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**CONSULTATION PHASE
ASSESSMENT REPORT**

RURAL LAND CADASTRE, TITLING, AND REGISTRATION PROJECT IN PERU

**(PE-L1026)
(3370/OC-PE)**

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LINKS

1. Original Request <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=40097617>
2. Management Response <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=39918677>
3. Eligibility Memorandum <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=40108177>
4. Project Profile, Rural Land Cadastre, Titling, and Registration Project in Peru - Third Phase (PTRT-3) [available in Spanish] <http://www.iadb.org/Document.cfm?id=39045138>
5. Loan Proposal, Rural Land Cadastre, Titling, and Registration Project in Peru - Third Phase (PTRT-3). <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=39234588>
6. Environmental and Social Management Report (ESMR), Rural Land Cadastre, Titling, and Registration Project in Peru - Third Phase (PTRT-3) [available in Spanish] <http://www.iadb.org/Document.cfm?id=39090461>
7. Loan Contract No. 3370/OC-PE [available in Spanish] <http://www.iadb.org/Document.cfm?id=39413569>

ACRONYMS AND ABBREVIATIONS

AIDSEP	Inter-Ethnic Association for the Development of the Peruvian Amazon
CC	<i>Campesino</i> communities
COFOPRI	Informal Property Regularization Commission
CONAP	Confederation of Amazonian Nationalities of Peru
CSO	Civil Society Organization
DISPACR	Agricultural Property Title Clearance and Rural Cadastre Division
ESMP	Environmental and Social Management Plan
ESMR	Environmental and Social Management Report
IDB	Inter-American Development Bank
MICI	Independent Consultation and Investigation Mechanism
MINAGRI	Ministry of Agriculture and Irrigation
NC	Native communities
Parties	AIDSEP, MINAGRI, and BID
PTRT3	Rural Land Cadastre, Titling, and Registration Project in Peru - Third Phase
UEGPS	State Project Management Unit

I. EXECUTIVE SUMMARY

- 1.1 On August 27, 2015, Mr. Henderson Rengifo Hualinga, President of the Inter-Ethnic Association for the Development of the Peruvian Amazon (AIDSEP), an umbrella group for nine regional indigenous organizations, submitted a Request to the Independent Consultation and Investigation Mechanism on behalf of 64 indigenous peoples and 1,809 native communities of the Peruvian Amazon.
- 1.2 The Requesters allege that they will be adversely affected by omissions made by the Inter-American Development Bank in the design and implementation of the “Rural Land Cadastre, Titling, and Registration Project in Peru – Third Phase” (PE-L1026), in violation of the Operational Policies on Environment and Safeguards Compliance (OP-703) and Indigenous Peoples (OP-765). They allege that those omissions will have negative, direct, and substantial effects, including ones related to (a) property and territorial rights; (b) increased pressures on land use, and (c) territorial disputes.
- 1.3 The project is a loan operation that was approved by the Bank’s Board of Executive Directors on December 3, 2014, for an amount of up to US\$ 40 million, with local matching funds in the same amount, to be granted to the Ministry of Agriculture and Irrigation (“Executing Agency” or “Executing Body”), with a sovereign guarantee from the Republic of Peru.
- 1.4 The MICI declared the Request eligible¹ on January 13, 2016. In keeping with the Policy of the MICI, and because the Requesters expressed interest in having their Request examined at both phases of the MICI process (Consultation Phase and Compliance Review Phase), the Request was transferred to the Consultation Phase in order to immediately start the assessment stage of that Phase under paragraph 27 of the Policy, pursuant to which this Report is issued.
- 1.5 The assessment of the Consultation Phase involved the analysis of relevant documents, interviews with the parties to the Request and others, as well as two visits to the project site in February and March of 2016.
- 1.6 The conclusions of this Assessment Report are that the parties have confirmed their willingness to continue with the Consultation Phase process, having been informed that it must be conducted within a maximum period of 12 months in accordance with the Policy of the MICI.
- 1.7 The MICI is grateful for the valuable input received from the parties and from interested third parties. In particular, it wishes to acknowledge the parties’ willingness to be of assistance to the team at all times and support compliance with the mandatory deadlines of this assessment stage.

¹ The Request and the Memorandum of Eligibility are available in the Public Registry of the MICI and can be accessed directly in the “Links” Section at the beginning of this document.

II. BACKGROUND

A. The Project

- 2.1 The “Rural Land Cadastre, Titling, and Registration Project in Peru, Third Phase” (PE-L1026) is a sovereign guaranteed investment loan operation in the agriculture and rural development sector. It was approved on December 3, 2014 by the Bank’s Board of Executive Directors by short procedure in the amount of US \$40 million, with local matching funds in the same amount. The borrower is the Republic of Peru, and the executing agency is the Ministry of Agriculture and Irrigation, initially through the Agricultural/Rural Productive Development Program and currently through the State Project Management Unit (UEGPS).
- 2.2 The objective of the Project is to formally record rural property in the Amazon rainforest and specific areas of the highlands in order to enhance the security of rural land ownership. According to the loan proposal, the project seeks to support rural land titling in approximately 274 districts under the jurisdictions of 10 regional governments: Amazonas, Apurímac, Cajamarca, Cusco, Huánuco, Junín, Loreto, San Martín, Ucayali, and Puno.² To meet its objectives, the project will be executed in three components:
- 2.3 Component 1. Rural Land Cadastre, Titling and Registry. This component will support the formal registration of individual rural properties and the lands of campesino and native communities.
- 2.4 Component 2. Development of the technology platform to streamline land cadastre, titling, and registry services. This component will support the development of the technology platform required to facilitate the execution of rural land cadastre, titling, and registry procedures.
- 2.5 Component 3. Strengthening of the institutional capacity and policy framework for rural land titling. This component seeks to strengthen MINAGRI’s land stewardship functions, as well as the regional governments’ ability to fully perform their designated rural and community land titling duties. This component also seeks to organize and consolidate the legal framework, adapting it to the country’s needs and technological changes.³
- 2.6 As of the date of issue of this Report, the project is at the implementation stage and pending compliance with the prerequisite conditions for the initial disbursement.⁴

² Loan Proposal, Rural Land Cadastre, Titling, and Registration Project in Peru, Third Phase, p. 9.

³ Loan Proposal, Rural Land Cadastre, Titling, and Registration Project in Peru, Third Phase, pp. 9-11.

⁴ According to the contract, the first disbursement of the loan is conditioned upon: (a) the creation of the Project Coordination Unit, including the hiring of a General Coordinator as well as social, environmental, procurement, and other specialists; (b) the establishment of the Management Committee and of the citizen participation advisory body at the national level, and (c) the approval of the Project Operations Manual (POM). (Loan Contract, clause 3.02, February 13, 2015).

B. The Request⁵

- 2.7 On August 27, 2015, Mr. Henderson Rengifo Hualinga, President of the Inter-Ethnic Association for the Development of the Peruvian Amazon (AIDSESP), an umbrella group for nine regional indigenous organizations,⁶ submitted a Request to the MICI on behalf of 64 indigenous peoples and 1,809 native communities of the Peruvian Amazon.
- 2.8 In the Request, the Requesters allege that they will be adversely affected by omissions made by the Bank in the design and implementation of the project, in violation of the Operational Policies on Environment and Safeguards Compliance (OP-703) and Indigenous Peoples (OP-765). They allege that those omissions will have negative, direct, and substantial effects related to (a) property and territorial rights; (b) increased pressures on land use, and (c) territorial disputes.
- 2.9 With regard to property and territorial rights, the Requesters allege that the project will exacerbate the insecurity of their land ownership as native communities. They assert that PTRT3 “rightly aims to address the insecurity of land tenure in the Amazon. However, its design is incorrect, setting the wrong priorities (awarding *en masse* new rights and title on 441,093 individual properties that may be occupying indigenous land and granting title to a further 353,255 colonists) and pursuing the wrong strategy (addressing first the granting of new rights and postponing the recognition of indigenous people’s ownership).”⁷
- 2.10 In terms of the increased pressure of Andean migration on indigenous territories, the Requesters allege that “The prioritization and sequence of investment in titling does not adequately consider the risks of conflict between the effect of consolidating colonists’ plots and the incentives for more migration to the edge of the rainforest and pressure on indigenous lands.”⁸ They assert that the motivation of obtaining property titles in the Amazon encourages migration to areas currently protected by native communities. Therefore, from their perspective, both demographic pressure and the pressure of natural resources extraction, as well as the potential development of agricultural crops, will cause environmental and socioeconomic harm such as the deforestation of ancestral lands, the degradation of ecosystems, and the loss of indigenous peoples’ livelihoods in view of the resulting land use changes.

⁵ The Request is available in the “Links” section of this document.

⁶ The nine regional organizations that belong to AIDSESP are: (1) the Regional Organization of Indigenous Peoples of the Eastern Amazon (ORPIO); (2) the Regional Coordinating Body of the Indigenous Peoples of San Lorenzo (CORPI); (3) the Regional Organization of AIDSESP in Ucayali (ORAU); (4) the Regional Organization of indigenous Peoples of the Northern Amazon (ORPIAN-P); (5) the Council for the Development of Indigenous Peoples of the San Martín Region San Martín (CODEPISAM); (6) the Regional Association of Indigenous Peoples of the Central Rainforest (ARPI); (7) the Regional Coordinating Body of Indigenous Peoples of AIDSESP Atayala (CORPIAA); (8) the Machiguenga Council of the Urubamba River (COMARU), and (9) the Native Federation of Madre de Dios (FENAMAD).

⁷ Original Request, Section II paragraph 2 (a). <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=40097617>

⁸ Original Request, Section II paragraph 2 (c).

- 2.11 With respect to conflicts, the Requesters cite the risks of creating new territorial disputes and aggravating the existing ones by granting land titles to settlers rather than to indigenous communities in areas where there are overlapping rights to traditional indigenous territories.
- 2.12 The Requesters additionally maintain that they have not participated in a public consultation on the Project, but have only been called to attend informational meetings. They state that their request for the Project to be submitted to prior, free, and informed consent in accordance with Peru's Law 29785 was denied on the basis that it was not timely filed. They further allege "a profound violation of Operational Policy OP-765 deriving from the incorrect classification of the project's risk, thereby avoiding the established requirement to achieve the explicit written support of native communities for the project as a condition for its approval."⁹
- 2.13 In addition, the Requesters allege discrimination against indigenous populations based on the denial of equal access to land titling.

C. Processing of the Request

- 2.14 As one of the steps in the process, the MICI received Management's Response on October 5, 2015. Although Management stated that the project had been designed in full compliance with the Bank's Operational Policies, it also noted that "there is an opportunity and an opening to strengthen the execution of the project."¹⁰ In this context, it requested the temporary suspension of the eligibility determination process for a maximum of 45 days, as provided in paragraph 23(c) of the ICIM Policy.
- 2.8 From Management's perspective, the plan of action implemented during the suspension period resulted in significant progress in bringing the interests of the Executing Body and the Requesters closer together. Management reiterated its commitment to continue with the mediation and conciliation as an observer and facilitator of the process. From the perspective of the Requesters, the concerns expressed in the Original Request, which served as the basis for its submission to the MICI, were ongoing.
- 2.9 On January 13, 2016, the Director of the MICI found the Request eligible for the Consultation Phase and transferred it to that Phase, thereby initiating the assessment stage in accordance with the Policy.
- 2.10 Considering the complexities of the Request, the MICI requested a 14-day extension of the deadline for the Assessment Report. This request was approved by the Board of Executive Directors following its consideration by short procedure pursuant to paragraph 59 of the MICI Policy.

⁹ Original Request, Section II, paragraph 2 (j).

¹⁰ Management's Response to the Request, available in the Public Registry of the MICI and accessible through the "Links" section of this document.

III. ASSESSMENT

A. Methodology

- 3.1 The methodology used in the Assessment of the Consultation Phase serves multiple purposes, to wit: to identify the issues and/or concerns expressed by the Requesters, to hear their perspectives on the potential harm, to evaluate possible areas of agreement (and areas of disagreement) and to determine the willingness of the parties to participate in a dialogue or other form of consensus-building.
- 3.2 In addition, the assessment should pay attention, as appropriate, to interested third parties and issues that are not directly related to the parties. The purpose of this broad view is to try to obtain an overall perspective of the situation relevant to the Consultation Phase. It is important to clarify that the search for information at the assessment stage of the Consultation Phase in no case is intended to form an opinion on the accuracy or validity of the assessments and/or assertions described in the Request.
- 3.3 It also bears noting that debating the issue of compliance (or noncompliance) with the Relevant Operational Policies is not the purpose of the Consultation Phase; rather, if appropriate, that discussion would take place at the MICI's Compliance Review Phase.
- 3.4 Given that the MICI's intervention is by nature limited to a specific time frame, the Consultation Phase process is designed to identify local and participatory mechanisms, and to help strengthen them so that the work of the parties facilitated by the MICI will be sustainable over time.
- 3.5 Returning to the methodology used, the assessment of the Request in this case has consisted of:
 - Documentary review of the project and the indigenous context in Peru.
 - Informational meetings with Peru's Representative at the Bank.
 - Interviews with the Management team in charge of the project.
 - Bilateral interviews with the Requesters, the Executing Agency, and other third parties, both telephonically and in person during the missions conducted.
 - Two Assessment missions—February 14-27 and March 14-18, 2016—to Peru, to the capital city of Lima as well as to different areas of the Peruvian Amazon, where meetings were held directly with native communities potentially affected by the project.
 - Interviews with third parties interested in the issues raised in the Request, for purposes of obtaining a broad and impartial perspective on those issues. This group includes: (a) representatives of international bodies headquartered in

Peru and in Washington, DC; (b) different national and international experts on indigenous issues; (c) Peruvian government agencies whose agendas in some way include land titling and/or indigenous issues in Peru, and (d) civil society organizations (CSO) that are experts on the issues raised in the Request.

- 3.6 This Report was circulated as a draft for comment from the parties. The decision on whether to incorporate those comments, or how to do so, is up to the MICI.
- 3.7 The MICI's Consultation Phase would like to acknowledge Management, the Requesters and their representatives, and the Executing Agency for the support and time they have dedicated to the process. In particular, we are grateful for the parties' prompt review of the draft and submission of their comments. The MICI understands that the time period was especially short, and is grateful for the cooperation and understanding of the parties in view of the mandatory deadlines during the process.

B. The Parties

- 3.8 The parties to the Consultation Phase of the above-referenced Request are: (a) the indigenous organization AIDSEP, comprised by nine regional organizations and 96 local federations, representing 1,809 native communities of the Amazon Region; (b) the Executing Agency, MINAGRI, responsible for executing PTRT3 through the pertinent authorities (UEGPS), which exercises national oversight over the issue of land titling through DISPACR, and (c) the Bank in its capacity as the operation's financial backer.

C. Summary of the Perspectives of the Parties

- 3.9 This section presents the perspectives of each one of the parties as they have been understood and interpreted by the Consultation Phase team. Consistent with the objective of the Consultation Phase, the issuance of an opinion regarding the validity of those perspectives is excluded from this description.

1. Perspectives of the Requesters

- 3.10 The Amazon Rainforest is being altered, especially in terms of traditional land use and the resources used by indigenous communities. This change and, according to the Requesters, the infringement of their rights, stems from economic development activities (extractive activities and the promotion of agriculture and forestry), migration (the arrival of people originally from the Andean region), and activities outside the formal economy (unlawful logging and fishing).
- 3.11 The upward trend of these new uses and activities, together with the absence of legal certainty with respect to the land of native communities, has given rise to growing concern on the part of those communities.
- 3.12 These new land and resource uses and activities are supplanting the traditional patterns of use and ownership, which has created a context of growing conflict.

- 3.13 In the opinion of the NC, the land titling project (or projects) as an instrument of legal certainty—and therefore of protection and guarantee vis-à-vis third parties—was at first welcome and encouraging news.
- 3.14 Nevertheless, given their apprehensions about its design and implementation, the NC expressed their desire for progress on the PTRT3 to be halted until it is certain that their concerns will be addressed. One of those concerns is that, from their point of view, the expectation related to the advancement of the PTRT3 is reportedly causing detrimental land speculation.
- 3.15 The concern, and therefore the interest in having an influence on the PTRT3, arises from the information that the NC have about the design and plans for the execution of the project.
- 3.16 The following points are of special interest to the communities:
- The titling process should begin by issuing title to the NC so that other beneficiaries will not be granted title, especially to individual landholdings, unless and until the titling needs of the NC have been fully met—in relation to both the demand created by the number of communities to be titled and in relation to their type (acknowledgement, titling, or amendment of title).
 - The funds available for titling should be managed efficiently, without incurring unnecessary costs, in order to achieve the greatest efficiency between the investment available and the final number of titles created.
 - The professionals taking part in the titling process should have a sufficient level of expert knowledge to carry out the project with guarantees. “Expert” in this context means both technical expertise and expertise on the particularities of the Amazon and its inhabitants. Repeated reference is made to the potential challenges that outsiders who lack knowledge of the region and the indigenous culture would face in contacting and maintaining trusting relationships with the NC.
 - The inhabitants of the communities are particularly interested in having physical markings (roads, milestones, boundary references, etc.) that allow them to indicate the territorial limits of their communities to third parties.
 - The members of the NC have an interest in the identification and management, with their active participation, of the controversial situations in their territories.
 - The NC state that the challenges and needs for legal certainty are not homogeneous within the group represented by AIDSEP. Each region faces a particular situation and their needs are different, as are their capacities and interaction with each regional government.

- The NC are especially interested in having greater understanding, in order to create awareness and protection of the way in which the Amazonian NC relate to their territory, and how the lives of the Amazonian peoples as a whole—that is, from self-identity, livelihood, health, and spiritual or religious aspects—are inextricably linked to the territory, and specifically to a form of communal land ownership. Insofar as it can be used as an instrument for granting land titles to communities, the PTRT3 is seen as an opportunity to protect this understanding of life and the land; on the contrary, when it is used as an instrument for titling land in forms of ownership other than communal (individual landholdings), it is viewed as a risk.

3.17 Notwithstanding the above, and provided that the preexisting uses and rights over the Amazon are guaranteed and respected, the NC acknowledge the process of change and the need for coexistence with alternative uses of the territory and resources of the Amazon that reflect the needs of the public interest. The NC say “We too are Peruvians.” The PTRT3, and in particular its design and manner of execution, must be an instrument of predictability that will guarantee the uses of the territory and its resources, as well as an instrument of conflict prevention and management.

2. Perspectives of the Executing Agency MINAGRI

3.18 Land titling is a priority under MINAGRI’s National Agrarian Policy¹¹ through Policy Pillar 3: Legal Certainty regarding Land, and is a cornerstone for the development of other agricultural plans including irrigation, forest resource management, and investment and productivity improvements for small and medium-sized farmers. Land titling is generally seen as an instrument that, in addition to granting security to its beneficiaries, can stimulate investment and productivity.

3.19 There were various changes in jurisdiction over land titling: it was under the responsibility of MINAGRI until 2007; then it was transferred to COFOPRI, and starting in 2010 it was exclusively under the responsibility of the regional governments. All of these changes entailed a weakening of titling capacities. In 2013, MINAGRI’s mandate to exercise oversight over land titling was established¹² with the main objective of putting it in order to strengthen it. To that end, MINAGRI has established:

- The creation of DISPACR, through which MINAGRI exercises its oversight over land titling.
- The execution of the UEGPS, as well as the Project Coordination Unit specifically in charge of carrying out the PTRT3.
- The provision of specific funding to strengthen coordination with the regional governments.

¹¹ The National Agrarian Policy of the Ministry of Agriculture and Irrigation was approved by Supreme Decree No. 002-2016-MINAGRI, published on March 18, 2016.

¹² That oversight authority was conferred by Supreme Decree No. 001-2013-AG, and subsequent Law No. 30048.

- Within the scope of Component 3 of the project, DISPACR is working to strengthen the regional governments through specific training and institutional strengthening activities so they can fully discharge their duties. Agreements have been signed with the regions for this purpose.
- Taking a medium and long-term view, it seeks to organize and consolidate the laws to bring it in line with the country's needs and technological changes.

3.20 From the State's point of view, in addition to the Amazonian territories included within the purview of PTRT3, the project also provides for the titling of land in the Andean region. Similarly, just as the Amazonian communities are the subjects and beneficiaries of communal land titling, the titling of individual landholdings is also considered.

3.21 In reference to funds for land titling from programs other than those of PTRT3, the confluence of different funding sources for titling activities in Peru is positive news because it means that greater resources will be provided to meet this need. At the same time, coordination and understanding among these sources is perceived as necessary.

3.22 MINAGRI has an interest in guaranteeing the broad and effective participation of all of the groups representing the beneficiaries of PTRT3, for which the project's National Advisory Committee (NAC) was created. Participants include a wide range of indigenous organizations from the rainforest and the highlands, as well as representatives from civil society organizations (CSOs) that specialize in community land titling. According to the ESMR, the NAC has the following functions: (a) identify problems, bottlenecks, and unforeseen consequences; (b) review the outcomes of the participatory monitoring at the regional level and of the complaint resolution mechanism; (c) provide inputs for the adaptive management of the project; (d) take part in the selection of the entities that will carry out the land titling process; (e) review the outcomes of the studies that will be conducted on social issues and matters related to the communities.¹³

3.23 It is in MINAGRI's interest to protect and strengthen the NAC's forum for dialogue as a space for plural participation.

3. Perspective of the Bank

3.24 Prior to the initiation of the Consultation Phase, Bank Management tried several times to broaden the exchange of information about the project with the Requesters. In particular, from October to December 2015, it made efforts at dialogue, hiring a professional mediator with the objective of bridging the gaps between the positions of the parties.

3.25 According to Management, this dialogue effort resulted in "significant progress toward reconciling the interests of the executing agency and the Requesters." Later, in response to the MICI's express question regarding its participation, Management expressed its willingness and intention to participate in the Consultation Phase process, cooperating in its capacity as observer and facilitator of the process.

¹³ Environmental and Social Management Report, PE-L1026, p. 24.

- 3.26 Although Bank Management wishes to support the Consultation Phase process, it also asserted in its prior statements that the Bank's Operational Policies were observed and that no project-related harm had been caused.

4. Other Perspectives

- 3.27 The representative of a CSO with extensive experience in land titling stated that, in his opinion, there is a lack of knowledge about what NC have experienced in the past and how they relate (and do not relate) to the land. He mentioned the need to broaden that knowledge within the institutions of the State in order to adapt the development plans to the specific conditions of the environment and the cultures of the people that live there.
- 3.28 A government representative brought up the need to coordinate the technical aspects of the land titling process and reach a consensus on the operationalization of PTRT3.
- 3.29 Another government representative mentioned that one of the core issues lies in the different ways in which land titling is envisioned. While MINAGRI is of the opinion that land titling is an important pillar of its National Agrarian Policy guidelines, some indigenous organizations see it as an instrument to protect and secure their traditional ways of life. These are two distinct approaches; moreover, the traditional development of the indigenous communities has not included agricultural development. The NC themselves must realize the importance of highlighting this cultural difference because they often take it for granted. Accordingly, it is essential to strengthen consensus-building mechanisms.
- 3.30 Another representative of civil society with experience in land titling mentioned that his perception is that the project was designed by technicians in an office and that this may not have helped build trust in the field.
- 3.31 Peru's Office of the Ombudsman of the People brought a necessary understanding of indigenous affairs to the table. In addition, it noted various structural challenges such as the need for regulatory harmonization and the simplification of land titling procedures. The Office underscored the need for transparency in the transfer of funds to the different regional governments and the need to work with most of them on institutional strengthening and capacity-building for land titling. It also suggested that reliable participation mechanisms be established and that the State assume the role of mediator in the event of any disputes.
- 3.32 Senior representatives of the regional government of Loreto pointed to what they consider an example of best practices, referring to the experience of the "Land Cadastre, Titling, and Registration in the Native Communities of the Pastaza, Tigre, Corrientes, and Marañón River Basins" project. They maintained that one of the project's pillars of success was the formation of participatory committees that helped build trust.
- 3.33 Finally, a representative from an indigenous women's organization expressed an interest in having more active participation in PTRT3 and asserted a general need for more information about the project, especially from the women's group.

IV. CONCLUSIONS AND NEXT STEPS

A. Conclusions of the Assessment

- 4.1 Within the scope of the Consultation Phase assessment, and as part of the second assessment mission, the MICI announced an initial joint meeting for March 18, 2016 for purposes of clarifying certain aspects of the dialogue proposal.
- 4.2 That meeting was attended by: a MINAGRI representative, various representatives of the indigenous leadership of AIDASEP and its technical body, and the Bank's project team leader.
- 4.3 At that meeting, the parties identified the opportunity to enter into a more extensive dialogue and exchange of information with regard to PTRT3 and their respective perspectives.

B. Common Interests

- 4.4 There is a common interest in land titling in general and in PTRT3 in particular. Even though each party has its own perspective, they all view it favorably as long as consensus are reached in its design and execution that resolve and protect the essential concerns and/or interests of each party.
- 4.5 Another common interest is for PTRT3 to progress as smoothly as possible. Therefore, the implementation of this process must be envisaged as an instrument for the activation of the project rather than its slowing down.

C. Areas of Opportunity for a Consultation Phase Process

- 4.6 At this initial stage of the process, the MICI has identified various areas of opportunity for a Consultation Phase process. One of the potential outcomes of the exercise would be to enhance the adherence and involvement of the different interested parties in PTRT3 and thereby contribute to its strengthening. These areas are:
- 4.7 The exchange of information and consultation regarding PTRT3, both with respect to its current status and its projected development and implementation.
- 4.8 The exchange of ideas about formulas or mechanisms that—without affecting the general oversight exercised by MINAGRI—make it possible to protect the titling of NC, increase trust among the interested parties, enhance the possibilities for mutual cooperation among the parties in relation to the strengthening and execution of the project, and create added value.
- 4.9 In addition, the MICI has identified potential positive outcomes of exchanging perspectives on how to strengthen PTRT3's institutional forums for dialogue and participation so that they will serve as effective instruments for building consensus and trust in the future.

- 4.10 Notwithstanding the right of the parties to introduce and propose issues during the process, the MICI has not identified, at this time, any possibilities for varying the number of NC to be granted title already agreed to by the parties at the April 29, 2015 coordination meeting with MINAGRI.

D. Next Steps

- 4.11 The MICI has identified a willingness to continue with the Consultation Phase on the part of all of the parties, including the regional representatives of AIDSESEP.
- 4.12 A multi-stage process is envisaged, and the MICI will work with the parties during the coming weeks to jointly define the format and scope of that process within the framework established by the Policy of the MICI for the Consultation Phase.