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PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF SDR 7.3 MILLION
(US\$ 10.0 MILLION EQUIVALENT)

TO THE

REPUBLIC OF TAJIKISTAN

FOR A

REAL ESTATE REGISTRATION PROJECT

March 10, 2016

Social, Urban, Rural and Resilience Global Practice
EUROPE AND CENTRAL ASIA Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective December 31, 2015)

SDR 0.722 = US\$1.0

US\$1.386 = SDR 1.0

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

BTI	Bureau of Technical Inventory
CBA	Cost Benefit Analysis
CPS	Country Partnership Strategy
DA	Designated Account
ECA	Europe and Central Asia Region
EMF	Environmental Management Framework
EMP	Environmental Management Plan
ERR	Economic rate of return
FAO	UN Food and Agriculture Organization
FPSP	Farm Privatization Support Project
FM	Financial Management
GDP	Gross National Product
GNI	Gross National Income
GRS	World Bank's Grievance Redress Service
IDA	International Development Association, 'the Association'
IFR	Interim Financial Report
IG	Implementation Group
IT/ICT	Information Technology; Information and Communication Technology
KPI	Key Performance Indicator
LRCSP	Land Registration and Cadaster System Project
M&E	Monitoring and Evaluation
MOF	Ministry of Finance
MOJ	Ministry of Justice
MPI	Multi-dimensional poverty index
MTR	Mid-term Review
MZ	Markaz Zemin (cadaster offices)
NGO	Non-governmental Organization
NPV	Net Present Value
PAC	Public Awareness Campaign
PDO	Project Development Objective
POM	Project Operational Manual
SA	Social Assessment
SCLMG	State Committee for Land Management and Geodesy
SCISPM	State Committee for Investment and State Property Management
SUERIP	State Unitary Enterprise for Registration of Immovable Property
TOR	Terms of Reference
USAID	United States Agency for International Development
WB	World Bank, 'the Bank'

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**TAJKISTAN
REAL ESTATE REGISTRATION PROJECT**

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PAD DATA SHEET*Tajikistan**Real Estate Registration Project (P154561)***PROJECT APPRAISAL DOCUMENT***EUROPE AND CENTRAL ASIA**Social, Urban, Rural and Resilience Global Practice*

Report No.: PAD1385

Basic Information			
Project ID P154561	EA Category B - Partial Assessment	Team Leader(s) Victoria Stanley	
Lending Instrument Investment Project Financing	Fragile and/or Capacity Constraints []		
	Financial Intermediaries []		
	Series of Projects []		
Project Implementation Start Date 30-Jun-2016	Project Implementation End Date 31-Oct-2020		
Expected Effectiveness Date 15-Jun-2016	Expected Closing Date 30-Apr-2021		
Joint IFC No			
Practice Manager/Manager Jorge A. Munoz	Senior Global Practice Director Ede Jorge Ijjasz-Vasquez	Country Director Mariam J. Sherman	Regional Vice President Cyril E Muller
Borrower: Republic of Tajikistan			
Responsible Agency: SUERIP			
Contact: Telephone No.:	R. Umariyon 8378815021	Title: Email:	Director info@registr-ni.tj
Project Financing Data(in USD Million)			
[] Loan	[] IDA Grant	[] Guarantee	
[X] Credit	[] Grant	[] Other	
Total Project Cost:	10.00	Total Bank Financing:	10.00
Financing Gap:	0.00		

Financing Source	Amount
BORROWER/RECIPIENT	0.00
International Development Association (IDA)	10.00
Total	10.00

Expected Disbursements (in USD Million)

Fiscal Year	2016	2017	2018	2019	2020	2021	0000	0000	0000	0000
Annual	0.05	0.85	1.20	2.50	2.90	2.50	0.00	0.00	0.00	0.00
Cumulative	0.05	0.90	2.10	4.60	7.50	10.00	0.00	0.00	0.00	0.00

Institutional Data

Practice Area (Lead)

Social, Urban, Rural and Resilience Global Practice

Contributing Practice Areas

Cross Cutting Topics

- Climate Change
- Fragile, Conflict & Violence
- Gender
- Jobs
- Public Private Partnership

Sectors / Climate Change

Sector (Maximum 5 and total % must equal 100)

Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Public Administration, Law, and Justice	Central government administration	50		
Agriculture, fishing, and forestry	General agriculture, fishing and forestry sector	20		
Information and communications	Information technology	30		
Total		100		

I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.

Themes

Theme (Maximum 5 and total % must equal 100)

Major theme	Theme	%
Environment and natural resources management	Land administration and management	80
Rule of law	Personal and property rights	20
Total		100
Proposed Development Objective(s)		
The development objective of the Project is: to support the implementation of a reliable, transparent and efficient real estate registration system nationwide.		
Components		
Component Name	Cost (USD Millions)	
Real Estate Registration System Development	2.80	
Software Development and Data Management	5.90	
Public Awareness and Education, Monitoring and Evaluation, Project Management	1.30	
Systematic Operations Risk- Rating Tool (SORT)		
Risk Category	Rating	
1. Political and Governance	Moderate	
2. Macroeconomic	Moderate	
3. Sector Strategies and Policies	Moderate	
4. Technical Design of Project or Program	Moderate	
5. Institutional Capacity for Implementation and Sustainability	Substantial	
6. Fiduciary	Substantial	
7. Environment and Social	Moderate	
8. Stakeholders	Moderate	
9. Other		
OVERALL	Moderate	
Compliance		
Policy		
Does the project depart from the CAS in content or in other significant respects?	Yes []	No [X]
Does the project require any waivers of Bank policies?	Yes []	No [X]
Have these been approved by Bank management?	Yes []	No []
Is approval for any policy waiver sought from the Board?	Yes []	No [X]
Does the project meet the Regional criteria for readiness for implementation?	Yes [X]	No []

Safeguard Policies Triggered by the Project	Yes	No	
Environmental Assessment OP/BP 4.01	X		
Natural Habitats OP/BP 4.04		X	
Forests OP/BP 4.36		X	
Pest Management OP 4.09		X	
Physical Cultural Resources OP/BP 4.11	X		
Indigenous Peoples OP/BP 4.10		X	
Involuntary Resettlement OP/BP 4.12		X	
Safety of Dams OP/BP 4.37		X	
Projects on International Waterways OP/BP 7.50		X	
Projects in Disputed Areas OP/BP 7.60		X	
Legal Covenants			
Name	Recurrent	Due Date	Frequency
Establish and maintain Implementation Group (IG)	X		CONTINUOUS
Description of Covenant			
No later than sixty (60) days from the Effective Date, the Recipient shall cause SUEIP to establish, and thereafter maintain, during the implementation of the Project, an Implementation Group, with a composition, resources and terms of reference acceptable to the Association, to provide specialized Project management support and coordination			
Name	Recurrent	Due Date	Frequency
Project Steering Committee	X		CONTINUOUS
Description of Covenant			
No later than ninety (90) days from the Effective Date, the Recipient shall establish or cause to be established, and thereafter maintain or cause to be maintained, throughout the implementation of the Project, a Steering Committee responsible for overseeing the implementation of the Project and approving annual work plans and budgets.			
Name	Recurrent	Due Date	Frequency
Environmental Management Framework (EMF)	X		CONTINUOUS
Description of Covenant			
The Recipient shall ensure, and cause SUEIP to ensure, that the Project is carried out in accordance with the EMF including the requirement of consultation and disclosure. The Recipient shall not assign, amend, abrogate, or waive the EMF or any provision thereof, without the prior approval of the Association.			
Name	Recurrent	Due Date	Frequency
Quarterly monitoring and progress reports	X		Quarterly

Description of Covenant			
The Recipient shall cause SUERIP to monitor and evaluate the progress of the Project and to prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators acceptable to the Association. Each Project Report shall cover the period of one calendar quarter.			
Name	Recurrent	Due Date	Frequency
subsidiary agreement	X		CONTINUOUS
Description of Covenant			
To facilitate the carrying out of the Project by SUERIP, the Recipient shall extend the proceeds of the Financing to SUERIP under a subsidiary agreement (“Subsidiary Agreement”) between the Ministry of Finance on behalf of the Recipient and SUERIP, under terms and conditions approved by the Association.			
Name	Recurrent	Due Date	Frequency
subsidiary agreement 2	X		CONTINUOUS
Description of Covenant			
The Recipient shall exercise its rights and carry out its obligations under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Credit. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, terminate, waive or fail to enforce the Subsidiary Agreement.			
Name	Recurrent	Due Date	Frequency
composition of the IG	X		CONTINUOUS
Description of Covenant			
The Recipient shall cause SUERIP to ensure that the Implementation Group staffing includes, inter alia, a Project Coordinator, a monitoring and evaluation specialist, a financial management specialist, and a procurement specialist, all acceptable to the Association.			
Name	Recurrent	Due Date	Frequency
composition of the Steering Committee	X		CONTINUOUS
Description of Covenant			
The Recipient shall ensure that the Steering Committee be chaired by the Chairman of the SCLMG and include representatives from various relevant agencies and ministries, as determined by the Recipient, in consultation with the Association, in adequate numbers and with qualifications and experience acceptable to the Association, and as set forth in the POM.			
Name	Recurrent	Due Date	Frequency
Project Operations Manual	X		CONTINUOUS
Description of Covenant			
Recipient shall: (a) ensure that the criteria, policies, procedures and arrangements set forth in the POM and in the EMF are applied by SUERIP, as the Project implementing agency; and (b) not assign, amend, abrogate or waive, or permit to be assigned, amended, abrogated or waived, any provision of the POM and the EMF.			

Name	Recurrent	Due Date	Frequency
involuntary taking of land	X		CONTINUOUS
Description of Covenant			
The Recipient shall ensure, and cause SUERIP to ensure, that no works undertaken as part of the Project activities shall involve the Involuntary Taking of Land resulting in relocation or loss of shelter, loss of assets or access to assets, loss of income sources or means of livelihood, or involving the involuntary restriction of access to legally designated parks and protected areas.			
Name	Recurrent	Due Date	Frequency
FM reporting	X		Quarterly
Description of Covenant			
The Recipient shall cause SUERIP to prepare and furnish to the Association, not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance acceptable to the Association.			
Name	Recurrent	Due Date	Frequency
annual audit	X		Yearly
Description of Covenant			
The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions and in accordance with the International Standards on Auditing.			
Conditions			
Source Of Fund	Name	Type	
IDA	installation of accounting software	Effectiveness	
Description of Condition			
SUERIP shall have, under terms of reference and in a manner acceptable to the Association: (i) installed and adapted appropriate accounting software for Project accounting, budgeting and reporting; and (ii) contracted for adequate training as needed on the accounting system.			
Source Of Fund	Name	Type	
IDA	preparation and approval of Project Operations Manual (POM)	Effectiveness	
Description of Condition			
SUERIP shall have adopted the Project Operational Manual (including, specifically, the financial management chapter that sets forth the Project's financial reporting, accounting, internal controls and disbursement policies and procedures, budgeting and planning mechanisms, and funds flow and audit arrangements) in a manner acceptable to the Association.			
Source Of Fund	Name	Type	
IDA	contracting of FM consultant	Effectiveness	
Description of Condition			
SUERIP shall have hired a financial management consultant, with qualifications and under terms satisfactory to the Association to be responsible for Project financial management functions.			

Source Of Fund	Name	Type		
IDA	subsidiary agreement	Effectiveness		
Description of Condition				
The Subsidiary Agreement shall have been executed on behalf of the Recipient, by the Ministry of Finance, SCLMG and SUERIP under terms and conditions acceptable to the Association.				
Source Of Fund	Name	Type		
IDA	subsidiary agreement 2	Effectiveness		
Description of Condition				
The Subsidiary Agreement has been duly authorized and executed by the Recipient, SCMLG and SUERIP and is legally binding upon the Recipient, as represented by the Ministry of Finance, and SUERIP in accordance with its terms.				
Team Composition				
Bank Staff				
Name	Role	Title	Specialization	Unit
Victoria Stanley	Team Leader (ADM Responsible)	Senior Rural Development Specialist		GSULN
Dilshod Karimova	Procurement Specialist (ADM Responsible)	Procurement Specialist	Procurement Specialist	GGO03
Niso Bazidova	Financial Management Specialist	Financial Management Analyst		GGO21
Alexander Rukavishnikov	Team Member	Senior Procurement Specialist		GGO03
Angela Nyawira Khaminwa	Safeguards Specialist	Senior Social Development Specialist	Social Specialist	GSU03
Anthony John Lamb	Team Member	Consultant	Registration Specialist	GSULN
Bobojon Yatimov	Team Member	Sr Agricultural Spec.		GFA03
German Stanislavovich Kust	Environmental Specialist	Consultant	Environmental Specialist	GENDR
Igor Popiv	Team Member	Consultant	IT Specialist	GSULN
Jasna Mestnik	Team Member	Finance Officer	Finance Officer	WFALA
Lisa Lui	Counsel	Lead Counsel		LEGLE
Nandita Jain	Team Member	Consultant	M&E Specialist	GEN03
Nodira Pirmanova	Team Member	Temporary		ECCTJ

Stamatis Kotouzas	Team Member	Land Administration Specialist		GSULN	
Extended Team					
Name	Title	Office Phone	Location		
Ivan Earl Ford	Cadaster and Registration Specialist				
Locations					
Country	First Administrative Division	Location	Planned	Actual	Comments
Tajikistan		Whole country			
Consultants (Will be disclosed in the Monthly Operational Summary)					
Consultants Required? Consultants will be required					

I. STRATEGIC CONTEXT

A. Country Context

1. Tajikistan's economic growth over the past five years (2010 – 2014) has averaged 7.1 percent. In the first half of 2015 it moderated to 6.4 percent from 6.7 percent a year earlier as activity slowed in almost all sectors. Weaker world economic growth and lower prices for cotton and aluminum adversely affected the major export-oriented industries, pushing total industrial growth below 3 percent from nearly 7 percent a year earlier. The spillover effect from the slowdown in Russia and the continued depreciation of the Russian ruble (RUR) affect Tajikistan largely through the remittances channel, the return of migrant workers, and trade. As a result, the value of remittance inflows in US dollars declined by almost 32 percent in the first seven months of 2015. The slowdown in remittances affected domestic demand, which in turn depressed growth in services, the major contributor to economic growth in the past.

2. With a population of 8.2 million and a GNI per capita of US\$1,080 (2014), Tajikistan is the poorest country in the ECA region. However poverty substantially declined between 1999 and 2014 (from 81 percent to about 32 percent); extreme poverty dropped even faster—from 73 percent to 14 percent during the same period; and growth benefits were widely shared - consumption by the bottom 40 percent grew faster than that of the population at large. Between 1999 and 2009, the period for which micro data are available, more than one million rural people were lifted out of poverty. While poverty dropped substantially nationwide, Khatlon and Gorno Badakshan Autonomous Oblast lagged, and remain the poorest regions. From a gender perspective, poverty reduction for women was lower than for men, thereby widening an already existing gender gap.

3. To create shared prosperity and reduce extreme poverty, the country must fundamentally re-orient its current consumption-driven growth model, which is ultimately unsustainable. Fueled by the remittances of migrant workers, as well as higher wages in state-owned enterprises (SOEs), the service sector is expanding while the small industrial sector is contracting. Job creation is insufficient to absorb the youth bulge and wage growth has outpaced that of labor productivity. To meet the country's poverty reduction goals, and the World Bank's twin goals to reduce poverty and promote shared prosperity, it will be necessary to support the expansion of opportunities for private firms and poor and vulnerable groups by strengthening the rule of law and reducing transactions costs for doing business, including for property transactions.

B. Sectoral and Institutional Context

4. The Bank has been active in the land sector in Tajikistan for more than a decade, beginning in 1999 with the Bank-financed Farm Privatization Support Project (FPSP) and continuing over the past decade with the Land Registration and Cadaster System for Sustainable Agriculture Project (LRCSP, P089566). With 4.6 million hectares of agricultural land and almost two thirds of the population living in rural areas and dependent on agriculture, land rights for farmers continue to be significant for reducing poverty and increasing shared prosperity. Agriculture is the second largest sector in the economy, accounting for one fifth of GDP growth and 46.5 percent of total employment and a majority of female employment (55.7 percent of female employment¹). The

¹ ILO http://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---sro-moscow/documents/publication/wcms_312658.pdf

LRCSP has financed farm restructuring focused on dividing larger collective farms into family-held parcels in order to enable more rural people to be independent farmers, and has regularized land use rights for families already farming on separate family held parcels but without official documentation. LRCSP has supported the issuance of inheritable land use rights certificates for over one hundred thousand families in rural areas with some 40 percent of such certificates issued to women. The next step for the government is to allow these rights to become tradable and thereby facilitate the functioning of rural land markets, which would also support access to credit. To support such a market, a reliable, transparent, and efficient land registration system is needed. Increasing awareness of the registration system and ensuring equitable access will also be a critical element in ensuring the success of the registration system. Previous assessments have noted an asymmetry of information on land-related issues (in favor of men). In addition, norms that marginalize women's engagement on land issues point to a need to ensure women's access to information, registration venues, and grievance channels. In addition to gender, other dimensions of vulnerability (such as age and disability) need attention.²

5. Land and housing are arguably the most important non-monetary assets of the rural and urban poor alike. Increased tenure security and access to registration services have been shown to increase rural and urban households' investments to their properties, hence increasing output for rural households and enhancing living conditions for urban households.³ A recent study of non-monetary aspects of poverty in Tajikistan, using the Multi-dimensional poverty index (MPI) approach⁴, suggests that non-monetary aspects of poverty have not improved proportionally to monetary-measured poverty reduction. The Real Estate Registration Project (the Project) can have a positive effect by increasing the value of the poor's non-monetary assets and encouraging higher investment for these households. Although the Project will not support systematic registration services (first-time registration), it will carry out public awareness and education activities that will explain registration services, requirements and benefits to the general public, and especially to vulnerable groups. The Project will also support simplification of processes and procedures for registration, making it easier for those who do wish to buy or sell to do so in an efficient and transparent system. In terms of poverty targeting, the Project will benefit from district-level poverty maps that are currently being drafted by the Tajik Statistical Office (TajStat) with the support of the World Bank's Poverty Global Practice. These maps will provide useful data that may allow the targeting of Project activities as well as opportunities for monitoring poverty reduction.

6. While all land in Tajikistan remains in state ownership, the rights to immovable property in urban and rural areas (houses, apartments) have been privatized and are currently bought and sold. However the current system offers little tenure security as the legal rights are not registered, nor is the current information connected to the cadaster which records the location of all parcels and buildings. Both foreign and domestic investment remains low in Tajikistan compared to the

² USAID (2014); LRCSP Evaluation (2015), World Bank (2013), Sharipova (2014)

³ Deininger, K. (2003) "*Land Policies for Growth and Poverty Reduction*", Washington, D.C.: World Bank and Oxford University Press

⁴ For this analysis data from LSMS 2007 and a separate household survey conducted in 2013 were used and the obtained results show some inconsistencies with the results of monetary poverty assessments. The dimensions used for MPI in the context of Tajikistan were the following: *Single female headed household, Age dependency, Secondary education, Tertiary education, Health, Employment, Sewage, Electricity, and Poverty.*

region, averaging about 2.8 percent (net inflows as percentage of GDP)⁵ for the period 2010 - 2014. One of the obstacles cited by investors for this low investment is weak rule of law, especially as regards property rights. Creating a registration system will strengthen the legal enforcement of property rights by providing a system for registration of all legal rights to land and property (inheritance, ownership and use) that is connected to the properties physical location, and that is transparent, efficient and accessible to all. This registration system will provide enhanced tenure security to users and owners, as well as banks if such property is mortgaged. The Project will contribute to the development of real estate markets and related institutions, thereby contributing to better and more intensive use of real estate assets to achieve more growth. To improve equity and welfare outcomes the Project will focus on improving transparency and access to the real property institutions so that all property owners and potential owners benefit. In addition, its impact on the economic empowerment of women will be positive, contributing to increased voice and agency at the household level and enhanced economic empowerment which can have ripple effects on social and economic well-being of families.⁶

7. Until 2008 the competencies for land administration (property registry and cadastre) activities were divided among various institutions, namely the State Committee for Land Management and Geodesy (SCLMG), the Bureau of Technical Inventory (BTI), and the State Enterprise Markaz Zamin (MZ). The Law on State Registration of 2008 created the possibility to establish a unitary property registration entity. Based on the 2008 Law on State Registration, BTIs that maintain an inventory of property records (but not legal rights) and the MZ that managed the cadastre were merged to create the State Unitary Enterprise for Registration of Immovable Property (SUERIP), established in January 2015. SUERIP's mandate is to design, develop, and implement a unified registration system for land and property. As the sole property registry and cadaster entity in the country SUERIP has the potential to provide greater tenure security for all citizens of Tajikistan, as well as foreign investors. Currently SUERIP has set-up 64 territorial offices around the country and has piloted the new registration processes in 7 of these offices. All 64 offices will be operational as registration offices beginning January 1, 2016. The offices also continue to manage the technical inventory work of the previous BTIs and the cadaster work of the former MZ. The number of properties to be registered nationwide is estimated in the order of 4.0 million; of these, some 1.75 million properties are rural based, while some 2.25 million are in urban areas. Approximately 2 million of the total are already recorded in the MZ or BTIs and those records could be converted into the new system under the Project. However it is clear that a large number will have to be brought into the system through the participation of property owners bringing their documents to SUERIP. In terms of transactions, SUERIP management estimates the number of property sales transactions at about 20,000 units annually. Information from the Ministry of Justice shows that annually some 10,000 to 11,000 mortgage contracts are being registered.

C. Higher Level Objectives to which the Project Contributes

8. The Country Partnership Strategy (CPS) for 2015-2018 stresses the need to alter the current consumption-driven growth model to achieve the authorities' objectives by creating jobs that will absorb the employable youth and create economic wealth. The Project is provided for under the

⁵ World Bank Data Bank, <http://data.worldbank.org/indicator/BX.KLT.DINV.WD.GD.ZS>

⁶ World Bank (2014). *Voice and Agency: Empowering Women and Girls for Shared Prosperity*.

Private Sector Led Growth Pillar of the CPS. By strengthening the role of the private sector, the objective is to create enabling conditions to expand micro, small and medium-sized enterprises and thereby create jobs. The Project would directly contribute to this outcome by supporting the implementation of a unified registration system nationwide, which would improve tenure security and reduce transaction costs for property transactions. The Project will closely coordinate with the IFC which is also supporting improvements to the investment climate and tax administration.

9. Regarding the IDA 17 commitments to gender equality, climate change and inclusive growth, the Project will focus on supporting a gender sensitive and inclusive registration system. Please see section E for more details. As the Project is primarily office work – scanning and digitizing, improving procedures, developing software – there are no climate change impacts directly associated with the Project.

10. The broader goal of a registration system is to strengthen the legal enforcement of property rights and the rule of law. By registering all rights to land and property (inheritance, ownership and use) in a system that is transparent, efficient and accessible to all the legal enforcement of property rights is enhanced for all owners, both public, private and individual citizens. Strengthening the registration service to reduce costs and improve efficiency also supports the development of the property market – as transactions are more secure once registered, more citizens and businesses will be willing to buy and sell. Increased tenure security would also allow for more secure mortgaging of real property, thus laying the foundation for productive investments, business development and job creation. As the Project is focused on implementing a registration system and support to the property market, the Project will only register existing rights. No systematic registration or allocation of new rights is planned under the Project.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

11. To support the broader goal of providing enhanced tenure security and support to the property market, the specific development objective of the Project is: ***to support the implementation of a reliable, transparent and efficient real estate registration system nationwide.***

12. This PDO would be achieved by: (a) developing the real estate registration system⁷ throughout the country with efficient procedures, systems, and human resources; (b) developing solutions for organizing and digitizing the documents and data currently in the offices; (c) creating system(s) for data management and electronic registration; (d) legal framework development; and (e) increasing public awareness of the registration system and how to register.

B. Project Beneficiaries

⁷ This ‘system’ refers to the overall system of people, offices, data, and procedures needed to register property.

13. The beneficiaries of the project would be: (a) the public who will have increased tenure security and access to registration services, and increased access to information about property registration; (b) and business community, notaries and banks which will be able to more easily access information and register their transactions securely; and (c) government institutions which will have better access to information.

C. PDO Level Results Indicators

14. Under the broader goal of providing enhanced tenure security and support to the property market, the specific project objective to support the implementation of a reliable, transparent and efficient real estate registration system will be measured as follows:

- a. efficiency: reduce the time for registration of subsequent transactions;
- b. transparency: rules, procedures and information widely and easily accessible to all users;
- c. reliability: increase in the number of properties registered; and
- d. transparency: increased trust in the registration process by users.

III. PROJECT DESCRIPTION

A. Project Components

15. The Project components include:

A) Real Estate Registration System Development (US\$2.8 million) This component will support the establishment of a national real estate registration system and the institutional development of SUERIP. The component would include: physical infrastructure improvements, improving customer services and transparency, support to planning and institutional sustainability, support further development of policy and the regulatory framework for registration, and support training activities.

B) Software Development and Data Management (US\$5.9 million) This component will support the design, development, testing and implementation of software for immovable property registration, and the provision of the required hardware for the end users, and launch a web portal for access to immovable property information by professionals and the public. This Component will also support data management activities such as digitizing/conversion of paper documents to electronic format for integration into a database management system and for migration of the data into the immovable property registration system.

C) Public Awareness and Education, Monitoring and Evaluation, and Project Management (US\$1.3 million) This component will include: support to SUERIP to manage the project through financing a small project unit, monitoring and evaluation, and public awareness and education campaigns and outreach activities. Public awareness and education activities would explain registration services, requirements and benefits to the public as well as special groups (women, rural citizens, and elderly). Monitoring and evaluation would include gender disaggregated data on registration as is already collected for issuance of use rights certificates. Monitoring would also include a citizen feedback mechanism to track

improvements in customer service and confidence in the system. The component will also support strengthening SUERIP’s grievance redress mechanism for registration.

B. Project Financing

16. The Project will be financed with a US\$10.0 million credit from the International Development Association (IDA).

Project Cost and Financing⁸

Project Components	Project cost (in USD Million)	IDA Financing (in USD Million)	% Financing ⁹
1. Real Estate Registration System Development	2.80	2.80	100%
2. Software Development and Data Management	5.90	5.90	100%
3. Public Awareness and Education, Monitoring and Evaluation, Project Management	1.30	1.30	100%
Total Costs			
Total Project Costs	10.00	10.00	
Total Financing Required	10.00	10.00	

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

Institutional arrangements

17. SUERIP is the sole agency responsible for real property registration in Tajikistan and will implement all components of the Project. SUERIP is an independent agency and reports to the government through the State Committee for Land Management and Geodesy (SCLMG) (as stated in the Law on State Registration of 2008). The Chairman of SCLMG will serve as chair of the Project Steering Committee. The Steering Committee will include membership from SCLMG, SUERIP, Ministry of Finance (MOF) and others as agreed with the Bank.

18. SUERIP is now fully established and functioning as the real estate registration agency. In addition the legal framework is fully in place for registration with by-laws, procedures and manuals completed. This will be SUERIP’s first Bank financed project and the Project is designed to support SUERIP and build its capacity throughout implementation.

⁸ Assumes a US\$-SDR exchange rate of December 31, 2015, (US\$1.386: SDR 1.00)

⁹ Exclusive of VAT and customs duties and fees.

Implementation arrangements

19. SUERIP is a self-financing agency that collects fees for its services of registration, cadastre and technical inventory.¹⁰ MOF intends to on-lend the IDA credit amount to SUERIP under the following terms: total credit amount denominated in USD, on IDA terms (75 basis points) plus 4.25% mark-up, to take into account currency fluctuations, payable over 12 years with an additional 4 year grace period. A subsidiary agreement will be signed between MOF, on behalf of the government, the SLCMG and SUERIP according to the above terms.

20. SUERIP will implement the Project and SCLMG will chair the Steering Committee. The SCLMG will appoint a Project Director who is a SUERIP employee and who will report to the SUERIP Director. SUERIP will also appoint Component Coordinators for each of the three project components who will coordinate the activities under the Component with the Project Director. To support project implementation SUERIP will be supported by a small Project Implementation Group (IG) located within SUERIP to provide specialized project management assistance, specifically financial management, procurement, and monitoring and evaluation (M&E). Other specialists may be hired on an as needed basis to supplement SUERIP's capacity (for example, an IT specialist). These specialists will be hired as consultants under the consulting services category.

Partnership and Donor Coordination

21. Donor Coordination in Tajikistan is managed through the Donor Coordination Committee, of which the Bank is a member. The Agriculture and Land Working Group is chaired by the United States Agency for International Development (USAID) and includes USAID, the UN Food and Agriculture Organization (FAO), the European Union, Japan (JICA), and other interested donors. USAID also has an on-going Land Reform and Farm Restructuring Project which is active in the sector and is also supporting SUERIP. The Project has been designed in consultation with USAID and also confirmed with the donors of the land working group to ensure there are no overlaps. The current USAID project ends in September 2016 but USAID has tentative plans to continue and the Project will continue to coordinate with USAID and the other donors to ensure no overlaps and proper coverage of gaps.

B. Results Monitoring and Evaluation

22. The monitoring system for the project will cover data collection and reporting on the results framework, as well as broader customer perceptions and experiences of the agency and registry system. The IG will include M&E expertise to oversee this function in the project. The Project will finance a study in year one to establish the baseline for key performance indicators in the results framework. This study will include a survey of SUERIP customers and the general public, as well as qualitative assessments through focus groups, interviews, etc. The survey will be repeated at mid-term and for the final project evaluation and this feedback will be incorporated into the project activities to continuously improve registration services and engage with citizens. Customer satisfaction will be assessed according to timeliness, responsiveness and overall satisfaction with SUERIP's services. Actions will then be taken in response and may include

¹⁰ More details on SUERIP's financial capacity can be found in section IV.A, paragraphs 31-32 on the financial analysis.

staffing increases and process improvements, among others. The survey will be designed so that SUERIP can adopt all or portions for regular, long-term monitoring of compliance with service standards, customer trust, and satisfaction with the registry system and create a continuous feedback mechanism for citizens and SUERIP. Capacity to capture statistical data regarding immovable property will also be built into the design of the registry system.

23. SUERIP will be required to provide quarterly progress reports to the Bank. SUERIP already has a department that collects monthly output data from all offices and creates quarterly reports and this capacity will be built-on during the Project. A mid-term review (MTR) will be carried out in late 2018/early 2019, and will be particularly important to gauge progress and modify or change interventions and targets. The Project will finance a final evaluation to assess project performance, and to provide recommendations and actions for further improvement and expansion of registration services.

C. Sustainability

24. This Project builds on the reforms, organizational development and capacity developed under the previous LRCSP, which included pilot registration activities to test the registration processes and develop processes and procedures. USAID has also been active in the sector and the Project has been designed in consultation with the USAID Land Reform and Farm Restructuring Project to ensure continuity of the reforms and sustainability of the system.

25. As SUERIP is a new organization, training and capacity building will be a significant part of the Project and all technical activities have been designed in a way as to build institutional capacity along with completion of key technical works. To the extent possible the work on data conversion, improvements to procedures, public awareness, and ICT development will be done in house, again with the goal of building understanding and capacity within SUERIP. As registration is a fee based service, SUERIP is a self-financing agency and the improvements to the registration process and services planned for under the Project will enhance SUERIP's capacity to earn revenue. More efficient processes and greater public awareness of the importance of registration and its benefits will increase the willingness to register and pay a fee for the service. The overall goal of the project is to enhance the registration system and SUERIP to deliver these services and is directly linked to the sustainability of the institution (SUERIP) and the registration system overall. As more citizens are aware of their rights and the benefits of registration and as they pay for registration services delivered by SUERIP, the more revenue SUERIP will earn and be able to invest back into the system and its own development as a registration agency.

V. KEY RISKS

A. Overall Risk Rating and Explanation of Key Risks

26. The overall risk rating is moderate after proper mitigation measures. The key risks are divided in two groups: country level and project level. The larger economic and political country level risks are difficult for the Project to mitigate, however, the fact that SUERIP is self-financing is significant. SUERIP's first quarter financial results actually indicate an increase in the agency's revenues against those that were forecasted (see Financial Analysis section below). The government has shown strong commitment to the land sector (through 10+ years of engagement

with the Bank) and to the Project. The long term engagement of other donors, particularly USAID (which plans to continue its support), provides additional mitigation as the Bank is not alone in this effort.

27. Project level risks are: a) a new institution with insufficient human capacity to implement the Project; b) technical capacity is weak and the resources for the Project are limited (US\$10 million); and, c) exclusion of vulnerable groups from registration benefits. The institutional and capacity risks are substantial, particularly for IT related activities. The project design is focused on building capacity and sustainability for IT and other technical activities throughout implementation. Training needs have been assessed and substantial training is planned throughout the Project. The technical risks can be mitigated through the project design by focusing on human capacity development throughout the life cycle of the Project, as well as keeping the design focused on the key activity of setting up a well-functioning registration service. Fiduciary risks are rated substantial and mitigation measures include the hiring of experienced FM and procurement consultants in the IG, installation of proper accounting software in SUERIP as an effectiveness condition, and other activities detailed in Annex 3.

28. Regarding social and stakeholder risks, a Social Assessment (SA) has been prepared to better understand the social context of land, potential vulnerable groups and potential unintended outcomes. The SA has identified specific design elements (to be detailed in the Project Operations Manual - POM) that promote inclusion in a context-responsive manner such as public awareness, customer service, and transparency in operations. The Project design also focuses on building SUERIP’s capacity for public awareness and education, and engaging citizens and customers, so that these activities are sustainable. Forms of engagement planned for project implementation include a customer satisfaction survey and associated focus group discussions and a Public Awareness and Education Campaign (PAC). Non-governmental Organizations (NGOs) will be engaged in outreach efforts under the PAC. In addition, during the MTR consultations will be conducted to assess the implementation of the Project and its impact on vulnerable groups.

VI. APPRAISAL SUMMARY

A. Economic and Financial Analysis

29. Cost Benefit Analysis (CBA): The economic soundness of the Project is based on a cost benefit analysis where the standard efficiency parameters consist of Economic Rate of Return (ERR), net present value (NPV) and cost benefit ratios. The principal drivers for the CBA are the numbers and values of property sales and mortgage transactions following the creation of the unified state registry in the country. A planning horizon of 10 years has been assumed. Given the relative scarcity of foreign currency in the country, the proposed discount rate would be 12%, which is 4 percentage points higher than the Central Bank’s refinancing rate. The results of the CBA are shown below.

Internal Rate of Return	Percent	ERR	14%
Opportunity Cost of Capital	Percent	OCC	12%
Net Present Value	US\$ M	NPV	0.46
Net Present Value of Benefits	US\$ M	NPV(B)	7.95
Net Present Value of Investment Costs	US\$ M	NPV (C)	7.09

Cost-Benefit Ratio	US\$ M	C/B	1.12
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30. Despite the fact that only a part of the project benefits have been captured in the CBA, these results suggest that the Project would be a worthwhile investment. For more detailed discussion see Annex 5.

31. Financial Analysis: Since SUERIP is a revenue-earning entity a financial analysis has been undertaken as per Bank requirements to develop projections for revenues and expenditures. These revenues are derived from fees charged for SUERIP's services, including registration, technical inventory, and other related services.

Base Case - Annual Revenue Growth With Project is 10%							
SUERIP Financial Projections (with project) in Million TJS							
		15/16	18/19	21/22	24/25	26/27	Totals
1	Total Revenue	48.00	63.89	85.03	113.18	150.64	1177.09
2	Total Expenditures	39.00	49.51	62.71	79.23	107.33	863.03
	Earnings (EBIT)	9.00	14.37	22.32	33.95	43.31	314.06
	Taxes Paid						
	Total Tax	19.65	26.27	35.13	46.97	62.42	486.54
	Tax as % of Revenue	41%	41%	41%	42%	41%	
	Operating Surplus (TJS)	5.85	9.34	14.51	22.07	28.15	204.14
	Operating Surplus (US\$)	0.90	1.44	2.23	3.40	4.33	31.41
	Debt Servicing Capacity (US\$)	0.36	0.57	0.89	1.36	1.73	12.56
	Cumulative Debt Serviced (US\$)	0.36	1.85	4.18	7.75	12.56	

32. These results indicate that the organization would generate a positive cash balance for the forecast period covering 2015-2027. Therefore, internally generated SUERIP savings over the first 12 to 15 years would most likely be sufficient to cover the principal of the government sub-loan of US\$10 million (the IDA credit on-lent by MOF to SUERIP). If an interest rate of some 5% is applied to the on-lent funds by the government, repayment may take up to 17 years.

33. Fiscal Analysis: The land tax and real estate tax combined for 2014 were TJS 180 million. Since RERP will most likely deal with a quarter of the property stock in the country, it will impact a fourth of the property tax revenues, which will be in the order of some TJS 45 million annually. Assuming an enhancement rate of some 30%, the fiscal impact due to the project will be about TJS 15 million (US\$ 2.30 million) per year at full development.

34. Furthermore, according to the base case scenario involving 10% annual growth in SUERIP's revenues, over the next 10 years, SUERIP is expected to return to the Government some TJS 316 million (see Annex 5, Table 7) in taxes collected in conjunction with its services (VAT, profit tax, municipal tax etc.), which is equivalent to US\$ 48.6 million. This is far in excess of the IDA investment of US\$10.0 million.

B. Technical

35. *Legal Assessment:* There is a solid legal framework for commencing registration, with the “Law on State Registration of Immovable Property and Rights to It” having been enacted in 2008 (drawing on the equivalent law of Belarus) and many of the necessary regulations, orders and administrative documents having been produced since then. The Law on State Registration covers all the key elements of a registration law and does so in detail that is mostly consistent with best practice. While the Law specifies a paper based system, it permits electronic records that can be used to develop the system along modern lines. There is therefore no legislative impediment to the Project going ahead. Framework laws (such as the Civil Code and Land Code) provide the broader context, and a variety of laws on different topics (land management, taxes and fees, mortgages, etc.) deal with these matters. A specific law on citizens’ complaints sets out procedures and appeal options for redress of grievances in the provision of government services. In general, the legal framework is adequate and there are laws on most aspects of legal relations regarding real property. It is clear that further work is required to develop the legal framework – including some aspects of the Law on State Registration, which SUERIP will introduce in the light of practical experience to be gained during the Project implementation. The legal framework and other laws require some limited amendments to support registration activities, and the policies and laws on tenure security will need to be improved if the government’s long-term objectives of reasonable tenure security and introduction of a land market are to be achieved. The Project will support further improvements to regulations and secondary legislation and advice on legal amendments, however the Project will not involve or require Parliamentary action.

36. *Information and Communications Technology (ICT):* The technical capacity within SUERIP to undertake the implementation of an electronic registration system is very limited. There is some hardware available but no software for operating and maintaining an electronic registration system. SUERIP plans to establish an operational ICT Department consisting of four specialists and has already hired the Department Head. SUERIP will need intensive international technical assistance to prepare data standards, analyze and map business processes, and prepare technical specifications for the system design, development, and implementation. There are software application development specialists available locally who could work, either as staff or consultants, with experienced international ICT specialists to build an automated registration system. Considering the nationwide scale of the system there is a need for high bandwidth communication lines and an adequate, powerful, and secure computing platform. There is a well-developed communication network based on the fiber optic lines (provided mainly by Tajik-telecom) as well as a broadband 3G and 4G cellular network covering all populated areas of the country. This network has been effectively utilized for nationwide information systems by several governmental institutions (Ministry of Health, Ministry of Finance, and Pension Fund). Another critical aspect for the ICT system implementation is the need for a secure data storage and back-up capacity. There is already established a government Data Processing Center of high capacity and proven operational reliability – the State Unitary Enterprise Service IT Center of the Ministry of Finance. This provides one option for SUERIP for data hosting and back-up and will be considered during the requirements phase of the system development.

37. *Technical Assessment:* There are no spatial data standards in place in Tajikistan at this time. The preparation of spatial data standards is an urgent need that should be addressed before any data conversion or data migration can take place. There is a significant amount of digital data

related to immovable property rights in several institutions in Tajikistan. For example, the Institute for Geodesy and Mapping- FAZO has digital cadaster maps and parcel attribute data for approximately 30% of the urban areas of the country. Data Conversion for SUERIP purposes will take place in-house according to current plans. Much of this data will need to be converted to a standard format before integrating them into the SUERIP immovable property registration system. The LRCSP engaged an international consultant to create data conversion and indexing procedures for both MZ and BTI data. Personnel from both institutions and the LRCSP were trained and some of the paper records in at least 4 districts have been scanned and indexed. Consequently, there is a limited capacity to do data conversion within SUERIP and training and capacity building will be needed within the first year of the Project. Some outsourcing may also be considered, however SUERIP has sufficient staff resources for this work. All cadastral and immovable property related surveying and mapping within Tajikistan are undertaken by the public sector agencies such as FAZO, and the former MZ. Of these institutions FAZO has the best capacity in terms of skills, modern methodology, and modern technology and is willing to work with SUERIP in the development of a modern cadastral system. SUERIP acquired the surveying and mapping capacity from the MZ which are now part of SUERIP. The skills and technology of SUERIP are outdated and will need updating in the way of training and technology.

C. Financial Management

38. SUERIP will be responsible for overall implementation of the financial management (FM) function of the Project including, monitoring the flow and accountability of funds, budgeting, accounting, reporting, and auditing. To improve its financial management capacity SUERIP shall install the automated accounting system, with inbuilt controls and capacity to generate interim unaudited financial reports (IFRs), and contract experienced financial management consultants to provide technical support to the Finance and Accounting Department. The Chief Accountant of SUERIP will be responsible overall for the financial management arrangements and the FM Consultant will be hired within the IG in order to support the Chief Accountant with maintaining adequate financial management arrangements.

39. The current FM arrangements within SUERIP do not meet the necessary FM and disbursement requirements but upon meeting of three conditions of the Effectiveness, SUERIP will fully satisfy the Bank's fiduciary requirements; they are listed below. While SUERIP has no prior experience with Bank financed projects, the SCLMG has implemented the Bank-financed LRCSP and staff and experience are being transferred to SUERIP to facilitate its compliance. Also the installation and adaption of appropriate accounting software can be included to the contract for updating existing appropriate accounting software under LRCSP that is closing in March 31, 2016.

Action for capacity building	Responsibility	Completion Date
1. Finalize the POM, including an FM chapter to guide staff in daily project FM operations. The FM chapter will reflect the project arrangements on financial management, including internal control mechanisms, accounting and reporting procedures, disbursement procedures, funds flow and audit arrangements.	SUERIP	By effectiveness

2. Installation and adaptation of an appropriate accounting software, agreed with the Association, for project accounting, budgeting and reporting. The SUERIP accounting staff should be fully trained on the adapted program with one year off-site support. The accounting system shall have inbuilt controls to ensure data security, integrity and reliability, and the functionality of automatic generation of IFRs.	SUERIP	By effectiveness
3. The contract with FM consultant has been signed. The FM consultant will be responsible for project FM functions and will be part of the IG.	SUERIP	By effectiveness

40. SUERIP is recommended to open the Designated Account (DA) in a commercial bank/financial institution acceptable to the World Bank, for the portion of credit funds allocated to it. The ceiling for the DA and other disbursement details will be provided in the Disbursement Letter. The overall residual FM risk of the Project was assessed as High and it is expected to become Substantial after implementation of the mitigation measures.

41. SUERIP will submit quarterly IFRs that will be generated by the respective accounting software based on formats agreed with the World Bank. The reports, to include Statement of Sources and Uses of Funds, Uses of Funds by Project activities (Components & Expenditure Categories) and Statement of DA, will be submitted to the World Bank within 45 days of the end of each quarter, with the first reports under the Project being submitted after the end of the first full quarter following initial disbursement. The formats of these IFRs will be agreed with the SUERIP during Negotiations.

42. SUERIP will submit the annual audited project financial statements within six months of the end of each fiscal year of the Client or within six months of the end of the disbursement deadline date. Each such audit will include the project financial statements, SOEs and DA Statement. The cost of the audit will be financed from the project funds. Following the Bank’s formal receipt of the audited financial statements from SUERIP, the Bank will make them available to the public in accordance with the Bank’s Access to Information (AI) Policy through its website. In addition, SUERIP will publish the audit reports in a manner satisfactory to the Bank.

D. Procurement

43. The SUERIP will have the overall responsibility for procurement activities. The overall project risk for procurement is rated “high”. After mitigation measures are implemented, the residual risk would be “substantial”. The risks associated with procurement and mitigation measures were identified in the assessment of the agency’s procurement capacity (see Annex 3). An initial procurement plan will be developed by the SUERIP and reviewed by the World Bank, covering procurement activities expected under the project components and to be agreed at negotiations. After the Project is approved by the Board it would be published on the SCLMG’s website and the Bank’s external website.

44. The Procurement Plan would be updated in agreement with the Bank at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity. The prior review thresholds set out in the Procurement Plan will be reviewed from time to time and revised as needed during the project implementation.

E. Social (including Safeguards)

45. *Social Inclusion and Citizen Engagement.* A Social Assessment (SA) was carried out. Overall, the SA provides information about the potential enabling and constraining impact of project activities on certain groups (e.g. women, youth, the handicapped, poor urban dwellers, the elderly) in order to identify ways to overcome these constraints. The SA also undertook a diagnostic of grievance mechanisms and assessed attitudes and perceptions of various groups regarding land/property registration. The SA builds on earlier assessments in the rural land sector (in 2007, 2011 and an evaluation of LRCSP in 2014) and other related analyses which have highlighted a number of contextual issues. The SA was completed in December 2015. Major findings will be integrated into the POM for implementation during the Project.

46. *Gender.* From the gender perspective, issues of note include: a) women's limited access to information on land laws and rights, although levels of awareness have been increasing due in part to targeted efforts;¹¹ b) a constrained environment for voice and agency vis-à-vis household level decision making and land use, particularly where women in both registered and unregistered marriages are abandoned by husbands who have migrated;¹² and c) impacts on women's empowerment resulting from a lack of land ownership such as being charged a 16 percent interest rate for long-term loans versus a 4 percent interest rate because they are assumed to be less creditworthy given their lower rate of ownership of land, other assets, employment ratios, and wages.¹³ The Project addresses gender-related constraints by incorporating a gender lens in awareness raising, feedback mechanisms, and capacity building for SUEIP (further detail can be found in Annex 6).

47. The findings of the SA have informed the Project in areas including: outreach and awareness raising, social accountability (transparency, grievance redress mechanisms) institutional structure, customer service, and monitoring indicators. Results from the SA will be further detailed in the POM to support project implementation. Indicative activities to address challenges faced by women and other vulnerable groups include legal and operational reviews of registration with a gender lens, adapting access to registration services to accommodate factors such as disability and poor literacy, training for SUEIP staff and other stakeholders in social inclusion, and public awareness campaigns using appropriate media and content to reach vulnerable groups. The Project will also actively explore opportunities to collaborate with ongoing and planned donor supported efforts in the land sector, such as improving legal literacy, provision of legal aid, access to credit, and analytical work on land and property rights. SA findings will also serve as a partial baseline for assessing project impacts. The results framework reflects

¹¹ LRCSP Evaluation Results, 2015.

¹² (See UNESCO (undated). Briefing Note on the Situation of Women in Central Asia). See also World Bank (2013). Tajikistan Gender Diagnostic Note.

¹³ World Bank 2009, cited in World Bank (2012). Opportunities for Men and Women in Emerging Europe and Central Asia.

attention to gender by including the tracking of relevant indicators. For example, disaggregated analyses of customer surveys will track feedback from women and other groups, indicating progress as well as areas for improvement in registry services.

48. The Project will strengthen the existing Grievance Redress Mechanism, informed by the Social Assessment, with an aim to ensuring that it is inclusive, responsive to beneficiaries, and capable of transmitting improvements to SUERIP's operations. In addition, the Project will undertake a series of customer satisfaction surveys (including qualitative tools such as focus group discussions) in an effort to assess and improve SUERIP's operations. A baseline will be undertaken in year one with subsequent surveys undertaken mid-term and at project end.

49. *Consultations.* The project preparation process has included consultations with a range of stakeholders¹⁴ both bilaterally and through a civil society workshop (see Annex 6 for details). In addition, the preparation of the SA included as target informants potential project beneficiaries (with due attention to rural/urban/peri-urban dwellers, lowland/upland dwellers, and dwellers of different types of homes such as apartments and stand-alone houses, vulnerable groups, professional associations such as notaries and civil society groups, etc.).

F. Environment (including Safeguards)

50. The Project's environmental risks are moderate and connected with environmental risks of minor civil works associated with office rehabilitation and repair. To mitigate this risk, SUERIP has produced an Environmental Management Framework (EMF), which includes guidelines for minor civil works with an environmental mitigation plan and relevant checklist.

Safeguards

51. Environment The Project is Category B. The Project will not engage in any systematic registration or field works. Any civil works under the Project are limited to office renovations and will occur within the footprint of existing premises, so there will be no resettlement and OP 4.12 is not triggered. Due to the fact that some of these buildings may be in historic or cultural areas, OP 4.11 on Physical Cultural Resources has been triggered and specific provisions are included in the overall EMF and will be included in the site specific Environmental Management Plans (EMP). As sites for renovations to be funded are not yet known, an EMF has been prepared, and site-specific EMPs will be prepared as needed during project implementation. At present it is expected that all renovations will be sufficiently minor that Checklist EMPs can be used for the subprojects. Therefore, the project level EMF has used the Checklist EMP template, completed based on general project information rather than site-specific details.

52. The EMF has been completed and was disclosed on August 12, 2015 to the World Bank Infoshop. The EMF has been published in the national newspapers "Asia Plus" (dated September 3, 2015, in Russian) and "Sado Mardum" (dated September 4, 2015, in Tajik). It has been posted at the same time on the website: info.cadastre.tj. The EMF has also been posted on all public notice boards in all SUERIP offices around the country. The EMPs that will be prepared at a later stage of the Project will also be disclosed on the public notice boards of the relevant offices and

¹⁴ Including bilateral donors, representatives of civil society groups, and potential beneficiaries.

by newspaper or SUEIRIP's website. All received comments will be addressed and reflected in these site specific EMPs.

53. Implementation of the EMF and EMPs will be under the supervision of the Deputy Director of SUEIRIP responsible for administration. For monitoring, the Project M&E specialist/consultant will include compliance in the quarterly monitoring reports. The corresponding clauses will be included in the POM.

G. World Bank Grievance Redress

54. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service. The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org

Annex 1: Results Framework and Monitoring
TAJKISTAN: Real Estate Registration Project

Project Development Objective: To support the implementation of a reliable, transparent and efficient real estate registration system nationwide												
PDO Level Results Indicators	Core	Unit of Measure	Baseline	Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description /Comment
				YR1	YR2	YR3	YR4	YR5				
Average number of days to complete the recordation of a purchase/ sale of a property in the land administration system. ¹⁵	C	No.	30+ days ¹⁶			15-18 days		7-12 days	Start, Mid-term, completion	SUERIP records	SUERIP	
Access to and use of rules, procedures and information for registration by all users		Yes/no	NO	Rules, etc. developed	Disseminated	Yes	Yes	Yes		SUERIP records, reports	SUERIP	
Number of properties with use or ownership rights registered	C	No.	TBD ¹⁷	5% annual increase	5% annual increase	5% annual increase	5% annual increase	5% annual increase	Annually	SUERIP records	SUERIP	Gender disaggregated
Level of trust in the registration process by users		Percent age	From baseline survey	Set by baseline survey		20 % increase		40 % increase	Start, Mid-term, completion	Survey	SUERIP	Increases are over baseline

¹⁵ These are subsequent transactions and not first registrations

¹⁶ Estimation based on available information.

¹⁷ Baseline – number of transactions as of December 31, 2015

	Core	Unit of Measure	Baseline	YR1	YR2	YR3	YR4	YR5	Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description /Comment
Intermediate Results for Project Component A: Real Estate Registration System Development												
Number of offices that are renovated (resulting in improved customer experience and staff working conditions)		No.	0	7	25	44			Annually	Progress reports	SUERIP	Cumulative
SUERIP adopts a code of conduct and ethics, and service standards		Yes/ No	No	Drafted	Adopted and disseminated			Yes		Progress reports	SUERIP	
Client days of training provided	C	No.	0	1000	3000	5000	7000	9000	Annually	Progress reports	SUERIP	Cumulative; Gender disaggregated
SUERIP adopts international accounting standards		Yes/ No	No			Yes		Publish annual report online		Progress reports	SUERIP	
Intermediate Results for Project Component B: Software Development and Data Management												
Access to digital real property registration information online		Yes/ No	No				Yes		Annually	Progress reports	SUERIP	
IT registration system development and operationalization		Yes/ No	No		System design		System dev. and pilot	System in 50% of the offices		Progress reports	SUERIP	
No of offices with data scanned and indexed		No.	0	5	20	64			Annually	SUERIP Records	SUERIP	Cumulative

	Core	Unit of Measure	Baseline	YR1	YR2	YR3	YR4	YR5	Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description /Comment
Intermediate Results for Component C: Public Awareness and Education, Monitoring and Evaluation, Project Management												
Customer surveys implemented on time		No.	0	1		1		1	Start, Mid-term, completion	Progress reports	SUERIP	Total of 3 surveys
Customer satisfaction with services		%	From baseline survey	Set from baseline survey		10% increase		20% increase	Start, Mid-term, completion	Survey	SUERIP	Increases are over baseline. Gender disaggregated
Surveys show that an increased % of respondents have heard of SUERIP		Percentage	From baseline survey	Baseline survey		25% increase		40% increase	Start, Mid-term, completion	Progress reports	SUERIP	Increases are over baseline Gender disaggregated
Awareness campaigns implemented for key vulnerable target groups		No.	0		1	1	1			Progress reports	SUERIP, consultants	Total of 3 campaigns over course of project
Grievance redress mechanism functioning according to agreed standards and monitored		Yes/No	Complaint system in place			GRM system implmtd		Functional with agreed service standards	Annually	Progress reports	SUERIP	Gender disaggregated

Annex 2: Detailed Project Description

REPUBLIC OF TAJIKISTAN: Real Estate Registration Project

1. The Project will have three components: (A) Real Estate Registration System Development; (B) Software Development and Data Management; and (C) Public Awareness and Education, Monitoring and Evaluation, and Project Management.

Component A: Real Estate Registration System Development

2. *Subcomponent A.1. Physical Infrastructure* - The objective of this subcomponent would be to provide suitable, efficient, secure and welcoming environment for both staff and customers of SUERIP's services (registration, land management and technical inventory as per SUERIP's charter). It would bring together the staff of the former MZ and BTIs, plus the newly recruited registration staff. Activities would include:

- Office renovation, internal remodeling and refurbishment, improved public access (including handicapped access)
- Back office/front office division, and addition of security
- Reception area redesign and fit out, including private interview space
- Provision of furniture (for staff and customers)
- Installation of notice and information boards and signs, with unique color scheme and logo
- Archive renovation and furniture
- Provision of firefighting equipment
- Installation of take a number system for busy offices
- Provision and installation of small generators.

(IT equipment (computers, scanners, servers, etc.) are covered under Component B.)

3. The number of offices to be considered is 44, some of which are yet to be identified or acquired. Identifying and acquiring appropriate office space is a priority activity for SUERIP. Priority renovations will be based on the needs of the offices, the level of activity, the capacity of the office to pay for some its own renovations and other factors. Construction of new buildings is not being considered due to the cost involved, nor will the Project finance the acquisition of any office space.

4. The activities would require design of a standard format for offices, which would then be tailored to each office. A design firm would be recruited to develop the color scheme, design and other features, and engineering specialist would provide assistance with detailed design, bills of quantity and supervision of contractor's work. The World Bank's environmental safeguards would apply to all renovations.

5. Further, five small multi-function training and conference facilities would be created around the country within SUERIP offices and equipped with furniture and basic presentation equipment.

6. *Subcomponent A.2. Improving Customer Services and Transparency* - The objective of this subcomponent would be to increase the efficiency and effectiveness of services provided by SUERIP and territorial organizations and to create an environment of openness and transparency. Activities would include:

- Further development of the manual on laws, regulations and procedures, and development of a web based manual, with a summary placed online for the public.
- Based on experiences, reviewing and streamlining of registration procedures and business process re-engineering (see Component B1).
- Further development and publication of the code of conduct and ethics, with staff consequential training.
- Development and publication of a set of service standards, with staff consequential training.
- Development and implementation of anti-corruption, good governance and transparency initiatives (telephone hotline, information on services, feedback mechanisms).
- Potentially the development and design of legal and financial arrangements for the guarantee fund, which is mandated by the Law on State Registration.

7. Developing online services would be provided under Component B. Communications, publicity and information programs would be provided under Component C, as would activities to promote engagement among women and vulnerable peoples. Publications would be placed on the web and provided in paper form (brochures, posters, notices), and customer surveys would be conducted.

8. *Subcomponent A.3. Capacity Building* - The objective of this subcomponent would be to increase the capacity and improve the performance of staff so as to improve service delivery and customer satisfaction, and to educate key users on SUERIP's services. Based on a training needs analysis, which would be conducted at the start of the project and corresponding strategy, courses for existing staff at all levels, and also new recruits, would be provided in such areas as:

- laws and regulations
- international experience and best practice in registration
- registration procedures
- surveying, spatial data infrastructure, mapping
- basic computer literacy
- customer service and dispute resolution, including focus on needs of women and vulnerable people
- archives management and protection
- land management and environmental sustainability
- human resources management
- ethics, code of conduct, service standards
- management, including project planning and management
- business and strategic planning.

9. Capacity development would involve course and materials development and delivery (face to face, e-learning). Creation of a training portal would be investigated and considered. A small number of study tours and attendance at conferences would also be considered. Short courses for key users and actors in the immovable property system (notaries, local government, surveyors, courts, banks and others) would be developed and provided to raise their awareness of SUERIP, its services and the registration system. Support could be provided to selected higher education faculties to develop courses on the Law on State Registration to educate future lawyers and cadastral engineers.

10. A training plan (based on a strategy for human resources development) would be produced each year, and statistics would be collected for each course (including participants' satisfaction and gender of participants). This subcomponent would involve the specially authorized state body, as relevant to the project's objectives.

11. *Subcomponent A.4. Policy, Legal and Institutional Framework Development* - The objective of this subcomponent would be to ensure that the legal framework supports and promotes registration and increases security of tenure, and that the internal operations and management of SUERIP would be improved and transparency and public trust in the organization would be increased. The Project will support further improvements to regulations and secondary legislation and advice on legal amendments, however the Project will not involve or require Parliamentary action.

12. Activities would focus on support to SUERIP (short-term consultancies, workshops) and its policy/legal staff to develop policy studies and proposals and to draft legislative, regulations and orders, and explanatory materials. Areas in which reform would be provided are:

- Framework laws (Civil Code, Land Code) amendments to reflect good practice with registration, secure tenure and development of a land market.
- Law on State Registration of Immovable Property to improve and streamline procedures, requirements and powers/duties of SUERIP and territorial organizations, particularly in light of practical experience after pilot period.
- Related laws, such as Law on Mortgage, Law on Lease, Law on Notaries to ensure conformity with registration system, security of tenure and best practice.
- New legislation, such as regulations on sale of land use rights (with right of alienation), regulations on guarantee fund under Law on State Registration and possibly a law on compulsory acquisition of immovable property by the state. Legislation might also be required to permit registration of buildings that do not have full documentation on construction, such as a legalization law.

13. The work under this subcomponent would be coordinated with efforts of other donors. It would involve the specially authorized state body, as the body responsible for the policy and legislative frameworks. Activities to support institutional development and transparency, which would be delivered through a small amount of short-term technical assistance, would cover the following areas:

- Improved reporting (internal and external)
- Assessment of accounting policies, standards, practices and system
- Analysis of fees, budgeting and sustainability, business and financial planning
- Human resources management system and human resources policies, and preparation of job descriptions.

Suitable accounting software would be acquired if required, with consequential training. This component would finance goods, works and services.

Component B: Software Development and Data Management

14. This component would support the design, development, testing and implementation of software for immovable property registration, and the provision of the required hardware for the end users, and launch a web portal for access to immovable property information by professionals and the public. The Component will also support data management activities such as digitizing/conversion of paper documents to electronic format for integration into a database management system and for migration of the data into the immovable property registration system.

15. This component would finance goods, consultant services and technical services. The various activities are detailed below.

Subcomponent B.1. Software Development for Immovable Property Registration

16. Business Analysis, System Requirements Specification and Standards Definition The objective of this subcomponent would be to analyze the existing immovable property registration business processes and document them, develop user requirements and the business case for software development based on international standards and best practice. It will also be necessary to support SUERIP to develop a longer term strategy or plan for IT development (5-10 years) which would be done within years 2-3 once the organization has had time to assess its capacities and needs.

17. The subcomponent would support business analysis, business process documentation, data modeling and performance standards analysis. It would also support re-engineering with process workflows design for a modern immovable property registration system.

18. System Architecture and Development A system architecture would be designed and developed based on the discussions with the SUERIP's management and technical teams and taking into account the modern technological trends, land administration ICT best practice solutions, and local conditions and capacities. A sustainability plan would be developed based on the architecture chosen, the system detailed design and the available resources. A strategy/plan for disaster recovery would also be developed based on available resources, both human and financial.

19. The system would support integrated workflows and procedures. The IT software would be developed/customized as a centralized system as sufficient ICT infrastructure is available. To be determined during the design phase is whether to use FLOSS (Free License Open Source

Software) systems or a customized off the shelf solution. The Project aims to implement the registration functionality and pilot the integration of cadaster functionality.

20. There is a well-developed communication network based on the fiber optic lines (provided mainly by Tajik-telecom) as well as a broadband 3G and 4G cellular network covering all populated areas of the country. This network has been effectively utilized for nationwide information systems by several governmental institutions (Ministry of Health, Ministry of Finance, and Pension Fund). Another critical aspect for the ICT system implementation is the need for a secure data storage and back-up capacity. The government has established a Data Processing Center of high capacity and proven operational reliability in the Ministry of Finance. This provides one option for SUERIP for data hosting and back-up and will be considered during the requirements phase of the system development.

21. To the extent possible, a public web-portal would be established to provide public access to the allowed data from the central database and also to allow for secure, authorized access for other governmental institutions (such as tax authority) and business organizations (such as banks, lawyers, notaries and others). This would not be available until there is sufficient data in the system.

22. This sub-component would support:

- Analysis and design of system architecture;
- Business Analysis and System Requirements Specification;
- Specification and plan, and development of tools for and Data Migration;
- Software system development, testing and operational piloting;
- Software system tuning, integration and operationalizing;
- Quality assurance and quality control;
- System installation and rollout;
- Development of public web portal;

Subcomponent B.2. Data Conversion

23. The purpose of this sub-component is to bring the various datasets from the BTI and the MZ, and the MOJ into the new registration system and link them to the extent possible based on new property numbers. The immovable property records to be included in the unified land and building registration system, with the exception of a small amount of the BTI building data, are currently in hardcopy and will have to be converted to electronic format. The approximate number of records can be readily obtained from the institutions that were merged to create SUERIP. However, there is no reasonable estimate of the number of documents contained in these records.

24. The project will support SUERIP to determine the applicable documents/records to be converted, determine the best approach to convert the documents, prepare a data conversion plan, and create the capacity to scan and/or digitize all applicable immovable property records/documents to be converted. It may not be necessary to convert all of the documents contained in the immovable property records. Some documents may be deemed to no longer relevant and, therefore, not necessary to be brought into the new system, but rather maintained in paper archives.

25. The scanning itself will be done by SUERIP staff. The sub-component would support:
- i. Technical assistance to establish processes and procedures for data conversion;
 - ii. Supply scanning and other needed technology; and
 - iii. Provide training for staff.

Component C: Public Awareness and Education, Monitoring and Evaluation, and Project Management

26. Project Implementation: This component will support SUERIP to manage the project through financing the IG with procurement, financial management, environment safeguards supervision and monitoring and evaluation responsibilities.

27. Monitoring and evaluation. Monitoring and evaluation (M&E) will include gender disaggregated data on registration (as is already collected for issuance of use rights certificates). This would include also the baseline survey, mid-term evaluation and final project evaluation. This component will finance the set-up of a citizen feedback mechanism through customer satisfaction surveys to track improvements in customer service and confidence in the system. In addition, it will finance the improvement of the existing system for customer complaints.

28. Public awareness and education campaigns (PAC) and outreach activities at national, regional and local levels to inform the public about procedures and the costs and benefits of registration. Public awareness and education activities would make use of various organizations interested in land rights, rural citizens and women, in particular. This activity will include the preparation of a communications plan/strategy embedded in the PAC contract. The purpose is to build capacity and develop the PAC materials so that public awareness activities can be carried out by SUERIP even after the project ends. PAC activities and materials will be tailored to meet the needs of various audiences, e.g., women, pensioners, youth, professionals, etc. (as informed by the social assessment and specified in the POM), making use of television, radio, print media (brochures, posters, newspapers), internet, community meetings and so on, and exploring options such as mobile services for remote regions and telephone hotlines.

29. SUERIP is required to set up a citizen's appeal process by law and this exists. They also have a process for citizen's complaints and issues to be addressed. The Project would strengthen these mechanisms and work with SUERIP to build its capacity to respond to and resolve customers' and citizen's complaints and grievances. Performance and perceptions of the grievance mechanism will be assessed as part of the social assessment and recommendations from the SA will be incorporated. During Project implementation, the monitoring and evaluation system will monitor the appeals process.

Annex 3: Implementation Arrangements
REPUBLIC OF TAJIKISTAN: Real Estate Registration Project

Project Institutional and Implementation Arrangements

1. SUERIP was envisaged by the Law on State Registration of 2008, which was formally established by a resolution of the government dated March 2, 2013 (No 88), and established in fact on January 2, 2015. SUERIP is the sole agency responsible for real property registration in Tajikistan and will implement all components of the project directly. SUERIP is a decentralized institution in that the rayon level offices are independent, self-financing entities, however all funds and procurement would be managed centrally according to World Bank policies and procedures, though rayon level offices would be key beneficiaries. SUERIP is a self-funding entity earning fees for the services it provides for registration, cadaster and technical inventory.

2. SUERIP is an independent agency and reports to the government through the State Committee for Land Management and Geodesy (SCLMG) (as stated in the Law on State Registration of 2008). The Chairman of SCLMG will serve as chair of the Project Steering Committee. The Steering Committee will include membership from SCLMG, SUERIP, Ministry of Finance (MOF) and others as agreed with the Bank. The Steering Committee will be responsible for approving the annual work plan, procurement plan and budget for the Project, as well as other strategic decisions as needed. The Steering Committee will receive regular reporting on Project activities from SUERIP. The roles and responsibilities of the Steering Committee will be further detailed in the POM.

3. SUERIP is a self-financing agency that collects fees for its services of registration, cadastre and technical inventory.¹⁸ MOF intends to on-lend the IDA credit amount to SUERIP under the following terms: total credit amount denominated in USD, on IDA terms (75 basis points) plus 4.25% mark-up, to take into account currency fluctuations, payable over 12 years with an additional 4 year grace period. A subsidiary agreement will be signed between MOF, on behalf of the government, the SCLMG and SUERIP according to the above terms.

4. The Chairman of the SCLMG (in consultations with the SUERIP Director) will appoint a Project Director who is a SUERIP employee and who will report to the SUERIP Director. SUERIP will also appoint Component Coordinators for each of the three project components who will coordinate the activities under the Component with the Project Director. For the purposes of Project implementation SUERIP will be supported by a small project implementation group (IG) located within SUERIP to provide specialized project management assistance, specifically financial management, procurement, safeguards, and monitoring and evaluation (M&E). Other specialists may be hired on an as needed basis to supplement SUERIP's capacity. These IG specialists will be hired using consultant contracts and will be financed under consultant services not operating costs. A POM will be prepared (by effectiveness) outlining roles, responsibilities, reporting lines, communication procedures, procurement and FM processes, monitoring and evaluation, and implementation and monitoring of the EMF.

¹⁸ More details on SUERIP's financial capacity can be found in section IV.A., paragraphs 31-32 on the financial analysis.

5. SUERIP has all the necessary departments needed for implementation – legal, registration, cadaster, information technology, human resources, accounting, finance and monitoring, and archives. SUERIP is a decentralized institution in that the local offices (at rayon level) are independent, self-financing entities, however all funds and procurement would be managed centrally according to World Bank policies and procedures, though rayon level offices would be key beneficiaries. As SUERIP is a new agency significant capacity gaps exist and a training plan has been developed during project preparation to address most technical and administrative gaps. The Project will be implemented in a gradual fashion to allow the client to build capacity as the implementation proceeds.

6. The IT capacity within SUERIP to undertake the implementation of an automated immovable property registration system is very limited. SUERIP plans to establish an operational ICT department consisting of four specialists in the headquarters in Dushanbe. SUERIP will need intensive international technical assistance to prepare data standards, analyze and map business processes, and prepare standard operating procedures. Subsequent to completion of these activities SUERIP will need assistance to prepare technical specifications for the system design, development, and implementation. There are software and IT development specialists available on the local market who could be hired either on a contract basis or as SUERIP staff to work with experienced international ICT specialists to build an automated registration system.

Financial Management, Disbursements and Procurement

Financial Management

7. The overall financial management (FM) functions under the Project, including budgeting and planning, accounting and reporting, internal control procedures, staffing of the FM function and external audit will be handled by SUERIP. A full FM assessment was carried out for SUERIP in accordance with the Financial Management Practices Manual issued by the Financial Management Sector Board in June 2014. This assessment indicates that the FM arrangements currently do not meet the necessary FM and disbursement requirements but upon meeting of three conditions of the Effectiveness, the SUERIP will fully satisfy the Bank's fiduciary requirements. To meet the project's reporting and accounting requirements, accounting software will need to be installed, the FM chapters of the Project Operational Manual (POM) completed and the FM officer hired for the IG. The overall project risk for FM was assessed as **high** before mitigation and **substantial** after mitigation of above-mentioned measures.

Weaknesses and Action plan:

8. The following weaknesses were identified during the assessment:
 - i. The accounting staff has no prior experience with WB policies and procedures and in external audit arrangements.
 - ii. SUERIP needs to develop the POM. The manual will be finalized prior to Effectiveness, and it will include an FM Chapter that will clearly describe financial reporting, accounting and internal control policies and procedures, budgeting and planning mechanisms. Specifically, segregation of duties will be addressed; and

iii. The existing accounting system of the SUERIP is different from the WB requirements for investment operations. Therefore, SUERIP will need to introduce the automated accounting software for the project.

9. While SUERIP has no prior experience with Bank financed projects, the SCLMG has implemented the Bank-financed LRCSP and certain staff and experience (for instance the POM) can be adapted and transferred to SUERIP to facilitate its compliance. Also the installation and adaption of FM software can be included to the contract for updating existing FM software under LRCSP that is closing in March 31, 2016. The following Actions are agreed to be implemented to ensure existence of satisfactory FM arrangements that meet Bank requirements:

Action for capacity building	Responsibility	Completion Date
1. Finalize the POM, including the FM chapter to guide staff in daily project FM operations. The FM chapter will reflect the project arrangements on financial management, including internal control mechanisms, accounting and reporting procedures, disbursement procedures, funds flow and audit arrangements.	SUERIP	By effectiveness
2. Installation and adaptation of an appropriate accounting software (agreed with the Bank) for project accounting, budgeting and reporting has been signed. The SUERIP accounting staff should be fully trained on the adapted program with one year off-site support. The accounting system shall have inbuilt controls to ensure data security, integrity and reliability, and the functionality of automatic generation of IFRs.	SUERIP	By effectiveness
3. The contract with FM consultant has been signed. The FM consultant will be responsible for project FM functions.	SUERIP	By effectiveness

10. Budgeting and planning. Under the Project, SUERIP will be responsible for the preparation of annual project budgets based on the procurement plan. Overall, project budgets, prepared on an annual basis, will form the basis for allocating funds to project activities. The budgets will be prepared in enough detail, by activities and account codes, and broken down by quarters. Annual budgets should be agreed with the World Bank before final approval, and approved annual budgets will then be entered into the accounting software and used for periodic comparison with actual results as part of the interim financial reporting. The annual budget will be prepared in detail, which is necessary for monitoring and will be based on the final procurement plan approved by the World Bank.

11. Accounting and Reporting. SUERIP uses accrual basis accounting. The accounting of SUERIP's accounts is manual, using Excel spreadsheets. SUERIP will need to utilize the accounting software which is capable to generate both IFRs and SOEs.

12. Accounts and records for the project would be maintained by SUERIP, using the automated accounting system to be installed for project accounting and reporting. The software would have capacity to produce interim financial reports in accordance with formats to be agreed with the Bank. All transactions would be recorded on a cash basis of accounting, with supporting documentation maintained in files for ready access by auditors and during implementation support missions of the World Bank. The Chart of Accounts for the project would be based on the Chart of Accounts developed by the MOF, and would be modified to allow tracking of project transactions and reporting by source of financing, project components, and type and category of expenditure.

13. Internal Controls. The SUERIP has to develop POM with strong control procedures. Strong controls should be adequately described in the developed POM. The POM should document key internal control mechanisms to be followed by the SUERIP in the application and use of project funds, with specific focus on ensuring completeness of accounting transactions, reliability of accounting data, safeguarding of assets of the projects, flow and accountability of funds, proper monitoring of contracts, proper authorization and documentation of all project expenditures, and full accountability for project funds. The POM has to reflect the typical organizational structure that will allow for adequate segregation of functions, defined job descriptions with different authority levels, as well as the flow of funds to support project activities, proper management of the bank accounts, including regular reconciliation of bank statements with project records.

14. Staffing. The Accounting Department consists of 6 staff, including the head, who also acts as the chief accountant of SUERIP. The chief accountant of SUERIP will have overall responsibility for project financial management function. To ensure sound financial management of the project funds, a financial management consultant will be hired, and is responsible for day-to-day financial management operations. The financial management consultant will work under the direction of the Chief Accountant and is expected to train other staff within the Accounting Department.

15. External Audit. The audit of the Project will be conducted (i) on an annual basis; (ii) by independent auditors and on terms of reference acceptable to the World Bank; and (iii) according to the International Standards on Auditing (ISA) issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants (IFAC). The terms of reference to be used for the project audit would be prepared by SUERIP and cleared by the Bank, and submitted to the State Committee for Investment and State Property Management (SCISPM) before contracting the auditor, under the block audit arrangement.

16. The annual audited project financial statements would be provided to the World Bank within six months of the end of each fiscal year and also at the closing of the project. In accordance with the World Bank's Access to Information Policy audited project financial statements shall be made publicly available. Upon receipt of the audited financial management statements, the Bank would also make them publicly available. The cost of the audit would be financed from the proceeds of the Grant. The table below shows the audit reports that would be required to be submitted by the project implementation agency, and the due date for submission of the audit reports.

Audit Report	Due date
<p>Project Financial Statements The Project Financial Statements include Sources and Uses of Funds, Uses of Funds by Project activities, Statement of Expenditures Withdrawal Schedule, Designated Account Statement, Notes to the financial statements, and Reconciliation Statement</p>	<p>Within 6 months of the end of each fiscal year and also at the closing of the project</p>

Funds Flow and Disbursement arrangements

17. Disbursements from the IDA Account will follow the transaction-based method, i.e., traditional Bank procedures: including advances to the designated account, direct payments, Special Commitments and reimbursement (with full documentation and against Statements of Expenditures - SOEs). For payments above the minimum application size, as will be specified in the Disbursement Letter, SUIERIP may submit withdrawal applications to the Bank for payments to suppliers and consultants directly from the Credit Account. Disbursement arrangements will be detailed in the Disbursement Letter.

18. The Designated Account, which will be managed by SUIERIP, will be replenished on a quarterly basis, as needed. The ceiling for the Designated Accounts and other disbursement details will be provided in the Disbursement Letters.

19. The project funds will be deposited and maintained separately in foreign currency Designated Account opened in a commercial bank/financial institution acceptable to the Bank for the portion of credit funds allocated to it. Project funds would be transferred electronically to a Transit Account opened at the same commercial bank for immediate payments in local currency, based on expenditures already incurred or immediately to be incurred. All payment orders would be approved by the SUIERIP Director, or his designate, and the Chief Accountant after being verified by the FM consultant.

20. Payments in foreign currency would be made either from the Designated Account or directly from the Credit Account as Direct Payment depending on the threshold for such payments, as would be determined in the Disbursement Letter. Payment Orders from the Designated Account, prepared by the FM consultant and signed by the Chief Accountant, would be approved by the SUIERIP Director. Withdrawal applications for Direct Payments would be submitted directly to the MOF where they would be reviewed and forwarded to the person authorized to sign withdrawal applications on behalf of the Recipient.

21. Retroactive Financing. Advance Contracting and Retroactive Financing up to an amount not to exceed SDR 730,000 (US\$1.0 million equivalent) shall be applicable for eligible expenditures incurred on or after January 13, 2016. In such case the procurement procedures shall be carried out in accordance with the Procurement Guidelines or Consultant Guidelines.

Procurement

22. General. Procurement for the Project will be carried out in accordance with the World Bank's "Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" Dated January 2011 and Revised July 2014; Consulting services would be procured following the Bank's Guidelines "Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" Dated January 2011 and Revised July 2014; and the provisions stipulated in the Financing Agreement. The World Bank Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credit and Grants dated October 15, 2006 and revised on January 2011, would also apply. The general description of various items under different expenditure categories is provided below. For each contract to be financed by the Credit, the different procurement methods or consultant selection methods, the need for prequalification, estimated costs, prior review requirements, and time frame would be agreed between the Borrower and the Bank team and will be reflected in the Procurement Plan.

23. Procurement of Goods, Works, Non-Consulting Services and Consultant Services. Goods to be procured under the project would include mainly IT equipment and software; office furniture and equipment. Works would include renovation of offices. Consultant services would include: support to planning and institutional sustainability, development of policy and regulatory framework, improving customer services and transparency; capacity building activities and public awareness campaigns; project audit and services of individual consultants to support project coordination and implementation.

24. Procurement of works, goods and non-consulting services will be conducted using the Bank's Standard Bidding Documents (SBD) for all ICB and an ECA Sample Bidding Document for Procurement of Works and Goods following NCB procedures for all NCB. The standard NCB provisions for Tajikistan, as included in the Financing Agreement, would be applied to all the NCB contracts. Selection methods for consulting firms will depend on the nature and complexity of assignments, interest to foreign firms and need for international expertise, together with the estimated budget of the services. The following methods will be used: Quality and Cost-Based Selection (QCBS), Quality-Based Selection (QBS), Least Cost Selection (LCS), Selection Based on Consultant's Qualification (CQS), Selection under a Fixed Budget (FBS), Selection of Individual Consultants, and Single-Source Selection (SSS). Short lists of consultants for services estimated to cost less than US\$300,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

25. Training. The project will finance training programs for a large number of stakeholders, key users and actors in the immovable property system, SUERIP staff, creation of a training portal and study tours. SUERIP will develop a detailed training plan which will be approved by the Bank.

26. Operating Costs. Operating costs would include all expenses necessary to ensure proper implementation of the project, including but not limited to local travel, communication and bank charges, etc. The quarterly budget for operating costs would be prepared by SUERIP and cleared by the Bank. The Borrower's procurement procedures shall apply.

27. Assessment of the agency’s capacity to implement procurement. SUERIP’s capacity for implementation of procurement activities was assessed in July 2015 and documented in the P-RAMS

28. Procurement activities for the Project will be carried out by SUERIP through the IG to be established. SUERIP does not have prior experience with the World Bank-financed projects and has limited experience of procurement under the national legislation. SUERIP will nominate its respective staff who will have overall procurement responsibility, including coordination of procurement activities within the organization. The SUERIP nominated staff will be assisted in conducting procurement under the project by a local procurement consultant with sound knowledge of procurement in projects financed by the World Bank and experienced in activities mostly related to procurement of IT systems, goods and consultant’s services. The consultant will provide on-the-job training for the nominated staff to build procurement capacity in the SUERIP. Existing procurement capacity of the LRCSP PMU may also be used to ensure transfer of skills to the SUERIP staff through on-the-job training.

29. Continuous training of the SUERIP staff involved in procurement activities, especially staff working in the Finance Department and Tender Evaluation Committee members, is recommended. Considering sustainability, the training program should also include trainings on public procurement so SUERIP achieves the status of “Qualified procuring entity” and is included on the roster of procuring entities.

30. Risk. The overall project risk for procurement is rated ‘**High**’. After mitigation measures are implemented, the residual risk would be ‘**Substantial**’. The risks associated with procurement and the mitigation measures were identified in the assessment of the agency’s procurement capacity and are summarized in the table below:

Description of Risk	Risk Rating	Mitigation Measures	Residual Risk Rating
<p>Potential procurement delays: arrangements for clearance of evaluation reports with the SCISPM may lead to procurement delays; SUERIP staff is not be familiar with international procurement procedures; relatively slow decision making process at the SUERIP.</p>	H	<p>(i) The Bank and SCISPM have agreed on a timeline to finalize tenders from bid document preparation to contract award. The Bank team will closely monitor adherence to the timeline; (ii) Intensive procurement training for SUERIP staff, including Tender committee members, involved in conducting procurement; (iii) Monitoring procurement progress against the detailed procurement plan; timeframe for the decision making is covered in the Project Operation Manual.</p>	S

Description of Risk	Risk Rating	Mitigation Measures	Residual Risk Rating
Procurement of ICT and IMS: There is large scope of IT related procurement. Experience in the region shows procurement delays.	H	Hiring of International ICT consultant experienced in procurement of IT equipment and systems to ensure advanced preparation of BDs, TORs and quality and involvement of technical staff and users in preparation of specifications.	S
Contract administration procedures may not be adequate to ensure efficient and timely contract implementation; contract amendments not processed diligently	H	More emphasis and training on appropriate contract management; regular physical inspections and compliance checks and quality control of the deliverables by the SUERIP.	S
Overall high public procurement risk environment.	H	Enforcement of public disclosure and transparency provisions of the Bank's Guidelines; publication of procurement plans, notification and advertising, contract awards under the Sub-projects on the State Agency on Procurement of Goods, Works and Services portal; Close Bank's implementation supervision.	S
OVERALL	H		S

31. Procurement Plan. The initial procurement plan shall be agreed between the Borrower and the Bank and finalized at negotiations. After the Project is approved by the Board it would be published on the SCLMG's website and Bank's external website. The Procurement Plan would be updated in agreement with the Bank team at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity. The prior review thresholds set out in the Procurement Plan will be reviewed from time to time and revised as needed during the project implementation.

32. The thresholds for methods of procurement and prior review limits are detailed below.

Expenditure Category	Contract Value (USD)	Procurement Method	Bank Prior Review
Goods (including non-consulting services)	≥1,000,000	ICB	All the ICB contracts

	< 1,000,000	NCB	First 2 NCB contracts and all other NCB contracts above \$500,000
	≤ 100,000	Shopping	The 1st Shopping contract
	NA	DC	All DC contracts
Works	≥5,000,000	ICB	All the ICB contracts
	< 5,000,000	NCB	First 2 NCB contracts and all other NCB contracts above \$2 million
	≤ 200,000	Shopping	The 1st Shopping contract
	NA	DC	All DC contracts
Consultant Services	Irrespective of Value	QCBS, QBS, FBS, LCS, CQS*	All contracts above USD 100,000 for firms plus the 1st CQS contract regardless of value; and all contracts above USD 50,000 for individuals; and all SSS contracts.
	NA	SSS	
	NA	IC	
Notes: ICB – International Competitive Bidding NCB – National Competitive Bidding DC – Direct Contracting QCBS – Quality and Cost Based Selection QBS – Quality Based Selection FBS – Fixed Budget Selection LCS – Least Cost Selection *CQS – Selection Based on Consultants’ Qualification would be followed depending on type of assignments for estimated value less than USD 300,000 SSS – Single Source Selection IC – Individual Consultant selection procedure NA – Not Applicable			

33. Frequency of Procurement Supervision. In addition to the prior review supervision to be carried out from the World Bank Country Office, the capacity assessment of the Implementing Agency has recommended two supervision missions per year during which ex-post reviews would be conducted on a sample basis (20 percent in terms of number of contracts) for the contracts that are not subject to the Bank’s prior review. One post review report, which would include physical inspection of sample contracts, would be prepared each year. At least ten percent of the contracts would be physically inspected

34. Disclosure. The following documents shall be disclosed on the SCLMG's website: a) procurement plan and updates; b) invitation for bids for goods and works for all ICB and NCB contracts; c) request for expression of interest for selection/hiring of consulting services; d) contract awards of goods and works procured following ICB/NCB procedures; e) list of contracts/purchase orders placed following shopping procedure on quarterly basis; f) short list of consultants; g) contract award of all consultancy services; h) list of contracts following DC or CQS or SSS on a quarterly basis; and i) action taken report on the complaints received on a quarterly basis. The following details shall be sent to the Bank for publishing in the Bank's external website and UNDB: a) invitation for bids for procurement of goods and works using ICB procedures; b) request for expression of interest for consulting services with estimated cost more than \$300,000; c) contract award details of all procurement of goods and works using ICB procedure; d) contract award details of all consultancy services with estimated cost more than \$300,000; and e) list of contracts/purchase orders placed following SSS or CQS or DC procedures on a quarterly basis

Safeguards

35. Environment. An Environmental Management Framework (EMF) has been prepared, which includes guidelines for minor civil works with an environmental mitigation plan and relevant checklist. Within SUERIP the Deputy Director of SUERIP assisted by a newly hired Environmental Specialist in the Technical Inventory Department will be responsible for implementing and monitoring of the EMF. Further support will be provided by the M&E consultant to be hired within the IG, who will focus on ensuring proper monitoring of the EMF. This monitoring will be reported as part of the regular, quarterly monitoring and progress reports to the Bank.

36. Social. There is very limited capacity within SUERIP for social monitoring. A social assessment has been completed and provides information on vulnerable groups. The baseline survey in year one will provide additional quantitative data on vulnerable groups and others. It will be necessary to build capacity within SUERIP for social monitoring (on gender and other vulnerabilities), for specialized public awareness raising and for grievance redress. Capacity building will be covered under the training identified in project components. In addition, the TORs for the public awareness and education consultancies would include some training activities in which relevant SUERIP staff would be expected to participate. An M&E specialist is planned for the IG and the job description for this person would be designed so that s/he has experience in social development issues. In addition, a local social development consultant could be hired as needed over the course of the Project to better support and strengthen SUERIP's capacity for social monitoring. Within the SUERIP, the Deputy Director will take the lead in ensuring proper implementation of the social issues, with support from the M&E consultant in the IG, also responsible for social monitoring.

Monitoring & Evaluation

37. The monitoring system for the project will cover data collection and reporting on the results framework, as well as baseline and mid-term surveys to monitor a number of indicators. The IG will include M&E expertise to oversee this function in the project as this capacity is limited in SUERIP. Capacity to capture statistical data regarding immovable property will also be built into the design of the registry system.

38. SUERIP, with the support of the M&E specialist in the IG, will be required to provide quarterly progress and monitoring reports to the Bank. A mid-term review (MTR) will be carried out in late 2018/early 2019, and will be particularly important to gauge progress and modify or change interventions and targets. The Project will finance a final evaluation to assess project performance, and to provide recommendations and actions for further improvement and expansion of registration services.

39. At present SUERIP regional offices provide monthly reports following a standard format via email. These reports are sent to their respective departments in the central office for aggregation. In the central office, data are collated from the various departments into quarterly reports by the Department for Document Management and Human Resources (staffed by three persons). For the purposes of reporting on the results framework, it was agreed that SUERIP would review its current formats to ensure that offices can report on required variables. These formats will be included, along with any relevant guidelines, in the POM. SUERIP also needs to ensure that, however data are being recorded whether in log/registration books or in digital format (as in the pilot offices), these data can be gender disaggregated. SUERIP agreed to designate the Chief of Accounting as their coordinator for M&E activities in the project.

Role of Partners

40. A Donor Coordination Committee exists within Tajikistan of which the Bank is a member. Under the DCC, there are several working groups, including the Agriculture & Land Working Group chaired by USAID, under which this Project falls. The Working Group includes USAID, FAO, the European Union, Japan (JICA), and other interested donors. The Bank team presented the Project to the Working Group in June 2015 and will continue to coordinate with all donors through the DCC. There is no overlap with other donor programs and complementarity with USAID.

41. USAID is financing the Land Reform and Farm Restructuring Project (LRFRP). The Bank has coordinated closely with this Project during the preparation phase and will continue to coordinate during implementation, particularly on issues related to policy and legal framework development. The LRFRP will be closing in September 2016 and USAID has indicated its likely to continue with a new phase of support focused on registration.

Annex 4: Implementation Support Plan
REPUBLIC OF TAJIKISTAN: Real Estate Registration Project

Strategy and Approach for Implementation Support

1. The strategy for the implementation support (IS) was developed based on the nature of the Project and its risk profile.
2. Procurement. Implementation support will include: (i) reviewing procurement documents and providing timely feedback to the Procurement Specialist in the IG; (ii) providing detailed guidance on the Bank's Procurement Guidelines to the Procurement Specialist already focused on ensuring procurement readiness of the first-year contracts; and (iii) monitoring procurement progress against the detailed Procurement Plan, which will be updated every six months (or as required) to reflect project implementation needs.
3. Financial Management. Implementation support will also review the project's financial management system including, but not limited to, accounting, reporting and internal controls. Financial management will rely on the project-specific accounting software managed by the IG.
4. Environmental and Social Safeguards. Compliance with environmental safeguards will be the primary responsibility of the IG with the M&E specialist specifically tasked to monitor compliance. The potential environmental implications of the rehabilitation/reconstruction of offices to be supported under the project are described in the Environmental Management Framework prepared and will be described in consequential site specific EMP checklists ensuring adequate public opportunity for inputs and disclosure of documentation.
5. ICT and ICT procurement. The Bank's new procurement guidelines provide the possibility for increased procurement support for supervision of complex procurement or where capacity is a particular issue. The Bank team will ensure proper support is provided for SUERIP on complex IT procurements, including specialized IT procurement capacity as needed, either from Bank staff or experienced consultants.

Implementation Support Plan

6. Bank team members will be based both at headquarters and in the Dushanbe Country Office to ensure timely, efficient and effective implementation support to the client. Formal IS missions and field visits will be carried out twice a year. Detailed inputs from the Bank team are outlined below:
7. Technical inputs. Technical knowledge of land registration and cadastre, information technology, and engineering works and site supervision requirements are required for reviewing bid documents to ensure fair competition through proper technical specifications and fair assessment of the technical aspects of bids/contracts. During project implementation, technical supervision is required to ensure contractual obligations are met. The Bank's Project team and PI staff will conduct site visits to SUERIP offices on a regular basis throughout the duration of the Project to review construction works, improved procedures, and other Project activities.

Time	Focus	Skills Needed	Resource Estimate	Partner Role
First twelve months	Project start-up; registration system refinements; training; ICT activities – preparation, finalization of key procurement documents; ICT procurement	Strong ICT skills, training, and registration expertise	\$125,000	USAID project will be closing within the first 6 months of project start-up but can provide registration expertise
12-48 months	Effective implementation of registration system; data conversion; ICT design and development; grievance redress, PAC, M&E	See below	\$100,000/year	
Other				

Skills Mix Required

Skills Needed	Number of Staff Weeks	Number of Trips	Comments
Land Administration Cadastre issues IT expertise ICT procurement Social Environmental Procurement Financial Management Public Communications	10-14/year total across the team	2/year 2/year 3/year 2/year 2/year 2/year Local staff Local staff TBD	To be adjusted annually based on actual budgets provided

Partners

Name	Institution/Country	Role
Land registration specialist	USAID	Support for policy and legal framework review

Annex 5: Economic and Financial Analysis
REPUBLIC OF TAJIKISTAN: Real Estate Registration Project

Economic Analysis

1. Cost Benefit Analysis (CBA): The economic soundness of the Project is based on a cost benefit analysis whereupon the ERR and NPV are estimated. The basic drivers used in the analysis consist of the numbers and values of property sales and mortgage transactions following the creation of the unified state registry system in the country. The planning horizon is 10 years. Given the relative scarcity of foreign currency in the country, the discount rate is assumed at 12%, which is 4 percentage points higher than the Central Bank's refinancing rate.
2. Real Estate and Mortgage Market: SUIERIP management estimates the number of property sales transactions at about 20,000 units annually. Information from the Ministry of Justice shows that some 10,000 to 11,000 mortgage contracts are being recorded each year. Most of these mortgage contracts are short-term credit agreements collateralized by real estate, excluding land. Some 90% of mortgages are pure commercial credits, 5% are automobile loans, 3% are seasonal farm credit and only 2% are residential mortgages. Only the last three years of these mortgage contracts represent outstanding mortgages, the rest being paid up and closed.
3. In addition to the activity on the property market (as measured by the property and value of property sales), the residential mortgage market is of prime importance for a land administration project. Mortgage transactions invariably respond positively to enhanced tenure security and exhibit an upward trend. The enabling legislation allowing the use of real estate as residential mortgage collateral was passed in 2008. The law establishes a legal framework for mortgage lending, including the possibility of using unfinished buildings (shells in local parlance) as collateral. The current interest rate is 24%, and the longest term is 5 years, which jointly result in 100% of the loan amount in interest burden when repayment is completed. The mortgagor must come up with 40% of the value of the property while the mortgage loan covers the remaining 60%. At this stage, mortgages are affordable for a small segment of the higher-income households. But, there is general agreement that real growth potential exists in the mortgage sector.
4. Estimation of Project's Efficiency Parameters (ERR and NPV): The economic analysis is premised on the dynamics of the real estate and mortgage markets and the consequential impacts expected from the project. Following are the assumptions that derive the analysis.

Table 1. Tajikistan RERP - Economic Analysis - Assumptions, Parameters & Data

Key Analytical Parameters	Unit	Without Project	With Project
MORTGAGES			
Number of Registered Mortgages in Base Year	Number	10,000	10,000
Assumed Growth Rate - Number	Percent	4.0%	5.0%
Average Value of a Residential Mortgage in Base Year	US\$	40,000	40,000
Average Value of a Mortgage Based Equity Loan	US\$	5,000	5,000
Assumed Growth Rate - Value	Percent	3.0%	4.0%
Residential Mortgage Loans	Percent	2% in base year but stabilizes at 7% in 5 years	2% in base year but stabilizes at 10% in 5 years
Mortgaged Property Based Equity Loans	Percent	97% in base year but stabilizes at 93% in 5 years.	97% in base year but stabilizes at 90% in 5 years.
SALES			
Number of Registered Sales	Number	20,000	20,000
Assumed Growth Rate - Number	Percent	3.0%	4.0%
Average Value of a Property in Base Year	US\$	35,000	35,000
Assumed Growth Rate - Value of Property	Percent	3.0%	3.0%
Opportunity Cost of Capital	Percent	N/A	12%
Project Investment Costs	US\$ M	0	10.0
Project Implementation Period	Years	N/A	5
Project Operational Period	Years	N/A	5
Net Economic Benefits attributable to Market Expansion in Real Estate and Mortgage Loans	Percent	N/A	2%

5. Accrual of the project benefits is connected with the real estate and mortgage market expansion as quantified by a comparison of with and without project scenarios. It is assumed that some 2% of this incremental market growth (in monetary terms) would be translated into disposable income for the economy and help increase the national income (GDP) by the corresponding amount. Below is a table that captures the Project's efficiency parameters, which point to a worthwhile investment.

Table 2.

Internal Rate of Return	Percent	IRR	14%
Opportunity Cost of Capital	Percent	OCC	12%
Net Present Value	US\$ M	NPV	0.46
Net Present Value of Benefits	US\$ M	NPV(B)	7.95
Net Present Value of Investment Costs	US\$ M	NPV (C)	7.09

Cost-Benefit Ratio	US\$ M	C/B	1.12
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The worksheet for the economic analysis is shown below.

Table 3.

Tajikistan - Real Estate Registration Project - Economic Analysis

	Units	Baseline	Implementation Period					Operational Period				
			1	2	3	4	5	6	7	8	9	10
Without Project		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
MORTGAGES												
Number of All Registered Mortgages - Base Year	Number	10,000										
Assumed Growth Rate for Number	Percent	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Number of Registered Mortgages	Number	CALC	10,400	10,816	11,249	11,699	12,167	12,653	13,159	13,686	14,233	14,802
RESIDENTIAL MORTGAGE SECTOR												
Percent Share of Residential Mortgages	Percent	2%	3%	4%	5%	6%	7%	7%	7%	7%	7%	7%
Number of Residential Mortgages	Number	CALC	312	433	562	702	852	886	921	958	996	1,036
Average Value of Mortgage Loan - Base Year	US\$	40,000										
Assumed Growth Rate - Value	Percent	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Average Value of Residential Mortgage Loan	US\$	CALC	41,200	42,436	43,709	45,020	46,371	47,762	49,195	50,671	52,191	53,757
Total Value of Residential Mortgages	US\$ M	CALC	13	18	25	32	39	42	45	49	52	56
MORTGAGE BASED EQUITY LOANS												
Percent Share of Equity Loans	Percent	97%	97%	96%	95%	94%	93%	93%	93%	93%	93%	93%
Number of Equity Loans	Number	CALC	10,088	10,383	10,686	10,997	11,315	11,767	12,238	12,728	13,237	13,766
Average Value of an Equity Loan	US\$	5,000										
Assumed Growth Rate - Value	Percent	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Average Value of an Equity Loan	US\$	CALC	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720
Total Value of Equity Loans	US\$ M	CALC	52	55	58	62	66	70	75	81	86	93
TOTAL MORTGAGE MARKET (w/out Project)	US\$ M	CALC	65	73	83	93	105	113	121	129	138	148
NON-MORTGAGE SALES												
Number of Registered Sales	Number	20,000										
Assumed Growth Rate for Number	Percent	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Number of Registered Sales	Number	CALC	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878
Average Value of a Property	US\$	35,000										
Assumed Growth Rate - Value of Property	Percent	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Average Value of a Property	US\$	CALC	36,050	37,132	38,245	39,393	40,575	41,792	43,046	44,337	45,667	47,037
Total Value of Sales	US\$ M	CALC	743	788	836	887	941	998	1059	1123	1192	1264
	Units	Baseline	1	2	3	4	5	6	7	8	9	10
With Project		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
MORTGAGES												
Number of All Registered Mortgages - Base Year	Number	10,000										
Assumed Growth Rate for Number	Percent	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Number of Registered Mortgages	Number	CALC	10,500	11,025	11,576	12,155	12,763	13,401	14,071	14,775	15,513	16,289
RESIDENTIAL MORTGAGE SECTOR												
Percent Share of Residential Mortgages	Percent	2%	3%	5%	7%	9%	10%	10%	10%	10%	10%	10%
Number of Residential Mortgages	Number	CALC	315	551	810	1,094	1,276	1,340	1,407	1,477	1,551	1,629
Average Value of Mortgage Loan - Base Year	US\$	40,000										
Assumed Growth Rate - Value	Percent	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Average Value of Residential Mortgage Loan	US\$	CALC	41,600	43,264	44,995	46,794	48,666	50,613	52,637	54,743	56,932	59,210
Total Value of Residential Mortgages	US\$ M	CALC	13	24	36	51	62	68	74	81	88	96
MORTGAGE BASED EQUITY LOANS												
Percent Share of Equity Loans	Percent	97%	97%	95%	93%	91%	90%	90%	90%	90%	90%	90%
Number of Equity Loans	Number	CALC	10,185	10,474	10,766	11,061	11,487	12,061	12,664	13,297	13,962	14,660
Average Value of an Equity Loan	US\$	5,000	5,000									
Assumed Growth Rate - Value	Percent	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Average Value of an Equity Loan	US\$	CALC	5,200	5,408	5,624	5,849	6,083	6,327	6,580	6,843	7,117	7,401
Total Value of Equity Loans	US\$ M	CALC	53	57	61	65	70	76	83	91	99	109
TOTAL MORTGAGE MARKET (w/ Project)	US\$ M	CALC	66	80	97	116	132	144	157	172	188	205
NON-MORTGAGE SALES												
Number of Registered Sales	Number	20,000										
Assumed Growth Rate - Number	Percent	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Number of Registered Sales	Number		20,800	21,632	22,497	23,397	24,333	25,306	26,319	27,371	28,466	29,605
Average Value of a Property	US\$	35,000										
Assumed Growth Rate - Value of Property	Percent	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Average Value of a Property	US\$		36,050	37,132	38,245	39,393	40,575	41,792	43,046	44,337	45,667	47,037
TOTAL VALUE of SALES - (w/ Project)	US\$ M		750	803	860	922	987	1,058	1,133	1,214	1,300	1,393
	Units	Baseline	1	2	3	4	5	6	7	8	9	10
Incremental Market Growth		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Incr. Value of Mortgage Loans	US\$ M		1	7	14	22	27	32	37	43	49	57
Incr. Value of Sales	US\$ M		7	15	25	35	47	60	74	90	108	128
Total Value of Increments (Mortgage + Sales)	US\$ M		8	22	39	57	73	91	111	133	158	185
Net Econ. Benefits as % of Incremental Value	Percent		2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Incremental Economic Benefits	US\$ M		0.17	0.45	0.77	1.15	1.47	1.82	2.22	2.66	3.15	3.70
Project Investment Costs	US\$ M		1.10	3.90	3.50	0.80	0.70					
Cash Flow (Benefits - Costs)	US\$ M		-0.93	-3.45	-2.73	0.35	0.77	1.82	2.22	2.66	3.15	3.70

6. Number of Procedures, Number of Days and Costs Involved in Property Transactions: According to the World Bank's Doing Business (DB) Survey, registering property in Tajikistan requires 6 procedures, takes 37 days and costs 3.7% of the property value. For the regular types of transactions which characterize the majority of the citizens, SUERIP estimates the time taken to

be some 30 days. There is a high degree of asymmetry with respect to transaction costs and times taken with respect to the six procedures. The procedure with the highest cost is the one which involves preparation and notarization of the sale/purchase agreement by the notary. Meanwhile, according to the DB Survey, the most time consuming step is the registration of land use rights which is reported to take some 30 days or so under the existing conditions. There are five agencies involved in the process to complete a transaction: BTI, Tax Committee, Notary, Municipality and Markaz Zamin. The recent merger of the BTI and Markaz Zamin to create SUERIP affords an opportunity to realize efficiencies.

7. Improvements in property registration systems through interventions by SUERIP with World Bank support are expected to alter the above picture and bring about savings in the time taken (down from 37 days to 7 to 12 days – with an average of 10 days) to complete the procedures, cost of transactions (less than 2% of the property value) as well as the number of procedures (down from 6 to 4) as shown below.

Table 4.

Registering Property in Tajikistan (Future)				
Situation With The Project - Following Data Conversion and Creation of Unified State Registers				
Steps	Anticipated Procedure	Agency Involved	Cost Breakdown	Time Taken (days)
2	Obtain tax clearance certificate	Tax Committee	0%	1
3	Preparation of documents by Registrar for transaction	SUERIP	20%	2
4	Registration of sale/purchase, building property rights and land use rights	SUERIP	75%	6
TOTALS			100%	10
Transaction Cost as a Percent of the Property Value			Less than 2%	

Source: Mission estimates (October 2015)

Fiscal Analysis

8. The fiscal analysis attempts to estimate the project’s anticipated impact on the collection of property tax and transaction related fees.

9. Tax Administration: Taxation in Tajikistan is based on the rules and regulations set forth by the Tax Code of the Republic of Tajikistan. The new Tax Code became effective as of January 1, 2013. It summarizes the general tax principles, rights and obligations of taxpayers and tax authorities, a description of taxes payable and other provisions. The tax system is structured in two areas: the nature of taxation, direct and indirect taxes, and the distribution of tax revenues between budgets, at the state and local level.

10. Property Tax and Land Tax: Property tax is a direct tax on the property considered taxable at stipulated rates, and which does not depend on the taxpayers’ economic activity. It is paid for the use of land and real estate by landholders (owners in the capacity of users) to whom land has been transferred for life, inherited, or under perpetual use, limited use or lease. The subject of taxation consists of buildings as well as construction in progress. Tajikistan does not utilize property taxation based on valuation. With some exceptions and variations, the tax base is the total

area of the real estate. Tax rates vary by region and city (district) considering the cadastral zones and types of land, and are re-assessed every 5 years.

11. Property Tax Rate: The tax rate for immovable property is set as a percentage of indexes for calculations together with the regulatory coefficients for cities and districts, depending on the location and use of immovable property. The tax rate is set at the following rates:

Table 5. Immovable Property Tax Rates (For Properties in Dushanbe)

Type of Property	Floor Area	Current Index	Rate (Percent of Index)	Max or Minimum Applicable Property Tax
Residential Building (used for living)	Up to 90 m ²	40	3%	108
Residential Buildings (used as office)	Over 90 m ²	40	4%	144
Commercial Premises	Up to 250 m ²	40	12.75%	1,275
Commercial Premises	Over 250 m ²	40	15%	1,500
Other Property	Up to 200 m ²	40	9%	720
Other Property	Over 200 m ²	40	12%	960

Source: New Tax Code of January 2013 together with Mission's calculations.

As far as coefficients, Dushanbe has a coefficient of 1 or 100% which means that taxpayers in this city pay 100% of what the calculations show. Other coefficients are: 80% (e.g. Khujand), 55% (e.g. Tursunzade), 40%, 30% (e.g. Bobojon Gafurov), 15% (e.g. Bohtar), and 9% (e.g. Vanj).

12. Local Budget Revenues: Property tax has an important share in local budget revenues which consist of tax and non-tax revenues, targeted funding and bank loans. Local tax revenues include the following: (a) VAT and excise tax, (b) income and profit taxes, (c) **property taxes**, including the enterprise property tax and personal real estate tax, (d) state duty, and (e) other taxes, including sales tax.

13. Land Tax and Real Estate Tax Revenue: Despite a 15% increase in overall public revenues, from 2006 to 2011, the share of property taxes decreased from 0.8% to 0.6%. Property tax collections for the last four years in Tajikistan are shown in the below table. According to the MTEF of 2011-2013, the share of property tax of GDP stands at a low level of 0.26%, while in developed nations this rate can be up to ten times larger (2%). The Tax Committee estimates that with enhanced tax records and data automation and sharing, property tax collections can be increased by about 30% to 40%. There is a further potential associated with the level of the current index. If it can be increased from 40 points to 50, there is potential for another 25% enhancement in property tax revenues in the country.

Table 6. Land Tax and Real Estate Tax Collections - Million TJS

Region	Land Tax				Real Estate Tax			
	2011	2012	2013	2014	2011	2012	2013	2014
Khatlon	9.90	11.06	12.09	15.16	15.92	17.27	24.72	31.12
Pamir Region	0.16	0.19	0.18	0.18	0.52	0.57	0.74	0.88
Sugd	7.10	7.00	8.51	9.26	21.33	23.66	38.81	42.37
Dushanbe	3.79	4.21	2.98	3.33	29.67	36.21	42.84	48.52

Districts RS	4.36	4.59	4.75	5.63	10.92	11.70	20.25	24.45
Totals	25.31	27.05	28.51	33.56	78.36	89.41	127.36	147.34

Source: Courtesy of Tax Committee, July 2015

14. The land tax and real estate tax combined for 2014 were TJS 180 million. Since the Project will most likely deal with a quarter of the property stock in the country, it will impact a fourth of the property tax revenues, which will be in the order of some TJS 45 million annually. Assuming an enhancement rate of some 30%, the fiscal impact due to the project will be about TJS 15 million per year at full development.

Financial Analysis

15. Entity Level Financial Analysis: SUERIP is a revenue-earning entity. Thus, a financial analysis was performed based on projections of revenues and expenditures. SUERIP's operations in 2015 yielded TJS 24 million in revenues against expenditures of TJS 19 million for the first 6 months, resulting in an operating surplus of TJS 5 million before taxes (Earnings Before Income Tax – EBIT). Extrapolated to the entire of 2015, SUERIP will probably close the year with revenues amounting to TJS 48 million, expenditures of TJS 39 million, and TJS 9 million in profits (in EBIT terms). The targeted revenues for 2015 were initially set at TJS 44 million. Therefore, SUERIP expects to exceed its own target by about 11% in 2015.

16. SUERIP Financial Sustainability: Based on current parameters and some assumptions (table below), SUERIP's revenues and expenditures were forecasted for the next 13 years to assess the organization's ability to return a positive balance at year end and be able service the IDA credit of US\$10.0 million.

17. Three growth scenarios were considered in projecting SUERIP's future revenues, which consist of 10 percent real growth¹⁹ for the base case, 12 percent real growth for the moderate growth case and 15 percent real growth for the high growth case. Interest payments (up to 5 p.a.) were ignored in the calculations. The main driving thrust behind the moderate and high growth cases is the assumption related to SUERIP being able to re-invest part of its operating surplus rather than servicing the debt to the government.

18. Staff salaries are expected to decline as a percent of revenues because SUERIP plans to retrench some of its surveyors to establish a private surveying industry in the country. According to the projections, SUERIP is expected to double its EBIT in ten years from TJS 9 to TJS 18 million without the project, while more than tripling the same under the project with a 10% revenue growth per annum (base case). Under this scenario, SUERIP can service the principal amount of the debt of US\$10.0 million (the on-lent IDA credit) in 12 years to 15 years. If an interest rate of some 5% is applied to the on-lent funds by the government, repayment may take up to 17 years.

19. Should the Government consider a 50% grant to SUERIP, the organization is expected to channel internally generated savings to meet its immediate investment needs, and hence be able to reach a higher degree of real growth in its revenues, which would in turn yield a higher level of fiscal income to the government while enabling the organization to service the principal amount

¹⁹ Real growth ignores inflation and makes use of constant TJS or constant US\$. If allowance were to be made for inflation and exchange rates, the results obtained from the above analysis would remain unchanged. Since repayments will be spread over a long period of time, effective interest rate will be between 2.5 to 3%, which is affordable and manageable.

of the debt in 8 years. This corresponds to the moderate real growth case of 12% per annum. Finally, if the Government agrees to allow SUERIP to make use of the World Bank funds without repayment, the organization will most likely achieve a much higher level of revenue and tax contributions to the Government.

Table 7.

Assumptions on Parameters					
Staff Salaries as a percent of Revenues	percent	45% initially but stabilizing at 40%	45% initially but stabilizing at 36%		
Social Security Fund (Tax) as Percent of Salary	percent	25%	25%	25%	25%
Other Cost as Percent of Revenue	percent	25%	25%	25%	25%
Average Applicable VAT	percent	15%	15%	15%	15%
Other Tax - Percent of Expenditures	percent	10%	10%	10%	10%
Profit Tax as Percent of Earnings (EBIT)	percent	25%	25%	25%	25%
Municipal Tax - Percent of Profit	percent	10%	10%	10%	10%
Debt Servicing Capacity as Percent of Net Profit	percent	40%	40%	40%	40%
Inferences from Financial Projections					
Variable	Units	Without Project	Base Scenario	Moderate Growth Scenario	High Growth Scenario
			With Project		
Annual Growth in SUERIP Revenues	percent	5%	10%	12%	15%
Debt Repayment by SUERIP	percent		100%	50%	0%
Amount of Repayment by SUERIP	US\$		10.00	5.00	0.00
Time Taken to Complete Repayment	years		12	8	0
Amount of WB Investment	M US\$	0.00	10.00	10.00	10.00
Amount of SUERIP Investment	M US\$	0.00	0	3.60	10.05
Total Investment (World Bank + Own Source)	M US\$		10.00	13.60	20.05
Fiscal Impact With Project (in 10 years)	M TJS	248.56	315.69	347.68	402.39
Fiscal Impact With Project (in 10 years)	M US\$	38.24	48.57	53.49	61.91

20. Where does the real growth in SUERIP revenues come from? SUERIP's revenues consist of several income streams as listed below:

- Preparation of Land Files on Allocation of Land Parcels (***)
- Issuance of Land Use Rights Certificates (*****)
- First time issuance of technical passports and periodic renewals (****)
- Supply of information on properties for buying and selling (regular transactions)
- Supply of information for inheritance related conveyancing
- Supply of information on pledges and mortgages
- Other miscellaneous service items

Major revenue earners are the first three categories which are marked by asterisks. It is expected that the Project will enable SUERIP to enhance its revenues from all of the above service categories, due to streamlined procedures and unified records. It should be noted that transaction-related income is limited at this stage. Therefore, growth in SUERIP revenues and growth in property transactions are not necessarily correlated.

Annex 6: Summary of Social Assessment Finding
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1. *Social Inclusion and Citizen Engagement.* As part of project preparation a Social Assessment (SA) was conducted with services of a national survey firm with supervision from a national consultant. Overall, the purpose of the SA was to provide information about the potential enabling and constraining impact of project activities on certain vulnerable groups namely women, disabled, minorities and the elderly in order to identify ways to overcome these constraints. The SA also undertook a diagnostic of the current grievance mechanism in SUERIP, and assessed attitudes and perceptions of various groups regarding land/property registration. The SA reviewed relevant literature and used qualitative methods including focus group discussions (27 with 270 persons), in-depth interviews (19) and case studies (8). The assessment built on earlier analytical work in rural land reform (in 2007, 2012 and an evaluation of LRCSP in 2015), which highlighted a number of contextual issues. Given the rural focus of earlier studies, urban residents were the majority in focus groups, interviews and case studies for the SA. Major recommendations will be integrated into the POM for implementation during the Project.

2. *Consultations.* In addition to the SA, a workshop was held in June 2015 to present the Project to Civil Society Organizations (CSO) and obtain feedback and suggestions from civil society on how to improve the Project. Participating organizations included government counterparts (LRCSP PMU, SUERIP, State Land Committee), CSOs (Consumer Union, Associations of Apartment Owners, Research and Scientific Center, Human Rights Bureau, National Association of Farmers, Helvetas), and international organizations (World Bank, USAID).

3. *Project Stakeholders.* The main direct beneficiaries of the Project will be those people and businesses who want security in their property holdings. Categories of project stakeholders identified in the SA include: (i) government ministries and agencies including the SCLMG, and its subsidiary enterprises SUERIP, FAZO, etc., Ministries of Finance and Justice, and the Tax Committee; (ii) regional and local government authorities (raion and jamoat) with subordinate offices of SCLMG and SUERIP, other local level committees and departments, plus community-based groups, namely mahallas; (iii) mayoralities of major cities including Dushanbe, Khujand, Kulyab and Khorog and municipal agencies; (iv) professionals and associations (lawyers, notaries, real estate brokers, etc.); (v) commercial sector, e.g., construction companies, survey firms; (vi) vulnerable groups including women, ethnic minorities - Russian, Kyrgyz, Turkmen, Gypsy/Luli - disabled, elderly and poor households; (vii) special interest associations and organizations, e.g., apartment owners, private entrepreneurs; and (viii) civil society organizations working on a range of relevant issues (see above).

4. *Key Issues in Registration.* On the basis of the SA, including findings from previous studies, the issues outlined in the following paragraphs, among others, have been identified and will need to be taken into account during project implementation.

5. *Gender.* From a gender perspective, the assessment concurred with earlier studies on factors that make women less likely to benefit from property rights and registration including: a)

socio-cultural traditions favoring male ownership and inheritance which influence the way in which legislation is interpreted and applied locally resulting in lower levels of property ownership; and b) lower levels of education and limited access to information on property laws and rights, although levels of awareness have been increasing due in part to targeted efforts.²⁰ Women expressed difficulties in meeting the high costs of registration including unofficial payments, as well as additional costs and the time taken to travel to and from various offices/local authorities etc. Even if women have property in their name, they may have limited registration experience since it is not uncommon to ask, for the reasons above, their male relatives or other intermediaries to handle the process for them. Women operate in a constrained environment for voice and agency vis-à-vis household level decision-making and land use, particularly when they are in both registered and unregistered marriages, but abandoned by husbands who have migrated.²¹ A number of case studies highlighted the challenges single women face as they navigate the procedures of registering property in their names and/or their children's, e.g., names missing on documents, missing papers, complicated language, multiple permissions, distances to travel to several offices. Examples of impacts on women's empowerment resulting from a lack of land ownership include being charged a 16 percent interest rate for long-term loans versus a 4 percent interest rate for men because they are assumed to be less creditworthy given their lower rate of ownership of land, other assets, employment ratios, and wages.²² The Project will have a targeted approach to women so that they can benefit from project activities. In the rural sector, there is evidence from the LRCSP evaluation that when women have information and obtain land rights, they perform as well as men.

6. *Ethnicity.* Findings indicate that ethnic minorities, Turkmens, Kyrgyz and Gypsy/Luli²³ groups, especially in rural areas, were generally unaware of the procedures for property registration. With no official market for land use rights, and houses retained within families, properties tend to remain unregistered among these groups. Data suggests that if such groups undertake registration, they tend to seek information, as well as assistance when encountering difficulties from within their communities, including leaders such as mahalla heads. For non-Tajik speakers, dealing with documents and instructions in Tajik was considered problematic, and for all minority groups the many documents and permissions needed posed constraints to undertaking registration. Although not investigated, but given the generally low level of education among the Gypsy population, Gypsy women are likely to be particularly disadvantaged in relation to awareness of their legal/property rights. Project communication and support for minority groups will consider efficient ways to address constraints, so that key information among is available and understandable and minority groups are not excluded.

7. *People with Disabilities and the Elderly.* With limited opportunities in education, developing professional skills and gainful employment, it is estimated that disabled people are twice as likely to live in poverty as the population average.²⁴ Consequently property ownership

²⁰ LRCSP (2015) Final Project Evaluation.

²¹ See UNESCO (undated). Briefing Note on the Situation of Women in Central Asia. See also World Bank (2013). Tajikistan Gender Diagnostic Note.

²² World Bank 2009, cited in World Bank (2012). Opportunities for Men and Women in Emerging Europe and Central Asia.

²³ Luli is a commonly used term in Tajikistan for Gypsies

²⁴ UNDP. Promoting the rights of persons with disabilities in Central Asia: Institutional experiences and the way forward, UNDP Regional Center for Europe and Central Asia

rates among the disabled are low. Those undertaking registration, reported difficulties traveling to and physically accessing offices and obtaining sufficient and accurate information in suitable formats, e.g., braille, sign language. For many older people, particularly those living without family support, small cash pensions have become their main, sometimes their only, source of income. When registration/re-registration of real estate becomes necessary due to the death of a spouse, privatization, etc., meeting registration costs was reported to be difficult, leaving them with limited documentation of property rights. Project efforts to address the constraints faced by these groups will consider how to make information and services more accessible and potentially affordable for such groups.

8. *Poverty.* About one third of the population lives below the poverty line, with about another 20% living close to the poverty line²⁵ and vulnerable to falling into poverty. With cost considered a key barrier, poor households are less likely to pursue registration and tenure security. Particularly vulnerable low-income groups, in both rural and urban areas, include single elderly people, persons with disabilities and those with low levels of education, which to a degree would also include women and some ethnic minority groups. Where there are disputes or when parents wish to register property to their offspring, poor households, likely with limited documentation and awareness of their rights, will not be able to afford lawyers and there is limited free legal aid available even if people are sufficiently informed about it. In addition to project activities designed to increase awareness and accessibility among vulnerable groups, an important part of implementation will be development, application and monitoring of service standards and measures to improve transparency in registration.

9. *Governance Issues.* Earlier studies indicated that costs including unofficial payments were a barrier to farmers obtaining land use rights certificates.²⁶ In this assessment, cost was considered the main barrier in real estate registration among nearly all groups surveyed. This was particularly true for the most vulnerable (low-income, single elderly, and people with disabilities) and appears to be linked primarily with the issue of unofficial payments at various stages, as well as floating/unfixed tariffs for various documents and approvals. Based on the respondents' experience, on average about TJS 1,160 was spent on preparing documents, and TJS 1,600 on registration.

10. Even when encountering problems, customers preferred using “intermediaries” identified in social networks, as well as through unofficial payments. Respondents noted that using official channels (most widely used are lawyers, courts, Hukumats, Committee on Women and Family Affairs and SCLMG) requires financial and other resources, and furthermore, there is no guarantee of a positive result. Clearly an important concern for registration customers, the Project will help address this issue through the consistent application of service standards and grievance redress, open communication about fees and performance, and regular monitoring of customer satisfaction.

11. *Grievance Redress Mechanism.* In current SUERIP offices and on paper the existing mechanism of collecting, processing and addressing citizens' appeals and grievances complies but

²⁵ UNDP (2014) Tajikistan: Human Development Report.

²⁶ World Bank, DFID & USAID (2012). Farmer and Farm Worker Perceptions of Land Reform and Sustainable Agriculture in Tajikistan, Report AAA81 – TJ, World Bank.

only in the most rudimentary way with the Law on Citizen's Appeal and other relevant laws and regulations. In most offices, complaints are entered into a logbook for registering appeals, maintained by the Human Resource or Administrative Units but no designated person is in charge. Thereafter, there is no systematic recording or analysis of grievances (appeals vs complaints, type, actions, time taken, etc.), with general summary statistics reported irregularly on request of senior management only. There are no mechanisms in place to monitor the effectiveness of the current system, and no meaningful data for decision-making. The overall trend from 2013 through 2015 suggested a gradual decrease in the number of appeals. Given the nature of current data collection, it is difficult to attribute this to improved performance, inadequately functioning grievance systems or other reasons. Based on available data, typical complaints include problems related to: obtaining land (use rights); encroachment; delays the procedure for obtaining land use certificate; non-observance of work hours by office personnel; behavior of office personnel; and, partition of property.

12. In the current system, most respondents, particularly vulnerable groups, expressed little trust in the process for fair or successful resolutions. Respondents hesitated to appeal/complain because they felt it might lead to retribution by officials. Also it was considered difficult for people with limited education to draft an appeal or complaint and submit it. Some respondents felt they had more success by-passing the official process and appealing directly to the management. Some individual management initiatives have been made to improve accountability to customers, e.g., copies of lodged complaints for customers to follow-up. However, the overall system needs a comprehensive review and re-design if it is to help improve the performance of the registry system. The Project will support the development and implementation of a suitable redress mechanism, including monitoring through additional activities such as customer satisfaction surveys.

13. *Project Impacts.* Overall, it is envisaged that the Project will have positive social impacts on a vast majority of property owners, including those belonging to vulnerable groups. Equity and welfare outcomes are expected to improve under the Project with activities focusing on improving transparency and access to the real property institutions so that all property owners and potential owners benefit. In addition, its impact on the women's increased knowledge and understanding of land rights and registration could potentially improve voice and agency at the household level, which can have ripple effects on social and economic well-being of families.²⁷ Among the respondents in the assessment, there were generally positive perceptions about the new immovable property agency once informed about it and the potential for improved efficiency in registration.

14. *Vulnerable Groups' Interests.* The assessment found interests to include a range of issues: (a) better awareness of registration benefits; open access to clear and standardized information/instructions on procedures/process; streamlining the requirements for numerous documents from various agencies; implementing standards for office procedures; improved customer relation and technical skills of SUIERIP staff; precisely defined fees better suited to the socio-economic status of the population; faster registration; better customer experience in offices (e.g., seating, queuing procedures, one-window approvals, etc.); greater availability of legal aid; multi-functional centers for unified processing; and an effective grievance redress mechanism.

²⁷ World Bank (2014). Voice and Agency: Empowering Women and Girls for Shared Prosperity.

15. *Selected Recommendations.* The full SA report contains detailed recommendations on communication, monitoring, legal and operational aspects. The selected recommendations summarized below are provided in the context of key findings related to vulnerable groups.

Awareness raising, education and information:

- Package and disseminate information according to target groups (women, low literacy, elderly, etc.) to increase awareness of the benefits of registration and the project in simple, informal language for use in various media (radio, TV, websites – both documents and short videos, phones, brochures), noting that various groups seek information in different ways.
- Provide clear, precise information and instructions on registration requirements, procedures, and tariffs/fees in a variety of media (e.g., information boards in offices, brochures, SUERIP and other agencies' websites) and update these regularly.
- Develop a minimum of basic information materials that can be available in other languages for minority groups.
- Provide targeted training for key information sources to increase their ability to inform and assist vulnerable groups with registration, e.g., jamoat officials, mahallas, notaries, etc.
- Engage CSOs to develop and disseminate targeted outreach to vulnerable groups making use of their networks and expertise in awareness raising, legal aid, and protecting rights of land users, consumers and property owners.
- Establish regular opportunities for two-way communication with SUERIP staff, e.g., open days in regional offices or other locations if needed.

Registration Procedures and Operations:

- Consider streamlining requirements to reduce the time spent obtaining documents/permissions from various agencies.
- Interventions to improve women's rights and ownership should include measures that strengthen joint titling on marital property.
- Improve the office experience for customers, e.g., seating, clear queuing procedures, and provide gender sensitivity and communications training for SUERIP staff.
- Consider mobile registration services (typically a van with a laptop and registration specialists) to visit elderly and disabled property holders, in essence taking the service to them. Mobile services/offices could also visit remote rural areas of the country. This service can be considered for the later years of the project.
- Explore ways to provide access to legal aid in partnership with other initiatives, e.g., Ministry of Justice legal aid program, periodic legal aid clinics with projects such as those of USAID.
- Review and re-design as needed the Grievance Redress Mechanism. A small working group in SUERIP could review good practice from within SUERIP (in Rudaki) and other efforts, e.g., Mayor of Dushanbe's "*Mo metavonem!*" (*We can*) web-based initiative, develop a TOR for the re-design and oversee the mechanism's design and implementation.

Monitoring, Evaluation and Analysis:

- Include in customer surveys indicators that measure changes in number of visits and their duration, segregate by gender, ethnicity, and age.
- Assess the possibility to use other feedback mechanisms to assess SUERIP and project

performance, e.g., question and answer sessions on radio/website, short but more frequent surveys using mobile phones, tablet based surveys in selected offices.

- Partner with other organizations such as UNWOMEN to further investigate the status of migrant wives/women living in unregistered marriages/abandoned families and their experience in relation to land rights, property ownership and decision-making to identify possible areas of action in policy and legal reform.

