



# Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

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Appraisal Stage | Date Prepared/Updated: 29-Oct-2019 | Report No: PIDISDSA28075



**BASIC INFORMATION**

**A. Basic Project Data**

Country Peru	Project ID P162278	Project Name National Urban Cadaster and Municipal Support Project	Parent Project ID (if any)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 23-Oct-2019	Estimated Board Date 15-Jan-2020	Practice Area (Lead) Urban, Resilience and Land
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Economy and Finance	Implementing Agency Agency for the Formalization of Informal Property - COFOPRI	

Proposed Development Objective(s)

The project development objective is to strengthen urban cadasters in selected municipalities to improve local government capacities for revenue generation and urban management.

Components

- Component 1: Building Municipal Systems, Services and Capacities to Generate and Maintain Cadasters
- Component 2: Strengthening of the Institutional Framework
- Component 3: Project Management

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

**SUMMARY**

<b>Total Project Cost</b>	80.90
<b>Total Financing</b>	80.90
<b>of which IBRD/IDA</b>	50.00
<b>Financing Gap</b>	0.00

**DETAILS**

**World Bank Group Financing**

International Bank for Reconstruction and Development (IBRD)	50.00
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**Non-World Bank Group Financing**

Counterpart Funding	30.90
Borrower/Recipient	30.90

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

**B. 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 the region. 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. This fast and pro-poor growth transformed Peru into an upper-middle income economy, with aspirations to become a high-income economy in the next 20 years. However, after a long and positive trend in poverty reduction, the poverty rate increased from 20.7 percent in 2016 to 21.7 percent in 2017, while the extreme poverty rate stagnated. The increase in poverty was greater in urban than in rural areas (1.2 percentage points, compared to 0.6). Modest economic growth, a stagnation of the labor market, and a halt in the expansion of social spending led to the increase in poverty. In 2018, as Peru resumed economic growth, the poverty rate decreased again to 20.5, and this trend is expected to continue in the short term.

2. **Like most other countries in the region, Peru urbanized quickly in the second half of the twentieth century, which has led to the rapid, unplanned expansion of urban areas.** Peru shifted from just over 50 percent urban in 1965 to almost 80 percent urban today. The urban population continues to grow at a rate of 1.72% per year, slightly higher than the Latin American average of 1.49 percent per year (World Bank, WDI, 2015). Lack of urban planning in Lima and other cities has increased disparities between the capital city and the rest of the country, and between Lima’s affluent neighborhoods and its informal urban dwellings. The lack of land information systems has contributed to the uncontrolled growth of major cities without governments being able to produce development plans. To date only 20 percent of urban municipalities have updated urban development plans.

3. **Coupled with the high urbanization rates, Peru’s vulnerability to climate change impacts is also increasing.** Observed and projected climate change impacts in Peru include rising temperatures, extreme



precipitation, and more frequent and severe occurrences of natural disasters, including flooding and droughts linked to the recurrent *El Niño* and *La Niña* phenomena. In 2017, the natural phenomenon known as *El Niño Costero* caused numerous mudslides, landslides and floods in coastal areas of Peru. These disaster events revealed the limited capacity of local governments for land management and planning and the lack of actionable data to identify and define risk-prone areas. The absence of urban cadasters is also hindering the ongoing reconstruction efforts also aimed at increasing resilience to climate change.

**4. As urban populations have grown, municipalities' capacity to finance and manage infrastructure and service provision has not kept pace.** As the urbanization process continues, most municipalities<sup>1</sup> lack adequate capacity and instruments for income generation. According to the Municipal Tax Law (Legislative Decree No. 776 and its amendments), municipalities are entitled to collect revenue through different taxes,<sup>2</sup> including the property tax. Property tax income belongs to the respective municipality where the property is located. One of the main tools available to municipalities to identify properties and their attributes, and assign values for property taxes, is the urban cadaster. By law, municipalities must allocate five percent of the property tax income collected to finance the development, maintenance and management of their cadasters, as well as to improve tax collection activities. However, most municipalities do not comply with this provision. In addition, annually each municipality must approve its Cadastral Development Plan based on the property taxes collected in the previous year.

**5. Only 8 of the 522 urban municipalities in the country have complete and updated cadasters.** This factor, along with weak tax administration capacity at the municipal level, contributes to making Peru one of the countries with the lowest levels of property tax revenue in the region: about 4.2 percent of municipal income comes from this source. In comparison, in Chile and Brazil, municipal collection accounts for 25-30 percent of municipal revenues, respectively (World Bank, 2017). As a result, the municipalities are budget strapped, which hinders their ability to provide public services and to invest in infrastructure. These local governments are, on average, highly dependent on intergovernmental transfers, which in some cases account for over 95 percent of their spending.

**6. Municipalities could greatly improve their capacity to manage urbanization in a more sustainable way by leveraging updated cadastral information in urban areas.** While there are many issues that municipalities must address to improve urban management, including preparing and executing urban plans and disaster risk management measures, complete and updated cadasters are an important tool that can be used to inform various municipal activities. For example, cadastral data are a fundamental building block to guide development and investment in public services and infrastructure, as the cadaster provides information on public and private buildings and their occupancy. It is also crucial these cadaster data are accessible to the municipal offices in charge of natural hazard risk and climate change adaptation efforts so that the municipality can better identify the location of public assets and residential and other

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<sup>1</sup> Peru is a presidential, unitary government. 26 regions constitute the main administrative subdivisions and are governed by regional governments. Regions are subdivided in provinces, which are governed by provincial municipalities. Provinces are comprised of districts, which are governed by district municipalities. Presidential elections take place every five years, while regional and municipal elections take place every four years.

<sup>2</sup> Municipalities also collect revenue from the following taxes: property sales tax, vehicular property tax, betting tax, and gaming tax. They also collect contributions and fees established by the municipal councils (fees for public services or excise taxes, administrative services or fees, licenses for the opening of establishments, parking of vehicles, public transport, among others).



public and private buildings such as schools, hospitals, hotels, etc., to improve its emergency preparedness and response to the occurrence of natural disasters.

7. **The government has recognized the need for adequate cadastral information at the national level.** Peru does not possess an integrated national system that aggregates all municipal level cadaster data. This hinders the integration of real estate information, which translates into undetermined fiscal value of properties and an underestimation of municipal property tax collection capacity. The need for adequate cadastral information has been established as a national priority through Legislative Decree No. 1288 (2016), which declares that the development of a multipurpose urban cadaster as part of a Spatial Data Infrastructure is of national interest. This prioritization acknowledges the importance of the cadaster as a tool for development, planning, and investment to inform integrated territorial management.

### C. Sectoral and Institutional Context

8. **According to competences and functions assigned in Peru's legislation, the National Integrated Cadastral System (SNCP) governs matters related to the different types of land cadasters (*catastro predial*),** including the mining cadaster, the rural cadaster, the public asset cadaster and the urban cadaster, among others. The SNCP regulates the 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 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 Database that would be equally accessible to public agencies and private agents.

9. **While there are several actors involved in developing policies and enacting programs for urban cadasters and land use planning in Peru, the primary ones are the Ministry of Housing, Construction and Sanitation (MVCS) and the municipalities.** An overview of the legal framework and actors is available in Annex 2. These different levels of government have the following responsibilities:

- a) **At the national level, the MVCS is Peru's leading agency for housing, construction, sanitation, urban planning and urban development, state property and urban property<sup>3</sup>.** The MVCS has also the mandate to exercise shared functions with the regional and municipal governments to promote, coordinate and execute the implementation and evaluation of national and sectoral policies, programs and strategies in accordance with the characteristics of the regional or local context. Until recently there were no legal provisions that explicitly established an agency as the governing body for urban cadaster matters. In 2018, Legislative Decree N° 1365 established the MVCS as the governing body for the National Urban Cadaster (NUC). As such, the MVCS is responsible for setting the policies, standards, guidelines and technical specifications related to the national urban cadastral information. It also designates the Agency for Informal Property Formalization (COFOPRI) as the entity responsible to implement, manage, and update the NUC.<sup>4</sup>

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<sup>3</sup> Per Law N° 30156 and its regulations, approved by Supreme Decree N° 010-2014-VIVIENDA and its modifications.

<sup>4</sup> The National Urban Cadaster (NUC) is an instrument of urban management at the national level. Once established, the NUC will contain quantitative and qualitative information on urban infrastructure, formal and informal buildings, urban equipment, and public spaces within urban centers, and urban settlements, including urban conglomerates. This information can be overlapped



The MVCS has established the NUC as a platform for updating and creating urban cadastral information that can be used to improve the policy actions and investments of government agencies at all levels.

- b) **At the local level, the 2003 Organic Law of Municipalities (Law No. 29792) establishes that municipalities are responsible for developing and maintaining their urban cadasters.** Municipalities are also responsible for collecting property taxes and for land use planning within their jurisdiction.

10. **Despite Peru’s efforts to promote cadaster development under the SNCP, most municipalities do not have the capacity or resources to update or develop their urban cadasters.** The primary reason is because the SNCP set a “gold standard” for cadasters that is difficult to comply with: not only does it require urban municipalities to take on a major institutional 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, revenue generation, and urban management goals. Thus, 14 years after the SNCP law was approved, 60 technical standards have been produced, but in practice only a few municipalities within Metropolitan Lima have formally incorporated their cadasters into the national system.

11. **Cadaster data can be used to improve urban management efforts.** Currently, there is a lack of land information systems, including cadastral data, available to municipal-level urban development units, which hinders their capacity to produce planning instruments to anticipate and manage urban growth. The use of urban cadasters in Peru to inform land use planning is limited and decisions related to urban development are often made in an ad-hoc manner. This has allowed a pattern of unplanned urban growth that is primarily informal. Moreover, weak land information systems make it difficult for government agencies to coordinate their policies and manage their infrastructure and social investments.

12. **Cadastral information can significantly improve land information systems and be used to inform urban management efforts and property tax collection.** Areas for improvement are described below:

- a) **Spatial data and information about the location and conditions of the built environment (e.g., housing, public and private buildings, hospitals, schools and infrastructure) are necessary for authorities to be able to take preventive measures to reduce the impacts of natural disasters.** Cadasters provide governments with information on buildings and their attributes, occupancy, and infrastructure. This spatial information, when combined with hazard data, becomes a powerful tool for municipalities to plan and control the occupation of disaster-prone areas and the construction of housing and other facilities in accordance with the appropriate building codes and standards. These data are also critical when a disaster occurs, as they are essential to inform reconstruction efforts.

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with existing hazard maps to identify areas prone to natural disasters (Article 3 of Legislative Decree No. 1365). While the legislation was passed in 2018, the Ministry of Housing is in the process of drafting the required regulations to operationalize the system.



- b) **Municipal property tax collection rates could be increased if municipalities were to have access to updated cadaster information paired with better tax collection capacity.** Only one third of Peru's municipalities have assigned tariff values by streets – and even these efforts are incomplete and/or outdated. A handful of affluent municipalities with functioning and well-maintained cadasters do have administrative procedures – and the specialized staff – in place to collect property taxes and enforce payment. However, in most municipalities, collection capacity is scarce and focuses on collecting property tax payments from formal industries and commercial areas instead of expanding the tax base. The property tax base is usually not coordinated with the urban cadaster at the local level, if one exists, which often causes gaps in data and underreporting of taxpayers. In addition, according to the Municipal Taxation Law, property tax is to be collected from occupants or other right-holders. The lack of good sources of revenue generation prevents most municipalities from providing good quality of public services, which disincentivize families to pay their taxes. As a result, municipalities are highly dependent on central government fiscal transfers. Past incentive programs sponsored by the Ministry of Economy and Finance (MEF) to enhance municipal tax collection have not resulted in significant changes in tax collection practices.
- c) **The current property valuation methods, which are significantly different from commercial values, require updating.** The responsibility for the determination and collection of the property tax is shared between the national government and the municipalities. The national government determines the tax scales whereas the municipalities apply the tariffs and collect the tax. The regulatory framework needs to be updated to allow the valuation to be based on the market or commercial value of the properties; the current framework uses the official valuation that is prepared at the national level.

13. **Previous national government initiatives to update urban cadasters have failed to create ownership and ensure sustainability at the municipal level.** Between 2008 and 2011, under the World Bank-financed Project for the Consolidation of Real Estate Property Rights (PCDPI), the Agency for the Formalization of Informal Property (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 received the mandate to modernize and consolidate the cadaster at the national level and has since carried out new cadastral surveys and updated existing municipal registries. COFOPRI has registered more than 600,000 urban housing units through agreements with municipalities. However, the work was completed with limited engagement with municipalities to build capacity to use and manage the cadasters that COFOPRI created. 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. **Given this experience, the government is taking a new approach to consolidate cadastral information, link cadasters to property tax and urban planning systems at the local level and build local capacity to use cadastral data to improve municipalities' urban management efforts.** The government recognizes the importance of municipal cadasters to promote financial autonomy and improve the provision of public services at the local level. Although cadasters are perceived as useful instruments by



municipalities, they are also considered to be complex and costly<sup>5</sup>. The MVCS, in its role as the governing body for urban cadaster matters, will support target municipalities to develop their urban cadaster systems and link these systems with: (a) their property tax units to have a common set of taxpayer data, and (b) with their urban development units to use the cadaster data to inform urban planning and disaster risk reduction and emergency preparedness efforts. In parallel, the government will provide municipalities with support through institutional strengthening and training activities to ensure adequate capacity is in place to use and update the urban cadasters to increase municipalities' property tax collection and improve urban management over the longer term. It will also integrate cadastral information from each municipality at the national level as part of the National Urban Cadaster (NUC).

15. **The Project will focus on the development of urban cadasters and the provision of technical assistance to municipalities required to use these cadasters to improve their tax collection and urban management.** It will enhance the key urban management functions of territorial planning, land management, and disaster risk management by providing improved cadaster data, linking it with key tax collection and urban management systems and consolidating the data at the national level as part of the NUC. Investments will be framed within a strategy that recognizes the diverse needs and capacities of Peruvian municipalities and the need for a “fit for purpose” progressive approach according to the needs and resources of each municipality, which will significantly reduce the costs of generating, maintaining, managing and updating cadastral information. The project will leverage citizen participation for the development of the cadaster and will generate key actionable information that can be used by authorities to address spatial disparities that affect disproportionately women and people living with disabilities. The project will 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.

16. **The Bank is well positioned to support this Project due to its knowledge of the institutional setting and capacities governing urban cadasters in Peru.** The Bank prepared two Programmatic RAS, which identified the main bottlenecks and shortcomings in the cadastral systems, urban land generation, urban finance instruments, social housing, among other key aspects of urban development. 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. 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 alternatives to strengthen the institutional framework to allow for the development of fit-for-purpose municipal cadasters.

### C. Proposed Development Objective(s)

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<sup>5</sup> PE RAS for a Diagnostic and Base Line of Local Capacities to Help Modernize and Consolidate Peru's National Cadastre System (SNC) (P149782)





### **PDO Statement**

The project development objective is to strengthen urban cadasters in selected municipalities to improve local government capacities for revenue generation and urban management.

### **PDO Level Indicators**

The PDO-level indicators to measure achievement of the PDO are as follows:

- a) 60% increase in the property tax base of Project municipalities (Percentage)
- b) Number of people living in Project municipalities with access to improved hazard exposure data (4.7 million)
- c) 75% of plots registered by the Project are linked to land use and zoning data (Percentage)

## **B. Project Components**

17. **The Project will work with 22 prioritized municipalities located in 4 provinces: Lima, Chiclayo, Lambayeque and Piura.** From the total of 1,874 municipalities in Peru, 22 have been prioritized for financing under the project based on a set of eligibility criteria that include, inter alia: i) potential for increased property tax collection; ii) potential for fiscal decentralization (municipalities with inexistent or outdated cadasters, significant potential revenue gap, within main cities); iii) areas affected by the 2017 flooding where reconstruction efforts are taking place; iv) rapid urban development and/or expansion; and v) municipalities where the MVCS is supporting the development or updating of urban plans. Interinstitutional agreements were signed between the MVCS and the target municipalities prior to appraisal. The Project focuses only on urban areas and does not include peri-urban or rural areas of the municipalities. Detailed Coordination Agreements will be signed by the MVCS, COFOPRI with each municipality during the implementation stage.

18. The Project comprises three components:

### **Component 1: Strengthening Municipal Systems, Services and Capacities to Generate and Maintain Urban Cadasters in Project Municipalities (US\$69.1 million, of which US\$44.7 million is Bank-financed).**

This component will finance: a) the creation of an urban cadastral information base for tax purposes and urban management in project municipalities; and b) the enhancement of the capacities of selected municipalities to utilize and update cadastral data.

*Subcomponent 1.1: Creation of an urban cadastral information system for tax purposes and urban management (US\$63.6 million, of which US\$40 million is Bank-financed).* This sub-component will finance the following activities: i) a communication campaign that targets messaging for men and women about the project; ii) the implementation of cadastral surveys in project municipalities, including collection of property status information, disaggregated by gender; iii) the generation of property valuation maps in project municipalities; iv) the updating of municipal databases used for property tax collection based on the new cadastral information; and v) the acquisition of hardware and software required to use and maintain the cadaster system both at the national and local level.



*Subcomponent 1.2: Strengthening Municipal Capacity (US\$5.5 million, of which US\$4.6 million is Bank-financed).* This sub-component will finance the design, implementation and management of face-to-face technical assistance and a virtual learning platform to build capacities in selected municipalities in aspects related to the collection, use, maintenance, and updating of the cadastral information, as well as in the use of this information for property tax collection, land use planning, urban and financial management, disaster risk management, and building construction licensing.

**Component 2: Strengthening of the National Institutional Framework (US\$6.3 million, of which US\$5.3 million is Bank-financed).** This activity will finance the following activities to be conducted at the national level: (i) the updating of national level methodologies, procedures, and standards for urban cadastral formation, maintenance and dissemination; (ii) the updating of the property valuation methodology to reflect market prices; (iii) the development and implementation of a national level cadastral information system based on the ISO international standard - Land Administration Domain Model (LADM); (iv) development of guidelines for integrating climate change and natural hazard data into urban cadasters (approximately 20 percent of the component); and (v) institutional strengthening activities for the MVCS and COFOPRI in urban management.

**Component 3: Project Management (US\$5.5 million):** This component will finance the establishment and staffing of a Project Implementation Unit (PIU) within COFOPRI, which will be responsible for procurement, financial management, social and environmental safeguards activities, and monitoring the results of the project. Activities eligible for financing under this component include: i) consulting services (including specialized personnel required to implement the Project); ii) Project audit (including the preparation of financial reports); iii) Monitoring and evaluation (such as the collection of socioeconomic data and support for the monitoring of environmental and social safeguards, baseline survey and mid-term and end of the project evaluation); the (iv) the design and operation of the project's grievance redress mechanism; and iv) Operating costs (e.g., equipment, furniture, and information and communication technology).

## **E. Implementation**

19. **Project implementation will be the responsibility of the Agency for the Formalization of Informal Property (COFOPRI), which is an autonomous agency which falls under the purview of the MVCS.** The MVCS, as the governing agency of urban cadaster is responsible for the policies, standards, guidelines and technical specifications under the framework of the SNCP, which ultimately approves cadastral standards.

20. **A Project Implementation Unit (PIU) will be established within COFOPRI.** The PIU will have project management responsibility, coordinating overall project implementation, ensuring the timely availability of fund transfer to contractors, and ensuring continuous community outreach and consultation, maintaining Project accounts and producing financial reports, monitoring and evaluating program implementation and impacts, and reporting the results to the MVCS and other key stakeholders. The PIU will be staffed – at a minimum – by a Project Coordinator, a Cadaster Manager and two Cadaster Specialists, a M&E Manager and a M&E Specialist, a Capacity Strengthening Specialist, a Social Specialist, a Procurement Manager and a Procurement Specialist, a Financial Management Manager and a Budget Specialist, an IT specialist, a Communication Specialist, a Legal Advisor and an Administrative Assistant.



21. **To ensure coordination at the national level, a Project steering committee will be formed.** This committee will be led by the MVCS urban cadaster governing body and will include representatives of COFOPRI, the MVCS, MEF, and IDEP (Peruvian National Spatial Data Infrastructure) as well as target Project municipalities. The role of the committee will be to develop the policy strategy and provide guidance to the Project.

**F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)**

The project intervention area comprises 22 municipalities of Lima, Chiclayo and Piura. The urban population in the project intervention area is estimated at 4.8 million people, which represents approximately 18% of the national population. There are approximately 1.3 million households located in the area.

**G. Environmental and Social Safeguards Specialists on the Team**

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

**SAFEGUARD POLICIES THAT MIGHT APPLY**

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	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. For this reason, the only safeguards instruments under OP 4.01 is a Social Assessment that was prepared to inform technical aspects of this operation. In addition, the project comprises 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. Nevertheless,



		the Operations Manual states that all relevant Terms of References for studies prepared as part of this project incorporate environmental and social aspects are in line with Bank policies.
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	No	This policy will not be triggered since project activities will not have a negative impact on any sites of physical cultural resources, including sites and areas of cultural and religious value to local communities.
Indigenous Peoples OP/BP 4.10	No	The social assessment did not confirm the existence of any indigenous communities or communal land in participating municipalities, and any outstanding or on-going land conflict that can negatively affect the implementation of the urban cadaster.
Involuntary Resettlement OP/BP 4.12	No	Project activities will not finance any infrastructure that requires land acquisition and involuntary resettlement. However, the project will encourage and develop a comprehensive citizen engagement and participation strategy, including a communication and information campaign and the design of a Grievance Redress Mechanism (GRM) for the project. In addition, the social assessment conducted assessed economic and social distributional impacts on various populations groups, particularly women, peoples with disabilities and people without formal land tenure and ethnic minorities, per the Bank's Interim Guidance Note on Land Use Planning.
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.

**KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT**

**A. Summary of Key Safeguard Issues**

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

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 improve methodologies, procedures, and standards for urban cadastral formation, maintenance and dissemination and will develop a strategy for the incremental development of cadasters including an incentive system for municipalities that will 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.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:  
None

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.  
n/a

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

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 improve methodologies, procedures, and standards for urban cadastral formation, maintenance and dissemination and will develop a strategy for the incremental development of cadasters including an incentive system for municipalities that will be managed by the central government. At the same time, the Project will finance 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 comply with OP 4.01, the Project Operations Manual states that all relevant Terms of References for studies prepared as part of this Project will incorporate environmental and social aspects in line with World Bank safeguards policies.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Key stakeholders include the 22 municipalities directly involved in the process, business associations and NGOs at the local and regional levels. Two rounds of consultations were carried out by COFOPRI on June 6, 2019 and September 26, 2019. The first was carried out directly with several mayors and representatives of municipalities; cooperation agreements were signed during this meeting. Another consultation session was later held with target community



members, business associations, NGOs and civil society.

**B. Disclosure Requirements**

**Environmental Assessment/Audit/Management Plan/Other**

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
21-Oct-2019	24-Oct-2019	

**"In country" Disclosure**

Peru

23-Oct-2019

Comments

Social Development and Consultations report.

**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)**

**OP/BP/GP 4.01 - Environment Assessment**

Does the project require a stand-alone EA (including EMP) report?

No

**The World Bank Policy on Disclosure of Information**

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes



### All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

### CONTACT POINT

#### World Bank

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#### Implementing Agencies

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**APPROVAL**

Task Team Leader(s):	Zoe Elena Trohanis Luis Miguel Triveno Chan Jan
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**Approved By**

Safeguards Advisor:		
Practice Manager/Manager:	Ming Zhang	29-Oct-2019
Country Director:	Boris Enrique Utria	29-Oct-2019