



## 1. Project Data

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| <b>Project ID</b><br>P121152                   | <b>Project Name</b><br>NI Second Land Administration Project |  |
| <b>Country</b><br>Nicaragua                    | <b>Practice Area(Lead)</b><br>Urban, Resilience and Land     |  |
| <b>L/C/TF Number(s)</b><br>IDA-52250,IDA-60870 | <b>Closing Date (Original)</b><br>31-Dec-2018                | <b>Total Project Cost (USD)</b><br>51,686,484.11 |
| <b>Bank Approval Date</b><br>26-Mar-2013       | <b>Closing Date (Actual)</b><br>30-Jun-2020                  |  |
|  | <b>IBRD/IDA (USD)</b>  | <b>Grants (USD)</b>                              |
| Original Commitment                            | 40,000,000.00  | 0.00   |
| Revised Commitment                             | 53,664,747.25  | 0.00   |
| Actual   | 51,686,484.11  | 0.00   |

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| <b>Prepared by</b><br>Kavita Mathur | <b>Reviewed by</b><br>Fernando Manibog | <b>ICR Review Coordinator</b><br>Victoria Alexeeva | <b>Group</b><br>IEGSD (Unit 4) |
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## 2. Project Objectives and Components

### a. Objectives

The Project Development Objectives (PDOs) were to: (a) strengthen the property rights of the population in the project area through improved regularization, titling, and registry services; and (b) improve the Recipient's capacity to respond promptly and effectively to an eligible emergency (Financing Agreement page 5 and Project Appraisal Document para 11).



**b. Were the project objectives/key associated outcome targets revised during implementation?**

Yes

**Did the Board approve the revised objectives/key associated outcome targets?**

Yes

**Date of Board Approval**

26-Jun-2017

**c. Will a split evaluation be undertaken?**

No

**d. Components**

**Component 1. Consolidation of the Institutional and Policy Framework** (appraisal cost US\$7.3 million, revised cost (2017 AF) US\$9.3 million, actual cost US\$8.4 million). This component would help consolidate the land administration system by strengthening the capacity of key agencies and participating municipalities, promoting inter-institutional coordination, and furthering the decentralization of services. Main activities included, inter alia, preparing and updating procedures and manuals, training, systems updates for the Property Information System (SIIPRO) and development of the Cadastral Information System (SILEC), as well as upgrading the Municipal Cadastre System (SISCAT) and linking it with the national database. It included three sub-components: (i) strengthening of cadastral services and land regularization capacity; (ii) strengthening of municipal land administration services; and (iii) strengthening of data collection and evaluation capacity.

Revised Component 1. The Additional Financing (AF) would contribute to further strengthening the partnership between **additional municipalities** and Nicaraguan Institute for Territorial Studies (INETER's) national database and strengthening local capacity to ensure that all municipalities would meet INETER's standards.

**Component 2. Strengthening of Property Registration and Alternative Conflict Resolution Capacity** (appraisal cost US\$3.7 million, revised cost (2017 AF) US\$14.9 million, actual cost US\$8.2 million). This component was expected to strengthen the capacity of the regional property registries for systematic titling and registration, consolidating the integration of cadastre and property registry information by supporting the Integrated Cadastre-Registry Information System S(IICAR 1.0) and developing SIICAR 2.0, and facilitating mediation of land conflicts and disputes through, for instance, training and certification of mediators.

Revised Component 2. The AF would expand SIICAR 2.0 to a new department "Esteli" and provide additional support to Managua (original was the department of Chinandega) in addition to Chinandega which was completed under the original credit. The AF would also finance further development of SIICAR such as: (i) migrating and reconciling cadastral and property registry data, (ii) adding more options for various types of land transactions, (iii) a data mining function, and (iv) creating a digital folio for the cadastre linked to the parcel's registry history and cadastral regulations.

**Component 3. Titling and Regularization Services** (appraisal cost US\$17.8 million, revised cost (2017 AF) US\$25.2 million, actual cost US\$29.9 million). This component was expected to support systematic cadastral surveying, titling, and land regularization activities. It included three sub-components: (i) demarcation, titling, and registration of two complementary areas of two Indigenous territories of



Mayanga Sauni Bu (MSBU) and Miskitu Indian Tasbaika Kum (MITK); and (ii) demarcation of protected areas.

Revised Component 3. To enhance social impact, the AF would support cadastre surveying, regularization, and land titling to additional seven indigenous communities living within the original Project area (i.e. indigenous communities living in the Pacific, North, and Central regions were included in the project). Moreover, on demand land regularization was expanded to include small agricultural producers outside the "reformed sector".

**Component 4. Project Management, Monitoring, and Evaluation** (appraisal cost US\$3.2 million, revised cost (2017 AF) US\$4.5 million, actual cost US\$3.7 million). This component would support project administration, including fiduciary and safeguards requirements, and monitoring and evaluation activities.

Revised Component 4. An additional subcomponent was added under the AF to include land administration studies. These studies may cover, among other, the legal and institutional framework, environmental and social issues related to land tenure, and consolidation of geospatial information.

**Component 5. Contingency Emergency Response Component (CERC)** (appraisal cost US\$8.00 million, revised cost (2017 AF) US\$0.0 million, actual cost US\$1.5 million). This component would provide immediate response to an eligible emergency, as needed.

**e. Comments on Project Cost, Financing, Borrower Contribution, and Dates**

**Project Cost.** The actual project cost was US\$51.9 million, compared to US\$58 million which includes the appraisal cost estimate (US\$40 million) and the Additional Financing (US\$18.0 million).

**Financing.** The original IDA financing was US\$40.0 million. An Additional Financing (AF) of US\$18.0 million was approved in June 2017. The total actual financing was US\$51.9 million. The Bank financed 100 percent of project costs (ICR para 18).

**Borrower Contribution.** At appraisal, no Borrower contribution was planned. There was no subsequent Borrower contribution until project closing.

**Dates.** The project was approved on March 26, 2013 and became effective on July 12, 2013. It closed on June 30, 2020, 18 months after the original closing date of December 31, 2018 to allow sufficient time to complete all Additional Financing activities.

**Restructurings and Additional Financing.**

- The **first restructuring** was approved on March 3, 2016, to introduce changes to the focus area of SIICAR 2.0. Since no eligible emergency had occurred since project approval, the government requested reallocation of CERC funds to support more ambitious SIICAR 2.0. According to the Task Team, the second PDO was not dropped because the government recognized the vulnerability to the country. It still wanted to keep the CERC window for potential financing - with zero allocation. The project team further mentioned that several years into the project the government wanted to have access to the Catastrophic Insurance Risk Facility (CRIF) that the Bank had established for Central American countries. The Bank cancelled US\$4.0 million from this project and



used it for financing the premium and the initial fee to access the membership to the CRIF. This was a priority and had been useful for Nicaragua with hurricanes. Nicaragua got the payout of US\$50 million through the CRIF. Next priority was to increase the scope of the development of the Integrated Cadastre-Registry Information System (SIICAR) to Managua province, which is the main area of the country with the highest number of transactions, but it was a little bit more expensive.

- The **second restructuring** was approved on November 10, 2016, to revise the Results Framework. The Intermediate Result Indicator "SIICAR consolidated in Chinandega and expanded to at least three more departments" was revised to "SIICAR is (i) redesigned satisfactorily in terms of operations security, business objectives, and policies and procedures; and (ii) implemented on a pilot basis to incorporate at least 15% of registry and cadastral data in the Department of Managua". These changes were incorporated to enhance the focus on the adequacy of the SIICAR 2.0 and the integration of cadastral and registry data, and the refocusing of SIICAR to the department of Managua. In addition, the Intermediate Result Indicator "At least 30% of agreements on conflicts resolved by Directorate for Alternative Conflict Resolution (DIRAC) are formalized by the Property Registry" was revised to "At least 60% of conflict resolution agreements, pre-qualified as registrable, are formalized in the Property Registry." This was done to obtain more accurate documentation of conflict resolution/mediation agreements and their legalization in the Property Registry (*Registro Público de la Propiedad, RPP*), and to correct that the original indicator did not measure adequately the efficiency of the DIRAC since not all the resolved conflicts could be registered in the RPP (registration depends on the category of conflict and whether there is a previous registration).
- An **Additional Financing (AF)** and **third Restructuring** on June 26, 2017 resulted in: (i) adjustments to project targets; (ii) extension of the project closing date from December 31, 2018 to June 30, 2020. As discussed above under components the AF focuses on: (i) expanding the Integrated Cadastre Registry Information System (SIICAR) in Managua and Estelí; (ii) scaling-up cadastral, titling, and regularization services; (iii) strengthening municipal cadastre capacity; and (iv) and supporting land administration studies. To allow sufficient time to complete all AF activities, the project's closing date was extended by 18 months, from December 31, 2018 to June 30, 2020. The results framework was also updated to reflect the expanded scope of investments and additional implementation time.
- A **fourth Restructuring** was approved on December 12, 2018, to reallocate US\$1.04 million from the disbursement Category 3 (Project Preparation Advance) to Category 1 (all Project components), to adjust for the shortfall in dollars due to the fluctuations in Special Drawing Rights (SDR) exchange rate.

**Split Rating.** The PDOs and all five PDO-level indicators remained the same throughout the project's life. However, changes were made to the end targets of three PDO-level indicators. The split rating will not be conducted as the Additional Financing revised the results framework to reflect the scaled-up activities and increased targets.

### 3. Relevance of Objectives



## Rationale

**Country and Sector Context.** Nicaragua is one of the poorest countries in Latin America, with 42% of the population living below the poverty line and one out of seven living in extreme poverty (PAD para 1). Agriculture is a key economic sector, employing 31% of the labor force.

In the land sector, Nicaragua had experienced years of inconsistent legal and administrative decisions that contributed to tenure insecurity and social tension and undermined the people's confidence in state institutions. Land tenure insecurity hinders potential investments, land market transactions, and generates disputes. Therefore, securing property rights and modernizing land administration institutions are critical for improving Nicaragua's productivity as about one third of parcels were held without a clear title, which particularly affects small and poor agricultural producers (PAD para 6).

**Alignment with the Government Strategy.** The PAD noted (para 10) that the project intended to support the implementation of the government programmatic strategy on land administration reform (PAD para 10). The strategy's goal was (and remains) to strengthen property rights and promote sustainable land governance, focusing on poor and vulnerable populations while ensuring gender equity and resolving historical land claims of Indigenous Peoples.

The project objectives were aligned with the National Plan for Human Development (PNDH), whose objective was to reduce inequality by increasing poverty-related spending and boosting investment in social sectors and rural infrastructure. The PNDH recognized land tenure security as a strategy for economic development by improving productivity through expanded access to credit and facilitating free land regularization services at the local level (PAD para 10). The PNDH also emphasized the importance of disaster risk management and climate adaptation for the overall sustainability of Nicaragua's development efforts. It notes that the government needs to ensure that disaster vulnerability and climate change issues are appropriately considered as it moves forward with its land agenda.

**Alignment with the Bank Strategy.** The project objectives were aligned with the Bank strategy throughout the life cycle of the project. At appraisal, the Project was consistent with the second objective of the Bank's Country Partnership Strategy (CPS) 2013-2017 which aimed to deepen the impact of operations in rural infrastructure and land through land administration modernization. At completion, the project objectives were aligned with the third pillar of CPS for the period 2018-2022, namely, "Improving Institutions for Resilience and Sustainability". The Systematic Country Diagnostic (SCD), underpinning the CPS identified the importance of the strengthening of property rights through land administration modernization as critical to increasing productivity, especially in the agricultural sector

**Prior Bank Experience.** This project is the second Land Administration Project. The first Land Administration Project (P056018) was designed as a pilot effort and contributed to two outcomes: (i) a more solid and clearer land administration framework; and (ii) a proven methodology for systematic land regularization. The implementation of the methodology for systematic land regularization benefited over 110,000 rural and urban, mostly poor, households with titles to their land. The project also strengthened the capacity of key land agencies (PAD para 4) and assisted in the development of a pilot Integrated Cadastre Registry Information System (SIICAR 1.0). However, by project closure about one third of parcels were still held without a clear title, which particularly affects small and poor agricultural producers (PAD para 6).

The second project was conceived to expand efforts to new areas of the country and into regions with no previous cadastre and outdated property registry records. Strengthening of municipalities was also needed to promote decentralization, territorial planning, disaster risk management (DRM), and to promote the



updating of cadastral information. Promoting women's land rights was critical to continue advancing gender equity. This project was built on the progress achieved while seeking to consolidate institutions and policies and to further improve land administration services, by developing a more advanced Integrated Cadastre Registry Information System (SIICAR 2.0).

**Development Problem.** The project sought to improve agricultural productivity by strengthening land administration and management systems. The project objectives were aligned with Nicaragua's CPS and the government strategy. These activities are aligned with the first PDO. However, the second PDO was pitched too ambitiously in terms of improving emergency response capacity even though the intent was to support an effective and rapid response to a defined emergency, through a contingency financing mechanism (CERC). Overall, the relevance of objectives is rated as **high**.

## Rating

High

## 4. Achievement of Objectives (Efficacy)

### OBJECTIVE 1

#### Objective

Strengthen the property rights of the population in the project area through improved regularization, titling, and registry services.

#### Rationale

**Theory of change (ToC).** Based on the ICR's own construction of the ToC, the link between the overall project activities, outputs and outcomes were logical. The project activities such as strengthening the capacity of key land agencies and participating municipalities, supporting cadastral surveying, titling, and land regularization, improving conflict resolution capacity, and training stakeholders, were likely to result in expected outputs such as improved property regularization, titling, and registry services. This would in turn support the achievement of the objective of strengthening the property rights and aid in improving land administration and management in Nicaragua.

The critical assumptions were: (i) there is smooth inter-institutional coordination among key land administration agencies; municipalities understand the benefits of improving their cadastral database; (iii) indigenous communities and other project beneficiaries understand the benefits of formal cadaster system.

#### Outputs

- The project assisted in formalizing the land records, with use or ownership rights for 229,699 parcels, exceeding the target substantially (original target 123,000; revised target 187,400). 120,965 legal land documents were issued, exceeding the target of 118,900 documents. Of this, 92,022 were new titles



(target: 84,800) of which 47,851, or 52% were issued to women, either individually or jointly with their spouse, surpassing the 50 percent target (46,011).

- SIICAR 2.0 was developed and jointly adopted by two different government branches - Nicaraguan Institute for Territorial Studies (INETER) and (Supreme Justice Court (CSJ) (INETER had the mandate for cadastre, and the CSJ had the mandate for property registry). This integrated model helped improve services across both property registry and cadastre offices in the project area.
  - At project close, SIICAR 2.0 was functioning in Managua and Estelí, with substantial progress made in migrating and reconciling cadastral and property registry data for various types of land transactions.
- Municipal cadastre management capacity was enhanced through training and learning by doing. The project facilitated an environment for an increased demand for services related to land administration.

### Outcomes

- The property rights of the population in the project area was strengthened through improved land regularization, titling, and registry services. The project benefited 952,814 people, achieving 94% of a target of 1,016,000 people. Of this, 478,408 beneficiaries were women (achieving 98% of the target).
- The project successfully resolved land possession conflict. About 3,322 mediation cases were requested, of which 2,003 resulted in agreements between the parties.
- Through titling, the land tenure security was improved and the necessary environment for investing in land improvement was created. Overall, parcel value increased by 11% as a result of land regularization, and this impact was perceived to be higher for parcels owned by women. Rural land increased its value five years after having a title, and urban housing increased its value one year after having a title (ICR para 32).
- There was substantial reduction in the number of days required to complete the recording of the purchase-sale of properties, which went down from 50 to 18 days (target was 25 days). The number of days to issue a cadastral certificate in INETER's regional offices was reduced from 12 to 7 days (target was 6 days) (ICR para 34 and 35).
- The impact evaluation shows that there was an increase in the collection of property taxes in the departments of Nueva Segovia and Jinotega between 2012-2014.

The project also contributed to strengthening Indigenous People's land rights. It supported the demarcation and titling of two complementary areas of Indigenous territories in Bosawas through a participatory process that promoted consensus and conflict resolution. The project successfully completed cadastral surveying of the land of six Indigenous Peoples communities in Pacific, North and Central regions, and provided them with updated information on their land. The ICR notes that as a result, these communities can now manage and protect their land better.



Overall, the efficacy of this objective is assessed as **high**, for many important milestones and targets were achieved or exceeded, and there is evidence on the increase in the collection of property taxes attributable to project activities.

**Rating**  
High

## **OBJECTIVE 2**

### **Objective**

Improve the Recipient's capacity to respond promptly and effectively to an eligible emergency.

### **Rationale**

**Theory of change (ToC).** The ICR did not include a ToC related to this PDO. There is a disconnect between the complex goal of “improving capacity” (the PDO) and an activation of the CERC to deliver quick financing. The CERC was introduced across Nicaragua's portfolio at the request of the government to support its response to natural disasters and disease outbreaks. However, there was no activity supporting the objective of “improving capacity to respond effectively to an eligible emergency”.

The CERC objective was included as per OPCS guidelines (at the time of approval). However, it was pitched ambitiously at a high level “to improve the emergency response capacity of the Borrower”. The objective should have been specifically focused on supporting an effective and rapid response to a defined emergency (which the CERC guidelines allow) rather than broadly building capacity.

Several years into the project, the government wanted to have access to the Catastrophic Insurance Risk Facility (CRIF) that the Bank had established for Central American countries. The Bank cancelled US\$4.0 million from this project and used it for financing the premium and the initial fee to access the membership to the CRIF. This was a priority and had been very useful for Nicaragua recently with the hurricanes. Nicaragua got the payout of US\$50 million through the CRIF. The remaining funds were reallocated to increase the scope of the development of the Integrated Cadastre-Registry Information System (SIICAR) to Managua province, which is the main area of the country with the highest number of transactions.

### **Outputs**

CERC was triggered on June 30, 2020 (just before the closing of AF credit) and was used to finance expenditures incurred by the government for equipment and goods used for the COVID 19 health emergency response. According to the TTL, the Bank agreed to finance eligible expenditures already incurred by the Government before the CERC activation. It took one week from the Government's request (June 22, 2020) to the activation on June 30, 2020. Therefore, through the activation of CERC, the Government was reimbursed US\$1.45 million from project savings for COVID 19 response.

While the original CERC Manual was not prepared under the project, the Manual was updated on April 9, 2020, with contribution from the project. The ICR notes that training was provided to the Ministry of Finance as the Coordinating Agency for CERC. The ICR does not provide any information regarding how the funding



was used. The TTL subsequently provided documentation on the list of items that were procured. This included: medical goods, supplies, and equipment, as well as necessary personal protective equipment such as disposable masks.

The achievement of this objective is **modest** as there is no available evidence that the project did improve the government's capacity to respond to eligible emergency as formally stated. However, the project did provide the necessary equipment to address COVID 19 pandemic.

**Rating**  
Modest

## **OVERALL EFFICACY**

### **Rationale**

The achievement of the first objective is assessed as high, as the project achieved and exceeded targets in strengthening the property rights of the population in the project area, through improved land regularization, titling, and registry services. The achievement of the second objective is modest as the project did not provide evidence on improvements to the government's capacity to respond to eligible emergency as formally stated. However, the project did provide the necessary equipment to address COVID 19 pandemic. On balance, efficacy is **substantial**.

### **Overall Efficacy Rating**

Substantial

## **5. Efficiency**

### **Economic efficiency**

The ex-post economic rate of return (ERR) was 22%, using as 12% discount rate. This was higher than the appraisal estimate of 18%. The benefits included the impact of titling such as increased land value.

The unit costs of land surveying were US\$65.14/parcel for urban and US\$104.59/parcel for rural land. The unit costs of land titling for titles issued and delivered were US\$41.49 per title in urban areas and US\$42.12 per title in rural areas. The ICR reports (para 42) that these unit costs are within the range of unit costs of similar Bank-financed projects in the region.

The project is expected to increase the property tax collection by the municipalities, which is estimated to be around US\$123.31 million (for a ten-year flow of net benefits).



**Administrative efficiency**

There were delays in cadastral surveying because of delays in the acquisition of ortho-photos. The PCU faced difficulties in the acquisition of ortho-photos with three different firms. It is not clear if the ex-post ERR calculation took into account the delay of 18 months.

Overall, efficiency is rated **substantial**.

**Efficiency Rating**

Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

|              | Rate Available? | Point value (%) | *Coverage/Scope (%)                              |
|--------------|-----------------|-----------------|--|
| Appraisal    | ✓               | 18.00           | 57.00<br><input type="checkbox"/> Not Applicable |
| ICR Estimate | ✓               | 22.00           | 90.00<br><input type="checkbox"/> Not Applicable |

\* Refers to percent of total project cost for which ERR/FRR was calculated.

**6. Outcome**

The PDO remains highly relevant to the government and Bank strategies. The project achieved important milestones in strengthening the property rights of the population in the project area, through improved land regularization, titling, and registry services, with some targets significantly exceeded. There is evidence on the increase in the collection of property taxes attributable to project activities. However, there is no available evidence that the project improved the government's capacity to respond to eligible emergency, although the project did support the government to address COVID 19 response. The overall efficacy is substantial. The efficiency is rated substantial. The overall project outcome is satisfactory.

**a. Outcome Rating**

Satisfactory

**7. Risk to Development Outcome**

**Institutional Risk.** The project assisted in building the institutional capacity and fostered inter-institutional collaboration and coordination for land administration. SIICAR 2.0 developed under the project for cadastre and registry information was functioning satisfactorily. However, there are some issues relating to the long-term role of municipalities in cadastre data management to ensure the maintenance of the national cadastre



system. The project team informed IEG that the main issue at the closing of the project was the lack of a model that would enable municipalities to have an active role in maintaining cadastral data. The Cadastre Law allows the delegation of data maintenance to municipalities, and progress is being made under the follow-on project to develop the model for making municipalities' role clear and formal. However, regional cadastre offices from INETER are currently responsible for centralizing the maintenance of cadastral layer data. The centralization of the maintenance of cadastral data can lead to discrepancies between reality in the field and the reality recorded for long periods, which encourages the duplication of data between municipalities and the national cadastre managed by INETER at the central level. The institutional risk is assessed as substantial.

**Financial Risk.** The property registry offices lack adequate resources to sustain the impact of system modernization. The financial risk is assessed as substantial.

## 8. Assessment of Bank Performance

### a. Quality-at-Entry

The project was the second land administration project in Nicaragua and took into account the lessons from the previous project. To name a few: (i) a strong focus on municipalities is critical to the sustainability of investments on cadastre and registry modernization. It is particularly important to integrate land administration within the long-term vision of municipalities and to make them active partners in the implementation of the national cadastral system; (ii) achieving PDOs related to land administration reform requires building a long term social and political commitment, mobilizing support from diverse stakeholders, assuring a high level of transparency, and promoting good governance. PCU; and integrate the M&E and Planning teams under the PCU.

As discussed in section 3 above, this project was designed to expand efforts to new areas of the country and into regions with no previous cadastre and outdated property registry records. There was continuity of the Bank team throughout the first and this project, the same Task Team Leader from the first project designed and supervised this project. This continuity provided a sound knowledge of the country's context, sector issues, and fostered good relationship with the client. The project design included gender participation and was consistent with Indigenous Peoples' culture and priorities. A gender assessment was carried out to analyze the factors that may enable or limit gender equity in strengthening of property rights. It collected primary data through interviews and focus groups with three groups of key informants across the Project area (PAD para 69). One shortcoming was that it was designed entirely using Bank financing and did not provide enough resources to sustain information system modernization.

The quality of entry was satisfactory.

**Quality-at-Entry Rating**  
Satisfactory



## **b. Quality of supervision**

The ICR reports (para 76) that the supervision missions were timely, appropriately resourced, and solution oriented. Social safeguards were well supervised (however, the reporting in the ICR is sparse).

The monitoring of project progress and decision making related to project implementation was satisfactory.

In addition, the Bank developed a program of South-South exchanges (partially financed through trust funds), on systematic cadaster, land tenure and property registration, including visits to Croatia and North Macedonia in 2014, and a major in-country event with other 13 Latin American Countries in 2015.

At the end of the project, there were savings of about 1.45 million dollars, so a week before project closing the government requested the activation of the CERC allowing for a reallocation of project savings to finance eligible expenditures incurred by the Government for the COVID 19 response. The Bank was proactive agreed to use the savings otherwise those savings would be cancelled.

Bank Processes were followed for the activation of CERC. The CERC manual was already in place (it was prepared in 2014 and updated in April of 2020 in preparation for future emergencies). Bank procedures were followed for determining the eligibility to expenditures. There was an ongoing health project and the environmental and social documents from that project was applied to the CERC.

The government prepared the emergency action plan based on the items it had procured. The Bank hired a consultant to review the procurement processes of those items to make sure that they will be eligible expenditures. The Bank team verified that they were indeed eligible expenditures.

The ICR further reports (para 76) that the COVID 19 pandemic did not adversely affect supervision as the project was in final implementation stage and the last in-country mission was in March 2020. The Bank supported the project remotely through virtual meetings and monitored data from SIICAR 1.0 and 2.0. The quality of supervision was satisfactory.

### **Quality of Supervision Rating**

Satisfactory

### **Overall Bank Performance Rating**

Satisfactory

## **9. M&E Design, Implementation, & Utilization**

### **a. M&E Design**

The PDO- level indicators were appropriate, and targets were realistic. The M&E was in line with the Food and Agriculture (FAO) recommendations and the online toolkit for designing, monitoring, and evaluating land administration projects in Latin America. This facilitated the PCU and its consultants to use already developed tools to measure most of the project's indicators. For each indicator, a factsheet was completed



where the geographic scope, measurement method, and formula were set and updated as needed (ICR para 61).

The M&E system under the project was integrated in the Planning Unit of the PCU. This was based on the lesson learned from the previous land administration project. Staff was designated in each co-executing agency to enhance communication within the different focal points.

## **b. M&E Implementation**

The ICR reports (para 61) that the FAO and the PCU team contributed to the design of the land tenure module of the 2014 Nicaragua Living Standards Measurement Survey conducted by the National Institute for Development Information. This survey provided a rich set of data on households' social, economic, and land tenure situation across Nicaragua.

The ICR also reports (para 60) that the M&E team's capacity was strengthened to provide timely and accurate information related to the project's results framework. The quarterly and semi-annual reports were of adequate quality and submitted on time (ICR para 62). At the mid-term review (2016), an Evaluation Report was prepared. This provided an assessment of specific project activities such as the development of SIICAR, the demarcation of the protected areas, the gender equity approach, and the cadastre surveying and land regularization process. Following this, the results framework was revised to focus on better data integration under SIICAR, the refocusing on Managua, and more accurate documentation of conflict resolution/mediation agreements and their legalization in the Property Registry. The Additional Financing further revised the results framework to reflect the scaled-up activities and increased targets.

In 2018, the Bank and FAO team also supported the PCU M&E team in linking each indicator of the Result Framework with the corresponding allocated budget to measure the physical and financial achievement of each target (ICR para 62).

## **c. M&E Utilization**

The ICR reports (para 63) that the information provided by the M&E team was used by the Attorney General's Office and the co-executing agencies to identify bottlenecks that could affect the achievement of project targets. This allowed the integration of the property registry with the cadastre information within SIICAR.

At the end of the project, the PCU (with Bank and FAO advice) designed a household-level impact evaluation to assess the efficiency of combined investments in the modernization of land administration systems and land tenure rights regularization. This study consisted of a beneficiary survey of 1,014 households within the departments covered by PRODEP I and PRODEP II (treatment and control groups). The study assessed both the evolution of the land transactions in the RPP of Chinandega and tax collection by municipalities (including counterfactuals). It also provided valuable information about the short and long-term effects of the land tenure regularization on households' main assets, the increase in the formalization of land transactions in the SIICAR in Chinandega, and the municipalities' capacity to collect land taxes (ICR para 64).



## M&E Quality Rating

High

## 10. Other Issues

### a. Safeguards

The project was assigned Environmental Category "B" and triggered the following six safeguards policies: Environmental Assessment (OP/BP 4.01), Natural Habits (OP/BP 4.04), Physical Cultural Resources (OP/BP 4.11), Forests (OP/BP 4.36), Indigenous Peoples (OP/BP 4.10), and Involuntary Resettlement (OP/BP 4.12).

An Environmental Assessment (EA) and Environmental Management Plan (EMP) were prepared in consultation with relevant stakeholders and disclosed on the Bank and Government website on December 27, 2012.

A Social Assessment (SA) was carried out to assess any risk or impacts on stakeholders, and an Indigenous Peoples' Plan (IPP) and a Process Framework were prepared and disclosed on the Bank and Government website on December 27, 2012. There were delays in the implementation of the activities related to Indigenous Peoples (ICR para 68).

The ICR reports (para 66 and 68) that the project complied with the Bank's environmental safeguards policies, the government environmental regulations, and the Bank's Social Safeguards Policies. The subcomponent for demarcation of Protected Areas was fully implemented in 2017 and followed the processes outlined in the Manual for the Demarcation of Protected Areas.

To implement COVID 19 health emergency response, the Environmental and Social safeguards instruments prepared under the Integrated Public Provision Health Care Project (P164452) were used. This project was supporting the government to develop and implement medical waste management plans for all the major national hospitals in compliance with Bank safeguards requirements (ICR para 69).

### b. Fiduciary Compliance

**Financial Management (FM).** The ICR reports (para 70) that the FM performance was rated satisfactory throughout project implementation. The bi-annual interim unaudited financial reports (IFR) were generally submitted to the Bank with only minor delays. They were of acceptable quality. Audit reports were submitted in a timely manner and included unmodified (clean) opinions.

**Procurement.** The ICR reports (para 71) that the procurement rating was satisfactory throughout project implementation. The annual procurement plan was reviewed by the Bank prior to its implementation. However, there were some delays in keeping the supporting information updated in Systematic Tracking of Exchanges in Procurement System (STEP). The Bank provided regular procurement training to the PCU



staff during project implementation. The project also included annual independent procurement reviews, which confirmed satisfactory procurement performance.

**c. Unintended impacts (Positive or Negative)**

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**d. Other**

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**11. Ratings**

| Ratings          | ICR          | IEG          | Reason for Disagreements/Comment |
|------------------|--------------|--------------|----------------------------------|
| Outcome          | Satisfactory | Satisfactory |                                  |
| Bank Performance | Satisfactory | Satisfactory |                                  |
| Quality of M&E   | High         | High         |                                  |
| Quality of ICR   | ---          | Substantial  |                                  |

**12. Lessons**

The following lessons are taken from the ICR with some modification of the language:

- **The strengthening of land rights require a continuous and consistent approach.** The project experience shows that the government’s commitment to land administration agenda, supported by the Bank through a long-term engagement, helped test and define project methodologies and results. Further, assigning the leadership for land reforms to one agency, in this case *Procuraduría General de la República* (Attorney General's Office PGR), further enhanced the enabling environment for project coordination and implementation.
- **The in-house upgrading of the internationally developed Integrated Cadastre Registry Software (SIICAR) using local programmers and technical experts was critical for developing national technical capacity and sustainability of the software.** By doing so, international standards and good practices can be better integrated into the system design and aligned with the national legal and institutional framework; and system maintenance and updating will likely be more organically integrated into the agencies’ functions and services.
- **Cadastre and land regularization activities need to consider social aspects in addition to technical issues.** The experience in Nicaragua shows that gaining the broad support of beneficiaries is as important as having adequate technical specifications and experience in land regularization. The project, based on lessons learned from prior interventions, included a Communications Strategy and a Grievance Redress Mechanism to promote strong



socialization, awareness, and the active participation of all beneficiaries, considering cultural and gender aspects.

### 13. Assessment Recommended?

Yes

Please Explain

This project is the second land administration project in the series of three projects. Once the third project is completed, the field assessment of the entire program would be useful to gain in-depth lessons on implementation challenges and outcomes delivered and sustained.

### 14. Comments on Quality of ICR

The ICR is outcome oriented and provides a rich body of evidence in the support of the achievement of the first PDO. It draws substantially on the impact evaluation conducted at project closure, which contributed to the ex-post economic and financial analyses. Annexes 4- Efficiency and 5-Impact Evaluation offer a solid analytical base and a good level of detail. The ICR provides several useful lessons learned from the project that are relevant for similar land administration projects.

The ICR should have discussed and assessed the achievement of the second PDO. While the CERC is associated with the second PDO, there was no discussion of 'increasing capacity to respond promptly and effectively to an eligible emergency' and the level of detail and evidence was insufficient to judge the achievement of this PDO. More information and details had to be subsequently sought from the project team.

The overall quality of the ICR is rated **substantial**.

#### a. Quality of ICR Rating

Substantial

