IMPLEMENTATION COMPLETION AND RESULTS REPORT
(IBRD-48510 IDA-42630 TF-12392 TF-51814 TF-56729 TF-90309)

ON A

LOAN

IN THE AMOUNT OF EURO 15.2 MILLION
(US$19.96 MILLION EQUIVALENT)

AND A

CREDIT

IN THE AMOUNT OF SDR 10 MILLION
(US$15 MILLION EQUIVALENT)

TO THE

GOVERNMENT OF ALBANIA

FOR A

LAND ADMINISTRATION AND MANAGEMENT PROJECT (LAMP) - P096263

December 15, 2014

Sustainable Development Department
South East Europe Country Unit
Europe and Central Asia Region
CURRENCY EQUIVALENTS

(Exchange Rate Effective 00000000)

Currency Unit =
1.00 = US$ 0.0089
US$ 1.00 = 111.81

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS
Vice President: Laura Tuck
Country Director: Ellen Goldstein
Practice Manager: Jorge Munoz
Project Team Leader: Gavin Adlington
ICR Team Leader: Kathrine Kelm
ICR Lead Author: Robin McLaren
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# DATA SHEET

## A. Basic Information

<table>
<thead>
<tr>
<th>Country:</th>
<th>Albania</th>
<th>Project Name:</th>
<th>Land Administration and Management Project (LAMP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project ID:</td>
<td>P096263</td>
<td>L/C/TF Number(s):</td>
<td>IBRD-48510,IDA-42630,TF-12392,TF-51814,TF-56729,TF-90309</td>
</tr>
<tr>
<td>ICR Date:</td>
<td>11/06/2014</td>
<td>ICR Type:</td>
<td>Core ICR</td>
</tr>
<tr>
<td>Lending Instrument:</td>
<td>SIL</td>
<td>Borrower:</td>
<td>THE REPUBLIC OF ALBANIA</td>
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<tr>
<td>Original Total Commitment:</td>
<td>USD 34.96M</td>
<td>Disbursed Amount:</td>
<td>USD 32.87M</td>
</tr>
<tr>
<td>Revised Amount:</td>
<td>USD 34.29M</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Environmental Category:** F

**Implementing Agencies:**
- Immovable Property Registration Office

**Cofinanciers and Other External Partners:**
- Swedish International Development Agency (SIDA)
- Government of Japan Policy and Human Resource Development (PHRD)

## B. Key Dates

<table>
<thead>
<tr>
<th>Process</th>
<th>Date</th>
<th>Process</th>
<th>Original Date</th>
<th>Revised / Actual Date(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appraisal:</td>
<td>09/14/2006</td>
<td>Restructuring(s):</td>
<td></td>
<td>01/21/2011 06/17/2013</td>
</tr>
<tr>
<td>Approval:</td>
<td>02/22/2007</td>
<td>Mid-term Review:</td>
<td></td>
<td>03/20/2009</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Closing:</td>
<td>12/31/2011</td>
<td>06/30/2014</td>
</tr>
</tbody>
</table>

## C. Ratings Summary

**C.1 Performance Rating by ICR**

| Outcomes: | Moderately Satisfactory |
| Risk to Development Outcome: | Moderate |
| Bank Performance: | Moderately Satisfactory |
| Borrower Performance: | Moderately Satisfactory |
## C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)

<table>
<thead>
<tr>
<th></th>
<th>Bank Ratings</th>
<th>Borrower Ratings</th>
<th>Overall Bank Performance</th>
<th>Overall Borrower Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality at Entry:</td>
<td>Moderately Unsatisfactory</td>
<td>Government:</td>
<td>Moderately Satisfactory</td>
<td></td>
</tr>
<tr>
<td>Quality of Supervision:</td>
<td>Satisfactory</td>
<td>Implementing Agency/Agencies:</td>
<td>Moderately Unsatisfactory</td>
<td></td>
</tr>
<tr>
<td>Overall Bank Performance:</td>
<td>Moderately Satisfactory</td>
<td>Overall Borrower Performance:</td>
<td>Moderately Satisfactory</td>
<td></td>
</tr>
</tbody>
</table>

## C.3 Quality at Entry and Implementation Performance Indicators

<table>
<thead>
<tr>
<th>Implementation Performance</th>
<th>Indicators</th>
<th>QAG Assessments (if any)</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potential Problem Project at any time (Yes/No):</td>
<td>Yes</td>
<td>Quality at Entry (QEA):</td>
<td>None</td>
</tr>
<tr>
<td>Problem Project at any time (Yes/No):</td>
<td>Yes</td>
<td>Quality of Supervision (QSA):</td>
<td>None</td>
</tr>
<tr>
<td>DO rating before Closing/Inactive status:</td>
<td>Moderately Satisfactory</td>
<td></td>
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</table>

## D. Sector and Theme Codes

<table>
<thead>
<tr>
<th>Sector Code (as % of total Bank financing)</th>
<th>Original</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central government administration</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>Law and justice</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Sub-national government administration</td>
<td>78</td>
<td>78</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Theme Code (as % of total Bank financing)</th>
<th>Original</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure services for private sector development</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Land administration and management</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Legal institutions for a market economy</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Personal and property rights</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Urban planning and housing policy</td>
<td>24</td>
<td>24</td>
</tr>
</tbody>
</table>

## E. Bank Staff

<table>
<thead>
<tr>
<th>Positions</th>
<th>At ICR</th>
<th>At Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vice President:</td>
<td>Laura Tuck</td>
<td>Shigeo Katsu</td>
</tr>
<tr>
<td>Country Director:</td>
<td>Ellen A. Goldstein</td>
<td>Orsalia Kalantzopoulos</td>
</tr>
<tr>
<td>Practice Manager/Manager:</td>
<td>Jorge Munoz</td>
<td>Marjory-Anne Bromhead</td>
</tr>
<tr>
<td>Project Team Leader:</td>
<td>Gavin P. Adlington</td>
<td>Wael Zakout</td>
</tr>
<tr>
<td>ICR Team Leader:</td>
<td>Kathrine Kelm</td>
<td></td>
</tr>
</tbody>
</table>
F. Results Framework Analysis

Project Development Objectives (from Project Appraisal Document)

The overall goal of the long-term land administration and management program is to facilitate the development of efficient land and property markets through enhancing tenure security and improving land administration and management services. The long-term program is expected to be implemented through 3 phases of 4 years each.

The proposed LAMP project is the first phase of such a program. The specific objective of the project is to improve the efficiency and effectiveness of land administration and urban management through enhancing tenure security, improving urban planning, land management and development control, supporting property valuation and taxation, and financing investments in urban infrastructure and services.

Revised Project Development Objectives (as approved by original approving authority)

With the restructuring in January 2011, the PDO was revised to: (i) improve the efficiency and effectiveness of land administration and management through enhanced tenure security and improved urban planning; and (ii) rebuild physical assets and restore essential services in the flood affected areas. The component on the development of land administration and management remained intact but with a reduced intermediate outcome indicator target for the number of titles issued under the project. The urban planning and municipal investment components were scaled back, and some funds were reallocated to a new emergency response component.

(a) PDO Indicator(s)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Baseline Value</th>
<th>Original Target Values (from approval documents)</th>
<th>Formally Revised Target Values</th>
<th>Actual Value Achieved at Completion or Target Years</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicator 1</strong> : Reduction in time to register property transaction</td>
<td>47.00</td>
<td>10.00</td>
<td>5.00</td>
<td>6.00</td>
</tr>
<tr>
<td>Value (quantitative or qualitative)</td>
<td>Date achieved</td>
<td>01/03/2007</td>
<td>01/06/2011</td>
<td>05/23/2014</td>
</tr>
<tr>
<td>Comments (incl. % achievement)</td>
<td>Efficiency of reduction in time to register a property transaction improved by 87 per cent vs. the baseline of 47 days. Target of 5 days missed by 2 per cent of baseline value.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Indicator 2</strong> : Customer satisfaction of the IPRO is improved</td>
<td>Very Poor</td>
<td>Very Good</td>
<td>Very Good</td>
<td>Average</td>
</tr>
<tr>
<td>Value (quantitative or qualitative)</td>
<td>Date achieved</td>
<td>01/03/2007</td>
<td>01/06/2011</td>
<td>06/30/2014</td>
</tr>
</tbody>
</table>
| Comments | IPRO customer service rating was to be measured on a six-point scale: very poor,
poor, average, good, very good, excellent. Over the life of the project, the rating improved 3 points from 'very poor' to 'average.' Target of 'very good' missed by 2 points.

**Indicator 3:** Direct project beneficiaries

<table>
<thead>
<tr>
<th>Value quantitative or Qualitative</th>
<th>Baseline Value</th>
<th>150,000</th>
<th>150,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date achieved</td>
<td>01/06/2011</td>
<td>01/06/2011</td>
<td>06/23/2014</td>
</tr>
<tr>
<td>Comments (incl. % achievement)</td>
<td>New indicator added at time of restructuring. Project targeted 150,000 direct beneficiaries from the installation of flood protection services in Shkodra. The target was met successfully.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Indicator 4:** Agricultural land protected by rehabilitated drainage pumps

<table>
<thead>
<tr>
<th>Value quantitative or Qualitative</th>
<th>Baseline Value</th>
<th>9,100 hectares</th>
<th>9,100 hectares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date achieved</td>
<td>01/06/2011</td>
<td>06/30/2014</td>
<td></td>
</tr>
<tr>
<td>Comments (incl. % achievement)</td>
<td>New indicator added at time of restructuring. Target achieved.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Intermediate Outcome Indicator(s)**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Baseline Value</th>
<th>Original Target Values (from approval documents)</th>
<th>Formally Revised Target Values</th>
<th>Actual Value Achieved at Completion or Target Years</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicator 1:</strong> Number of titles issued in urban and rural areas.</td>
<td>0</td>
<td>500,000</td>
<td>400,000</td>
<td>357,383</td>
</tr>
<tr>
<td>Value (quantitative or Qualitative)</td>
<td>01/03/2007</td>
<td>01/06/2011</td>
<td>06/30/2014</td>
<td></td>
</tr>
<tr>
<td>Date achieved</td>
<td>89% target completion. By 06/30/2014, 424,671 had completed fieldwork phase and conversion to registered titles is an administrative process underway at IPRO. Final number of titles that will be processed is 427,045. As of 10/31/2014 (last day of contract), 357,383 properties had been registered.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comments (incl. % achievement)</td>
<td><strong>Indicator 2:</strong> Number of automated offices</td>
<td>10</td>
<td>10</td>
<td>35</td>
</tr>
<tr>
<td>Value (quantitative or Qualitative)</td>
<td>01/03/2007</td>
<td>01/06/2011</td>
<td>06/30/2014</td>
<td></td>
</tr>
<tr>
<td>Date achieved</td>
<td>By 06/30/2014 all 10 of 10 target local offices have a fully functional land administration IT system. Since then all of the other offices in the country have put the system in place.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comments (incl. % achievement)</td>
<td><strong>Indicator 3:</strong> Number of local offices that received training.</td>
<td>10</td>
<td>10</td>
<td>35</td>
</tr>
<tr>
<td>Value (quantitative or Qualitative)</td>
<td>01/03/2007</td>
<td>01/06/2011</td>
<td>06/30/2014</td>
<td></td>
</tr>
</tbody>
</table>
IT training was planned for all 10 local offices that were installing the land administration IT system. The system was successfully installed and training in all 35 offices was completed through online training modules. Target successfully met.

**Indicator 4:** Number of municipalities that completed the regulatory plans.

<table>
<thead>
<tr>
<th>Value (quantitative or Qualitative)</th>
<th>0</th>
<th>12</th>
<th>8</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date achieved</td>
<td>01/03/2007</td>
<td></td>
<td></td>
<td>02/11/2011</td>
</tr>
</tbody>
</table>

Comments (incl. % achievement): All eight of eight target territorial plans were completed. Target successfully met.

**Indicator 5:** Number of municipalities that completed interim reforms and qualified for the first phase of investments

<table>
<thead>
<tr>
<th>Value (quantitative or Qualitative)</th>
<th>0</th>
<th>8</th>
<th>10</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date achieved</td>
<td>01/03/2007</td>
<td></td>
<td></td>
<td>01/21/2011</td>
</tr>
</tbody>
</table>

Comments (incl. % achievement): All ten of ten target municipalities completed interim reforms and qualified for the first phase of investment.

**Indicator 6:** Cities in which new street addressing and building numbering system implemented

<table>
<thead>
<tr>
<th>Value (quantitative or Qualitative)</th>
<th>0</th>
<th>11</th>
<th>10</th>
<th>13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date achieved</td>
<td>01/06/2007</td>
<td></td>
<td></td>
<td>12/15/2012</td>
</tr>
</tbody>
</table>

Comments (incl. % achievement): Target achieved and exceeded by 30 percent.

**Indicator 7:** Number of municipalities that received training in procurement and financial management

<table>
<thead>
<tr>
<th>Value (quantitative or Qualitative)</th>
<th>0</th>
<th>12</th>
<th>10</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date achieved</td>
<td>01/03/2007</td>
<td></td>
<td></td>
<td>01/21/2011</td>
</tr>
</tbody>
</table>

Comments (incl. % achievement): All ten of ten target municipalities received procurement and financial management training. Target successfully achieved.

**Indicator 8:** Investment in priority infrastructure and services completed

<table>
<thead>
<tr>
<th>Value (quantitative or Qualitative)</th>
<th>0</th>
<th>13 municipalities (8 municipalities for Phase I; 5 municipalities for Phase II)</th>
<th>4 municipalities</th>
<th>4 municipalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date achieved</td>
<td>01/03/2007</td>
<td></td>
<td>01/06/2011</td>
<td>12/15/2012</td>
</tr>
</tbody>
</table>

Comments (incl. %): Investment in priority infrastructure and services was completed in all 4 of 4 (revised target) municipalities. Target successfully met.
<table>
<thead>
<tr>
<th>Indicator 9 :</th>
<th>Flood Drainage Pumping Stations Rehabilitated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0 3 2</td>
</tr>
<tr>
<td>Date achieved</td>
<td>01/06/2011 01/06/2011 03/31/2014</td>
</tr>
<tr>
<td>Comments</td>
<td>Two out of the target 3 drainage pumping stations (DPS) were rehabilitated. The third DPS was not completed by the closing date. 66.6% achievement of target.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indicator 10 :</th>
<th>Water Supply Pumping Stations Rehabilitated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0 3 3</td>
</tr>
<tr>
<td>Date achieved</td>
<td>01/06/2011 01/06/2011 03/31/2014</td>
</tr>
<tr>
<td>Comments</td>
<td>All three of the target three water supply pumping stations were rehabilitated. Target successfully achieved.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indicator 11 :</th>
<th>Water testing equipment installed and in use in Shkodra</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0 1 0</td>
</tr>
<tr>
<td>Date achieved</td>
<td>01/06/2011 01/06/2011 05/23/2014</td>
</tr>
<tr>
<td>Comments</td>
<td>This activity was not started due to the lack of interest from the Shkodra Water Supply Utility.</td>
</tr>
</tbody>
</table>

### G. Ratings of Project Performance in ISRs

<table>
<thead>
<tr>
<th>No.</th>
<th>Date ISR Archived</th>
<th>DO</th>
<th>IP</th>
<th>Actual Disbursements (USD millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>03/19/2007</td>
<td>Satisfactory</td>
<td>Satisfactory</td>
<td>0.00</td>
</tr>
<tr>
<td>2</td>
<td>10/25/2007</td>
<td>Satisfactory</td>
<td>Satisfactory</td>
<td>1.98</td>
</tr>
<tr>
<td>3</td>
<td>05/21/2008</td>
<td>Moderately Satisfactory</td>
<td>Moderately Satisfactory</td>
<td>1.98</td>
</tr>
<tr>
<td>4</td>
<td>10/10/2008</td>
<td>Moderately Unsatisfactory</td>
<td>Moderately Unsatisfactory</td>
<td>3.88</td>
</tr>
<tr>
<td>5</td>
<td>06/03/2009</td>
<td>Moderately Unsatisfactory</td>
<td>Moderately Unsatisfactory</td>
<td>3.95</td>
</tr>
<tr>
<td>6</td>
<td>08/01/2009</td>
<td>Moderately Unsatisfactory</td>
<td>Moderately Unsatisfactory</td>
<td>4.51</td>
</tr>
<tr>
<td>7</td>
<td>11/21/2009</td>
<td>Moderately Unsatisfactory</td>
<td>Moderately Satisfactory</td>
<td>4.51</td>
</tr>
<tr>
<td>8</td>
<td>06/18/2010</td>
<td>Moderately Unsatisfactory</td>
<td>Moderately Unsatisfactory</td>
<td>6.06</td>
</tr>
<tr>
<td>9</td>
<td>02/26/2011</td>
<td>Moderately Unsatisfactory</td>
<td>Moderately Unsatisfactory</td>
<td>7.23</td>
</tr>
<tr>
<td>10</td>
<td>02/07/2012</td>
<td>Moderately Satisfactory</td>
<td>Moderately</td>
<td>12.11</td>
</tr>
<tr>
<td>Date</td>
<td>ISR Ratings at Restructuring</td>
<td>Amount Disbursed at Restructuring in USD millions</td>
<td>Reason for Restructuring &amp; Key Changes Made</td>
<td></td>
</tr>
<tr>
<td>------------</td>
<td>-----------------------------</td>
<td>--------------------------------------------------</td>
<td>--------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>01/21/2011</td>
<td>N</td>
<td>MU</td>
<td>Scope of Components B and C was reduced, and a new Component D was added.</td>
<td></td>
</tr>
<tr>
<td>06/17/2013</td>
<td>N</td>
<td>MU</td>
<td>Project extension</td>
<td></td>
</tr>
</tbody>
</table>

### I. Disbursement Profile

![Disbursement Profile Graph](image)
1. Project Context, Development Objectives and Design

Albania has carried out land and property administration reforms since 1991 and substantial progress had been made in ownership transfer and recognition of property rights. Land privatization, registration of ownership rights and land use planning have been incrementally addressed by the government.

The Government created in 1993 the Immovable Property Registration Office (IPRO), currently subordinated to the Ministry of Justice, with a network of 35 district offices. The agency had a mandate to register land ownership rights and property transactions. The government with support from donors (especially, the USAID, the EU and OSCE) undertook a major program in registering property rights (so called, first registration), where most of agriculture land was registered, but limited registration was done in urban areas. Despite this progress, there were concerns over the quality of data collected in these early projects and considerable effort was required to make the data fit for purpose. Furthermore, the government started the process of restitution of properties to owners whose land was confiscated prior to 1945. The process to regularize informal settlements was also initiated with support from the UNDP and the OSCE.

In regard to the urban land, the government devolved the responsibility of land use planning and development control and property taxation functions to local government. Furthermore, it initiated the process to transfer the management of state land to local authorities.

Despite this progress, land management in Albania continued to face significant challenges. Firstly, land and property rights were not fully secure. At the time of PAD, there were still about 600,000 urban and around 300,000 rural parcels not yet registered. The registration process was particularly slow in valuable urban and coastal areas.

Secondly, the IPRO was criticized in the past for lack of efficiency and transparency, and the process of registering property transactions being often very time-consuming and expensive because of the high informal payments. The leadership of the IPRO at the start of the project was determined to improve the quality of services provided to the public, reduce the transaction times and eliminate informal payments. The process of reform was started, but it was recognized that it would take a few years to fully transform the IPRO into an efficient, transparent and effective organization.

Thirdly, the slow pace of resolution of restitution and compensation claims had undermined the security of property rights and slowed down their registration, especially in the high value-coastal areas. The government enacted several laws and established the compensation/restitution commission to deal with this complex issue. However, the compensation formula provided by the law was beyond the means of government budget. As a result, little progress was made.
Fourthly, large numbers of illegal land subdivisions and construction projects had taken place, primarily on peri-urban areas and in tourism zones. Significant urbanization had occurred since the demise of the socialist regime in 1991 when the restrictions on internal migration were removed. Most of this development had taken place in peri-urban areas, often with no property rights, nor adequate zoning or building permit procedures. The rapid urbanization in absence of sound policy and enforcement of laws was recognized as a major threat to sustainable urban development in Albania.

Fifthly, while the government devolved many functions of urban land management to local governments through the decentralization process, local authorities often did not have the capacity or the financial resources to undertake these functions effectively. Still, most of them did not have an approved regulatory plan. Therefore, the ability to enforce land use plans was inhibited. This was especially true for the peri-urban areas, located outside the jurisdiction of city boundaries, which made it almost impossible for local authorities to regulate development in these areas.

Sixthly, in the absence of the proper urban regulatory plan, most development was being undertaken without any consideration for pressures on the existing infrastructure networks and environmental damages, waste water and solid waste, among others. While speed of informal settlement growth had slowed down, they still continued without adequate access to the essential infrastructure or social services. While the municipalities were fully aware of the acute need to improve infrastructure, in the absence of an appropriate property tax, linking the population increase to public finances, many municipalities did not have adequate fiscal resources to cope with these phenomena.

1.1 Context at Appraisal

Secure property rights along with an efficient and transparent land management regime are fundamental for creating well-functioning land and property markets in Albania. These in turn, provide incentives for local and international businesses, households and individuals to invest in land and properties. Land titles are often used to access cheaper, affordable credit. For most of the poor, land is the primary means for generating livelihoods and the main vehicle for investing, accumulating wealth and transferring it between generations. Furthermore, secure property rights, proper land management and development control systems are enabling factors in improving investment climate, urban management, natural resources management, and in promoting good governance.

Well-established land records and ownership rights constitute sine qua non conditions for fiscal decentralization and municipal autonomy deriving from property tax revenues. This revenue basis plays a crucial role in local governments' ability to provide essential public services and infrastructure, necessary also for enabling business environment. Therefore, the project focused on three main areas necessary to promote the development of efficient land and property markets: (i) improving the security of tenure; (ii) strengthening local government capacity to develop and enforce land use plans; and (iii) supporting the development of property taxation function.
The project aims assisted the government in addressing these three key areas: component A focused on the security of property rights; component B concentrated on the development of land use plans, and implementation of the property taxation system; the support to infrastructure under component C was provided as an incentive to local governments to implement the reform agenda, especially with respect to the preparation and enforcement of land use plans and the collection of property taxes based on market values. The project design was built on the foundations established in the last 15 years and supported by various donors active in this area.

The project was designed to specifically contribute to pillar I of the Country Assistance Strategy (CAS) covering the period of three years (FY 06-08), i.e., continued economic growth through improving security of tenure and establishing a functioning land market.

In addition to unclear land tenure, the CAS also identified the uncontrolled urban growth, inadequate public infrastructure, weak governance and public service delivery as among the key threats to the sustainable development of Albania. The project aimed at addressing these problems in a comprehensive manner through an operation tackling land management issues, both at the central and local levels. The reform agenda introduced in this project complemented and built on the reforms introduced by a Development Policy Loan, which included a set of policy reforms aimed at promoting the development of land and property markets.

Moreover, the project contributed to improvements in governance which was the main cross-cutting objective and thematic focus of the entire Bank support program in Albania, by applying key principles including: (i) setting up clear and monitorable service standards for both land registration and issuance of building permits; (ii) seeking greater transparency in the use of public resources at the local government level through stakeholder participation; (iii) developing capacity to enable local governments to effectively take on the decentralized urban land management responsibilities; and (iv) increasing involvement of citizens to encourage improved urban management, including preparation and enforcement of urban planning, and performance of public service delivery.

1.2 Original Project Development Objectives (PDO) and Key Indicators (as approved)

The specific objective of the project was to improve the efficiency and effectiveness of land administration and urban management through enhancing tenure security, improving urban planning, land management and development control, supporting property valuation and taxation, and financing investments in urban infrastructure and services.

PDO Indicators:

1 For details, see: http://documents.worldbank.org/curated/en/2008/05/9492598/albania-country-assistance-strategy-progress-report-period-fy06-fy08
<table>
<thead>
<tr>
<th>PDO Indicator</th>
<th>Baseline Value</th>
<th>Target Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction in time to register property transaction</td>
<td>47 days</td>
<td>10 days</td>
</tr>
<tr>
<td>Reduction in time to receive a building permit</td>
<td>180 days</td>
<td>100 days</td>
</tr>
<tr>
<td>Increase the number of buildings in compliance with building permit.</td>
<td>0</td>
<td>30%</td>
</tr>
<tr>
<td>Increase Property Tax collection</td>
<td>1,069M Lek / year</td>
<td>30% increase</td>
</tr>
<tr>
<td>Customer satisfaction of the IPRO is improved</td>
<td>Very Poor</td>
<td>Very Good</td>
</tr>
</tbody>
</table>

**Intermediate Results (Component A)**

| Number of titles issued in urban and rural areas  | 0              | 500,000      |

**Intermediate Results (Component B)**

| Number of municipalities that complete the regulatory plans | 0              | 12           |
| Number of municipalities that implement market-based property tax system | 0              | 12           |

**Intermediate Results (Component C)**

| Number of municipalities that completed interim reforms and qualified for the first phase of investments | 0              | 8            |
| Number of municipalities that completed interim reforms and qualified for the second phase of investments | 0              | 5            |
| Number of cities that implement the new address system | 0              | 11           |
| Number of municipalities that receive training in procurement and financial management | 0              | 12           |

1.3 Revised PDO (as approved by original approving authority) and Key Indicators, and reasons/justification

At the end of 2010 Government of Albania requested World Bank assistance to restructure the Land Administration and Management Project. The proposed changes, approved in February 2011, scaled back and discontinued under-performing components of the project. The property tax element of Component B was eliminated, as it became evident during implementation that there was limited government priority to introduce changes in the property valuation and taxation system, and the infrastructure investments in Municipalities were severely reduced due to insufficient capacity within Municipalities to support these investments. The planning activities under component B were curtailed because of concerns following the experiences in the Coastal Zone Management Project (see section 1.7). This then enabled Albania to respond to damages incurred from intensive flooding in the northern region of the country during the periods January-March 2009 and November-December 2010. The changes included:

- PDOs were revised to: (i) improve the efficiency and effectiveness of land administration and management through enhanced tenure security and improved urban planning; and (ii) rebuild physical assets and restore essential services in the flood affected areas;
• A new component D (Emergency Response), following OP/BP 8.0 guidelines, was added in response to extreme flooding in the northern Prefectures of Shkodra and Lezhe;

• Project funds were reallocated. Component A remained intact. Component B was scaled back and closed out by March 31, 2011, and its remaining financing ($0.43 million equivalent) was reallocated to the new Component D. Component C was scaled back and approximately $12.21 million equivalent reallocated to Component D;

• Funds provided by PHRD and Sida (co-financiers) were used for existing activities and were not used for the new component D;

• The proposed restructuring extended the closing date through June 30, 2013;

• The restructuring also included cancellation of Covenants; and

• The Results Framework was revised in accordance with the reallocation of funds and adoption of new activities and is detailed below.

Revised PDO Indicators following restructuring:

<table>
<thead>
<tr>
<th>Project Outcome Indicators</th>
<th>Baseline Value</th>
<th>Target Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction in time to register property transaction</td>
<td>47 days</td>
<td>5 days</td>
</tr>
<tr>
<td>Customer satisfaction of the IPRO is improved</td>
<td>Very Poor</td>
<td>Very Good</td>
</tr>
<tr>
<td>Agricultural land and livestock protected by rehabilitated drainage pumps</td>
<td>0</td>
<td>9,100 hectares</td>
</tr>
<tr>
<td>Population protected by drainage pumps and / or served by rehabilitated water pumping stations in Shkoder and Lezhe</td>
<td>0</td>
<td>150,000</td>
</tr>
<tr>
<td><strong>Intermediate Results (Component A)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of titles issued in urban and rural areas</td>
<td>0</td>
<td>400,000</td>
</tr>
<tr>
<td>Number of automated IPRO offices</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Number of offices that receive training</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td><strong>Intermediate Results (Component B)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of municipalities that complete the regulatory plans</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Number of municipalities that completed interim reforms and qualified for the first phase of investments</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Number of cities that implement the new address system</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Number of municipalities that receive training in procurement and financial management</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Investment in priority infrastructure and services completed</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td><strong>Intermediate Results (Component D)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drainage Pumping Stations Rehabilitated in Shkoder and Lezhe</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Water Supply Pumping Stations Rehabilitated in</td>
<td>0</td>
<td>3</td>
</tr>
</tbody>
</table>
Project Outcome Indicators | Baseline Value | Target Value
--- | --- | ---
Shkoder Water Utility Service Area |  | 
Water testing equipment installed and in use (Shkoder) | 0 | 1

1.4 Main Beneficiaries,

Project implementation was streamlined within the existing structures of the relevant government agencies. The Immovable Project Registration Office (IPRO), under the Ministry of Justice, was responsible for implementing component A. The direct beneficiaries were the property owners (increased security of tenure) and cadastre and real estate professionals, such as surveyors and notaries, in those Cadastral Zones chosen for project support. Similarly, IPRO staff in renovated offices benefited from improved working conditions. Furthermore, academic institutions, the private sector and other civil society groups were expected to benefit from the project.

The institutional and the legal frameworks that were improved in the course of the project affected all persons and entities with rights to real property throughout the whole of Albania, and the facilitators of the real estate market in both the public and private sectors. These included the municipal authorities, urban planners, (mortgage) banks, real estate agencies, real estate appraisers, private land surveying companies, lawyers and notaries working on property cases. And of course, all prospective owners of property rights, being the general public.

The Ministry of Public Works and Transport and Telecommunications (MPWTT), through the Department of Urban Planning, coordinated the implementation of component B. The direct beneficiaries were municipalities and the National Territorial Planning Agency (NTPA). However, civil society and the business community also benefited through better living environments derived from more participatory and effective planning and development control.

The Ministry of Interior, through the Department of Local Government Finance, coordinated the implementation of Component C. The direct beneficiaries were municipalities. However, civil society and the business community also benefited from improved living and business conditions and contributions to the cities’ economic wellbeing.

The restructuring of the project created Component D and was carried out by the General Directorate for Water Supply and Sanitation (GDWSS) at MPWTT and the Ministry of Agriculture in partnership with the Local Water Authorities and Drainage Authorities who were the direct beneficiaries. However, the primary target audience was 150,000 citizens and businesses at risk through flooding in the north of Albania.

1.5 Original Components (as approved)

The project had three components:
Component A: Security of Tenure and Registration of Immovable Property Rights
The objective of component A was to improve service delivery, efficiency and transparency of IPRO and complete most of the first registration of immovable property rights. The component covered the entire country, but initially concentrated on urban and peri-urban areas.

Component B: Urban Land Management
The objective of this component was to strengthen the capacity of municipalities in urban land management through the support to: (1) establish a market-responsive, participatory urban planning and development control system via technical assistance to revisions in urban planning law and development of regulatory plans for participating cities; and (2) mobilize municipal revenues and correct property market distortions through property valuation and taxation.

Component C: Municipal Infrastructure
The objective of this component was to enable proactive urban growth management and enhance urban land market efficiency by prioritizing and implementing selected infrastructure investments and services, in accordance with strategic investment plans. The component also supported the implementation of the address system.

1.6 Revised Components

A new Component D was added during the project restructuring 1st February 2011:

Component D (Emergency Response) financed emergency reconstruction and minor works and equipment supply to Shkoder and Lezhe Prefectures, which were affected by intensive flooding during the period of January - March 2009, and again in November - December 2010. The investments were reviewed by a Bank-financed Hydrologist and determined to be critical and necessary to restore essential services without any significant and irreversible adverse environmental or social impacts. The activities included financing of drainage and water supply pumps that enabled the restoration of vital physical assets, many of which were operating at 50% capacity or completely out of commission due to damages incurred during the flooding. Supply of water testing equipment for water utilities serving the affected areas was also financed to ensure water supplied to residents in the affected areas was safe for consumption. Rehabilitation and linkage of an existing storm water collection network in Shkoder City enabled the city to withstand or mitigate the damages from future heavy rain and flood events. Technical assistance was also provided under this component to develop a more comprehensive view of the flooding problem and flood management, with a view towards meeting the EU Water Framework Directive and Floods Directive over time. This support included analysis of flood impacts, mapping, collection of critical data, and the provision of technical support to improve flood management capacity and development of longer-term flood protection strategies.

Component B was restricted to just the urban planning sub-component. The property valuation and taxation sub-component was cancelled.
Component C was reduced in scope during the project restructuring, with only four of the proposed 10 phase 1 municipal infrastructure projects to be completed.

1.7 Other significant changes

**Impact of Albania Coastal Zone Management and Clean-Up Project (ICZM):** In 2009 issues with the ICZM project, funded by the World Bank, triggered an update of the Land Acquisition and Resettlement Framework (LARF) to reflect the new guidelines on the application of the Bank OP/BP 4.12 to land-use planning activities (although the guidelines were produced after Component B was completed). The experience affected the LAMP with certain components restricted and planned activities closed.

**Property valuation and taxation project:** a key part of component B was to mobilize municipal revenues and correct property market distortions through property valuation and taxation. An original legal covenant of the project was the preparation of a draft property valuation law to parliament and the introduction of market value-based property taxation. In the event, it became evident during implementation that there was limited government priority to introduce changes in the property valuation and taxation system and this sub-component of the project was never initiated. The removal of this sub-component jeopardized achieving one of the key objectives of the project to raise adequate fiscal resources within municipalities to provide essential infrastructure and social services to an increasing population. However, at the close of the project, the government of Albania had an interest in re-evaluating property taxes. Pilot work is already underway in Tirana and Fier.

**Co-Financing:** Funds were provided to the project by PHRD (Japan) and Sida (Sweden). PHRD primarily supported project preparation while Sida’s support focused on component A. Funds were allocated to the project through a Bank Executed Trust fund for supervision and Recipient Executed Trust fund for consulting services and technical assistance.

Under the UN-FAO / World Bank Cooperative Agreement, the UN-FAO provided technical inputs during project implementation on the information system design and development and was responsible for the supervision and implementation support of subcomponent A.1.2: Information Technology Development. This support directly resulted in the ICT solution for IPRO being a success.

**Time Extensions:** Following restructuring of the project in January 2011, the project was extended by a year until 30th June 2013. The project components A and D were further extended by a year until 30th June 2014.

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design and Quality at Entry
**Project Design:** The project integrated a range of sub-components from the rural and urban domains that led to a very ambitious and complex project. In reality, few synergies could be achieved across sub-components, the capacity within Government to support these ambitious projects was limited and the expected political priority for legislative change around property tax did not materialize. However, the restructuring of the project did retain the necessary focus on CAS priorities and allowed the project to be more successful.

**Risk Management:** The overall project risk was substantial with the following risks contributing to this classification:

- The assessment of the country financial management arrangements concluded that the public financial management had improved significantly during the previous few years in areas such as budgeting, internal control, internal and external audit, though from a relatively weak base. The fiduciary area was to have been underpinned by the use of the upgraded treasury financial management system. Despite this government commitment, the planned ongoing improvements on the treasury system did not materialize during the lifecycle of the project. This, along with lack of counterpart funds available during fiscal crises, led to late payments of contractors and problematic access to current financial information.

- A procurement capacity assessment for IPRO, MPWTT and MOI (as well as a sample municipality of Elbasan) was undertaken during project pre-appraisal and appraisal to determine whether the capacities of the implementing agencies were satisfactory and whether the existing procurement arrangements for the project were acceptable to the Bank. It was concluded that the implementing agencies had very limited staff and resources to address the needs of the implementation of the Bank-financed project. Therefore, it was recommended that in IPRO and MPWTT procurement experts were hired to assist them in the implementation of procurement activities and that procurement training was integrated into the project. Despite this assessment and corresponding mitigation, an underestimation on capacity led to ineffective procurement (and contract management) and caused the most delays in the project.

- Institutional arrangements in the land sector were fragmented: IPRO was responsible for the land registration and cadaster; ALUIZNI was responsible for the legalization of properties; and the Restitution Agency responsible for the restitution of land belonging to former owners; all subordinate to different Ministries. Institutional capacity had been identified as a significant risk and appropriate measures had been taken across the project to train and build capacity. In the event, Albanian government attention was fragmented and support and priority was placed on ALUIZNI, while IPRO received less capacity building leading to reduced resources to support first registrations.

**Learning from Previous Projects:** Since the 1990s, a number of major land administration projects had been completed across Albania. This included the first registration projects supported by USAID, EU and OSCE. These projects had developed
robust procedures for capturing and quality assuring land rights information. The Bank had recommended that these procedures should be adopted within the design and implementation of the LAMP project. However, this was not the case and IPRO modified these previous procedures without any challenge from the Bank. Importantly, this included removing responsibility for sporadic registrations from the first registration contracts. Sporadic registrations were subsequently re-integrated into the third and final first registration contracts. It was not until the supervision team realized that IPRO were not undertaking adequate control that a separate quality control contract was put in place.

In future land projects, it will be important to check the quality of the land rights data obtained from the previous USAID, EU and OSCE projects and implement data quality improvement programs, where necessary.

2.2 Implementation
(including any project changes/restructuring, mid-term review, Project at Risk status, and actions taken, as applicable)

Overall Project: All components of the project suffered significant delays at the early stages of implementation. Component A took two years to procure an ICT solution and then cancelled the tender and opted for an in-house development. Component B experienced over 18 months of delays in hiring consultants to design the Regulatory Plans for Municipalities and the underpinning planning law was only enacted after the completion of the Regulatory Plans. The valuation and property tax activities of Component B had not been approved or activated by the government. Component C had difficulties hiring staff and lack of capacity within the municipalities delayed the preparation of phase 1 infrastructure investment proposals that came so late that the sub-component was nearly completely cancelled. The overall project was problematic from the start.

By the time of the mid-term review mission in April 2009 less than 17% of project financing had been disbursed and it was clear that the development objectives and outcome targets were no longer feasible. After an initial request from the government, it was agreed by all parties to conduct a first order restructuring of the project. This included:

- Project A remained intact;
- Component B was closed in 31 March 2011 following the successful completion of eight Regulatory Plans for municipalities. The property valuation and taxation sub-component was abandoned;
- Component C was significantly reduced to just include the completion of four phase 1 municipal infrastructure projects. Addressing and signage solutions for 10 cities were retained;
- A new component D (Emergency Response), following OP/BP 8.0 guidelines, was added in response to extreme flooding in the northern Prefectures of Shkoder and Lezhe. Project funds were reallocated to Component D from
Component B ($0.43 million equivalent) and Component C ($12.21 million equivalent).

Despite initial implementation problems and early delays, the result of the project restructuring better calibrated the project to the evolving situation on the ground, aligned it with political priorities and support and with project extensions, and was eventually successful in delivering most of the revised PDOs across all four components.

Component A: Security of Tenure and Registration of Immovable Property Rights

Summary: The early stages of this Component were severely delayed due to limited capacity and inefficiencies in project and contract management. However, interventions to introduce external quality assurance supervision of registration data, improve coordination amongst the District Offices, IPRO and the contractors; hire new staff at District Offices and simplify roles of the District Offices led to improved performance during the last 18 months of the project. The target of 400,000 first registrations was eventually missed by 22% at the end of the project, 30th June 2014 and by 11% at the end of 2014. However, 427,000 properties from work under the project contracts will have been completed early in 2015.

The capture of first registration information for 145 cadastral zones involving an estimated 440,000 properties was contracted out to one Albanian company and three international companies. The contract with the Albanian company for a pilot cadastral zone was terminated. The other three contracts were highly problematic due to poor contract and project management by IPRO, overly complex processes and insufficient capacity at the IPRO District Offices to support the contractors. Efficiencies in first registrations were only obtained towards the end of the project.

A key early intervention in Component A was the contracting of a Supervisor to support the independent quality control of the first registration data being submitted by the three contractors capturing first registrations in the field. Until this change, the first registration project had been at risk due to: lack of IPRO support; ineffective project management; poor quality of contractor staff; and contracts that did not clearly define responsibilities and criteria for sign off. This intervention helped to clarify quality control procedures and accelerate the sign off procedure.

At the end of 2011 despite significant improvements in the first registration work in Component A, supported by stronger Bank team support for Component A, overall progress was disappointingly slow with the IPRO and contractors performing very poorly; only around 20,000 titles had been registered out of an agreed 400,000 titles at this time. Due to this lack of progress, the World Bank discussed termination of Component A with country counterparts. Ultimately, the Government supported the IPRO component of the project and created a new high-level task force and working group to monitor progress. This oversight helped to re-focus IPRO, at least in the short term, to accelerate their first registration activities.
IPRO capacity to support both their day-to-day operations and the World Bank project has been a key limiting factor in the project. This was exacerbated by the disruption of political appointments and occasions when significant portions of IPRO staff were replaced. Training and capacity building have been an integral part of component A’s design and an external company was hired to deliver the training program. Unfortunately, IPRO did not fully incorporate training into its corporate HR management approach and capacity remains weak, jeopardizing the sustainability of some of the improvements that IPRO have achieved under the project.

After several attempts over two years to procure a software development company to implement the ICT solution for IPRO, the government decided to build and use an in-house software development team. This turned out to be a very successful, flexible and cost-effective approach that delivered an effective solution for all 35 IPRO District Offices to maintain data digitally through front and back office functionalities and scanned archives. The IPRO project team also established a digital archive for 11 of these District Offices. This included scanning all the old documents and all incoming documents. This was fundamental to speeding up the transaction times through a reduction in search times. Information services for notaries, ALUIZNI and Commission for Restitution and Compensation have been in use since 2013 and citizen services will be introduced in 2014. The Bank, with invaluable assistance from UN-FAO in quality assurance, provided significant support in guiding IPRO through the design and implementation of the ICT solution. The ICT system developed is fully centralized and will be a key register within the new “one-stop-shop” citizen centric services program under development by the government, which is aimed at providing multiple government services efficiently and with transparency. The IPRO system is one of very few that are ready to be integrated in the citizen centric services program and the high level importance of the new program will help ensure that the system developed in IPRO is maintained and updated.

In 2013 IPRO became a self-financing organization – this had originally been a legal covenant associated with the project. This new status requires IPRO to transform itself into a customer-focused business with a robust business plan. Fortunately, SIDA provided help through its Landmateriet (Swedish National Mapping and Cadastral Agency) to formulate the strategic business plan and continue to provide advice and support at the time of writing.

In addition, the appointment of a new Chief Registrar at IPRO in October 2013 resulted in a number of improvements to the project: improved coordination amongst the District Offices, IPRO and the contractors; new staff hired at District Offices; and simplified roles of the District Offices. This resulted in an acceleration of the first registration process, delivering 160,000 registrations in nine months.

**Component B: Urban Land Management**
Summary: The property valuation and taxation elements of this Component were removed at project restructuring and the Component successfully delivered regulatory plans for eight Municipalities. However, scope restrictions and delays were encountered due to complications in another project regarding land acquisition and resettlement framework.

The scope of this Component was considerably reduced through the removal of property valuation and taxation elements. However, regulatory plans and associated capacity building were successfully implemented through a highly participatory methodology in eight municipalities. Other Municipalities are using the methodology across Albania.

In 2009 issues with the Albania Coastal Zone Management and Clean-Up Project (ICZM) project, funded by the World Bank, posed a project suspension threat and this incident was influential in restricting the LAMP project’s scope in planning activities and closing further planning related activities within the project during project restructuring.

Component C: Municipal Infrastructure

Summary: The original ambitious scope of investing in major infrastructure and service projects across 10 Municipalities was reduced on project restructuring to four smaller projects, with substantially reduced benefits, due to lack of local capacity to implement these types of projects. However, the Component did successfully deliver addressing and signage solutions for 13 Municipalities and provide initial training for procurement and financial management.

At the time of project restructuring in February 2010 it was decided to significantly reduce the scope of this component and transfer the remaining funds to component D. The remaining four municipalities’ phase 1 infrastructure projects and addressing and signage projects in 13 cities were completed by the end of 2011. A further eight cities would have been included in the addressing and signage project, but the procurement was abandoned due to the late delivery of bid documents.

Procurement and financial management training for Municipalities was not effective as several training courses in ‘capital investment planning’ and ‘capacity building’ were not delivered – in some cases due to lack of municipal staff availability.

Component D: Emergency Response

Summary: Following significant floods in the north of Albania, this new Component, which was put in place during project restructuring, successfully implemented eight drainage and water supply pumping stations delivering benefits to 150,000 citizens. However, significant delays were caused by procurement problems despite the emergency context.
A civil emergency taskforce was established with Deputy Prime Minister in charge. Drainage and Water Authorities submitted proposals for projects (preliminary designs and budgets provided by consultants) and the taskforce decided on a list of projects to be included in Component D. The designs of the selected projects were reviewed and 8 sub-projects were created that were then split into 10 contracts. The most problematic activity within the project was procurement. The smaller contracts (< US$1M) were carried out under emergency procurement rules and they were fast and successful. However, larger contracts were significantly delayed in procurement. The Albanian government procurement rules, enforced through the State Supreme Audit, ensure that the lowest bidder wins. This sometimes resulted in weak companies winning. For example, a company bid US$2M for a pumping station contract with an estimated budget of US$3.6M and the cost of the pumps directly from the supplier was greater than that quoted by the bidder. The Bank intervened and proposed that the evaluation team visit the company in Former Yugoslav Republic of Macedonia to carry out further due diligence.

Ironically, one of the projects was delayed due to citizens claiming that the land used to support the project was private rather than public. Prior to the project being initiated, the PIU checked the ownership status with the local mayor and the IPRO and it was confirmed to be public. However, citizens subsequently claimed ownership through the courts. The implementing agency using government funds bought the land from the owners rather than using expropriation that would have been a longer process. This problem highlighted the lack of joined up information across the three land agencies: IPRO, ALUZNI and the Commission for Restitution and Compensation.

2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

**Design:** The Project Restructuring Agreement included four PDO outcome indicators and eleven intermediate outcome indicators (to reflect the wide scope of the project). However, the indicators were clearly expressed, the LRUs were successful in data collection and the indicators provided a quantifiable broad basis for assessing progress towards meeting the PDO. The project ISRs effectively recorded progress of these indicators.

Although a baseline IPRO customer satisfaction survey was carried out, one had already been carried out by a UK-DFID funded project in 2006 prior to the start of the project in 2007.

**Implementation:** Due to weak project management within IPRO, the monitoring of progress in first registrations under component A was not effective, with misinformation being recorded in some ISRs, which was later corrected. This reflected the lack of an effective Management Information System to monitor progress of the contractors and the IPRO District Offices.

An external company was hired to provide quality assurance supervision of the first registration information collected by the three contractors and the supervisor provided valuable statistics on progress of first registrations.
Further IPRO customer satisfaction surveys were completed in 2008, 2011 and 2014 prior to the closure of the project.

Under Component B, the monitoring of the quality of the Regulatory Plans was assured through the highly participatory approach adopted. The Regulatory Plans were prepared with the ownership of citizens and by the approval of the Mayors. This methodology has been further endorsed by its adoption by other cities, e.g. Himara, in the preparation of their Regulatory Plans.

As well as having a dedicated PIU, Component D also used contracted consultants to perform contract management and supervise the contractors implementing the water and drainage pumping stations. The contract managers provided adequate (although slow) information on implementation progress.

**Utilization**: Certain elements of the monitoring reports were critically important to decision making and allocating project resources to reach targets. In particular, data on progress on first registrations triggered interventions to gain support from the Prime Minister for the project, to contract a quality assurance contractor and to convince IPRO management to provide more support for their District Offices.

### 2.4 Safeguard and Fiduciary Compliance

**Social and Environmental**: Long-standing legislation that allows for demolition of illegally constructed buildings poses risks for urban planning, investment sub-projects and related social safeguards for affected communities. Enhanced measures were put in place through legal documents that required agencies to provide ex ante confirmation that EMP and relevant social safeguards were in place at the contracting stage.

**Environmental Safeguards**: The LAMP project was classified as an FI (financial intermediary) category, where specific locations and activities were not known at the time of project appraisal. An Environmental Policy Framework (EPF) document was prepared in 2006 and was subsequently revised in 2009. The component D of the LAMP project was added on following a project restructuring, and under the umbrella of the overall project EPF, site-specific Environmental Management Plans were made for the draining/pumping stations in Tale, Cas, Velipoje / Viluni. Environmental Management Plans for the Dobrac and Bahcaliek drinking water pumping stations were also prepared along with an EMP for the Shkodra city runoff and drainage management works and the Trush drinking water station. Adequate environmental supervision of sites was performed.

**Fiduciary Compliance**: The Implementing Agencies gained experience in implementing Bank activities and were familiar with and were generally compliant with Bank fiduciary requirements. Lack of experience and interference in procurements led to significant project delays. The Treasury system in the Ministry of Finance used by the project was adequate, but was not effective in delivering up-to-date financial information to the project and was partly responsible, along with unavailable counterpart funding during fiscal crises, for late payment of contractors. The planned upgrade to the Treasury system
did not take place until after the project terminated. There are significant exchange rate losses reported in the project’s designated accounts (for LAMP components A and C), that in the Bank records are shown as undocumented advance, and therefore need to be refunded to the Bank.

2.5 Post-completion Operation/Next Phase

Follow on engagement on future projects preparation with the government is under way due to strong government priority for the land sector.

Component A will have created first registrations for around 10% of the parcels in Albania and IPRO has funding to complete the first registrations within the cadastral zones of the project. Registration of the parcels outside the project area, except mountainous regions, was previously completed through EU, OSCE and USAID projects. The World Bank is currently working with the EU to design a project to check the quality of the land rights data obtained from the previous projects and implement data quality improvement programs, where necessary. A new Environmental Services project, co-financed by the Bank loan and GEF grant, is planned to cover the significant number of missing first registrations for communal forests and pastures.

The financial sustainability of IPRO under its self-financing status will be fundamentally guided by IPRO’s ongoing strategic business plan process, which was developed with the support of Sida. This will set IPRO up as a successful self-financing agency with annual surpluses to reinvest in their operations.

The Regulatory plans produced under Component B are being used to derive Detailed Plans to support development control. The Government of Albania has initiated the process of preparation of the General National Territorial Plan (GNTP) with the assistance of the USAID’s Planning and Local Governance Project (PLGP). Planning is a key policy item for the Government of Albania and Component B has helped to build this momentum.

Component C produced address databases for 13 cities. These databases have not been maintained due to lack of capacity within the municipalities. However, the Ministry of Interior is initiating a nationwide project to integrate addresses with the Civil Register. This project will use the address databases produced by Component C and ensure their maintenance.

3. Assessment of Outcomes

3.1 Relevance of Objectives, Design and Implementation

The issues addressed by the project remain highly relevant both in the country context, as well as in the Bank’s program. The land issue is one of six sectors that the new government have on their agenda for key areas to be addressed in their first term. The six sectors are: Water, Competitiveness, Energy, Citizen centric services (i.e. good
government and anti-corruption), land (especially access to land) and structural reforms (of government). Land is also prominent in the current Systematic Country Diagnostic and Country Partnership Framework that are currently in preparation.

Land issues are currently restricting the economic development of Albania. Secure property rights along with an efficient and transparent land management regime are fundamental for creating well-functioning land and property markets in Albania. These in turn, provide incentives for local and international businesses, households and individuals to invest in land and properties. Land titles are often used to access cheaper, affordable credit. For most of the poor, land is the primary means for generating livelihood and the main vehicle for investing, accumulating wealth and transferring it between generations. Furthermore, secure property rights, proper land management and development control system are enabling factors in improving investment climate, urban management, natural resources management, and in promoting good governance. Improving land administration through a reliable and efficient registration and cadastral system was a high priority for the GOA well before the start of the LAMP Project and remains so at completion. The LAMP project has strengthened the land administration institution, IPRO, and although only creating around 357,383 first registrations from a target of 400,000, the institution is now well placed to continue to enhance security of tenure across Albania. However, this will require a significant effort to improve the quality of the existing land records in cadastral zones outside the scope of this project.

Albania has been plagued by informal development, especially in urban and peri-urban areas, through the lack of adequate spatial planning and development control. The project has successfully created regulatory plans for eight cities across Albania. These have officially been adopted and are being actively used in development control. The participatory methodology and associated user guides are now being used in other cities to develop their Regulatory Plans.

Albanian cities need infrastructure improvements to enable proactive urban growth management and enhance land market efficiency. Only one of the four Phase 1 municipal infrastructure projects implemented under the LAMP project did potentially trigger these benefits – this was the building of a market. 13 municipalities implemented address databases and improved signage to support better navigation and service delivery and eventually the administration of property taxation.

The northern area of Albania around Shkodra is vulnerable to severe flooding. Flooding in 2009 and 2010 triggered the emergency flood control component of this project. The project implementing agency has successfully installed and improved existing drainage pumping stations to alleviate flooding and water pumping stations to safeguard water supplies. Around 150,000 citizens have benefited and over 9,100 hectares of agricultural land protected.

The design of the project and the sequencing of interventions were problematic at the start. The original scope of the project was too diverse and ambitious and it was therefore very difficult to manage all components effectively across so many different sectoral
areas. Component A alone would have been a significantly challenging project to manage in the context of Albania’s development cycle. Several original project objectives, such as property taxation, were not aligned with the political priorities and were eliminated during project restructuring. Project restructuring and a dedicated team leader for Component A was helpful in resolving these issues.

### 3.2 Achievement of Project Development Objectives

There were two dimensions to the PDOs: (i) improve the efficiency and effectiveness of land administration and management through enhanced tenure security and improved urban planning; and (ii) rebuild physical assets and restore essential services in the flood affected areas. The final Project Outcome Indicators are contained in Table 1.

The first objective was achieved through building improved land registration and cadastral services and adjusting the associated regulations to support digital approaches to modern land administration. Underpinning this change was a new ICT solution designed to improve efficiencies within IPRO, but just as importantly to provide remote access to the land records and associated archive and improve transparency. This transformation has been confirmed through the following evidence:

- The average transaction time for a selling transaction has been reduced from 37 days to an average of 6 days for the five largest offices that have been computerized (PDO 1);
- User satisfaction surveys indicate that the satisfaction of IPRO customers has risen from very poor to average at the end of the project. This will continue to improve as offices are refurbished, capacity is built and sustained, and citizen e-services are introduced.

Challenges remain in building and retaining capacity of the organization (especially IPRO District Offices), ability to effectively manage large contracts for land registration and cadastral data capture projects, increasing sustainability of the ICT solution, and the need to resource a major data quality assessment and improvement program.

The sustainability of the land registration and cadastral agency, IPRO, is greater since it is now a self-financing organization with a corresponding business strategic plan.

The land management objective of the project has been influential at developing a participatory methodology to develop Regulatory Plans that were successfully used in eight cities; the Municipal Councils and the National Territorial Council have adopted seven. Two further cities have adopted the methodology to create their Regulatory Plans. Capacity building of municipal staff was successful as highlighted by their updating of the Regulatory Plans following the late enactment of the Territorial Planning Law. Capacity building in the use of Geographic Information Systems (GIS) was less successful with only one city sustaining GIS capabilities. On-going support of the municipalities is currently being provided by NTPA and USAID’s PLGP project. This
project is providing support to develop a National Plan for Albania and establish e-services around a Planning Portal.

The municipal infrastructure project sub-component successfully implemented four phase 1 municipal infrastructure projects to stimulate economic development. In addition, 13 municipalities implemented address databases and improved signage to support better navigation and service delivery.

The Emergency Response project successfully constructed 4 water pumping stations and 3 drainage pumping stations in Shkoder and Lezhe Prefectures since they were last affected by flooding in 2009 and 2010. Water testing equipment was not installed at Shkoder and one drainage pumping station has not been installed within the project duration due to procurement and pump delivery delays. However, the efficiency of the existing station has been considerably improved in the interim, lowering the risk of flooding. Government has agreed to fund and install new pumps for this drainage pumping station before the end of 2014 (weather permitting). Although most the objectives of this project component have been achieved, it should be highlighted that several of these emergency solutions were completed towards the end of the project; over three years after the last major flood. It has been fortunate that major floods have not occurred in the intervening years. These project delays centered on government procurement issues despite the emergency nature of the project.

The table below details the values of Project Outcome Indicators at: baseline, target, end of project June 30, 2014 and last day of contract payment October 31, 2014.

It should be emphasized that the achievements and influence of the project have extended beyond simply delivering against the PDOs. A strong and persistent engagement with government throughout the project has resulted in effective government support for the land sector. This has stimulated interest in property tax, previously dropped during project restructuring, and the government is currently re-evaluating property taxes.

<table>
<thead>
<tr>
<th>Project Outcome Indicators</th>
<th>Baseline Value</th>
<th>Target Value</th>
<th>Final Value 6/30/2014</th>
<th>Final Value 10/31/2014²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction in time to register property transaction</td>
<td>47 days</td>
<td>5 days</td>
<td>6 days</td>
<td>6 days</td>
</tr>
<tr>
<td>Customer satisfaction of the IPRO is improved</td>
<td>Very Poor</td>
<td>Very Good</td>
<td>Average</td>
<td>Average</td>
</tr>
<tr>
<td>Agricultural land and livestock protected by rehabilitated drainage pumps</td>
<td>0</td>
<td>9,100 hectares</td>
<td>9,100 hectares</td>
<td>9,100 hectares</td>
</tr>
<tr>
<td>Population protected by drainage pumps and / or served by rehabilitated water pumping stations in Shkoder and Lezhe</td>
<td>0</td>
<td>150,000</td>
<td>150,000</td>
<td>150,000</td>
</tr>
</tbody>
</table>

Intermediate Results (Component A)  

² Last day for contract payments.
### Project Outcome Indicators

<table>
<thead>
<tr>
<th>Project Outcome Indicators</th>
<th>Baseline Value</th>
<th>Target Value</th>
<th>Final Value 6/30/2014</th>
<th>Final Value 10/31/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of titles issued in urban and rural areas</td>
<td>0</td>
<td>400,000</td>
<td>314,155</td>
<td>357,383</td>
</tr>
<tr>
<td>Number of automated IPRO offices</td>
<td>0</td>
<td>10</td>
<td>17</td>
<td>35</td>
</tr>
<tr>
<td>Number of offices that receive training</td>
<td>0</td>
<td>10</td>
<td>17</td>
<td>35</td>
</tr>
</tbody>
</table>

**Intermediate Results (Component B)**

| Number of municipalities that complete the regulatory plans | 0 | 8 | 8 | 8 |

**Intermediate Results (Component C)**

| Number of municipalities that completed interim reforms and qualified for the first phase of investments | 0 | 10 | 10 | 10 |
| Number of cities that implement the new address system | 0 | 10 | 13 | 13 |
| Number of municipalities that receive training in procurement and financial management | 0 | 10 | 10 | 10 |
| Investment in priority infrastructure and services completed | 0 | 4 | 4 | 4 |

**Intermediate Results (Component D)**

| Drainage Pumping Stations Rehabilitated in Shkoder and Lezhe | 0 | 3 | 3 | 3 |
| Water Supply Pumping Stations Rehabilitated in Shkoder Water Utility Service Area | 0 | 3 | 3 | 3 |
| Water testing equipment installed and in use (Shkoder) | 0 | 1 | 0 | 0 |

**Table 1: Project Outcome Indicators**

### 3.3 Efficiency

**Service Delivery**

Over the course of the project, IPRO’s service delivery time has improved tremendously. Registering a property took 47 days (baseline) at the beginning of the project and now it takes only 6 days. This is an 87 percent reduction in time to register a property transaction. Even though the project target of 5 days (or 89% reduction against baseline) was missed, the 6 days that it now takes to register a property in Albania is an impressive result given the several problems that the project encountered. This achievement was also recognized in the *Doing Business 2015* (DB 2015) report in which Albania’s rank for registering a property improved by 18 places and moved up from 136 in the previous report to 118 in the DB 2015 report. The successful implementation of ALBSReP was also recognized by the DB 2015 report, which noted that “Albania made transferring property easier by establishing effective time limits and computerizing the records on
Additionally, the cost to register a property has also gone down over the course of the project. In 2006, the cost to register a property in Albania was 17.4% of its property value and by 2014 the same cost has decreased to 9.9% of property value. Considering an average property price of US$ 24,000 (LEK 2.4 million), the savings between the 2006 and 2014 costs are US$ 1,800 per property or a 43% decrease over the cost in 2006.

These significant improvements in service delivery have been passed on directly to the customers, who now benefit from cost and time savings when they register a property.

**Overall Project**

Assuming a 10 percent discount rate, the resultant net present value (NPV) from the aforementioned analysis is estimated at US$ 12.82 million and the internal rate of return (IRR) is estimated at 22.9 percent.

It is important to note that the analysis presented in this annex is not directly comparable with the analysis presented in the PAD and Restructuring Paper because those analyses were limited. Component A analysis in the PAD looked only at the effects of property market development but not at gains from productivity through the IT system development or fiscal impact like increased property tax revenue through more registrations and reduced spending due to IPRO’s self-financing structure. The Component A analysis in the ICR is much broader and addresses these gaps from the PAD. Similarly, the PAD did not have any quantitative analysis for Component B

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4 This figure includes non-IPRO costs (notaries etc.)
whereas this has been incorporated in the ICR analysis. Component C analysis presented in the PAD has been successfully replicated in the ICR. Finally, the restructuring paper (2011) did not attempt to quantify the benefits from Component D whereas this has been done in the ICR.

Even though, the NPV and IRR figures presented in the PAD, restructuring paper, and ICR are not comparable, the table below provides a summary of the analysis:

<table>
<thead>
<tr>
<th>Net Present Value (US$ M) at 10% discount rate</th>
<th>PAD</th>
<th>Restructuring Paper</th>
<th>ICR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comp. A: 18.29</td>
<td></td>
<td>Comp A: 5.99</td>
<td>All components: 12.82</td>
</tr>
<tr>
<td>Comp. C: 7.27</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal Rate of Return (%)</td>
<td>Comp. A: 23%</td>
<td>Comp A: 15%</td>
<td>All components: 22.9%</td>
</tr>
<tr>
<td>Comp. C: 20%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3.4 Justification of Overall Outcome Rating

Rating: Moderately Satisfactory (see Table 2 for Component ratings and project restructuring weighting)

Component A, Security of Tenure and Registration of Immovable Property Rights, did not quite meet all of its project outcome targets, despite an acceleration in performance towards the last six months of the project. Average turnaround in selling transactions was decreased to 6 days, narrowly missing the target of 5 days. This was mainly due to capacity issues at the IPRO District Offices and the late installation of the ICT solutions at these offices. The number of District Offices being automated was 35, exceeding the target of 10, and the ICT solution included external services to key clients. Customer satisfaction was average rather than very good in the 2014 survey; a decrease from good in the 2012 survey. This decline in satisfaction was due to a high turnover in staff in the June 2013 election and limited capacity building program. The first registration activities missed the target by 11% (357,3835 compared to the target of 400,000 first registrations). This was a disappointing result, but reflects: the complexity and variable quality of the existing land rights evidence; poor project and contract management; ineffective quality control procedures; and capacity issues across the IPRO organization. Towards the end of the project the contractors and IPRO were much more efficient at capturing, quality assurance and registering property rights. An additional 45,000 properties are expected to be registered by the end of December 2014, taking the final project registration number to 402,383 properties. This is highly likely since the bulk of the legal and field work has been completed for the outstanding registrations. However, IPRO and District Office staff will have to quality control the first registration information since the Supervisor’s contract was terminated at the end of the project on the 30th June 2014. The Government of Albania allocated a budget to support the first registration completion. Significant success was achieved in implementing a world class ICT solution across all IPRO offices,

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5 As of October 31, 2014, the last day of contract payments.
delivering e-government services to customers, creating a software development resource within IPRO and gaining self-funding status. This Component has contributed significantly to strengthening of tenure security in Albania, an important objective of the project, through introducing robust procedures for first and sporadic registration, a more efficient IPRO institution, improved customer services and a world class ICT solution to manage land administration.

Component B, Urban Land Management, was successful after restructuring in reaching the targets in creating Regulatory Plans for eight cities across Albania and producing a participatory methodology that is being adopted across further municipalities. This was underpinned by a new Territorial Planning Law that was enacted after the Regulatory Plans were created and triggered maintenance work on the Regulatory Plans. Another new Territorial Planning Law was introduced by September 2014 superseding the law introduced by this project.

Component C, Municipal Infrastructure, successfully implemented four phase 1 municipal infrastructure projects to stimulate economic development. This was a much smaller set of projects than originally designed in the PAD and had significantly less economic and social impact in these cities. In addition, 13 municipalities implemented address databases and improved signage to support better navigation and service delivery. However, the major valuation and taxation sub-component was cancelled jeopardizing the original, underlying objectives of the overall LAMP project. However, Component C did meet the targets after restructuring.

Component D, Emergency Response, did implement the required water and drainage infrastructure except for one drainage pumping station. However, the delays of two years in implementing the solutions significantly exposed the local population to the risk of flooding, although no adverse events materialized before project completion.

Table 2: Component Ratings and Project Evaluation Weighting due to Restructuring

Performance at project closure (30th June 2014) using original PDOs:

<table>
<thead>
<tr>
<th></th>
<th>Comp A</th>
<th>Comp B</th>
<th>Comp C</th>
<th>Comp D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevance</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>Efficacy</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>Efficiency</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>Component Totals</td>
<td>3.67</td>
<td>3</td>
<td>3.33</td>
<td>-</td>
</tr>
<tr>
<td>Weight</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Weighted Component Totals</td>
<td>3.67</td>
<td>3</td>
<td>3.33</td>
<td>-</td>
</tr>
<tr>
<td>Project Weighted Average</td>
<td>3.33</td>
<td>4</td>
<td>3</td>
<td>-</td>
</tr>
</tbody>
</table>

Performance at project closure (30th June 2014) using revised PDOs:

<table>
<thead>
<tr>
<th></th>
<th>Comp A</th>
<th>Comp B</th>
<th>Comp C</th>
<th>Comp D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevance</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Efficacy</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Efficiency</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Against Original PDOs</td>
<td>Against Revised PDOs</td>
<td>Overall</td>
<td>Comments</td>
</tr>
<tr>
<td>---------------------</td>
<td>------------------------</td>
<td>----------------------</td>
<td>---------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>1. Rating</td>
<td>Moderately Unsatisfactory</td>
<td>Moderately Satisfactory</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>2. Rating Value</td>
<td>3.33</td>
<td>4.06</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Weight (%)</td>
<td>27%</td>
<td>73%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Weighted value</td>
<td>0.9</td>
<td>2.96</td>
<td>3.86</td>
<td></td>
</tr>
<tr>
<td>5. Final Rating (Rounded)</td>
<td>-</td>
<td>-</td>
<td>Moderately Satisfactory</td>
<td>Calculated per World Bank ICR Guidelines</td>
</tr>
</tbody>
</table>

### 3.5 Overarching Themes, Other Outcomes and Impacts
*(if any, where not previously covered or to amplify discussion above)*

#### (a) Poverty Impacts, Gender Aspects, and Social Development

Gender disaggregated data has been generated from the new IT system. The following table contains data only for percentages of those owners (female and male together) that have valid gender information. Those without valid gender information were excluded from this analysis. As detailed in the table, there are a little less than 2x more male owners than female owners of properties.

<table>
<thead>
<tr>
<th>Total number of female owners</th>
<th>27,741</th>
<th>38%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of male owners</td>
<td>46,014</td>
<td>62%</td>
</tr>
<tr>
<td>Total number of owners with valid gender information</td>
<td>73,755</td>
<td></td>
</tr>
</tbody>
</table>

**Table 3: Overall Gender Analysis of Ownership in Albania**

A more detailed gender analysis can be found at:

No social and poverty impact assessments were completed for the project.

#### (b) Institutional Change/Strengthening

A significant transition for the IPRO organization during the course of the project was its status change to a self-financing organization in 2013. This requires new business skills
and these are being developed with Sida in the creation of a new strategic business plan for the organization that was signed off by the IPRO Board in May 2014. Sida is continuing their support of IPRO until March 2015, e.g. in the activities of costing transactions to support fee calculation.

A key artifact from component A was the creation of the IPRO IT Directorate structure. It includes a Software Development Unit and a Maintenance and Support Unit that has been strengthened with two additional system and DB administrators. This IT Directorate is a key asset for the organization in delivering value for money and quality services to the public.

(c) Other Unintended Outcomes and Impacts (positive or negative)

**Land Administration e-services Provision**: The ICT project component within IPRO developed an e-service layer, which was not planned in the project. This provides electronic access to textual and map based land records and also the scanned archive. New e-services can be implemented in less than a month, including the definition of the new services, signing MoU, testing the services and launching them officially. e-Services to notaries, ALUIZNI (agency for legalization) and the commission for restitution and compensation have been provided for more than a year. This facility reduces the overheads on the IPRO District Offices and significantly improves the user experience and satisfaction.

The ICT solution has adopted national standards for personal register, companies register and address register and is ready to integrate with these registers through the government e-gateway.

**Land Administration Digital Archive**: All the paper records managed by the IPRO 11 large District offices involved in computerization in Component A have had their paper records scanned and indexed to provide an on-line archive services. Digital archive has been fully integrated within the IT system and both old and the incoming documents are digitally available for the local offices and professional external users. This is also helping to reduce transaction times.

**On-line Training Modules**: Although the level of traditional forms of training across Component A was inadequate, a series of on-line training modules were developed and integrated into the ALBSReP solution to more effectively support training at the District Offices. Support was further enhanced through an on-line help desk.

**Software development Unit**: This unit has been established under the IT Directorate and continues to operate after the project closure.

**Customer Oriented IPRO Organization**: The new Chief Registrar of IPRO installed in October 2013 made sweeping changes to the public face of IPRO by improving services and anti-corruption measures through the redesign and refurbishment of front offices.
**Wider Land Strategy:** The Ministry of Justice instigated the development of an integrated land management strategy (Cross Cutting Strategy for Reform in the Field of Property Rights) that covers National Spatial Data Infrastructure (NSDI), gender, forest and pasture lands program, integration with urban planning, tourism and land policy for restitution and legalization. This policy provides an excellent framework for all land rights related activities in Albania.

**Alignment with Open Government Services:** A new government agency (AKSHI; Albanian National Agency for Information) under the Ministry of Innovation and ICT is responsible for e-government initiatives. IPRO is complying with AKSHI and is using their business continuity center, plans to use their future disaster recovery center, will integrate with their e-gov gateway, comply with open data policy and will provide data to create a property register as AKSHI builds a set of key national registers, e.g. company register, license register, taxes register and civil register. The government is also pursuing a one-stop-shop agenda similar to that implemented in Georgia. This will lead to the alignment and integration of e-services across the Albanian public sector. Land registration and cadastral information will form a key register supporting these e-services.

**Data Quality Improvement:** In order to support work on data quality improvement, especially for the 80% of properties in Albania that have already completed first registration, the Bank team received an ECA Region FY14 Innovation Grant to test the use of new technology, unmanned aerial vehicles (UAVs), to produce faster and more cost effective spatial data, including new orthophotos. The tests were carried out in Albania in December 2013 with the support of the IPRO. Albania is one of the first countries where this technology was tested for cadastral mapping purposes, with positive results that were presented at the annual World Bank Land and Poverty conference in March 2014. The findings will be used in the definition of the proposed Land Administration Data Improvement (LADI) project to be funded by the EC to support developing and testing detailed procedures for data improvement.

3.6 **Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops**

Three IPRO customer satisfaction surveys were conducted over the lifecycle of Component A of the project and these indicated an improvement from very poor to good in 2012 and then in 2014 a decline to average. Compared to the 2012 survey, there has been a decrease in the number of respondents that think, “procedures are made easier”. Likewise, the number of respondents indicating that “Professional attitude of the staff has improved.” has decreased in the 2014 survey, this also due to the worsening of perceptions about “staff capacity on service desks”, which is one of the indicators that influences customer satisfaction.

The factors behind the decrease in the rating of customer satisfaction indicator include:

- The very large staff turnover of more than 50%, in the months prior to the survey. The newly hired employees did not possess sufficient experience or did not have sufficient/necessary technical knowledge, which could have led to lower
efficiency. With proper training this problem could be mitigated and the new staff can improve their efficiency/performance.

- The increase of more than double in service fees was not based on a cost-based analysis. In addition, the increase in fees was not accompanied with an increase in service delivery quality or new investments.
- The introduction of the new IT system should have been accompanied with staff training, including the newly hired staff, in a timely manner.

The customer satisfaction survey report recommended improvements in the following areas:

- **Improving Quality of Service:** Time spent at IPRO service desks to obtain a service needs to be reduced. For this reason it is recommended an increase in the number of service desks that have direct contact with clients as well as proper training of recently hired staff.
- **Access to Information and Public Awareness:** To mitigate long lines and waiting hours IPRO should try to provide comparable information through other sources such as for example: media, online portal of IPRO etc.
- **Increase of System Efficiency:** The further expansion of electronic services should continue and the implementation of the automatic registration system should be extended to all local IPROs, which would bring considerable improvement in timeframes of transactions finalizations.

The Bank prepared and published a video\(^6\) highlighting the success of the IPRO IT system, which includes an interview of the President of the Albanian Chamber of Notaries.

No social survey of citizens was conducted for component D.

**4. Assessment of Risk to Development Outcome**

The risk to development outcome is rated Moderately High. The risks are threefold: financial, institutional and legal.

Corruption in Albania still remains a serious and widespread problem, and the associated ongoing risk is considered substantial. Therefore, adequate mitigation measures need to be incorporated into the governance of land related government activities. This should include:

- enhanced disclosure and transparency of project-related information;
- enhanced use of financial reporting, internal and external audit;

- operational audit;
- appropriate complaints handling mechanism.

Despite efforts to build capacity in local and central government institutions throughout the project, capacity remains weak especially in the areas of procurement management, contract management and project management. Lack of capacity is compounded by the impact of general elections where the significant portions of staff are replaced within institutions. This leaves a completely changed organization with little corporate knowledge retained. The current fragmentation of land institutes and the lack of political independence in appointing corresponding senior management reduces overall effective governance of the land sector.

IPRO with guidance from UN-FAO chose to build the ICT solution for IPRO using in-house resources and consultants supported by an international quality assurance expert and a senior solution architect. This has been very successful. An IT Directorate has been formed within IPRO for the maintenance and on-going enhancements of the ICT solution. The sustainability of the software development team will have to be carefully monitored since there is high market competition for good software developers. This risk was highlighted in August 2014 when the IT contractor’s contract was terminated due to non-performance and two of the core software developers left the team for better private sector opportunities.

The restitution / compensation to former landowners is currently at stalemate within Albania due to the current law which is not affordable to implement. It is critical to resolve the claims by former owners in order to have secure ownership rights, especially in coastal zones. While this aspect was not supported under the project, failure of the government to address this issue in the medium to long term will have negative effects on the security of property rights, especially in areas still claimed by former land owners. This issue potentially affects the security of tenure of all registers land owners in Albania and will inhibit the land market and inward investments.

Land records have been captured through a number of projects since the 1990s, including OSCE, EU, USAID and now this World Bank Project that has provided around 10% coverage in digital form. Coverage of first registrations is nearing national coverage. Of the total of 3,057 cadastral zones, 2,577 have first registrations. However, 2,042 of these cadastral zones have no first registrations of forests and pastures. This leaves around 480 cadastral zones, mostly in the mountainous regions, without registration. However, the data quality of these older records varies considerably and in general is considered to be very poor. Without a significant effort to improve the quality of the records and integrate them into common IT systems then the quality and trust in land administration services will be severely compromised.

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7 A new Environmental Services Project, co-financed by a Bank loan and a GEF grant, is planned to cover first registration of communal forests and pastures in these cadastral zones.
The project implemented major capital projects in flood protection schemes to the north of Albania. The suppliers were not awarded maintenance contracts, but were required to provide manuals, training and limited spares. The government custodians of the assets, Ministry of Agriculture and MPWTT, have assumed responsibility for the maintenance of the assets following the expiry of the warranty period. There was no clarity of budget lines allocated for this maintenance and associated canal dredging. There are on-going negotiations about the maintenance responsibility between the Ministry of Agriculture (strategic infrastructure assets) and local government (the rest of the assets). This lack of maintenance strategy leaves these assets at risk.

The overall risk to project sustainability reduced towards the end of the project as the land issue became a priority agenda item for government. The land is one of the six sectors that the new government have on their agenda for key areas to be addressed in their first term. The risk around IPRO not being able to sustain the services has also been reduced through their self-funding status and associated business plan, their increased quality of services and the very effective ICT solution that underpins their services.

5. Assessment of Bank and Borrower Performance

5.1 Bank Performance
(a) Bank Performance in Ensuring Quality at Entry

Rating: Moderately Unsatisfactory

The project design was overly complex in scope (basically three projects in one, four in the original project design) making it extremely difficult to manage and focus. Although the key risks were identified, insufficient due diligence was carried out to quantify these key risks. For example:

- There was limited political support for introducing a property-based tax. This major component of the project was not initiated.
- Capacity within the Albanian public and private sectors to support the project components was lacking. Experience in the Albanian private sector to support first registration land contacts was insufficient. Experience of Local Government to identify, design and manage serious infrastructure projects was deficient.
- The project governance arrangements and ability of multi-stakeholders to manage projects within government were poor.
- Capacity to effectively manage complex contracts was lacking.
- Government procurement projects were problematic and involved interference and long delays.

Further insights into these key risks could potentially have helped to shape and scope the project more effectively. However, over the lifecycle of the project the dynamic political situation made Albania a very difficult country in which to plan major interventions. The Bank is currently expanding its portfolio in Albania with larger and more complex
projects. This is being achieved successfully through a better understanding of the political economy.

(b) Quality of Supervision

Rating: Satisfactory

Bank supervision took place on a regular basis, providing appropriate and well-targeted advice and observations. This was not straightforward given the diverse set of project components; effectively it was supervising four projects. The aides memoire provided evidence of regular supervision and professional advice given by the Bank’s experts throughout the Project.

After the project restructuring the Bank significantly increased its support of the project and directly helped IPRO more proactively manage component A in particular. This certainly stopped the project from failing. Strong support and guidance was provided to IPRO on the design and development of the new ICT solution.

The Bank also made several key interventions: notably, a senior government official was asked to intercede with IPRO when the organization was not performing; and a contractor was hired to independently quality assure the first registration information being received from the contractors when the contracts were in jeopardy.

The Bank’s supervision of procurements was proactive, but project implementation remained difficult. Several procurement processes were delayed over a number of years and decision-making was delayed. Potentially, better project governance would have been helpful.

Fiduciary and safeguards policies were well managed and compliance regularly reported.

(c) Justification of Rating for Overall Bank Performance

Rating: Moderately Satisfactory

In retrospect, aspects of the project’s quality at entry were problematic; however, the Bank acted proactively in reviewing and working with the borrower to restructure the project after it was clear that some objectives could not be met. The supervision team increased its implementation support, and in doing so, strongly helped the client push forward the Project’s activities for achieving the development outcomes. The Bank also raised the profile of wider land policy issues within government and the government is now actively pursuing interest in follow-on land related projects. This is the result of a positive relationship being forged between the Bank and the government.

5.2 Borrower Performance
(a) Government Performance

Rating: Moderately Satisfactory
All components of the project suffered at startup through the lack of capacity within the implementing institutions and the very slow appointment of key staff.

In the first half of the project, implementation performance was inadequate and higher level interventions were required. At times, government’s ownership and commitment to achieving development objectives was in doubt, exacerbated by several changes in political appointments and a general elections over the project’s lifecycle. In the second half of the project, government was more responsive to intervening and supporting the project and successfully delivered the majority of targets following project restructuring.

The project restructuring changed the focus of the project and considerably diluted the economic development objectives. Property tax raising opportunities were missed to help build fiscal resources within municipalities to support solutions to the urban infrastructure and environmental problems across Albania. This was a policy decision by the government of Albania. However, it should be noted that towards the end of the project the foundations had been laid, including property addresses, for the introduction of a property tax and the government was re-evaluating property taxes.

The governance of multi-institutional projects was weak and caused problems and delays with decision-making. The project would have benefited from earlier, stronger inter-government project governance arrangements that emerged late in the project lifecycle.

In the last two years of the project, the government’s interest in the land sector significantly increased and led to an embryonic national land policy being formulated, land administrations services being integrated into e-government services and a review of land sector governance arrangements being initiated.

(b) Implementing Agency or Agencies Performance

Rating: Moderately Unsatisfactory

The project involved a wide range of implementing agencies, including IPRO in the Ministry of Justice, Municipalities, MPWTT, Ministry of Interior and National Territorial Planning Agency. This was a diverse set of stakeholders, but all had common problems:

- Lack of capacity to effectively support the project and ineffective associated capacity building programs;
- Lack of key skills in project management, procurement and contract management;
- A high degree of turnover in staff with no sustainable core of professionals;
- Poor project governance arrangements and consequently poor decision-making.

Component A suffered most from poor project management, unwillingness to build capacity and, in particular, inadequate contract management. More progress was made during last two years of the project, especially in managing the first registration contractors, but this required very intensive implementation support from the Bank. The
target of 400,000 first registrations will be close to have been met by the end of 2014. Despite these constraints, IPRO established a world-class ICT solution, initiated on-line customer information services, assumed self-financing status and raised the profile and priority of land issues across government.

Component B was delayed by slow procurement of the planning consultants and suffered from interruptions from the policy questions following problems with another World Bank project dealing with land and construction issues. However, municipalities utilized well with the participatory methodology to create the Regulatory Plans and also did a good job building sustainable capacity.

Component C underperformed due to weak capacity in the municipalities to manage large infrastructure projects and the majority of municipalities involved in the project never built appropriate capacity.

Poor and prolonged procurements processes that were inappropriate under the emergency circumstances severely impacted component D.

(c) Justification of Rating for Overall Borrower Performance

Rating: Moderately Satisfactory

Agencies did not show initial ownership of the project and were slow to adequately resource and fully commit to the projects. Despite significant efforts by the Bank to capacity build and transfer knowledge, not all agencies have built sustainable capacity and expertise. However, all agencies improved over the lifecycle of the project and supported the delivery of the majority of the targets set during project restructuring. IPRO, especially, showed significant improvement in performance during the last year of implementing Component A. In addition, the land agenda has been firmly embraced by government and several follow-on land based projects are being planned.

6. Lessons Learned

6.1 Scope of Project

The original scope of the project was too diverse and ambitious and it was therefore very problematic to manage all components effectively across so many different sectoral areas. Component A alone would have been a significantly challenging project to manage in the context of Albania’s development cycle. Project restructuring and a dedicated team leader for Component A were helpful in resolving these issues.

**Recommendations:**
- Ensure that the scope of projects is much more focused.

6.2 Procurement
The majority of the significant delays in project components were directly related to procurement activities. A key weakness in all the procurement approaches was the corresponding project governance arrangements and the voluntary attitude to membership of evaluation committees. Many procurements involved multiple ministries / authorities and there was no single responsible officer (SRO) appointed to take sole charge of the procurement process. This led to delays in forming and sustaining evaluation committees, interference and significant delays in the decision making process.

Recommendations:
- Strengthen project procurement governance arrangements through the appointment of SROs and evaluation committees.
- Increase capacity building around procurement management.

6.3 Contract Management

Component A suffered considerable problems in the management of the contractors involved in completing first registrations. The issues and disputes revolved around poor definition of responsibilities and performance of the client and the contractor within the contract; the contract was based on a civil engineering type of contract rather than a service contract (no technical service contract templates were available at the time). The client was unable to (or was unwilling to) intervene to insist on experienced staff listed in the contractors’ bids being assigned to the project, to set thresholds on the quality of the first registration information acquired in the field and to set performance standards to complete first registrations. The contractor was unable to insist on timetables for IPRO district offices to provide existing documentation and quality assure the first registration material provided by the contractors. Neither side invoked penalty clauses to resolve non-performance. The fundamental issue lay in the lack of contract management skills within IPRO. However, this improved during the last year of the project.

Recommendations:
- Ensure that borrowers have sufficient contract management skills to create a robust and fair contract and can effectively manage the contractors.

6.4 Project Management

Component A was a complex project involving a wide range of stakeholders, including three data capture contractors, one quality assurance contractor and an ICT hardware supply and system integration contractor. Apart from the development of ICT solutions that adopted the Rational Unified Process (RUP) iterative software development approach, the project management was ad hoc and did not follow a specific project management methodology. This led to weak project governance, bad planning and poor communication with all stakeholders. The consequence was that the World Bank team had to increase the frequency of their missions and the number of personnel involved. This also led to the World Bank needing to provide significantly intensive implementation support in the second half of the project to compensate for deficiencies in
local project management. This approach delivered short-term gains, but did not solve the inherent problem of weak project management and project sustainability.

**Recommendations:**
- **Adopt a project management methodology, such as PRINCE2** for example, for these complex projects and ensure that all personnel, especially management, are trained in the methodology.
- **Where project management skills are weak in the hosting institution then consider providing an international project manager for the initial period of the project to ensure project management skills transfer.**
- **Insist on strong project governance through the creation of a project board and Senior Responsible Officer.**

6.5 Capacity Building

The project was handicapped by insufficient capacity across the Albanian government institutions to effectively support the project components. This was compounded by very limited delivery of training, especially in components A and C. For example, capacity at the IPRO District Offices was insufficient to support both first registrations and ad hoc registrations in many offices. A training consultant carried out a Training Needs Assessment in 2008 that assessed the capacities and the general training needs for IPRO staff and prepared a corresponding training program to fill the capacity gap. Unfortunately, in June 2011 the IPRO top management drastically reduced the amount of training packages thus placing the overall strategy at greater risk.

Political appointees and the results of general elections also had a major influence on institutional capacity. As political parties gained power they would replace a large percentage of the institutional staff, causing project delays of around six months. This led to IPRO being predominantly composed of political appointees rather than land professionals and this further increased the need for training.

After several attempts over two years to procure a software development company to implement the ICT solution for IPRO, the government decided to build and use an in-house software development team. This turned out to be a very successful, flexible, sustainable and cost effective approach that has delivered an effective solution for all 35 IPRO District Offices to maintain data digitally through front and back office functionalities and scanned archives. The solution is based on international data standards and web services architecture and information services for notaries, ALUIZNI and Commission for Restitution and Compensation have been in use since 2013 and citizen services will be introduced in 2014.

**Recommendations:**

8 PRoject In Controlled Environments 2 ([http://www.prince-officialsite.com](http://www.prince-officialsite.com))
• **Introduce sustained capacity building early in the project lifecycle in projects where there is weak, initial capacity.**
• **Externalize training to ensure sustainability of training services through major changes to the institutions where there is a high turnover of staff.**
• **Automatically build project delays of six months into projects in countries where general elections will cause high staff replacements in institutions.**
• **Consider creating an in-house software development team rather than contracting out the software development. This has proven to be a cost effective, very responsive and sustainable approach.**

### 6.6 Shared Services

Component B of the project requested that the contractors developing the Regulatory Plans within eight municipalities also build Geographic Information System (GIS) skills within the municipalities to support the direct digital maintenance of the Regulatory Plans. This was only successfully achieved in one municipality. The other municipalities either had no GIS solutions or lacked resources or capacity. In these circumstances, it would have been more effective to have initially created one center of excellence for GIS, say at the NTPA, and run this as a shared service for the municipalities.

**Recommendations:**

- **When introducing new technology solutions to a decentralized institution (such as municipalities) where there is weak capacity, it would be beneficial to initially establish a single center of excellence as a shared service. Capacity can then be built across the organization and local centers of excellence established downstream.**

### 6.7 Proof of Concept / Pilot Projects

When component A was originally defined, it was assumed that the experiences of the previous OSCE and USAID first registration projects that covered around 90% of Albania would be directly used to shape the approach, associated business processes and contracts for capturing and quality assuring the first registrations under component A. However, this did not happen. Rather than combining systematic and sporadic registrations and integrating quality assurance, IPRO simply focused on systematic registration leading to problems that had to be mitigated downstream. The World Bank team was not knowledgeable and strong enough at this stage to challenge IPRO on this new and untested approach. So it went ahead uncontested. A small first registration capture contract was initially awarded to an Albanian company, XYZ, but the contract was terminated due to non-performance. Lessons learned from this early contract were not taken onboard, especially weak capacity at the IPRO District Offices, and subsequently the adopted process would cause problems for the project. This was compounded by an unwillingness of IPRO to adopt an effective, ongoing capacity building program.

**Recommendations:**
Whenever new approaches are being proposed for major data capture and maintenance projects, it is essential that they are initially tested and improved through rigorous proof of concept / pilot projects.

6.8 Independent Quality Assurance Capability

Experience from this Albanian project and similar land registration projects across the ECA region indicate that it is highly beneficial to integrate independent quality assurance capability into the project designs. The approach reduces the effort required by the agency in quality assurance, instills consistent quality assurance across the process, provides objectivity and a degree of arbitration in the quality assurance process and strengthens the contractual relationship between the agency and the data capture contractors.

Recommendations:
- Integrate independent quality assurance capability through external contracts into the land registration project designs.

6.9 Sequencing of Interventions

The original design of the LAMP project included a number of interventions that were not aligned with the political agenda within Albania, for example, property tax. These interventions were eventually abandoned from the project during restructuring.

Recommendations:
- Ensure that project interventions are sequenced appropriately and aligned with political priority and direction of travel.

6.10 Wider Government Engagement

The LAMP project was successful in persevering, despite setbacks, and building a productive relationship with wider government to raise the profile and priority of the land agenda. This resulted in government formulating a national land strategy and initiating a number of land based follow-on projects.

Recommendations:
- Engage effectively with government in the wider sector to ensure government broadens the initiative, stimulates new initiatives in the sector and strengthens the sustainability of the original project.

6.11 Fastracking Procurement for Emergency Projects

Component D of the LAMP project involved procuring water supply and drainage pump stations to mitigate flooding in the north of Albania. Despite the emergency context, procurement of some stations was delayed 2 years although no adverse events materialized before project completion.
Recommendations:
- Review and revise the Bank’s emergency procurement procedures.

6.12 Investment Projects are not Ideal Instruments for Policy Reforms

A property tax law reform covenant was included in the design of the original investment project framework. This reform was dropped during project restructuring. Bank research in the ECA region has indicated that investment projects are not ideal instruments for policy or regulatory reforms of a significant nature that have substantial uncertainty and where there is no leverage, but to suspend disbursements. DPLs are considered much more effective.

Recommendations:
- Avoid including law / regulation reform covenants in investment projects.

7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners
(a) Borrower/implementing agencies

Component A:

The ICR from IPRO indicated that the agency has learned some key lessons in: developing and managing IT; avoiding mistakes in contracting first registration activities; optimizing the processes in capturing and quality controlling first registrations; the importance of capacity building; and how crucial a strategic business plan is in managing a self financing organization. However, their ICR does not admit or address their key deficiencies in contract and project management. The sustainability of positive changes made to IPRO by this project will depend on whether IPRO implement recommendations in these key areas.

(b) Cofinanciers

Sida:

As a co-financier, Sida recommended that in similar projects a representative of Sida should join the Bank’s bi-annual missions. Given the scale of the input to this type of project, this is a good recommendation.

Sida also highlighted the issue of companies contracted for first registration activities not being fully paid at the end of their contracts. This could potentially limit the participation of foreign companies in future projects in Albania was a direct consequence of poor contract management by IPRO – one of the major deficiencies on the project.

(c) Other partners and stakeholders
UN-FAO has integrated their comments into this report during their review of the ICR and did not produce a separate statement on the project.
### Annex 1. Project Costs and Financing

**(a) Project Cost by Component (in USD Million equivalent)**

<table>
<thead>
<tr>
<th>Components</th>
<th>Appraisal Estimate (USD millions)</th>
<th>Actual/Latest Estimate (USD millions)</th>
<th>Percentage of Appraisal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component A</td>
<td>19.42</td>
<td>23.25</td>
<td>120%</td>
</tr>
<tr>
<td>Component B</td>
<td>5.10</td>
<td>3.34</td>
<td>66%</td>
</tr>
<tr>
<td>Component C</td>
<td>31.48</td>
<td>4.35</td>
<td>14%</td>
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<tr>
<td>Component D(^9)</td>
<td></td>
<td>8.61</td>
<td>n.a.(^{10})</td>
</tr>
<tr>
<td><strong>Total Baseline Cost</strong></td>
<td><strong>56.00</strong></td>
<td><strong>39.56</strong></td>
<td><strong>71%</strong></td>
</tr>
<tr>
<td>Physical Contingencies</td>
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<td></td>
</tr>
<tr>
<td>Price Contingencies</td>
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<td>0.00</td>
<td></td>
</tr>
<tr>
<td><strong>Total Project Costs</strong></td>
<td><strong>56.00</strong></td>
<td><strong>39.56</strong></td>
<td><strong>71%</strong></td>
</tr>
<tr>
<td>Front-end fee PPF</td>
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<td>0.28</td>
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</tr>
<tr>
<td>Front-end fee IBRD</td>
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<td>0.00</td>
<td></td>
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<tr>
<td><strong>Total Financing Required</strong></td>
<td><strong>56.30</strong></td>
<td><strong>39.84</strong></td>
<td><strong>71%</strong></td>
</tr>
</tbody>
</table>

**(b) Financing**

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>Type of Cofinancing</th>
<th>Appraisal Estimate (USD millions)</th>
<th>Actual/Latest Estimate (USD millions)</th>
<th>Percentage of Appraisal</th>
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<tbody>
<tr>
<td>Borrower</td>
<td>Govt. of Albania (National)</td>
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<td>International Bank for Reconstruction and Development</td>
<td>World Bank</td>
<td>20.22</td>
<td>17.44</td>
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<td>International Development Association (IDA)</td>
<td>World Bank</td>
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<td>JAPAN: Ministry of Finance - PHRD Grants</td>
<td>International Donor</td>
<td>1.54</td>
<td>1.48</td>
<td>96%</td>
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<tr>
<td>Municipalities of Borrowing Country</td>
<td>Govt. of</td>
<td>0.96</td>
<td>0.90</td>
<td>94%</td>
</tr>
</tbody>
</table>

\(^9\) Added after the January 2011 restructuring.

\(^{10}\) At the time of the January 2011 restructuring, US$ 12.21 million were reallocated from Component C to the new Component D. Of this US$ 12.21 million, US$ 8.61 million or 71% was actually disbursed.
<table>
<thead>
<tr>
<th></th>
<th>Albania (local)</th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SWEDEN: Swedish Intl. Dev. Cooperation Agency (Sida)</strong></td>
<td>International Donor</td>
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Annex 2. Outputs by Component

Component A: Security of Tenure and Registration of Immovable Property Rights

Subcomponent A.1.1: Re-engineering of office functions and quality improvement

This sub-component supported the IPRO in enhancing their management effectiveness, improving human resources policies, and also improving its service delivery and transparency. It included the re-engineering of the workflow in IPRO, the re-design of business processes through the introduction of more rigorous systems of case management and quality control, and business/human resource planning. This sub-component also supported the remedial work required to bring existing kartela and cadastral map information up to the prescribed standards.

- The re-engineering of office functions and quality improvement were linked closely with the ICT sub-component. ALBSReP is the fully automated system with internal controls for case management and quality control components. The IPRO drafted detailed Instructions for use of ALBSReP to maintain new first registration data. With regard to improving existing data, the new registration law approved in March 2012 included a provision for initiating the process and more detailed procedures and regulations were under development, but not completed at the end of the project. The general regulations are planned to be completed by May 2015.

- Significant institutional changes have been implemented. The IPRO became a self-financing agency as of April 1, 2013. In order to support the new structure a Strategic Business Plan (SBP) was developed through a Sida Twinning project. The IPRO Steering Board approved the final version of the SBP. The importance of adopting the SBP is highlighted by the fact that IPRO had to return over US$5 million to the State Budget for 2013 because it did not have the funds allocated to properly planned activities for the much needed investments. Key highlights of the Strategic Business Plan include:

**IPRO Business Aim:**
IPRO registers immovable properties, ownership titles and other real rights, maintains and administers the register of properties, the cadastral maps and legal documentation, which proves ownership rights of citizens, natural and legal persons, in order to assure legal certainty in relation to the immovable property actions.

**IPRO Vision 2018:**
IPRO, as a self-funded and client-oriented organization administers and guarantees full, accurate, sustainable and up-to-date registration of immovable property information, and it provides geospatial information and other related services. Products and services are provided with effectiveness, efficacy, in a transparent and non-discriminatory manner. IPRO through its products and services, in line with the EU standards and best international practices contributes
to the building and stability of the real estate market and it therefore supports the social and economic development of Albania.

Strategies:
- Provision of standard qualitative data for all the properties.
- Improvement of client-oriented services.
- Improvement of the management system and building of technical capacities of the staff.
- Extension of the scope of activities.

Objectives:
- **Provision of standard qualitative data for all the properties**
  - Completion of initial registration of all the cadastral zones until the second quarter of 2014.
  - Completion of initial registration of all the remaining cadastral zones until the fourth quarter of 2016.
  - Functioning of ALBSReP in 10 big offices, until the second quarter of 2014.
  - Functioning of ALBSReP in remaining offices, until the fourth quarter of 2015.
  - The information found in IPRO is improved and updated to meet the requirements foreseen by law 33/2012 and as such, they may be used in the ALBSReP system within the fourth quarter of 2018.

- **Improvement of client-oriented services**
  - Reduction of the time period of provision of services for the services of x % until the fourth quarter of 2016.
  - Setting up of the focus groups for seven big segments of the market according to Chapter 5.4 within the first quarter of 2014.
  - Client Satisfaction Survey must indicate that more than 70% of clients are "satisfied" or "very much satisfied" within the fourth quarter of 2016.
  - Legitimate facilitators are provided with access to the existing information in the online ALBSReP system within the fourth quarter of 2014.

- **Improvement of the management systems and building of technical capacities of the staff**
  - Reconstruction/Construction of local offices with the proper infrastructure, in line with the economic standards of the offices, within the fourth quarter of 2018.
o Imposition of the Performance Indicators for the work processes, services, staff and drafting of performance assessment methodology within the second quarter of 2015.
o Preparation of the regulatory framework of human resources and drafting of the long-term training strategy within the second quarter of 2014.
o Design and installation of intranet within the second quarter of 2017.

- Extension of the scope of activities
  o ALBPOS made operational and maintenance within the second quarter of 2014.
o ALBPOS business plan completed within the second quarter of 2014.
o Structure and necessary capacities for valuation of properties within the fourth quarter of 2017.
o Interface of the Civil Register, Address Register and other valid databases within the fourth quarter of 2014.

- The Prime Minister’s Office is now overseeing improvements to key agencies across the public sector, including IPRO. Set of deliverables within a 100 and 300 days has been delivered to the Prime Minister’s Office from IPRO. These deliverables have been directly derived from the Strategic Business Plan.

- The implementation of the ALBSReP solution and the proposed implementation of a one-stop-shop by the Prime Minister’s Office provides IPRO with the opportunity to rationalize the District Office network of 35 offices and create centralized service centers to process the transactions. This would lower the costs of operations and reduce the capacity building issues in District Offices.

Subcomponent A.1.2: Information Technology Development.

*The sub-component supported the further implementation of automated systems to support the re-engineered workflow and the IPRO Registration Automation Strategy. The implementation focused on the larger urban district offices. The project also financed data conversion, data improvement and the creation of digital archives of key property records. The target of this sub-component was to fully computerize ten IPRO district offices. This means i) connectivity and networking with the central office; ii) integration of software and hardware, iii) data migration and iv) trained and competent staff capable to use and maintain the system.*

- By the end of the project in June 30, 2014 the ICT system (ALBSReP) was in operation 17 District Offices (including Tirana, Durres, Elbasan, Fier, Shkodra, Laç, Lezhe and Lushnje), despite a delay of more than a year due to the lack of a contract for communication lines to connect the 10 largest local offices with the main data center in Tirana. This ICT solution includes the scanned digital archives and scanning of incoming documents in the larger 11 offices. Progress has been made in completing the indices of the scanned documents with missing indices (about 15% of
documents were not properly indexed – close to 2 millions documents). This has been reduced to 2.8% of scanned documents. By October 31, 2014, ALBSReP had been installed in all 35 District Offices to support the front and back office functionalities to maintain the first registration data and there is a central database that manages the data from all 35 offices.

- Online services to the notaries is fully operational and a new service layer had been developed to provide all types of information (scanned documents, alphanumeric and graphical) to key external users, subject to signed agreements and based on the existing legal regulations. The system is ready to share information with key government registers, such as civil register, business register and tax register. Gender disaggregated data has been generated from the new IT system; this is an additional achievement.

- The ICT system (ALBSReP) and its development have been a key success in this project. Some of the key success factors have been:
  
  - **Software Development Team composition:** The software development team had a clear structure and was led by a senior software development team leader and clear planning and reporting mechanisms were on place. The local software development team was supported by an international quality assurance expert (responsible for system quality assurance, capacity building as well as advising the decision makers on the progress, key issues and possible solutions) and a senior solution architect (responsible for design of the system architecture and technical platform, including oversight of supply of hardware and integration). In addition there was a twining project that SIDA financed, during the inception phase that strengthened the system design.
  
  - **Rational Unified Process (RUP) methodology:** RUP was selected and introduced to manage the ICT system design and development and was strictly followed right from the beginning.
  
  - **Adoption of International Standards:** The ALBSReP solution was the first in Europe to adopt the Land Administration Domain Model (LADM) ISO standard.
  
  - **System Documentation:** The ALBSReP solution has been fully documented by the system developers.
  
  - **Three level ICT management structure:** This effective structure was established from the beginning with clear reporting mechanism (decision making body, project manager and working groups and contractors plus quality assurance advisors).
  
  - **Training and capacity building:** Capacity building of the IT team was an integral part of planned program and regularly provided through on the job training, provided by the quality assurance expert.
  
  - **IPRO IT Directorate structure:** The IT Directorate was reviewed and re-organized in a modern and effective way. The Software Development Unit was established and staff hired. The Maintenance and Support Unit was
strengthened with two additional system and DB administrators to create effective sustainability of the unit.

- **High-level political support**: This top-level support ensured adequate resources and enforced excellent communications.
- **Excellent Stakeholder Engagement**: Regular video-conferencing and meetings during the supervision missions were organized with the members of the decision making body (mainly with the Deputy Minister of Ministry of Innovation and ICT, the prime minister adviser on ICT and the Director of Agency for Information Technology), IPRO IT project manager and the Bank team followed up on the progress and efficiently resolved any critical issues.
- **Clarity on Roles & Responsibilities**: The IPRO board has approved the IPS Security Instruction. This is a very important document that details who has access to which part of the system and what are their roles and responsibilities.

- No progress was made in finding a temporary solution for the Disaster Recovery Center. This will now wait until the Ministry of Innovation completes their disaster recovery center for all government institutions; a feasibility study is currently performed. The ALBSReP system is fully centralized (both instances of the ALBSReP are located in the same building) and the Bank team raised the risk of delaying the disaster recovery center to the Government of Albania for a long time.

- KPMG, Italy were hired as independent quality assurance and quality control experts to support the IPRO to supervise the supply and integration contract, to perform software quality assurance and quality control, define procedures for system final acceptance and guide the software development team. This was designed to add considerable value to the development of the ALBSReP system and lower the corresponding risks. This added value was not delivered as the contract with the IT supplier was terminated for lack of performance\textsuperscript{11}.

- The introduction of the ALBSReP system to the District Offices staff required training, not only on the IT system use, but also legal and procedural training. This training and associated support was limited and significantly reduced the effective use of the ALBSReP system.

- In August 2014, the contractors delivering the ICT infrastructure had their contract terminated due to non-performance on the integration component of their contract. The contractor has challenged this move by IPRO and the dispute is being managed initially through arbitration. No alternative source of support has been identified by IPRO, exposing IPRO to further risk.

**Subcomponent A.1.3: Internal and External Monitoring**

\textsuperscript{11} An independent review in September 2014 recommended that IPRO re-establish their relationship with the IT integration contractor to complete the contract.
This sub-component supported internal monitoring through the development of control procedures for processing applications and transactions, standards for quality control, and a strategy to monitor performance.

- The use of the ALBSReP system enhanced monitoring and evaluation efforts at the 11 large District Offices because it allowed IPRO to track registration indicators quickly and without errors. Further roll out of the ALBSReP system will increase the ability of the central IPRO to monitor local office performance and service delivery.

- Citizens Engagement improved the feedback mechanism in service delivery. IPRO customer satisfaction surveys were completed in 2008, 2011 and 2014 prior to the closure of the project. The result of the 2014 customer survey showed that customer satisfaction was rated as “average”. Collecting feedback is of particular importance because IPRO, a self-financing institution, constantly needs to improve services based on customers’ feedback. It is anticipated that further roll out of the ALBSReP system and e-services, such as linkages with notaries and banks, and increased capacity building will further streamline and improve the customer experience. Further, hotline system was in place for customers to contact IPRO to make an inquiry and report an issue in land administration services.

Subcomponent A.1.4: Public Relations and Data Access Protocols

This subcomponent aimed to improve public awareness on land administration by implementing public information campaigns, including the development of information materials (brochures, posters, etc.) and information flows to the media (newspapers, radio, television programs). Public relations activities were also extended to other key government and private sector entities that were concerned with immovable property rights. Furthermore, the activity supported the establishment of linkages to other government agencies for data coordination, including the development of procedures and standards for the sharing of property information with banks, builders, notaries, courts, etc.

- A Public Relation consultant was hired during the project to help build the public image of IPRO and support the Chief Registrar with respect to the relationship with the media. Daily clippings of copies of the press were collected (search key words: IPRO, Chief Registrar, hypoteka) and the consultant informed the Chief Registrar about interesting press announcements on a daily basis. An analogue and digital archive of published articles has been created. A Media Plan and Public Relations Plan have been created to guide this on-going activity.

- Public relation activities in urban and rural cadastral zones to increase the level of awareness and participation of citizens in the public display process were not effective during the project, with low levels of participation in the urban areas.
• Good engagement was made with banks, builders, notaries, courts, etc. through workshops to discuss how to share property information. At the end of the project e-services had been established with the notaries. Citizens were also able to determine the status of the processing of their transaction on-line.

Subcomponent A.1.5: Improvement of Facilities.

This subcomponent supported renovation of IPRO offices in order to improve services to clients.

• IPRO completed renovations in four offices: Tirana Central, Fier, Lezhe and Korca. However, planned refurbishments in Shkodra, Lushnje and Vlora were canceled because sufficient office space was not found.

• The Chief Registrar at the end of the project understood the impact of effective front offices in terms of staff moral, efficiency of service delivery, customer satisfaction and reducing the likelihood of corruption. The changes made to the Tirana office are a good example of the progress made.

Subcomponent A.2.1: Public Relations and Customer Outreach

The subcomponent is supposed to provide support for a public campaign and public outreach before and after the first registration process. Special attention should be paid to reach out to women, minorities, and disadvantaged groups and to explain the rationale for the registration process, benefits and obligations of the citizens.

• Contractors mostly provided support for the public awareness campaign before and during the first registration process. The three first registration contractors displayed posters about scheduled first registration in public and commonly visited places. However, they should also have delivered leaflets door to door and explain the benefit of first registration before the start of field measurements and the public display; this would have significantly increased the participation.

• The first registration contractors were advised to pay special attention to women, minorities and disadvantaged groups in the registration process and to improve their access to property rights through explaining the rationale for the registration process, as well as the benefits and obligations of the citizens. The international supervision quality control contractor in the first registration process controlled the later information campaigns, the public display place and awareness of people of the importance of registration and visiting the public display place. This was more effective than the earlier campaigns.

Subcomponent A.2.2: First Registration

The subcomponent implemented the complete and comprehensive process of first registration.
The figure below shows the two-phase work and quality control procedure as it was defined in the first registration contracts. This procedure is quite complex and requires multiple control and correctional work with many opportunities for problems and discussions to arise. This resulted in a lot of administrative efforts on both sides. For example, one of the contractors wrote nearly 2,000 letters up to March 2014. Many of them were not answered or not answered in time.

![Albania LAMP Project component A2.2: First registration process](image)

**Figure 1: Work and quality control procedure for first registrations**

- The table below shows the status of the first registration deliverables at the end of the project on the 30th June 2014. As of October 31, 2014—the last day of contract payments—the project had registered 357,383 properties in 66 Cadastral Zones instead of the project target of 400,000 properties.

<table>
<thead>
<tr>
<th></th>
<th>No. of properties as of June 30, 2014</th>
<th>Properties delivered but QC not met (checked at least one time but rejected)</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed First Phase</td>
<td>424,671</td>
<td>137,765</td>
<td>562,436</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------------</td>
<td>--------</td>
<td>--------</td>
<td></td>
</tr>
<tr>
<td>Undergoing Public Viewing</td>
<td>422,671</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Completed Public Viewing</td>
<td>388,911</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kartelas's printed and handed over to IPRO</td>
<td>314,155</td>
<td>25,934</td>
<td>340,089</td>
</tr>
<tr>
<td>Registered</td>
<td>263,343</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- The contractors are still engaged and working on Phase 2 through until the end of October 2014 with IPRO and District Offices directly providing QC services. It is estimated that over 402,000 properties will have first registration by the end of 2014. The Government of Albania has agreed a budget for IPRO to support the completion of the first registrations.

- IPRO contracted four companies to capture first registrations:
  - Contractor 1, contract dated 13 June 2008, pilot of one cadastral zone (contract cancelled prior to completion in July 2010);
  - Contractor 2, First Registration Contract LAMP-A2.2/TS/FR/ICB-01 dated 05 March 2009, with a contract amount of ALL 315,470,516.00. The contract included 22 cadastral zones with an estimated number of 120,000 properties and contract duration of 25 months.
  - Contractor 3, First Registration Contract LAMP-A2.2/TS/FR/ICB-02 dated 08 April 2010 with a contract amount of ALL 463,357,519. The Contract included 50 cadastral zones with an estimated number of 180,000 properties and contract duration of 25 months.
  - Contractor 4, First Registration Contract LAMP-A2.2/TS/FR/ICB-03 dated 25 January 2012, with a contract amount of ALL 468,350,202. The Contract included 73 cadastral zones with an estimated number of 140,000 properties and contract duration of 20 months.

- The project was planned to last 4 years. From the beginning delays occurred in all components. The delays in component A2.2 were initially caused by late procurement and accumulated over the time mainly due to the long time needed by the contractors to understand the task, the missing skills of the recruited contractors’ national staff and of the IPRO staff, the inefficient communication rules prescribed by the contract, the late implementation of the quality control (QC) and the complicated QC procedures, the inappropriate contract management and finally the demotivation of the stakeholders. It was finally impossible to catch up on the proposed targets despite the contractors and IPRO significantly increasing their performance towards the end of the project.

- IPRO did not meet the target of 400,000 first registrations as of June 30, 2014. The key reasons behind this underperformance are detailed below:
  - At the beginning of the project IPRO changed the first registration process from what was originally designed and used by USAID and OSCE. Under the original process the contractor was responsible for both systematic / sporadic registrations (review, verification, integration into the systematic process).
However, IPRO changed the process where IPRO District Offices also became responsible for review / verification of sporadic registrations, which caused significant delays and other problems. The IPRO District Offices did not have the capacity (in either time or professional skills) to do the work. The local First Registration advisor strongly advised against the change, but IPRO management ignored the proposal. Ironically, the original first registration process was adopted for the last contract.

- Until LAMP was initiated, all first registration work was completed by donor projects, including contract management and quality control. The role of IPRO was simply to accept the registration products and their only real task was for the registrar to sign and stamp the kartelas. The Bank underestimated the capacity of IPRO to manage the whole process, since IPRO had never done the work in the past. Furthermore, the Bank was not good in the early years of the project at providing the necessary assessment and advice on what was needed for IPRO to take over the work. For example, the Bank team should have understood the implications of the contract change, noted above, and advised against it and either made sure a pilot was performed to see how it would work or ensured IPRO had professional TA for the work they were undertaking. It was not until the strong Bank land team was engaged in 2010 that the situation was addressed, but by then things were so bad it required micro-management.

- The professional first registration expert assigned to the PMU was not fully engaged in substantive work; rather the expert was marginalized and tasked with secretarial duties rather than providing professional, actual first registration advice and support. Thus, from a project management perspective, IPRO and PMU manager did not use staff advantageously.

- IPRO and PMU managers did not believe that training was a priority and even basic training for contractors and DIPRO staff on first registration contracts did not take place even with repeated recommendations over the past 2-3 years of supervision missions. In addition, IPRO did not have a general training program for new staff, the last comprehensive/routine program was held in early 2000s. Thus, with high staff turnover the staff did not have basic training or capacity building programs, which was evidenced by their lack of understanding of even basic registration principles.

- The first contract on first registration was signed with the Albanian company XYZ in 2008 and was terminated before finalization. The lack of available national experiences, experts and national contractors resulted in the IPRO decision to adopt international tendering. It was hoped that this approach would tap into better knowledge, experiences, internal quality controls, efficiency and financial stability. Unfortunately, the international companies selected did not deliver these characteristics and even the companies reneged
in using their experienced international personnel that was part of their corresponding tenders.

- The legal framework only took IT into consideration in 2012. The Law Nr. 33/2012 “On Immovable Property Registration” approved on March 21, 2012. However, no new corresponding by-laws were developed. Therefore, the contractors used the old regulations as authoritative. The unclear legal situation created problems for the contractors and added to the delays.

- Project management was very poor with project planning and coordination amongst the stakeholders inadequate. Even when IPRO and the District Offices agreed on plans in first registration they did not maintain and execute them; normally because the project plans were not realistic. Even the contractors did not maintain adequate project plans. The reporting and monitoring system was functioning well for a short period of time in 2012 - 2013, later on it was not systematically organized and managed and some reports were delivered in written form and others were given orally.

- Information flows between different partners in the project and to different levels was weak. Generally, there was no day-to-day communication or constructive cooperation. It was more of a formal communication by letter, which tended to lead to confrontation instead of cooperation. IPRO introduced meetings on quality control investigations for Phase I and II products in 2012. Meetings on quality control of all partners in the first registration (IPRO, District Offices, contractors, Supervisor) were useful, but were not organized for a long period of time. Day-to-day communication has improved in the last few months of the project with a more engaged performance of the Directorate for mapping and first registration, with the support of the Deputy Chief Registrar and indirectly the Chief Registrar.

- The authority of the project manager and capacity for decision making was weak and not effective most of the time in LAMP. There were shared responsibilities with no single authority and no clarity of whom to address to get a reliable, quick and credible response. Indeed, most of the time there was nobody in the project who appeared to have that capacity and mandate, and this was the primary cause of the range of problems that have occurred during the time of project implementation.

- The contract on public awareness campaign, signed in 2009 with extensions, was covering, among other aspects, the improved support for the public displays of first registrations. The response of owners to public displays was only 20 – 30%; too low compared to project expectations and international practices. The systematic registration process lacked attention to community mobilization efforts that involves District Offices and their local environment, because simply publishing formal press releases in national newspapers did not contribute to an acceptable outcome. Monitoring and capacity building of
contractors who were obliged to inform citizens about first registration and to invite them, door to door, to attend public displays, needed to be more under the IPRO control. There should have been more communication between the contractors and District Offices and Registrars and more cooperation with local authorities especially before and during field measurements and public displays. Further, public awareness campaigns needed to be more strategic to target women and vulnerable communities such as Roma and Egyptians. The approaches in improving their awareness on property rights should have been tailored depending on target groups. Local authorities seemed to be interested in greater cooperation and mayors should have been contacted to be more involved to help inform their citizens about the importance of registering property. IPRO did not intervene in the contract of the public awareness campaign contractor. Another example of poor contract management.

- The type of the contract for the Supervision of first registration was a time based (consultancy) contract with the defined number of cadastral zones in Phase I and II that will be checked. This was flawed.

- The Supervisor and international companies were not sufficiently skilled in services they offered. They did not bring automated procedures in quality control to speed up the procedures, but instead relied on the IPRO support in knowledge and technical tools. They introduced old fashioned and long lasting approaches for the work they implemented. In the last year of the project they came on track on how to do their job professionally and correctly, but were already in delays of days and months throughout the project duration in comparison to what was defined in the contract. They did not engage sufficient numbers of staff, e.g. in June 2012 they worked with 4.5 employees instead of 10 needed at that time.

- The consistency and quality of field measurements were constantly improving and, according to the Supervisor, it only reached the required level for all three contractors in March 2014 – three months before project closure.

- District Office staff were generally neither sufficiently qualified nor trained for the quality performance of first registration activities. The Bank team advised IPRO to involve District Offices in the control of field measurements done by the first registration contractors (in addition to the control of the Supervisor), in support of the information campaign and to be more proactive in checking and resolving open issues raised by the first registration contractors. The activities were supposed to be supported more robustly by IPRO monitoring staff that needed to be more intensely involved in solving practical problems and monitoring first registration. The advice was not accepted by the IPRO due to financial problems and over busy staff at the local level. The first registration data strategy and coordinator consultant was hired by the IPRO to support data migration and data maintenance, but the
consultant finished the assignment with very few activities completed as defined in the contract.

- The Bank team suggested to the IPRO in 2012 to perform a more efficient and accurate quality checking of first registration products by standardizing the quality checking procedures and by automating logical and technical controls (excluding the legal checking). There were problems in first registration data migration into both the new ALBSReP system and the old Pasurite system (in places where the ALBSReP system was not yet available). An agreement was reached in the IPRO to develop a logical control module that would functionally serve both, the new ALBSReP system for data migration and the first registration data quality checking. The newly developed IT-based checking tool was planned to be provided to all first registration contractors, to the Supervisor and the IPRO at the beginning of 2013. The module was tested, updated, delivered to the partners in first registration and updated again. The final version was re-delivered to all first registration contractors, to the Supervisor and the IPRO in April 2014. The approach minimized the number of controls and the number of IPRO and supervisor’s staff involved in quality checking. Although very late in the project cycle.

- Ownership of the LAMP first registration and its priority in execution was rarely with the Chief Registrar at the central level and with Registrars on the District / local level due to several objective and subjective reasons. The situation was improved in 2012 on the request of the Prime Minister and towards the end of the project in 2014.

- District Office staff were not informed well about the plans for the first registration project implementation, the expected deadlines, their role and responsibilities. First registration was not a priority activity as their main focus was on serving customer needs on a daily basis in their regular work. Understaffing of the District Offices, as well as a lack of expert and legal knowledge and practical experience, remained a hindrance even though the project paid for additional staff in first registration that were supposed to be dedicated to first registration activities (in some case they were not, for some of them even the reports of their work were not delivered to the LAMP project manager).

- This component suffered considerable problems in the management of the contractors involved in completing first registrations. The issues and disputes resolved around poor definition of responsibilities and performance of the client and the contractor within the contract; the contract was based on a civil engineering type of contract rather than a service contract (no technical service contract templates were available at the time). The client was unable to (or was unwilling to) intervene to insist on experienced staff listed in the bids being assigned to the project, to set thresholds on the quality of the first registration information acquired in the field and to set performance standards
to complete first registrations. The contractor was unable to insist on timetables for IPRO district offices to provide existing documentation and quality assure the first registration material provided by the contractors. Neither side invoked penalty clauses to resolve non-performance. The fundamental issue lay in the lack of contract management skills within IPRO.

- It is imperative that the first registration data are maintained in digital form by the District Offices following subsequent sporadic registrations. No monitoring process is in place to check that this is happening across the District Office network.

**Subcomponent A.2.3: Quality control**

The subcomponent supported the establishment of quality control processes for all cadastral mapping and adjudication documents (produced under Component A.2.2) before entry into the land registry. This was to ensure that all the work met the quality standards specified in the first registration manual and the global contract, and that all rights and boundaries were recorded accurately. The quality control process included an in depth technical audit of a sample of all first registration documentation.

- During the early first registration contracts local IPRO offices performed the quality control. There was insufficient capacity within these offices to cope with the level of quality control required. This was compounded by the poor quality of field staff employed by the contracts that produced poor quality information requiring several iterations of quality control.

- The lack of quality control capacity was resolved when an international company was contracted (time based contract) as independent quality supervisor. The supervisor’s role was to approve phase 1 and 2 products. This should not have included “approved with problems”. Delays in renewing the supervisor’s contracts created backlogs in quality control and contributed to overall delays in achieving the 400,000 first registrations target.

- The combination of central IPRO, local IPRO offices and the international supervision quality control contractor conducted quality control. The agreed contractual obligation for completing the quality checking was 15 days. However, for much of the project it was between 20 days and 40 days. Lack of statistics available on the turnaround time for the first registration quality controls executed by the local IPRO offices made project management problematic.

- A logical control module that would functionally serve both, the new ALBSReP system for data migration and the first registration data quality checking was developed and rolled out during 2013 / 2014; very late in the project lifecycle.

The supervisor company providing independent quality control of first registrations, provided the following recommendations on future projects from their perspective. The
recommendations are defensive in nature and do not address criticisms of their operations of not adhering to the 15 days turnaround and not being efficient in a time based contract in processing the first registrations, for example:

- For future First Registration contracts, IPRO should ensure that technical monitoring work commences at the same time, or slightly before, the production work. This would allow for an initial review of procedures and for the technical monitor to engage the best human resources.
- IPRO should ensure that, for future First Registration contracts, the concept of the combination of District Office work with Contractors’ work should be reviewed.
- IPRO, in future First Registration contracts, should coordinate the handover of documents to contractor in each District Office. Provision in the contract should be made for late-delivered documents. This provision should include compensation to the contractor for the extra work this causes.
- IPRO should ensure that future First Registration contracts impose penalty clauses on Contractors for multiple failures of Products, provided the failures are not caused by the District Offices.
- IPRO should improve the First Registration Monitoring Procedures to be more specific on rejection criteria when only minor issues remain.
- IPRO should complete the logical control module of ALBSREP.
- IPRO should complete its review and formalize the Bill of Quantity Instruction.
- IPRO should ensure, for future First Registration contracts, that the District Offices are ready for the work. An inventory of documents should be provided with the bid documents in order to better define scope of work and reduce risk and cost to project and to contractors.
- IPRO should consider a project to consolidate parcels in completed Cadastral Zones.
- IPRO should require, for future First Registration contracts, an inspection and a sign-off on the Public Information Campaign Activity before proceeding.
- Higher-level coordination between IPRO and local governments is required to ensure their participation.
- IPRO should require in future First Registration contracts, a Technical Monitoring field survey report for this field survey control and a sign-off by IPRO before proceeding.
- IPRO should consider an intermediate payment step at the time of passing the field survey control.
- IPRO should ensure that future First Registration Contracts specify that the Registration Index Map should be correct on date of approval of Phase 1 Product. Contractors’ responsibility for updates ends when they complete any changes related to information supplied in public display.
- IPRO should amend the First Registration monitoring procedures to state that a Cadastral Zone Boundary confirmation is a prerequisite for commencement of Technical Monitoring of Phase 1 Products.
- IPRO should amend the First Registration Monitoring procedures to state that a certification by District Office and Contractor that the one-by-one control of
Kartelas was completed is a prerequisite for commencement of Technical Monitoring.

- IPRO should amend the First Registration Monitoring Procedures to better define legal mistakes and technical mistakes.
- IPRO should draft Terms of Reference for District Offices and related monitoring procedures for IPRO to better support Public Display.
- IPRO should ensure that the Contractor’s Public Display Office staff have an authorization from the Contractor, with an ID Card. These staff should be pre-approved by IPRO, having been examined by IPRO’S technical staff for suitability.
- IPRO should ensure that Standard Operating Procedures for Public Display are refined. Staff qualifications and reduced specifications for remote zones should be produced.
- IPRO should ensure that all procedures have been completed. Quality Control should be the final process.
- IPRO should ensure that future First Registration contracts specify 15 working days for Phase 1 and Phase 2 product turnaround.
- IPRO should consider allowing more turn around time for cadastral zones with a large number of kartelas.
- IPRO should show little tolerance for Contractors or District Office defects in Phase 1. Accepting of “problems” should be done with discretion. The Technical Monitoring Procedures for First Registration should be more specific on the allowable errors.
- IPRO should thoroughly investigate the District Office document issue and resolve it.
- In order to pay the contractors for First Phase products, they should first be “approved”, not “approved with problems”.

Subcomponent A.3: Development of Legal/Regulatory Framework

This sub-component supported further development of the regulatory framework and key land policies.

- Regulations for the 2012 Law on Immovable Property Registration were not implemented by the end of the project. A Council of Ministers decision for data quality improvement was drafted and submitted for approval prior to the end of the project. This would have provided the broad outline of the process and authority, but further detailed regulations will be needed to adequately address the many issues faced with updating, improving and correcting the paper maps and kartelas. A set of General Regulations is now scheduled to be completed by May 2015.

Subcomponent A.4: Training and Capacity Building

This sub-component supported the establishment of training center, including the provision of facilities and equipment for the training of PRO staff. The component also supported undertaking training needs assessment to identify the current capacity and
training needs for IPRO staff. The sub-component supported the provision of management and technical training, including regular on-going training programs of new legislation, regulations, and procedures, quality control, customer satisfaction, and integrity in work place.

- IPRO capacity to support their day-to-day operations and support the World Bank project has been a key limiting factor in the project. This has been exacerbated by the disruption of political appointments and a general election when significant portions of IPRO staff were subsequently replaced. Training and capacity building have been an integral part of component A design and an external company was hired to deliver the training program. Unfortunately, IPRO have not embraced training into their corporate HR management approach and capacity remains significantly weak and will most likely jeopardize the sustainability of the project. Future Bank projects need to address capacity building in their designs.

- At the end of the project neither the coordinator of the first registration training or the coordinator of the IPRO training and capacity building were nominated and in position.

- On-line training modules were developed and integrated into the ALBSReP system.

**Subcomponent A.5: Administrative and Management Support to IPRO**

This sub-component financed the incremental operating costs of management and coordination and some office equipment to enhance the project and to strengthen the administrative and management functions in such areas as strategic planning, human resource development planning and financial management.

- Poor project management, unwillingness to capacity build and especially inadequate contract management mostly caused lack of performance in Component A. More progress was made in the last two years of the project, but this was at the expense of the Bank micro managing the project on IPRO’s behalf.

- Component A suffered considerable problems in the management of the contractors involved in completing first registrations. The issues and disputes resolved around poor definition of responsibilities and performance of the client and the contractor within the contract; the contract was based on a civil engineering type of contract rather than a service contract (no technical service contract templates were available at the time). The client was unable to (or was unwilling to) intervene to insist on experienced staff listed in the bids being assigned to the project, to set thresholds on the quality of the first registration information acquired in the field and to set performance standards to complete first registrations. The contractor was unable to insist on timetables for IPRO district offices to provide existing documentation and quality assure the first registration material provided by the contractors. Neither side invoked penalty clauses to resolve non-performance. The fundamental issue lay in the lack of contract management skills within IPRO.
The Bank found it frustrating overseeing the procurements. Several procurements, e.g. the IT solution, were delayed over a number of years and it was difficult for the Bank to pressurize the Albanian institutes into decision-making. Potentially, better project governance would have been helpful.

Component B: Urban Land Management

Sub-component B.1: Municipal Land Management

The scope of the sub-component was to create regulatory plans for eight municipalities. The criteria used to select the Municipalities to be included as beneficiaries of the project were the following:

a) Cities facing demographic pressure (with the population size above 50,000); and
b) Cities with a substantial cultural significance, facing sizable development pressure.

The cities that met the criteria were: Tirana, Durres, Elbasan, Shkodra, Fier, Vlore, Berat, Korca, Lushnje, Kamez, and Gjirokaster. Out of these, Tirana, Elbasan, and Fier were not included in the support for the development of regulatory plans because they had already either completed or secured funding for preparation of their plans. Tirana, was excluded from the project because of its size as well as the large needs that could not be met by the project. Therefore, the eight municipalities selected by for the development of regulatory plans were: Durres, Shkodra, Vlore, Berat, Korca, Lushnje, Kamez, and Gjirokaster.

Two consulting teams were contracted to support the municipalities in the creation of their Regulatory Plans. The tenders for Package 1 (Shkodra, Kamza, Durres and Vlora) and Package 2 (Lushnja, Berat, Gjirokaster and Korca) were both launched in late 2007. The contract for Package 1 was signed at the end of November 2008 and the contractor started in January 2009. Package 2 was signed at the end of July 2009 and the contractor started in September 2009.

The Regulatory Plans were prepared between January 2009 September 2010. The new Territorial Planning Law, supported by the Component B, was promulgated in April 2009, but the main by-laws and regulations (necessary to implement the Law) were promulgated only in September 2011, i.e. after the completion of the Plans. This implied that the plans prepared under the component B had to be adapted to the new legislation-regulations and this explains why the approval of the Plans by the respective Municipal Council and the final approval of the Plans by the National Territorial Council (NTC) took place after the closure of Component B. The adaptation of the plans to the secondary legislation was carried out by the Municipalities themselves through the support of NTPA and of the USAID’s Planning and Local Governance Project (PLGP).
The companies contracted for the two packages of Regulatory Plans had the obligation to:

- “Enhance capacity of the planning, development control and land management departments of local governments involved”; and
- “Achieve professional training of municipal planning staff / officers in spatial and socioeconomic analysis, planning methodologies, capital investment programming, development and management of GIS-based planning databases and preparation, administration and enforcement of development control regulations (for example zoning, building-to-plot ratios, height limits, ground coverage, subdivision and building codes”).

The municipal staff were trained in planning preparation and maintenance and gained a certain degree of capacity as well as (as demonstrated by the fact that they have themselves adapted the plans to the new regulations with the support of NTPA and USAID’s PLGP project). The two companies prepared Detailed Guidance Manuals for Municipal staff intended to allow for replication of the process used to prepare the Municipal Plans. Other municipalities have subsequently used these manuals.

The contractors also provided formal training in GIS operation to the municipalities. This capacity building in the use of GIS was less successful with only the Municipality of Shkodra sustaining GIS capabilities. This was primarily due to lack of GIS facilities within the other municipalities. A consultant was subsequently hired to specify GIS hardware and software for the municipalities, but this was abandoned during project restructuring.

The National Territorial Council (NTC) between December 2012 and March 2014 approved seven of the Regulatory Plans. The plan for Vlore has not been approved due to political reasons.

The key stakeholders have considered the regulatory plans a success. The methodology adopted was a participatory approach with the ownership of citizens and the approval of the Mayors. Other municipalities are adopting the methodology to create their Regulatory Plans, e.g. Himara. The plans, if properly implemented, will permit the following fundamental goals to be achieved:

- Improvement of the physical environment of the municipalities making them more functional, beautiful, decent, healthful, interesting, and efficient;
- Promotion of the public interest (the interest of the community at large), rather than the interests of individuals or special groups within the community;
- Facilitation of the democratic determination and implementation of community policies on physical development;
- Injection of long-range considerations into the determination of short-range actions.
Most importantly, Detailed Local Plans are being derived from the Regulatory Plans in Lsuhnja, Berat and Vlora and are being used for development control.

The preparation of a National Plan is now an obligation in the new Territorial planning Law prepared under the Component B, but was not considered part of the scope of Component B. However, Government of Albania has initiated the process of preparing the General National Territorial Plan with the assistance of the USAID’s Planning and Local Governance Project. This project is also supporting the development of e-services around a Planning Portal.

Component B adopted national standards to support the creation of the Regulatory Plans, including: the Decision of Council of Ministers (DCM) No. 480 “On the Approval of the model planning regulation” September 2011 that was developed with the assistance of USAID’s LGPA project and partially by Council of Europe; and the Decision of Council of Ministers (DCM) No. 459 “On Common Geodetic and GIS Standards” of June 2010 prepared with the Millennium Challenge Account assistance.

In 2009 issues within the Albania Coastal Zone Management and Clean-Up Project (ICZM) project, funded by the World Bank, triggered an update of Land Acquisition and Resettlement Framework (LARF) to reflect the new guidelines on OP 4.12’s application to land-use planning activities. The experience affected the LAMP with certain components restricted and planned activities closed.

Sub-component B.2: Property Valuation and Taxation

The sub-component was to support the preparation of property valuation law and the introduction of market value-based property taxation in the participating municipalities. The component was also to provide the support to the equipment and training of municipal staff in mass appraisal techniques. This sub-component was cancelled and significantly reduced the benefits and aims of the original project.

Sub-component B.3: Formulation of Urban Land Management Regulations.

The sub-component aimed at financing the preparation, through consultative processes and public hearings, of the urban law and of key implementing regulations.

Results on the Urban Law: After almost three years’ of a consultative and public hearing process, the draft of the Territorial Planning Law was submitted to the Parliament in January 2009, thus meeting one of the project covenants (although with approx. 15 month delay). The stipulated covenant was: The Government will submit a revised urban law to parliament no later than September 30, 2007). The Law was promulgated on 23rd April 2009 (Law no. 10119, “on Territorial Planning”) and introduced into Albania the principles, terms and procedures that characterize the current mainstream contemporary planning and land management systems around the world. The law requires all local government units to be equipped with a territorial plan. The law aims to guide spatial development and to implement the concept of sustainable development and territorial
planning by considering all the components of the territory. The law also provides several land management instruments to support its implementation, such as: the Transfer of Development Rights (TDR), construction intensity program, Local Detailed Plan (LDP), etc. The purpose of this law is not only to better plan a more sustainable development of the territory, but also to decentralize decision-making: it transfers decision making, which includes the drafting and the approval of the local planning instruments, from central to local governments. Under the new law local governments can give development permission if they have the planning instruments in place that are stipulated in place and in line with the planning law. The implementation of the new planning law marks a new era in Albania. Thus the result has been fully achieved (although with delays).

Results on Key Implementing Regulations (Secondary legislation): Drafting of secondary legislation experienced delays due to the fact that the process could not be started before the promulgation of the Law on Territorial Planning (April 2009). The project identified the precise set of priority secondary legislation needed to fully implement the law (Secondary legislation on the National Planning Agency, the Planning Register, and Uniform and Model regulation). A first important result was achieved in November 2009 with the establishment of the National Territorial Planning Agency (NTPA) through the Decision of the Council of Ministers (DCM) dated 13.11.2009, “On Manner of Organization and Functioning of National Territorial Planning Agency (NTPA)” and in March 2010 with the appointment of the General Director. However several other pieces of secondary legislation were still necessary, including the uniform planning regulations (Article 24), the model regulations (Article 88), the uniform development control regulations (Article 62), and the sub-legal acts regarding the planning register (Article 55). The priority secondary legislation generated strong interests from various donors including USAID and the Council of Europe (COE). In April 2010, the Bank office in Tirana hosted a meeting organized by the Director of the NTPA in which several donors offered to support the Government’s efforts. The Bank agreed to remain engaged in providing guidance to the Government, but committed to doing so through Bank consultants in an advisory role. As a result of these joint efforts the following secondary legislation was promulgated:

- DCM No. 460 “On the Organization and Functioning of Territorial Planning Register” (June 2010) with the Millennium Challenge Account (MCA) assistance
- DCM No. 459 “On Common Geodetic and GIS Standards” (June 2010) also with the MCA assistance;
- DCM no 480 (Approved in September 2011 and revised in June 2012), “On the Approval of the model planning regulation” with the assistance of USAID’s LGPA project and partially by Council of Europe;
- DCM no. 481 (approved in September 2011 and revised in June 2012), “On the Approval of the uniform regulation of planning instruments” with the assistance of USAID’s LGPA project and partially by COE;
- DCM no. 502 (July 2011), “On the approval of the uniform regulation on development control” with the assistance of USAID’s LGPA project and partially by COE;
• Technical Planning Manual (in Albania) financed by the World Bank (prepared in 2011 and published in early 2012);

Thus even this result (although with long delays) was achieved. The approved secondary legislation will also permit to align Albania with EU standards and regulations.

Sub-component B.4: Training

The sub-component aimed at providing training to the municipal staff in land use planning and development control, and to cover costs of study tours. Under this sub-component, a study tour was carried out in 2009 to the Netherlands and France on the implementation of the INSPIRE directive, on the National Spatial Data Infrastructure and on the municipal spatial informational management. A series of ToRs were prepared at the end of 2009 for training activities with key professional staff in each of the municipalities as well as planning professionals at the Government on the overall process of urban planning, the use of GIS, the preparation and updating on urban plans and their administration through the application of development approval processes, but the MPWTT never launched the relevant tenders. Thus, upon restructuring in April 2010, this sub-component was cancelled and the remaining balance of funds was reallocated to Component D.

Sub-components B.5: Support to the Ministry of Public Works, Transport and Telecommunication

This project was to support the Ministry of Public Works, Transportation and Telecommunication to coordinate component B activities. The financing was also to provide: (i) capacity building in monitoring of compliance with regulatory plans; and (ii) incremental operating cost of project coordination team, including contractors' costs.

This sub-component was cancelled and significantly reduced the capacity to monitor the compliance with regulation plans. The impact of this is seen around Albania where many buildings are built higher and wider compared to their specifications approved in their planning application.

Component C: Municipal Infrastructure

Component C.1: Municipal Infrastructure
The component prioritized the implementation of selected municipal infrastructure investments and services to enable proactive urban growth management and to enhance urban land market efficiency.

At the time of project restructuring, component C only had four municipalities out of 10 that had prepared and submitted their recommendations to award civil works contracts; this has taken more than two years since Project inception. It was therefore agreed that the funds not claimed by emergency needs in Component D would be committed to these municipal infrastructure packages that were ready for contracting. Four of the Phase I municipal packages had been submitted to the Bank for review out of ten, namely those of Berat, Elbassan, Kamza, and Shkodra. This represented a commitment of an estimated $1.6 million. It was also agreed that Phase II municipal investments, which had not been started would be cancelled.

Component C, Municipal Infrastructure, successfully implemented four phase 1 municipal infrastructure projects to stimulate economic development. This was primarily due to lack of capacity within the municipalities to define and manage these infrastructure projects. This was a much smaller set of projects than originally designed in the PAD and had much less economic and social impact in these cities. Only one of the four phase 1 municipal infrastructure projects implemented under the LAMP project did potentially trigger economic developments – this was the building of a market. This component failed to deliver its objectives and associated benefits of enabling proactive urban growth management and enhancing urban land market efficiency

**Component C.2: Implementation of Address System**

After project restructuring, Street Addressing System phase I (physical signage) was retained within Component C for 13 municipalities. However, the second phase (data collection) was cancelled.

Addressing and signage projects in 13 cities were completed by the end of 2011. A further eight cities would have been included in the addressing and signage project, but the procurement was abandoned due to the late delivery of bid documents.

Address databases for 13 cities were also produced. These databases have not been maintained due to lack of capacity within the municipalities. However, the Ministry of Interior is initiating a nationwide project to integrate addresses with the Civil Register. This project will use the address databases produced by Component C and ensure their maintenance. Street addresses will increasingly be used across Albania to support local property tax administration, collection for municipal services and efficient service delivery.

**Component C.3: Procurement and Financial Management Training for the Municipalities**
To ensure good practice in implementing infrastructure investments, this sub-component financed training for municipal staff on fiduciary aspects, including procurement and financial management.

Training on ‘World Bank Procurement Methods’ as well as ‘Financial Management’ for municipal staff was completed and training of the trainers for ‘City Capital Investments Planning’ was also completed. Training on ‘Capacity Building’ was not developed. This was not an effective activity due to the low number of participants.

**Component C.4: Component Management**

This sub-component financed the management costs of the Ministry of Interior to manage this component.

**Component D: Emergency Response to Flooding**

This component financed emergency reconstruction and minor works and equipment supply to Shkoder and Lezhe Prefectures, which were affected by intensive flooding during the period of January - March 2009, and again in November - December 2010. The investments were reviewed by a Bank-financed Hydrologist and determined to be critical and necessary to restore essential services without any significant and irreversible adverse environmental or social impacts. The activities included financing of drainage and water supply pumps that enabled the restoration of vital physical assets, many of which were operating at 50% capacity or completely out of commission due to damages incurred during the flooding. Supply of water testing equipment for water utilities serving the affected areas was also financed to ensure water supplied to residents in the affected areas was safe for consumption. Rehabilitation and linkage of an existing storm water collection network in Shkoder City enabled the city to withstand or mitigate the damages from future heavy rain and flood events. Technical assistance was also provided under this component to develop a more comprehensive view of the flooding problem and flood management, with a view towards meeting the EU Water Framework Directive and Floods Directive over time. This support included analysis of flood impacts, mapping, collection of critical data, and the provision of technical support to improve flood management capacity and development of longer-term flood protection strategies.

Project funds were reallocated. Component A remained intact. Component B was scaled back and closed out by March 31, 2011, and its remaining financing ($0.43 million equivalent) was reallocated to the new Component D. Component C was scaled back and approximately $12.21 million equivalent reallocated to Component D.

Component D was carried out by the General Directorate for Water Supply and Sanitation (GDWSS) at MPWTT and the Ministry of Agriculture in partnership with the Local Water Authorities and Drainage Authorities who were the direct beneficiaries. However, the primary target audience was 150,000 citizens and businesses at risk through flooding in the north of Albania.
A civil emergency taskforce was established with Deputy Prime Minister in charge. Drainage and Water Authorities submitted proposals for projects (preliminary designs and budgets provided by consultants) and the taskforce decided on a list of projects to be included in Component D. The designs of the selected projects were reviewed and 8 sub-projects were created that were to be split into 10 contracts:

1. Shkoder City stormwater drainage network (3 component contracts)
2. Cas drainage pumping station
3. Veliopja drainage pumping station
4. Tale drainage pumping station
5. Trush water supply pumping stations
6. Bahcellek water supply pumping stations
7. Dobrac water supply pumping stations
8. Shkoder Water testing equipment

As well as having a dedicated PIU reporting to General Directorate for Water Supply and Sanitation (GDWSS) at MPWTT, Component D also used contracted consultants to perform contract management and supervise the contractors implementing the water and drainage pumping stations. The contract managers provided adequate (although slow) information on implementation progress.

The Emergency Response project successfully constructed 4 water pumping stations and 3 drainage pumping stations in Shkoder and Lezhe Prefectures since they were last affected by flooding in November-December 2010. One drainage pumping station has not been installed within the project duration due to procurement and pump delivery delays. However, the efficiency of the existing station has been considerably improved, lowering the risk of flooding. Although most the objectives of this project component have been achieved, it should be highlighted that several of these emergency solutions have been completed towards the end of the project; over three years after the last major flood. It has been fortunate that major floods have not occurred in the intervening years! These project delays centered on procurement issues despite the emergency nature of the project.

The water testing equipment was never installed in Shkoder.

The most problematic activity within the project was procurement. The evaluation committee took a long time to be established. The smaller contracts (< US$1M) were carried out under emergency procurement rules and they were fast and successful. However, larger contracts were significantly delayed in procurement. The Albanian government procurement rules, enforced through the State Supreme Audit, ensure that the lowest bidder wins. This sometimes resulted in ‘non-qualified’ companies winning. For example, a company bid US$ 2 million for a pumping station contract with an estimated budget of US$ 3.6 million and the cost of the pumps directly from the supplier was greater than that quoted by the bidder. The Bank had a dispute with the evaluation committee over whether companies complied with criteria of the evaluation (6 months to
resolve). The Bank intervened and proposed that the evaluation team visit the company in Former Yugoslav Republic of Macedonia to carry out further due diligence.

Ironically, one of the projects, Trush water supply pumping station, was delayed due to citizens claiming that the land used to support the project was private rather than public. Prior to the project being initiated, the PIU had checked the ownership status with the local mayor and the IPRO and it was confirmed to be public. However, citizens subsequently claimed ownership through the courts. On further checking with IPRO, two conflicting certificates were identified: one indicating public ownership and the other private ownership. The implementing agency bought the land rather than adopting a lengthy expropriation route with adjudication and approval by the Council of Ministers. This process happened after the project closure on the June 30, 2014 so the project activities of asphalting and the area around the facility was removed from component D. This land ownership problem highlighted the lack of joined up information across the three land agencies: IPRO, ALUIZNI and Commission for Restitution and Compensation.

The major capital projects in flood protection schemes to the north of Albania were implemented with no follow-on maintenance contracts, although training, manuals and some spares were provided by the contractor to the government custodians. There was no clarity on the budgets allocated for this maintenance. In April 2014, the government was considering dividing the maintenance and dredging responsibilities between the Ministry of Agriculture (strategic infrastructure assets) and local government (the rest of the assets). However, in September 2014, the government is now considering consolidating all maintenance and dredging responsibilities under the Drainage Boards. This lack of maintenance strategy and associated budgets leaves these assets at risk.

Component D, Emergency Response, did implement the required water and drainage infrastructure except for one drainage pumping station. However, the delays of two years in implementing the solutions significantly exposed the local population to the risk of flooding. The weather was kind to the project.

Final payments to the contractors will be made at the end of October 2014 once the snag list of repairs has been completed. If the repairs are not implemented then the performance guarantee will be used.

The Government of Albania has made budget provision (US$1.25 million) with the Ministry of Infrastructure and Transport for installing new pumps at the drainage pumping station at Cas where the pumps were upgraded rather than replaced under Component D. The Government of Albania has selected the same contractor as they have now obtained a letter of credit following payment of invoices. The same supervision consultant has been retained. The pumps will be purchased and incrementally installed before the next winter season; although this will be weather dependent. The difference in advance payment to the contractor will be returned to the World Bank. This investment by the Government of Albania will eliminate any lingering reputational risk to the World Bank.
Annex 3. Economic and Financial Analysis
(including assumptions in the analysis)

1. Introduction

The Albania Land Administration and Management Project has the following project development objective: (a) to improve the efficiency and effectiveness of land administration and management through enhanced tenure security and improved urban planning;\textsuperscript{12} and (b) to rebuild the physical assets and restore essential services in flood affected areas as an emergency response to the devastating floods in 2010 in specific municipalities in Albania.\textsuperscript{13}

The project had four components. Component A—Security of tenure and registration of property rights—aimed to complete the first registration of 400,000 properties,\textsuperscript{14} which would bring economic benefits to Albania in the form of security of tenure, which in turn is linked with property market development and increased investment in the economy. The land administration IT system developed under Component A would increase transparency and efficiency of the property market.

Component B—Urban Management—was designed to create and implement 8 municipal territorial plans to improve land use profiles and municipalities’ capacity to plan for future infrastructure projects in the most optimal manner. Overall, it would improve the planning and development of target areas resulting in an increase in property prices that would benefit property owners.

Component C—Municipal Infrastructure Investments—aimed to finance infrastructure projects to enable proactive urban growth management and enhance land market efficiency. The main benefit of these investments comes in the form of direct job creation through improved road works that increase accessibility and mobility significantly to underdeveloped points in the city.

Component D—Emergency Response to Floods—was designed as a response to the 2010 flash floods that affected northwestern Albania. Component D activities included financing of drainage and water supply pumps that enabled the restoration of vital physical assets, many of which were operating at 50\% capacity or completely out of commission due to damages incurred because of the floods. The main benefit from

\textsuperscript{12} Original PDO.

\textsuperscript{13} Additional PDO added at the time of project restructuring in 2011.

\textsuperscript{14} Original target as per project appraisal document was 500,000 but was revised down to 400,000 due to project delays and other circumstances as deemed appropriate during restructuring in 2011.
Component D is estimated as potential future savings (or averted economic losses) that are possible due to these drainage pumps that were built.

This annex evaluates the project’s performance against the goals it set. It first starts with a section on market conditions to lay the broader context of project development. Next, the annex presents a benefit analysis listing all relevant assumptions. The annex notes the following six benefits:

<table>
<thead>
<tr>
<th>SNo.</th>
<th>Economic/Financial Benefit</th>
<th>Relevant Component</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>Residential Property Market Development</td>
<td>Components A (security of tenure) and B</td>
</tr>
<tr>
<td>2</td>
<td>MSME Development</td>
<td>Components A and B</td>
</tr>
<tr>
<td>3</td>
<td>E-governance Productivity Gains</td>
<td>Component A (IT system development)</td>
</tr>
<tr>
<td>4</td>
<td>Fiscal Savings from IPRO Self-Financing</td>
<td>Component A (institutional development)</td>
</tr>
<tr>
<td>5</td>
<td>Savings from municipal infrastructure development</td>
<td>Component C</td>
</tr>
<tr>
<td>6</td>
<td>Potential future savings from emergency response</td>
<td>Component D</td>
</tr>
</tbody>
</table>

Assuming a 10 percent discount rate, the resultant **net present value (NPV)** from the aforementioned analysis is estimated at US$ 12.82 million and the **internal rate of return (IRR)** is estimated at 22.9 percent.

It is important to note that the analysis presented in this annex is not directly comparable with the analysis presented in the PAD and Restructuring Paper because those analyses were limited. Component A analysis in the PAD looked only at the effects of property market development but not at gains from productivity through the IT system development or fiscal impact like increased property tax revenue through more registrations and reduced spending due to IPRO’s self-financing structure. The Component A analysis in the ICR is much broader and addresses these gaps from the PAD. Similarly, the PAD did not have any quantitative analysis for Component B whereas this has been incorporated in the ICR analysis. Component C analysis presented in the PAD has been successfully replicated in the ICR. Finally, the restructuring paper (2011) did not attempt to quantify the benefits from Component D whereas this has been done in the ICR.

Even though, the NPV and IRR figures presented in the PAD, restructuring paper, and ICR are not comparable, the table below provides a summary of the analysis:

<table>
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<tr>
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<th>PAD</th>
<th>Restructuring Paper</th>
<th>ICR</th>
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| Net Present Value (US$ M) at 10% discount rate | Comp. A: 18.29
Comp. C: 7.27            | Comp A: 5.99                 | All components: 12.82 |
| Internal Rate of Return (%) | Comp. A: 23%
Comp. C: 20% | Comp A: 15%                | All components: 22.9% |

2. **Market Conditions**

To properly understand the project’s effects and results it is important to first outline the regional and global context that this project took place in. The duration of the project
coincided with the worst global financial crisis in the last several decades. At the same time, the European Union also experienced its own economic and political problems as several of the original 12 EU countries saw themselves in deep fiscal indebtedness coupled with economic slowdown and high unemployment.

**Global Financial Crisis in the Regional Context**
The global financial crisis started in 2008 and the American and many EU economies went into recession. The slowing demand from the west had adverse effects on the economies of the Western Balkans. While most economies in the Balkans contracted between 2008 and 2009, Albania (and Kosovo) held steady, and even experienced slight growth between 2009 and 2010. This can be explained by the relative isolation of the Albanian economy, the lack of financial interconnectedness with American and Western European banks, and an underdeveloped mortgage market. Even though Albania has averted recession, its GDP has continued to decline since 2010. This can be best explained by weak domestic demand, loss of investor confidence, and the delayed effects of the Eurozone crisis (see figure below).

![GDP Growth in the Western Balkans (%)](image)

### 3. Economic and Financial Analysis by Category

This section presents the various project benefits detailing the economic rationale behind each and providing key assumptions for the calculation of the benefits. All benefits are calculated from the year when the project activity began till 2020, which is assumed as

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the end of the implementation period. This was assumed to take a 15-year view on project results so all benefits can be sufficiently captured.

3.1 Residential Property Market Development

**Rationale for benefit:** The rationale for benefit to the residential property market comes from two channels—(1) security of tenure (Component A) and (2) improved urban planning (Component B).

The objective of the first registration subcomponent of Component A was to complete first registration in targeted areas. The original project target was set to 500,000 properties, which was later reduced to 400,000 properties with the restructuring in 2011. The economic benefit from security of tenure comes from the fact that owners are more likely to invest in and develop a secure property and that the size of their investment is likely to be larger. A secure property can also be used as collateral to obtain mortgage and other loans. A property rights certificate also increases the liquidity of the property since it can be more easily and confidently transacted on the market. Due to these reasons, a secure property becomes more valuable. Overall, security of tenure allows for real estate market development through an appreciation in property prices and increased number of transactions.

The objective of Component B was to improve urban planning in select municipalities. Urban planning allows for improved access to city/municipal facilities and also tends to increase the values of properties in targeted areas.

**Key Assumptions:** The model for residential property market development takes into account the unregistered property stock of 400,000 properties (project target). 99% of these properties are assumed to be residential. Below are the key assumptions for the ‘without’ and ‘with’ project scenarios.

**Without Project:** A market turnover (value of market transactions) is estimated assuming an average property price of LEK 2.4 million (US$ 24,000) and a market turnover of total market transactions equaling 3% of unregistered property tax. The average property price assumed is the same as in the PAD and is a very conservative assumption as property values between 2006 and 2014 are much higher. The assumption for total market transactions as 3% of unregistered property stock is the same as in the PAD.

**With Project:** The ‘with project’ analysis is split into two parts—one for properties registered in IPRO and one for properties not registered in IPRO. The number of properties registered in IPRO is the actual data provided by IPRO and equals 357,383 as of June 30, 2014. While the first registration of 400,000 properties is expected to be completed shortly, the model assumes that only 357,383 properties were registered for the model period (2014-2020). The number of properties not registered in IPRO is simply number of registered properties subtracted from the unregistered property stock.
For properties registered in IPRO, the total number of market transactions is assumed as 1.5% higher than the 3% in the without project scenario. This increase is compounded year after year from 2011 (when the first properties were registered) till 2020 (the end of the model period) to indicate an increase in the number of transactions due to secure tenure. The average property price as a result of the project is assumed 4% higher than the ‘without project’ assumption of LEK 2.4 million (US$ 24,000). This 4% is split into 3% increase in price from security of tenure and 1% from improved urban planning.\(^{16}\) Note that to remain conservative regarding property price increases as a result of the project, this 4% is \textit{not} compounded over the model period till 2020. Therefore, it is a one-time increase in property price from LEK 2.4 million (US$ 24,000) to LEK 2.49 million (US$ 24,960). A market turnover is calculated by multiplying the increased number of transactions with the increased average property price.

For properties not registered in IPRO, there is no increase in the number of transactions because there is no security of tenure benefits till properties are registered in IPRO. As of the increase in property price, only the 1% increase from improved urban planning is applied. Once again, this increase of 1% is \textit{not} compounded over the model period till 2020. Therefore, it is a one-time increase in property price from LEK 2.4 million (US$ 24,000) to LEK 2.42 million (US$ 24,240). A market turnover is calculated by multiplying the increased number of transactions with the increased average property price.

The total with project market turnover is the sum of market turnover for properties registered in IPRO and market turnover for properties not registered in IPRO.

\textit{Project Gains}: The incremental market turnover is calculated by subtracting the ‘without project’ estimated market turnover from the ‘with project’ estimated market turnover. The project gain is quantified at 6% capital gains over this incremental market turnover. The 6% assumption is the same as in the PAD and quantifies the net benefit to transacting parties.

\textbf{The cumulative benefit for residential property market development from 2008 to 2020 is US$ 18.55 million.} See the last page of Annex 3 for year-on-year details.

\subsection*{3.2 MSME Market Development}

\textbf{Rationale for benefit:} Micro, small, and medium enterprises (MSME) can use their secure property titles to get business loans from commercial banks and grow their business. With this in mind, security of property rights enables MSME market development leading to more businesses that create jobs. This benefit is different from

\(^{16}\) Note, the 3\% increase is applied from 2011 when the first properties were registered till 2020 (end of model period). The 1\% increase is applied from 2008 when urban plans began to be developed till 2020 (end of model period).
increased market turnover as it is assumed that the owner intends to use his/her property to secure a loan rather than sell it on the market.

**Key Assumptions:** The model for MSME market development takes into account the same unregistered property stock of 400,000 properties (project target). 1% of these properties is assumed to be MSME (remainder from 99% that is assumed to be residential as will undergo transactions). This is a very conservative assumption given that the ground floor of most properties in Albania is typically a small business. In this case, the model looks at credit injection due to commercial bank loans extended to MSMEs. Below are the key assumptions for the ‘without’ and ‘with’ project scenarios.

*Without Project:* The credit injection for MSMEs in the ‘without project’ scenario is estimated by multiplying the total number of MSMEs (1% of unregistered property stock), the average property value (LEK 2.4 million or US$ 24,000), and a loan-to-value ratio of 50% for unregistered properties.

*With Project:* The ‘with project’ analysis is split into two parts—one for properties registered in IPRO and one for properties not registered in IPRO.

For properties registered in IPRO, the credit injection for MSMEs is estimated by multiplying the total number of MSMEs (1% of properties registered in IPRO), the average property value including the 4% increase coming from security of tenure and improved urban planning (LEK 2.49 million or US$ 24,960), and a loan-to-value ratio of 55% for registered properties that are more secure. The loan-to-value ratio is on account of commercial banks being use the secure property as collateral. Normally, the difference between loan-to-value ratios for unregistered and registered properties is even greater because commercial banks typically do not lend without secure property rights certificates. However, only a five percentage point difference is assumed in this model to be conservative.

For properties not registered in IPRO, the credit injection for MSMEs is estimated by multiplying the total number of MSMEs (1% of properties not registered in IPRO), the average property value including the 1% increase coming from improved urban planning (LEK 2.42 million or US$ 24,240), and a loan-to-value ratio of 50% for unregistered properties.

The total credit injection for the ‘with project’ scenario is the sum of the estimates for credit injection for MSMEs registered in IPRO and MSMEs not registered in IPRO.

*Project Gains:* The incremental credit is calculated by subtracting the ‘without project’ estimated credit injection from the ‘with project’ estimated credit. This is the new credit in the market available to MSMEs as a result of the project.

**The cumulative benefit for MSME development from 2011 to 2020 is US$ 47.88 million.** See the last page of Annex 3 for year-on-year details.
3.3 E-governance Productivity Gains

**Rationale for benefit:** The land administration IT system (ALBSREP) established in all IPRO offices will improve the service delivery, efficiency, and transparency of IPRO transactions as well as improve the data quality and maintenance of maps and ownership data in Albania. While it is difficult to quantify all these benefits, the model attempts to quantify productivity gains for IPRO customers. The idea behind productivity gains is that the more efficient the IPRO transaction system, the less time IPRO customers have to spend in line and wait for a transaction to be processed.

For simplicity, the model assumes that as a result of the IT system in all offices, each IPRO customer saves half a day compared to the transaction time before the project. This is again a conservative assumption since the improved efficiency is greater than half a day. Assuming a LEK 35,000 (US$ 350) monthly wage and 22 working days per month, the daily wage is estimated at LEK 1,591 (US$ 15.91). Half of this—or LEK 795 (US$ 7.95)—is estimated as a half day’s productivity gain for each transaction as IPRO customers no longer have to be away from their respective jobs to make the transaction.

Below are the key assumptions for the ‘without’ and ‘with’ project scenarios.

*Without Project:* Since e-governance led productivity gains would not have taken place without the project, the ‘without project benefits’ to the Albanian economy are nil. As a result, the ‘with project’ gains are the same as project gains in this case.

*With Project:* The total productivity gains with project are estimated by multiplying the per transaction productivity gain of a half day’s wage (LEK 795 or US$ 7.95) with the number of transactions for properties registered in IPRO as they are the only ones that were improved by the IT system. For details on the exact number of transactions, see residential property market development.

The cumulative benefit for e-governance productivity gains from 2013 to 2020 is US$ 0.68 million. See the last page of Annex 3 for year-on-year details.

3.4 Fiscal Savings from IPRO Self-Financing

**Rationale for benefit:** An important element of the strategic business planning subcomponent of Component A was the transformation of IPRO from a state-budget to a self-financing entity so it would no longer depend on government funds. This not only reduces government spending but also releases public funds for other important public services like education and health.

**Key Assumptions:** Below are the key assumptions for the ‘without’ and ‘with’ project scenarios for the fiscal savings from IPRO self-financing.

*Without Project:* Since fiscal savings from IPRO self-financing would not have taken place without the project, the ‘without project benefits’ to the Albanian economy are nil. As a result, the ‘with project’ gains are the same as project gains in this case.
With Project: To calculate the potential fiscal savings from IPRO self-financing, the model uses actual IPRO budget data for 2008 to 2014 and IPRO forecasted budget for 2015 and 2016. For the remainder of the model period, 2017 to 2020, it is assumed that the budget grows at 1% annually. This is a conservative assumption considering the IPRO budget’s growth rate for both actuals and forecasts is higher. The potential savings from the self-financing structure are estimated at 20% of the total IPRO budget between years 2013\(^{17}\) (when IPRO became a self-financing agency) to 2020 (the end of the model period). The 20% assumption indicates that only a fifth of the self-financing capacity is attributed to project activities.

The cumulative benefit for fiscal savings from IPRO self-financing from 2013 to 2020 is US$ 12.63 million. See the last page of Annex 3 for year-on-year details.

3.5 Benefits from Municipal Infrastructure Development

Rationale for benefit: The aim of the municipal investments under Component C was to finance infrastructure projects that would enable proactive urban growth management and enhance land market efficiency for the targeted municipalities. Even though the restructuring substantially reduced the scope of Component C, all four municipalities saw improvements as a result of Component C activities. The main benefit of these investments comes in the form of direct job creation through improved road works that increase accessibility and mobility significantly to underdeveloped points in the municipality. As urban economics research and literature point out, “if a spatial mismatch exists, then accessibility should influence how long it takes to find a job.”\(^{18}\) In this way, Component C activities helped to reduce the spatial mismatch issues.

While it is difficult to quantify the exact number of jobs created in such a way, the model here assumes annual cost savings per vehicle to estimate the quantitative impact of benefits from municipal infrastructure development. The concept behind this model is the same as the one presented in the PAD. However, the PAD did a cost-benefit analysis whereas the ICR looks at benefit projections for each component and then calculates an overall NPV and IRR for the project. These details are presented later in this section.

Key Assumptions: Below are the key assumptions for the ‘without’ and ‘with’ project scenarios for benefits from municipal infrastructure development.

\(^{17}\) Note that for 2013, only 9 months of the full year budget are assumed to contribute to savings. This is because IPRO became self-financing on April 1, 2013 and therefore savings were limited to the 9 months from April to December.

**Without Project:** Since these benefits from municipal infrastructure development would not have taken place without the project, the ‘without project benefits’ to the Albanian economy are nil. As a result, the ‘with project’ gains are the same as project gains in this case.

**With Project:** The PAD assumed the total number of registered vehicles in Albania to be 200,000. Even though the number of vehicles in Albania has more than doubled, the ICR assumes the same 200,000 vehicles to be conservative. Of these vehicles, the PAD assumed 20,000 vehicles (or 10% of total) were from the originally targeted municipalities. This amounted to approximately 2,000 vehicles per targeted municipality. Of these originally targeted municipalities, Component C activities were completed in only 4 municipalities—Elbasan, Shkodra, Berat, and Kamza. Given this information and an assumption of 2,000 vehicles per municipality, the total number of vehicles in these 4 municipalities where Component C work was completed is estimated at 8,000 vehicles. Note that this is a conservative assumption considering that Elbasan and Shkodra are in the top five largest municipalities by population. Of these 8,000 vehicles, the ICR model assumes that only 50% benefit from Component C activities. This is to account for the fact that Component C financed construction in strategic—but not all—areas of the municipalities.

The vehicle operating cost is assumed at LEK 10 per kilometer (US$ 0.01 per kilometer) in both the PAD and the ICR. Assuming 1,825 kilometers travelled per vehicle per year (specifically 5 kms per day for 365 days a year), the annual savings are estimated at US$ 182.5 per vehicle.

Furthermore, since it takes time to build all the infrastructure, the model assumes only a 5% realized benefit in 2009, which steadily increases to 100% by 2013 and continues at the 100% level until the end of the implementation period in 2020.

The total annual savings from Component C are calculated as number of vehicles multiplied by annual savings per vehicle and the percentage of realized benefits.

**The cumulative benefit for municipal infrastructure development from 2009 to 2020 is US$ 7.67 million.** See the last page of Annex 3 for year-on-year details.

### 3.6 Potential Future Savings from Emergency Response

**Rationale for benefit:** Due to severe flash floods in 2010 in the Shkodra and Lezhe regions, the project added a new component on Emergency Response (Component D). Under this component, critical flood prevention and repair works were undertaken that financed emergency reconstruction and minor works as well as equipment supply to the affected prefectures. Component D activities included financing of drainage and water supply pumps that enabled the restoration of vital physical assets, many of which were operating at 50% capacity or completely out of commission due to damages incurred due to the floods. The main benefit from Component D is estimated as potential future savings that are possible due to the drainage pumps that were built.
**Key Assumptions:** Below are the key assumptions for the ‘without’ and ‘with’ project scenarios for potential future savings from emergency response.

*Without Project:* Since potential future savings from emergency response would not have taken place without the project, the ‘without project benefits’ to the Albanian economy are nil. As a result, the ‘with project’ gains are the same as project gains in this case.

*With Project:* According to the CIMA foundation 72% of economic losses due to natural disasters in Albania are specifically due to hydrological events. In 2010, the economic losses reached an 80-year peak at 4,040 million LEK or US$ 38.9 million dollars, most of which was concentrated in Shkodra. The model assumes that the economic loss attached to any future floods over the model period till 2020 is US$ 3.89 million or one tenth of the damage caused during the 2010 floods. In other words, the presence of drainage pumps can prevent an annual economic loss of up to US$ 3.89 million. Given that Albania has been affected by floods nine times in the last twenty years, the chance of flood in any given year is assumed at 45%. Finally, drainage pump capacity for loss prevention is assumed to vary by year. In 2012 when the work began, the capacity is assumed at 0% and increases to 100% by 2015 when all construction work is expected to be completed. Thereafter, it stays at 100% till 2017 before declining again by 5 percentage points each year till the end of the model period in 2020. The potential future savings from emergency response are therefore calculated as annual economic loss averted multiplied by the chance of floods and the drainage pump capacity.

The cumulative benefit for emergency response to the floods from 2013 to 2020 is US$ 11.29 million. See the last page of Annex 3 for year-on-year details.

4. **Summary**

The project benefits for the Albania Land Administration and Management Project come from seven channels: residential property market development, MSME development, productivity gains from e-governance, fiscal revenue gains from property taxation, fiscal savings from IPRO self-financing, municipal infrastructure development, and potential future savings from emergency response.

Over the life of the project from when each component activity began till the end of the implementation period in 2020, the cumulative project gain is shown in the chart below:

---

19 Historical Collection of Disaster Loss Data in Albania, [http://www.preventionweb.net/files/36736_historicalcollectionofdisasterlossd.pdf](http://www.preventionweb.net/files/36736_historicalcollectionofdisasterlossd.pdf)
The cumulative project benefits till 2020 amount to US$ 101.2 million. Assuming a 10 percent discount rate, project NPV is estimated at US$ 12.82 million and project IRR is estimated at 22.9%.

A detailed table of results is presented below:
<table>
<thead>
<tr>
<th></th>
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<tr>
<td>Residential Property Market Development</td>
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<td>0.17</td>
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<td>0.17</td>
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<td>2.64</td>
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<td>MSME Development</td>
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<td>0.00</td>
<td>0.00</td>
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<td>E-governance Productivity Gains</td>
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<td>Fiscal Savings from IPRO Self-Financing</td>
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<td>0.00</td>
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<td>1.67</td>
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<tr>
<td>Benefits from Municipal Infrastructure Development</td>
<td>USD M</td>
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<td>0.00</td>
<td>0.00</td>
<td>0.04</td>
<td>0.19</td>
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<td>Potential Future Savings from Emergency Response</td>
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<td>Total Project Benefit</td>
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<td>6.17</td>
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<td>12.29</td>
<td>12.60</td>
<td>12.88</td>
<td>13.08</td>
<td>13.29</td>
<td>13.50</td>
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<td>Total Project Cost (Loan Disbursements)</td>
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<td>0.00</td>
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<td>-1.27</td>
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<td>-15.36</td>
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<tr>
<td>Net Cash Flow</td>
<td>USD M</td>
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<td>0.00</td>
<td>-0.08</td>
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<td>-5.13</td>
<td>-7.84</td>
<td>-12.90</td>
<td>-1.43</td>
<td>11.12</td>
<td>12.29</td>
<td>12.60</td>
<td>12.88</td>
<td>13.08</td>
<td>13.29</td>
<td>13.50</td>
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Discount Rate % 10%

NPV USD M 12.82

IRR % 22.0%
Annex 4. Bank Lending and Implementation Support/Supervision Processes

(a) Task Team members

<table>
<thead>
<tr>
<th>Names</th>
<th>Title</th>
<th>Unit</th>
<th>Responsibility/Specialty</th>
</tr>
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<tr>
<td><strong>Lending</strong></td>
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<td></td>
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<tr>
<td>Wael Zakout</td>
<td>Manager</td>
<td>EASR2 TTL</td>
<td></td>
</tr>
<tr>
<td>Olav Rex Christensen</td>
<td>Senior Public Finance Specialist</td>
<td>HDNED</td>
<td></td>
</tr>
<tr>
<td>Alia M. El MouBayed</td>
<td>Senior Economist</td>
<td>ECSPE</td>
<td>Economist</td>
</tr>
<tr>
<td>Ruxandra Maria Floroiu</td>
<td>Senior Environmental Engineer</td>
<td>EASER</td>
<td>Environment</td>
</tr>
<tr>
<td>Ibrahim Hackaj</td>
<td>Consultant</td>
<td>ECSUW</td>
<td>Agriculture</td>
</tr>
<tr>
<td>Toru Konishi</td>
<td>Senior Economist</td>
<td>SASDA</td>
<td>Economist</td>
</tr>
<tr>
<td>Jolanta Kryspin-Watson</td>
<td>Senior Disaster Risk Management</td>
<td>EASIN</td>
<td>DRM</td>
</tr>
<tr>
<td>Beatrice Koshie Michel</td>
<td>Senior Executive Assistant</td>
<td>SDNSO</td>
<td>Operations</td>
</tr>
<tr>
<td>Radhika Srinivasan</td>
<td>Sr Social Scientist</td>
<td>OPSFC</td>
<td>Social</td>
</tr>
<tr>
<td><strong>Supervision/ICR</strong></td>
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<td></td>
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<tr>
<td>Gavin P. Adlington</td>
<td>Lead Land Administration Specialist</td>
<td>ECSEN TTL</td>
<td></td>
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<tr>
<td>Arben Baklamaja</td>
<td>Consultant</td>
<td>AFTU1</td>
<td>Political Economy</td>
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<tr>
<td>Kathrine Kelm</td>
<td>Sr Land Administration Specialist</td>
<td>ECSEN</td>
<td>Land administration</td>
</tr>
<tr>
<td>Rumyana Tonchovska</td>
<td>Senior Land Administration Officer – IT</td>
<td>UNFAO IT (Land administration)</td>
<td></td>
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<tr>
<td>Božena Lipej</td>
<td>Consultant</td>
<td>ECSEN</td>
<td>First registration</td>
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<tr>
<td>Aanchal Anand</td>
<td>Junior Professional Associate (Economist)</td>
<td>ECSEN</td>
<td>Economist</td>
</tr>
<tr>
<td>Drite Dade</td>
<td>Senior Projects Officer</td>
<td>ECSEN</td>
<td>Environment</td>
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<tr>
<td>Blaga Djourdjin</td>
<td>Procurement Specialist</td>
<td>ECSO2</td>
<td>Procurement</td>
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<td>David E. Dowall</td>
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<td>LCSDU</td>
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<td>Ruxandra Maria Floroiu</td>
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<tr>
<td>Elona Gjika</td>
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<td>Artan Guxho</td>
<td>Senior Infrastructure Specialist</td>
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<td>Alexandra Cristina Montea Hadzi-Vidanic</td>
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<td>Operations</td>
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<td>Jonathan S. Kamkwala</td>
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<tr>
<td>Esma Kreso</td>
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<tr>
<td>Belita Manka</td>
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<td>LEGOP</td>
<td>Legal</td>
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<tr>
<td>Ida N. Muhoho</td>
<td>Sr Financial Management Specialist</td>
<td>ECSO3</td>
<td>Financial Management</td>
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<tr>
<td>Anu Saxen</td>
<td>Senior Land Policy Specialist</td>
<td>ECSEN</td>
<td>Land Policy</td>
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<tr>
<td>Yan Zhang</td>
<td>Sr Urban Economist</td>
<td>EASPS</td>
<td>Urban</td>
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### (b) Staff Time and Cost

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<th>Stage of Project Cycle</th>
<th>Staff Time and Cost (Bank Budget Only)</th>
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<td>No. of staff weeks</td>
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<td><strong>Lending</strong></td>
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<td>FY06</td>
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<td>FY07</td>
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<td>FY08</td>
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<td><strong>Total:</strong></td>
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<td><strong>Supervision/ICR</strong></td>
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<td>FY06</td>
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<td>FY07</td>
<td>2.91</td>
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<td>FY08</td>
<td>39.66</td>
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<td>FY10</td>
<td>53.48</td>
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<td>FY11</td>
<td>49.58</td>
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<td>FY12</td>
<td>40.59</td>
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<td>FY13</td>
<td>38.50</td>
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<td>FY14</td>
<td>34.63</td>
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<td>FY15</td>
<td>7.49</td>
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<tr>
<td><strong>Total:</strong></td>
<td>315.95</td>
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Annex 5. Beneficiary Survey Results

Customer Satisfaction Surveys
Three customer satisfaction surveys were conducted during the course of the project implementation. The main objective was to assess the project performance indicator for Component A: “IPRO customer satisfaction improved from very poor to very good”

The first Customer Satisfaction Survey was conducted in the period September – December 2012 and the final report was delivered in February 2011. The general level of client satisfaction was assessed to be “average”. This rate of satisfaction is also reflected in the Monitoring Indicators table. The general conclusion of the Report was: Overall, we assess that IPRO regional offices have improved the quality of services for customers, by encouraging the development of a real estate market. However, we notice that there is room and opportunity for further improvement in the overall function of customers’ services and increasing of security when performing transactions with immovable properties in favor of the national economy in general.

The second customer satisfaction survey was conducted in the period November 2012 – January 2013. The final report was provided in March 2013.

The 2012 survey results showed, that there was a slight increase within the group of "satisfied customers" (from 75% to 78.3%), and it is reduced the number of "dissatisfied and very dissatisfied" customers, from 25% (2010) to 21.7% (2012). Compared with the 2010 survey, the overall perception that current procedures are more effective has increased and it is also found that there is significant progress of the professional capacities of the IPRO staff by taking it out from the reasons for dissatisfaction, as mentioned in 2010. There is a significant difference in customer perception as far as the IPRO service quality provision is concerned compared with other public administration institutions of local and central level.

<table>
<thead>
<tr>
<th>Level of Satisfaction</th>
<th>District</th>
<th>Durres</th>
<th>Fier</th>
<th>Korce</th>
<th>Sarande</th>
<th>Shkoder</th>
<th>Tirane</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 = very satisfied</td>
<td></td>
<td>15.8%</td>
<td>12.6%</td>
<td>1.5%</td>
<td>0.0%</td>
<td>17.2%</td>
<td>23.3%</td>
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<tr>
<td>2 = satisfied</td>
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<td>50.5%</td>
<td>27.6%</td>
<td>33.3%</td>
<td>19.4%</td>
<td>34.5%</td>
<td>38.8%</td>
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<tr>
<td>3 = somewhat satisfied</td>
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<td>12.6%</td>
<td>28.7%</td>
<td>59.1%</td>
<td>69.4%</td>
<td>24.1%</td>
<td>14.6%</td>
<td>24.7%</td>
</tr>
<tr>
<td>4 = Dissatisfied</td>
<td></td>
<td>15.8%</td>
<td>25.3%</td>
<td>6.1%</td>
<td>11.1%</td>
<td>21.8%</td>
<td>16.2%</td>
<td>16.7%</td>
</tr>
<tr>
<td>5 = very dissatisfied</td>
<td></td>
<td>5.3%</td>
<td>5.7%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>2.3%</td>
<td>7.1%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>


The third and final customer satisfaction survey was conducted during the period March – May 2014 and the final report was provided on September 2014.
<table>
<thead>
<tr>
<th>Level of Satisfaction</th>
<th>Durres</th>
<th>Fier</th>
<th>Korce</th>
<th>Sarande</th>
<th>Shkoder</th>
<th>Tirane</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 = very satisfied</td>
<td>7%</td>
<td>6%</td>
<td>2%</td>
<td>6%</td>
<td>2%</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>2 = satisfied</td>
<td>40%</td>
<td>6%</td>
<td>9%</td>
<td>38%</td>
<td>7%</td>
<td>17%</td>
<td>16%</td>
</tr>
<tr>
<td>3 = somewhat satisfied</td>
<td>31%</td>
<td>30%</td>
<td>40%</td>
<td>31%</td>
<td>11%</td>
<td>22%</td>
<td>25%</td>
</tr>
<tr>
<td>4 = Dissatisfied</td>
<td>13%</td>
<td>24%</td>
<td>36%</td>
<td>19%</td>
<td>34%</td>
<td>17%</td>
<td>22%</td>
</tr>
<tr>
<td>5 = very dissatisfied</td>
<td>9%</td>
<td>34%</td>
<td>13%</td>
<td>6%</td>
<td>45%</td>
<td>37%</td>
<td>31%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>


The results of the 2014 survey showed that the level of customer satisfaction for IPRO experienced some fluctuations compared to the previous years and was considered to be ‘average’. This becomes more evident when evaluating indicators such as: time, queues, staff capacity, costs and overall efficiency, and it is less evident with other indicators such as: infrastructure, documentation, informal payments, information etc. These factors have led to the conclusion that customer satisfaction at IPRO is considerably influenced by the increase in the amount of time spent to obtain a final product/service and the decline in efficiency of the staff at a time when fees on services have increased. It should be noted that the upward trend of customer satisfaction in the two previous surveys has not followed the same trend in 2013 – 2014. Taking into consideration that infrastructure has been improved, this result may be explained by:

- The very large staff turnover of more than 50%, in the months prior to the survey. The newly hired employees did not possess sufficient experience or do not have sufficient/necessary technical knowledge, which could have led to lower efficiency. With proper training this problem could be mitigated and the new staff can improve their efficiency/performance.
- The increase with more than double in service fees was not based on a cost-based analysis. In addition, the increase in fees was not accompanied with an increase in service delivery quality or new investments.
- The introduction of the new IT system should have been accompanied with staff training, including the newly hired staff, in a timely manner.

Measuring customers’ perceptions provides the following trend of the main indicators:

- **Time of waiting in line** and the **number of people waiting in line** are reported to have increased, this mainly due to the longer amount of time spent at service desks. This, might indicate a decrease in efficiency in service desks. However this should be taken with caution and in relation to the number of customers at the IPROs, capacities of existing and new staff, type of service, possession of the right documents by the customers etc.
- The **time for being delivered a service at service desks** has increased. However this indicator should be understood by taking into consideration the workload, type of service, possession of the right documents by the customers, and service desk staff efficiency. The percentage of respondents reporting waiting in line up
to 20 minutes, a waiting time considered appropriate for these types of services, has not seen substantial changes from the last survey.

- **Fees.** In an overall assessment, 44% of the respondents consider service fees to be “reasonable” while 52% think they are “high” and “very high”. Although the differences compared to last year are not very large, they indicate a decrease in customer satisfaction with regard to the ratio price (fee)-(service) quality. It should be noted that when IPRO turned into a self-financing institution in 2013, the overall level of fees increased by more than twice. This however was not translated in more investments in infrastructure or in an increase in training of IPRO staff, which would have led to an increase in service delivery and would consequently justify or make up for the increase in service fees.

- Regarding the usage of the electronic register from the regular customers it results that only 9% have used the electronic register to check the online status of their application. From the regular customers that have used the electronic register 52.5% have found that the electronic register has facilitated the service delivery (they have stated that the electronic register “has facilitated a lot” and “has facilitated” the service delivery). 46% of the regular customers that have used the electronic register stated that the service delivery has improved in terms of time. With regard to the costs related to service delivery, it results that the majority of the respondents (62.5%) have stated that “there is no difference”, whereas 22.5% found that the electronic registry has contributed to reducing the costs related to service delivery.

- This year’s survey shows that the gender gap on the level of information has shrink. According to the results of the survey, the information on procedures has increased for females to 69% and for males to 68%. Compared to 2012 the gender gap regarding the possession on information has decreased.

- Regarding the time for filling the procedure in the service counter, it should be stressed that there is a very small gap between males and females. 86% of the male’s respondents stated that they wait “up to 20 minutes” to fill the procedure in the service counter, whereas this has been stated by 87% of the females’ respondents.

- In terms of gender perception on the services’ fees, both males and females, share the same perception. 51.5% of females and 51.4% of males, consider fees at IPRO as “very high” and “high”.

- In terms of the level of satisfaction, it can be noted that there is a gender gap in favor of females. 22% of males are “very satisfied” and “satisfied”, while 26% of females are “very satisfied” and “satisfied”.

- With regard to the professional attitude of the staff toward males and females, it results that that males (47%) think that the professional attitude of the staff has not improved, whereas 43% of females share the same opinion.

- Transparency on fees, procedures and appropriate documents, remain at satisfactory levels. However transparency should be handled better at some IPROs where perceptions indicate a decrease.

- **Informal payments.** The data obtained from the 2014 survey indicate that only 5 percent of the respondents (30 out of 591) admitted to have made informal payments to obtain a service from the local IPRO. It should be noted that the same
trend as last year is preserved and this indicator has not increased even at a time when customer satisfaction regarding the time of service delivery and staff efficiency has fluctuated. On one hand this might be an indicator that there is an increase in customers and IPRO staff awareness regarding bribery, or this is a delicate and arguable issue as long as there is an overall average level of customer satisfaction for IPRO service delivery. A continuous monitoring of this phenomenon is required while guaranteeing a satisfactory level of efficiency and quality of service delivery, the deterioration of which can lead to informal payments. The publication of official fees, for example, has had a positive impact in the reduction of informal payments.

- With regard to customers perceptions on service delivery of IPRO compared to that of the public administration in general, there is a slight decrease (4 % less) in the number of respondents that think that the service delivery at IPRO is better than that of public administration.

The consultant’s report recommended improvements in the following areas:

- **Improving service quality:** Time spent at IPRO service desks to obtain a service needs to be reduced. For this reason it is recommended an increase in the number of service desks that have direct contact with clients as well as proper training of recently hired staff. This would improve staff efficiency and would reduce the time of waiting in line. In addition, it should be noted that the staff work performance indicators does not currently exist. In this regard it is recommended the establishment of such performance indicators and their continuous monitoring. In April 2013, when IPRO turned into a self-financing institution, fees were more than doubled which might have contributed to the slight decrease in customer satisfaction levels to some extent. The rationale behind this might be that while fees for the same services were increased, the efficiency of service delivery did not match such an increase, failing to meet people’s expectations about possible efficiency improvement due to higher fees. Overall, the perception that fees are high should be understood by taking into consideration that the economic situation has worsened overall (increase in unemployment for example), and taking into account that the increase in fees was not accompanied by the provision of a new service or faster service delivery.

In addition, the increase of fees was not based on a cost-based analysis. The establishment of fees should derive from a cost-based analysis, where the fees cover the overall service cost plus a specific margin. In the current situation, the revenues exceed to a great extent IPRO costs. Thus, it is recommended the conduction of a cost-based analysis, in order for the service fees to cover the basis cost elements and a small margin.

Another aspect that needs a specific attention is the free services that IPRO provides for public institutions. Currently the public institutions do not pay any fees for service delivery at IPRO. This means that the other customers take on the
weight of paying for them. In this regard, it is recommended that public institutions, which benefit from free services from IPRO pay for these services. This would reduce the burden placed on private customers who have to compensate for this. Institutions exempted from paying for IPRO services could include budgeting institutions such as: the army, the police, the prosecution etc. The expenses of these institutions, which are estimated to be nonetheless small, could be paid by the government budget for example.

Another aspect that might change and it comes as a recommendation as well, is related to the annual fiscal profit of IPRO. Currently, IPRO functions as a self-financing institution and the profit goes to the government budget at the end of the year. This means that the new fiscal year of IPRO starts with a balance sheet of zero profits.

In this situation it recommended that the profit that IPRO generates remains at IPRO and is used for further investments, improvements etc.

- **Access to Information and Public Awareness**
  The results of the survey indicate that the information offices at IPRO remain the main source of information. This leads to long lines at IPROs and to longer waiting hours. To mitigate long lines and waiting hours IPRO should try to provide comparable information through other sources such as for example: media, online portal of IPRO etc. This would facilitate individuals living in more remote areas, for which it is difficult to travel to IPROs, so that they have access to information related to IPRO services as well. In this way time would be used more efficiently and the finalization of procedures would be made easier. All of this in turn would be translated into a higher level of customer satisfaction. In this regard, IPRO should work on raising the public awareness for using such sources.

  More public awareness campaigns regarding first registration procedures are recommended, in order to encourage new customers to register their properties, especially in rural areas.

  According to the results of the survey only a small number of customers have used the electronic registry, which calls for more campaigns for the purpose of informing customers about the benefits of using the electronic registry as a faster and costless service.

- **Increase of System Efficiency**

  The further expansion of electronic services should continue and the implementation of the automatic registration system should be extended to all local IPROs, which would bring considerable improvement in timeframes of transactions finalizations.
Annex 6. Stakeholder Workshop Report and Results (if any)

N/A
Annex 7. Summary of Borrower's ICR and/or Comments on Draft ICR

Component A:

IPRO have created an Implementation Completion Report for component A of the LAMP project. It includes conclusions and recommendations on the following aspects of component A:

**Information Technology Development**

- The early termination of uncompleted contract for installation of the datacenter equipment and integration of the ALBSReP system requires IPRO to prepare an action plan and take immediate steps to complete the installation and testing in the AKSHI Data Center and than install ALBSReP and database of all completed cadastral zones in the new infrastructure. The increasing number of uploaded cadastral zones in the new system would very soon require additional storage and processing capacities, exceeding the limits of the old temporary data center.
- A SLA arrangement needs to be put in place for the support and maintenance of ALBSReP.
- After the closure of the LAMP Project, on June 30, 2014, it was not possible to continue the contract with three software development team members hired under LAMP. IPRO offered all of them the possibility to be hired as permanent staff of IPRO, but only one accepted this offer. IPRO should take immediate actions to insure that adequate staff are hired and trained to follow up the continuing software development issued, taking into consideration that this software has been developed in-house.
- The ALBSReP Operational Regulation and the Security Regulation need to be approved by the IPRO Board.
- The connectivity with 10 big offices need to be planned and established for the next year and expanded to other local IPRO Offices if needed.
- Continued training and testing need to be provided to the System Users in the Local IPRO-s.

**Surveying and Adjudication to Support First Registration**

- An accurate analyze of the status of sporadic registration should have been conducted before finalizing the technical specifications for first registration. The sporadic registration conducted previously was assumed to be correct in most of the cases. The work needed to correct the mistakes was underestimated.
- The lack of update of sporadic Kartela with further transaction was not identified at the begging of the project. Considering that the regulation requires that the transactions for sporadic properties are registered in both Hipoteka Books and Sporadix Kartela, it was assumed that the sporadic Kartelas were updated. In fact in most of the cases, the transactions were registered only in Hipoteka Books.
- Considering the big volume of work to be conducted by the Local IPRO to correct and update the manual sporadic Kartelas, it could have been more efficient to
either complete this work prior to the systematic first registration or assign this work to the contractor rather than to the local IPRO. Of course this would have increased the cost, but on the other hand, would have avoided the dependency of the contractor on the Local IPRO, unclear responsibilities of the parties and arguments for disputes regarding the respective responsibilities and causes of delays, making the contract management very complicated.

- Local IPRO-s, especially those with big number of cadastral zones under first registration, should have assign at the very beginning, qualified staff dedicated only for the first registration process. This staff should have been periodically trained and updated with new legislation and regulation.
- The software used for delivering the data and the quality control “Pasurite” should have been improved to allow more automatic controls. A new software for the quality control was developed in the last stage of first registration, which proved to be more efficient.

Quality Assurance

- IPRO should ensure that technical monitoring work commences at the same time, or slightly before, the production work. This would allow for an initial review of procedures and for the technical monitoring to engage the best human resources.
- IPRO should coordinate the handover of documents to contractors in each DIPRO. Provision in the contract should be made for late-delivered documents.
- IPRO should ensure that future First Registration contracts impose penalty clauses on contractors for multiple failures of products, provided the failures are not caused by the IPRO.
- IPRO should improve the First Registration monitoring procedures to be more specific on rejection criteria when only minor issues remain.
- IPRO should ensure, for future First Registration contracts, that the DIPROs are ready for the work. An inventory of documents should be provided with the bid documents in order to better define scope of work and reduce risk and cost to project and to contractors.
- IPRO should require in future First Registration contracts, a Technical Monitoring field survey report for this activity and a sign-off by CIPRO before proceeding and consider an intermediate payment step at the time of passing the field survey control.
- IPRO should ensure that future First Registration Contracts specify that the Registration Index Map should be correct on date of approval of Phase 1 Product. IPRO should amend the First Registration monitoring procedures to state that a Cadastral Zone Boundary confirmation is a prerequisite for commencement of technical monitoring of Phase 1 products.
- IPRO should amend the First Registration Monitoring Procedures to better define legal mistakes and technical mistakes.
- IPRO should show little tolerance for contractors or DIPRO defects in Phase 1. Accepting of “problems” should be done with discretion. The technical monitoring procedures for First Registration should be more specific on the allowable errors.
Training Strategy, Planning and Management:

- Before the new IPRO structure was approved in April 2013, there was no training function within IPRO. Although the role of the Training Manager hired under the project was important to plan and organize a number of trainings, this implementation of sub-component suffered from the lack of coordination with the HR Department and the lack of identification and commitment of dedicated trainers within the organization.

- Only internal experts can deliver training of IPRO legal, regulatory framework and business process. The training on first registration monitoring procedures and users of the IT System was planned, organized and delivered by the Department of Mapping and Registration and IT Department, without the involvement of the HR Department, which should be responsible for the planning and management of the training.

- Following the approval of a new IPRO structure in April 2013, two additional staff were hired in the HR Department to deal with the training. There is an urgent need to build Training Management capacities within the HR Department. This will help to ensure that all training delivered to IPRO staff will be cost effective and efficient, well managed, timely and therefore provide maximum benefit to both the organization and the individual.

- A Training Plan has been designed for IPRO. This plan should be updated regularly by the HR Department. They should be designed and updated at the same time as the budget cycles to ensure they reflect the training that can effectively and economically be done.

- Professional training is important in HR and HR Management within the HR area and that a coordinated program of professional training in this area to develop a strong, professional HR team.

- The current HR spreadsheet for staff should be expanded to include more information and its quality needs to be improved.

IPRO also provided a document summarizing the ICT solution (ALBSReP) installed at all IPRO regional offices to support land administration services: “Brief information on the ALBSReP, the computerised immovable property registration system, being operated in 35 Local Immovable Property Registration Offices across the country, December 2014”. This was used as a reference document to check descriptions of ALBSReP in the ICR.

Component B:

No report was produced on the completion of this component in April 2013.

Component C:
Although a report was produced on the completion of this component in April 2013, the report was very factual, focusing on activities and deliverables and did not include any lessons learned.

Component D:

No report has yet been produced on the completion of this component.
Annex 8. Comments of Cofinanciers and Other Partners/Stakeholders

Sida:

Scope of Support:

A twining project was agreed between IPRO and Lantmäteriet in Sweden. This project was financed by Sida under separate financing from LAMP. The twinning project had two phases and included the following components:

PHASE 1
- IT Support:
  - Enhance the quality and up-date the existing digital and analogue records in preparation for conversion to the digital system;
  - Develop IT-systems for data capture (data entry) from analogue records, conversion of digital records, registration of immovable property transactions and information dissemination;
  - Implementation of IT-system;

- Study Tours:
  - Three study tours were organized under the twinning agreement: two in Sweden and one in Lithuania. The objective of these study tours was to share experiences with similar institutions regarding the modernization of the registration system and internal organization and management.

PHASE 2
- To make ALBPOS operational and develop applications for the use of cadastral surveys and for improvement of data quality and harmonization of geographic information in Albania and Europe.

- Development of business management and financial systems for IPROs new position as a self-financing agency, including the creation of a Strategic Business Plan.

- Capacity building.

This complimentary funding was well targeted in the support of a robust IT and data management solution and supporting the migration of IPRO towards a self-financing organization. The twinning agreement runs until the end of 2014.

Commentary by Robert Nygard, Swedish Embassy, Tirana:

“Land Administration Management Project (LAMP) aims to assist the Immovable Property Registration Office (IPRO) to establish security of tenure and immovable property rights. Sida has contributed to the Land Administration Management Project (LAMP) with 40 msek since 2006."
Overall Sida assess that the World Bank has made a good performance considering the difficulties to work in the sector. Project target has, however, been revised and the results today are less than anticipated despite several extension of the agreement. To increase the speed of implementation WB follow up of IPRO activities has been very intense the last years. The IPRO has been requested to do monthly reporting on progress. Should the intense follow up have started earlier? On one hand side more results might have been achieved but on the other hand side Albanian ownership would have been less.

In Albania we currently use by Sida recruited monitoring expert in two WB TF to assist in the follow-up. The Sida monitoring focus on priority areas for Sida i.a. gender equality and good governance. In the LAMP program Sida has not had any Sida recruited monitoring expert as it was not wanted, or even not accepted by the WB, at earlier stage of the LAMP project. Today we have understood there would be no objections to Sida staff or Sida recruited expert taking part of WB semi-annual missions.

Sweden has concurrently since 2010 with the implementation of the LAMP funded a “twinning” arrangement between Lantmäteriet, (the Swedish cadastral and property registration office) and IPRO.

The collaboration between IPRO and Lantmäteriet have been based on a program formulated by the two parties. The twinning has been complementary to the LAMP but we have not seen synergies between LAMP and Lantmäteriet. The twinning has though been limited in scope and funding.

Today it is clear that Sida’s responsibility and accountability for projects in where Sida contributes to the WB TF includes the whole project (grant+loan), not only the Sida grant funding involved. It may have been perceived differently at the start of the project LAMP. In this respect Sida is concerned with complaints from contracted companies for not having been paid for their services when the LAMP is closing. It risk to have negative effects on the image of Albania and may influence the willingness of serious commercial actors to make bids in the future.”
Annex 9. List of Supporting Documents

1. “Assessment of the Project Performance under the Land Administration and Management Project, (LAMP) P096263, component A2.2 concerning the First Registration of properties in selected rural and urban Cadastre Zones,” by Jürg Kaufmann, Kaufmann Consulting, Rüdlingen, Switzerland. Dated 30th March 2014.


6. “Brief information on the ALBSReP, the computerised immovable property registration system, being operated in 35 Local Immovable Property Registration Offices across the country” IPRO, Ministry of Justice, December 2014.