



1. Project Data :
OEDID: L3985
Project ID: P034581
Project Name: Housing Project
Country: Ukraine
Sector: Urban Housing
L/C Number: L3985
Partners involved : None
Prepared by: Kyu Sik Lee, OEDST
Reviewed by: Hernan Levy
Group Manager: Roger H. Slade
Date Posted: 06/29/1998

2. Project Objectives, Financing, Costs and Components :

The objective was to support the development of a housing market by : (i) completing and selling municipal apartments to city residents; (ii) promoting formation of homeowners associations for the management and maintenance of their buildings; (iii) encouraging the growth of private housing developers through providing access to land and simplifying building regulations; and (iv) furthering housing reform through policy studies . The components comprised : (a) completion of unfinished city housing stock for sale to private households in Lviv and Odesa; (b) provision of off-site infrastructure to develop serviced land for sale to private developers for housing construction in Kharkiv and Lviv; and (c) technical assistance for housing policy and land regulation studies and for training of the staff of national and local implementation agencies . The loan amount was US\$17.0 million. The project cost at appraisal was \$27.9 million. The loan did not become effective and was terminated on September 25, 1997, 18 months after Board approval.

3. Achievement of Relevant Objectives :

As required under Ukrainian law, the loan agreement was submitted to the Ukrainian Parliament for ratification, but the Parliament failed to do so (see box 7 below). Subsequently, the Bank terminated the loan .

4. Significant Achievements :

NA.

5. Significant Shortcomings :

NA.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Not Rated	Not Rated	
Institutional Dev .:	Not Rated	Not Rated	
Sustainability:	Not Rated	Not Rated	
Bank Performance:	Not Rated	Not Rated	
Borrower Perf .:	Not Rated	Not Rated	
Quality of ICR:		Not Rated	

7. Lessons of Broad Applicability :

The experience shows the difficulty of developing lending operations at the sub -national government level with a new borrower, which is not familiar with Bank operations and where the executive branch does not enjoy full co-operation with the legislature . The Ukrainian legislators did not give support to the project mainly because it would have benefited only three cities . The main lesson is that the Bank should better understand at the project preparation phase the political complexity and the decision making processes in the country that would affect the project approval and implementation .

8. Audit Recommended? ☐ Yes ☒ No

9. Comments on Quality of ICR :

A three page Project Completion Note (PCN) explains quite well what happened..