

Document of  
The World Bank

Report No: ICR00003978

IMPLEMENTATION COMPLETION AND RESULTS REPORT  
(TF-12104, TF-13714, and TF-95164)

ON A

TRUST FUND GRANT

IN THE AMOUNT OF US\$3 MILLION

TO THE

PALESTINE LIBERATION ORGANIZATION  
(FOR THE BENEFIT OF THE PALESTINIAN AUTHORITY)

FOR A

SECOND LAND ADMINISTRATION PROJECT (LAP II)

IN WEST BANK AND GAZA

January 13, 2017

Global Practice for Social, Urban, Rural, and Resilience  
Middle East and North Africa Region

CURRENCY EQUIVALENTS  
(Exchange Rate Effective January 13, 2017)

Currency Unit = ILS (New Israeli Sheqalim)  
ILS 1 = US\$ 0.26  
US\$ 1 = ILS 3.82

FISCAL YEAR

ABBREVIATIONS AND ACRONYMS

AutoCAD	A type of computer-aided design (CAD)
CCMS	Computerized Cadastral Mapping System
CLRS	Computerized Land Registration System
CLS	Common Language Specification
CORS	Continuous Operation Reference System
DWG	An electronic file format for CAD
EA	Enterprise Architecture
ERR	economic rate of return
ESRI	Environmental Systems Research Institute
FMR	Financial Management Report
FM	Financial Management
GDs	General Directors
GIS	geographic information system
GoF	Government of Finland
GPS	global positioning system
GRM	Grievance Redress Mechanism
HRD	Human Resources Development
ICR	Implementation Completion Report
IDA	International Development Association
ILI	Intensive Learning ICR
INA	Institutional Needs Assessment
ISMs	Implementation Support Missions
IT	information technology
LAP I	First Land Administration Project
LAP II	Second Land Administration Project
LIL	Learning and Innovation grant
M&E	monitoring and evaluation
MoPAD	Ministry of Planning and Administrative Development
MoU	Memoranda of Understanding
MS SQL Server	a Microsoft relational database management system
MTR	Mid-Term Review
NPV	net present value
NIRAS	an international consulting company
OECD	Organization for Economic Co-operation and Development

PA	Palestinian Authority
PD	Project Director
PDO	Project Development Objective
PLA	Palestinian Land Authority
PMU	Project Management Unit
PNDP	Palestinian National Development Plan
PPF	Project Preparation Facility
SFT	Social Facilitation Team
SLR	systematic land registration
SLRAA	Systematic Land Registration and Adjudication Advisor
SM	Settlement Manual
SO	Settlement Office
TA	Technical Assistance
TAT	Technical Assistance Team
TFGWB	Trust Fund for Gaza and West Bank
UN	United Nations

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**WEST BANK AND GAZA**  
**Second Land Administration Project (LAP II)**

**CONTENTS**

Data Sheet

- A. Basic Information
- B. Key Dates
- C. Ratings Summary
- D. Sector and Theme Codes
- E. Bank Staff
- F. Results Framework Analysis
- G. Ratings of Project Performance in ISRs
- H. Restructuring
- I. Disbursement Graph

1. Project Context, Development Objectives and Design.....	1
2. Key Factors Affecting Implementation and Outcomes .....	4
3. Assessment of Outcomes .....	11
4. Assessment of Risk to Development Outcome.....	17
5. Assessment of Bank and Borrower Performance .....	18
6. Lessons Learned .....	21
7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners .....	24
Annex 1. Project Costs and Financing.....	26
Annex 2. Outputs by Component .....	27
Annex 3. Economic and Financial Analysis .....	36
Annex 4. Bank Lending and Implementation Support/Supervision Processes .....	38
Annex 5. Beneficiary Survey Results .....	40
Annex 6. Stakeholder Workshop Report and Results.....	41
Annex 7. Summary of Borrower's ICR and/or Comments on Draft ICR.....	45
Annex 8. Comments of Cofinanciers and Other Partners/Stakeholders .....	51
Annex 9. List of Supporting Documents .....	52

A. Basic Information			
Country:	West Bank and Gaza	Project Name:	Second Land Administration Project (LAP -II)
Project ID:	P105403	L/C/TF Number(s):	TF-12104,TF-13714,TF-95164
ICR Date:	09/08/2016	ICR Type:	Core ICR
Lending Instrument:	SIL	Borrower:	PLO FOR THE BENEFIT OF PA
Original Total Commitment:	US\$8.48M	Disbursed Amount:	US\$3.21M
Revised Amount:	US\$3.13M		
<b>Environmental Category: C</b>			
<b>Implementing Agencies:</b> Palestinian Land Authority			
<b>Cofinanciers and Other External Partners:</b>			

B. Key Dates				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	05/07/2008	Effectiveness:		06/19/2012
Appraisal:	02/07/2012	Restructuring(s):		
Approval:	04/26/2012	Mid-term Review:	09/15/2014	11/03/2014
		Closing:	05/30/2017	04/18/2016

C. Ratings Summary	
C.1 Performance Rating by ICR	
Outcomes:	Highly Unsatisfactory
Risk to Development Outcome:	High
Bank Performance:	Moderately Unsatisfactory
Borrower Performance:	Highly Unsatisfactory

C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)			
Bank	Ratings	Borrower	Ratings
Quality at Entry:	Moderately Unsatisfactory	Government:	Unsatisfactory
Quality of Supervision:	Moderately Unsatisfactory	Implementing Agency/Agencies:	Highly Unsatisfactory
<b>Overall Bank Performance:</b>	Moderately Unsatisfactory	<b>Overall Borrower Performance:</b>	Highly Unsatisfactory

<b>C.3 Quality at Entry and Implementation Performance Indicators</b>			
<b>Implementation Performance</b>	<b>Indicators</b>	<b>QAG Assessments (if any)</b>	<b>Rating</b>
Potential Problem Project at any time (Yes/No):	No	Quality at Entry (QEA):	None
Problem project at any time (Yes/No):	Yes	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Unsatisfactory		

<b>D. Sector and Theme Codes</b>		
	<b>Original</b>	<b>Actual</b>
<b>Sector Code (as percent of total Bank financing)</b>		
Central government administration	100	100
<b>Theme Code (as percent of total Bank financing)</b>		
Land administration and management	41	41
Legal institutions for a market economy	17	17
Personal and property rights	42	42

<b>E. Bank Staff</b>		
<b>Positions</b>	<b>At ICR</b>	<b>At Approval</b>
Vice President:	Hafez M. H. Ghanem	Inger Andersen
Country Director:	Marina Wes	Mariam J. Sherman
Practice Manager/Manager:	Jorge A. Muñoz	Franck Bousquet
Project Team Leader:	Lina Abdallah	Soraya Goga
ICR Team Leader:	Lina Abdallah	
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## **F. Results Framework Analysis**

### **Project Development Objectives (from Project Appraisal Document)**

The objective of the project is to improve the design and implementation of the land registration system in the project area. The project area is defined as municipalities, villages, and project committees in the Dura district and in an adjacent area of not less than 180,000 dunums.

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

N/A

**(a) PDO Indicator(s)**

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
<b>Indicator 1 :</b>	Increase in customer satisfaction with services provided by PLA in the project area.			
Value quantitative or qualitative)	79%	30%		75.75%
Date achieved	03/23/2012			08/31/2015
Comments (incl. % achievement)	Not met. Only 1 survey of 3, and the report was never made fully available to the Bank. According to the survey, the average overall satisfaction with services provided by the PLA was 75.7% slightly lower than the PMU-reported.			
<b>Indicator 2:</b>	Decrease in time required for land transaction processing in at least four PLA offices.			
Value quantitative or qualitative)	42 days	15 days		30 days
Date achieved	03/23/2012			08/31/2015
Comments (incl. % achievement)	Not met. Time for a typical land transaction decreased from 42 to 30 days falling short of the 15-day end target. The reported decrease is not based on PLA reporting data but on Doing Business 2015 report. It was always hard to obtain averages from PLA.			
<b>Indicator 3:</b>	Reduction in costs of Systematic Land Registration Activities in the project area by at least 60% by end			
Value quantitative or qualitative)	US\$86 (rural) US\$138 (urban)	US\$35		US\$22
Date achieved	03/23/2012			08/31/2015
Comments (incl. % achievement)	Exceeded. The project managed to reduce costs for SLR by more than 60% compared to the baseline, reaching a final cost of US\$22 per dunum. However, the baseline was only the actual cost of using the private sector in LAPI pilot project.			

**(b) Intermediate Outcome Indicator(s)**

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
<b>Indicator 1:</b>	Number of dunums surveyed and cadastral maps available in digital form.			
Value (quantitative or qualitative)	0	At least 180,000		74,031 surveyed 18,023 with digital maps
Date achieved	03/23/2012			04/18/2016
Comments (incl. % achievement)	Not met. By April 2016, 74,031 dunums have been surveyed (41%), and only 18,023 dunums have been made available in cadastral maps (10%).			
<b>Indicator 2:</b>	No objections lodged during the public display period decreased			
Value (quantitative or qualitative)	0	Below 5%		14%
Date achieved	03/23/2012			08/31/2015
Comments (incl. % achievement)	Not met. According to the latest PLA reporting (August 2015), the percentage of objections presented during the public display period was 14% - much lower than 40% of the previously reported volume. The final reported figure is contestable.			
<b>Indicator 3:</b>	Handbook for dispute resolution mechanisms prepared and adopted by the PLA.			
Value (quantitative or qualitative)	None	Yes		No
Date achieved	03/23/2012			08/31/2015
Comments (incl. % achievement)	Not met. No handbook for dispute resolution was adopted by the PLA. A "Work Instructions & Dispute Resolution Manual During Settlement Activities" was prepared by the PLA but was not found to be adequate for dispute resolution purposes according to FPs.			
<b>Indicator 4:</b>	Cadastral mapping system incorporated in the PLA's computerized Land Records Management System.			
Value (quantitative or qualitative)	No	Yes		No
Date achieved	03/23/2012			05/31/2015

Comments (incl. % achievement)	Not met. Although the project rolled out the Computerized Land Registration System (CLRS) to two PLA offices (rather than four), it did not manage to link the CLRS to a newly designed Computerized Cadastral Mapping System (CCMS).			
<b>Indicator 5:</b>	IT strategy adopted			
Value (quantitative or qualitative)	None	Yes		Adopted but not operational
Date achieved	03/23/2012			08/31/2015
Comments (incl. % achievement)	Partly achieved. An IT Strategy has been prepared and adopted by the PLA. There is no evidence that the Strategy is in any way operational.			
<b>Indicator 6:</b>	Project management assessed as satisfactory by supervision teams.			
Value (quantitative or qualitative)	Not applicable	Satisfactory		Unsatisfactory
Date achieved	03/23/2012			08/31/2015
Comments (incl. % achievement)	For a significant part of project implementation, project management has been rated as unsatisfactory (see section G of Data Sheet).			
<b>Indicator 7:</b>	Semi-annual Progress Reports delivered on time			
Value (quantitative or qualitative)	Not applicable	Yes		No
Date achieved	03/23/2012			08/31/2015
Comments (incl. % achievement)	PMU did not always honor deadlines for submitting semi-annual progress reports, and their quality was often considered weak by the financing partners.			

### G. Ratings of Project Performance in ISRs

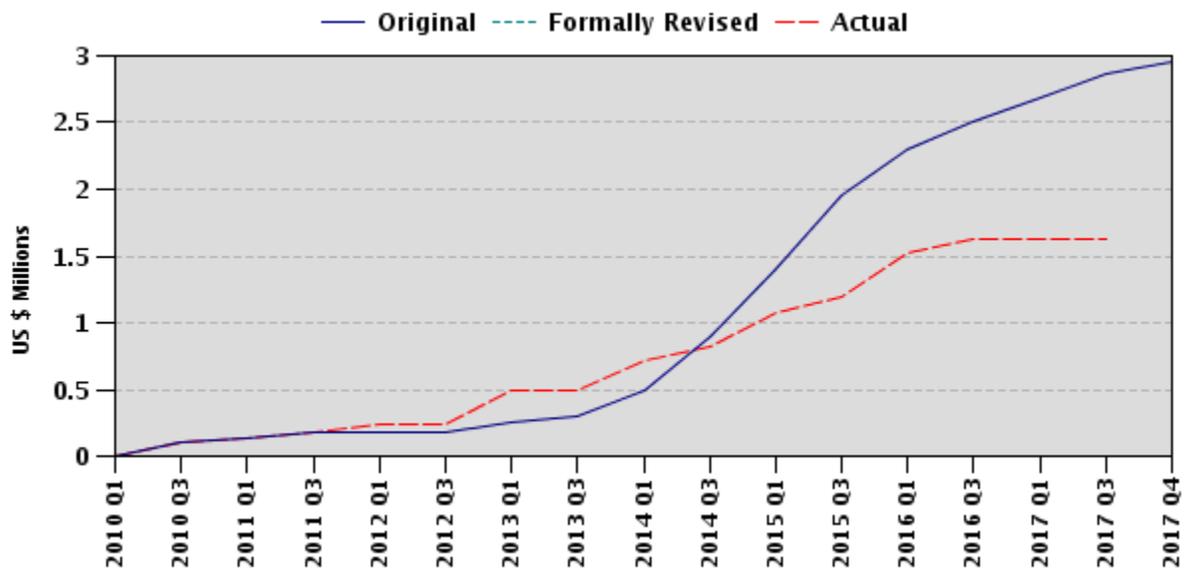
No.	Date ISR Archived	DO	IP	Actual Disbursements (US\$ millions)
1	07/28/2012	Satisfactory	Satisfactory	0.24
2	05/29/2013	Satisfactory	Moderately Satisfactory	0.58
3	12/25/2013	Satisfactory	Moderately Unsatisfactory	0.82
4	06/17/2014	Moderately Satisfactory	Moderately Unsatisfactory	1.07

5	01/26/2015	Moderately Unsatisfactory	Moderately Unsatisfactory	1.19
6	04/10/2015	Unsatisfactory	Unsatisfactory	1.42
7	10/19/2015	Unsatisfactory	Unsatisfactory	1.63
8	03/08/2016	Unsatisfactory	Unsatisfactory	1.63

### H. Restructuring (if any)

Not Applicable

### I. Disbursement Profile



## **1. Project Context, Development Objectives, and Design**

### **1.1 Context at Appraisal**

1. **Country and Sector Background.** When the project was appraised in February 2012, the Palestinian economy was recovering from a low base, but was heavily reliant on inflows of donor aid and was fiscally vulnerable. The relative stability in the West Bank, coupled with sound economic and fiscal policy, had facilitated high growth in the years prior to appraisal. However, development was severely impacted by restrictions on access to scarce land and natural resources. These restrictions are set forth in the Oslo Accords of 1993-1995, which partitioned the West Bank into areas A, B, and C. In Area A (18 percent of the West Bank), the Palestinian Authority (PA) has full civil and security control. In Area B (21 percent of the West Bank), the PA has full civil control, while security is controlled by Israel. In Area C (61 percent of the West Bank), Israel has civil and military control. Area C surrounds areas A and B, and areas A and B have increasing population densities with little space to expand. Therefore, in areas that the PA does control, land management practices required improvement to enable the scarce land to be utilized in a way that facilitates economic growth, and to allow for security of land ownership.

2. **Government Strategy.** Based on provisions for ambitious reform efforts to build an institutional basis for a future Palestinian state, the PA, through the Palestinian National Development Plan (PNDP) 2011-13, had prioritized land management as part of its vision for the establishment of a future Palestinian state. The PA had committed to improving public service delivery of the Palestinian Land Authority (PLA) by computerizing land records, enhancing modern land offices and human resource capacity; protecting and maximizing the utilization of public land by inventorying and registering it; developing clear policies on the use of public land; and protecting citizens' properties. Institutional challenges facing the achievements of these goals remained and efforts to develop a feasible strategy to register land in Areas A and B did not succeed.

3. **Rationale for Bank assistance.** The World Bank had a long-term engagement on land administration issues, stemming from the first Land Administration Project (LAP I), which was a Learning and Innovation grant (LIL). LAP I, implemented between 2005 and 2008 and co-financed by the Bank and the Government of Finland (GoF), aimed to strengthen the capacity of the PA in land management, developing procedures for the issuance of land titles and registration of property transactions, and piloting systematic land registration (SLR). Most recently, the Bank's Interim Strategy Note (2012-2014) for the West Bank and Gaza aimed to support Palestinian institutional strengthening efforts through reinforced public administration.

### **1.2 Original Project Development Objectives (PDO) and Key Indicators**

4. The Project Development Objective (PDO), as stated in the IDA Grant Agreement and the Project Appraisal Document (PAD), was to improve the design and implementation of the land registration system in the project area. The project area was defined as the

municipalities, villages, and project committees in the Dura district and in an adjacent area of not less than 180,000 dunums.<sup>1</sup>

5. Accordingly, the **PDO Indicators** were:

- PDO Indicator 1: Increase in customer satisfaction with the services provided by the PLA in the project area
- PDO Indicator 2: Decrease in time required for land transaction processing in at least four PLA offices
- PDO Indicator 3: Reduction in costs of Systematic Land Registration activities in the project area by at least 60 percent by the end of the project.

### **1.3 Revised PDO and Key Indicators and Reasons/Justification**

6. The PDO and its indicators were maintained throughout project implementation.

### **1.4 Main Beneficiaries**

7. The project's direct beneficiaries included: (i) owners, including women, in the project area targeted for systematic land registration (Dura and an adjacent area, representing an estimated 80,000 owners<sup>2</sup>); (ii) the public using the services of the regional offices targeted for improved service delivery (Nablus, Jenin and two other PLA regional offices); (iii) businesses, lawyers, and other private sector interests requiring access to land registration information in the project area targeted for systematic land registration and in regional offices targeted for improved service delivery; and (iv) PA institutions, including municipalities and the Ministry of Finance, who would benefit from the fiscal impacts of registration.

### **1.5 Original Components**

8. **Component 1 - Systematic Land Registration (SLR) in the project area** (US\$6.920 million, of which US\$2.405 million was financed by the Trust Fund for Gaza and West Bank (TFGWB), and US\$4.515 million was co-financed). This component aimed to provide resources to the PLA to complete SLR (in two phases) of at least 180,000 dunums of land in the West Bank and to further develop PLA capacity to implement SLR in the rest of the West Bank. Phase 1 was to register 90,000 dunums of land in the Dura district over a period of 24 months. Phase 2 was to extend the systematic land registration process to *at least* an additional 90,000 dunums of land, most likely in the southern West Bank. In addition, the possibility of including an area greater than 90,000 dunums was to be reviewed toward the end of Phase 1, depending on the work progress of the SLR process.

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<sup>1</sup> Ten dunums equals one hectare.

<sup>2</sup> This estimate was based on LAP I figures. It was recognized at appraisal that conditions could be different in Dura.

Finally, the procedures refined through the implementation of this component could then be institutionalized within the PLA for implementation across the West Bank.<sup>3</sup>

9. **Component 2 - Institutional Strengthening of the PLA** (US\$0.630 million of which US\$0.280 million was financed by TFGWB and US\$0.350 million was co-financed). This component aimed to assist the PLA with implementation of its mandate and, in particular, management of SLR through institutional strengthening, including provision of enabling technology and office modernization. In terms of institutional strengthening, the project aimed to provide support, inter alia, through the formulation of a corporate strategy, the establishment of a PLA monitoring system, improvement of service standards, the formulation of a Human Resources Development (HRD) strategy, and related training. The project was also intended to support the PLA through (a) implementation of enabling technologies through preparation of an information technology (IT) strategy; (b) the development of software to extend the Computerized Land Registration System (CLRS); (c) extension of the CLRS to four regional offices (Nablus, Jenin, and two other PLA regional offices); (d) improvement of the land registration process; (e) a feasibility study for a Continuous Operation Reference System (CORS); and (f) the upgrading of survey equipment for the PLA Surveying Department. Finally, the project aimed to (g) support the modernization of PLA offices, in particular through design, civil works, equipment, installation of systems and other improvement works. For this component, the TFGWB would finance IT equipment, servers, software, and office equipment as well as civil works, furniture, and equipment. The GoF would finance the technical assistance (TA) activities, as well as the interior design, civil works for the modernization of two regional offices, and provision of record storage cabinets for the two regional offices.

10. **Component 3 - Project Management, Monitoring and Evaluation** (US\$0.9568 million, of which US\$0.077 million from TFGWB and US\$0.879 million co-financed). This component aimed to support project management, monitoring and evaluation (M&E). The project would finance the hiring of consultants for the Project Management Unit (PMU), incremental operating costs for the PMU, and project M&E. The TFGWB would finance consultants' services, including audit and training, as well as PMU operating costs. The co-financing trust fund would finance consultants' services, including training, and the financing of the PMU operating costs.

11. The GoF would also provide parallel financing amounting to €4.2 million for TA to focus mainly on Component 2 activities. Among other elements, it financed TA for IT, Corporate and Business Plans, Human Resources Strategies, Systematic Land Registration, and M&E.

## 1.6 Revised Components

12. The three components were maintained throughout implementation.

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<sup>3</sup> Procedures for systematic land registration were developed under LAP I and were documented in the Settlement Manual. However, it was thought at appraisal that work organization and methodology in implementing the procedures could be further improved. For more details, please refer to section 2.1.

## 1.7 Other Significant Changes

13. **Suspension of Disbursements and Cancellation of Funds.** Following the continued non-compliance of the PA with stipulations of the Grant Agreement, a 90-day suspension of disbursements was put in effect on November 16, 2015. The Grant Agreement required that the Recipient (the Palestine Liberation Organization for the benefit of the PA) cause the PLA to (i) maintain the PMU in a form and with functions, staffing and resources satisfactory to the Bank; (ii) maintain a project Steering Committee, the composition and terms of reference of which should be satisfactory to the Bank during the entire project implementation period; and (iii) monitor and evaluate the progress of the project and prepare project reports in accordance with provisions<sup>4</sup> and on the basis of indicators acceptable to the Bank. Based on the information provided by the PLA at the end of the suspension period, the Bank concluded that the non-compliance was continuing. As a result, on March 10, 2016, the Bank cancelled US\$1.6 million under TF012104 and the GoF €2.6 million under TF013714.

## 2. Key Factors Affecting Implementation and Outcomes

### 2.1 Project Preparation, Design, and Quality at Entry

14. Preparation of the Second Land Administration Project (LAP II) commenced in 2008 with three committed donors (the World Bank, GoF, and Government of Denmark<sup>5</sup>). However, the Government of Denmark eventually lost interest due to preparation delays. Accordingly, the final project design involved three components to be financed by the Bank and the GoF (see a more detailed information about the distribution of tasks in Section 1.5). Realizing the overall weak PLA institutional capacity and delays in project preparation, a Project Preparation Facility (PPF) of US\$0.350 million was processed in September 2009, within just a month of the PA's request, to support the appointment of a qualified PMU, hiring of consultants for the preparation of the Project Implementation Manual (PIM), and to appoint a Project Implementation and Systematic Registration and Adjudication Advisor (SLRAA) early on.

15. **Soundness of Background Analysis.** Project preparation for LAP II started in parallel to the closing of LAP I. As such, the project design reflected certain lessons learned from LAP I, which included (i) focusing only on those activities within PLA control, thus simplifying project design; (ii) avoiding components requiring substantial legislative change; (iii) excluding activities that are outside of the PLA mandate; (iv) including performance indicators about the amount of land registered rather than the number of titles issued, since owners regard registration as sufficient security of tenure; (v) developing a sound dispute resolution and adjudication system; and (vi) ensuring the integration of village, neighborhood, and municipal councils into the dispute resolution process.

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<sup>4</sup> Refer to the Grant Agreement's provisions of Section 2.06 of the Standard Conditions.

<sup>5</sup> The Government of Denmark initially pledged the equivalent of US\$5 million toward the cost of SLR activities, but it later withdrew its support from the project due to preparation delays.

16. **Implementing Agency Capacity.** The PLA's institutional weaknesses were known from the appraisal stage and documented early on. PLA staff were unfamiliar with the technical registration procedures despite previous experience through government-financed work. Mitigation of the risks to implementation capacity included the hiring of consultants for the PMU, contractors for the demarcation and surveying process, and additional assistance by the Finnish parallel-financed international Technical Assistance Team (TAT). The project's design did not include any activities that would enhance the surveying capacity in the country (either through private engineers and surveyors, or through municipalities), which would have mitigated some of the technical capacity constraints that became evident during implementation.

17. **Adequacy of Government Commitment.** The Government requested a follow-up operation to LAP I formally, but given capacity constraints and a lack of commitment from the PLA to follow up on some critical actions under LAP I, the Bank asked the PA to demonstrate its commitment to the SLR process by committing its own funds for SLR completion. Indeed, the PA, through the PLA, had commenced self-financed SLR activities in the Bethlehem Government and Salfit Governorates, based on the procedures piloted in LAP I. Although a PPF had been made available, practical commitment to the project's objectives was lacking, as showcased by the fact that a qualified and fully staffed PMU was not established before appraisal (a lesson learned from LAP I).

18. **Adequacy of the SLR process and Costs.** At appraisal, the registration framework piloted by LAP I was considered adequate, although certain key threats to sustainability had been identified, namely the cost efficiency of the process and PLA capacity constraints. It was envisaged that the cost efficiency of the SLR process would be improved through the project activities and with the assistance of the TAT. Work organization processes would be set up (as per international practice) to realize the target of 90,000 dunums for SLR in Dura during the first 24 months of the project and *a minimum of 90,000* additional dunums for other eligible sites in the West Bank over the following 24 months. The reduction in cost was to be achieved by developing clear plans and time schedules for each phase of the work, establishing work norms and targets for the staff and contractors, and ensuring that the time schedules and targets are met. At appraisal, it was recognized that the targets for SLR activities under the project assumed a rapid registration timeframe, which had not been achieved by the PLA in their government-financed work up to that point. Nevertheless, there was no specific analytical work that suggested the feasibility of rapid cost reductions, rather a statement was issued that there was ample experience in other countries that similar registration could be completed for less than one tenth of the costs in the West Bank.<sup>6</sup> The mitigation measures proposed to address these issues included

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<sup>6</sup> Work under LAP I successfully identified many of the benefits to systematic registration and piloted methods for completing this work in three sites. However, a methodology that would enable the full country to be covered within a reasonable time frame and cost was not achieved. The average cost per dunum for urban and peri-urban areas was US\$86 and for rural areas varied between US\$59 and US\$138. Nearly 14,000 dunums were covered in the 3.5 years that the project was implemented. Recent work on systematic registration funded by the PLA in Bethlehem is being completed only marginally faster. When it is considered that there are over 230 million dunums in areas A and B in the West Bank, it is clear that a much more rapid and cost-effective method of systematic registration is required.

inputs from senior international advisors, intensive implementation support during the first year of SLR activities, and an 18-month review.<sup>7</sup> Although these targets remained ambitious, they were set in order to demonstrate the potential feasibility of SLR for the rest of the West Bank.

19. **Adequacy of Legal Framework.** The LAP I Implementation Completion and Results Report (ICRR) had asked that the project focus on systematic surveying and registration after regulations and instructions were in place. The Settlement Manual, approved by the PLA in June 2009, was developed to provide guidance where the law was unclear for SLR. At appraisal, the existing legal framework was considered adequate to undertake the project and meet the needs of the development objective. A review of land policies and laws was conducted under LAP I and the PLA agreed to policy changes and four new laws (the Land Rights law, PLA law, Land Registration law, and Eminent Domain law) that would consolidate the disparate policies that had been developed over the years under different administrations and make the use of more modern technology the operational norm. The project design somewhat reflected the finding of the LAP I ICRR that substantial time and technical assistance would be needed to develop new instructions and guidelines for systematic surveying and to build the capacity of the PLA. Based on the foregoing, LAP II focused on supporting the PLA in improving regulations, instructions, and methodologies within the existing legal framework.

20. **Assessment of Project Design.** Based on all of the above, project design as it relates to SLR did not reflect all of the lessons learned from LAP I, including key institutional, technical, and legal aspects. Combined with insufficient prior analytical work or other assessments, the goals set for SLR, particularly for cadastral surveying, were overly ambitious. With regard to the design of the TA activities, the selection of a consulting firm by the GoF and its hiring through a time-based contract led to delayed outputs and quality concerns with limited arrangements for Bank influence and inputs (see chapter 6 Lessons Learned).

21. **Risk Assessment.** The project's overall risk was assessed as Substantial, and most of the implementing agency and project risks were rated as Substantial. As noted in the Mid-Term Review (MTR) report and proven by the project cancellation, the risks related to capacity, governance, fiduciary issues, delivery, monitoring, and sustainability materialized. The main mitigation measure to deal with PLA capacity issues was the recruitment of consultants to perform SLR activities on behalf of the PLA, and in retrospect proved inadequate to address the risks. With regard to the operational and technical risks, the proposed mitigation measures relied on provision of the Finnish-financed TA, which was outside of the control of the Bank.

## 2.2 Implementation

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<sup>7</sup> A decision would be made on whether the targets needed to be adjusted or the methodology amended based on a review of progress after 18 months of implementation.

22. The project was submitted for Board Approval after a two-year lag between the original Board date of March 2010 and the actual Board date of April 26, 2012. The project became effective on June 19, 2012. The Finland Trust Fund Agreement was signed on January 14, 2013 and became effective only on May 13, 2013 due to delays in the appointment of the TAT. Actual implementation of SLR activities did not begin until after the issuance of the Public Announcement for Settlement in February, 2013, due to lengthy decision making at the PLA and delays in the procurement of necessary survey equipment for the SLR activities in Dura.

23. The project was considered a “high risk–high reward” operation. As such, it faced several challenges during implementation. Throughout most of its implementation, PDO achievement and implementation progress were rated Moderately Unsatisfactory or Unsatisfactory. There were numerous factors—some outside of and some within the control of the PA and the PLA—that adversely affected implementation:

24. *PLA political commitment and weak project management.* Throughout project implementation, the PLA was unable to attract, and in many cases, retain, qualified personnel in order to have a complete and fully functioning PMU and had consistently weak project management and intermittently weak procurement planning. These institutional and capacity constraints were reflective of the lack of political commitment and project ownership. In terms of staffing, the PLA leadership was convinced that certain key appointments, such as that of a Procurement Officer, were not necessary prior to project effectiveness and for the six initial months of project implementation. PLA leadership further argued that an M&E Officer at the PMU was not needed. Moreover, there were significant delays that were attributed to obtaining clearances from the Government’s Central Hiring Committee on PMU consultants’ contracts. PMU staffing was only completed in September 2013 with the appointment of the Social and Public Awareness Specialist. With regard to procurement, there were significant delays in procuring vehicles necessary for SLR fieldwork, and the PMU did not use the rental vehicle option that was available to it from the beginning of project implementation.

25. *SLR productivity.* Although there were encouraging signs of SLR implementation progress early on, weak management of field activities, unnecessarily lengthy decision-making timelines for the preparation of block maps, and delays in publishing new Settlement Orders for SLR activities began to affect implementation, decreasing productivity and staff morale. Low staff morale was due mainly to the delayed payment of salaries, the fact that workers had been promised, and not given, protective work gear and private health insurance, and the protracted delays in procuring equipment (global positioning system (GPS), vehicles) that would enable them to perform SLR activities efficiently. Although the FPs insisted on, and finally obtained, an agreement from the PLA on an incentive plan for SLR staff, this was never implemented. Even when vehicles and surveying equipment had been made available, long delays and slow decision making at the PLA affected the attainability of the SLR targets. It was agreed that the PLA would make an effort to meet a productivity target of 20 dunums per team per day (p/t/p/d) after the MTR as a requirement for establishing that these activities could still be replicable, and PLA General Directors (GDs) were asked to take full responsibility for managing tasks

that directly related to their work programs. Productivity levels were consistently lower than the expected average and it became apparent that PLA decision-making processes and approval steps were not conducive to SLR efficiency.

26. *Outsourcing of SLR activities.* Based on the above, the FPs requested that the PLA prepare, by June 2014, a proposal for an alternative approach to SLR through the outsourcing of SLR activities for the remaining 90,000 dunums targeted, to avoid the above-mentioned bureaucracies. The FPs provided an international consultant to assist the PLA with the drafting of the bidding documents and technical specifications of the outsourcing contract. The MTR confirmed an agreement to test the outsourcing of SLR activities to the private sector as a means of overcoming delays in SLR implementation. Despite hiring an international expert to assist in drafting the bidding documents for the outsourcing option, delays in getting the PLA to produce bidding documents acceptable to the FPs contributed to delays in moving ahead with the outsourcing option, while SLR productivity remained below the agreed targets. Later, the actual outsourcing process, which was launched in February 2015, failed when the PLA received no bids, despite the fact that at least 20 companies requested copies of the bidding documents. The exact reasons for the firms not presenting bids remains unclear.

27. *Effectiveness of TA.* Throughout project implementation, there were issues with the effectiveness of the TA. Through an international competitive process, the GoF awarded a time-based contract for the completion of the TA-related activities to NIRAS, an international consulting company. TA deliverables were to be prepared in close cooperation between the key partners, namely the PLA, World Bank, GoF, and NIRAS. During implementation, there was a high turnover in TAT leaders (a total of four TAT leaders in a three-year period). Different technical approaches between the implementing GoF consulting firm and the supervising Bank team (mainly on IT and corporate aspects), as well as modest levels of PLA ownership (until higher-level technical staff were asked to participate more actively), presented challenges to the timely implementation of TA deliverables. When these delays became critical, the GoF requested that the consulting firm restructure the contract; however the proposal was not all encompassing and was not finally accepted by the GoF. Therefore, the TA activities were never restructured.

28. *Weak project implementation performance.* Significant delays in implementation launch as well as slow progress have raised concerns that were pointed out to the PA in joint FP Management Letters. An in-depth review to assess the need and possible options for revising key activities and targets, if appropriate, was included in the project design. The FPs and PLA agreed to conduct this review as part of the project's MTR, which was originally planned in July 2014 but had to be postponed to November 2014 due to the war in Gaza. The MTR identified a number of key issues, including (i) lack of Implementing Agency commitment resulting in prolonged delays and slow decision making; (ii) high PMU staff turnover and weak project management; (iii) targets not being met; and (iv) low morale among the Implementing Agency staff. The Bank team proposed that FPs consider project restructuring to address weak project implementation performance based on these findings. However, FPs were reluctant to restructure to address technical and institutional issues without sufficient evidence of PA commitment to the project objective. Accordingly,

an alternative approach was agreed, by which the PA was given the deadline of June 30, 2015 to deliver on five key priority actions. Meeting this deadline would have been viewed as evidence of a strong commitment to the project and would have triggered a decision to restructure and continue financing. However, failure to implement the five key actions led to suspension, then cancellation of the funds.

29. Despite these drawbacks, there were several factors that affected implementation positively:

30. *Attention to social issues.* Through a Social Facilitation Team (SFT) and a PLA public awareness campaign, the project carried out comprehensive area-specific, community-based public awareness campaigns and provided legal assistance to vulnerable people, particularly women. The project also established Block Committees to facilitate dispute resolution by selecting representatives to participate in the demarcation process. The public awareness campaigns, many times supported actively by university students, and Block Committees facilitated to a certain degree the SLR activities and included groups that were traditionally marginalized.

31. *Municipalities provided strong support to the SLR process.* The Municipality of Dura, where SLR activities were carried out, became a critical partner in the SLR process. With the incentive of expanding its property tax base and developing closer relations with the community, it provided support to the project through formal and informal partnerships with the Dura Settlement Office (SO) and the SFT. More specifically, the Municipality empowered the community identifier teams by helping reach out to elderly and family leaders and encouraging them to serve on these teams. Finally, the Municipality of Dura benefited from the production of maps, which it later used for planning purposes.

32. *Waiving fees for first time registration.* Albeit very late into project implementation (2015), the Government waived first time registration fees. This was a significant positive step toward the final registration of properties, and the collection of property titles by beneficiaries.

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

33. **M&E Design.** At appraisal, it was decided that the responsibility for project M&E would be delegated to the PMU. The design provided that the PMU Project Director (PD), with assistance from the TAT, would have overall responsibility for data collection with inputs collected from demarcation teams in the field. The rationale for this arrangement was to allow the PMU PD to ensure that all targets are met. The PMU also maintained that the PD had the adequate background to perform M&E functions. For the purpose of project monitoring, the PMU, supported by the TAT, would maintain a simple M&E system, including auxiliary data storage tools (based on MS Office software) for data collection, output dashboards, and outcome monitoring in order to ensure proper monitoring, reporting, and evaluation of project performance. The PMU PD was responsible for organizing the tasks of data collection and aggregation by the relevant parties at the field implementation level. The indicators were measurable in terms of numbers, timing, and location. There was

clarity on data collection, and relative clarity on how the baselines would be constructed. Eventually, M&E was intended to be embedded institutionally based on the TA inputs.

34. **M&E Implementation and Utilization.** The quality of progress reporting in general and reporting on the project outcomes and key performance indicators was weak. The lack of a dedicated M&E Specialist throughout most of the project's implementation, coupled with the modest inputs of the TAT, were contributing factors to weak M&E implementation. Although, the FPs commented on the quality of progress reports during Implementation Support Missions (ISMs), there were no improvements in project outcome reporting. There were significant flaws in the planned baseline data collection (for example, the PDO indicator related to customer satisfaction), which were not corrected during implementation. PLA Director Generals were reluctant to share information with the PMU PD, resulting in a lack of ownership of the M&E system. The PMU did not always honor the deadlines for semi-annual progress reports, and their quality was often deemed inadequate. Interim Financial Management Reports were submitted on time and were generally of satisfactory quality, except that that they were never supported with physical progress reports. The flow of information from the field to the PLA was sporadic and inconsistent. Based on the foregoing, M&E activities did not impact the project's strategic reframing and M&E was not utilized in decision making and was viewed as being an imposed requirement from the FPs. In summary, there were significant shortcomings in the M&E design and severe shortcomings in M&E implementation and utilization.

#### 2.4 Safeguard and Fiduciary Compliance

35. **Safeguard Compliance.** No World Bank safeguard policies were triggered for this project. However, during project preparation, considerable efforts were directed toward anticipating and dealing with encroachments on State land.

36. **Fiduciary Compliance.** At appraisal, it was recognized that the fiduciary design risk was Substantial, even after considering mitigating measures. The risks related to the limited capacity of the PLA to carry out fiduciary reporting activities based on Bank procedures. Moreover, it was recognized that there were decision-making and coordination challenges for activities that were planned centrally and implemented in the field. Thus, frequent fiduciary supervision missions took place, and the Bank provided ample training opportunities for PMU fiduciary staff. The Bank supported the preparation of draft bidding documents for the main contracts before negotiations.

37. *Financial Management (FM).* The Bank held quarterly FM supervision missions and built the capacity of the project FM officer on FM and disbursement arrangements through training sessions. During the life of the project, periodic FM reviews concluded that the overall FM arrangements were adequate to follow up on project activities. Sound internal control procedures were applied. The Annual Audited Financial Reports and Management Letter were submitted in a timely manner, and the auditor expressed an unmodified "clean" audit opinion. The flow of funds was smooth with no major interruptions, and the designated account was properly reconciled on a monthly basis. The

accounting system was able to account for project's transactions by component and by financier.

38. **Procurement.** Procurement implementation was challenged by inadequate planning, weak institutional capacity, internal bureaucracy, and inefficiencies within PLA and the PMU. At the outset, there was a delay in hiring and retaining qualified procurement staff. Moreover, procurement specialists were not empowered to fulfill their roles. Simple procurement packages failed to be processed in a timely manner, and procurement decisions were challenged by PLA officials. With regard to outsourcing SLR activities, the PLA neither assessed the service provision capacity of the local surveying firms nor raised awareness about the project's scope and performance specifications. Finally, despite Bank-provided international assistance in drafting the bidding documents for outsourcing SLR activities through an ICB, bids were not received although foreign firms demonstrated initial interest and even visited the Palestinian territories for identification purposes.

## **2.5 Post-completion Operation/Next Phase**

39. **Post-completion Engagement.** Following the cancellation of LAP II, the Bank has continued its dialogue on land governance and administration issues with the PA. The Bank, in coordination with other donors, is closely monitoring land policy developments and will eventually discuss the desirability of a follow-up operation. This engagement would be informed by lessons learned from LAP II implementation. The Bank will continue its dialogue with the PLA, the Water and Land Settlement Agency, and other relevant stakeholders, particularly on issues relating to institutional capacity. No specific transition arrangements have been made for the post-cancellation of investments financed by the Bank.

## **3. Assessment of Outcomes**

### **3.1 Relevance of Objectives, Design, and Implementation**

40. **Relevance of Project Objectives.** The PDO has remained highly relevant throughout the life of the project and continues to be given the importance of land tenure security and land governance to socioeconomic development efforts, as well as the magnitude of the remaining challenges. The project's objectives were consistent with the goals of the PNDP (2011-13) that, under its governance strategy, set as a goal to "complete the process of land registration and upgrade land management capacity." The project aligned with both the Bank's Interim Strategy Note (2012-14) and the subsequent Country Assistance Strategy (2015-16), which recognized the importance of the land agenda in efforts to strengthen the institutions of a future State through a reinforced public administration as well as the goal of increasing transparency and accountability in service delivery. Based on all of the above, the rating for relevance is High.

41. **Relevance of Project Design and Implementation.** Project design was relevant and consistent with the PDO in terms of project components and key activities. However, there were shortcomings in setting the targets, orientation of activities, and risk mitigation

measures. Many of these shortcomings that impacted the project's ability to reach its development objective were not adjusted during implementation:

- **Strategy:** The choice of the Investment Project Financing lending instrument is relevant considering the Bank's extensive experience in supporting land administration programs around the world. The partnership with the GoF, which provided co-financing and parallel financing for major TA activities, provided the potential for significant benefits to the quality and scale of project outcomes.
- **Results Framework:** The PDO is actionable as it focuses on the improvement of the design and implementation of the land registration system. At the same time, the link between the project's inputs and outputs to the outcomes was relatively weak, particularly in relation to the improvement of the design of the land registration system. The Results Framework and its indicators were reviewed during the MTR by the Bank and the TA experts, who concluded that the indicators were still valid and that no changes were required in the project indicators at the PDO level, since the lack of sufficient commitment to the project objective rather than technical issues was identified as the key bottleneck. The rationale for not restructuring the targets was that the outsourcing of SLR activities would speed up registration, although there was a considerable six-month delay in the preparation of the bidding documents.

### 3.2 Achievement of Project Development Objectives

42. The project did not contribute substantially to the improvement of the design and implementation of systematic land registration in the project area. This was done to a significantly lesser, almost negligible, degree than originally anticipated. The protracted lack of adequate M&E arrangements for this project means that it is difficult to conclude with precision the *degree* of efficacy based on PDO indicators alone. Moreover, an independent evaluation of the project was not conducted at the project's closing. Therefore, efficacy is discussed both in terms of achievement of PDO indicators as well as more broadly.

43. **PDO Indicators.** The three PDO indicators focused on the project's impact on customer satisfaction, on the time required for land transaction processing, and the reduction in costs of SLR in the project area. Two of the PDO indicators were either not met or their verification based on the reported data proves challenging. The cost-related PDO indicator was achieved and exceeded the project's target.

- *Customer satisfaction:* There is no verifiable evidence to suggest that this indicator was met. With regard to customer satisfaction, only one survey, instead of three, was conducted and the report was never made fully available to the Bank. According to the survey, the average overall satisfaction with services provided by the PLA was 75.7 percent, slightly lower than the PMU-reported baseline level of 79 percent. The reliability of the satisfaction survey results is contestable, and so

was the PLA-reported baseline, arguably representing an overestimation of the achievement.

- *Time required for land transactions:* The time required for a typical land transaction has decreased from 42 to 30 days, falling short of the 15-day end target. Moreover, this decrease is not based on PLA reporting data from the project area, but on the Doing Business 2015 report, which was to be cited for verification purposes alone. During project implementation, it has been consistently difficult to obtain self-calculated averages from the PLA.
- *Reduction in SLR costs:* The project managed to reduce costs for SLR by more than 60 percent, compared to the baseline, reaching a final cost of US\$22 per dunum. However, the baseline of US\$85 for rural and US\$138 for urban properties respectively was only the actual cost of using the private sector in the LAP I pilot project.

44. *On achievement of intermediary outcome, the project did not manage to improve the design and implementation of the systematic land registration system.* The project did not support any tangible improvements in the design of the SLR system, which in turn affected the achievement of enhanced implementation. This is evident from the fact that several intermediate outcomes were not met, namely, the low number of dunums surveyed, the failure to enhance the potential use of automation and IT for SLR through CLRS, the protracted high level of land disputes, and the lack of operationalization of institutional strategies and plans that were to improve the enabling conditions for SLR.

45. *The project did not achieve the development of a feasible operational strategy and methods to register all Area A and B land of the West Bank.* Although the project achieved an impressive reduction in the cost of SLR, operational inefficiencies persisted, as demonstrated by the consistently low levels of productivity. Despite the low cost of SLR/dunum, if the average productivity were to be assumed for the approximate 3.5 million dunums to be systematically surveyed and registered in the West Bank, it would take 564 years to complete.

46. *SLR cost reductions were achieved by not using the private sector and is due to the PLA direct surveying efforts.* Hence, the project did not manage to find viable ways to demonstrate the role and usefulness of the private sector in the SLR activities as originally intended. Although the experience with the private sector during LAP I did not yield the expected results in terms of time or cost, the project did not manage to create conditions for the participation of the private sector in efficient and cost-effective ways.

47. *The project did not manage to enhance the use of automation in the land registration system.* The project managed to roll out CLRS to two additional offices, but did not achieve any substantive enhancements because the roll out took place too late in project implementation. Although the project focused on the design of a new Computerized Cadastral Mapping System (CCMS) and a potential integration between CLRS and CCMS, the integration had not been completed by the project's cancellation. Quite importantly for

SLR activities, data generated in the project area were not compatible with the CLRS data model in the PLA.

48. *Based on the foregoing, the overall efficacy rating is Negligible.*

### 3.3 Efficiency

49. **Original Analysis:** At appraisal, an indicative economic analysis, based on a partial approach using the benefit stream from incremental new affordable housing activities, yielded an economic rate of return (ERR) of 55 percent for the cost of systematic registration only. The original economic analysis was based on assumptions related to the connection between the project's outputs, particularly titles received from beneficiaries, and the creation of affordable housing. The original analysis claimed that the project would alleviate a major market constraint and allow the economy to create additional and significant value added, as evidenced by the extent of incremental affordable housing that would be triggered by the project. The original assumption is considered far-fetched since the increase in affordable housing units is not directly correlated, dependent on, or attributable to the completion of SLR activities. The original economic model, furthermore, suggested that land allocated to housing would increase from a low base of some 30 dunums per year without the project to some 45 dunums with the project, representing 50 percent improvement over the existing situation. Although the original economic model includes a discussion of aspects related to mortgage and housing policies, its fundamental assumptions and conclusions do not provide a reasonable basis for its replication for ICR purposes.

50. The PLA was asked to submit data that would enable the construction of an ex-post economic model that would assess the project's efficiency by linking the initial registration of properties to an increase of property values in the project area, and consequently through the soaring dynamism of the real estate market. However, due to data availability limitations, such an economic model cannot be constructed. In the absence of net present value (NPV) or ERR estimates, this ICR analyzes the project's efficiency using other appropriate cost-effectiveness criteria to determine whether the project represented the expected least-cost solution to attain identified and measurable benefits by an analysis of cost per unit of output. Through a simple value-for-money analysis, the project's cost for the cadastral surveying is US\$30 per dunum.<sup>8</sup> This cost per dunum is considered high, compared to that in other developing countries,<sup>9</sup> albeit a general improvement from LAP I achievements of US\$86 per urban and peri-urban dunum and US\$138 per rural dunum. Although cost effectiveness is a necessary but not sufficient condition for efficiency, it should be noted that the cost per dunum (announced, rather than received) is US\$75, which is, by all comparisons, a very high cost.

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<sup>8</sup> This figure is derived by taking into account all disbursed costs of Component 1 divided by the dunums surveyed; it, therefore, deviates from the PLA-reported figure.

<sup>9</sup> Systematic registration with simple survey methods has worked well in other emerging countries, leading to complete national coverage in less than 10 years and a reduction in costs to less than US\$10 per parcel in some cases (for instance, Georgia, Armenia, Kyrgyzstan, etc.).

51. Although the efficiency of the project should not be confused with the efficiency of the sector, it is plausible that through the increase of registered properties there has been an increase in tax collection by the Palestinian tax authorities. The General Directorate of Property Tax (GDPT) in MoF has reported an increase from NIS 121 million in 2011 to NIS 284 million in 2015, which is partially attributable to an increase in the number of properties registered (GDPT currently has a database of 2.46 million properties). The Municipality of Dura has also stated anecdotally that the LAP II-demarcated parcels had positive fiscal benefits for the Municipality through both an increase in prices (aggregate value of tax per property) and through an increase in the tax base (more citizens with property rights). There is no hard or anecdotal evidence to suggest that there were any administrative efficiencies related to procurement, financial management, and implementation processes.

52. *Based on the foregoing, the overall rating for efficiency is Negligible.*

### **3.4 Justification of Overall Outcome Rating**

Rating: Highly Unsatisfactory

53. The overall outcome rating of Highly Unsatisfactory is based on (a) the substantial relevance of objectives and design; (b) negligible efficacy with regard to achievement of the PDO; and (c) negligible efficiency. Overall, the project did not improve the design and implementation of systematic land registration in the project area.

### **3.5 Overarching Themes, Other Outcomes and Impacts**

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

54. *The project included vulnerable groups, particularly women, in the SLR process and raised awareness about property rights.* Despite the overall meager results, the project managed, through the SFT, to carry out comprehensive area-specific public awareness campaigns, community-based awareness raising campaigns, and to provide legal assistance to a broadly defined group of vulnerable people.<sup>10</sup> It also supported public awareness through the preparation and distribution of information guides, settlement orders and public notices, use of social media, and the management of a help desk. The SFT successfully identified land owners and followed up with more than 290 vulnerable cases by working with community leaders (clan elders, religious leaders, etc.) and the Dura Settlement Office (SO). That said, cooperation with the Dura SO was not seamless, and PLA leadership requested the change of the first SFT, and in many cases resisted providing information to the second SFT. As a result, the project failed to institutionalize mechanisms and practices that would strengthen the protection of the property rights of vulnerable groups.

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<sup>10</sup> The definition included (i) women, (ii) persons with disabilities, (iii) elderly people, (iv) illiterate people, (v) orphans, (vi) absentee owners, (vii) prisoners, (viii) unemployed and very poor people, and (ix) individuals from small clans.

55. *The project created the enabling environment for dispute resolution on the ground through dispute resolution committees, yet these were never given the authority to fulfil their potential.* The project established Block Committees to facilitate dispute resolution by selecting representatives to participate in the demarcation process. The SFT identified more than 90 persons in order to perform mediation procedures that are locally accepted and provided analysis of double claims and recommendations to the Dura SO. Moreover, the SFT developed a typology of common disputes. Nevertheless, a dispute resolution committee was never established as it reportedly lacked the proper authority and mandate from the PLA to enforce decisions, although Palestinian legislation<sup>11</sup> permits land dispute reconciliation when a Settlement Officer is present and authorized.

56. *Although the project established a Grievance Redress Mechanism (GRM), it is unlikely that it achieved its expected results.* Given the challenging cooperation between the SFT and the SO in Dura, a GRM was established. The latter was set up to resolve disputes amicably, which was a key risk management strategy for land disputes. However, the PLA did not raise enough public awareness of procedures of the GRM related to land disputes as well as project level complaints (namely, how and where to make complaints, where to view the table of rights, how to make objections, and the costs of objections). Verbal and written complaints were not always logged. In fact, for several months, PLA staff insisted that verbal complaints need not to be logged. According to PLA data, all but one of 23 complaints received through the GRM in 2015 were addressed. The SFT has reported, however, that many claimants were contacting the SFT because of the unavailability of information about lodging complaints at the Dura SO and the perception of mistrust regarding the mechanism followed to address grievances.

#### **(b) Institutional Change/Strengthening**

57. *The project provided strategic planning tools for PLA institutional development, yet it is unlikely that these will lead to a strengthened land administration institution in an evolving institutional setting and with scarce resources available.* The TA component of the project provided important, albeit delayed, inputs that aimed to solve main institutional and operational challenges. The Corporate Strategy and Plan, Human Resources Development Strategy, Training Strategy and Plan, and IT Strategy have all been adopted by the PLA, but with weak management and scarce resources, there is no evidence that they will be implemented and improve the institution's long-term capacity. Finally, the project's contribution through these strategic planning outputs is not clear following the recent creation of a Water and Land Settlement Agency, which potentially creates institutional fragmentation in the land administration sector.

58. *The project did not manage to enhance the regulatory and operational framework for SLR.* Due to slow decision-making processes and/or lack of political will, a handbook for dispute resolution was never adopted by the PLA to facilitate SLR activities. Despite periodic revisions to the 2009 Settlement Manual, SLR activities were consistently carried out without following the established procedures.

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<sup>11</sup> Law 22 of 1964

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

59. *During project implementation, the PLA lost at least three lawsuits at the High Court of Justice, including one related to a claimant with property rights in the project area.* The PLA excluded a block (Block 36) from Zone 1 of SLR activities since December 3, 2013, without coordination with the FPs or providing any clear criteria for the exclusion order. This took place after demarcation works had already been completed in that block. The High Court's decision, which is incontestable, found the PLA's exclusion order to be illegal. During an implementation support mission in 2014, the FPs were informed of the exclusion and requested clarification as to what corrective measures the PLA intended to take in order to resume and complete activities in Block 36. Although the PLA has confirmed that it has communicated the decision to property owners that it has resumed activities in the excluded areas, there is no such evidence to date.

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

60. *A Stakeholder Workshop was conducted in order to seek the relevant stakeholders' feedback on the ICR's analysis, assessments, and lessons learned.* Land sector stakeholders concluded that the project's set targets were very ambitious and that the replicability of the SLR process is problematic in the Palestinian context. Moreover, the workshop maintained that legal reforms were much needed in order to ensure the project's success. Criticism was directed at the implementation of TA activities, particularly regarding high staff turnover and a lack of cooperative mechanisms between the project's three main stakeholders (the PLA, GoF, and World Bank). Stakeholders emphasized the role of local governments in SLR and land administration and presented successful collaborative experiences between municipalities and the PLA. Finally, the workshop focused on lessons learned from LAP II preparation and implementation, which are reflected in this ICR.

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

Rating: High

61. *Although there were some achievements in terms of cost-efficiency, the sustainability of any outcomes achieved is undermined by weaknesses related to institutional, operational, and technical factors.* Despite the political commitment expressed by the PA to continue supporting land administration efforts in the West Bank, there are several impediments that need to be untangled in order to ensure the sustainability of SLR.

62. *Sustainability of the design and implementation of SLR activities is endangered by technical and operational factors.* SLR systems and processes have proven to be inefficient in terms of overall productivity, and were they to remain in their current state, the completion of SLR in the West Bank would not be feasible in a reasonable time frame. The Settlement Manual is not implemented in the field, the field-collected data are not compatible with the CLRS, and the CLRS acts as a local information system without enabling access to land property registry data. Moreover, land dispute resolution is

extremely cumbersome and timely, while there is little appetite to operationalize alternative mechanisms. Finally, there remain disincentives for the subsequent use of the registration system that further endanger any benefits accrued through SLR.

63. *There is a significant danger of further setbacks in SLR if institutional mandates are not clarified.* The sustainability of the project's strategic planning efforts, which were focused on the institutional development of the PLA, could be threatened if the responsibilities and tasks of the PLA and the Water and Land Settlement Agency do not become clearly delineated from early on. On one hand, there is the potential for institutional fragmentation of the sector that could jeopardize implementation of the project's institutional strengthening outputs. At the same time, a new institutional framework with a clearly defined roadmap that has been informed by previous TA inputs could mitigate the aforementioned risk.

## **5. Assessment of Bank and Borrower Performance**

### **5.1 Bank Performance**

#### **(a) Bank Performance in Ensuring Quality at Entry**

Rating: Moderately Unsatisfactory

64. Project design was informed by the strong strategic relevance of the sector, included an overall realistic description of risks, and put forth straightforward implementation arrangements. From project identification and throughout appraisal there was a perception of strong government support. Moreover, the project design reflected certain core lessons of LAP I implementation that helped simplify the project's implementation design accordingly. Finally, the project's design was attentive to social development issues, vulnerable people, and potential challenges with occupants of State Lands.

65. However, there were significant shortcomings in the Bank's performance regarding ensuring quality at entry. Although the Bank was operating in a difficult environment with low capacity in the counterpart agency, project preparation took nearly four years (from identification to approval), and involved two Task Team Leaders as well as the withdrawal of the Government of Denmark as a donor. The project design set overly ambitious targets for SLR. The 180,000-dunum target was based on the assumption of efficiencies gained by inputs from the TAT, which are exogenous to the Bank. The PLA capacity risk was correctly identified as Substantial and the Bank recognized that the set targets assumed a speed of registration that previously had never been achieved. The mitigation measure, hiring contract-based field staff to conduct SLR, was not based on a capacity assessment, and/or prior analytical or feasibility studies. Finally, the design of the M&E system, and especially its delegation to the PD, was weak, caused quality issues and reporting delays, and relied excessively on inputs from the TAT.

#### **(b) Quality of Supervision**

Rating: Moderately Unsatisfactory

66. During project implementation, at least biannual missions were organized with dedicated project team leaders and members. Throughout the three years of active implementation, there were two TTLs/co-TTLs that were based in the West Bank, which allowed them to follow up with the Government, PLA, and TAT on a regular basis. Land administration specialists from World Bank headquarters participated in all formal implementation support missions, and remained core members of the Bank's team providing critical technical support, as needed. In addition, all fiduciary controls were monitored and observed. External audits were undertaken.

67. Nevertheless, there were some shortcomings in identification of opportunities and resolution of threats to the development objective in accordance with the traditional proactivity measures of the Bank. The project was not restructured. Although it had become apparent both before and very clearly by the time of the MTR that the SLR targets were not going to be achieved, the FPs' management rejected a proposal from the Bank's team to restructure the project technical design aspects and implementation arrangements, prior to the PA demonstrating commitment to the project objectives. It was further agreed that restructuring would then be possible if the PA met five critical actions, which were deemed demonstrable of PA commitment to the project objectives. The decision to outsource the SLR of half of the project's expected result, 90,000 dunums, in a single contract may have overestimated the availability, capacity, and efficiency of the private sector to conclude this work. However, this could not be concluded satisfactorily because twenty firms did attend the pre-bid meeting and bought the bidding documents, which shows that the private sector was initially interested in bidding for the outsourcing contract. The reason for bidders abstaining from bidding at a later stage was never clarified to the FPs and should have been further investigated by the Bank's team. In addition, at the time of the MTR, the Bank concluded that reporting on the RF had many shortcomings, and did not propose changes to the project key performance indicators or results, under the assumption that appointing an M&E expert to the PMU would result in better reporting on project outcomes once sufficient commitment from the PA has been confirmed. Although the Bank recognized that there were constraints associated with the PLA M&E arrangements and with the quality of M&E support provided by the TA, it did not insist on a dedicated M&E specialist until the MTR. In retrospect, the Bank should have been more proactive in addressing these challenges earlier on.

68. Due to structural challenges and the high turnover of TA Team Leaders (four during the project life), the Bank could not develop a strong collaborative relationship with the consulting firm hired by the GoF, which hindered the achievement of consistency between the recommendations of the Bank and TA throughout implementation. The Bank's team intensified meetings with the PLA after the MTR to provide the PA with further support to meet the actions agreed in the MTR, which aimed to improve project performance. This included organizing monthly and bi-weekly meetings with the PLA Director Generals, the PMU, and the Settlement Team in Dura, and intensifying high-level meetings with the Prime Minister's Office, aimed at exerting further pressure on PLA management.

**(c) Justification of Rating for Overall Bank Performance**

Rating: Moderately Unsatisfactory

69. Bank performance in ensuring quality at entry is rated *Moderately Unsatisfactory*, and quality of supervision is rated *Moderately Unsatisfactory*. Thus, overall Bank performance is rated *Moderately Unsatisfactory*.

## **5.2 Borrower Performance**

### **(a) Government Performance**

Rating: Unsatisfactory

70. Overall, the Government expressed strong support for the project because of its alignment with the PNDP, yet this support was not sufficiently backed by effective actions. The Government did not follow up with the establishment of a Board of Directors for PLA, as per the National Land Policy Framework approved by the Palestinian Cabinet in April 2008. With FPs exerting pressure to ensure adequate project governance, the decision of the PA to establish a project Steering Committee did not suggest institutional nominees. This left room for selectivity. The project Steering Committee was supposed to be composed of the PLA, the Ministry of Finance, the Ministry of Planning and Administrative Development (MoPAD), and the Finnish Ministry of Foreign Affairs (the latter as observers) as part of the project management structure in order to review implementation progress and approve annual project plans. Although the Steering Committee met bi-annually, it did not fulfil its strategic decision-making mandate. Throughout implementation, there was limited high-level government oversight, and the Steering Committee did not exert any pressure on the PLA to meet critical agreed actions. After the MTR, the FPs demanded changes to the project's Steering Committee representation and suggested revisions to the Terms of Reference of the project Steering Committee to ensure a more active oversight role. However, the suggestions were never implemented and the project Steering Committee ceased to meet after the MTR. Furthermore, the project's stipulation for the establishment of a Land Council advisory group, consisting of community and local government officials, never materialized. After the project's suspension of disbursements, the Cabinet issued a waiver of fees for registration, which was a positive step toward the final registration of properties.

### **(b) Implementing Agency or Agencies Performance**

Rating: Highly Unsatisfactory

71. Although the PLA expressed commitment to the project's objectives and activities, PLA practical ownership since project preparation was weak. The PLA was reluctant to adopt the project targets, and cooperation with the Bank team (including consultants) during preparation was challenging. The PLA Chairman had delegated project preparation coordination with the FPs to a PD, who was a contract-based advisor to the PLA Chairman at the time, rather than a technical civil servant as recommended by the FPs. During preparation, as well as for the majority of project implementation until the MTR, the decision-making procedures and flows of communication were centralized to the PD, and GDs were rarely consulted in decisions that affected their respective departments and related functions or tasks. Changes in project governance that were recommended by the FPs during the MTR enabled a more direct interaction between the FPs and GDs. While

this resulted in more ownership for some project activities and TAT deliverables, it nevertheless revealed chronic weaknesses within the PLA that went beyond the PMU. During preparation, the PLA also insisted that a qualified M&E expert was not needed and resisted for some time appointing a Procurement Specialist prior to project effectiveness. The PLA did appoint a PLA civil servant as the Financial Management officer at the PMU, which contributed positively to ensuring adequate financial management capacity throughout preparation and through cancellation and closure of accounts.

72. During project implementation there were significant delays in recruiting qualified candidates to staff the PMU, overall staff turnover was high, and field staff were demotivated. Procurement planning was consistently weak. Moreover, the PLA did not fulfill numerous agreed actions of implementation support missions and resisted removing obstacles and bottlenecks within its own control. M&E arrangements were insufficient, and recommendations on operationalizing the GRM and reporting on PDO and intermediate indicators were either not followed up on or were extremely weak. PLA management commitment was consistently lacking regarding trying to improve project implementation problems. The PLA delayed the project launch workshop in Dura to the extent that it was no longer meaningful to organize. The PLA senior management never visited the Dura SO, while similar visits to PA-financed activities in Salfit and Bethlehem were reported in the media. An incentives plan for Dura field teams that was ready for financing by the FPs was only approved prior to suspension and was never implemented. Rental of the Dura Settlement Office and the Hebron new Registration Office were delayed owing to rental caps imposed centrally by the PA. In many cases, the PLA did not share data and information freely with the FPs, including the customer satisfaction survey (a PDO-level indicator). In addition, the PLA, through the Dura SO, did not cooperate adequately with the SFT. Following the project's suspension, the PLA failed to demonstrate its commitment to achieving the development objectives by failing to complete five key agreed actions.

### **(c) Justification of Rating for Overall Borrower Performance**

Rating: Highly Unsatisfactory

73. Overall Borrower performance takes into consideration both the Government and the Implementing Agency's performance during preparation and implementation. Government performance is rated *Unsatisfactory*, and Implementing Agency performance is rated *Highly Unsatisfactory*. Thus, overall Borrower performance is rated *Highly Unsatisfactory*.

## **6. Lessons Learned**

74. The preparation and implementation of LAP II offers a plethora of lessons learned for both the PA and the competent agencies as well as for the Bank and its FP.

75. *Political commitment and government ownership are critical for success. The Bank has limited instruments to mitigate lack of political commitment.* From the very beginning, the PLA showed weak commitment to the project and its objectives. Although the PLA demonstrated some degree of ownership by conducting self-financing registration based

on previous Bank-financed experiences, in retrospect this was not an adequate measure of ownership. Moreover, when faced with unsatisfactory project performance due to lack of political commitment, the Bank has limited instruments to influence implementation progress. The option of restructuring the project was discarded by Bank management and the GoF since it was thought that it would not have yielded any positive results within the context of weak political commitment. For the GoF, in particular, meaningful political commitment was pivotal for the continued support as the main objective of the Finnish grant was state building. For the Bank, although restructuring can be a suitable option when specific operational and technical issues arise, it may be inadequate in ensuring political support by the Borrower. At the same time, and although the Bank does not have ultimate control over the Borrower's project ownership, the Bank should discuss early and openly restructuring or any other options that affect the project with the client. Based on the foregoing, the Bank's decision to cancel the balance of project financing was, ultimately, proactive.

76. *Fragility and land.* In the context of fragility and conflict, such as in the Palestinian territories, land is not only scarce, as a resource for poverty reduction and boosting shared prosperity, but it is also a means for potential elite capture. This context posed challenges in gaining political buy-in and ensuring enduring commitment to the project's goals.

77. *Municipalities are critical partners for land administration and SLR.* Municipalities have a strong interest in supporting SLR completion for municipal financing and planning purposes, including co-financing operations. Through SLR completion, properties within a municipality's jurisdiction become eligible for property taxation—a main source of revenue for municipalities from shared taxes with the central government. Currently, only 20 percent of Palestinian municipalities collect property taxes. Moreover, municipalities have the incentive to participate in SLR activities since the cadastral data generated is used for urban planning and, hence, would be attributed to better service delivery. Municipalities have the opportunity to involve the local communities and deal with disputes more efficiently, hence creating conditions for enhanced local governance. Thirteen municipalities have expressed their commitment to participating in SLR completion by signing Memoranda of Understanding (MoU) with the Water and Land Settlement Agency; these MoU include provisions for co-financing the SLR that include the private sector. At a later stage, municipalities may play an important role in updating and maintaining cadastral data.

78. *Improve the efficiency and governance of SLR by ensuring wide stakeholder participation, particularly the community, through mechanisms that are more formal.* For the SLR process to be reliable, transparent, and efficient, a wide range of public stakeholders need to be involved. The use of Village Committees, or other participatory local entities, can play an important role in dealing with operational bottlenecks, such as in cases of absentee properties, thus enhancing the speed of SLR. Furthermore, they could play an important role in ensuring that the public is aware of the SLR process and its benefits. This will, in turn, increase the demand for the efficient and reliable delivery of such services. Options of including other stakeholders through more formal mechanisms

should be explored, though without creating additional bureaucratic steps in the SLR process.

79. *Enable the provision of non-judicial land dispute resolution for more expedited SLR completion.* Dealing with the long backlog of land disputes may require alternative land dispute resolution mechanisms. Objections to the accuracy of the records are heard by Settlement Judges, who are few and do not always have the sufficient experience and training to deal with the varied range of land disputes. For example, during project implementation, only one Settlement Judge was assigned to deal with cases from the target areas and he was only available on a part-time basis. Other than better training for Settlement Judges, it will be more important to identify the human resources capacity constraints and potentially increase their number. However, recognizing the back-office backlogs, the PA should explore options of alternative dispute resolution for mediation that are administrative.

80. *Consider on-demand registration as a parallel option to SLR.* Although the costs of SLR have been reduced significantly, the pace of activities remains slow. The PA should explore on-demand registration per municipality. The on-demand option, with the participation of the municipality, could develop a registration culture. The Palestinian diaspora could also be involved more actively if there is a specific time frame for registration that is municipality specific.

81. *Introducing the fee waiver for initial registration in order to create a critical mass of registered properties was a step in the right direction and should be maintained.* The PA decision to waive the initial registration fee is one that should be continued in order to provide property owners with incentives to enter the formal market. The fee structure for subsequent registration and land administration services needs to be revised in order to have a dynamic and up-to-date land registry with reduced informality.

82. *Develop the capacity of the private sector to deliver land administration services, including for SLR.* So far, options to involve the private sector in SLR have been inefficient and costly. Concentrating on capacity-building efforts for the private sector has the potential to improve the efficiency of SLR service delivery as well as build a new private sector market. In that process, working with academic institutions and professional associations will be critical.

83. *Establish clear mandates, regulations, and instructions for SLR in the evolving institutional framework.* The mandates and responsibilities of the competent land administration agencies need to be clarified early on in order to avoid duplication of efforts. Moreover, the competent agencies should establish practical and definitive instructions for SLR, including for dispute resolution to which different actors (lawyers, surveyors, settlement judges, municipalities, etc.) can refer. In the absence of such clarity, the SLR process will continue to face operational and governance challenges.

84. *Analytical work may allow the Bank to ensure quality-at-entry and set realistic targets and risk mitigation measures.* When operating in low-capacity settings in the land

administration sector, the Bank should ensure that project design is informed by analytical assessments that identify clearly the risks to the development objectives. Institutional and wider sector gap analyses could identify main implementation bottlenecks and inform target setting. In addition, these analytical products will enable the Bank to develop risk mitigation measures that are actionable.

85. *Arrangements for the provision of TA through financing partners need to be flexible and allow for more robust Bank involvement.* When the achievement of a Bank-financed project's objectives relies on external TA provision, the Bank needs to ensure that flexible arrangements are in place. The selection of a consulting firm to provide TA through a time-based contract created delays and, in certain cases, quality concerns. The accountability structure of the contract did not allow the Bank any proactive measures to enhance TA provision. Articulating clearly each of the FP roles and responsibilities, guidelines for collaboration between the technical teams, and developing a shared understanding and stance towards the client are crucial aspects of successful TA provision.

86. *Although the legal and regulatory framework was considered adequate at appraisal, further consolidation is necessary.* There continues to be significant fragmentation of the property legal framework. The Bank had provided support in the preparation of draft laws during LAP I. Although four draft laws (PLA Law, Land Law, Registration Law, and Eminent Domain Law) have been prepared, they have not been put into effect. Palestinian legislation should be informed by the SLR operational experiences and related TA that has been provided in the past.

## **7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners**

### **(a) Borrower/Implementing Agencies**

87. PLA ICR Report. The brief ICR report submitted by the PLA focused on many of the issues raised in the main text of the ICR. With regard to the targets set, the PLA maintains that they were unrealistic and alluded to a sudden change in the Bank's final target. The PLA recognized the slow internal decision-making procedures and the lack of empowerment and participation of Director Generals during much of project implementation. The PLA report was critical of the FP proposal to outsource the SLR of 90,000 dunums, following the MTR. In addition, the PLA report highlighted that the project's TA deliverables and associated activities should have continued, even if the SLR component were cancelled. According to its report, the project could have continued to finance the institutional strengthening activities recommended by the strategies and plans developed under Component 2.

### **(b) Cofinanciers**

88. The GoF provided comments to the ICR report (presented in detail in Annex 8). The GoF recognized that the most critical obstacle for institutional change and improved performance at the PLA was weak ownership and management capacity. Moreover, the GoF noted that the lack of legal reform, despite significant inputs from LAP I, contributed to poor implementation. Finally, the GoF suggested that the structure of the TA—financed

by the GoF with the Bank bearing administrative responsibility for the project—did not provide for smooth implementation.

**(c) Other partners and stakeholders**  
(*e.g. NGOs/private sector/civil society*)

## Annex 1. Project Costs and Financing

### (a) Project Cost by Component (in US\$ Million equivalent)

Components	Appraisal Estimate (US\$ millions)	Actual/Latest Estimate (US\$ millions)	Percentage of Appraisal
<b>Total Baseline Cost</b>	0.00	0.00	
Physical Contingencies	0.00	0.00	0.00
Price Contingencies	0.00	0.00	0.00
<b>Total Project Costs</b>	8.74	0.00	
Component 1: SLR in the project area	6.92	2.27	32.80%
Component 2: Institutional Strengthening of PLA	0.63	0.33	52.38%
Component 3: Project Management, Monitoring and Evaluation	0.95	0.46	47.96%
PPA Expenditures	0.24	0.24	100%
<b>Total Financing Required</b>	0.00	0.00	

### (b) Financing

Source of Funds	Type of Cofinancing	Appraisal Estimate (US\$ millions )	Actual/Latest Estimate (US\$ millions )	Percentage of Appraisal
Borrower		0.00	0.00	.00
FINLAND: Ministry for Foreign Affairs		5.74	0.00	.00
Special Financing		3.00	0.00	.00

Parallel financing from the GoF amounted to ca. US\$5.8 million. (Actual 4.2 million €).

## Annex 2. Outputs by Component

The Project Development Objective (PDO) was to improve the design and implementation of the land registration system in the project area. The project area was defined as municipalities, villages, and project committees in the Dura district and in adjacent area of not less than 180,000 dunums.

**Table 1. PDO Outcome Indicators**

Indicator	Baseline	Target	Result
Increase in customer satisfaction with services provided by PLA in the project area.	79%	30%	75.75%
Decrease in time required for land transaction processing in at least four PLA offices	42 days	15 days	30 days
Reduction in costs of Systematic Land Registration Activities in the project area by at least 60% by end of project.	US\$86 (rural) US\$138 (urban)	US\$35	US\$22

### Component 1 – Systematic Land Registration in the Project Area

This component aimed to provide resources to the PLA to complete systematic land registration for at least 180,000 dunums of land in the West Bank to be implemented in two phases, and at developing their capacity to further implement SLR in the rest of the West Bank. Moreover, this component also supported the process of dispute resolution through PLA's adoption and application of a handbook for dispute resolution mechanisms.

**Systematic Land Registration.** Activities related to SLR were to be organized in two phases. Phase 1 would register 90,000 dunums of land in the Dura district over 24 months from the start of SLR activities. In effect, SLR activities only commenced in March 2013. Then, Phase 2 would extend the systematic land registration process to at least an additional 90,000 dunums of land in an area most likely in the southern West Bank. The possibility of including an area greater than 90,000 dunums was to be reviewed towards the end of Phase 1, depending on the work progress of the SLR process. The 180,000 dunum target was not met by the time of the project's cancellation. By April 2016, 74,031 dunums have been surveyed, and only 18,023 dunums had been made available in cadastral maps.

**Settlement Manual implementation.** Project-financed SLR activities were to be conducted according to the procedures set in the 2009 Settlement Manual (SM), a result of LAP I pilot projects. The SM stipulated the procedures for SLR in five chapters: (i) Issuance of Settlement Order; (ii) Preparation of the Settlement work; (iii) Field work and issuance of the Table of Claims; (iv) Dispute Resolution and issuance of the Final Table of Rights; and (v) Issuance of Property Registration and Certificates. The approved Settlement Manual, however flawed, was never followed or implemented. According to

mission documents and the outputs of the SRAA, PLA staff and Directorates did not work with a work plan nor did the GD SO follow the Systematic Procedures Manual, dealing with issues in an ad-hoc, reactive and subjective manner. Overall, support and recommendations provided by the FPs in relation to SLR were subject to severe constraints. The first and main constraint was that since the beginning of the project, systematic registration activities had taken place under the control of the GD SO and Dura SO without following the approved Settlement Manual (SM).

**Issuance of Settlement Order.** A wide range of public stakeholders should have been involved from the beginning of the settlement process to avoid issues like discrepancies in the area covered not matching the total block of the area to cover signed by the Chairman. Involving other public stakeholders could have avoided conflicting municipal boundaries, such as what occurred in Zone 1 where 13 percent of the area contained blocks that had overlapping local government boundaries. If other stakeholders had been involved from the beginning, this also would have avoided controversial exclusion orders. By involving other stakeholders, such as municipalities and communities, the break-down of blocks would have been accurate; as it turned out, neither of the zones had any legal, technical or physical consistency. Finally, the Settlement Order Publication should have included a requirement of publication by the SO on its web site and on each of the other stakeholders' platforms, websites, as well as physically in each public organization.

**Preparation of Settlement Work.** During the preparation of Settlement Work, the SM requirement for the nomination of trustees from Municipalities for Dispute Resolution was not evident. The Survey Department in many instances began survey work without assuring the accuracy of the geodetic network. By assuring an adequate geodetic network and its proper diversification, delays due to the lack of GPS coverage could have been avoided. Furthermore, due to the poor Initial Studies, work plans were not delivered or established by block. There was lack of written and time bound instructions, and lack of estimation on the number of properties. Despite TA and SLRAA inputs, the PLA did not provide written instructions to field work staff for handling Absentees, Notification Mechanisms and timelines, all established in the SM.

**Fieldwork and Issuance of Table of Claims.** The SRAA and ISMs found that there was no evidence that demarcation was taking place with the participation of the Village Committee. This is particularly relevant for the cases of absentees and in cases of overall lack of information, where the SM stipulated that presumed claims should be supported by the Village Committee. Moreover, there was no evidence of handing time stamped (or indeed, any) receipts to claimants while collecting evidence of ownership. By not providing receipts, evidence has been lost or misplaced – deliberately or not. Finally, there were severe delays in the submission of table of claims from the SO to the PLA for control when cases were being studied, and the SM instructions on notifications were not followed. Finally, the PLA did not respond to the SO on the Table of Claims in order to issue the final Table of Rights.

**Reduction in number of objections.** Once the maps and legal records are completed, the Table of Rights is prepared and put on public display for a period of 30 days. Objections

to the accuracy of the records are heard by the Settlement Judge. Citizens also have the possibility to appeal to the High Court if the citizen is not satisfied with the conclusion of the Settlement Judge. The project financed a Social Facilitation Team that, under the direct supervision of TA, provided legal assistance and social facilitation during the technical field work and further in the process. According to the latest PLA reporting (August 2015), the percentage of objections presented during the public display period was 14 percent - much lower than 40 percent of the previously reported volume<sup>12</sup>. However, the project did not manage to impact the backlog of settlement objections that had been accumulated in the Settlement Court responsible for Dura municipality. Although the project had continuously asked for an increase in the number of Settlement judges, there are 2004 objections of which: 153 only have been adjudicated (i.e. less than 8 percent of objections), 92 are under adjudication, 1,750 are pending adjudication, and 97 are cases from other courts.

**Handbook for Dispute Resolution.** Due to its importance for SLR progress, an adopted dispute resolution manual was to be prepared. The FPs received a draft manual for dispute resolution in August 2015, which was reviewed and commented on for further improvements. However, recently on January 13, 2016, the PLA submitted a document titled "Work Instructions and Dispute Resolution Manual During Settlement Activities" which is different than the previously shared document, along with a formal indication from PLA that this document has been adopted. This document has not been consulted with the FPs, nor assessed for its adequacy.

**Table 2. Component 1 Indicators**

Indicator	Baseline	Target	Result
Number of Dunums surveyed and cadastral maps available in Digital form.	0	At least 180,000	74,031 surveyed, 18,023 with digital maps
No Objections lodged during the public display period decreased.	0	Below 5%	14%
Handbook for dispute resolution mechanisms prepared and adopted by PLA.	None	Handbook in Use	Not adopted

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<sup>12</sup> This was only applicable to three blocks that had been reported to the Settlement Judge in June 2015, including from block 36, which registered around 47% objections. In the Bank team's assessment, the high volume of disputes is likely still valid because disputes in these 3 blocks are being resolved very slowly. Accordingly, the Bank assesses that the percentage of disputes reported in August (14%) may be lower than the actual.

## **Component 2 – Institutional Strengthening of the PLA**

This component aimed to assist the PLA in effectively implementing its mandate, and in particular, managing systematic land registration through institutional strengthening including implementation of enabling technology and modernization of PLA offices.

### **Sub-Component 2.1: Institutional Strengthening of the PLA**

This sub-component aimed to improve the PLA's management capacities, including its management structure, leadership, planning and monitoring functions. The Technical Assistance Team assisted the PLA to implement the following (i) an Institutional Needs Assessment (INA), (ii) Formulate a corporate strategy and prepare annual business plans, (iii) Establish a monitoring and evaluation system, (iv) Improve service delivery and standards, (v) Improve public relations and outreach, (vi) Formulate Human Resources Development Strategy, including conducting the training needs assessment and training strategy, and (vi) provide training.

**Institutional Needs Assessment (INA).** The project financed the review the PLA's institutional structure, with an emphasis on changes subsequent to a transition to digital data, and for the eventual scaling up of SLR activities. Despite initial delays in the TA provision, the Institutional Strengths, Weaknesses, Opportunities and Threats analysis and INA were completed. The INA assessed the PLA's institutional structure, including its human resources, current procedures, information flows and identified further development needs. The INA concluded that the main institutional challenge of the PLA is inadequate distribution of roles and responsibilities between central and regional offices leading to overlapping of functions and extremely bureaucratic registration procedures. This was thought to be significantly constrained by the absence of regional offices operating as unified institutional units. Moreover, the INA suggested that, along with functional and organizational enhancement, the institutional development of PLA would also have to take into consideration its financial sustainability including self-financing issues. For most part, the INA was prepared without the envisaged active engagement between the TA-Team and the PLA DGs, yet it provided significant inputs for the preparation of the PLA Corporate Strategy and annual business plans.

**PLA Corporate Strategy.** This sub-component financed a PLA Corporate Strategy for the period 2015-2019. The Corporate Strategy that was adopted by the PLA Chairman in August 2015, after a six-month delay, presented the framework for the development of a reliable and transparent land administration and management system. Among else, the Corporate Strategy recommended that the PLA carry out detailed analyses of existing laws and regulations in order to identify legal barriers challenging implementation of the new Strategy and draft appropriate amendments to the legislation. It suggested that the PLA increases its independence when making internal, administrative, and managerial decisions, including introduction of employee motivation incentives. Moreover, the Corporate Strategy provided inputs for the approval of a new organizational structure with system of checks and balances that ensures vertical and horizontal level of coordination. It also suggested the development of clear guidelines for registration and surveying activities

in order to eliminate unnecessary legal and procedural requirements to overcome barriers related to tenure rights, and recommended the development of an e-governance strategy and the adoption of a Law on Electronic Signature. With regards to management, the Corporate Strategy put forth recommendations for a performance management system, which included procedures for goal-setting and monitoring of individual performance. Although the strategy has been adopted by PLA management, it has not been made operational as of yet.

**Annual Business Plans.** Based on the INA and early drafts of the Corporate Strategy, the project financed Business Plans – in many cases biannual (2015-17) –for the following PLA GDs: Surveying, Settlement, State Lands, Human Resources, and IT. The plans, which flow from the longer-term Corporate Strategy, deal with a shorter time frame, propose more details regarding the implementation, and include details on resource allocation. The individual GD business plans provide an indication of priorities for the designated time frame and the necessary resources to achieve these goals. They also stipulate areas of program measurement. The Business Plans have been adopted by the PLA but, given the project cancellation, they have not been operationalized. Finally, there is a varying degree of specificity and detail depending on the level of interest and cooperation between the TAT and the respective GD.

**Improved Service Delivery and Standards.** The project financed the preparation of a PLA Code of Conduct and Service Standards through which service delivery and standards were to be improved. Based on UN and OECD standards, the Code of Conduct stipulated general principles that related to reporting, conflict of interest, declaration of interests, political or public activity, protection of employees' privacy, gifts, misuse of official position, etc. The Code of Conduct, which was adopted by the PLA, clearly states that an employee has a duty to conduct himself or herself in accordance with the Code. It also mandates that supervisors or managers see that their staff observe it, and to take or propose disciplinary actions when it is breached. With regards to Service Standards, the PLA adopted them for the DG Registration and Regional Offices (Ramallah and Hebron) and for DG Land Settlement in Dura. The DG Survey and Cadastre and DG State Land Management did not provide service standards. It should be noted that the Code of Conduct and Service Standards were adopted in June 2015.

**Registration Services public awareness and Outreach.** The project financed limited registration-service-related public awareness and outreach activities. The PLA produced some information sheets on registration requirements that covered among else: inheritance, sale, exchange, donation, mortgage, rectification of boundaries, sporadic registration and obtaining a registration title. Some of these documents were not always approved by the PLA nor printed/distributed to regional registration offices (and other government agencies dealing with private land rights). Likewise the PLA web site was underutilized for these purposes. Despite Bank recommendations for activities that improve public awareness and outreach for registration services, PLA did not follow up on a media strategy, distribution of publicity materials, and updates of the PLA website about new requirements etc.

**Human Resources Development Strategy.** The project financed the preparation of a Human Resources Development Strategy for the period 2014 – 2018 (2015 – 2019 for training). The HRD Strategy presented Human Resources management issues of the current PLA staffing situation and recommended a PLA Staffing Plan for 2012 – 2025. The Strategy also presented a *framework* to improve individual and organizational performance. It included strategic recommendations for key areas, such as performance management, and individual and career development. Furthermore, the Strategy was accompanied by an Implementation Plan (2015 – 2019) for the main actions of HRD. The Strategy and Implementation Plan provided recommendations for the creation of a planning framework for future staffing needs, suggestions for the establishment of an HR Unit that also focuses on strategic decisions, and provided advice for issues related to reallocation of HR. It should be noted that there were protracted delays in the preparation of the Strategy, and that it was not completed until after the MTR.

**Training.** The project financed a Training Strategy and Training Plan for the PLA, both linked to the HRD Strategy and the Corporate Strategy. The Training Strategy identified training needs and focused on the capacity constraints within the PLA. It proposed formal and informal methods for the development of knowledge, skills and improved behaviors that were to result in enhanced on-the-job performance. Coupled with the Training Strategy, the project financed a Training Plan for a five-year period, which included details on financials and budgeting, as well as a specific training-related monitoring and evaluation package. Although specific trainings focused on performance management and customer service delivery, the project financed technical training activities in GIS and CLS to a wider audience of PLA staff. The Training Strategy and Plan also included provisions for procurement of training, recommendations for training facilities, and cross-cutting issues such as project management for training and IT. The Training Strategy and Plan have been adopted late by the PLA but it is unclear whether they are being implemented with inadequate resources available to them.

### **Implementation of Enabling Technologies**

Within this sub-component, the project aimed to provide assistance to the PLA for the introduction of enabling technologies, including (i) preparation of an IT Strategy; (ii) development of software to extend the Computerized Land Registration System (CLRS); (iii) extension of the CLRS to four regional offices (Nablus, Jenin, and two other PLA regional offices); (iv) improvement of the land registration process; (v) a feasibility study for a Continuous Operation Reference System (CORS – dropped during the first year of the project); and, (vi) upgrading survey equipment for the PLA Surveying Department.

**IT Strategy.** The project financed the development of an IT Strategy in order to improve the efficiency and quality of PLA service delivery by streamlining existing IT services and by introducing new IT-enabled solutions and procedures. The IT Strategy made important recommendations related to technical and operational issues at the PLA, including the definition of short (1 year), mid-term (3 year), and 5-year goals. The IT Strategy presented the PLA with an Enterprise Architecture (EA), whose strategic objective was to disentangle the often-fragmented processes of PLA services. The EA recommendations focused on

four thematic areas: business, data, applications, and technology. Particular attention was paid to business architecture aspects that define business cases or domains with corresponding organization units of the PLA. Finally, the IT Strategy included the description and prioritization of strategic projects, including those related to the digitization of paper archives and CLRS. The IT Strategy was adopted by the PLA in August 2015 and, according to interviews with PLA Staff, certain recommendations are being implemented.

**Computerized Land Registration System (CLRS) for improved land registration process.** The project was to finance the roll-out of the CLRS to four PLA offices (Jenin, Nablus, and two other regional offices), however the project financed its roll-out in only two offices (Jenin and Nablus). The CLRS, developed in 2008, caters for the registration of land parcels, as well as buildings defined and detailed in the property titles. It is neither centralized nor distributed information system, and it is only operational as a local information system without enabling public access to the land property registry data. Although CLRS covers the most of business processes related to land property registration at PLA, some business process are not supported and its data model is considered antiquated. The project focused on CLRS extension and its enhancement, with particular focus on the design of a new Computerized Cadastre Mapping System (CCMS) and a potential integration between CLRS and CCMS. At the end of the project, description of some land registry business processes and functional specifications for the CLRS upgrade and new CCMS had been delivered. Quite importantly for SLR activities, data generated by the Dura was not compatible with the CLRS data model in the PLA.

With regards to digital maps, the TAT delivered a general ETL workflow for converting survey maps (delivered in AutoCAD DWG format) to ESRI Shape files. However, due to undefined data model, delivered ETL workflow has not considered target technology (MS SQL Server Spatial) for storing and managing maps – i.e. new data model implemented in MS SQL Server Spatial. Furthermore, digital maps delivered through the process of systematic survey in Dura have not been used.

**Continuous Operation Reference System (CORS) and upgrading of survey equipment.** The project was to finance a feasibility study for a CORS in the West Bank, however it was agreed during project implementation that there was no need to mobilize a Geodetic Adviser. The deliverables were to be addressed as necessary by the SAA, but no feasibility study was conducted. The project financed the procurement of GPS equipment, with significant delays, due to improper procurement planning.

### **Sub Component 2.3: Modernization of PLA Offices**

This sub-component was to support the modernization of two PLA regional offices based on the model developed under LAP I. Nevertheless, the project did not finance the two model offices originally envisaged in Hebron and Jericho mainly due to high prices of real estate. Moreover, the project did not finance major renovations in PLA regional offices, although a list of possible renovation activities were discussed during the MTR.

**Table 3. Component 2 Indicators**

Indicator	Baseline	Target	Result
Corporate Strategy and Business plan, including the staffing plan and training plan completed	0	Annual Bus. Plan updated	PLA Corporate Strategy adopted, but not operational
Cadastral mapping system incorporated in the PLA's computerized Land Records Management System	No	Yes	No
IT strategy adopted	None	Yes	Adopted, but not operational

### Component 3 – Project Management, Monitoring and Evaluation

This component was to support the establishment of a Project Management Unit (PMU), and finance incremental operating costs and project's M&E activities.

Throughout project implementation the PLA was unable to attract, and in many cases, retain, qualified personnel in order to have a complete and fully-functioning PMU and had consistently weak project management capacity and intermittently weak procurement planning capacity. Certain key appointments, such as that of a Procurement Officer, were not prioritized by the PLA from prior to project effectiveness up until the six initial months of project implementation. Similar delays were experienced in the recruitment of a Social and Public Awareness Specialist.

With regards to M&E, the quality of progress reporting in general and the reporting on the project outcomes and key performance indicators was weak (for detailed analysis, please refer to Section 2.3 of ICR main text). A dedicated M&E Specialist was not hired until well after the MTR, despite the FPs request for such a hire. The Finnish-financed TA was to provide inputs for the establishment of an embedded M&E system. The M&E framework was only delivered in September 2015 by the TA. It did lay out, however, the fundamental parts of an institutional M&E system, including data storage issues and the definition of roles and responsibilities.

**Table 4. Component 3 Indicators**

Indicator	Baseline	Target	Result
Project management assessed as satisfactory by supervision teams	N/A	Satisfactory	Unsatisfactory
Semi-annual Progress Reports delivered on time.	N/A	Yes	No

**Table 5. Core Indicators**

Indicator	Baseline	Target	Result
Target population with use or ownership rights recorded as a result of the project	0	80,000	19,920
Land parcels with use or ownership rights recorded as a result of the project	0	30,000	6,081
Land parcels with use/ownership rights recorded as a result of project-female	0	15,000	608
Target land area with use or ownership rights recorded as a result of project (Ha)	0	18,000	1,224
Average number of days to complete recording of purchase/sale of property in land administration system	42	15	30
Average number of days to complete recording of purchase/sale of property in land administration system – Urban	0	15	30
Average number of days to complete recording of purchase/sale of property in land administration system – Rural	0	15	30

### Annex 3. Economic and Financial Analysis

*Original Analysis:* At appraisal, an indicative economic analysis, based on a partial approach using the benefit stream from incremental new affordable housing activities, yielded an ERR of 55 percent for the cost of systematic registration only. The original economic analysis was based on assumptions related to the connection between the project's outputs, particularly titles received from beneficiaries, and the creation of affordable housing. The original analysis claimed that the project would alleviate a major market constraint and allow for the economy to create additional and significant value added, as evidenced by the extent of incremental affordable housing that would be triggered by the project. The original assumption is considered far-stretched since the increase in affordable housing units is not directly correlated, depended, or attributable to the completion of SLR activities. The original economic model, furthermore, suggested that land allocated to housing would increase from a low base of some 30 dunums per year without-the-project to some 45 dunums with-the-project, representing 50 percent improvement over the existing situation. Although the original economic model include a discussion of aspects related to mortgage and housing policies, its fundamental assumptions and conclusions do not provide a reasonable basis for its replication for ICR purposes.

The PLA was asked to submit data that would enable the construction of an *ex-post* economic model that would assess the project's efficiency by linking the initial registration of properties to an increase of property values in the project area, and consequently through the soaring dynamism of the real estate market. However, due to data availability limitations, such an economic model cannot be constructed. In the absence of NPV or ERR estimates, this ICR analyzes the project's efficiency using other appropriate cost-effectiveness criteria to determine whether the project represented the expected least-cost solution to attain identified and measurable benefits by an analysis of cost per unit of output. Through a simple value-for-money analysis, the project's cost for the cadastral surveying is US\$30 per dunum<sup>13</sup>. The US\$30 cost per dunum is considered high, compared to other developing countries<sup>14</sup>. Although cost-effectiveness is a necessary but not sufficient condition for efficiency, it should be noted that the cost per (announced, rather than received) right is US\$75, which is by all comparisons a very high cost.

Although the efficiency of the project should not be confused with the efficiency of the sector, it is plausible that through the increase of registered properties there has been an increase in tax collection by the Palestinian tax authorities. The General Directorate of Property Tax (GDPT) in MoF has reported an increase from NIS 121million in 2011 to NIS 284 million in 2015, which is somewhat attributed to an increase in the number of properties registered (GDPT currently has a database of 2.46 million properties). The

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<sup>13</sup> This figure is derived by taking into account all disbursed costs of Component 1 divided by the surveyed dunums, hence it deviates from the PLA-reported figure.

<sup>14</sup> Systematic registration with simple survey methods has worked well in other emerging countries<sup>4</sup> leading to complete national coverage in less than ten years and a reduction in costs to less than US\$10 per parcel in some cases (for instance, Georgia, Armenia, Kyrgyzstan, etc.).

Municipality of Dura has also stated anecdotally that the LAP II-demarcated parcels had positive fiscal benefits for the municipality through both an increase in prices (aggregate value of tax per property) and through an increase in the tax base (more citizens with property rights).

## Annex 4. Bank Lending and Implementation Support/Supervision Processes

### (a) Task Team members

Names	Title	Unit	Responsibility/ Specialty
<b>Lending</b>			
Soraya Goga	Lead Urban Specialist	GSU09	Task Team Leader
Deepali Tewari	Lead Urban Specialist	GSU12	Task Team Leader
Nina Bhatt	Practice Manager	GDU03	Social Development
Afaf Khalil Abbasi	Procurement Specialist	MNAPC - HIS	
Suha Satana	Consultant		Economic Analysis
Lina Abdallah	Urban Specialist	GSU11	
Khalida Seif El-Din Al-Qutob	Program Assistant	MNCGZ	
Abdallah Awad	IT Officer, Client Services II	ITSCR	
Meskerem Brhane	Program Leader	AFCE2	
John W. Bruce	Consultant	GSULN	
Ibrahim Khalil Dajani	Senior Infrastructure Specialist	GTI05	
Aissatou Diallo Finance and	Senior Finance Officer	CTRLA	
Tracy Hart	Senior Environmental Specialist	GEN05	
Isabelle Girardot-Berg	Consultant	MNSPR - HIS	
Samira Ahmed Hillis	Program Leader	MNC04	
Suhair M. Saah	Financial Management Specialist	MNAFM - HIS	
Anu Saxen	Senior Land Policy Specialist	ECSN - HIS	
Nikolai Subbotin	Legal Counsel	LEGLE	
Paul Prettitore	Senior Public Sector Specialist	GG017	
Srinivas Shivakumar Mahalingam	Consultant	GENDR	M&E, Project Preparation Support
Julia Dimitri	Public Sector Specialist	GGOFR	
Keith Bell	Senior Land Administration Specialist	GSULN	
<b>Supervision/ICR</b>			
Wael Zakout	Global Lead for Land and Geospatial	GSULN	
Gavin Adlington	Lead Land Administration Specialist	GSULN	
Daniel Roberge	Senior Land Administration Specialist	GSULN	
Bjorn Philip	Program Leader	MNC04	Task Team Leader
Stamatis Kotouzas	Land Administration Specialist	GSULN	ICR Primary Author
Lina Fatahallah Rajoub	Sr. Procurement Specialist	GGO05	
Nadi Mashni	Financial Management Specialist	GGO23	
Soraya Goga	Lead Urban Specialist	GSU09	Task Team Leader
Lina Abdallah	Urban Specialist	GSU11	Task Team Leader
Basheer Jaber	Procurement Specialist	GGO05	
Hana Salah	Social Safeguards Consultant	GSU04	
Tony Lamb	Land and Registration Law Advisor	GSULN	Registration Expert
Mei Wang	Senior Counsel	LEGAM	
Mohammad Nadeem	Legal Analyst	LEGAM	

Maha Bali	Program Assistant	MNC04	
Andrianirina Michel Eric Ranjeva	Finance Officer	WFALN	
Zdravko Galic	IT Systems Advisor	GSURR	Information Technology

**(b) Staff Time and Cost**

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	US\$ Thousands (including travel and consultant costs)
<b>Lending</b>		
FY08		37.55
FY09		91.74
FY10		108.90
FY11		110.20
<b>Total:</b>		348.39
<b>Supervision/ICR</b>		
FY12		152.76
FY13		100.73
FY14		122.87
FY15		169.10
FY16		86.13
<b>Total:</b>		631.59

## **Annex 5. Beneficiary Survey Results**

No beneficiary surveys were conducted. One customer satisfaction survey was carried out in July 2014 and the report was never made fully available to the Bank.

## **Annex 6. Stakeholder Workshop Report and Results**

### **Overview of the ICRR Workshop**

In an effort to maintain the participatory and consultative nature of the process geared toward the completion of the ICRR, an ICRR stakeholder workshop was held on November 8, 2016. It was attended by a wide range of relevant stakeholders, including representatives of the Palestinian Land Authority (PLA), the Ministry of Finance, and the Prime Minister's Office, the Water and Land Settlement Agency, Municipalities and other local government units (LGUs), Judicial Authorities, and the GoF. The workshop objective was to present the assessments and ratings in the ICRR, and seek input from the invitees on the preliminary ICRR findings, and lessons learned for future consideration. The stakeholder discussion was moderated by the ICRR author, who also provided an overview to the participants about the timeline for ICRR preparation and public disclosure, including the process of soliciting comments on the ICRR drafts from the key stakeholders.

Overall, the workshop discussions confirmed that land management and administration continue to be high priority for the Palestinian Authority and the Palestinian people. Given the socioeconomic and political context, workshop participants emphasized that securing Palestinians' rights over scarce land is considered extremely crucial. The participants largely emphasized the lost opportunity to achieve further reforms and institutional capacities as a result of the cancellation of the Second Land Administration Project and welcomed the opportunity to document lessons learned for future consideration.

The workshop participants highlighted that any future support to the land administration sector in the Palestinian territories needs to take into consideration the complexity of the inherited legal framework and operational realities that have developed over a span of successive administrations (Ottoman period, British Mandate, Jordanian and Egyptian rules, and Israeli occupation).

### **Participants' Views and Feedback on the Project Development Objective and its Indicators**

*Set targets.* The participants strongly maintained that the target of completing Systematic Land Registration (SLR) activities for 180,000 dunums (18,000 hectares) was too ambitious, despite the financing partners' insistence that only with ambitious targets could SLR be completed within a reasonable amount of time and at a reasonable cost. Raising the target of SLR from 50,000 to 180,000 dunums during the appraisal stage, and despite the risks communicated by the PLA technical staff, in the view of many, took serious toll on the ability to achieve the project objectives.

*Replicability of SLR.* Participants also highlighted that the notion of establishing a replicable model for SLR in the West Bank may have been unrealistic, given, what they described, as the particular and special circumstances of the Palestinian context, making it nearly impossible to anticipate types of disputes and drafting guiding procedures for dealing with them (for instance, the issue of absentees in the diaspora and families that are not allowed to return or visit). Given the unique situation of the Palestinian territories, workshop participants claimed that the performance of the land registration system is fairly good, given that settlement activities were resumed only in 2007 (compared with Jordan, for example, where such activities commenced in 1952).

*Time required for land transactions.* Participants challenged the argument that it was not possible to conclude whether or not the PLA managed to reduce the number of days needed for land transactions. The ICRR argued that information from PLA was either lacking or inconsistent regarding the number of days required for land translations, and hence the only results for verification that could be relied on were those from the Doing Business “Registering Property” indicator. The workshop concluded that had there been better communication and information sharing between the PMU and PLA during implementation, more reliable data from PLA would have allowed for a realistic measurement of this indicator.

*Support to legal and institutional reforms.* Workshop participants debated the necessity of concurrent legal and institutional reform alongside SLR procedural improvements. Some government representatives criticized what they viewed as the financing partners giving up on promoting a reform of the existing laws and regulations, as a prerequisite for pushing for achieving high targets in SLR. Other participants, on the other hand, argued that LAP II should have included in its design a proper balance between legal reform and SLR procedures.

## **Perspectives and Feedback on Overall Project Performance**

*Relationship between PMU and PLA.* Several workshop participants heavily criticized what they regarded as a disconnect between the PMU and the PLA technical staff, and anticipated that the project performance would have been more satisfactory had the PLA technical staff been more involved in the design of the project components and institutional arrangements. The participants also criticized what they viewed as slow proactivity on part of the financing partners to demand better communication within the Project Management Unit and PLA on one hand, and more regular monitoring and oversight by the financing partners on the other.

*Resources per component.* The participants highlighted a number of instances where they believed that the project did not provide the proper balance between the planned activities

and the resources available. According to participants, this factor affected satisfactory implementation, staff morale and the level of productivity. For instance, relevant technical staff highlighted that fundamental elements in the application of IT solutions either lacked sufficient funding to acquire the technologies and technical assistance quality envisaged to meet the intended objectives, or proposed solutions that proved to be a mismatch with the capacities, requirements, and implementation timeframes envisaged.

*Technical assistance activities.* Despite consensus among the participants on the urgent need for technical assistance activities and global expertise to accompany land administration and management reform activities in the Palestinian territories, there was criticism about the implementation of technical assistance activities, and how expert visits were carried out. Some participants highlighted the excessive visits by consultants that were described as distracting to PLA teams and the PMU, while others criticized the high turnover of technical assistance teams, and the insufficient consultation with PLA staff. All of the above, according to workshop participants, led to a perception of low PLA ownership. However, the participants failed to provide recommendations or suggestions for future consideration on how they would have liked to see technical assistance being provided.

### **Specific Recommendations for Future Consideration:**

*Local government units.* There was consensus among the participants on the critical role of municipalities can play in SLR activities, given their close relationship with their communities. As such, the workshop discussed and recommended supporting the expansion of this approach to help start and speed up SLR activities at a larger scale, with large ownership and contribution from LGUs. Nevertheless, this option was also acknowledged as requiring human, technical, and financial capacities that are currently beyond the capacity of the government.

*Local governments' access to data.* Representatives of LGUs urged the PLA and the Water and Land Settlement Agency to give them access rights to the final land ownership records and cadaster maps following systematic or new registration activities. This would contribute to enhancing the capacities of LGUs to provide accurate boundaries for the licensing of construction for personal and commercial use, as well as for streamlining service delivery layers with cadaster maps as part of each locality's GIS.

*Project preparation.* Proper documentation of the long and protracted project preparation period would have helped provide better analysis and derivation of lessons learned. The workshop participants suggested that the relative high turnover of Task Team Leaders from the Bank from the completion of the Land Administration Learning and Innovation Loan (LAP I), and throughout nearly 30 months of preparation of LAP II, may have contributed to insufficient incorporation of lessons learned from LAP I in addition to minimizing the lost opportunity of the time spent in preparation which could, as one participant mentioned, have been invested to provide training to SLR field teams and settlement judges.

*Attention to social issues.* Positive results from the Dura experience such as the increase in the construction area and addressing women's rights in land registration and ownership were highlighted in the workshop as some of the main unintended outcomes that should be documented and emphasized in the ICRR. It was agreed that the World Bank would follow up with Dura to obtain further details for the possibility of additional analysis on the economic and social outcomes of LAP II.

*Future donor engagement in land sector.* Participants indicated that the ICRR should include a careful analysis of the areas that require improvement to form a solid basis for any future involvement by the donors in the land sector.

## **Annex 7. Summary of Borrower's ICR and/or Comments on Draft ICR**

The Borrower's ICR report is presented verbatim since it is fewer than five pages long.

### **I. Assessment of the LAP II objectives, design, implementation and operational experience;**

Based upon our assessment, the project objectives are related to the overstated number of dunums (180,000) dunums which is considered inaccessible within the time frame and the possibilities provided by the World Bank. The PLA supplemented Dura Settlement Office with employees in order to try reach this required number, Also, the way of negotiation was compulsory which means that the number was 45,000 dunums and it was raised to 60,000 then to 90,000, then suddenly and within a very short time it was doubled to be 180,000 dunums.

The design of the project was very well distributed since it was interested in settlement process, administrative development, human staff development and raising the staff capacity which was good. But it had also some mistakes and we mention the following as examples:

- This project aimed at distributing the Computerized lands Registration System- CLRS into four offices and it provided budget sufficient to computerize only two offices with only 180,000 dollars, whereas the previous estimations of the Information System department was 80,000 dollars for each office.
- The project aimed at distributing the CLRS into four offices and at the same time suggested to use another program (SOLA), so how we can distribute a program and replace it at the same time?
- The project aimed at distributing the CLRS noting that it was covering only 90% from the transactions, and according to the good planning, we should have the first year to complete the program and then transfer it to the other offices.
- The project aimed to have a mapping component that covers Ariel photos and maps as part of the CLRS, but it did not offer any funding or investments for the survey department or the department of geographical information systems (GIS).
- The general administration for information systems required having the lands data entry prior to the implementation of the CLRS program in any office, but we were surprised that the program was supposed to be rolled out to four offices where the data was not entered, so, the PLA was forced to hire data entry employees on governmental contracts and this is also an evidence of bad planning and lack of consultation.
- In addition, and according to the financial department, it was possible to take more advantage from the funding if there was a better connection with the project management unit (PMU) and this delayed the work without any clear and convincing reason. On the last year of the project life, it becomes a matter of payoff for the project

PMU and Dura Settlement Office employees as the General Administration for Financial Affairs indicates.

- The project asked the PLA to achieve a fast settlement project while they didn't work with the Palestinian society to respond to these conditions. The public awareness issue had to be assigned to another party with enough qualifications and capacities in order to perform this task in consultation and coordination with the specialized unit in the PLA, which is the public relations unit. In addition, the judiciary should be provided by extra judges in order to accelerate the process of deciding in the cases. All these issues (bottlenecks) affected the process of achieving the required objectives and targets.
- The project management didn't engage with the general administration of financial affairs in preparing the budgets and the purchase planning related to the project since the first moment until it stopped for unclear and unjustified reasons. This causes an obvious defect since most of the funds had to be dedicated to furnish and rehabilitate the PLA offices and it was not related only to the technical progress of the settlement work. Therefore and because of the weak coordination with the project management, we had Jericho and Hebron offices unfurnished knowing that and according to the project plans, these offices had to be ready by the end of the second year of the project life.

**II. Evaluation of the performance of the PLA (self-evaluation), other Government stakeholders, the World Bank, and the GoF (funding partners) during the preparation and implementation of the operation, with special emphasis on lessons learned that may be helpful in the future**

The PLA and the technical teams were very well cooperated within the project implementation period. We had many valuable workshops and trainings during the project, also the representation of a financial officer from the general administration of financial affairs in the project management unit provided the employees with enough experience and qualification to manage any grant in the future, deal properly with the conditions and divisions of the donors and following up the financial affairs professionally. In addition, this gives them enough experience to manage and implement the acquisitions for any grant regardless the donor through the close contact with the purchase unit in LAP2 and other stakeholders. We should point out to the excellent cooperation between the financial staff in WB and The Palestinian Ministry of Finance whereas providing the financial accounts of the project was easily and quickly performed and also the direct payments of the suppliers were done perfectly according to the planned timetable.

At the beginning of the project Monitoring and Evaluation was just preparing a report, but later we were informed that we need to have M&E system, accordingly we prepared a description document of the intended M&E system and submitted it to the WB and immediately we continued to develop and use the system and we started to computerize it,

part of it is related to systematic registration activities and this part will be moved to the LWSC M&E Unit.

The project aimed to human resource development and raising their capacity through the establishment of a very good planned training program and also to create a strategic plan for the institution which was very good.

PLA as represented in its working team did all what was required in component two and a training plan was developed and PLA get quote price for training packages for local training centers but unfortunately the project stopped and the training did not start at all, we think that component two could proceed even if the settlement activities were to be moved to other implementing agency (LWSC), we recommend that component two could be resumed. In fact the PLA is now seeking funds to implement the training plan.

All documents that were delivered by the project through the TA team are very valuable to the PLA and are used as a road map for the future, some of them like the training plan and the IT strategy are being under implementation, for example the IT strategy included the necessity to build a centralized data center (DC) and to acquire a document management system (DMS), PLA already secured fund for these tasks and in the process of procurement. In addition PLA is in the process of computerizing the maps and creating the parcel layer spatial database.

### **Lessons learned:**

All the related parties should be engaged in the previous mentioned discussions in any project in order to have logical, achievable and measurable objectives.

This engagement allowing making discussions regarding the potential problems and maybe agreeing upon the solutions before facing the problems during the implementation of in the project.

The committee responsible for the coordination between the project activities and the administration body of the PLA was directed by the project manager and this is not best practice because same person cannot represent the project and play the role of the coordinator at the same time.

The director of the “projects unit” in PLA and the project manager was the same person and this is not a good practice , The director of the projects unit must be responsible for planning and coordinating between the projects activities, receive the reports and deliver them to the relevant parties, while each project manager role is administrative and operational related to the project daily technical activities and this should be taken into consideration in the future while determining the roles. This issue is resolved now in the PLA since The PLA had appointed manager for the (Projects Unit) who will plan for any future project with consultation with the relevant parties showing the benefit taken by the PLA from the previous experiences.

There was a bid for privatization activities of settlement for 90,000 dunum but no one applied, this was a failure in understanding the local facts of the Palestinian private sector and their capacities, and it also means that the estimations were very high and that the persons who developed the bid did not have a correct vision of what could be accomplished.

The preparation phase of the project should include the M&E system to be up and running before the starting of the project not within the or after the project implementation phase.

The project manager should make sure that all managers and stockholders have full and clear vision of the project goals and activities and their responsibilities.

The need to have a motivation plan before the project starts and should be done in the project preparation phase.

### **III. Final update on the project outcomes and achievements against the intended Key Performance Indicators.**

In this report, we summarize the settlement activities until the end of August 2016 as the following:

#### **1. Dunums and properties:**

From the beginning of the project in March, 2013 and till the end of August, 2016, Dura Settlement 10 teams have demarcated the following in the (3) zones:

<b>Date</b>	<b>Dunums</b>	<b>Properties</b>
Till 31/12/2015	70127	22600
January,2016	1188	213
February, 2016	1269	269
March, 2016	720	205
April, 2016	727	186
May, 2016	895	361
June,2016	1027	255
July, 2016	1371	324
August,2015	2061	655
<b>Totals</b>	<b>79385</b>	<b>25068</b>

## **2. Tables of Rights:**

From the beginning of the project until 31/8/2016, we have announced (110) table of rights divided into (30) groups as the following:

<b>Group</b>	<b>Date of display</b>	<b>Number of blocks</b>	<b>Number of properties</b>	<b>Area</b>
1	3/3/2014	5	330	563
2	24/4/2014	5	336	459
3	25/6/2014	6	1094	1615
4	14/8/2014	9	1603	2160
5	4/9/2014	7	1745	2970
6	3/2/2015	2	260	350
7	15/3/2015	5	956	1763
8	4/5/2015	4	286284	1100
9	24/5/2015	5	792	1985
10	10/6/2015	1	27	188
11	25/6/2015	3	342	1222
12	15/7/2015	1	179	267
13	29/7/2015	2	119	723
14	5/8/2015	4	358	1014
15	24/8/2015	5	363	1643
16	9/9/2015	5	401	1365
17	5/10/2015	3	230	764
18	25/10/2015	4	268	976
19	10/11/2015	2	370	778
20	12/11/2015	1	71	252
21	22/11/2015	2	366	1055
22	29/11/2015	3	467	1292
23	7/12/2015	3	182	602
24	23/12/2015	3	141	1045
25	21/1/2016	4	232	815
26	7/3/2016	5	817	2214
27	13/3/2016	4	237	1000
28	9/5/2016	4	136	972
29	26/6/2016	2	264	473
30	7/8/2016	1	305	419
<b>Totals</b>		<b>110</b>		<b>32044</b>

### **3. Complaints and Grievances:**

The complaints in office were as follows:

2015: The received complaints were (23) and all of them were solved in the office and the field except one complaint still suspended since the parties didn't visit the office despite the fact that they were informed many times.

2016: two complaints were received one of them were officially solved and in the other the complainant submit an objection according to law.

### **4. Settlement Court Activities:**

Regarding the cases in the court, they were as follows:

<b>Total number of objections</b>	<b>Finished cases</b>	<b>Under-work cases</b>	<b>Still waiting</b>	<b>Cases from other courts</b>
2004	153	92	1759	97

## **Annex 8. Comments of Cofinanciers and Other Partners/Stakeholders**

The project Implementation Completion and Results Report is a well-written, thorough document. Below are some points to be clarified or highlighted.

### 2. Key Factors Affecting Implementation and Outcomes

15. & 16. The most critical obstacle for institutional change and improved performance at the PLA was weak ownership and management capacity. Without addressing those, no acceleration of first time registration could have been expected despite any technical assistance and capacity building provided to the PLA. This was also the reason why restructuring was not done and Finland did not support the idea of restructuring of the project. Based on the political and economic importance of the sector and project goals, significant efforts were made by the FP's, especially the World Bank team, to address these problems and enable the continuation of the project.

18. & 19. LAP I results included the identification of certain legal reforms. However, during the period between LAP I and LAP II, it was understood that the option of making legal reforms would take an unpredictable amount of time, which would consequently push the first time land registration more to the future. For this reason, it was thought that the space within the existing legal framework should be used to work out a model for first time land registration that could be rolled out cross the Palestinian territories.

There was indeed knowledge about the weaknesses of the PLA, which was the reason for the TA component, and needs to reform the legal framework, but the depth of the joint impact of these two was not understood. The TA support to the PLA was not used in its full potential and the timing of some of the TA support was not always optimal.

The structure of the project, the TA being financed by the GoF, while the World Bank carried the administrative responsibility, was not an operationally smooth solution. It supported an illusion of two projects instead of one which had two key components. Smoother cooperation and trust between the different parties involved would have facilitated the management of these structural challenges.

### 5. Assessment of Bank and Borrower Performance

See comments above. The Steering Committee's role as a strategic decision making body would have been stronger if its meetings would not have followed directly upon the supervision missions, but after the provision of the aide memoire of the missions. Finland highlighted this several times.

## **Annex 9. List of Supporting Documents**

### **PLA documents:**

- PLA Institutional Needs Assessment (August 2013)
- PLA Corporate Strategy 2015 – 2019 (December 2014)
- PLA Training Report (February 2015)
- PLA Human Resources Development Strategy and Implementation Plan for 2015 – 2019 (March 2015)
- PLA Information Technology Strategy (April 2015)
- PLA Code of Conduct and Service Standards (May 2015)
- PLA Monitoring and Evaluation Framework (September 2015)
- Resolution of Issues, Problems and or Conflicts in Systematic Registration Process (June 2013)
- Settlement Manual (various versions available, 2009 – 2013)
- Final report of Systematic Registration and Adjudication Adviser (June 2016)

### **World Bank Documents:**

- Project Appraisal Document (March 2012)
- Trust Fund Grant Agreement (March 2012)
- Trust Fund Administration Agreement (July 2012)
- Trust Fun Co-Financing Agreement (January 2013)
- Mid Term Review Report (November 2014)
- Implementation Completion and Results Report for Land Administration Project (LAP I, June 2009)