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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROJECT PAPER

ON A

PROPOSED ADDITIONAL LOAN

IN THE AMOUNT OF EUR 19.7 MILLION
(US\$24.07 MILLION EQUIVALENT)

TO THE

REPUBLIC OF CROATIA

FOR AN

INTEGRATED LAND ADMINISTRATION SYSTEM PROJECT
JULY 10, 2018

Social, Urban, Rural And Resilience Global Practice
Europe And Central Asia Region

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CURRENCY EQUIVALENTS

Exchange Rate Effective February 28, 2018

Currency Unit = EURO (EUR)

US\$ 1.222 = 1 EUR

FISCAL YEAR

January 1 - December 31

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ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
APIS	Information Systems and Information Technologies Support Agency
CM	Cadastral Municipality
CO	Cadastral Office
CROPOS	Croatian Positioning System
DA	Designated Account
DGE	Digital Geodetic Elaborate
ESMP	Environmental and Social Management Plan
EU	European Union
ERR	Economic Rate of Return
EMF	Environmental Management Framework
GRS	Grievance Redress Service
GNSS	Global Navigation Satellite System
IBRD	International Bank for Reconstruction and Development
IFR	Interim Financial Report
ILAS	Integrated Land Administration System
INSPIRE	Infrastructure for Spatial Information in Europe
IBRD	International Bank for Reconstruction and Development
JIS	Joint Information System
LADM	Land Administration Domain Model
LGAF	Land Governance Assessment Framework
LRMS	Land Registration Management Service
LRO	Land Registry Office
MoF	Ministry of Finance
MoJ	Ministry of Justice
NSDI	National Spatial Data Infrastructure
NRP	National Reform Program
OIB	Personal Identification Number
OP	Operational Policy
PDO	Project Development Objective
PIU	Project Implementation Unit
POM	Project Operational Manual
PPSD	Project Procurement Strategy for Development
RPRC	Real Property Registration and Cadastre
SGA	State Geodetic Administration
SOE	Statement of Expenditures
STEP	Systemic Tracking of Exchanges in Procurement
TOR	Terms of Reference



BASIC INFORMATION – PARENT (Integrated Land Administration System Project - P122219)

Country Croatia	Product Line IBRD/IDA	Team Leader(s) Camille Bourguignon-Roger		
Project ID P122219	Financing Instrument Investment Project Financing	Resp CC GSULN (9355)	Req CC ECCEU (7002)	Practice Area (Lead) Social, Urban, Rural and Resilience Global Practice

Implementing Agency: Ministry of Justice, State Geodetic Authority

Is this a regionally tagged project?

No

Bank/IFC Collaboration

No

Approval Date

04-Aug-2011

Closing Date

31-Dec-2018

Original Environmental Assessment Category

Partial Assessment (B)

Current EA Category

Partial Assessment (B)

Situations of Urgent Need or Capacity Constraints

Financial Intermediaries (FI)

Series of Projects (SOP)

Project-Based Guarantees

Development Objective(s)

The objective of the proposed Project is to modernize the land administration and management system to improve the efficiency, transparency and cost effectiveness of government services.

Ratings (from Parent ISR)

	Implementation	Latest ISR
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	29-Dec-2015	30-Jun-2016	21-Dec-2016	01-Jun-2017	07-Dec-2017	26-Jun-2018
Progress towards achievement of PDO	MS	MS	MS	MS	MS	MS
Overall Implementation Progress (IP)	MS	MS	MS	MS	MS	MS
Overall Safeguards Rating	S	S	S	S	S	S
Overall Risk	M	M	M	M	M	M

BASIC INFORMATION – ADDITIONAL FINANCING (Integrated Land Administration System - Additional Financing - P166324)

Project ID P166324	Project Name Integrated Land Administration System - Additional Financing	Additional Financing Type Restructuring, Scale Up	Urgent Need or Capacity Constraints No
Financing instrument Investment Project Financing	Product line IBRD/IDA	Approval Date 31-Jul-2018	
Projected Date of Full Disbursement 15-Jul-2021	Bank/IFC Collaboration No		
Is this a regionally tagged project? No			
<input type="checkbox"/> Situations of Urgent Need or Capacity Constraints		<input type="checkbox"/> Financial Intermediaries (FI)	
<input type="checkbox"/> Series of Projects (SOP)		<input type="checkbox"/> Project-Based Guarantees	
<input type="checkbox"/> Disbursement-linked Indicators (DLIs)		<input type="checkbox"/> Contingent Emergency Response Component (CERC)	
<input type="checkbox"/> Alternative Procurement Arrangements (APA)			



Disbursement Summary (from Parent ISR)

Source of Funds	Net Commitments	Total Disbursed	Remaining Balance	Disbursed	
IBRD	23.80	19.43	0.10	<div style="width: 99%; background-color: green;"></div>	99 %
IDA				<div style="width: 0%; background-color: gray;"></div>	%
Grants				<div style="width: 0%; background-color: gray;"></div>	%

PROJECT FINANCING DATA – ADDITIONAL FINANCING (Integrated Land Administration System - Additional Financing - P166324)

FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	24.07
Total Financing	24.07
of which IBRD/IDA	24.07
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	24.07
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COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

Yes No

Does the project require any other Policy waiver(s)?

Yes No



INSTITUTIONAL DATA

Practice Area (Lead)

Social, Urban, Rural and Resilience Global Practice

Contributing Practice Areas

Governance

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

Explanation

The parent project was approved before July 1, 2014. However, the AF could contribute to climate change adaptation and mitigation in the long term by encouraging a more sustainable use land assets.

Gender Tag

Does the project plan to undertake any of the following?

a. Analysis to identify Project-relevant gaps between males and females, especially in light of country gaps identified through SCD and CPF

No

b. Specific action(s) to address the gender gaps identified in (a) and/or to improve women or men's empowerment

No

c. Include Indicators in results framework to monitor outcomes from actions identified in (b)

Yes

PROJECT TEAM

Bank Staff

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Specialist			
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CROATIA

INTEGRATED LAND ADMINISTRATION SYSTEM - ADDITIONAL FINANCING

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I. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

Background

The Integrated Land Administration System (ILAS) Project is financed by a loan from the International Bank for Reconstruction and Development in the amount of 16.5 million euros. The loan was approved on August 4, 2011 and became effective on November 15, 2011.

The project is implemented by the State Geodetic Administration (SGA), which manage the cadastre, and the Ministry of Justice (MoJ), which is responsible for the land registry through the Land Registry Management Service (LRMS). The SGA supervises a network of 113 Cadastral Offices (COs) spread over the country except for the Zagreb CO, which operates under the supervision of the City of Zagreb. The LRMS oversees 107 Land Registry Offices (LROs) subordinated to the municipal courts.

The Project Development Objective (PDO) of the ILAS Project is to modernize the land administration and management system to improve the efficiency, transparency and cost effectiveness of government services. Specifically, the project targets a reduction in mortgage and transaction registration times in LROs from 46 days to 10 days; a reduction of processing time in COs from 30 to 10 days; an increase in the percentage of customers lodging requests online from 0 to 5 percent; maintenance of the level of customer satisfaction above 4.5 on a scale from 1 to 5; and an increase in the number of agencies and ministries using spatial data from 6 to 18.

In accordance with the Project Appraisal Document (PAD) for the ILAS Project, project beneficiaries are: (a) the public, who will have increased access to information and better services with fully integrated digital data; (b) the business community, which will be provided with faster services and increased access to information; and (c) government institutions, which will be able to share and view government spatial data more easily. It is also expected that the improved access to geo-spatial data will benefit the broader economy. The PDO, PDO level indicators and project beneficiaries have remained unchanged since appraisal, although several end-targets had to be adjusted to reflect the project's actual pace of implementation.

As of February 2018, 93 percent of the loan proceeds had been disbursed, most of the activities had been completed, and the implementing agencies were on track to meet the PDO. Since appraisal, average mortgage and registration times in LROs have decreased from 46 days to 12.7 days, and Croatia's Doing Business rank in the ease of registering properties has improved from 111 to 59. Various e-services have been introduced and the percentage of requests lodged online has increase from 0 to 5.2 percent. An additional 22 ministries and government agencies are sharing spatial data with the SGA and MoJ and the implementing agencies have maintained customers' satisfaction above 4.5.

One of the greatest achievements supported by the ILAS Project is the introduction of the Joint Information System (JIS) in all LROs and COs. The JIS was piloted in 2010 under the Real Property Registration and Cadastre (RPRC) Project (closed June 30, 2010) and was initially expected to be fully operational by 2015. However, the JIS rollout had to be postponed to address technical issues with the software. Thus, the ILAS Project's initial closing date had to be extended by 18 months in 2015 to allow the roll-out of the JIS nationwide, and an additional 12 months in 2017 to allow the implementing agencies to further reduce processing times in COs and LROs as well as to increase the percentage of customers making requests online.

The completion of the JIS rollout in November 2016 is a milestone in the modernization of Croatia's land administration system. The JIS is a fully centralized web-based system interoperable with the personal identification register, address register, business register and tax authority register. The system is linked to the LROs' and COs' digital archives and provides functionalities for digitization of incoming documents. The One-



Stop-Shop module includes e-signature and e-payment functionalities and provides several e-services for key external users. The JIS also provides functionalities for exterritorial services, meaning that any service required nationwide can be provided by any of the local offices.

The introduction of e-services for land administration is another notable achievement supported by the ILAS Project. At appraisal, requests for registration, land book extracts and cadastre extracts had to be made in person in COs and LROs. However, since November 2015, individuals registered in the government's e-Citizens system can obtain certified land registry and cadastre extracts online, and, since March 2017, notaries and lawyers can offer their clients the possibility to file online applications to register contracts and other deeds. Finally, the SGA is in the final stage of developing another e-service to allow surveyors to submit standardized Digital Geodetic Elaborates (DGEs) online.

Other activities completed under the ILAS Project include the renovation of the COs in Šibenik, Bjelovar and Vinkovci; the establishment of the SGA central archive in Glina and data conversion centers in Glina, Vinkovci and Split; the scanning of 11.3 million pages of cadastral archives; and the piloting of scanning of incoming documents in the LROs of Velika Gorica and Osijek. The SGA and MoJ have also used project funds to conduct training courses, commission studies, advance implementation of the National Spatial Data Infrastructure (NSDI), and improve the quality of land registry and cadastre records through the homogenization of cadastral maps, and the harmonization of cadastre and land registry records.

Investments made under the ILAS projects are closely related to those backed by the European Union (EU). Following the completion of the JIS, the MoJ and SGA were able to utilize EU Instrument for Pre-accession Assistance (IPA) funding to support the JIS rollout, develop the One-Stop-Shop, migrate data and train users. EU-backed investments also supported the scanning of 12.5 million land registry pages; purchase of a data storage equipment; improvements to the SGA's Geoportal and document management system; establishment of the address register; development of a software for cadastral maps homogenization; piloting of cadastre and land register data harmonization; and, the introduction of e-signature and e-filing through notaries.

The ILAS Project is in compliance with all legal covenants of the Loan Agreement. The Fiduciary Management system is satisfactory, there are no pending financial audit reports. Auditors issued an unqualified opinion for the latest audited project accounts covering the period ending December 31, 2017. Project is fully compliant with all triggered safeguards policies. There are no unresolved environmental, social, or other safeguard issues as confirmed during latest project implementation support mission of October 2017.

Rationale for Additional Financing

Croatia's land administration system has been profoundly transformed over the last decade. Yet, significant investments are still required to move to a more efficient and paperless system.

Per the 2017 National Reform Program (NRP), the modernization of Croatia's land administration system remains a priority to strengthen economic competitiveness and improve the efficiency of the public sector. The 2017 NRP further specifies that efforts should focus on adjusting the legal framework to simplify processes and implement electronic communication; pursuing the digitization of cadastre and land registry records; conducting cadastral surveys and establishing/renewing land registries to improve the quality of cadastre and land registry records; and advancing the integration of the cadastre and land registry.

Specific areas of investment are also required. For instance, the Zagreb LRO, which is the busiest in the country, has been requested to vacate its current premises and the MoJ is planning on relocating it within the Judicial Square Complex. The move presents an opportunity to create a facility that reflects operational efficiency and customer focus. Further, Zagreb and several other LROs with dynamic land markets (Dubrovnik, Rijeka, Šibenik,



Split, Varaždin and Zadar) are failing to meet reasonable performance standards in registration of documents, and targeted interventions are required to bring them into line with the standards of other LROs.

As a Member country of the EU, Croatia has access to European Structural and Investment Funds. The SGA secured such funds to train staff and to support the establishment of the infrastructure cadastre. The implementing agencies are also working on proposals related to the digital exchanges of real property data; the scanning of 29 million land books pages; the training of staff and private surveyors on the online submission of standardized DGEs; the homogenization of cadastral maps; the replacement of equipment to ensure the continuous operation of the Croatian Positioning System (CROPOS); and awareness on the NSDI.

While the implementing agencies can access European Structural and Investment Funds, the Bank's funds are still required to provide complementary funding where EU funds are not yet available or cannot be used. The Additional Financing (AF) is designed with these constraints in mind, and is intended to leverage EU funds, provide complementary funding and to ensure that the implementing agencies are fully prepared to absorb EU funds once the AF is completed. The AF is also designed within the context of the government's e-services agenda, under which all digital services are to be expanded, unified and made more accessible.

The AF is the preferred financing mechanism because it capitalizes on the successful implementation arrangements established under the ILAS Project and maintains the momentum of the results achieved to-date. The AF is designed to scale up priority activities for the sector that need to be expedited and enhance the positive impact of the ILAS Project on Croatia's investment climate and public sector efficiency. It will support the continued automation of land administration services, reduce registration time, increase the number of customers who use e-services, improve the quality of real property data, and advance the integration of cadastre and land registration services.

II. DESCRIPTION OF ADDITIONAL FINANCING

The PDO remains the same under the AF: to modernize the land administration and management system to improve the efficiency, transparency and cost effectiveness of government services.

Increase the percentage of requests lodged online from 5 to 20 percent

The ILAS Project supported the introduction of e-services allowing customers to request land registry and cadastre extracts online, and notaries and lawyers to submit requests for mortgage and transaction registration online. The SGA is developing other e-services for surveyors to submit DGEs. With over 100,000 extracts, over 50,000 registration requests and 75,000 geodetic elaborates received in 2017, ensuring that most of these requests are lodged online is a priority to reduce the burden of work on COs and LROs and allow staff to focus on other tasks. As of January 2018, only 5.2 percent of such requests were lodged online, which means that most customers continue to request them in person. With the support of the AF, the implementing agencies intend to increase the percentage of requests lodged online from 5 to 20 percent. This is expected to be achieved primarily through public awareness campaigns, training, the possible introduction of discounts on fees, and the optimization of these e-services.

Scale-up investments in SGA, LRMS, and LROs digital archives

Under the ILAS Project, the SGA established a central archive in Glina, opened three data conversion centers, hired scanning operators, and scanned over 11.3 million pages of cadastral documents. The LRMS scanned 12.5 million land book pages and piloted the scanning of incoming documents in the LROs of Velika Gorica and Osijek. The SGA, City of Zagreb CO and LRMS digital archives were linked to the JIS and are now accessible

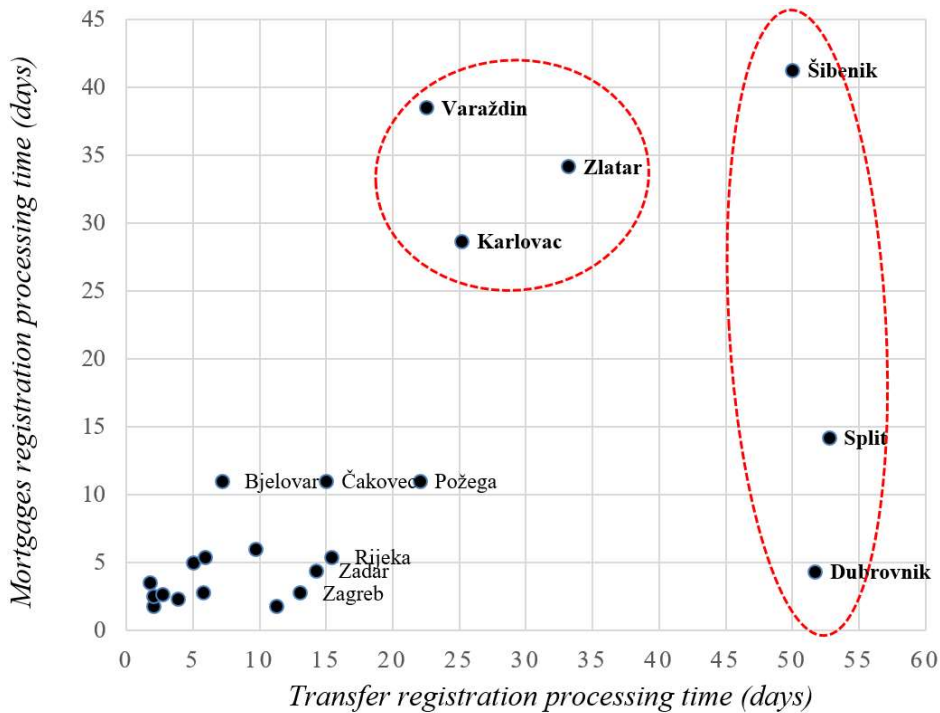


online by COs and LROs staff. With the support of the AF, the SGA will upgrade its digital archive management system and hire operators to scan an additional five million pages. The AF will also finance the adaptation of a building to receive the LROs archives. The LRMS plans to upgrade its central archive server and acquire scanners to rollout the scanning of incoming documents in all 107 LROs. These investments will support the implementing agencies' efforts to become paperless organizations and will increase the efficiency of land administration services.

Support to underperforming LROs and relocation of the Zagreb LRO

Under the ILAS Project, the speed and quality of services provided by LROs has improved considerably, with the average period for transaction and mortgage registration reducing from 46 days to 12.7 days. However, several LROs have not managed to reduce registration time sufficiently. These LROs tend to be the busier offices, often with poor records and large backlogs of outstanding cases, such as Dubrovnik, Rijeka, Šibenik, Split, Varaždin, Zadar and Zagreb. Under the AF, these LROs will receive support from technical staff hired to implement the LRO's action plans set up by the LRMS. In addition, the AF will support the relocation of the Zagreb LRO from the city owned national library building to new premises. The move will give the opportunity for a more suitable premises and workflow structure to be developed, and, in the longer term, for the backlogs to be reduced and the slow turnaround times to be improved.

Figure 1 – Average registration time per Municipal Court as of May 2017



Implementation of the Joint Cadastre and Land Registration Strategy, and limited JIS upgrade

A working group that includes SGA and MoJ is seeking to further improve Croatia's cadastre and land registry system, as foreseen in the 2017 NRP. One of the first tasks of the working group consists of developing a joint



cadastre and land registration strategy, which is currently in the procurement procedure. The conclusions and recommendations of the joint strategy are yet to be defined, but the JIS offers a vast number of possibilities to further improve the efficiency of land administration services and could potentially support a complete reorganization of the LROs and COs structure. While the ILAS Project finances the formulation of the joint cadastre and registration strategy, the AF will support its implementation.

Scale-up efforts to increase the number of harmonized cadastral parcels in the JIS

The management of cadastre and land registry records have been successfully integrated through the JIS. Yet, there can be discrepancies between cadastre and land registry records. To resolve this, sporadic and systematic approaches to matching these records have been adopted. Where the two sets of records are brought into accord, they are referred to as “harmonized”. As of January 2018, the SGA and LRMS reported that the JIS contains almost half a million harmonized cadastral parcels, or three percent of the total number of parcels. Increasing the number of harmonized records is a priority for both entities because cadastral parcels that are harmonized in the JIS can be transferred through faster and simplified procedures. However, the current systematic approach is expensive and slow because it involves a field survey and full adjudication of title. The implementing agencies intend to use the AF to support systematic harmonization in 10 Cadastral Municipalities (CMs) and, if the government approves their plan to complete the systematic harmonization process in the 98 CMs where field work was previously completed, the AF will also support the implementation of this plan in 50 CMs. The harmonization of the 10 CMs is not expected to be fully completed before the AF closes. The SGA will continue with its regular sporadic harmonization program in parallel and will expand it to include on-demand applications.

Proposed restructuring arrangements

Adjustment of the Results Framework

The results framework is adjusted to increase target values and timeframe for achievement. The end target of PDO level indicator measuring the percentage of customers lodging requests online is increased from five to 20 percent. Eleven intermediate level indicators are introduced and seven dropped. These new indicators reflect the AF investments in the renovation of the Zagreb LRO, establishment of the central archive of all LROs in Croatia, scanning of incoming documents in LROs, target support to LROs, and cadastral field surveys.

Changes in Project Structure and description

The project structure will be adjusted to introduce sub-components “A5. Relocation of the Zagreb LRO”, “A6. Operational improvement of underperforming LROs”, and “C4. Support to the Implementation of the Joint Cadastre and Registration Strategy”. Further, Components “D2. Training and Education for MoJ” and “D3. Training and Education for SGA” will be merged into Component “D2. Training and Education”, which will support the implementation of annual training plans for the LRMS and the SGA.

The project description will also be adjusted to include the new activities planned under the AF. The following activities are added to component A: (1) storage and management of scanned data and location and retrieval of paper records; (2) renovation of a building to establish a central analogue archive and operation of the archive; (3) scanning of incoming documents in all LROs; (4) relocation of the Zagreb LRO; and, (5) operational improvement of LROs. Under component B, the following activities are added: (1) scanning and indexing of an additional five million pages of cadastre documents, optimization of the SGA digital archive system, and upgrade of the SGA data conversion centers; (2) completion of the renovation of regional CO in Sisak, upgrade of the SGA data center, and upgrade of the SGA human resource management system; (3) Upgrade of the SGA control center of the Croatia Positioning System (CROPOS), and support to CO operations; (4) transformation of data for the infrastructure cadastre, preparation of data for the building register, and development of a



cartographic database. Under component C, the following activities are added: (1) cadastral field surveys, public displays of cadastral surveys, and harmonization of cadastre and land registry records; (2) development of new e-services and changes to business processes; and, (3) implementation of the joint cadastre and land registration strategy. Under component D, the AF will continue to: (1) support to the PIU for the implementation of the Project; and (2) carrying out of annual training programs for SGA and MOJ staff. Under this component, the AF will also: (3) scale up effort to improve public awareness of the real property registration and cadaster system reform, and conduct a customer satisfaction survey.

Project Steering Committee

The ILAS Project Steering Committee will be augmented by representatives from the Ministry of Economy, Entrepreneurship and Crafts and the Ministry of Public Administration. These ministries have specific interests in real estate market growth and digital services. Other members of the project Steering Committee will remain the same and will consist of representatives from the Ministry of Construction and Physical Planning, SGA, MoJ, Supreme Court and Ministry of Finance. The project Steering Committee will meet at least twice a year. A report of their meeting will be prepared and included in the progress report delivered to the Bank by the PIU.

Other Arrangements

The Projection Implementation Unit (PIU) established under the ILAS Project will be maintained throughout the AF. No changes are required in implementation, safeguards, and financial management agreed under the ILAS Project. However, disbursement arrangements will be slightly adjusted and the AF is subject to the Bank's new procurement policy framework. Disbursement estimates, components, costs and the implementation schedule will be also revised to reflect the additional activities and extension of the closing date.

Annex 1 includes a more detailed description of the AF per sub-component.

Table 1 – Current and AF cost by component

Component Name	Current Cost (€M)	AF Proposed Cost (€M)	Total Cost (€M)
A. Land Registration System Development	0.1	8.8	8.9
B. Spatial Information and Cadastre System Modernization	3.6	3.3	6.9
C. Improving Digital Services	11.3	5.0	16.3
D. Project Management, Training and Public Awareness	1.5	2.6	3.1
Total	16.5	19.7	36.2

III. KEY RISKS

Relocation of the Zagreb LRO and establishment of the LRO Archive



The MoJ intends to use the AF to relocate the Zagreb LRO and establish the LRO analogue archives. The MoJ plans to install the future Zagreb LRO at the Judicial Square, in a large historic building. The Bank visited the site to assess the feasibility of the project. Observations suggest that the site could accommodate the future LRO but also underlined uncertainties related to the structural condition of the building, rehabilitation costs, and the time required to execute the work. Completing the work in 36 months will be challenging. To mitigate the risk of delays, the PIU will be staffed with an architect/ civil engineer and this activity will be subject to retroactive financing so that the MoJ can complete all the required assessments and prepare the conceptual design before the loan becomes effective. As for the establishment of the LRO analogue archives, the MoJ will communicate the location and plans so that the Bank can conduct an independent assessment.

Speed of implementation

Considering that it took the implementing agencies over six years to execute the activities planned under the EUR 16.5 million parent project, there is a risk that three years will not suffice to execute the activities planned under the AF. To mitigate the risk of delays, the implementing agencies will maintain the experienced PIU established under the ILAS project and approximately fifty percent of the investments have been allocated to the following five very large items: relocation of the Zagreb LRO, establishment of the LRO analogue archives, cadastral filed surveys in 10 CMs, public displays in 50 CMs, and acquisitions of scanners for LROs. In addition, approximately one-third of the AF funds have been allocated to contracts that are expected to be signed within the first six months of the project, and many planned activities are the continuation of tasks implemented under the parent project.

Changes in policy priorities

Possible changes in policy priorities for the land administration sector could delay the implementation of some of the activities planned under the AF, in particular, those that are related to the implementation of the joint Cadastre and Land Registration Strategy. This risk is being mitigated by the fact that Croatia joined the EU in 2013 and the selection of activities that are largely independent of political choices. However, if this risk materializes, some activities may be dropped.

Adoption of a Joint Cadastre and Land Registration Strategy

Investments planned under sub-component “C4 Support to the Implementation of the Joint Cadastre and Land Registration Strategy” will have to be considered again once the SGA and MoJ have adopted a joint strategy. The implementing agencies will prepare a strategy acceptable to the Bank by November 30, 2018.

LRO and CO staffing

The envisaged reduction of backlogs in the underperforming LROs, the public display of cadastre and land registry records, and the homogenization of cadastral maps is to great extent dependent on the sufficient support of experienced and committed LROs and COs staff. To mitigate this risk, the AF will provide funding that can be used to hire consultants to support LROs and COs staff.

Public displays and government approval of SGA-MoJ’s plan

The AF is expected to support the public display of cadastre and land registry records in 50 CMs. The implementation of this activity is contingent on the approval by the government of SGA-MoJ’s plan to complete harmonization in 98 CMs for which field work was previously completed. If their plan is not approved, they will not be able to hire the temporary staff required to organize the public display, the AF activities on public display will be dropped, and the funds reallocated or cancelled.



Overall Risk Rating

The overall risk remains Moderate. The implementing agencies have sufficient capacity, government commitment remains strong, and society recognizes the value of continued reforms in the land sector. The main significant risks are due to the uncertainties surrounding the relocation of the Zagreb LRO, the establishment of the LROs archives, and the adoption of the Joint cadastre and land registration strategy.

IV. APPRAISAL SUMMARY

A. Economic and Financial (if applicable) Analysis

The economic analysis conducted during the preparation of the ILAS Project is updated to consider the AF. As for the original loan, AF investments are expected to generate substantial public economic benefits. These include cost-efficiency savings through reductions in waiting time and increased access to spatial data. As in the case of original loan, the AF beneficiaries include ministries and municipalities who use spatial data in their daily administrative functions and the public who access spatial data for their own needs. With the AF, total economic benefits are estimated to be €17.9 million over the life of the project using a discount rate of 10 percent. The associated economic internal rate of return (EIRR) with these benefits is 20.6 percent in ten years. A sensitivity analysis revealed that varying growth rates of productivity gains overtime +/- 50 percent from the neutral scenario resulted in an EIRR range of 10-31 percent and a net present value range of €8.7 to €27 million euros by project completion. Please refer to annex 3 for further details.

B. Technical

The land administration system in Croatia is reliable with the legal framework in place, all current data is in digital form and integrated within the JIS that is in use by all LROs and COs. Service provision is generally quite good and transparent, and staff are well trained and professional. Both implementing agencies have strong ownership of the project and work well together. There is a high level of public perception that the quality and speed of service is good, having improved markedly since the ILAS Project and the prior Bank funded RPRC Project commenced. There is still more that needs to be done to achieve best international standards in terms of harmonizing records and the speed of processing applications, especially within some of the LROs. This will be addressed in the AF period. SGA and MoJ have developed a strong partnership, which is bound by regulations and inter-ministerial orders and agreements. Both partners have also developed a strong implementation capacity over the course of the ILAS Project.

As this AF follows on from a relatively well-performing project, the technical design is focused on the key activities needed to fully realize the benefits of the JIS by upscaling the level of digitization of existing archives and harmonization of records leading towards standardizing the use of electronic services rather than the use of paper documents. This should help to reduce the time taken for registration or cadastral services and help to reduce the backlogs that affects some of the offices. There is good capacity within the agencies and the private sector, built up during the ILAS Project, to undertake the necessary field work, software changes, regulatory amendments and data integration or digitization required for project execution. The CROPOS is working well and there is good capacity to absorb the AF being provided for the SGA control center.

To move towards a completely digital environment, facilities for storing both paper and digital records are included within the AF. The buildings for the LROs' archive and the specialized furniture required for archives



are being identified and there is good capacity to design and oversee the necessary refurbishment and equipment required for this.

Training has been well executed during the ILAS Project and is expected to continue being effectively implemented under the AF.

C. Financial Management

An assessment of the financial management capacity was carried out by the World Bank in January 2018. The assessment concluded that the financial management arrangements within the PIU are acceptable to the Bank. Financial management arrangements including existing country systems in place, are sufficient to support the operation. The fiduciary financial management risk is moderate.

Financial management implementation arrangements for the loan will use existing financial management systems and accounting staffing in the PIU for the ILAS Project. There are no weaknesses identified in the current ILAS Project implementation arrangements, which continue to be acceptable to the Bank.

The disbursement arrangements for the AF will be slightly different from the arrangements determined for the initial ILAS funding, in terms of institution where the Designated Account (DA) will be held. For the AF, the MoF will open an analytical account in the State Treasury which will be used as a DA in line with the existing treasury procedures. The loan funds will flow from the Bank through the Croatian National Bank to the DA and via Treasury system and the MoJ and SGA to contractors based on approved invoices. Such approach was assessed to be acceptable by the Bank. The applied change in the disbursement arrangements is in line with the Bank's approach to use the country systems of the borrower¹ and a request by the borrower.

Financial Accountability and Reporting. The PIU will prepare quarterly un-audited interim financial reports (IFRs) in the form acceptable to the Bank and related to the use of loan proceeds that will be submitted to the Bank within 45 days of the end of each calendar quarter, starting from the first disbursement and throughout the project life. The project financial statements, including Statement of Expenditures (SOE) and DA Statements will be audited by independent auditors acceptable to the Bank and on Terms of Reference (TOR) acceptable to the Bank. The annual audited project financial statements and the audit reports will be provided to the Bank within six months of the end of each fiscal year.

D. Procurement

The overall coordination, management, implementation and oversight of procurement will be carried out by the PIU, responsible for implementation of the ILAS Project. An assessment on capacity for procurement was carried out during preparation of the AF. It was confirmed that the PIU is very experienced in project and procurement management and has adequate capacity to carry out procurement activities related to the AF. The PIU currently has two procurement specialists who are familiar with the Bank's procurement procedures and guidelines as they have gained substantial knowledge and experience during the implementation of the ILAS Project and their previous work on other Bank-funded projects. They will have to enhance their knowledge on the Bank's new procurement policy framework both through formal and an on-the-job training. The AF shall be subject to the Bank's new procurement policy framework and procurement will follow the World Bank Procurement Regulations for Investment Project Financing Borrowers: Procurement in Investment Project Financing: Goods, Works, Non-Consulting and Consulting

¹ Third High Level Forum on Aid Effectiveness, Accra, Ghana, 2008, and reaffirmed at the Global Partnership for Effective Development Co-operation, Mexico, 2014



Services, July 2016, Revised in November 2017 (Regulations). The AF will also be subject to the Systemic Tracking of Exchanges in Procurement (STEP) system. The Bank's most recent Standard Procurement Documents will be used as relevant. They are available on the Bank's external website at www.worldbank.org/procurement/standarddocuments.

As required by the new procurement policy, the PIU in collaboration with the MoJ and SGA has prepared a Project Procurement Strategy for Development (PPSD) and an initial Procurement Plan covering the entire duration of the AF. The activities planned under the AF for most part will represent continuation of activities implemented under the ILAS Project. The project will finance various contracts for technical services (e.g. scanning, and cadastral field surveys), goods and information communication technologies (e.g. hardware, software, and upgrading and further development of several information systems), works (renovation of buildings), and consultancy contracts. As identified in the PPSD and in the Procurement Plan, several contracts will be concluded through a Direct Selection in accordance with the provisions stipulated in the Regulations.

The PPSD has identified the risks and the mitigating measures related both to capacity and procurement approach to contracts. The Bank's Procurement Specialist assigned to the project will provide support to the PIU with regard to the new procurement framework and STEP. The overall risk for procurement is defined as Moderate.

E. Social (including Safeguards)

As with the ILAS Project, the AF activities to modernize the land administration and management systems to improve the efficiency, transparency and cost effectiveness of government services will further benefit the public and business communities alike through increased access to information and better services with fully integrated digital data. In addition, government institutions will further benefit from enhanced access and geo spatial data sharing in support of broader economy benefits.

Scaling up of land administration system, spatial information and cadastre modernization system as well as further improvements in the JIS will continue to benefit all segments of the Croatian population regardless of social strata and gender. Men and women in Croatia have equal rights to property ownership, inheritance and land tenure. Individual legal land interests are protected by regulations with respect to all citizens of the Republic of Croatia without exception. All citizens exercise equal rights to land and they can register their rights under equal conditions. The 2016 report on Women, Business and the Law Reforms identified Croatia as the country which has increased gender parity in using property as it introduced special provisions on transactions related to the marital home. Notably, a written spousal consent is required to alienate or encumber property that is used as a family home. Also, in terms of gender parity, no gaps were identified or corrective measures were recommended in the Land Governance Assessment Framework (LGAF) Report developed for Croatia in 2016². The Results Framework of the AF is updated to contain gender information so that the indicators on planned capacity building training programs for civil servants of the implementing institutions will collect, monitor and report data on male and female beneficiaries. In April 2018, the MoJ also analyzed a sample of land registry records and concluded that 44.83 percent of the registered owners

² LGAF is a diagnostic tool for the assessment of the legal framework, policies and practices regarding land governance in individual countries by evaluating 117 benchmarks grouped into 27 indicators.



were women³.

A good pattern of carrying out user satisfaction surveys will be maintained under AF. The first survey was initiated in 2005 under the RPRC Project and subsequent ones were done in 2006 and 2009. The last one of 2016 was done under the ILAS Project. The customers declared satisfaction with land administration services was high - 4.5 (on scale of 1 to 5). New surveys will be conducted in 2018 and 2020. Additionally, public awareness campaigns will continue under the AF to promote the transparency of data accessibility, the importance of e-services and present the benefits of the improved real property registration systems.

As with the ILAS Project, the Bank's Operational Policy (OP) 4.12 on Involuntary Resettlement is not triggered as no land acquisition will take place under the AF. Under Component B of the parent project, the SGA purchased two CO buildings in the towns of Bjelovar and Šibenik. These purchases were made on the market (existing office space). The office purchases were cleared with the Bank's Land Committee on April 15, 2011 in line with the established criteria set in the Project Operational Manual (POM). The ongoing works in the CO in Sisak are being carried out according to the provisions of the Environmental and Social Management Plans (ESMP) checklist.

Under the AF, no land acquisition will be required for the relocation and adaptation of buildings to house the Zagreb LRO and to establish the LROs archive as rehabilitation works will be carried out on a public property that are not encroached upon. The AF will not support any activities which might involve involuntary taking of land, physical or economic displacement of squatters, scavengers, or any kind of third party formally or informally occupying or using the land.

Under the AF, the implementing agencies intend to conduct new cadastral surveys in 10 CMs. Once cadastral surveys are completed, the data will be exposed in a public display for verification prior to updating old land registry records. The implementing agencies also intend to use the AF to fund public displays in 50 CMs where field surveys have already been completed. The social impact of these activities is expected to be highly positive as real property owners, business community, government institutions and the public will benefit from up-to-date real property records, thus enabling swift and secure real property transactions. Society overall will benefit from improved land governance and social accountability supported by the up-to-date and accessible real property data. Furthermore, the methodology used to conduct new cadastral surveys, organize public displays, and update land registry records has been in use for over 20 years and with a proven track record. It is being constantly improved and includes clear mechanisms to inform the public and to address any complaints that may arise in the process. The implementing agencies will track complaints they may receive through the joint commissions formed to execute these activities.

Other than one procurement-related complaint, no grievances have been reported during the implementation of the ILAS Project, which is due to the project's strong focus on information technology, spatial data, and improvements of land registry and cadastre data systems. Nonetheless, the POM and Environmental and Social Management Framework (ESMF) developed for the ILAS Project will be updated to contain the provisions of the grievance redress mechanism.

F. Environment (including Safeguards)

The ILAS Project triggered two World Bank safeguards policies: Operational Policy/Bank Procedure (OP/BP) 4.01 on Environmental Assessment and OP/BP 4.11 on Physical Cultural Resources. The project was

³ The analysis is based on the land registry records containing the Unique Master Citizen Number. This unique identification number is better known under the Croatian acronym JMBG and has been replaced by the OIB. The sample contains 532,272 JMGBs accounting for 9 percent of all registered persons.



classified as Category B in accordance with the Bank's OP/BP 4.01 on Environmental Assessment due to the anticipated rehabilitation and construction of buildings, primarily COs and data facilities. As one of these buildings was placed in a historical area of the city of Sisak, OP/BP 4.11 on Physical Cultural Resources was triggered and specific provisions were included in the overall ESMF and the respective Environmental and Social Management Plan (ESMP) Checklists.

The AF does not exceed the scope of activities of the ILAS Project therefore category B classification remains. It does not trigger any additional WB Environmental Safeguard policies, but OP/BP 4.01 on Environmental Assessment and OP/BP 4.11 on Physical Cultural Resources remain triggered because of the planned investments in building rehabilitation and adaptation, and possible small-scale works required to accommodate equipment purchased under the AF. The AF envisages adaptation works for the future Zagreb LRO and the LROs archives at undefined locations, therefore the work on protected heritage cannot be excluded and the policy remains triggered.

The related environmental concerns will be addressed through revised ILAS Project ESMF that will reflect changes in the AF components and activities (against the ILAS Project) while environmental due diligence of sub-projects/activities, such as assessment, will be accomplished through ESMPs in full or in reduced version (ESMP Checklists) for typical small civil works during project implementation. Given the locations for some projects are not yet known the AF ESMF will again be process oriented.

As for the ILAS Project, the civil work proposed under the AF is not expected to trigger a full Environmental Impact Assessment under the Croatian regulation or the World Bank policies. The type of expected environmental impact is local in nature and more adequately addressed through environment permits, construction contracts, site supervisor/ engineer oversight, local and regional municipal requirements, PIU supervision, good construction practice, or in the case of World Bank policies, through implementation of site specific ESMPs or ESMP Checklists (depending on the scope of works and location/object features).

During the implementation of the parent project, the implementing agencies designated a person within the PIU responsible for environment assessment and monitoring the implementation of the ESMF and ESMP Checklists. The designated staff was trained by the Bank's Safeguards Specialist and provided continuous support to other staff, contractors and supervising engineers. This person left the project in December 2017. Before the AF becomes effective, the implementing agencies will designate a new safeguards focal point. This person should have experience with civil engineering and the implementation of Bank projects. The focal point and the PIU, in coordination with the local environmental authorities, will be responsible for updating the ESMF, preparing the sub-projects' Environmental Assessments, monitoring the compliance of the ESMP Checklists implementation, and reporting to the Bank. For all PIU staff as well as the contractors and supervising engineers a half day training on the implementation and monitoring of ESMP Checklist will be organized by the Bank's local Safeguards Specialist.

The environmental impacts of the ILAS Project were successfully managed. The last implementation support mission was conducted in October 2017 and indicated full Environmental Safeguards compliance as ESMP Checklist for the Sisak CO building rehabilitation was timely prepared, consulted and additional conditions obtained from the county competent authorities for cultural heritage in line with the national regulation. Current rating of the project environmental performance is satisfactory.

Under the AF, the impacts are again expected to be temporary, local, easily predictable and mitigated as they are related to the general construction activities including a) Dust and noise due to interior demolition and construction; b) Management of demolition and construction wastes, and waste from accidental spillage of small quantities of machine oil, lubricants, etc.; c) Risk of damage to historical or cultural property



or unknown archaeological sites. Within the ILAS Project, process ESMF and ESMP Checklists for rehabilitation sub-projects in Šibenik, Bjelovar, Vinkovci, Glina and Sisak were timely prepared and consulted. Works for the rehabilitation of the CO building in Sisak were contracted in December 2017 and will be a part of the AF.

The ESMF of the parent project was not updated and disclosed prior to appraisal because the buildings to be rehabilitated under the AF had not yet been identified and the bidding of works contract will not take place before the last quarter of the calendar year 2018. However, the ESMF of the parent project will be updated, consulted and finalized prior to the bidding of any works contracts. Grievance Redress Mechanisms (GRM) will be included in the updated ESMF. The updated ESMF will be disclosed to both the SGA (www.dgu.hr) and project (www.uredjenazemlja.hr) websites, and at PIU office (paper copy). The disclosure and request for public comments will also be announced on the web sites. Relevant comments received will be reflected in the final version AF ESMF.

The ESMPs (including ESMP Checklists) that will be prepared at the AF later stage will also be disclosed on the websites of the project and SGA, as well as respective cities municipal boards and COs. Received comments will be addressed and reflected in the final version of documents.

G. Other Safeguard Policies (if applicable)

Not applicable

V. WORLD BANK GRIEVANCE REDRESS

Communities and individuals who believe that they are adversely affected by a World Bank supported project may submit complaints to existing project-level grievance redress mechanisms or the World Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the World Bank's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of World Bank non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate GRS, please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.



VI. SUMMARY TABLE OF CHANGES

	Changed	Not Changed
Change in Results Framework	✓	
Change in Components and Cost	✓	
Change in Disbursements Arrangements	✓	
Change in Safeguard Policies Triggered	✓	
Change of EA category	✓	
Change in Procurement	✓	
Change in Implementing Agency		✓
Change in Project's Development Objectives		✓
Change in Loan Closing Date(s)		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Change in Legal Covenants		✓
Change in Institutional Arrangements		✓
Change in APA Reliance		✓
Other Change(s)		✓

VII. DETAILED CHANGE(S)

RESULTS FRAMEWORK

Project Development Objective Indicators

Increased customer satisfaction with land admin services (measured on a scale from 1 to 5)

Unit of Measure: Text

Indicator Type: Custom



	Baseline	Actual (Current)	End Target	Action
Value	4.4 (cadastre) 4.1 (Land registry)	4.7 (cadastre) 4.5 (Land registry)	4.5 (Cadastre) 4.5 (Land registry)	Revised
Date	30-Nov-2009	31-Dec-2017	15-Jul-2021	

Reduced transaction processing times in the land registry and cadastre

Unit of Measure: Text

Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	46 days (LROs) and 30 days (COs)	12.7 days (LROs) and 8 days (COs)	10 days (LORs) and 10 days (COs)	Revised
Date	31-Dec-2010	31-Dec-2017	15-Jul-2021	

Increased percentage of customers lodging requests online

Unit of Measure: Percentage

Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	0.00	5.21	20.00	Revised
Date	31-Dec-2010	31-Dec-2017	15-Jul-2021	

Increased use of shared spatial data by government agencies/ministries

Unit of Measure: Text

Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	6.00	28.00	30.00	Revised
Date	31-Dec-2010	31-Dec-2017	15-Jul-2021	

Intermediate Indicators

Percent of LROs processing transactions in 10 days or less

Unit of Measure: Percentage

Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	40.00	66.35	80.00	Revised
Date	31-Dec-2010	31-Dec-2017	15-Jul-2021	

No. of pages scanned



Unit of Measure: Text Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	12.50	Monitored without targets	Revised
Date	31-Dec-2010	31-Dec-2017	15-Jul-2021	
Land registration strategy completed Unit of Measure: Text Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	no strategy	In Progress	strategy completed	Marked for Deletion
Date	31-Dec-2010	30-Sep-2017	30-Apr-2018	
No. of queries on MOJ eLR-book web portal Unit of Measure: Text Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	30.00	54.00	Monitored without targets	Revised
Date	31-Dec-2010	31-Dec-2017	15-Jul-2021	
Average time to process transactions in COs Unit of Measure: Text Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	30.00	8.00	10.00	Marked for Deletion
Date	31-Dec-2010	30-Sep-2017	30-Apr-2018	
Number of new offices completed Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	3.00	4.00	Revised
Date	31-Dec-2010	31-Dec-2017	31-Dec-2018	



No. of pages scanned Unit of Measure: Text Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	1.00	11.30	17.50	Revised
Date	31-Dec-2010	31-Dec-2017	15-Jul-2021	
Number of services provided by the Geoportal Unit of Measure: Text Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	9.00	46.00	Monitored without targets	Revised
Date	31-Dec-2010	31-Dec-2017	15-Jul-2021	
Number of requests processed online via the Geoportal Unit of Measure: Text Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	850,000.00	No data available	Monitored without targets	Revised
Date	31-Dec-2010	30-Sep-2017	15-Jul-2021	
SGA strategy completed Unit of Measure: Yes/No Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	No	Yes	Yes	Marked for Deletion
Date	31-Dec-2010	30-Sep-2017	30-Apr-2018	
NSDI implementation underway Unit of Measure: Text Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	Preliminary NSDI strategy prepared	Yes	Yes	Revised



Date	31-Dec-2010	31-Dec-2017	15-Jul-2021	
No. of page views on SGA cadastre web portal				
Unit of Measure: Text				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	9.40	13.50	no target	Marked for Deletion
Date	31-Dec-2010	31-Mar-2017	30-Apr-2018	
No. of cadastre and land registry offices with Joint Information System in operation				
Unit of Measure: Text				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	2 COs / 3 LROs	113 COs / 107 LROs	113 COs / 107 LROs	Revised
Date	31-Dec-2010	31-Dec-2017	15-Jul-2021	
Number of Cadastral Municipalities with cadastre maps homogenized				
Unit of Measure: Number				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	106.00	400.00	Revised
Date	31-Dec-2010	31-Dec-2017	31-Dec-2018	
JIS management organization established				
Unit of Measure: Text				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	ad-hoc organization for JIS management	Org. established with sufficient financing and human capacity	Org. established with sufficient financing and human capacity	Revised
Date	31-Dec-2010	31-Dec-2017	15-Jul-2021	
Percent of records in the JIS with the personal identification number (OIB) added				
Unit of Measure: Percentage				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action



Value	7.00	37.00	44.00	Revised
Date	31-Dec-2010	31-Dec-2017	15-Jul-2021	
No. of government registers connected to the JIS Unit of Measure: Text Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	4.00	6.00	Revised
Date	31-Dec-2010	31-Dec-2017	15-Jul-2021	
No. of web services provided to external users via JIS Unit of Measure: Text Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	6.00	8.00	Revised
Date	31-Dec-2010	31-Dec-2017	15-Jul-2021	
M&E system in operation Unit of Measure: Yes/No Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	Yes	Yes	Yes	Marked for Deletion
Date	31-Dec-2010	31-Dec-2017	31-Jul-2021	
Number of training programs delivered for SGA staff Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	21.00	12.00	Marked for Deletion
Date	31-Dec-2010	30-Sep-2017	30-Apr-2018	
Number of SGA staff trained Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action



Value	0.00	3,423.00	4,150.00	Revised
Date	31-Dec-2010	31-Dec-2017	15-Jul-2021	
Number of SGA staff trained (women) Unit of Measure: Text Indicator Type: Custom Supplement				
	Baseline	Actual (Current)	End Target	Action
Value	No data	No data	Monitored without targets	New
Number of training programs delivered for MOJ staff Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	8.00	4.00	Marked for Deletion
Date	31-Dec-2010	30-Sep-2017	30-Apr-2018	
Number of MOJ staff trained Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	934.00	1,300.00	Revised
Date	31-Dec-2010	31-Dec-2017	15-Jul-2021	
Number of MoJ staff trained (women) Unit of Measure: Text Indicator Type: Custom Supplement				
	Baseline	Actual (Current)	End Target	Action
Value	No data	No data	Monitored without targets	New
Avg no. of days to complete recordn of purchase/sale of property in land adm systm Unit of Measure: Number Indicator Type: Custom				



	Baseline	Actual (Current)	End Target	Action
Value	46.00	12.00	10.00	Marked for Deletion
Date	31-Dec-2010	30-Sep-2017	30-Apr-2018	
Avg no. of days to complete recordn of purchase/sale of property–Urban Unit of Measure: Number Indicator Type: Custom Breakdown				
	Baseline	Actual (Current)	End Target	Action
Value	46.00	12.70	10.00	Marked for Deletion
Date	31-Dec-2010	31-Dec-2017	31-Jul-2021	
User Perception of Quality of Public Services (%) Unit of Measure: Percentage Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	88.00	90.00	90.00	Marked for Deletion
Date	30-Nov-2009	31-Dec-2016	30-Apr-2018	
Total number of transactions of the main public service targeted by the project Unit of Measure: Number Indicator Type: Custom Supplement				
	Baseline	Actual (Current)	End Target	Action
Value	200,000.00		200,000.00	Marked for Deletion
LROs that systematically scan incoming documents Unit of Measure: Percentage Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	100.00	New
Date	01-Jan-2018	01-Jan-2018	15-Jul-2021	
Central archive for LROs established Unit of Measure: Yes/No Indicator Type: Custom				



	Baseline	Actual (Current)	End Target	Action
Value	No	No	Yes	New
Date	01-Jan-2018	01-Jan-2018	15-Jul-2021	
Zagreb LRO relocated Unit of Measure: Yes/No Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	No	No	Yes	New
Date	01-Jan-2018	01-Jan-2018	15-Jul-2021	
Transaction processing time in the seven most underperforming LROs Unit of Measure: Days Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	30.00	30.00	20.00	New
Date	01-Jan-2018	01-Jan-2018	15-Jul-2021	
Percentage of Geodetic Elaborates submitted in standardized digital form Unit of Measure: Percentage Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	100.00	New
Date	01-Jan-2018	01-Jan-2018	15-Jul-2021	
Conduct new field surveys in 10 CMs and initiate the full public displays Unit of Measure: Text Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	Work not initiated	Work not initiated	Cadaster field surveys completed and public displays in progress	New
Date	01-Jan-2018	01-Jan-2018	15-Jul-2021	
Transfer in the LDB of the harmonized cadastral parcels of the 50 CMs for which field surveys are completed Unit of Measure: Text				



Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	Field surveys completed	Field surveys completed	Public display completed and harmonized cadastral parcels transferred in the LDB	New
Date	01-Jan-2018	01-Jan-2018	15-Jul-2021	
SGA-MoJ Joint Strategy Adopted Unit of Measure: Yes/No Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	No	No	Yes	New
Date	01-Jan-2018	01-Jan-2018	15-Jul-2021	
Number of cadastral parcels harmonized and transfered to the LDB Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	457,107.00	457,107.00	1,000,000.00	New
Date	01-Jan-2018	01-Jan-2018	15-Jul-2021	

COMPONENTS

Current Component Name	Current Cost (US\$, millions)	Action	Proposed Component Name	Proposed Cost (US\$, millions)
A: Land Registration System Development	0.13	Revised	A: Land Registration System Development	10.87
B: Spatial Information and Cadastre System Modernization	3.93	Revised	B: Spatial Information and Cadastre System Modernization	8.43
C: Improving Digital Services	12.35	Revised	C: Improving Digital Services	19.92
D: Project Management, Training, Public Awareness	1.64	Revised	D: Project Management, Training, Public Awareness	4.77



TOTAL	18.05		43.99
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DISBURSEMENT ARRANGEMENTS

Change in Disbursement Arrangements

Yes

Expected Disbursements (in US\$)

Fiscal Year	Annual	Cumulative
2012	3,164,371.81	3,164,371.81
2013	2,297,330.05	5,461,701.86
2014	679,275.00	6,140,976.86
2015	2,598,084.43	8,739,061.29
2016	4,669,717.90	13,408,779.19
2017	3,384,382.06	16,793,161.25
2018	1,215,680.00	18,008,841.25
2019	7,784,173.00	25,793,014.25
2020	7,458,048.00	33,251,062.25
2021	8,827,778.00	42,078,840.25

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Latest ISR Rating	Current Rating
Political and Governance	● Moderate	● Moderate
Macroeconomic	● Low	● Low
Sector Strategies and Policies	● Low	● Low
Technical Design of Project or Program	● Low	● Low
Institutional Capacity for Implementation and Sustainability	● Moderate	● Moderate
Fiduciary	● Low	● Moderate
Environment and Social	● Low	● Low



Stakeholders	● Moderate	● Moderate
Other		
Overall	● Moderate	● Moderate

COMPLIANCE

Change in Safeguard Policies Triggered

Yes

Safeguard Policies Triggered	Current	Proposed
Environmental Assessment OP/BP 4.01	Yes	Yes
Performance Standards for Private Sector Activities OP/BP 4.03	No	No
Natural Habitats OP/BP 4.04	No	No
Forests OP/BP 4.36	No	No
Pest Management OP 4.09	No	No
Physical Cultural Resources OP/BP 4.11	Yes	Yes
Indigenous Peoples OP/BP 4.10	No	No
Involuntary Resettlement OP/BP 4.12	No	No
Safety of Dams OP/BP 4.37	No	No
Projects on International Waterways OP/BP 7.50	No	No
Projects in Disputed Areas OP/BP 7.60	No	No



Environmental Assessment (EA) Category

Change of EA Category

Original EA Category

Yes

Partial Assessment (B)

Current EA Category

Proposed EA Category

Partial Assessment (B)

Partial Assessment (B)

LEGAL COVENANTS – Integrated Land Administration System - Additional Financing (P166324)

Sections and Description

The Borrower shall, through MOJ and SGA, ensure that the Project is implemented in accordance with the terms of the Loan Agreement on the Implementation of the Integrated Land Administration System Project, the Project Implementation Plan and the Project Operational Manual, and shall not amend, suspend, abrogate, repeal or waive any provision in the Loan Agreement on the Implementation of the Integrated Land Administration System Project, the Project Implementation Plan or the Project Operational Manual without prior written approval by the Bank. In case of any conflict between the Loan Agreement on the Implementation of the Integrated Land Administration System Project, the Project Implementation Plan and the Project Operational Manual, and the provisions of this Agreement shall prevail.

The Borrower shall, through MOJ and SGA, maintain a permanent management organization for the JIS, in a manner satisfactory to the Bank.

The Borrower shall, through the PIU, on December 1 of each year, starting on December 1, 2018, submit to the Bank for review and approval an annual training plan for the Project for the following calendar year.

The Borrower shall, through the PIU, by not later than September 1, 2018, or such later date to be agreed with the Bank, submit to the Bank for review and approval the plan for public displays of cadastral surveys referred to in Part C.1 of the Project in Schedule 1 of the Loan Agreement.

The Borrower shall, through the PIU, by not later than November 30, 2018, or such later date agreed with the Bank, submit to the Bank for review and approval the joint cadastre and land registration strategy referred to in Part C.3 of the Project in Schedule 1 of the Loan Agreement.

The Borrower, through the PIU, shall prepare and furnish to the Bank not later than July 15, 2018 and then September 30 of each year during the implementation of the Project for its approval within 45 calendar days, an Annual Work and Financial Plan containing all eligible Project activities and expenditures for the Project that are planned for the following fiscal year of the Borrower (for each such expenditures, with the source of funds and its corresponding percentage of financing), as well as a cashflow and disbursement forecast. The Borrower, through the PIU, shall also ensure that the Project is implemented in accordance with the approved annual work and financial plans (provided, however, that in case of any conflict between the annual work and financial plans and the provisions of the Loan Agreement, the provisions of the Loan Agreement shall prevail).

Prior to the bidding of any works contracts, the Borrower shall, through the PIU, furnish to the Bank evidence satisfactory to the Bank that updates satisfactory to the Bank of the ESMF have been made, consulted and disclosed.



Conditions

Type

Effectiveness

Description

The MOJ and SGA shall update the Project Operational Manual in a manner satisfactory to the Bank.



VIII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY : Croatia

Integrated Land Administration System - Additional Financing

Project Development Objectives

The objective of the proposed Project is to modernize the land administration and management system to improve the efficiency, transparency and cost effectiveness of government services.

Project Development Objective Indicators

Action	Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Revised	Name: Increased customer satisfaction with land admin services (measured on a scale from 1 to 5)		Text	4.4 (cadastre) 4.1 (Land registry)	4.5 (Cadastre) 4.5 (Land registry)	PIU/LRMS/SGA		every other year
Description:								
Revised	Name: Reduced transaction processing times in the land registry and cadastre		Text	46 days (LROs) and 30 days (COs)	10 days (LORs) and 10 days (COs)	LRMS/SGA/PIU		quarterly



Description:

Revised	Name: Increased percentage of customers lodging requests online	Percentage	0.00	20.00	LRMS/SGA	annual
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Description:

Revised	Name: Increased use of shared spatial data by government agencies/ministries	Text	6.00	30.00	SGA/LRMS	annual
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Description:



Intermediate Results Indicators

Action	Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Revised	Name: Percent of LROs processing transactions in 10 days or less		Percentage	40.00	80.00			quarterly
Description:								
Revised	Name: No. of pages scanned		Text	0.00	Monitored without targets			quarterly
Description:								
Revised	Name: No. of queries on MOJ eLR-book web portal		Text	30.00	Monitored without targets			quarterly
Description:								
Revised	Name: Number of new offices completed		Number	0.00	4.00			
Description:								
Revised	Name: No. of pages scanned		Text	1.00	17.50			quarterly
Description:								
Revised	Name: Number of services provided by		Text	9.00	Monitored without			



	the Geoportal				targets			
Description:								
Revised	Name: Number of requests processed online via the Geoportal		Text	850,000.00	Monitored without targets			
Description:								
Revised	Name: NSDI implementation underway		Text	Preliminary NSDI strategy prepared	Yes			quarterly
Description:								
Revised	Name: No. of cadastre and land registry offices with Joint Information System in operation		Text	2 COs / 3 LROs	113 COs / 107 LROs			quarterly
Description:								
Revised	Name: Number of Cadastral Municipalities with cadastre maps homogenized		Number	0.00	400.00			
Description:								
Revised	Name: JIS management organization		Text	ad-hoc organization for JIS	Org. established with			annual



	established			managem ent	sufficient financing and human capacity			
Description:								
Revised	Name: Percent of records in the JIS with the personal identification number (OIB) added		Percentage	7.00	44.00			
Description:								
Revised	Name: No. of government registers connected to the JIS		Text	0.00	6.00			quarterly
Description:								
Revised	Name: No. of web services provided to external users via JIS		Text	0.00	8.00			quarterly
Description:								
Revised	Name: Number of SGA staff trained		Number	0.00	4,150.00			
New	Number of SGA staff trained (women)		Text	No data	Monitored without targets			
Description:								



Revised	Name: Number of MOJ staff trained		Number	0.00	1,300.00			
New	Number of MoJ staff trained (women)		Text	No data	Monitored without targets			
Description:								
New	Name: LROs that systematically scan incoming documents		Percentage	0.00	100.00			
Description:								
New	Name: Central archive for LROs established		Yes/No	No	Yes			
Description:								
New	Name: Zagreb LRO relocated		Yes/No	No	Yes			
Description:								
New	Name: Transaction processing time in the seven most underperforming LROs		Days	30.00	20.00			
Description:								
New	Name: Percentage of Geodetic Elaborates submitted in standardized digital		Percentage	0.00	100.00			



	form							
Description:								
New	Name: Conduct new field surveys in 10 CMs and initiate the full public displays		Text	Work not initiated	Cadaster field surveys completed and public displays in progress			
Description:								
New	Name: Transfer in the LDB of the harmonized cadastral parcels of the 50 CMs for which field surveys are completed		Text	Field surveys completed	Public display completed and harmonized cadastral parcels transferred in the LDB			
Description:								
New	Name: SGA-MoJ Joint Strategy Adopted		Yes/No	No	Yes			
Description:								
New	Name: Number of cadastral parcels harmonized and transferred to the LDB		Number	457,107.00	1,000,000.00			



Description:



Target Values

Project Development Objective Indicators

Action	Indicator Name	Baseline	End Target
Revised	Increased customer satisfaction with land admin services (measured on a scale from 1 to 5)	4.4 (cadastre) 4.1 (Land registry)	4.5 (Cadastre) 4.5 (Land registry)
Revised	Reduced transaction processing times in the land registry and cadastre	46 days (LROs) and 30 days (COs)	10 days (LORs) and 10 days (COs)
Revised	Increased percentage of customers lodging requests online	0.00	20.00
Revised	Increased use of shared spatial data by government agencies/ministries	6.00	30.00

Intermediate Results Indicators

Action	Indicator Name	Baseline	End Target
Revised	Percent of LROs processing transactions in 10 days or less	40.00	80.00
Revised	No. of pages scanned	0.00	Monitored without targets
Revised	No. of queries on MOJ eLR-book web portal	30.00	Monitored without targets
Revised	Number of new offices completed	0.00	4.00
Revised	No. of pages scanned	1.00	17.50



Revised	Number of services provided by the Geoportal	9.00	Monitored without targets
Revised	Number of requests processed online via the Geoportal	850,000.00	Monitored without targets
Revised	NSDI implementation underway	Preliminary NSDI strategy prepared	Yes
Revised	No. of cadastre and land registry offices with Joint Information System in operation	2 COs / 3 LROs	113 COs / 107 LROs
Revised	Number of Cadastral Municipalities with cadastre maps homogenized	0.00	400.00
Revised	JIS management organization established	ad-hoc organization for JIS management	Org. established with sufficient financing and human capacity
Revised	Percent of records in the JIS with the personal identification number (OIB) added	7.00	44.00
Revised	No. of government registers connected to the JIS	0.00	6.00
Revised	No. of web services provided to external users via JIS	0.00	8.00
Revised	Number of SGA staff trained	0.00	4,150.00
New	Number of SGA staff trained (women)	No data	Monitored without targets
Revised	Number of MOJ staff trained	0.00	1,300.00
New	Number of MoJ staff trained (women)	No data	Monitored without targets
New	LROs that systematically scan incoming documents	0.00	100.00
New	Central archive for LROs established	No	Y
New	Zagreb LRO relocated	No	Y



New	Transaction processing time in the seven most underperforming LROs	30.00	20.00
New	Percentage of Geodetic Elaborates submitted in standardized digital form	0.00	100.00
New	Conduct new field surveys in 10 CMs and initiate the full public displays	Work not initiated	Cadaster field surveys completed and public displays in progress
New	Transfer in the LDB of the harmonized cadastral parcels of the 50 CMs for which field surveys are completed	Field surveys completed	Public display completed and harmonized cadastral parcels transferred in the LDB
New	SGA-MoJ Joint Strategy Adopted	No	Y
New	Number of cadastral parcels harmonized and transferred to the LDB	457,107.00	1,000,000.00



Annex 1 – Detailed AF Description

The PDO and the components of the project **remain unchanged**. The PDO is: to modernize the land administration and management system to improve the efficiency, transparency and cost effectiveness of government services. The beneficiaries also remain unchanged: (a) the public, who will have increased access to information and better services with fully integrated digital data; (b) the business community, which will be provided with faster services and increased access to information; and (c) government institutions, which will be able to share and view government spatial data more easily. This improved access to information will benefit the broader economy.

The major focus of the AF is exploit the capacity of the JIS to increase electronic and online services, shift towards paperless offices, increase the speed of service delivery, and overcome the systemic delays in the major LROs.

The four components of the project are:

- A. Land Registration System Development,
- B. Spatial Information and Cadastre System Modernization,
- C. Improving Digital Services, and
- D. Project Management, Training and Public Awareness.

There will be two **additional sub-components** in Component A that concern: (a) the renovation of an office in Zagreb, to help improve registration service provision in Zagreb, and (b) focused attention on the more problematic LROs that have not yet achieved sufficient performance standards. There is also one **new sub-component** in Component C, *Support to the Joint Cadastre and Land Registry Strategy Implementation*, which will help to put into effect the joint strategy agreed to be developed under the ILAS Project.

Component A – Land Registration System Development

Component A of the ILAS Project focuses on the services provided by LRMS within the MoJ through 107 LROs. Over the period of the ILAS Project, the speed and quality of services has improved considerably, with the average period for registration across the LRO's reducing from 46 days to 12.7 days. The JIS has been installed and is operational in all offices, electronic services are being provided, and digitization of records is progressing well. There are some 'outliers' among the LROs that have not managed to reduce their period for registration sufficiently, and these bring down the overall average time. Therefore, some **targeted interventions** for those specific LROs are required during the AF period. For this, a new sub-component A6 is being created. The AF will continue with the **digitizing of new applications** so that more services can be provided in a paperless environment, with more e-service provision. A **new archive facility** will be established to hold paper records from all LROs, to free up space in the LROs. The main LRO in Zagreb is also expected to move because the current premises are required to be returned to the Zagreb City authorities. This provides the opportunity for **more suitable premises** and workflow structure to be developed, and in the longer term, for the backlogs to be reduced and the slow turnaround times in Zagreb LRO to be improved.



A1. Digital archive

During the ILAS Project, 12.5 million pages of the land books were scanned but about 29 million pages remain to be scanned. The original project target of 10 million pages scanned is already exceeded, but there is a need to continue this work, and it is expected that the **EU funding** will cover this activity. To support this activity, it is necessary to ensure that the equipment and storage devices can cope with the increased information recorded and it is desirable that a central archive for storing paper land books and documents be established. It has also been agreed that all new documents submitted at LROs should be scanned and included within the JIS as a matter of procedure. Receiving staff would require a digital signature for this exercise. **New investments** under the AF will include: a) Purchase of **hardware and software** to store and manage the very high volume of scanned data, and to manage the location and retrieval processes for the paper records; b) Adaptation and renovations of the selected public building to become the central **analogue archive** for registration records (Digital data is archived by MoJ.); c) Purchase of scanners, furniture, shelving and other archive and office equipment for the central analogue archive; and, d) Purchase of scanning equipment for all LROs so that incoming documents can be scanned on arrival and included within the JIS.

A2. Land Registration Strategy and Legal Framework support

The changes to laws and processes that have enabled the JIS to function and for greater levels of automation and e-services have been completed. The planned land registration strategy is to be incorporated in the joint cadastre and land registration strategy that is being developed with the support of the original loan. There are **no additional activities** planned under this sub-component, although the LRMS will continue to develop and provide new regulations and guidelines as the need arises.

A3. Improving the quality of digital data

Plans to re-create land books that were destroyed, damaged or never existed were dropped in a project restructuring in 2013 when it was agreed to do this on a sporadic basis as part of regular operations. Plans to eliminate the backlogs of cases were dropped in a project restructuring in 2015 as funds and institutional support for the program were not in place. All of the activities of sub-component A3 were therefore dropped at the time of these restructures, and they **will not be taken up during AF**. However, it is planned to begin addressing the problems that cause backlogs and delays in registration for those offices that have the biggest problems. This is included within the **new sub-component A6**.

A4. Support for JIS roll-out

The JIS has been rolled out to all LROs and therefore this sub-component is **no further activity is required**. Training will continue to be provided, but this will be catered for under Component D.

A5. Relocation of the Zagreb LRO

This is a **new sub-component**. The Zagreb LRO needs to be moved because its current premises are required by the owner, the City of Zagreb. This provides the opportunity to for the new building to be designed to fit the new procedures that involve much greater levels of automation. The **new building** will be an existing building located in the state-owned Zagreb Judicial Square. There will be a need for refurbishment, as well as the acquisition of furniture and equipment. The Zagreb LRO caters for about 10 percent of transactions nationwide and is currently processing transactions in 23 days on average, which is well above the national average of 12.7 days. It also has a significant backlog of cases. The new building



and work processes established will help to improve efficiency in the longer term, but the improvements in processing times are unlikely to be significant by the end of the AF period because of the length of time required to renovate the premises.

A6. Operational improvement of underperforming LROs

This is a **new sub-component**. The key PDO level indicator that relates to the operations of the LROs is to **reduce the time** it takes to register mortgages and transactions. For most of the LROs, the situation has improved remarkably well over the course of the ILAS Project, but, in a few LROs, it has not been possible to reach the ten-day standard. These LROs tend to be the busier offices, often with poor records and for which large backlogs of outstanding cases remain. There are also noticeable anomalies. For example, all the LROs in the Split court district perform poorly, and the LROs in Dubrovnik, Blato and Donja Stubica have a surprisingly small number of transactions for their size, and yet very large backlogs. Reasons for these poorly performing or anomalous LROs need to be investigated and remedial strategies agreed and implemented. As the JIS allows interoperability between LROs, staffing support from LROs with available capacity can be utilized and, where this is not possible, additional temporary staff is to be required.

During the AF, seven large underperforming LROs will receive **targeted support**. These LROs are those of Split, Rijeka, Dubrovnik, Zadar, Šibenik Varaždin, and Zagreb. The AF will provide funds for temporary staff to clear backlogs and improve the speed of completing work. In addition, the strategy being developed under sub-component C4 includes a specific requirement to assess and recommend changes that would improve the speed and processes for registration. With the support of the AF, these recommendations will be implemented. For the Zagreb LRO, part of the delays currently experienced is because the transaction documents have not been bound for the past 17 years. This makes it time-consuming and onerous when investigating titles. This one of the reasons why, together with the slow processes utilized internally, each registration clerk reviews only a very small number of cases per day⁴. The AF will provide funds to have the documents bound.

Component B - Spatial Information and Cadastre System Modernization

The objective of this component is to improve the **quality and presentation of spatial and cadastre data** managed and maintained by SGA, and to **implement a NSDI** program. Under the original loan, this component also supported SGA with its own re-structuring through investments in the improvement of the premises of several COs; support to the establishment of the SGA digital archive; and the scanning of cadastre documents. Under the AF, this component will continue to **support the cadastre system**, to **upgrade the spatial data infrastructure**, and **finalize construction** commenced under the ILAS Project at **Sisak CO**. This component currently has four sub-components and no new sub-components are planned for the AF.

B1. Digital archive

The ILAS Project successfully completed all planned activities under this sub-component. These included: constructing the data conversion center in Vinkovci; contracting staff to scan and index archive documents

⁴ The standard 'norm' in Zagreb and all LROs is only 6 cases per day. In some of the problematic offices even this very small target is not achieved.



in the SGA data conversion centers in Glina, Split and Vinkovci; and, purchasing of equipment for the central archive in Glina. Some 11.3 million pages were scanned, far exceeding the target of 4 million pages. The SGA estimates that an additional 30 million pages need to be scanned as a priority, and this work will continue under the AF, with a target of completing at least an **additional 5 million pages**. The digital archive is critical for optimization of work at the COs, leading to greater staff efficiency and minimizing the operational cost. The SGA will rollout online delivery of standardized DGEs⁵ during the period of AF, which will contribute to reducing the number of incoming paper documents requiring scanning and support the shift towards a **paperless office environment**. The AF will also finance the **acquisition of equipment** for the three SGA data conversion centers, complete a study on improvements and optimization of its digital archive system, and implement the recommendations of the study.

B2. Support for restructuring of the SGA

Under the original loan, an extensive screening of office and working conditions and an inventory of all resources in all COs was completed in 2015, and this serves as a knowledge base for any optimization or investment decisions for the future. The ILAS Project also financed the purchase and renovation of CO premises in Bjelovar, Vinkovci and Šibenik, and started the renovation of the Sisak CO. The work on the **Sisak office will be finalized** during the AF period. With the support of the ILAS Project, the SGA completed an NSDI Strategy and established an NSDI Monitoring and Reporting system in 2014. A new NSDI Strategy was adopted in 2017, together with a Strategic NSDI plan for 2017 – 2020. The SGA also revised its Digital Archives Strategy and is engaging with the LMRS on a joint cadastre and land registration strategy to replace separate strategies initially planned under the ILAS Project. With the AF, the SGA Data Center will be improved by **upgrading the power supply** to ensure continuity of operation in the case of power outages. The SGA also wishes to improve its **human resource management software** through upgrading the existing system and providing such additional licenses that may be required.

It is also expected that the AF will support the hiring of auxiliary technical staff (consultants) to support the clerks in COs with a heavy workload and large number of requests. These COs are primarily located along the coast and include Rijeka, Zadar, Šibenik, Split, and Dubrovnik. **Consultants for the COs** will be hired on a fixed term for 18 months at the start of the AF.

B3. Cadastre system modernization

Under the ILAS Project, investments in information technology support for JIS implementation included development of a new cadastre data model and improvement to the Geoportal and relevant databases, such as the address register. The Geoportal supports NSDI implementation nationwide, and was initially enabled by the EU Instrument for Pre-Accession Assistance 2010 and ILAS Project funds. The CROPOS is the national network of reference GNSS stations. It was set-up and put in operation with the support of the EU PHARE funds in 2008. ILAS Project funds provided the main equipment needed to manage all data and operations of the Control Center and to replace the outdated components. There are currently 2,500 paying CROPOS users. The SGA plans to use **EU funds to raise awareness** at the local level to increase the engagement in NSDI and to **replace equipment** in CROPOS GNSS reference stations.

During the period of the AF, the SGA will continue to modernize by **standardizing DGEs** and **improving**

⁵ The DGE is a complete survey report with all observations, computations, plans and a report on the logic and conclusions of the survey investigations.



control and approval procedures. Electronic submission of DGEs through a web portal is expected to start on voluntary basis in the first half of 2018. A service for authorized geodetic companies to receive data needed for the preparation of DGEs, including the archive data, is planned. By the end of the AF, all standardized DGEs will be submitted digitally. No AF is required for this. The AF will however fund the **backup equipment** and **upgrade the software for the CROPOS** Control Center.

B4. Support to other data sets

There was excellent progress made on the implementation of the NSDI and the Infrastructure for Spatial Information in Europe (INSPIRE) directive during the ILAS Project. This will continue, but utilizing EU structural funds. There are now **22 data themes available**, **77 network services** being provided, and **28 institutions and 34 municipalities** who share their data sets through the NSDI Geoportal. In the first nine months of 2017, 13.5 million queries on the *katastar.hr* web portal were made. The project investments in the production of the Euro Regional Map database at 1:250,000 scale was completed in 2017. Studies on the establishment of the utility/ infrastructure cadastre and building cadastre were completed under the ILAS Project. In 2017, the Law on State Survey and Real Estate Cadastre was amended to support the establishment of the infrastructure cadastre and a building register will be introduced by a new Law on State Survey and Real Estate Cadastre, which is under procedure. The SGA will use EU funds to establish a centralized infrastructure cadastre information system.

Under the AF, this sub-component will further support implementation of the SGA's NSDI Strategy for 2017-2020. Activities to be financed will include the transformation of different types of infrastructure (e.g. water and sewage) elaborates⁶ into a standard compliant with the newly designed **infrastructure cadastre**. For the **building register**, an initial dataset will be captured, derived from spatial and real property records. This initial dataset will be supplemented by data captured from original aerial photogrammetric images used in 2014-2016 to produce digital orthophotos. Consulting services for the preparation of the documents required to procure the building register system will be covered. The AF will also support the adaptation of the SGA **address register** system to the needs of the 2021 population and households census. The creation of a **cartographic database** at 1:100,000 scale and the 'TM100' product specifications (used mainly for regional and urban planning projects) will also be funded by the AF.

Component C – Improving Digital Services

The ILAS Project supported the JIS upgrade and national rollout. A permanent organizational structure to manage the JIS operation over the long term was established. Investments in data quality improvement included: increase of cadastral map geometric accuracy⁷ (homogenization⁸); cadastre and land registry data harmonization;⁹ and, increase in the number of records with personal identifiers (for individuals and legal entities). As noted, the development of a joint cadastre and land registration strategy is planned.

⁶ Technical designs and specifications for infrastructure are referred to as 'elaborates', and the full design, technical data, survey and investigation results, etc. for all aspects of the different types of infrastructure will need to be standardized so that they can be linked and included within the infrastructure cadastre information system.

⁷ To better fit the reality in the field.

⁸ Cadastral map renewal.

⁹ Linked and matching.



The **JIS is in operation in all COs and LROs**. It is fully centralized, web-based system, interoperable with the personal ID register, address register, business register and tax authority register. The **JIS supports all processes** for harmonized and non-harmonized data, and, technically, services for any part of the country can be provided by any of the local offices or online. The digital archives of the LROs, COs and Zagreb CO are interoperable with the JIS. The main data center is using the government's cloud service at the Information Systems and Information Technologies Support Agency (APIS) for back up, and a plan has been developed to cover the disaster recovery procedures and ensure business continuity.

The AF will support the implementation of a proposed **joint cadastre and land registration strategy**, JIS upgrade to support the **simplification of business processes**, and **JIS interoperability** with the systems for public display and the land registry renewal. This component will finance technical assistance, software development and technical services for data quality improvement. **New e-services** will be developed and interoperability with other government systems will be undertaken.¹⁰ This component will extend the ILAS Project activities on **data quality improvement**. The necessary **training and awareness raising campaign** will be supported under Component D. EU Structural funds will also be used to develop additional e-services. A new sub-component is added to implement the joint cadastre and registration strategy.

C1. Data quality improvement

By the end of January 2018, 3.1% of all cadastral parcels were included in a joint Land Database within JIS, where the land registry and cadastral data are harmonized.¹¹ With the support of the AF, the SGA and the LRMS will double the percentage of harmonized records through the execution of new cadastral surveys, the organization of public displays, and sporadic harmonization.

The AF will support **cadastral field surveys and public displays** in 10 CMs. When records in the cadastre and land register are completely outdated and do not match, a reasonable approach is to execute new cadastral surveys, and to follow up with the land register renewal by replacing all old land registry records. This approach is mostly justified in urban areas and, more generally, in areas where the land market is dynamic. Once cadastral surveys are completed, the data is exposed in a public display for verification by real property owners and the public. In 2017, a new process termed 'pre-public display' of cadastral field survey was introduced to verify the cadastral part of newly captured data. This should then speed up the regular public display process that includes the land registry records.

The AF will support the **harmonization of 50 CMs** where field surveys have been completed but the public displays and land register renewal process has not been initiated. There are 98 such CMs, and completing them is a priority of the 2017 NRP. The MoJ and SGA are working on the Detailed Plan for Public Display of Data Captured in Cadastral Surveys and for Land Register Renewal and Establishment to be approved by the Croatian Government. One of the challenges is that these activities should be completed by COs and LROs staff. Therefore, the plan includes a proposal to hire close to 100 temporary staff to support the MoJ and SGA. However, if the approval of the plan is delayed, or the plan is not approved by the government, then this activity will be dropped and the funds cancelled or reallocated.

In 271 CMs, cadastral surveys were conducted between the Second World War and 1991 but the land registry data for these municipalities is based on old Austro-Hungarian cadastral maps that are no longer

¹⁰ For example, the State Asset Management System.

¹¹ Linked and matching.



in official use. Duplicate procedures are particularly visible in these CMs because the change must be described separately for the cadastre and the land registry. In addition, the CM names and cadastral parcel numbers in cadastre and land registry seldom match. Under the AF, **the implementation agencies will harmonize cadastre and land registry records in 21 CMs.**

The ILAS Project funded pilots on **sporadic data harmonization**. Sporadic data harmonization consists of taking a CM and harmonizing those cases that can be harmonized easily, and deferring those that cannot be simply harmonized. An amendment to the Land Registration Act was adopted to enable the inclusion of records cleaned through sporadic harmonization in the land registry. The SGA has proposed changes in a draft Law on State Survey and Real Estate Cadastre to support this process. The JIS will be adapted to support daily introduced harmonized records into the JIS, when cadastre and land register data match. The MoJ and SGA plan to scale up sporadic harmonization activities from September 2018.

When the geometric accuracy of cadastral maps is poor, their **homogenization is a precondition to sporadic data harmonization**. Under the original Bank loan, the SGA homogenized cadastral maps in 400 CMs and this activity is expected to be completed by August 2018. The SGA intends to **Scale up** this activity for an additional 2,100 CMs. Work is expected to be completed by the end of 2020 and will be primarily financed by the **state budget and EU funds**.

C2. JIS further development

The original title for this sub-component was the *JIS further development and roll-out*, but, as the JIS has now been rolled out to every LRO and CO, the final part of the title is deleted. The AF will support the development of **new e-services** and **changes to business processes**, which will be identified in a consultancy that is planned for the early part of the AF period. The new business processes will cater for further e-services for banks, retrieval of information from archives, interoperability with the applications used for public display during the land registry renewal process, interoperability with other government systems, different reporting requirements, crowdsourcing arrangements for correcting errors in the records or for adding information, and others yet to be identified.

C3. JIS sustainability

The government adopted a decision on JIS Coordination and Management on December 18, 2013. There are now JIS coordinators, a JIS management working group and a JIS manager, and rules of procedures were adopted. A JIS hosting and maintenance contract with the APIS has been signed. A centralized JIS and One Stop Shop Help Desk is in operation under the APIS contract. A Disaster Recovery Plan has also been developed and a JIS Multi-annual plan for the period 2018-2020 was agreed in December 2017. There is **no further support** for this sub-component under the AF.

C4. Support to the implementation of the Joint Cadastre and Land Registration Strategy

This a new sub-component. As part of the 2017 NRP, the government has directed the **functional integration** of the cadastre and land registry offices in a **new organization**, which is to be formally established by December 2018, and to be physically integrated by December 2020. Under the ILAS Project, TOR were issued for a strategy to implement the government's decision but no contractor has yet been engaged. A working group has been established to plan the implementation of the government's directive. The initial thoughts are to restrict the integration to a linking of systems, rather than an organizational and physical merger, and therefore the TOR may need to be redrafted.



This new sub-component will support the implementation of the joint cadastre and land registration strategy. While the actual conclusions and recommendations of the strategy are yet to be defined, the JIS offers a vast number of possibilities and could potentially support a complete reorganization of the structure of the LROs and COs. The impact of the recommendations relating to staff and office efficiency will be especially relevant to the improvements expected to be seen in subcomponent A6. Therefore, the AF will support the outcomes of the strategy, if they are acceptable to the Bank.

Activities that could be supported include: technical assistance for development of an **action plan** for the implementation of the joint strategy; establishment of a **monitoring and reporting mechanism** for the action plan; **business process reviews** (for optimization, simplification and re-engineering of the JIS); **drafting legal regulations** to support the business process optimization; development of “methodological materials”; analysis of **staff and office efficiency**; and, **development of standards**. Training activities will be included within Component D.

In addition, this sub-component may support an analysis of the **JIS data model** to assess its compliance with the Land Administration Domain Model (LADM, ISO 19152). LADM has been an ISO standard since November 2012 (the JIS data model was developed at an earlier date). Also, the EU INSPIRE data specifications provides recommendations for modifications to serve a national core land data model, which will be needed as the system is extended to infrastructure cadastre, building register, urban planning, and other data sets.

Component D – Project Management, Training and Public Awareness

This component will support a PIU, public awareness campaigns and a customer satisfaction survey. Sub-components “D2. Training and Education for MoJ” and “D3. Training and Education for SGA” are merged into one sub-component “D2. Training and Education”, which will support the implementation of annual training plans for the LRMS and the SGA.

D1. Project Management

The PIU established under the ILAS Project will be maintained throughout the duration of the AF. The PIU will comprise at least a manager, procurement specialist, financial management specialist, and a monitoring and evaluation specialist. The PIU will also be staffed with an architect/ civil engineer who will be responsible for the oversight of works. The implementing agencies will nominate someone who will also be responsible for monitoring the project’s compliance with the Bank’s safeguards. The LRMS and SGA may decide to adjust the composition of the PIU to meet the project’s needs in terms of information technology, translation and training, among others.

D2. Training and Education

This sub-component will provide a training program in support of the PDO. Training will be delivered based on annual plans to be submitted by the LRMS and SGA to the Bank for review and approval by December 1 of each year. Training topics could include: cadastre and land registration laws; sporadic harmonization of cadastre and land registry data; land book renewal; establishing new land registers where missing; joint cadastre and land registration procedures; use of SGA and LRMS e-services by the public and professional users; and management.



D3. Public Awareness Campaign

Public awareness activities will be organized. One of the objectives of these activities will be to inform professional users and the public about the e-services introduced by the LRMS and SGA. These e-services include the issuance of land registry and cadastre extracts online, the submission of transaction and mortgage registration requests online, and the electronic submission of standardized DGEs. Awareness campaign activities will encourage customers to use these e-services instead of going in person to the LROs and COs. It is also expected that the campaign will help achieve the PDO level target to maintain customers' satisfaction above 4.5, on a scale from 1 to 5. Under this sub-component, the implementing agencies will also conduct at least one customer satisfaction survey as part of the monitoring and evaluation for the AF.



Annex 2 – Financial Management, Disbursements and Procurement

Financial Management Risk

Overall, the project financial management risk before mitigation measures is assessed to be moderate and the residual risk remains moderate.

Financial Management Implementation Arrangements.

The financial management arrangements include as following:

i. The project will use existing financial management systems available under the ILAS Project for the project fiduciary purposes. The strengths that provide a basis of reliance on the project financial management arrangements include: (a) use of existing consultants under the ILAS Project, (b) existing accounting and reporting systems available in the ILAS Project;

ii. **Budgeting and Counterpart Funding Arrangements.** The project will finance items included in the project procurement plan. The MoJ and SGA will request and include sufficient budget allocation to finance project activities in line with the existing budgetary procedures and the Law on Budget. As the loan will finance up to 100 percent of the defined project expenditures including taxes no counterpart funding is envisaged at this stage.

iii. **Accounting and Maintenance of Accounting Records.** All records under the project based on the Croatian state budget classification are kept in the PIU accounting systems.

The computerized accounting system available in the ILAS Project is a combination of Excel spreadsheets and Access database and includes reports. All users' business data are stored on shared storage system which has redundant hard discs so if one fails there is a copy on another disc. The incremental backup of that data is done every weekend automatically on servers of an external company NetVision d.o.o. There are also back-ups on external disks that are taken once a month and kept in a Bank's vault.

iv. **Internal Controls and Internal Audit.** The PIU has adequate internal controls for the project, including regular reconciliation of DA, adequate segregation of duties, proper accounting policies and procedures.

There are regular reconciliations in the PIU: SOE are reconciled with the accounting data for every withdrawal application, monthly reconciliations of DA and of accounting data with client connection disbursements are performed. PIU performs quarterly reconciliations of project accounting records with beneficiaries' trial balances.

The contracts are verified and approved by the General Director of the SGA or the Minister of the MOJ or both, depending on the contract. The Financial Management consultant verifies together with the Procurement Specialist the financial provisions of the complex contracts. The standard contracts are verified only by the Procurement Specialist.

The invoices are verified by each Contract Manager (from SGA or MoJ as well as from the PIU) who fills in on every invoice the reference number of the related contract and the disbursements percentages applied for payments according to the loan agreement. The Financial Specialist also signs every invoice to certify that he checked the accuracy of the financial data.



Applications for withdrawal are authorized by persons determined by the MoF, taking into account adequate segregation of duties. The payments from the counterpart funding are approved by: for the SGA the Director General of SGA, and for the MoJ the General Secretary of the MoJ.

The PIU does not keep a fixed asset register, as all assets are in the ownership of the two beneficiaries of the project: the MOJ and SGA. Each of them has their own asset register and the assets found in the premises of the PIU are subject to periodic inventory counts of the SGA and MOJ. The PIU keeps records of the invoices related to the purchase of the assets paid from project's funds and of the transfer protocol.

v. *Periodic Financial Reporting.*

The quarterly IFRs have been submitted to the Bank for review in the agreed time frame and no significant discrepancies have been identified. The latest submitted IFRs were submitted for the Q4 2017 and the reports have been found acceptable to the Bank and no changes in its formats are envisaged for the AF.

vi. *External Audit.*

The project is in compliance with the audit covenants and there are no due audits. The audit report for the Financial Year 2016 received an unmodified audit opinion and the management recommendation letter did not contain any significant internal controls deficiencies or accounting issues. The audit was conducted by the audit firm BDO Croatia. The audit had been delivered to the Bank timely and has been found acceptable. The audit contract is valid until the project current closing date. For the AF the PIU will need to contract the auditor.

Disbursements and flow of funds

The MoF will create an analytical account in the State Treasury for receipt of the loan proceeds which will be used as a DA in line with the existing treasury procedures. The loan funds will flow from the Bank through a Single Treasury Account with the Croatian National Bank to the DA and via Treasury system and MoJ and SGA to contractors on the basis of approved invoices. Withdrawal applications for the replenishments of the DA will be prepared and sent to the Bank via Client Connection system directly by PIU based on need for loan funds and following authorization by the authorized signatories determined by the MoF.

Disbursements from the Loan Account will follow the traditional method through: reimbursements, direct payment to suppliers, and advances to the DA. The expenses will be documented with the use of SOEs. Supporting documents for SOEs, including completion reports and certificates, will be retained by PIU and made available to the Bank during project supervision. The reimbursement of expenditures from the DA may be made on the basis of certified SOEs. The ceiling and authorized allocation for the International Bank for Reconstruction and Development (IBRD) DA will be defined in the project Disbursement and Financial Information Letter. The DA will be denominated in the currency of the loan as selected by the Borrower (EUR).

Retroactive financing

No withdrawal shall be made for payments made prior to the date of the Loan Agreement, except for withdrawals up to an aggregate amount not to exceed EUR 865,000 may be made for payments made for Eligible Expenditures.



Table 1 - Withdrawal of the Proceeds of the Loans and estimated disbursements

Category	Amount of the loan allocated (expressed in EUR)	Percentage of expenditures to be financed (inclusive of taxes)
(1) Goods, works, non-consulting services, consulting services, Training, Technical Services and Operating Costs for the Project	19,700,000	100%
TOTAL AMOUNT	19,700,000	



Annex 3 – Economic and Financial Analysis

The AF will support the continued automation of land administration services, further reduce real property registration time, increase the number of customers who use e-services, improve the quality of real property data, and advance the integration of cadastre and land registration services and consequently the PDO will remain the same.

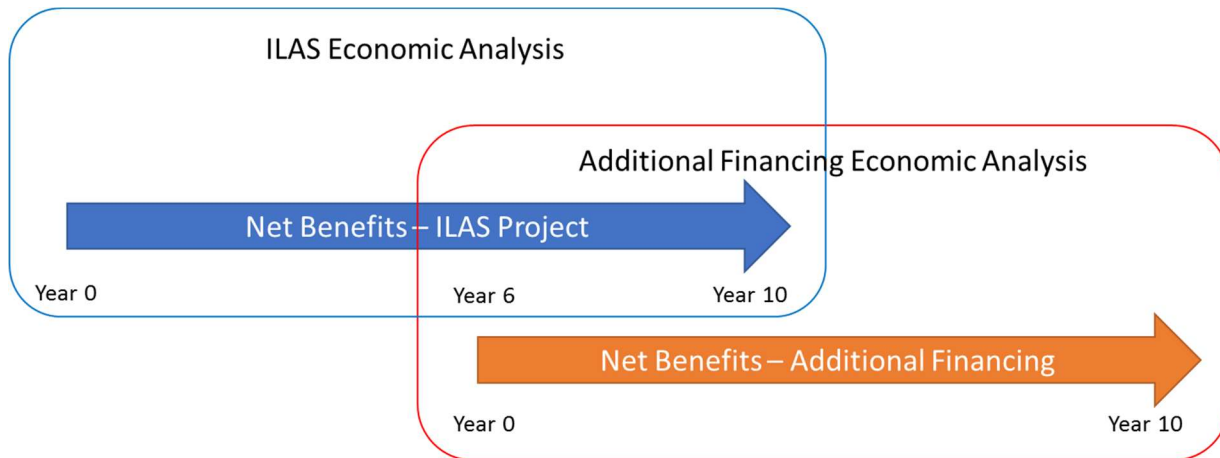
To maintain consistency with the original project design, the economic analysis of the AF is based on ILAS' economic and financial analysis. As such, the main expected economic benefits expected from the AF remain: a) greater access to spatial data and b) reduced waiting time through data acquisition – leading to potential productivity gains.

The original data for the analysis was obtained from a survey conducted among major beneficiaries in line Ministries, municipalities and the public – serving as a representative sample. The survey requested information on the type of spatial data used, the amount of time spent acquiring and using the data and relative wage rates. Beneficiaries were also asked what they might expect in terms of time or cost savings if information were more readily available through the geoportal. Using this data, a set of average productivity gains across beneficiaries were assumed with modest gains in year 1, due to gradual technology roll-out, and more dramatic improvements upon completion. As a result, by the end of the ILAS Project the total average productivity from greater access to spatial data and reduced waiting was expected to be 14 percent and 15 percent respectively. For the AF, and given that the implementation of the ILAS Project has been satisfactory, it is assumed that these are maintained and slowly improved during the project restructuring. See Table 1 for details.

Table 1 - Average Productivity Gains over the life of the AF compared to situation before ILAS project

Beneficiary	Year 1		Year 2		Year 3		Year 4 to 10	
	Waiting time	Data access	Waiting time	Data access	Waiting time	Data access	Waiting time	Data access
<i>Ministries</i>	24.8%	29.0%	28.5%	33.3%	32.2%	37.5%	35.9%	41.8%
<i>Counties/ Municipalities</i>	8.0%	8.0%	9.5%	9.5%	11.0%	11.0%	12.5%	12.5%
<i>General public</i>	8.0%	8.0%	9.5%	9.5%	11.0%	11.0%	12.5%	12.5%
Total	13.6%	15.0%	15.8%	17.4%	18.1%	19.8%	20.3%	22.3%

The Cost Benefit Analysis (CBA) model of the ILAS Project was developed for a period of 10 years with Capital Expenditure (CAPEX) distributed during the first four years, Operating and Maintenance (M&M) cost of 15% starting after the fifth year of implementation, and a discount rate of 10%. Since the AF is expected to start at year 6 after the ILAS Project became effective, the CBA uses the cashflows of the AF project net of the original ILAS Project to avoid double counting.



A summary of discounted economic benefits and costs is presented in Table 2. As expected, the first three years of the project won't be returning positive cashflow due to a) there are still benefits to be accrued from the original ILAS project and only marginal benefits from the AF should be accounted for; b) a conservative projection was adopted and the efficiency gains from the original ILAS project are marginal (see Table 1), and c) the AF funds are distributed during the first three years (see Table 3). O&M costs are assumed to begin in Year 4 but they were lowered to 10 percent per year given that the new investments are expected to improve office premises and workflow structure. The overall economic rate of return is 20.6 percent and the Net Present Value (NPV) is €17.9 million euros upon completion of the Project.

A sensitivity analysis was also performed, varying growth rates of productivity gains overtime +/- 50% from the neutral scenario (see table 4 for details) resulted in an Economic Internal Rate of Return (EIRR) range of 10-31 percent and an NPV range of €8.7 to €27 million euros by project completion.

	<i>Scenarios</i>		
	Conservative	Neutral	Positive
<i>EIRR</i>	10.2%	20.6%	31.1%
<i>NPV (Euros)</i>	8,737,954	17,915,726	27,093,497



Table 2 – Economic Benefits and Cost in Present Values

	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>	<i>Year 6</i>	<i>Year 7</i>	<i>Year 8</i>	<i>Year 9</i>	<i>Year 10</i>	<i>Total (Euro)</i>
<i>Original Project Benefits not accrued</i>	6,916,644	6,287,858	5,716,235	5,196,577	-	-	-	-	-	-	24,117,314
<i>Additional Financing Benefits</i>	6,916,644	7,428,259	7,789,692	8,024,018	7,294,562	6,631,420	6,028,564	5,480,512	4,982,284	4,529,349	65,105,304
AF Benefits net from ILAS	-	1,140,401	2,073,457	2,827,441	7,294,562	6,631,420	6,028,564	5,480,512	4,982,284	4,529,349	40,987,991
Costs	(3,581,818)	(4,884,298)	(7,400,451)	(1,345,537)	(1,223,215)	(1,112,014)	(1,010,921)	(919,020)	(835,472)	(759,520)	(23,072,265)
Net benefits	(3,581,818)	(3,743,896)	(5,326,994)	1,481,905	6,071,347	5,519,406	5,017,642	4,561,493	4,146,812	3,769,829	17,915,726

Table 3 – Main Assumptions Used for the Cost Benefit Analysis

Exchange rate: Kuna/Euro	7.44
Exchange rate: USD/Euro	1.23
Discount rate (%)	10%
Total investment (Euros)	19,900,000
Component A: Automating Land Registration	8,800,000
Component B: Spatial Information and Cadastre	3,500,000
System Modernization	
Component C: Improving Digital Services	5,000,000
Component D: Project Management	2,600,000
Investment in 1st year (% CAPEX)	20%
Investment in 2nd year (% CAPEX)	30%
Investment in 3rd year (% CAPEX)	50%
O&M (% CAPEX)	10%

Table 4 – Sensitivity Analysis Scenarios: Average Productivity Gains for years 4 to 10

Beneficiary	Waiting time			Data access		
	Negative	Neutral	Positive	Negative	Neutral	Positive
Ministries	30.4%	35.9%	41.5%	35.4%	41.8%	48.1%
Counties/ Municipalities	10.3%	12.5%	14.8%	10.3%	12.5%	14.8%
Public	10.3%	12.5%	14.8%	10.3%	12.5%	14.8%
Total	17.0%	20.3%	23.7%	18.6%	22.3%	25.9%

CROATIA

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|---|----------------------------|-----|------------------------------|
| ○ | SELECTED CITIES AND TOWNS | — | MAIN ROADS |
| ⊙ | COUNTY (ŽUPANIJA) CAPITALS | — | RAILROADS |
| ⊛ | NATIONAL CAPITAL | — | COUNTY (ŽUPANIJA) BOUNDARIES |
| — | RIVERS | --- | INTERNATIONAL BOUNDARIES |

