



<b>1. Project Data:</b>		<b>Date Posted :</b> 08/10/2001	
<b>PROJ ID:</b> P007911		<b>Appraisal</b>	<b>Actual</b>
<b>Project Name:</b> Land Use Rationlztzn	<b>Project Costs (US\$M)</b>	41.1	33.6
<b>Country:</b> Paraguay	<b>Loan/Credit (US\$M)</b>	29.0	27.6
<b>Sector(s):</b> Board: ENV - Central government administration (100%)	<b>Cofinancing (US\$M)</b>	4.5	4.5
<b>L/C Number:</b> L3445			
	<b>Board Approval (FY)</b>		92
<b>Partners involved :</b> Governments of the United States and Japan	<b>Closing Date</b>	12/31/1998	06/30/2000
<b>Prepared by :</b>	<b>Reviewed by :</b>	<b>Group Manager :</b>	<b>Group:</b>
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<b>2. Project Objectives and Components</b>			
<b>a. Objectives</b>			
<p>There is some discrepancy between the statement of objectives in the Staff Appraisal Report (SAR) and their interpretation in the ICR. The SAR says, "The project would: (a) improve the government's information base, as a means of raising its effectiveness in: (i) land titling; (ii) the long-range planning of natural resource management; (iii) the provision of services to agriculture; and (iv) raising fiscal revenue from the sector; and (b) provide a basis for strengthening the institutions responsible for land settlement and for natural resource management and protection ". The ICR says that [in the SAR] the objectives "were not clearly stated...the first objective ('to improve the government's information base...') would have been clearer if it had simply described the creation of a multipurpose rural cadaster...the second objective ('to provide a basis for strengthening the institutions ) should have specified the creation of a Geographic Information System" (paragraph 3.1.2). The ICR evaluates the project in line with this somewhat circumscribed interpretation of the original objectives .</p>			
<b>b. Components</b>			
(in order of magnitude, by actual cost and share of total project cost )			
(i) Rural cadaster (US\$30.9 million, 92 percent);			
(ii) Geographic Information System (US\$2.1 million, 6 percent);			
(iii) Studies, on land titling and aspects of the agricultural sector and natural resource management (US\$0.6 million, 2 percent).			
<b>c. Comments on Project Cost, Financing and Dates</b>			
<p>The actual cost of component (i) was 90 percent of the appraisal estimate; the actual cost of the other components was as estimated at appraisal. There was a space of eleven months between appraisal and board approval, and a further space of fourteen months from approval to loan effectiveness . The project closed eighteen months later than originally expected.</p>			
<b>3. Achievement of Relevant Objectives:</b>			
<p>Although the original statement of objectives is broad and vague, the ICR's attempt to redefine the objectives (see above) goes to the opposite extreme, narrowing the scope to a focus on outputs, and missing entirely the institutional strengthening outcome which would seem to be the project's ultimate purpose . Moreover, the project objectives were not revised during the project, so the <i>ex-post</i> evaluation must take as given the Staff Appraisal Report's formulation of them. The project's institutional development impact is rated as modest in the ICR; if institutional development were indeed the major project objective this would be consistent with an outcome rating of unsatisfactory . The text of the ICR validates this reading: "The institutional improvements that were hoped for in the National Cadastral Service (SNC), by and large, did not materialize" (paragraph 4.5.1); it also refers to the weak relationship between SNC and other key agencies, such as the Public Registry . Even if the project were rated by achievement of outputs alone, it would be unsatisfactory. Component (i) was not accomplished satisfactorily: "Because of the cumulative delays experienced in project implementation and the significant under -estimate of the budget costs for cadastral surveying, the cadastral survey was able to cover only ...14 percent of the whole project area (ICR, paragraph 4.1.1). Because this component accounted for 92 percent of the actual project cost, its incomplete realization suggests that outcome</p>			

must be rated unsatisfactory.

#### 4. Significant Outcomes/Impacts:

As a result of the project, "Paraguay now has a modern map base for the whole of the project area ...it is among the best in the Western Hemisphere and is already being used for multiple purposes beyond the project, including road design, farm planning, estimation of areas to be inundated behind dams, etc ." (ICR, paragraph 4.2.5). The National Cadastral Service has been fully equipped with the computerized cadastral database, the full complement of information technology sufficient to operate and manipulate the digital orthophoto map base, a fully computerized office, and all other necessary infrastructure.

#### 5. Significant Shortcomings (including non-compliance with safeguard policies):

First, the project paid insufficient attention to the institutional framework in which the outputs were generated : "It is now clear that institutional weakness was a serious problem at various points of the project ...(ICR, paragraph 6.1.5). Second, of the fourteen actual outputs listed in Annex 5, ten were delivered more than three years late, thereby reducing overall cost efficiency. Third, the unit cost of the project's largest component was much higher than expected: extrapolating from a pilot survey to the project area as a whole, the ICR estimates that the cost of cadastral survey is US\$4.00 per hectare-----"approximately five times the design/appraisal estimate" (paragraph 5.4.4). Fourth, it is not clear that the skills of staff at the National Cadastral Service and associated agencies will be stronger in the long run; the ICR says that the most highly skilled are likely to move elsewhere .

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
<b>Outcome:</b>	Satisfactory	Unsatisfactory	The cadastral survey was only partly achieved but there was a substantial cost overrun, and major delays in delivering outputs.
<b>Institutional Dev .:</b>	Modest	Modest	
<b>Sustainability:</b>	Likely	Likely	
<b>Bank Performance:</b>	Satisfactory	Unsatisfactory	Quality at entry was poor: institutional weaknesses should have been addressed more centrally.
<b>Borrower Perf .:</b>	Unsatisfactory	Unsatisfactory	
<b>Quality of ICR:</b>		Satisfactory	

**NOTE:** ICR rating values flagged with '\*' don't comply with OP/BP 13.55, but are listed for completeness.

#### 7. Lessons of Broad Applicability:

(i) Project design needs to take sufficient account of the critical role of institutional capacity, and, in cases such as this, make institutional strengthening an explicit development objective; (ii) It is important not to overlook institutions which do not participate financially in the project but whose cooperation is required for the project's success; (iii) Proper accounting and procurement systems need to be in place before project start -up.

**8. Assessment Recommended?** ☐ Yes ☒ No

#### 9. Comments on Quality of ICR:

Annex 1 (Key Performance Indicators) refers exclusively to outputs, and measures them rather narrowly :comparing the SAR target dates with the actual dates when the outputs were delivered .