration system operation and to efficient disbursement of the Project funds (Borrower's ICR, page 49). Although there were four Task Team Leaders over the ten years from approval to closing, the quality of supervision was not impacted since some of the key experts were involved in the project throughout the implementation period. The involvement in the last five years of Task Team Leaders and FAO specialists who were fluent Russian speakers facilitated cooperation and greater mutual understanding until project completion.

Quality of Supervision Rating
Satisfactory

Overall Bank Performance Rating
Moderately Satisfactory

9. Assessment of Borrower Performance

a. Government Performance

The Government ownership and commitment for achieving the development objective was strong both before and during project implementation. In 2004, legal and administrative reforms were initiated by the government under the Federal Targeted Program for the 2006-2011 period to improve the efficiency of property registration and establish an automated, unified registration system for improving the use of property and stimulating property-related investment. The merger of the three federal agencies in December 2008, was in line with international Best Practice and Bank recommendations. The Russian Government's high level technical expertise, knowledge of land administration and skill and knowledge in the preparation and design phases of the project helped in producing a realistic project that was aligned with the Government strategy. The counterpart funding accounted for more than half (52%) of the total project cost. The commitment for the project during implementation was further demonstrated through its securing increased budgetary commitments for the implementing agency. For instance, following the project implementation period, the Government under the Federal Targeted Program spent 4,495.61 million rubles (US\$90.47 million) to support the development of the registration system, including 183.86 million rubles (US\$585.25 million) spent by the Ministry of Communications to develop software and hardware for e-records keeping.

Government Performance Rating
Satisfactory



b. Implementing Agency Performance

Until 2009, the project was implemented by the Federal Registration Service (FRS) within the Ministry of Justice. With the merging of the agencies, the newly created agency - Rosreestr - under the Ministry of Economic Development, became the implementing agency, through its existing network of registration services at the regional and local levels. The Project Implementation Unit (PIU) was linked to the implementing agency through the Project Director. Rosreestr ensured continuity of the project team after the abolition of the Registration service by retaining the key personnel. This aided in consistent decision-making. The project was being implemented by the same agency in parallel with an ongoing complementary Bank-financed Cadaster project. This helped in ensuring coordination between the two systems in terms of participating regions and infrastructure linkage solutions and since the agency was also implementing the ongoing Bank financed project, it was familiar with the Bank's fiduciary policies (discussed in section 11). The implementing agency cooperated with the Bank to ensure that the Bank's requirements were addressed. However, during implementation, there was some slow disbursement and delays associated with the procurement of two IT packages, these were rectified through intensified procurement trainings and disbursements, improving disbursement from 40% in June 2014 to 97% by the end of the project.

Implementing Agency Performance Rating
Satisfactory

Overall Borrower Performance Rating
Satisfactory

10. M&E Design, Implementation, & Utilization

a. M&E Design

The three key outcome indicators at design were - the quantity of economic transfers of immovable property (sales and leases), the quantity of mortgages registered, and the capacity to improve information to clients irrespective of the place of submission of the application and location of the project. Since these indicators relied heavily on land market values which were subject to exogenous fluctuations, they were not appropriate for accurately reflecting the achievement of project activities in real terms.

In addition to monitoring the performance of the registration services, there was to be an institutional impact assessment during the implementation of the project.

b. M&E Implementation

The original indicators were replaced with three new indicators - reduction in time for different types of property registration services (first time, sales, inheritance and others), registration staff productivity and customer satisfaction. The new indicators were less dependent on short-term price fluctuation and hence more appropriate for reflecting the achievement of project activities. The new indicators were also in line with the standard PDO indicators that had been introduced by the Bank for land projects by 2010. (The ICR (page 11) notes that, in the aftermath of the Global Financial Crisis which started in the USA in 2008 and spread to other parts of the world, indicators linked to the overall health of the property markets (such as, the number of sales and mortgages) began to perform poorly despite good physical progress on Bank-financed land projects. As a result, some land projects were restructured to drop market-sensitive indicators in favor of those that more accurately reflected project progress and achievement of development outcomes.

Rosreestr did not monitor the result indicators in the early stages as the monitoring system needed to be reviewed and integrated into one single system. This was completed in 2011. Since then the M&E provided detailed information on what was being achieved under the project. The first client satisfaction survey was conducted in 2011 and this was followed by a second survey conducted in 2014. During implementation, the M&E system was regularly used to monitor and report project progress and take corrective action when needed.

c. M&E Utilization

Besides supporting decision making during implementation, the M&E was mainstreamed into the Rosreestr's reporting system. This remains in place and continues to provide data for monitoring market and operational indicators for internal work.



M&E Quality Rating
Substantial

11. Other Issues

a. Safeguards

The project was classified as a Category B project for environmental assessment purposes. Other than Environmental Assessment (OP/BP 4.01), no safeguard policies were triggered. At appraisal, minimum environmental risks were anticipated associated with activities relating to office refurbishing and construction of some offices in some regional offices of the registration service. An Environmental Management Plan (EMP) that was in compliance with both country laws and Bank Directives was prepared and publicly disclosed (PAD, page 50). During implementation, the activity associated with refurbishing and construction of regional activities was dropped and hence there were no adverse environmental impacts. (ICR, page 10).

b. Fiduciary Compliance

Financial Management. The implementing agency - initially the Federal Registration Service (FER) - and then Rosreestr following the institutional reorganization - had implemented a number of prior Bank-finance projects and hence was familiar with Bank's financial management (FM) requirements. At appraisal, the agency's previous auditing arrangements were deemed to be satisfactory and these were to be replicated for this project (PAD, page 13).

The ICR (page 10) reports that financial management arrangements were satisfactory during implementation. The agency's financial management department was adequately staffed and managed and quarterly financial reports of good quality and audit reports with clean, unmodified opinion were submitted in a timely fashion to the Bank.

Procurement. An assessment made of the implementing agency's capacity to manage procurement issues at appraisal concluded that the agency had sufficient experience in addressing procurement issues (PAD, page 44). Key issues and procurement risks associated with the project were identified and these included: (i) The challenges of covering 25 regional offices and associated local registration offices; (ii). The challenges associated with procurement of Information Communication Technology (ICT) systems which had proven to be a problem for other Bank financed projects in the past; and (iii). The extensive amount of work that was anticipated for legal and regulatory reforms. To address these issues, certain aspects of the project during implementation were to be piloted on a relatively small scale, followed by two roll-out phases for additional regions. The ICT procurements were to be broken into constituent parts to minimize the complexity of formulation of technical specifications.

The ICR (page 10) notes that, although there were some difficulties associated with arranging the competitive selection of bids for some large contracts and some extension of deadlines for bids submission affecting the expected implementation schedule for such packages, procurement procedures were implemented in accordance with the Bank's procurement guidelines. The ICR reports no case of misprocurement.

c. Unintended impacts (Positive or Negative)

d. Other

12. Ratings

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

The ICR draws the following main lessons from implementing this project with some adjustment of language.

- 1. Political engagement coming from the highest levels of government, backed by resources, and holding managers responsible can contribute greatly to the success of a project.* In the case of this project, government leadership was supportive, putting a lot of responsibility on managers and providing the necessary resources to reach targets.
- 2. Slow disbursement is not necessarily a sign of poor performance where external factors such as a substantial institutional reorganization is undertaken with benefits for longer-term institutional development.* In this case, the restructuring and the creation of a unified agency, while initially disruptive, led to a more sustainable framework for the longer term.
- 3. In the development of immovable property registration systems, substantive and sustained collaboration between borrower specialists, the World Bank and FAO can be very useful for assembling and adapting global learning, particularly since such projects involve tailoring complex computerized management systems to local realities on the ground.* In this case, the fruitful collaboration between the specialists from Rosreestr, the World Bank and the FAO proved particularly useful for adapting international experience.

14. Assessment Recommended?

No

15. Comments on Quality of ICR

The ICR provides a detailed overview of the project and is for the most part, well-written. The narrative supports the ratings and available evidence. It is candid particularly in discussing the issues that arose in the merging of the three federal agencies. The report generally follows the guidelines adequately. The quality of evidence and analysis is aligned to the messages and lessons offered. The discussion of project cost and financing is confusing. Also, there appears to be some discrepancy in the Results Framework between the table on ICR page iii and the text on page 3, there are no reported targets for two of the three main indicators in the table.

- a. Quality of ICR Rating
Substantial