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THIRD MONITORING REPORT ON THE CONSULTATION PHASE AGREEMENTS

**RURAL LAND CADASTRE, TITLING, AND REGISTRATION PROJECT IN PERU,
THIRD PHASE
PE-L1026**

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1.	Original request http://www.iadb.org/document.cfm?id=40065773
2.	Consultation Phase Report and Monitoring Plan http://www.iadb.org/document.cfm?id=EZSHARE-1009163277-1043
3.	Loan proposal: Rural Land Cadastre, Titling, and Registration Project in Peru, Third Phase http://www.iadb.org/Document.cfm?id=39234622
4.	First Monitoring Report on the Consultation Phase Agreements http://www.iadb.org/document.cfm?id=EZSHARE-1009163277-1089
5.	Second Monitoring Report on the Consultation Phase Agreements https://www.iadb.org/document.cfm?id=EZSHARE-1009163277-1104

ABBREVIATIONS

AIDSEP	Asociación Interétnica de Desarrollo de la Selva Peruana [Interethnic Association for the Development of the Peruvian Amazon]
MICI	Independent Consultation and Investigation Mechanism
MINAGRI	Ministry of Agriculture and Irrigation
Parties	The Requesters, IDB Management, the borrower, the client and/or the executing agency (as applicable)
Project	Rural Land Cadastre, Titling, and Registration Project in Peru – Third Phase
PTRT3	Proyecto de Catastro, Titulación y Registro de Tierras Rurales en el Perú, Tercera Etapa [Rural Land Cadastre, Titling, and Registration Project in Peru – Third Phase]
SPDA	Sociedad Peruana de Derecho Ambiental [Environmental Law Society of Peru]
UEGPS	Unidad Ejecutora Gestión de Proyectos Sectoriales [Execution Unit for Sector Project Management]

EXECUTIVE SUMMARY

The objective of the Rural Land Cadastre, Titling, and Registration Project in Peru – Third Phase (loan PE-L1026) is to enhance the security of rural land tenure in Peru by fostering and supporting the formalization of rural property in both the Selva region and specific, targeted areas of the Sierra region. The executing agency is the Ministry of Agriculture and Irrigation (MINAGRI), acting through the Execution Unit for Sector Project Management (UEGPS).

On 27 August 2015, Asociación Interétnica de Desarrollo de la Selva Peruana [Interethnic Association for the Development of the Peruvian Amazon] (AIDESEP) submitted a Request to the Independent Consultation and Investigation Mechanism (MICI) on behalf of 1,166 native communities in Peru's Amazon region, alleging that implementation of the project would have adverse impacts, including: (a) violations of the property and territorial rights of the communities; (b) increased settlement pressures on the territories claimed by the communities; and (c) increased territorial disputes.

The Request was declared eligible on 13 January 2016. The MICI Consultation Phase process began on 31 March 2016 and was completed with an agreement on 17 August 2017. To monitor the commitments, the Parties agreed to form a Monitoring Committee made up of representatives from IDB Management, AIDESEP, and MINAGRI. The Parties also requested the MICI's involvement during the monitoring stage. The MICI issued its first and second Monitoring Reports on the Consultation Phase Agreements in November 2018 and December 2019, respectively.

The third year of monitoring, covered in this report, ran from November 2019 to December 2020. During that period, there were four MICI-facilitated meetings of the Monitoring Committee and 28 bilateral conference calls with the Parties, to hear and review the progress made toward fulfillment of the agreements reached. Notable conclusions include: (a) no progress has been made toward fulfillment of the most important aspect of the Agreement, since only two native communities out of 403 had received titles as of year-end 2020; (b) project implementation once again experienced significant delays, caused by the COVID-19 pandemic, constant staff turnover at the UEGPS, and protracted negotiations of contract addenda that have halted the fieldwork for lots 1, 2, and 4 (where 98% of the target number of native communities to receive land titles under the project reside); (c) the cited delays in the titling process could stoke higher levels of social conflict; (d) the native communities have noted with great concern an increase in land trafficking and reprisals against indigenous human and environmental rights defenders and have stressed that the titling of these lands could give indigenous communities a new institutional tool to protect their territories and leaders; (e) delays in fulfillment of the Agreements have continued to erode the trust between the Parties, and the Requesters have emphasized the need for greater transparency regarding information related to the project's new deadline and contract negotiations, especially in terms of time frames and potential bottlenecks; (f) AIDESEP has voiced concern regarding the shortfall between the number of native communities identified by the project and the target of 403 communities to receive titles; and (g) progress has been made in implementing the agreement with Sociedad Peruana de Derecho Ambiental [Environmental Law Society of Peru] (SPDA) to facilitate the active involvement of members of the communities in project implementation, as well as in the approval of the Land Trafficking Study, despite the need to reach an agreement on a dissemination strategy for that study.

The MICI will continue to call and facilitate monitoring forums, such as the Monitoring Committee, and bilateral meetings with the Parties. In addition, depending on how the COVID-19 pandemic unfolds and on the measures to contain its spread, the MICI will evaluate the feasibility and advisability of conducting a mission to Peru in 2021.

Lastly, the MICI will also continue to deliver monitoring reports to the IDB Board of Executive Directors on an annual basis, consistent with paragraph 35 of the MICI Policy.

I. CASE BACKGROUND

- 1.1 The Rural Land Cadastre, Titling, and Registration Project in Peru – Third Phase (PTRT3) (loan PE-L1026) is financed with a sovereign-guaranteed loan approved by the IDB's Board of Executive Directors on 3 December 2014 via simplified procedure. The total amount of the approved operation is US\$40 million, with local counterpart funding in the same amount. The executing agency is the Ministry of Agriculture and Irrigation (MINAGRI),¹ acting through the Execution Unit for Sector Project Management (UEGPS).
- 1.2 The project's key objective is to enhance the security of rural land tenure in Peru by fostering and supporting the formalization of rural property in both the Selva region and specific, targeted areas of the Sierra region. In terms of geographic scope, the PTRT3 has a presence in 10 of the country's regions: Amazonas, Apurímac, Cajamarca, Cuzco, Huánuco, Junín, Loreto, San Martín, Ucayali, and Puno.
- 1.3 As a result of project implementation, some 220,000 agricultural producers, 190 campesino communities, and 403 native communities will receive property titles. Although the project was initially classified as category "B" under Operational Policy OP-703, this classification was raised to category "A" owing to a set of circumstances identified by the project team, including an increase in the number of native communities to receive land titles, the project's coexistence with other land titling projects, and its overlap with other land use rights and categories.
- 1.4 On 27 August 2015, Asociación Interétnica de Desarrollo de la Selva Peruana [Interethnic Association for the Development of the Peruvian Amazon] (AIDSEP) submitted a Request to the Independent Consultation and Investigation Mechanism (MICI) on behalf of 1,166 native communities in Peru's Amazon region. The Requesters alleged that implementation of the project would have adverse impacts, including: (a) violations of the property and territorial rights of the communities; (b) increased settlement pressures on the territories claimed by the communities; and (c) increased territorial disputes. Before submitting the Request, the Requesters had been in discussions with IDB Management for more than a year to resolve the issues that prompted the complaint. It is worth noting that, as part of this process, the number of native communities to receive land titles was increased from 190 to 403.
- 1.5 The Request was registered on 3 September 2015 and declared eligible on 13 January 2016. The MICI Consultation Phase process began on 31 March 2016, following an assessment of the feasibility of a dialogue process.
- 1.6 A Coordination Committee was formed during the Consultation Phase process, made up of representatives of AIDSEP, the IDB, and the UEGPS, facilitated by the MICI. The Committee held six meetings aimed at reaching an agreement in response to the issues raised in the Request. Two workshops were also held with the participation of the Parties: one in June 2016, which yielded a list of 20 understandings among the different stakeholders, and the Workshop for Monitoring of the Agreements on 16 and 17 August 2017,² where the Parties

¹ On 23 November 2020, President Sagasti enacted Law 31,075, establishing the Ministry of Agricultural Development and Irrigation (MIDAGRI) to replace the Ministry of Agriculture and Irrigation (MINAGRI).

² Available in the project case file in the Public Registry.

reached a consensus and signed a “Memorandum of Fulfillment of Commitments and Monitoring Plan.”

- 1.7 Based on the final agreement and monitoring plan, the Parties agreed to form a Monitoring Committee to monitor the commitments, made up of representatives from IDB Management, AIDSEP, and MINAGRI. The Parties also requested the MICI’s involvement during the monitoring stage, so the Monitoring Committee’s meetings have been facilitated by the MICI. The Consultation Phase Report (document MI-54-4) describes the Consultation Phase process, the agreements reached, and the Monitoring Plan.
- 1.8 The Monitoring Plan was approved by the IDB Board of Executive Directors under the no objection procedure on 23 October 2017.³
- 1.9 In December 2019, the MICI issued its Second Monitoring Report, which covered the period from October 2018 to October 2019. That report reached the following conclusions: (a) no progress had been made toward fulfillment of the Agreement’s titling target, since no native community had received a title as of November 2019; (b) delays in project implementation could stoke social conflicts in the regions targeted by the project and had also eroded trust between the Parties; (c) the gains that had been made included the addition of native communities to the brigades conducting fieldwork and the partnership between the UEGPS and Sociedad Peruana de Derecho Ambiental [Environmental Law Society of Peru] (SPDA) to strengthen the relationship between native communities and the project; and (d) the UEGPS had shared with the Requesters copies of the contracts with consulting firms.
- 1.10 The background to case MICI-PE-2015-0094 and the public documentation prepared as part of the process can be consulted in the case file in the [MICI Public Registry](#).⁴

II. MICI POLICY AUTHORITY FOR THE MONITORING OF AGREEMENTS

- 2.1 Paragraph 35 of the MICI Policy (document MI-47-6) establishes that, if the Parties reach agreement in the Consultation Phase process, when applicable the MICI will develop, in consultation with the Parties, a monitoring plan and time frame for the agreement reached. The term of the plan will not exceed five years.
- 2.2 In accordance with paragraph 35 of the MICI Policy, the MICI will submit a monitoring report to the Board for information at least annually.

³ On 23 October 2017, the IDB Board of Executive Directors approved (without interruption) the Monitoring Plan designed by the Parties. The plan was presented in the Consultation Phase Report for Request MICI-PE-2015-0094.

⁴ The public documents on the case can be accessed from the “Links” section.

III. ACTIONS DURING THE REPORTED MONITORING PERIOD

- 3.1 This report covers activities carried out between November 2019 and December 2020. It should be noted that many of the monitoring activities planned for early 2020 had to be rescheduled due to the impact of the COVID-19 pandemic. Therefore, in the interest of providing a comprehensive account of the monitoring tasks, this report covers the period through December 2020.⁵
- 3.2 **Meetings of the Monitoring Committee.** During the period reviewed in this report, four meetings of the Monitoring Committee were held and facilitated by the MICI. The meetings were held in a virtual format, and representatives from the IDB, AIDSEP, and the UEGPS attended.

8th meeting of the Monitoring Committee	9th meeting of the Monitoring Committee	10th meeting of the Monitoring Committee	11th meeting of the Monitoring Committee
12 December 2019	9 July 2020	29 October 2020	15 December 2020

- 3.3 Although the Monitoring Committee is supposed to meet quarterly, adjustments were made in this period due to the challenging circumstances of the COVID-19 pandemic. Therefore, the Parties agreed to postpone the meeting scheduled for March 2020 until 9 July 2020.
- 3.4 In addition, the MICI held 28 bilateral conference calls with the Parties over the period to monitor the agreements, learn their views on the challenges of the monitoring stage, and discuss possible actions for addressing those challenges. The MICI also held briefings with the chair for Peru on the IDB Board of Executive Directors.
- 3.5 **Quarterly progress reports.** As part of the MICI agreements, the UEGPS made a commitment to deliver a progress report to the Parties on a quarterly basis. During the period reviewed in this report, the UEGPS submitted three progress reports: one covering the January-June 2020 period, and two quarterly reports for the July-September 2020 and October-December 2020 periods. The first report covered a six-month period in response to the difficulty of making headway on the activities due to the COVID-19 pandemic and to keep the reports in step with the meetings of the Monitoring Committee.
- 3.6 In June 2020, the MICI worked with the execution unit to design a new quarterly report template that can be used to draft the reports more efficiently, better disseminate lessons learned, and better focus on commitments that remain pending. This ensured that the document produced contains the useful, precise information required for monitoring of the Agreements. The new template was presented at the ninth meeting of the Monitoring Committee and validated by the Parties.
- 3.7 **Titling targets.** As stated in the Second Monitoring Report on the Consultation Phase Agreements,⁶ the execution unit indicated that the target for 2019 was the

⁵ This period initially covered by this report was November 2019 to October 2020.

⁶ Available in the links section.

demarcation of at least 132 native communities in the Loreto area, which would help produce advances in titling processes in 2020. However, on 15 December 2020, the UEGPS reported that the PTRT3 had taken the lead and demarcated a total of 40 native communities (37 in Loreto) and that titles to two native communities had been issued at the National Superintendency of Registry Offices (SUNARP).

- 3.8 It is important to note that the PTRT3's target is to issue titles to 403 native communities. However, at the 11th meeting of the Monitoring Committee on 15 December 2020, the execution unit said the contracts with the consulting firms performing the fieldwork covered the titling of 331 native communities. This means that there is a shortfall of 72 native communities, all located in lot 4 (Loreto), since NIPSA is contractually required to issue titles to 250 native communities, but the target for that lot is 322 native communities.
- 3.9 However, the UEGPS indicates that the shortfall is even larger, because only 180 native communities have been identified out of the 250 stipulated in the contract, adding another 70 native communities to the deficit. Accordingly, the project has to remedy a shortfall of 142 communities if it is to reach the target of identifying 403 native communities.
- 3.10 The fieldwork performed by the brigades was severely hindered by the travel restrictions imposed due to the COVID-19 pandemic. On 15 March 2020, Peru ordered mandatory quarantine. Through the subsequent modifications and extensions of that order, the Peruvian government took steps to respond to the pandemic, including several measures and indicators designed to reduce or restrict people's movements and authorize or prohibit certain activities. This has impacted the PTRT3 and its implementation in the field.
- 3.11 **Sharing of contracts signed with consulting firms.** The UEGPS has signed, and shared with the Parties, the initial contracts with the consulting firms engaged to perform the diagnostic assessment, demarcation, and titling work for the project's four lots. However, as the PTRT3 has been implemented, several addenda to those contracts have had to be negotiated, which has caused serious delays in project implementation, since the contract addenda negotiations take a considerable amount of time. The status of each lot as of 15 December 2020 is as follows:
 - a. Lot 1. Negotiations with NIPSA were unsuccessful, so the contract was "terminated" in late November 2020. As of the writing of this report, the UEGPS and NIPSA were working on a final settlement of the contract prepared by the UEGPS. There are two possible outcomes (i) if the company accepts the final settlement, the contract will be rescinded; or (ii) if the company rejects the final settlement, the contract termination will be sent to arbitration. In the event of arbitration, the execution unit will have to analyze whether it is possible to continue certain components/activities for this lot while the arbitration process takes place or if the diagnostic assessment, demarcation, and titling work must wait until the arbitration process is completed.
 - b. Lot 2. SIGT SA was hired to perform the diagnostic assessment, but not the demarcation or titling work. As of December 2020, the company had submitted all of its deliverables and was in negotiations with the UEGPS to sign a new contract that would allow it to continue with the titling work. The Requesters greatly appreciate SIGT's work and have said they are amenable to the

company continuing to work on the lot, which is a positive sign. However, as of the writing of this report, negotiations had not yet finalized in the signing of the required contract addendum.

- c. Lot 3. An addendum to Telespazio's contract was signed, and the company is conducting fieldwork.
 - d. Lot 4. After the lot 1 negotiations fell through, talks with NIPSA regarding lot 4 have resumed to reach an agreement on the addendum. The UEGPS said these talks resumed in December 2020.
- 3.12 The abovementioned negotiations mean that fieldwork for lots 1, 2, and 4 is at a standstill. All told, 98% of the target number of native communities to receive titles under the PTRT3 reside in these lots.
- 3.13 **Community participation in the project.** In line with what was conveyed in the MICI's Second Monitoring Report on the Consultation Phase Agreements, improvements have been made in involving native communities in project fieldwork. In particular, the agreement between the UEGPS and the SPDA for implementation of the Indigenous Organizations Engagement Plan for titling processes under PTRT3 has entered into effect. The plan has facilitated the active involvement of several local technicians, which the Requesters have appreciated.
- 3.14 **Land trafficking study.** Under the Agreement reached on 16-17 August 2017 as part of the MICI Consultation Phase, the execution unit engaged the World Wildlife Fund (WWF) in February 2018 to conduct the land trafficking study. The study was initially slated to be published in July 2018. As indicated in the MICI's First and Second Monitoring Reports, delays in preparation of the study necessitated addenda to the contract, and the delivery deadline had to be changed several times.
- 3.15 The Land Trafficking Study was finally approved by the execution unit and by the Agricultural Property Title Clearance and Rural Cadastre Division (DIGESPACR) in the last week of September 2020. As indicated by the Parties at the 10th meeting of the Monitoring Committee, the authorities are exploring the best way to disseminate the findings of that study. AIDSEP stressed the importance of strategically using the study as a tool to inform and build awareness among the public about the surge in incursions onto indigenous lands.
- 3.16 **Analysis of the risk of reprisals.** In relation to the topic of land trafficking, the MICI has identified at least five cases in 2020 in which indigenous human and environmental rights defenders were murdered in Peru. Disputes over land occupancy and ownership were key to those cases, and the native communities have denounced the reprisals they have endured and the unabated incursions onto their lands before Peruvian and international authorities, such as the Inter-American Commission on Human Rights. In late 2019, the MICI published its "Guide on Measures to Address the Risk of Reprisals in Complaint Management." On this front, the MICI conducted a risk assessment exercise of its active case portfolio. As regards this case, the exercise was conducted in November 2020, and the findings of that analysis are currently being discussed.
- 3.17 **Monitoring mission.** The MICI did not field any missions during the period covered by this report. Planning had been underway for a mission that would have coincided with the Monitoring Committee's meeting in March or April 2020, but those plans had

to be canceled due to the COVID-19 pandemic. In light of the travel restrictions, the MICI managed all communications with the Parties and monitoring actions virtually.

- 3.18 Once again there has been turnover in project leadership. Between November 2019 and December 2020, the UEGPS had three different project coordinators for the PTRT3 and three different executive directors for the execution unit. Moreover, since the start of the monitoring period (September 2017), the execution unit has had six executive directors, and the PTRT3 has had seven coordinators. It stands to reason that such turnover has implications for project implementation and the MICI process itself.
- 3.19 **Extension of the project.** The project was granted a one-year extension in early 2020. The original deadline for completion, slated for 13 February 2020, was extended to February 2021. At the 10th and 11th meetings of the Monitoring Committee, the UEGPS said it was in the process of requesting an additional extension for the project. As of the writing of this report, only 42.83% of the project had been executed.

IV. CONCLUSIONS AND NEXT STEPS

- 4.1 During the period covered by this report, no progress has been made toward fulfillment of the most important aspect of the Agreement, since only two native communities had received titles as of the writing of this report. The target set in the Agreement is to issue titles to 403 native communities.
- 4.2 Consistent with the situation reported in 2018 and 2019, project implementation continues to experience significant delays, which has been a factor in the limited progress made on the necessary activities for compliance with the Agreements. For the period covered by this report, these delays can be attributed, at least in part, to the impact of the COVID-19 pandemic. However, the MICI has identified other factors that have hindered project progress: (a) protracted negotiations of contract addenda; and (b) constant staff turnover at the execution unit. The contract negotiations have halted fieldwork for lots 1, 2, and 4, where 98% of the target number of native communities to receive titles under the PTRT3 reside. Meanwhile, staff turnover at the UEGPS has touched not only project leadership, but its technical teams as well.
- 4.3 It is important to once again reiterate that the delay in titling the native communities could stir more social conflict in the regions affected by the project. On this point, the Requesters are gravely concerned about the increase in land trafficking and in reprisals against indigenous human and environmental rights protectors. Obtaining land titles could give these communities a new institutional tool to help protect their leaders and territories.
- 4.4 Delays in project implementation have continued to erode the trust between the Parties, as the MICI noted in its First and Second Monitoring Reports in 2018 and 2019. AIDSESEP has indicated that its members are deeply displeased about the delays and have increasing doubts about the future of the project. To that end, the Requesters stressed the importance of greater transparency regarding information related to the new project deadline and contract addenda negotiations, especially in terms of time frames and potential bottlenecks. AIDSESEP has also expressed concern about the shortfall between the number of native communities identified by

the project and the target of 403 communities to receive titles. The UEGPS has said it is working to find a solution to the identified shortfall and meet the target set out by the project and reflected in the MICI Agreement.

- 4.5 Despite these issues, some gains have been made toward fulfillment of the Agreements, including the approval of the Land Trafficking Study, though the strategy for its dissemination still needs to be developed. Other notable gains include the implementation of the agreement with the SPDA to facilitate the active involvement of community members in project implementation and the addition of indigenous technicians to the consulting firms' brigades.
- 4.6 In 2020, the MICI will continue to call and facilitate meetings of the Monitoring Committee and bilateral meetings. Along those lines, the MICI will work with the Parties to evaluate how the COVID-19 pandemic unfolds and the best strategies for continuing to carry out monitoring activities. If feasible and appropriate, the MICI will propose to the Parties that a mission be fielded to assess, in person, progress toward fulfillment of the Agreements and the Parties' willingness to continue with the MICI process.
- 4.7 Lastly, the MICI will also continue to deliver monitoring reports to the IDB Board of Executive Directors on an annual basis, consistent with paragraph 35 of the MICI Policy.

MEMORANDUM OF FULFILLMENT OF COMMITMENTS AND MONITORING PLAN

16-17 August 2017. Lima, Peru
MICI-PE-2015-0094

I. BACKGROUND

1. The Rural Land Cadastre, Titling, and Registration Project in Peru – Third Phase (loan PE-L1026) (“the project” or “PTRT3”) was approved by the IDB's Board of Executive Directors on 3 December 2014. The loan contract between the Republic of Peru and the IDB was subsequently signed on 13 February 2015. On 27 August 2015, the Independent Consultation and Investigation Mechanism (MICI) received a Request ([MICI-PE-2015-0094](#)) from the Asociación Interétnica de Desarrollo de la Selva Peruana [Interethnic Association for the Development of the Peruvian Amazon] (AIDSEP), in response to which the Consultation Phase was initiated on 31 March 2016. As part of the process for this phase, a joint exercise was conducted on 21-22 June 2016 to exchange information regarding the PTRT3 project.
2. Participating actively in this exercise were the Requesters (AIDSEP), represented by the regional leadership⁷ and members of their governing board; the Execution Unit for Sector Project Management (UEGPS) at the Ministry of Agriculture and Irrigation (MINAGRI), on the instructions of the Deputy Minister for Agricultural Development and Infrastructure and Irrigation; and IDB Management, represented by the social and environmental specialist and the Project Team Leader (“the Parties”). The event, which was organized and facilitated by the MICI, resulted in a series of understandings concerning project execution, including the number of titles to be issued and their sequencing. These are set out in a Memorandum of Understanding (“the Memorandum”). A Coordination Committee (“the Committee”) was formed as a result of this joint exercise, made up of representatives of AIDSEP, MINAGRI-UEGPS, and the IDB project team, to move forward with implementation of the Memorandum of Understanding.
3. After the new MINAGRI leadership⁸ appointed in early 2017 ratified these understandings, the Parties continued to work collaboratively to develop agreements for their implementation as part of the project. They also made progress in carrying out a number of the activities called for in the Memorandum. A series of Coordination Committee meetings were held for that purpose. At those meetings, and as the process moved forward, representatives of the Parties jointly verified the fulfillment of a number of the commitments, while also working to design a monitoring plan for the activities to fulfill the remaining agreements. The list of commitments and the current status of fulfillment of each one are given in Annex I to this document.

⁷ From the following organizations: Regional Organization of Indigenous Peoples of the Eastern Amazon (ORPIO); Regional Coordinating Body of the Indigenous Peoples of San Lorenzo (CORPI); Regional Organization of AIDSEP in Ucayali (ORAU); Regional Organization of indigenous Peoples of the Northern Amazon (ORPIAN-P); Council for the Development of Indigenous Peoples of the San Martín Region (CODEPISAM); Regional Association of Indigenous Peoples of the Central Rainforest (ARPI); Regional Coordinating Body of Indigenous Peoples of AIDSEP Atayala (CORPIAA); Machiguenga Council of the Urubamba River (COMARU), and Native Federation of Madre de Dios (FENAMAD).

⁸ The ratification was sent by Mr. José Luis Pastor Mestanza, MINAGRI Secretary-General, on 7 February 2017.

4. The Parties have agreed to meet in Lima on 16-17 August 2017 for a workshop organized and facilitated by the MICI, to finalize, formalize, ratify, and raise awareness of the Monitoring Plan.

II. POLICY FRAMEWORK

5. The MICI process for case MICI-BID-PE-2015-0094, relating to the Rural Land Cadastre, Titling, and Registration Project in Peru – Third Phase (PTRT3), and its scope are governed by the MICI Policy approved by the IDB Board of Executive Directors in December 2014. The MICI Policy has been in effect since that date.
6. Paragraph 35 of the MICI Policy states that “when applicable the MICI will develop, in consultation with the Parties, a Monitoring Plan and time frame for the agreement reached,” and that plan will include the following elements: “(a) that there is direct or outside monitoring of any agreement reached by the Parties; (b) that there are adequate measures to determine whether such agreement is being implemented appropriately.” Furthermore, pursuant to the MICI Policy, this Monitoring Plan must be considered by the IDB Board of Executive Directors.
7. The Monitoring Plan has the objective of monitoring the fulfillment of the commitments generated as a result of the MICI Consultation Phase. Accordingly, the Monitoring Plan comprises a set of activities identified by the Parties as necessary to fulfill the commitments contained in the Memorandum of Understanding of 21-22 June 2016.

III. GENERAL CONSIDERATIONS FOR MONITORING

8. With a view to tracking the status of progress on the Monitoring Plan in a timely manner, the Parties agree that monitoring activities will be subject to the following framework and format. Monitoring will be conducted through the MICI Local Facilitator, MICI headquarters in Washington, and the Monitoring Committee, on which all Parties will be represented. Details of the duties of each of these are provided below.
9. Monitoring Committee: To reflect its objective, the name of the Coordination Committee established as part of the joint exercise in June 2016 will be changed to the “Monitoring Committee.” The Committee will be responsible for regular monitoring of the agreed activities under the plan. It will also serve as a venue for updating participants on progress under the project, insofar as related to the MICI process, and for providing any necessary clarifications during implementation of this Memorandum. The objective of the Monitoring Committee will be strictly to monitor the commitments reached in the MICI process and reflected in this Monitoring Plan. For all other matters, the Parties agree to make use of the participatory arrangements that already exist under the PTRT3, such as the National Consultative Committee and the Regional Committees, as well as direct interactions, keeping the Monitoring Committee and the MICI informed regarding these discussions.
10. Membership of the Monitoring Committee, frequency of meetings and reports. The Committee will act as the focal point for communication with the MICI and will be made up of representatives of AIDSEP, MINAGRI-UEGPS, and the IDB. Each of the Parties will appoint two people committed to participating actively to serve as their representatives on the Committee. The appointees are as follows:

- a. For AIDSEP: Jamner Maniapatahuari and Roberto Espinoza
 - b. For MINAGRI-UEGPS: José Revilla and César Berrios
 - c. For the IDB: Juan de Dios Mattos and Michael Kent
11. Where necessary, other members may attend Monitoring Committee meetings in addition to these two appointees, as deemed relevant by each of the Parties; the other Parties are to be informed in advance, indicating what roles these members will play at the meetings.
 12. The frequency of the Monitoring Committee meetings will be bimonthly. At the end of the first six-month period, an assessment will be made of the need to maintain, increase, or decrease the frequency of meetings. A status report will be prepared after each meeting, describing the progress identified as well as challenges to implementation. The report will be prepared by the local facilitator and delivered to the MICI within one week after the meeting. MINAGRI-UEGPS will also endeavor to send quarterly reports on the implementation of activities tied to progress on this plan and related to the PTRT3.

In extraordinary circumstances, the Parties may agree to meet in addition to the planned meetings, even outside Lima.

13. Monitoring schedule and time frame. The MICI will monitor the plan activities based on the schedule agreed upon by the Parties (see Annex II). The schedule is indicative in nature and may be adjusted as deemed appropriate by the Parties, to ensure effective implementation of the relevant activities. Monitoring activities are subject to the timeline for the project, which is scheduled to end in December 2020. If the project is extended, the MICI may continue monitoring activities for up to five years, running from the signature date of this document. If monitoring of the commitments requires a period longer than five years, the MICI will call a meeting of the Parties so that they may jointly determine how to proceed. If the Parties ask the MICI to continue in this role, the MICI will request approval from the IDB Board of Executive Directors to extend its time frame of activity.

IV. ROLE OF THE MICI

14. As an independent body, the MICI will monitor implementation of the commitments agreed upon by the Parties in the Memorandum of Fulfillment of Commitments and Monitoring Plan, for a maximum period of five years. For greater effectiveness and responsiveness, the MICI will be supported in this role by a local facilitator. Notwithstanding this support, the responsible team at the MICI office in Washington will monitor the process remotely on an ongoing basis, following up with lesser frequency in the field.
15. Local facilitation. The MICI Local Facilitator will have the following responsibilities: (i) facilitating and mediating Committee meetings as an unbiased, external party; and (ii) serving as the MICI's focal point at the local level for the Parties to communicate their views regarding implementation of the Monitoring Plan and execution of the commitments, making it possible to continue building the necessary consensus to fulfill the agreed commitments and implement this plan.
16. Limitations to monitoring. Although the Parties are free to agree on actions relating to other issues beyond the scope of the project, the MICI is unable to monitor any such agreement, as this would exceed the MICI's authority.

17. Monitoring missions: A MICI delegation will conduct one mission per year (to Lima or to the regions in which the project is being implemented, as appropriate). The MICI will coordinate this in advance with the Parties. As the MICI deems appropriate, or at the request of the Monitoring Committee, the MICI may conduct more than one mission per year. All MICI missions will be conducted in accordance with the MICI Policy and IDB administrative processes for such activities.
18. Monitoring reports. As envisaged in the MICI Policy, the MICI will prepare an annual progress report on the actions in this plan. This report will be submitted to the IDB Board of Executive Directors for information and published in the MICI Public Registry: www.iadb.org/mici. Prior to publication, a draft of the report will be shared with the Parties for their comments. Inclusion of comments by any of the Parties will be at the discretion of the MICI. It should be noted that the Parties have the right to determine which information they consider confidential; no such information will be published in the reports.
19. Fulfillment of the commitments. Supported by MICI facilitation, the Parties have agreed which conditions (as set out in Annex I) will determine final fulfillment of each of the commitments that have been undertaken. Based on these agreements, the MICI will support the Parties in the process of confirming completion of the planned activities and, therefore, of the commitments met. In the event of disagreement as to whether specific activities have been completed, the MICI will assess the situation and work to promote consensus among the parties within the framework of the Monitoring Committee. If no consensus is reached after various efforts spearheaded by the MICI, the Parties agree that the MICI will have the authority to make a determination as to fulfillment of the commitment in question, and such determination will be accepted by the Parties.
20. Case closure. The case will be considered closed when the MICI confirms that all activities envisaged in the plan have been completed. In closing the case, the MICI will prepare a final report similar in format and content to the annual progress reports (see paragraph 18). If the MICI determines that the commitments indicated in this Memorandum have not been fully met, because the Parties have failed to reach an agreement in regard to their fulfillment, then in accordance with the MICI Policy, and considering the initial request of the Requesters (AIDSESEP) to trigger both MICI phases, the Request will be transferred to the MICI Compliance Review Phase (paragraph 38 of the MICI Policy) for processing.

V. MONITORING PLAN

21. This section discusses commitments for which activities are still incomplete and/or have been reformulated, and may or may not require specific actions. These activities and the Parties responsible for them are also listed, together with MICI comments where relevant. For commitments already met, see Annex I.
22. Commitment A.2: As a guiding principle for the project, the Parties have agreed that in cases where close overlaps have been identified between native communities and individual parcels, priority will be given to the titling process for native communities until territorial demarcation has been resolved. The titling of individual parcels may commence thereafter. (FULFILLED)

MINAGRI-UEGPS sent a timetable and work plan to AIDSESEP on 8 August 2017, presenting the strategy for meeting the target of issuing titles to the 403 native communities by time the project is completed. (FULFILLED)

The following activities tied to this commitment are still pending:

Required actions	Responsibility	MICI comments
<p>MINAGRI-UEGPS to send quarterly progress reports to the Parties and the MICI with details of the titles issued under the PTRT3 with a view to meeting the target of 403 native communities titled.</p> <p>MINAGRI-UEGPS will provide AIDESEP with a copy of the contracts with the operating companies and the monitoring reports relating to them, to meet the target of issuing titles to 403 native communities.</p>	MINAGRI-UEGPS	The Monitoring Committee will be the forum for discussing details of the required actions.

23. Commitment A.3 (FULFILLED and REFORMULATED). MINAGRI-UEGPS and the Loreto regional government signed the framework agreement for execution of the PTRT3 on 25 May 2017.

Required actions	Responsibility	MICI comments
<p>MINAGRI-UEGPS to send quarterly progress reports to the Parties and the MICI with details of the titles issued under the PTRT3.</p>	MINAGRI-UEGPS	<p>The Monitoring Committee will be the forum for providing information regarding this matter.</p> <p>These actions are still pending.</p>

24. Commitment A.4 (FULFILLED and REFORMULATED): The selection criteria for native communities to be titled will not exclude communities experiencing territorial disputes; in such cases, the dispute settlement mechanisms envisaged under the PTRT3 will be used, developing their guidelines within the project's participatory forums, to establish the best dispute settlement system and determine its viability. In the context of the Agreement Monitoring Workshop, the Agricultural Property Title Clearance and Rural Cadastre Division (DIGESPACR) has communicated its decision to establish an interagency roundtable to improve the coordination of entities associated with forestry and mining concessions, as well as public roads, which may run up against the territorial rights of native communities. The Parties welcome and support DIGESPACR's decision, and will support the actions necessary for these meetings.
25. Commitment A.6 (PENDING): This commitment will be considered fulfilled once the monitoring actions under commitment A.2 are complete.
26. Commitment B.1: MINAGRI-UEGPS and the IDB confirm that the number of new native communities that have been recognized for titling under the PTRT3 will be 403. (FULFILLED). For monitoring of this titling target, see paragraph 22.
27. Commitment B.2: Once the titling process for native communities has begun, the target for titling (403 native communities) may be increased based on progress and results under the project, subject to IDB evaluation.

Required action	Responsibility	MICI comments
<ul style="list-style-type: none"> Organization of the Monitoring Committee meeting in December 2018 	<ul style="list-style-type: none"> MICI to call the meeting Monitoring Committee participates 	<ul style="list-style-type: none"> The Parties will also evaluate the possibility of obtaining additional funding, which will not necessarily come from the IDB. The MICI will not be able to monitor any decision in relation to additional funding, as this is not tied to the PTRT3 and is therefore outside the scope of the MICI's authority.

28. Commitment B.4: To increase the amount of resources available to meet the demand for titling of native communities, as well as increase levels of coordination, MINAGRI-UEGPS and AIDESEP will use their good offices with DIGESPACR to ensure that all available funding is coordinated for titling of native communities. (FULFILLED)

In the context of the Agreement Monitoring Workshop, DIGESPACR has announced that two meetings have been held to coordinate existing funds for titling, and that these meetings will continue (with the next one planned for 21 August this year). The Parties welcome and support DIGESPACR's decision, and will support the actions required for these meetings.

29. Commitment C.4 (REFORMULATED and PENDING): MINAGRI-UEGPS, AIDESEP, and the IDB will meet in December 2018 as part of the MICI Request process, to address matters related to progress in executing the PTRT3 and assess the potential for increasing the number of native communities to be titled, as well as the matters indicated in paragraph 27.
30. Commitment D.1: MINAGRI-UEGPS, the IDB, and AIDESEP will coordinate on an ongoing basis to strengthen execution of the PTRT3 and will continue to hold Monitoring Committee meetings and bilateral meetings within the framework of the MICI process, to ensure completion that the actions presented in this document.
31. Commitment D.3: The land trafficking study will be performed within the framework of the PTRT3 project with the involvement of Amazonian indigenous organizations.

Required actions	Responsibility
<ul style="list-style-type: none"> The involvement of indigenous organizations is envisaged in the terms of reference for the study. Two meetings will be held with AIDESEP, where a document will be prepared with suggestions and comments regarding the study. 	<ul style="list-style-type: none"> MINAGRI-UEGPS AIDESEP

ANNEX I: SUMMARY TABLE OF PROGRESS ON FULFILLING THE COMMITMENTS IN THE MEMORANDUM OF UNDERSTANDING⁹

SECTION	COMMITMENT IN THE MEMORANDUM OF UNDERSTANDING (June 2016)	STATUS ¹⁰
A.	Sequence and criteria for titling of native communities	
A.1	MINAGRI-UEGPS confirms that the sequence of titling under the PTRT3 will begin with titling of native communities taking priority over the titling of individual parcels.	FULFILLED
A.2	Activities for the titling of native communities will begin within one year after the signing of this Memorandum (June 2017). In the Selva region, the titling of individual parcels will commence one year after titling of the native communities has begun, or sooner if the scheduled titling for native communities under the project is completed within less than a year, subject to an evaluation for each region.	REFORMULATED and PENDING (see paragraph 22)
A.3	Both parties are aware of the need for a signed agreement with the Loreto regional government to begin titling activities in that region. They will therefore join efforts to ensure this agreement is signed within one month. If this is successful, then in the specific case of the Loreto region the titling of individual parcels will begin 1.5 years after the start of titling of the native communities.	FULFILLED and REFORMULATED (see paragraph 23)
A.4	The criteria for selecting the native communities to be titled will not exclude communities with territorial disputes; in such cases, the dispute settlement mechanisms envisaged under the PTRT3 will be used, developing their guidelines within the project's participatory forums, to establish the best dispute settlement system and determine its viability.	FULFILLED and REFORMULATED (see paragraph 24)
A.5	MINAGRI-UEGPS confirms that the native communities must be previously recognized to be considered for titling under the PTRT3.	FULFILLED
A.6	The annual work plan will reflect the sequence of titling as established in this document.	PENDING (see paragraph 25)
B.	Number of titles to be issued under the project.	
B.1	MINAGRI-UEGPS and the IDB confirm that the number of new native communities that have been recognized for titling under the PTRT3 will be 403.	FULFILLED (see paragraph 26)
B.2	The parties understand that the target (403) and the additional allocation of funds for titling may be increased depending on project progress and outcomes, subject to IDB evaluation.	PENDING (see paragraph 27)

⁹ The table was agreed upon by participants at the Coordination Committee meeting of 2 August 2017.

¹⁰ Categories used:

FULFILLED: The commitment was fulfilled, and no monitoring is required.

PENDING: Actions are still required for the commitment to be fulfilled.

REFORMULATED: The commitment could not be fulfilled, so the Parties have agreed to make adjustments.

SECTION	COMMITMENT IN THE MEMORANDUM OF UNDERSTANDING (June 2016)	STATUS ¹⁰
B.3	If a reduction in the targets for titling in the Amazonas region is confirmed, consideration will be given to titling other territories in Pasco, Madre de Dios, and Cajamarca. In San Martín, the number of native community property titles will be increased depending on the progress shown under the PTRT3.	FULFILLED
B.4	To increase the amount of resources available to meet the demand for titling of native communities, as well as increase levels of coordination, MINAGRI-UEGPS and AIDESEP will use their good offices with DIGESPA to ensure that all available funding is coordinated for titling of native communities.	FULFILLED and REFORMULATED (see paragraph 28)
B.5	The foregoing does not mean that AIDESEP's demand for titling has been fully satisfied, and its territorial claims stand.	FULFILLED
B.6	MINAGRI-UEGPS will issue a formal public document providing information on the target for titling of native communities in accordance with the terms stated in this Memorandum.	FULFILLED
C.	Coordination, consultation, and participation under the PTRT3	
C.1	MINAGRI-UEGPS confirms that the PTRT3 plans to hire specialists in geographic information systems from the regional organizations to participate in fieldwork during the titling process.	FULFILLED
C.2	The presidents of CORPI San Lorenzo and ORPIO, together with MINAGRI-UEGPS, will seek to arrange a meeting with the Loreto regional government to discuss the need for joint coordination in the titling processes and to sign the framework agreement and any other relevant agreements.	FULFILLED
C.3	MINAGRI-UEGPS renews its invitation to AIDESEP to participate in the citizen participation mechanisms and the forums of the National Consultative Council and the Regional Monitoring Committee. AIDESEP confirms that it will join the National Consultative Council, the next meeting of which will be held on 5 July 2016.	FULFILLED
C.4	MINAGRI-UEGPS, AIDESEP, and the IDB will meet in March 2017 as part of the MICI Request process, to address matters related to progress in executing the PTRT3, and in November 2017 to assess the potential for increasing the number of native communities to be titled.	REFORMULATED and PENDING (see paragraph 29)
C.5	MINAGRI-UEGPS and the IDB commit to open a dialogue with AIDESEP regarding the IDB's procurement policies with the aim of responding to any doubts or questions that may arise in this regard.	FULFILLED
D.	NEXT STEPS	
D.1	MINAGRI-UEGPS, the IDB, and AIDESEP will coordinate on an ongoing basis to strengthen execution of the PTRT3.	PENDING (see paragraph 30)
D.2	MINAGRI-UEGPS and AIDESEP will work on the methodology for identifying the native communities to be targeted for intervention under the PTRT3.	FULFILLED
D.3	The land-trafficking study will be performed under Component 3 (as part of the activity relating to the inventory of disputes), with the involvement of Amazonian indigenous organizations.	PENDING (see paragraph 31)

ANNEX II: TENTATIVE SCHEDULE OF PTRT3 AND MONITORING PLAN ACTIVITIES

Indicative activities*		2017		2018				2019				2020				**
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
PTRT3 activities	Contract signed with consulting firm responsible for titling															
	Selection of field staff for titling activities															
	Physical, legal, and socioenvironmental assessment															
	Process of cadastral survey, demarcation, and delimitation															
	Execution of titling and registration process															
	Presentation of native community titles															
	IDB supervision mission															
	No objection to the annual work plan prepared by MINAGRI-UEGPS															
MICI monitoring activities	Monitoring Committee meeting															
	Submission of Monitoring Committee progress report to the MICI															
	Meeting to assess progress in titling															
	MICI Monitoring Reports															

* The activities presented are indicative in nature and may be altered depending on PTRT3 execution. Information regarding these alterations will be shared with the Parties in the Monitoring Committee.

* The MICI will monitor the project until it is completed in 2020. If an extension is required for the project, however, MICI monitoring may be extended up to a maximum period of five years from the date on which the Monitoring Plan was signed.

Principal responsibility:

MINAGRI-UEGPS (or their delegate)

AIDSEP

IDB

Monitoring Committee

MICI

