Implementation Status & Results
Montenegro
Land Administration and Management Project (P106906)

Operation Name: Land Administration and Management Project (P106906)  Project Stage: Implementation  Seq.No: 10  Status: ARCHIVED  Archive Date: 07-Nov-2011

Country: Montenegro  Approval FY: 2009
Product Line: IBRD/IDA  Region: EUROPE AND CENTRAL ASIA  Lending Instrument: Specific Investment Loan
Implementing Agency(ies): Real Estate Admin Dept, MOF, Ministry of Spatial Planning and Environment

Key Dates
Board Approval Date 09-Dec-2008  Original Closing Date 30-Apr-2014  Planned Mid Term Review Date 19-Sep-2011  Last Archived ISR Date 07-Nov-2011
Effectiveness Date 24-Feb-2009  Revised Closing Date 30-Apr-2014  Actual Mid Term Review Date 28-Sep-2011

Project Development Objectives
To improve the efficiency of permitting and property registration system.

Has the Project Development Objective been changed since Board Approval of the Project?
☐ Yes  ☐ No

Component(s)

Component Name                     Component Cost
Real Estate Administration            15.97
Improving Planning and Permitting      5.40
Project Management                     1.12

Overall Ratings

<table>
<thead>
<tr>
<th></th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress towards achievement of PDO</td>
<td>Satisfactory</td>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td>Overall Implementation Progress (IP)</td>
<td>Moderately Satisfactory</td>
<td>Moderately Unsatisfactory</td>
</tr>
<tr>
<td>Overall Risk Rating</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Implementation Status Overview
The Project is half way through implementation and it is making good progress toward achieving its PDO. Real estate markets indicators such as the real estate transfer tax collected and property tax are both increasing. Introduction of a “one-stop-shop” for issuing construction permits and development of spatial urban plans have improved the efficiency of the permitting process, with the time to issue construction permit decreased both at the local and central levels. The major achievement of the Project has been the level of public participation in the development of planning document. The model of public participation developed under the Project has been recognized by all stakeholders, and the Ministry of Sustainable Development and Tourism (MSDT) has recommended that local governments adopt and implement this model in their development of planning documents.
### Locations

<table>
<thead>
<tr>
<th>Country</th>
<th>First Administrative Division</th>
<th>Location</th>
<th>Planned</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Montenegro</td>
<td>Not Entered</td>
<td>Opstina Rozaje</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Montenegro</td>
<td>Not Entered</td>
<td>Opstina Zabljak</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Montenegro</td>
<td>Not Entered</td>
<td>Opstina Savnik</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Montenegro</td>
<td>Not Entered</td>
<td>Podgorica</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Montenegro</td>
<td>Not Entered</td>
<td>Opstina Plav</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Montenegro</td>
<td>Not Entered</td>
<td>Opstina Mojkovac</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Montenegro</td>
<td>Not Entered</td>
<td>Opstina Berane</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Montenegro</td>
<td>Not Entered</td>
<td>Opstina Andrijevica</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Results

#### Project Development Objective Indicators

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Core</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Current</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease in time to receive a construction permit (central and municipal levels)</td>
<td></td>
<td>Text</td>
<td>Value 6-12 months</td>
<td>3.5 months</td>
<td>1-2 months</td>
</tr>
<tr>
<td>Date</td>
<td></td>
<td></td>
<td>Date 31-Dec-2008</td>
<td>23-Mar-2012</td>
<td>30-Apr-2014</td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td></td>
<td></td>
<td>Central level 110 days; local level 19 days (from 21 day in Sept 2011). The legal framework has changed and local level got more responsibilities for permitting, while the central level issues permit for special category objects only, such as power plants, chemical industry, regional landfills, etc. The &quot;one-stop-shop&quot; for construction permits introduced in July 2011, will further reduce the time for issuing construction permits.</td>
<td></td>
</tr>
<tr>
<td>Percentage of customers satisfied with services for real estate registration and planning and permitting</td>
<td>Text</td>
<td>Value</td>
<td>Comments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
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<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>READ: 4.18 (with 5 being very satisfied) MSDT: 2.92 (with 5 being very satisfied)</td>
<td>20% improvement over baseline</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>31-Dec-2010</td>
<td>23-Mar-2012</td>
<td>30-Apr-2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comments</td>
<td>baseline survey only completed in 2010. New survey awaited.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increase in real estate transfer tax.</th>
<th>Text</th>
<th>Value</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>EURO 11.4m (annual collections)</td>
<td>Annual indicator. Increased 150% compared to 2010, which indicated that the real estate market is slowly recovering.</td>
</tr>
<tr>
<td>Date</td>
<td>31-Dec-2008</td>
<td>23-Mar-2012</td>
<td>30-Apr-2014</td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Intermediate Results Indicators

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Core</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Current</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve efficiency of creating and supplying base maps and cadastre updates.</td>
<td>Text</td>
<td>Value</td>
<td>30 days</td>
<td>8 days - within legally prescribed timeframe.</td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>31-Dec-2008</td>
<td>23-Mar-2012</td>
<td>30-Apr-2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comments</td>
<td>annual indicator</td>
<td>Target achieved.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Decrease in time for MSPE approval of local spatial plans and urban plans</th>
<th>Text</th>
<th>Value</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>6-12 months</td>
<td>Target achieved and exceeded.</td>
</tr>
<tr>
<td>Date</td>
<td>31-Dec-2008</td>
<td>23-Mar-2012</td>
<td>30-Apr-2014</td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Decrease in time to prepare and adopt urban plans</th>
<th>Text</th>
<th>Value</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>18-24 months</td>
<td>Annual indicator. New planning law improves requirements for public participation which in the beginning is slowing the planning process.</td>
</tr>
<tr>
<td>Date</td>
<td>31-Dec-2008</td>
<td>23-Mar-2012</td>
<td>30-Apr-2014</td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------------------</td>
<td>------</td>
<td>-------</td>
<td>-----------------------------------------------------------</td>
</tr>
<tr>
<td>Date</td>
<td>31-Dec-2008</td>
<td>23-Mar-2012</td>
<td>30-Apr-2014</td>
</tr>
<tr>
<td>Comments</td>
<td>Based on the data collected by the MSDT department for inspection, 331 new illegal constructions occurred in 2011. In 2008 when the baseline was established, it was estimated that some 3,725 new illegal constructions were developed each year. The change of law in 2008 introduced criminal charges against those building illegally which resulted in a sharp decrease in new cases. The law on legalization is currently being prepared and it is soon to be adopted. Once the registration for legalization starts, more accurate data will be available. The expansion of the area with established real estate cadastre will also bring in some new data.</td>
<td>Target achieved.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Preparation of plans in targeted municipalities</th>
<th>Text</th>
<th>Value</th>
<th>0</th>
<th>8</th>
<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>31-Dec-2008</td>
<td>23-Mar-2012</td>
<td>30-Apr-2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comments</td>
<td>one completed and formally endorsed by the local government; one completed but not yet endorsed; 6 underway; tender for additional one ongoing.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reduce time for transactions to be registered - as measured by reduction in pending cases.</th>
<th>Text</th>
<th>Value</th>
<th>16.8% pending cases</th>
<th>13%</th>
<th>pending cases less than 8% for all offices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>31-Dec-2008</td>
<td>23-Mar-2012</td>
<td>30-Apr-2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved procedures for registration prepared and in use in all offices</td>
<td>Text</td>
<td>Value</td>
<td>old procedures in use</td>
<td>law amended and some improved procedures in use in all local offices.</td>
<td>new procedures in use in all 22 offices</td>
</tr>
<tr>
<td>---</td>
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<td>---</td>
<td>---</td>
<td>---</td>
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<td>30-Apr-2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td>There is improvement but it was agreed that further improvement is needed and can still be achieved.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Online Real Estate Cadastre services and data provided to municipalities and other users</th>
<th>Text</th>
<th>Value</th>
<th>no municipalities connected</th>
<th>1 municipality connected and 8 other govt users.</th>
<th>all municipalities connected; at least 100 other users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>31-Dec-2008</td>
<td>23-Mar-2012</td>
<td>30-Apr-2014</td>
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<td></td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Completing real estate cadastre (re-survey, public display)</th>
<th>Text</th>
<th>Value</th>
<th>0</th>
<th>240,000 ha of re-survey completed and/or underway</th>
<th>100,000 hectares of REC completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>31-Dec-2008</td>
<td>23-Mar-2012</td>
<td>30-Apr-2014</td>
<td></td>
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</tr>
<tr>
<td>Comments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Data on Financial Performance (as of 27-Mar-2012)**

**Financial Agreement(s) Key Dates**

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan No.</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Original Closing Date</th>
<th>Revised Closing Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>P106906</td>
<td>IBRD-76470</td>
<td>Effective</td>
<td>09-Dec-2008</td>
<td>30-Dec-2008</td>
<td>24-Feb-2009</td>
<td>30-Apr-2014</td>
<td>30-Apr-2014</td>
</tr>
</tbody>
</table>

**Disbursements (in Millions)**

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan No.</th>
<th>Status</th>
<th>Currency</th>
<th>Original</th>
<th>Revised</th>
<th>Cancelled</th>
<th>Disbursed</th>
<th>Undisbursed</th>
<th>% Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>P106906</td>
<td>IBRD-76470</td>
<td>Effective</td>
<td>USD</td>
<td>16.20</td>
<td>16.20</td>
<td>0.00</td>
<td>3.85</td>
<td>12.02</td>
<td>24.00</td>
</tr>
</tbody>
</table>

**Disbursement Graph**
Key Decisions Regarding Implementation
The Project Steering Committee needs to be reconstituted with the new members appointed by the Government. This should be done as soon as possible and the new Steering Committee should resume its quarterly meetings.

Restructuring History
Level two Approved on 19-Apr-2010, Level two Approved on 25-Jul-2011

Related Projects
There are no related projects.