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REPORT NO.: RES34286

RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING

OF

SUPPORT TO THE LAND ADMINISTRATION AND GEOSPATIAL SYSTEM MODERNIZATION PROJECT

APPROVED ON JANUARY 5, 2017

TO

REPUBLIC OF UZBEKISTAN

SOCIAL, URBAN, RURAL AND RESILIENCE GLOBAL PRACTICE

EUROPE AND CENTRAL ASIA

Regional Vice President:	Cyril E Muller
Country Director:	Lilia Burunciuc
Senior Global Practice Director:	Ede Jorge Ijjasz-Vasquez
Practice Manager/Manager:	Jorge A. Munoz
Task Team Leader:	Anna Corsi

ABBREVIATIONS AND ACRONYMS

GKZGDK	State Committee for Land Resources, Geodesy, Cartography and State Cadastre
ICT	Information and Communication Technologies
IDA	International Development Association
IFI	International Financial Institutions
IISRPRC	Integrated Information System for Real Property Registration and Cadastre
KWPF	Korea – World Bank Partnership Facility
MRPRC	Modernization of Real Property Registration and Cadastre
PDO	Project Development Objective
PIU	Project Implementation Unit
TA	Technical Assistance

BASIC DATA

Product Information

Project ID	Financing Instrument
P161618	Investment Project Financing
Original EA Category	**Current EA Category**
Not Required (C)	Not Required (C)
Approval Date	**Current Closing Date**
05-Jan-2017	31-Jan-2019

Organizations

Borrower	Responsible Agency
Republic of Uzbekistan	State Committee for Land Resources, Geodesy, Cartography and State Cadastre, Gosgomzemgeodescadastre

Financing (in USD Million)

SUMMARY

Total Project Cost	1.56
Total Financing	0.00
Financing Gap	0.00

DETAILS

Project Development Objective (PDO)

Original PDO

The proposed Development Objective is to build the capacity of the State Committee for Land Resources, Geodesy, Cartography and State Cadastre (GKZGDK) to manage the development and maintenance of the computerized systems for land administration and geospatial information management.

The TA project would accomplish this through knowledge transfer to, and the training of, GKZGDK staff in the digitization of land administration records and the adoption of modern fit-for-purpose ICT and geospatial technologies that enable management, as well as access and use of geospatial information by the public and private sector.

Summary Status of Financing

TF	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
TF-A4011	05-Jan-2017	26-Apr-2017	26-Apr-2017	31-Jan-2019	1.56	.25	1.31

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Background

1. The Korea World Bank Group Partnership Facility (KWPF) approved on May 20, 2016 a grant in the amount of US$1.557 million for the Support to the Land Administration and Geospatial System Modernization Project (SLAGeM Project). The Project became effective on April 26, 2017, three and half months after the World Bank Country Director's signing of the Grant Agreement on January 5, 2017.

2. The Project Development Objective is to build the capacity of the State Committee for Land Resources, Geodesy, Cartography and State Cadastre (GKZGDK) to manage the development and maintenance of the computerized systems for land administration and geospatial information management which will be designed and implemented under the Bank-financed Modernization of Real Property Registration and Cadastre Project (MRPRC; P151746). Key development performance indicators are: (i) ICT Competence Center is trained in relevant international and industrial standards to implement the MRPRC project successfully; (ii) GKZGDK staff trained in the digitization/data conversion and quality control that are implementing the new digitization methodology and quality control and acceptance activities (Number); and (iii) Strategy for standards and procedures for access and use of geospatial information and data prepared.

3. The Project has the following components and sub-components:
    a. Component 1: Technical Assistance for the establishment of an Integrated Information System for Real Property Registration and Cadastre (IISRPRC)
        i. *1.A: Support for the development of the Real Property Registration and Cadastre System*, which provides support for managing the incremental development and roll-out of a new ICT-based Integrated Information System for Real Property Registration and Cadastre (IISRPRC).
        ii. *1.B: Support for the Digitization of Real Property Registration and Cadastre Data*, which provides support for the digitization of current paper property registration and cadastre records (including both attribute and geospatial data) for the new IISRPRC, and maintenance of the digitized data in the transitional period.

iii. *1.C: Support for the Use of Real Property Registry and Cadastre Data*, which will provide support for enhancing public on-line use of IISRPRC data and the development of a modern framework and technological platform in compliance with the country's eGovernment Master Plan.
iv. *1.D: Support for Strengthening the Legal Framework*.

b. Component 2: Institutional Strengthening, provides targeted training and knowledge transfer for the benefit of both institutional and private sector stakeholders.

4. GKZGDK, through the Project Implementation Unit (PIU) established under the MRPRC Project, is responsible for the overall implementation of the Project and for ensuring compliance with the established schedule and achievement of expected results.

B. Project Status

5. The Project became effective on April 26, 2017, three and half months after the World Bank Country Director's signing of the Grant Agreement on January 5, 2017. The initial delays were due to the Government's internal administrative processes for approval and signing. Following effectiveness, the Project suffered further delays as explained below. The Project is now on track to meet its PDO with the requested 11-month extension. The current disbursement rate of the Project is 16 percent or US$250,000.

6. The Project is directly supporting the implementation of the MRPRC Project, which is financed by a Credit from the International Development Association and became effective on January 12, 2017. The MRPRC Project faced serious delays in the first year of its implementation, due to major Government changes that took place following the December 2016 Presidential Elections, including the reappointment of Cabinet and Heads of Administration. These major structural changes in the Government directly affected the implementation of all International Financial Institutions (IFI) projects, which were put on hold until the majority of these changes were finalized (June 2017). World Bank-financed operations were also impacted by the halt of activities, including associated projects like this Korea – World Bank Partnership Facility (KWPF)-financed project. Lack of PIU capacity and coordination with GKZGDK staff, and the existence of parallel, overlapping activities under the National Geographical Information System (NGIS) project, financed by other donors and implemented by GKZGDK, were also a cause for the delays. Regarding the NGIS project specifically, the overlap was in the development of the core functionalities of the IISRPRC and its piloting in selected regional offices, which was a critical step for the subsequent operationalization and roll out of the IISRPRC to be financed under the MRPRC Project, with support of the SLAGeM Project. The finalization of the NGIS pilot project was delayed until December 2017.

7. Once the internal governance structure within GKZGDK was strengthened and the project activities resumed, the Bank sent a letter to the Government inquiring on the MRPRC and SLAGeM projects progress and the Government's commitment to their implementation. During the following October 2017 mission, the Government confirmed the importance of the MRPRC Project for Uzbekistan and the critical role of the SLAGeM Project for its successful implementation, as well as its willingness to accelerate the implementation pace and commitment to strengthen the PIU with more experienced personnel.

8. Since November 2017, new GKZGDK management and a new PIU are in place and project implementation (of both the MRPRC and the SLAGeM projects) has resumed. The World Bank Implementation Support Mission visited Tashkent, Uzbekistan during April 2-6, 2018, and again in October 22-26, 2018, and found that the Projects' performance has noticeably improved since the October 2017 mission, especially in the areas of: (i) staffing of the PIU; (ii)progress with consultants' selection; (iii) engagement with the Bank including very constructive participation in online (video) monthly meetings; (iv) revision of the annual work and procurement plans; and (v) timely completion of agreed actions..

9. In line with agreed Action Plan, the tender procedure for consulting services that provide continuous, on-the-ground Technical Assistance (TA) to GKZGDK was completed and the contract with the selected firm (Consortium Compet-Terra and FCG) was signed on May 11, 2018. The majority of the grant funds (US$1.15 million, or about 80 percent) are allocated to this contract. The contract became effective on July 2, 2018, after some delays in effectiveness due to mandatory contract registration obligations in force in Uzbekistan. Currently the contract is ongoing, and the deliverables are being provided according to the agreed schedule. Specifically, several technical reports and trainings have been delivered, and ongoing operational capacity building and technical assistance are being provided to support the smooth implementation of the MRPRC Project, hence the importance to align the timelines of implementation of these two projects.

10. The technical support and capacity-building activities provided by the SLAGeM Project have been critical for the acceleration of the MRPRC Project implementation pace and the effective undertaking of main investment activities.

11. There are no outstanding audits.

C. Rationale for Restructuring

12. The grant-financed SLAGeM Project is designed to provide much needed continuous, on-the-ground support to GKZGDK to build the in-country Information and Communications Technologies (ICT) capacity, which is a critical constraint when developing modern, computerized land administration and management systems. The importance of intensive capacity building and technical support to ensure that the development and maintenance of such systems is effectively operational, efficient and responds to the country's needs cannot be over-emphasized.

13. Many critical activities under the MRPRC Project, including the development of the new IISRPRC, the mass digitization campaign of registration records and cadastral maps, and related institutional strengthening and capacity building, rely heavily on the support provided by this Project.

14. The Project is planned to close on January 31, 2019, while the contract with the company that is providing the ongoing, technical support to GKZGDK was signed on July 2, 2018. Thus, the time remaining for implementation has now been reduced to about seven months, as opposed to two years as originally planned. The causes of major initial delays have been resolved: the Government's structural changes have now been completed as mentioned above, as well as the parallel donor-financed NGIS pilot project. The continuation of this technical support is fundamentally critical to enable GKZGDK to get off the ground the development of the new IT system for cadastre and registration and the digitization of the related data and build the capacity for its future maintenance.

15. The Project's Moderately Satisfactory rating was confirmed during the World Bank Implementation Support Mission in October 2018 and corresponding ISR and the revised implementation schedule now shows the expected progress pace. The Project is now on track and the proposed change does not impact the overall risk associated with implementation. However, to achieve the PDO and to implement all the activities contained in the initial scope, an extension of the closing date to December 31, 2019 is needed. Such extension will ensure that maximum benefits of the TA are realized.

II. DESCRIPTION OF PROPOSED CHANGES

16. It is proposed to modify the closing date to December 31, 2019, the implementation schedule of the Project's activities will be adjusted accordingly:

Task Name	Proposed deadline

Component 1: Technical Assistance during IISRPRC implementation	**December 1, 2019**
Component 1.A Support for the development of the Real Property Registration and Cadastre System	**November 30, 2019**
Component 1.B Support for the Digitization of Real Property Registration and Cadastre Data	**November 30, 2019**
Component 1.C Support for the Use of Real Property Registry and Cadastre Data	**November 5, 2019**
Component 1.D Support for strengthening the Legal Framework	**November 21, 2019**
Component 2: Institutional Strengthening	**November 30, 2019**

17. Additional time is most needed for supporting: (i) the design, development and roll out of the IISRPRC (Component 1), for which it will be important to maintain the alignment with the implementation schedule of the MRPRC Project; and (ii) the development, testing and operational acceptance of the mass digitization tools and corresponding methodologies, subsequent pilot activities of mass digitization of registration and cadastral records in four pilot regions. Institutional strengthening and capacity building (under Component 2) will continue to be provided simultaneously with the provision of support under Component 1.

18. Current status and forecasted disbursement projections are presented in the table below (in thousands of US$):

				Estimated Disbursement						
				2018		2019				
Activity	Institution	Category of Expenditure	Actual Disbursement	Q3	Q4	Q1	Q2	Q3	Q4	Status
Techincal Assistance and Institutional Development - Contract with JV Compet-Terra Organising and Consulting Ltd / FCG Swedish Development AB	GKZGDK	Services	220	220	550	110	160	110		Ongoing
Contract extension with JV Compet-Terra Organising and Consulting Ltd / FCG Swedish Development AB	GKZGDK	Services	0					75	75	in Preparation
Equipment and Furniture for the Training Center	GKZGDK	Goods	0				50	100	0	ToRs in Preparation
Audit of the grant	GKZGDK	Services	0						15	ToRs in Preparation
Operational costs	GKZGDK	Services	31	31	16	21	24			Ongoing
Total			**251**	**251**	**566**	**131**	**234**	**285**	**90**	
Grand Total										**1557**

19. According to the projections all the funds will be disbursed by the end of December 2019.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Loan Closing Date(s)	✓	

Implementation Schedule	✓	
Implementing Agency		✓
Project's Development Objectives		✓
Results Framework		✓
Components and Cost		✓
Cancellations Proposed		✓
Additional Financing Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓
Change in Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Other Change(s)		✓

IV. DETAILED CHANGE(S)

LOAN CLOSING DATE(S)

TF	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
TF-A4011	Effective	31-Jan-2019		31-Dec-2019	30-Apr-2020

Note to Task Teams: End of system generated content, document is editable from here.