



Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 05-Nov-2018 | Report No: PIDISDSC20902

**BASIC INFORMATION****A. Basic Project Data**

Country Peru	Project ID P162278	Parent Project ID (if any)	Project Name National Urban Cadaster and Municipal Support Project (P162278)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date Apr 01, 2019	Estimated Board Date Aug 22, 2019	Practice Area (Lead) Social, Urban, Rural and Resilience Global Practice
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Economy and Finance	Implementing Agency Ministry of Housing, Construction and Sanitation	

Proposed Development Objective(s)

The project development objective is to establish and / or strengthen urban cadasters in selected municipalities in Peru.

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	150.00
Total Financing	150.00
of which IBRD/IDA	100.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Bank for Reconstruction and Development (IBRD)	100.00
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Non-World Bank Group Financing

Counterpart Funding	50.00
Borrower	50.00



Environmental Assessment Category

B - Partial Assessment

Concept Review Decision

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

1. Peru has been one of the most prominent economic performers in Latin America in the last 25 years. With GNI per capita of US\$5,975 in 2015 (2011 PPP), its economy is one of the largest in Latin America and the Caribbean (LAC). Peru's rapid economic growth, averaging 5.3 percent since 2001, was second only to Panama's in LAC. Its population of about 31 million is relatively young, with more than half being under 30 years of age. After a massive urbanization process over the last 60 years, Peru is today a mostly urban country, with about 80 percent of the population living in urban areas. Economic growth has been widely shared. The poverty incidence rate fell from 58 to 23 percent from 2004–14, and households' incomes at the bottom 40 percent grew 50 percent faster than the national average. The fast and widely shared growth transformed Peru into an upper-middle income economy, with aspirations to become a high-income economy in the next 20 years.

2. Peru is characterized by a complex and diverse geography that holds wealth in natural resources and several spatial development challenges. Peru's geography is incredibly diverse and exposes the country to natural hazards—it has seven of the nine possible characteristics that make a country vulnerable to natural disasters: earthquakes, flash flooding, landslides, and volcanic activity, among them. The country's varied geography also causes challenges for connectivity, raising the cost of service delivery.

3. Although Peru is increasingly predominantly urban, its cities have experienced uneven growth and have suffered from the costs of congestion rather than enjoyed the benefits of agglomeration. Today, Peru is one of the most capital-centric countries in the world. While 77 percent of Peruvians live in cities, Lima accounts for 32 percent of the population (40 percent of the urban population) and 45 percent of the national GDP. In addition to the capital, there are only 3 cities with between 500 thousand and 600 thousand inhabitants and 6 cities with between 300 thousand and 400 thousand inhabitants. Only 93 districts have more than 50 thousand inhabitants and concentrate a population of 13.8 million, a little less than 50 percent of the country's total. The unplanned urbanization of Lima and other urban centers has increased disparities between the capital city and the rest of the country, and between Lima's affluent neighborhoods and its informal urban dwellings. Aside from Lima, other cities do not offer adequate employment opportunities, satisfactory living conditions or a conducive business environment. Contrary to the current trend in other Latin American countries (e.g. Colombia, Mexico), where manufacturing is leaving the capital for intermediate cities, 60 percent of Peru's manufacturing companies are concentrated in Lima.



4. The rapid pace of the urbanization process has hindered the ability of municipal governments to provide housing, infrastructure, and services to their growing populations. A considerable share of the urban population lacks adequate housing: 55 percent of Peru's households with two working members cannot afford a formal house. Thus, only 30 percent of new housing supply is generated by the formal sector. Government's efforts in housing programs are still limited compared to the size of the housing gap: while public investment in housing (1999-2014) was US 3,300 million, the housing gap estimated in the country is US \$34,000 million. Most of the population—both in Lima and in the main cities—solve their housing needs in the informal market in substandard units that have higher exposure to earthquakes, flooding and landslides. These households also rarely pay property taxes. Moreover, unplanned growth has also led to large inequities within cities, as many low-income neighborhoods have inadequate waste collection, security, public spaces, and so forth. Cities are also characterized by deep infrastructure gaps. For example, despite high levels of public investment in water and sanitation, access to water can be inequitable, as it costs up to 65 Soles (S/.) per 5 cubic meters in informal urban settlements, compared to only S/.12 in residential areas.¹

5. The ongoing efforts of Peru to decentralize functions to local governments has not been accompanied by neither the transfer of capabilities nor budget increases to make the process work well. Moreover, while spending by subnational governments as a percentage of total government expenditures grew from 20 percent in 1985 to around 30 percent in 2010, the percentage of own-source revenue stagnated, remaining at about 10 percent of the national total.² Thus, local governments would benefit from strengthening their financial capacity by raising revenue through property taxes, which is limited in the absence of a cadaster or municipal property map. Data from 2005-2007 shows that the average reliance on property tax as a share of GDP in Latin America is low, representing only 0.36%³. (The 2007 OECD average was 1.9%.⁴) The collection of the property tax is not a significant source of income at the municipal level in Peru; the country has one of the lowest levels of property tax revenue in the region: about 4.2% of local government income comes from this source. In comparison, in Chile and Brazil municipal collection accounts for 25-30% of municipal revenues, respectively.

6. National and local governments could greatly improve the effectiveness of development policies and investment planning by leveraging updated cadastral information and spatial data in urban areas. To fund the implementation of policies that reduce spatial disparities, particularly in a country with high levels of informality like Peru, national governments need to expand their tax bases with better information regarding the relationship between the taxpayers, their real estate assets and their businesses; and local governments need to increase their property tax collection and thus reduce their dependency to national transfers. The strengthening of urban cadasters can also help local government improve their city planning and land use management by clarifying the rights, restrictions and responsibilities over real estate assets. For example, urban planning tools can help municipal governments address issues such as densification, protected areas or areas at risk of flooding, etc. as well as areas that could be targeted for future growth and expansion. Further, the availability of public and transparent information on property prices and valuation can facilitate the execution of key infrastructure projects that could boost the economy. In this context, the national government plays a key role in providing technical assistance, incentives and resources to regional and municipal governments.

Sectoral and Institutional Context

7. Cadastral functions are dispersed among multiple governments agencies. Law N° 28294 of 2004 created the National Integrated Cadastral and Property Information System (SNCP by its acronym in Spanish). The objective was to regulate the

¹ Systematic Country Diagnostic. Peru. Report # 112694-PE. February 2017.

² Decentralizing Revenue in Latin America: Why and How. (2015). Inter-American Development Bank.

³ Idem.

⁴ OECD Revenue Statistics - provisional data on tax ratios for 2014. <http://www.oecd.org/ctp/tax-policy/revenue-statistics-ratio-change-latest-years.htm>



integration and unification of standards, nomenclature, and technical processes of Peru's different cadastral agencies. The SNCP system envisions the creation of a multipurpose cadaster with a strong focus on the inter-relation of the cadaster and the property registry. To this end, the SNCP creates an institutional structure and a process to integrate the different sources of information into a new, centralized Cadastral Data Base that would be equally accessible to public agencies and private agents alike.⁵

8. The 2003 Organic Law of Municipalities establishes that urban cadasters are decentralized and are the exclusive responsibility of local governments. However, and, despite the importance of access to land for investment and infrastructure development, planning, and services, more than 522 urban municipalities have outdated or non-existent cadastral information, and limited capacity to strengthen existing systems. As the urbanization process continues, municipalities lacking instruments for revenue collection are budget strapped, which hinders their ability to provide public services. Thus, 13 years after the SNCP law was approved, 60 technical standards have been produced, but in practice, only very few urban municipalities in Metropolitan Lima have been formally incorporated into the national system.

9. Peru's current cadastral model is a "gold-standard" that most municipalities cannot comply with. The country's multipurpose model has fallen short because all cadasters - regardless of the size of the municipality - must comply with the same technical standards established at national level by the SNCP. With the ultimate goal of building a single multipurpose cadaster serving both rural and urban areas as well as large and small cities, the SNCP set "a gold standard" for cadasters that is next to impossible to comply with: not only does it require urban municipalities to take on a major institutional reform project without providing any technical or financial support, but it also requires them to follow a model that is expensive to build and maintain, takes a long time to implement, and is generally much more than needed to achieve their cadastral, urban planning, and property tax collection goals.

10. Most municipalities that have already built cadasters lack the resources to carry out new cadastral surveys to include peripheral areas or update information following the standards set by the SNCP. The urban municipalities that lack even partial cadasters - typically poorer cities and districts - find it difficult to start the process, never mind reach such a high bar. Another obstacle is the constant turnover of personnel which makes it difficult to preserve the information collected in a national repository to avoid losses. Financial dependency of municipal finances on central government transfers further undermines the incentive to invest in cadasters. The classic response of municipalities to the incentive programs sponsored by the Ministry of Economy and Finance to enhance municipal tax collection has been to squeeze the already identified taxpayers instead of expanding the tax base.

11. Incomplete and outdated cadastral information impacts policy effectiveness of government agencies at all levels. Weak land information systems make it difficult for government agencies at every level (state, regional and municipal) to coordinate their policies and manage their investments. For example, government projects for social housing, schools, health facilities or other key infrastructure investments are often stalled by conflicts over ownership rights or land use restrictions; while urban land formalization programs select their areas of intervention without access to information about public infrastructure investments. The lack of capacity to manage land information has several implications for Peru's cities, as described by the World Bank's Land Governance Assessment Framework - LGAF:

⁵ SNCP is directed by a Board (Consejo Nacional de Catastro) consisting of representatives of six central government organizations: The National Superintendent of Public Registries (Superintendencia Nacional de los Registros Públicos - SUNARP); the National Geographic Institute (Instituto Geográfico Nacional - IGN); National Institute of Concessions and Mining Cadastre (Instituto Nacional de Concesiones y Catastro Minero - INACC); National Superintendency of Public Goods (Superintendencia Nacional de Bienes Estatales - SBN); Agency for the Formalization of Informal Property (Organismo de la Formalización de la Propiedad Informal - COFOPRI); and the Ministry of Culture. Joining them on the Board are three other members representing three sub-national governments: the National Assembly of Regional Governments (Asamblea Nacional de Gobiernos Regionales - ANGR); the provincial and district municipalities represented by the Association of Municipalities of Peru (Asociación de Municipalidades del Perú - AMPE); and the Municipality of Metropolitan Lima represented by Cadastral Institute of Lima. Board decisions are executed by a Technical Secretariat.



- **Most municipalities have weak property tax administration and collection capabilities.** Only a third of Peru's municipalities have assigned tariff values by streets – and even these efforts which are the Ministry of Housing, Construction and Sanitation's (MVCS) responsibility are incomplete and/or outdated. A handful of affluent municipal districts with functioning and well-maintained cadasters do have administrative procedures – and the specialized staff – in place to collect property taxes and enforce payment. In poorer districts however, collection capabilities are scarce and are focused on collecting property tax payments from formal industries and commercial areas instead of expanding the tax base. Moreover, the inadequacy of public service delivery in most cities has limited the generation of property tax payment habits. For their part, municipal authorities depend on central government transfers and point to few incentives to start building a tax collection capacity.
- **The lack of land information systems hinders local governments' capacity to produce planning instruments to anticipate and manage urban growth.** Decisions related to urban development are made in an ad-hoc manner, reacting mainly to economic and political pressures and without clear and simplified processes for development projects. This causes a pattern of urban growth that is uncontrolled and driven by informal mechanisms (squatting and illegal subdivisions in peripheral areas) and that creates environmental risks and challenges for providing basic infrastructure services to large segments of the population, even leaving large parts of cities without street addresses. In addition, without spatial information about the location and conditions of human settlements, authorities cannot take preventive measures to prevent and reduce the impact of natural disasters. Moreover, without an updated cadaster, the use of urban infrastructure finance instruments in cities as land value capture (LVC) or public private partnership (PPP) is extremely difficult. In countries like Colombia or Brazil, the implementation of multipurpose cadaster systems articulated with land use master plans have opened the opportunity to capture additional benefits of the new urban development for financing urban public needs, such as affordable housing land supply, urban infrastructure, or public facilities.
- **Peru's lack of an effective cadastral system impedes the completion of the inventory of State-owned land and undercuts opportunities to manage and negotiate access to public and private land for housing and infrastructure projects.** It is estimated that the inventory has not yet recorded 30 percent of state-owned properties, which affects the State's ability to protect and manage these sites.
- **The Property Registry has a large cadastral information deficit.** Of an estimated 8.5 million properties with an index card in the Property Registry, almost half lack cadastral information. The result is legal uncertainty, characterized by a high incidence of overlapping rights that result in boundary disputes, increased transaction costs and project delays, and undermine the Registry's reputation for providing legal security.

12. Over the years, government agencies have generated vast amounts of spatial data in Peru that could be leveraged to build urban cadasters. There are two main central government organizations responsible for generating spatial information: The Agency for the Formalization of Informal Property (COFOPRI) and the Property Registry, which manages a graphic database of property records. Over the past 20 years, COFOPRI has carried out a series of land formalization projects that have produced cadastral maps for the titling of over 2.9 million urban lots located in informal settlements. The geographic information produced for formalization purposes only defines and geo-references the urban plot (it does not include buildings) and the corresponding ownership rights or type of use of the asset. And, since the national cadastral system standard requires including additional detailed data such as built area, construction materials, date of construction and other technical information, this enormous base of information has not been used to facilitate building municipal cadasters.



13. However, these national initiatives have not been able to effectively transfer the information collected to municipalities. Between 2008 and 2011, under the World Bank financed Project for the Consolidation of Real Estate Property Rights (PCDPI, its Spanish acronym), COFOPRI gathered urban cadastral information on 545,214 urban dwellings through an agreement with 59 municipalities – including buildings located on the formalized plots and improvements per national standards. In 2013, COFOPRI was given the mandate to modernize and consolidate the national cadasters, and has since carried out new cadastral surveys and updated existing municipal registries. The number of urban dwelling units now registered by COFOPRI through municipal agreements is over 600,000. However, the lack of an appropriate institutional setting and incentives affected the impact of this effort. A 2012 study revealed that only 50 percent of the municipalities were using the cadastral information developed by PCDPI to make specific queries, and even those had not integrated the cadastral data for tax collection purposes (Cabrejos 2012).

14. Despite these challenges, there is an opportunity for Peru to address these shortcomings by equipping cities with improved urban cadaster systems. First, a comprehensive set of competencies and attributions linked to different aspects of land management is already in place, albeit dispersed among different sectors and levels of government. Second, there is abundant cadastral information that has already been produced in Peru that could be completed, integrated and updated. These processes can be optimized using information collection and management methods, such as satellite imagery, and algorithms for image classification and georeferenced surveys, which have become increasingly available and affordable.

15. Previous work carried out by the Bank on the urban cadaster system can be leveraged for Project preparation and implementation. The 2015 – 2016 Programmatic RAS - Strengthening of Peru's National Cadaster System and Legalization Processes provided technical advice to COFOPRI through four subtasks: (i) Diagnostic and Baseline of Local Capacities to Help Modernize and Consolidate Peru's SNC (P149782); (ii) Capacity Strengthening for the Management of the Urban Cadaster System (P153845); (iii) Strengthening the Property Legalization Process as Alternative to Formalization (P155274); and (iv) Expert Advice for a Diagnostic and Base Line of Informal Urban Settlements to be Formalized. The result of this work generated interest in the national authorities that subsequently led to the formal request from the government. Among others, this work highlighted the varying levels of capacity of local governments to implement cadaster systems, created a typology of municipalities according the specific gaps they had in terms of cadaster development, and presented alternative to strengthen the institutional framework to allow for the development of fit-for-purpose municipal cadasters.

Relationship to CPF

16. The Project supports the World Bank's twin goals of reducing poverty and increasing shared prosperity by clarifying the uses, rights and obligations over land of households in urban areas. It will equip local governments with the financial and technical capacity to build and update their cadasters, a basic condition for improved urban planning, land management, service provision and infrastructure development. The Project is also aligned with the Government priorities reflected in the Peru Country Partnership Strategy for FY17-FY21 (Report No. 12299-PE). The CPF focuses on eight critical objectives structured across three pillars: (i) Productivity for growth; (ii) Services for citizens across the territory; and (iii) Natural resource and climate risk management. The proposed Project will support Pillar 2 by helping local governments increase their own source revenues through property tax collection to enhance the scope, quality, and sustainability of municipal service provision. By helping governmental agencies collect and manage cadastral information, the Project would generate valuable information to improve land use planning to promote disaster prevention, emergency response, and reconstruction policies.



C. Proposed Development Objective(s)

17. The project development objective is to establish and / or strengthen urban cadasters in selected municipalities in Peru.

18. This objective will be achieved by (i) upgrading the methodologies, procedures and regulations for urban cadastral formation, maintenance and dissemination, (ii) improving the land valuation methodology to timely reflect market prices, (iii) creating a national urban cadaster database that can monitor processes, procedures and completed transactions related to urban properties, (iv) building the municipal cadaster infrastructure to generate and update cadasters, and (v) strengthening municipal capacities to use, maintain, and benefit from urban cadasters. Although tax collection is a primary driver for improving cadasters, the Project will also support the development of a strategy to strengthen municipalities and national government capabilities to use spatial data not only for land taxation but also for land use planning, enforcement of land use regulations, building resilience in face of disasters and promoting development projects. The recognition of the heterogeneity of municipalities' needs and capabilities will be important to show progressive improvements in the cadaster system and links to land use planning and management over time.

Key Results (From PCN)

19. The proposed key results indicators for the Project are:

- Direct project beneficiaries (number), of which female (percentage)
- Land parcels with use recorded because of the project (#)
- Increased property tax base by target municipalities (Number of target municipalities with increased property tax base)
- Number of municipalities with urban cadasters completed and/or updated.

D. Concept Description

20. **To address the key challenges related to the establishment and use of urban cadasters in Peru, the proposed Project will focus on the development of a fiscal cadaster and the corresponding technical assistance required to improve tax collection, urban planning and disaster risk management.** Project components and activities will be finalized during Project preparation; investments will be framed within a strategy that recognizes the diverse needs and capabilities of Peruvian municipalities and the need for a "fit for purpose" approach to progressively build national and local capacities in a sustainable manner. The proposed Project will involve citizen participation for the development of the cadaster and will generate key actionable information that could be used by authorities to address spatial disparities that affect disproportionately women and people living with disabilities. Finally, the proposed Project will also support to the extent possible the future integration of cadastral information with other land administration institutions, such as the property registry, as well as other agencies requiring updated spatial information.

21. **The Project will work in approximately 30 municipalities located in 6 cities: Lima, Arequipa, Piura, Chiclayo, Cusco and Trujillo.** Cities were selected based on their population density and tax revenue generation potential. Cooperation Agreements will be signed between the Project Implementation Unit and the target municipalities, based on a set of eligibility criteria that will be finalized during Project preparation. Examples of these criteria could include: (i) spatial continuity, to generate economies of scale in the production of inputs for the cadaster (cartography, geodesy); (ii) existing cadastral capacities; (iii) concentration and potential for increased property tax collection; (iv) municipalities with cadaster data generated by COFOPRI; (v) population density. The cadaster development will focus only on urban areas.



22. The proposed Project will have three components:

- **Component 1: Building Municipal Systems, Services and Capacities to Generate and Maintain Cadasters (US\$120 million).** This component will finance the implementation of cadastral surveys in selected municipalities following an incremental approach that starts prioritizing property tax revenue generation and progressively includes urban control and disaster risk management as core functions. This will include the support to municipalities to build the necessary systems and services to capture, maintain and benefit from cadastral information compatible with predetermined national standards including the creation or strengthening of cadaster capacities and the introduction of mechanisms to achieve financial sustainability through increased property tax revenues. This component will also finance the acquisition of logistic and technological resources at the national or local level—i.e. aero photography, cadastral software and licenses, information collection devices (PDAs or tablets, etc.)—required for building or upgrading the local cadasters. No civil works will be financed.

This component will also finance the strengthening of target municipalities' capacity to manage urbanization and to deliver high quality services. Special attention will be given to build the human and material resources necessary for the integration of the tasks and processes related to the cadaster with other existing systems in the municipalities including land use, urban and financial management, building construction licensing and tax collection. Specific investments for tax collection improvement and land use planning tools making use of cadastral data such as the creation of a pilot Observatory for the Real Estate market would be included. Finally, this component will finance activities geared towards the effective integration of municipal spatial data with other land administration agencies closely associated to addressing informal urbanization, especially the different programs and branches of the MVCS requiring updated spatial information for housing (MIVIVIENDA, Generación de Suelo Urbano, Programa de Mejoramiento Integral de Barrios), infrastructure programs, and management of State-owned land (SBN). This component will also explore the linkages with other agencies including the National Statistics Institute (INEI), the National Property Registry (SUNARP), the National Identity Registry (RENEC), the Ministry of Education, among others.

- **Component 2: Strengthening of the Institutional Framework (US\$20 million).** The Project will finance the improvement of methodologies, procedures, standards for urban cadastral formation, maintenance and dissemination. This includes the identification of different types of municipalities around which an incremental cadastral model will be designed, from the most basic and low-cost to intermediate and advanced versions with higher cost and more complex implementation. A strategy for the incremental development of cadasters will include an incentive system for municipalities that could be managed by the central government. At the same time, the Project will finance the institutional strengthening at the national level including the definition of standards and processes to ensure that the integrity of the municipal cadasters is preserved and that the information is treated and shared as a public good. To improve the fiscal effect of cadasters, the Project will also provide technical assistance to the MVCS for the revision of the land valuation methodology to timely reflect and capture market prices through property tax revenues.
- **Component 3: Project Management (US\$ 10 million).** This component will finance the management of the Project, including safeguards, fiduciary management, and Project monitoring.

23. **There are two cross cutting themes that will apply to Project design: climate adaptation and gender.** The Project will seek to integrate issues of climate change adaptation into urban planning by using spatial data for risk management



and land use planning. For example, the combination and aggregation of use of different types of imagery with the one produced by the Project could allow to produce hazard maps that could inform hazard risk mitigation actions or investments and climate change adaptation scenarios for land use planning and investments. Finally, by relying on citizen participation to build, update or expand urban cadasters, it will be possible to identify and map women’s rights and obligations over their urban properties and the restrictions that they may be facing to exercise them. These data could also be further combined with other existing databases to further improve policies that promote the empowerment of women.

24. The Project will leverage existing previous work and pool in resources of other cooperating agencies when possible. For example, the World Bank and MEF have been discussing a potential collaboration with Switzerland’s Secretariat for Economic Affairs (SECO) in the form of technical assistance and Project co-financing. SECO has been working to support MEF to review existing municipal cadaster standards and implementation at the national and city-levels and is looking for opportunities to join efforts to develop and roll out an operational model to assist local governments in the implementation of their cadasters.

Note to Task Teams: The following sections are system generated and can only be edited online in the Portal. *Please delete this note when finalizing the document.*

SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

During project preparation, 30 urban municipalities will be selected for the development of "tailor-made" cadastral systems. No civil works will be included in the project.

B. Borrower’s Institutional Capacity for Safeguard Policies

The Ministry of Housing, Construction and Sanitation (MVCS) will act as the official counterpart and will be responsible for the technical oversight of the Project. The implementing agency will be the Agency for the Formalization of Informal Property (COFOPRI). As such, it will be responsible for the fiduciary and any WB policy requirement and aspects. The MVCS has experience managing World Bank financed projects in the water and sanitation sector, and in the past COFOPRI has also managed World Bank financing as part of a land regularization project. Nevertheless, during project preparation, the institutional capacity for implementation of environmental and social safeguards according to Bank policies will be evaluated and specific recommendations will be provided before Project Appraisal.

C. Environmental and Social Safeguards Specialists on the Team

Carlos Tomas Perez-Brito, Social Specialist
Ximena Rosio Herbas Ramirez, Environmental Specialist

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
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Environmental Assessment OP/BP 4.01	Yes	<p>This project is classified as Category B. There are no anticipated environmental negative impacts and risks since the project does not finance any physical activity such as civil works. The project will comprise technical assistance activities such as training, background analyses and studies, procedures development, spatial data generation, cadastral surveys, aero-photography, cadastral software and licenses, etc. The team does not foresee any adverse environmental impact, and risk in the activity consisting of preparation of a strategy for the incremental development of cadasters that include an incentive system for municipalities can be managed by the central government. The project will make sure that relevant ToRs for studies prepared as part of the project will incorporate environmental and social considerations in line with Bank policies. This language will also be incorporated in the Operations Manual. The project will operate only in urban areas where the presence of indigenous peoples meeting the identifying characteristics defined by the policy is unlikely. However, the client will carry out a Social Assessment to rule out this possibility and assess other social characteristics of selected municipalities following the recommendations of the Report: Environmental and Social Considerations in World Bank Land Use Planning Projects – Key Findings and Good Practice.</p>
Performance Standards for Private Sector Activities OP/BP 4.03	No	This policy will not be triggered given the nature of activities proposed.
Natural Habitats OP/BP 4.04	No	This policy will not be triggered since the project activities will not adversely impact on natural habitats.
Forests OP/BP 4.36	No	This policy will not be triggered since the project activities will not adversely impact on forests.
Pest Management OP 4.09	No	This policy will not be triggered since project activities will not require purchase or use of any quantities of pesticides.
Physical Cultural Resources OP/BP 4.11	TBD	Although it is not anticipated that the project will have a negative impact on any sites of physical cultural resources, including sites and areas of cultural and religious value to local communities, this policy is left TBD. Once the project scope is confirmed, the triggering of this policy will be determined.
Indigenous Peoples OP/BP 4.10	TBD	Project activities are not likely to adversely impact indigenous peoples in the country since the Project will focus on improving effectiveness and efficiency of



an urban cadaster. The project will operate only in urban areas where the presence of indigenous peoples meeting the identifying characteristics defined by the policy is unlikely. However, the client will carry out a Social Assessment to rule out this possibility and assess other social characteristics of selected municipalities following the recommendations of the Report: Environmental and Social Considerations in World Bank Land Use Planning Projects – Key Findings and Good Practice. Once the Social Assessment is concluded, it will be determined whether or not the policy needs to be triggered.

Involuntary Resettlement OP/BP 4.12

No

Project activities will not finance any infrastructure that requires land acquisition and involuntary resettlement. On the contrary, under Component 2, the Project will provide technical assistance to the MVCS for the revision of the land valuation methodology to timely reflect and capture market prices for taxing purposes and for land acquisitions or when land need to be expropriated due to development and infrastructure projects. Under component 4, the Project will also finance a consultation, information and communication strategy as part of a broader citizen engagement effort. Part of this strategy includes the development of a Grievance Redress Mechanism (GRM) for the project.

Safety of Dams OP/BP 4.37

No

This policy will not be triggered since the project will not support the construction or rehabilitation of dams nor will support other investments which rely on the services of existing dams.

Projects on International Waterways OP/BP 7.50

No

This policy will not be triggered since the project activities will not affect areas considered as international waterways.

Projects in Disputed Areas OP/BP 7.60

No

This policy will not be triggered since the Project will not be implemented in disputed areas.

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Apr 01, 2019

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

A Social Assessment will be prepared by the Borrower and will be consulted and published on the MVCS website and in



the Bank's Infoshop prior to project appraisal.

CONTACT POINT

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APPROVAL

Task Team Leader(s):	Zoe Elena Trohanis, Henry Forero Ramirez, Luis Miguel Triveno Chan Jan
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Approved By

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Country Director:	Alberto Rodriguez	05-Nov-2018
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