

Document of
The World Bank

Report No: ICR2542

IMPLEMENTATION COMPLETION AND RESULTS REPORT
(IBRD-73680)

ON A LOAN

IN THE AMOUNT OF USD 25 MILLION

TO THE

REPUBLIC OF PERU

FOR A

REAL PROPERTY RIGHTS CONSOLIDATION PROJECT

February 27, 2013

Poverty Reduction and Economic Management
Public Sector & Governance Unit
Latin America and the Caribbean Region

CURRENCY EQUIVALENTS

(Exchange Rate Effective as of November 12, 2012)

Currency Unit = Peruvian Nuevo Sol

1.00 = US\$ 0.38

US\$ 1.00 = 2.61

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

BEU	Budget Execution Unit
CAS	Country Assistance Strategy
COFOPRI	Agency for the Formalization of Informal Property (<i>Organismo de Formalización de la Propiedad Informal</i>)
CPPR	Country Project Portfolio Review
CY	Calendar Year
GoP	Government of Peru
FM	Fiscal Management
FY	Fiscal Year
IBRD	International Bank for Reconstruction and Development
ICB	International Competitive Bidding
ICR	Implementation Completion Report
ICT	Information and Communications Technology
IGN	National Geographic Institute (<i>Instituto Geográfico Nacional</i>)
INT	World Bank Department of Institutional Integrity
IPR	Internal Procurement Post Review
MEF	Ministry of Economy and Finance (<i>Ministerio de Economía y Finanzas</i>)
MINJUS	Ministry of Justice and Human Rights (<i>Ministerio de Justicia y Derechos Humanos</i>)
MVCS	Ministry of Housing, Construction and Sanitation (<i>Ministerio de Vivienda, Construcción y Saneamiento</i>)
NCB	National Competitive Bidding
PAD	Project Appraisal Document
PCM	Presidency of the Council of Ministers (<i>Presidencia del Consejo de Ministros</i>)
PCU	Project Coordinating Unit (<i>Unidad Coordinadora de Proyecto</i>)
PDO	Project Development Objectives
PETT	Special Program for Rural Land Titling (<i>Programa Especial de Titulación de Tierras</i>)
RP	Real Property Registry (<i>Registro de Predios</i>)
SIAP	Integrated Financial Administration System (<i>Sistema Integrado de Administración Financiera</i>)
SUNARP	National Superintendency of Public Registries (<i>Superintendencia Nacional de Registros Públicos</i>)
TOR	Terms of Reference

UPRP
USD

Urban Property Rights Project
US Dollars

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PERU
Real Property Rights Consolidation Project (P078894)

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DATA SHEET

A. Basic Information			
Country:	Peru	Project Name:	REAL PROPERTY RIGHTS CONSOLIDATION PROJECT
Project ID:	P078894	L/C/TF Number(s):	IBRD-73680
ICR Date:	02/27/2013	ICR Type:	Core ICR
Lending Instrument:	SIL	Borrower:	REPUBLIC OF PERU
Original Total Commitment:	USD 25.00M	Disbursed Amount:	USD 19.07M
Revised Amount:	USD 19.15M		
Environmental Category: C			
Implementing Agencies: COFOPRI, IGN, SUNARP			
Cofinanciers and Other External Partners: Not Applicable			

B. Key Dates				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	09/22/2005	Effectiveness:	01/31/2007	02/01/2007
Appraisal:	11/09/2005	Restructuring(s):		11/20/2006 01/14/2008 11/04/2010 06/24/2011
Approval:	03/14/2006	Mid-term Review:	09/24/2009	09/24/2009
		Closing:	12/31/2011	06/30/2012

C. Ratings Summary	
C.1 Performance Rating by ICR	
Outcomes:	Moderately Satisfactory
Risk to Development Outcome:	Moderate
Bank Performance:	Moderately Satisfactory
Borrower Performance:	Moderately Unsatisfactory

C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)			
Bank	Ratings	Borrower	Ratings
Quality at Entry:	Moderately Satisfactory	Government:	Satisfactory
Quality of Supervision:	Moderately Satisfactory	Implementing Agency/Agencies:	Moderately Unsatisfactory

Overall Bank Performance:	Moderately Satisfactory	Overall Borrower Performance:	Moderately Unsatisfactory
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C.3 Quality at Entry and Implementation Performance Indicators

Implementation Performance	Indicators	QAG Assessments (if any)	Rating
Potential Problem Project at any time (Yes/No):	No	Quality at Entry (QEA):	None
Problem Project at any time (Yes/No):	Yes	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Moderately Unsatisfactory		

D. Sector and Theme Codes

	Original	Actual
Sector Code (as % of total Bank financing)		
General public administration sector	37	37
Sub-national government administration	63	63
Theme Code (as % of total Bank financing)		
Land administration and management	25	25
Municipal governance and institution building	25	25
Personal and property rights	50	50

E. Bank Staff

Positions	At ICR	At Approval
Vice President:	Hasan A. Tuluy	Pamela Cox
Country Director:	Susan Goldmark	Marcelo Giugale
Sector Manager:	Arturo Herrera Gutierrez	Ronald E. Myers
Project Team Leader:	Diego R. Dorado Hernandez	David F. Varela
ICR Team Leader:	Diego R. Dorado Hernandez	
ICR Primary Author:	Francisco Lazzaro Sheila Grandio	

F. Results Framework Analysis

Project Development Objectives (from Project Appraisal Document)

The main objective of the Project was to consolidate a decentralized and sustainable quality real property rights system that facilitated access for the Peruvian population. This system would enhance the welfare of real property owners and facilitate access to economic opportunities. Even though the Project could not eliminate all forms/causes of informal tenure, it would reduce the negative impacts of informality and discourage further informality by consolidating the legal security of property rights, completing conversion of informal tenure, and building capacity to

address its causes through strategic partnerships of various levels of Government and key stakeholders in the private sector and civil society. The project would also provide support to the decentralization program of GoP through the institutional strengthening of Participating Municipalities.

Revised Project Development Objectives (PDO) (as approved by original approving authority)

(a) PDO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Appropriate legal, regulatory and institutional framework for real property rights protection and promotion adopted and operational.	No baseline value was identified at project design	-	Dropped	
Low transaction cost of formalization and cadaster for users in terms of out-of-pocket expenditures and time.	No baseline value was identified at project design	-	Dropped	
Low formalization and cadaster costs for GoP (Project average titling unit cost in US Dollars).	64	-	64	110
Increased number of SUNARP users and internet services	No baseline value was identified at project design	-	Dropped	
Increased number of integrated real property cadaster and registry records (Number of property registry records under a new registry model).	0	-	5,823,770	3,300,523
Average property value increase about US\$550	No baseline value was identified at project design	-	Dropped	

(b) Intermediate Outcome Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Diagnostic studies finalized (including subjects like cost-benefit, credit practices and land allocation).	0	4	3	3 ^{1*}
Workshops held with key stakeholders on real property rights issues.	0	2	3	3*
Legal and regulatory reform proposals identified, prepared and agreed upon on real property rights, land administration and allocation, investment and credit promotion and inter-institutional coordination.	0	4	3	2*
80 Provincial Municipalities provided training on formalization services by COFOPRI	0	144	80	0 ^{2**}
Approximately 400,000 lots formalized by COFOPRI	0	-	398,952	335,985
Approximately 300,000 titles issued by COFOPRI.	0	471,000	300,000	307,913
COFOPRI's Project Average titling unit costs not higher than \$100 per title.	64	-	64	110
56 District Municipalities provided training on cadaster services by COFOPRI.	0	427	56	59

¹ * Variance in the figures reflected in the final ISR and ICR are due to forecasted estimates available at the time of final ISR preparation.

² ** Training on formalization services for provincial municipalities was halted due to Law 29802 which broadened the terms of COFOPRI's special regime. However, the transfer of capacities to local governments has been successfully undertaken through cadaster workshops which have surpassed the previous targets set by the Project.

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Approximately 536,000 properties cadastered by COFOPRI.	0	536,000	535,639	544,762
5,823,000 million property registry records under a new registry model.	0	5,670,000	5,823,770	3,300,523
New publicity services provided (summary sheets).	No baseline value was identified at project design	-	Dropped	
SUNARP publicity services on-line no less than 67% of total publicity services.	No baseline value was identified at project design	-	Dropped	
SUNARP average duration of registration of property transaction in SUNARP no longer than 5 days.	No baseline value was identified at project design	-	Dropped	
45 permanent continuous monitoring GPS stations installed.	0	14	45	45
4,955 control points added to geodetic network.	0	4,955	4,955	4,955
Increased access to credit evidenced by number and amounts of credit obtained by formalized users, with or without mortgages.	No baseline value was identified at project design	-	Dropped	
129,000 recently formalized owners use real property exchange.	0	129,000	129,000	0 ^{3***}
Disaggregated socio-economic information generated by the Project and user feedback utilized in decision-making.	No baseline value was identified at project design	-	Dropped	

³ *** Variance in figures due to error on final ISR. ICR reflects the correct amount.

G. Ratings of Project Performance in ISRs

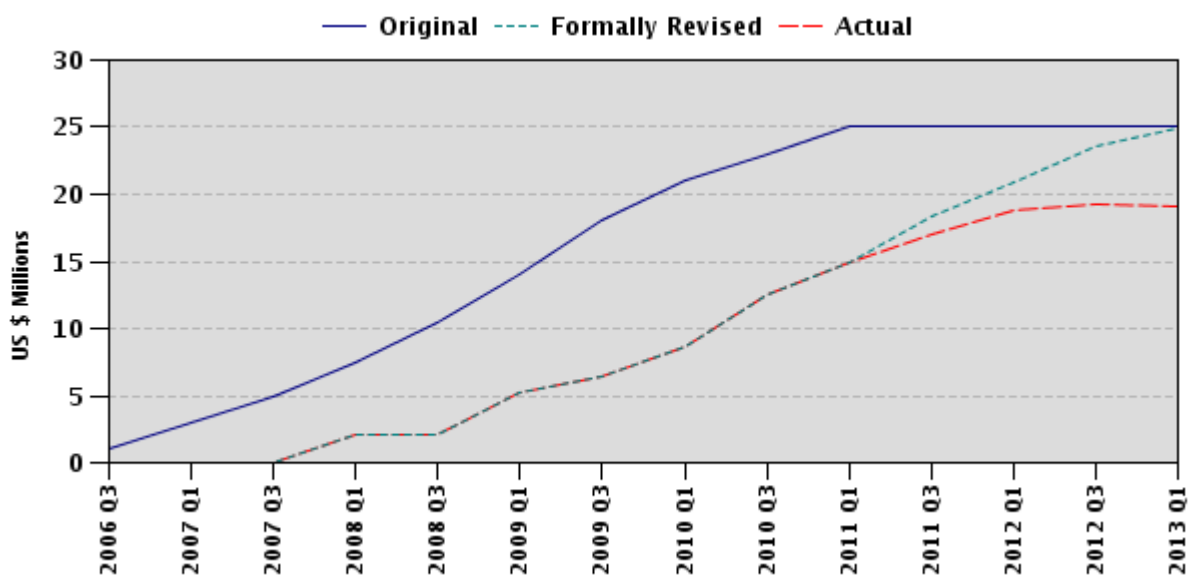
No.	Date ISR Archived	DO	IP	Actual Disbursements (USD millions)
1	06/21/2006	Satisfactory	Satisfactory	0.00
2	01/05/2007	Satisfactory	Satisfactory	0.00
3	02/02/2007	Satisfactory	Satisfactory	0.00
4	05/15/2007	Satisfactory	Satisfactory	2.06
5	12/21/2007	Satisfactory	Satisfactory	2.14
6	06/30/2008	Satisfactory	Satisfactory	3.39
7	12/18/2008	Satisfactory	Satisfactory	5.20
8	06/04/2009	Unsatisfactory	Unsatisfactory	7.67
9	12/17/2009	Satisfactory	Satisfactory	11.30
10	06/29/2010	Satisfactory	Moderately Satisfactory	13.29
11	02/20/2011	Satisfactory	Satisfactory	16.99
12	08/10/2011	Satisfactory	Satisfactory	16.99
13	03/19/2012	Moderately Unsatisfactory	Moderately Unsatisfactory	19.33

H. Restructuring (if any)

Restructuring Date(s)	Board Approved PDO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in USD millions	Reason for Restructuring & Key Changes Made
		DO	IP		
11/20/2006		S	S	0.00	Reflect a reduction in the commitment fee payable by the Borrower
01/14/2008		S	S	2.14	(i) modify the role of COFOPRI in connection with Part B of the Project; (ii) modify the role of Provincial Municipalities in connection with Parts B.1 and B.2 of the Project; (iii) modify the composition of the Steering Committee; (iv) extend the definition of Operating Costs under the Project; and (v) modify the description of Parts B.1 and B.2 of the Project, as to reflect the new role of COFOPRI.
11/04/2010		S	MS	13.29	To allow the use of electronic means for delivering applications for withdrawals and supporting documentation.
06/24/2011		S	S	16.99	The Project was restructured in order to consolidate Project

Restructuring Date(s)	Board Approved PDO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in USD millions	Reason for Restructuring & Key Changes Made
		DO	IP		
					achievements and ensure Project sustainability after closing. The modifications in that phase included: (i) changes in implementation arrangements; (ii) changes in component-specific costs; (iii) changes in disbursement arrangements; (iv) extension of the Closing Date by six months to June 30, 2012; (v) changes to selected indicators of the results framework; and (vi) revisions to the Project Annual Operating Plans and Procurement Plans as a result of the above changes.

I. Disbursement Profile



IMPLEMENTATION COMPLETION AND RESULTS REPORT

1. Project Context, Development Objectives and Design

1.1 Context at Appraisal

Country Context

1. At the time of the Project's appraisal, the Government of Peru (GoP)'s poverty reduction strategy had three main objectives: (i) competitiveness and employment generation; (ii) equity and social justice; and (iii) institutionality and governance, which was defined as the creation of an efficient, transparent, participatory, and decentralized State. In an effort to link fiscal sustainability and the decentralization agenda, the GoP had taken actions to develop a new decentralization framework that incorporated principles of fiscal sustainability at the sub-national level. The decentralization process, which was conceived to be gradual in nature, showed sustained momentum during its initial years of existence. From 2002 to 2007, eleven laws were passed to outline the decentralization framework, which was primarily based on the principles of neutral fiscal sustainability. Following the election of Alan Garcia as President in 2006, the decentralization process began to focus more heavily on transferring programmatic functions to subnational governments rather than developing those governments' income generation responsibilities. At the regional level, the GoP focused on completing the legal and regulatory framework while gradually advancing the transfer of programmatic responsibilities at the municipal level. The GoP also sought to take actions regarding current debt stock of over-indebted municipalities. In that regard, the Integrated Financial Administration System (SIAF) module was implemented in all municipalities to ensure proper financial management. The SIAF system included a cadaster sub-module that was expected to allow municipal governments to make a proper use of cadastral information for tax purposes (including assessment and collection). For that system to succeed, it was necessary to build capacity for both generating and managing cadaster information –both issues which fell under the scope of the Real Property Rights Consolidation Project.

Context at the sector level

2. The Project followed a previous Bank operation, the Urban Property Rights Project (UPRP – Loan No. 4384-PE). The UPRP had supported the GoP in the implementation of major property rights reforms between 1998 and 2004⁴, closing with the following results: (a) around 1,135 million new property titles were recorded, which benefited more than 5.7 million Peruvians in marginal communities; (b) about 630,000 of those properties were later mobilized through market transactions; (c) property value increased by around US\$1.05 billion; and (d) formal credit was mobilized in the order of \$400 million.

3. The UPRP also tried to tackle some decentralization issues related to the field of property rights. In that regard, after the year 2000 all formalization activities were transferred to Provincial Formalization Commissions. However, despite the fact that the system facilitated the prioritization of interventions, it was not successful in transferring know-how to provincial municipalities because of their limited institutional capacity.

⁴ For more info on the reforms, see World Development Report, Chapter IV, Property Rights, 2005, p. 81.

4. At the time of Project design in 2004, there was will at the institutional level to continue devoting efforts to formalization initiatives. Within that context, the Real Property Rights Consolidation Project was expected to continue the efforts to consolidating property rights in Peru, and to support provincial municipalities' gradual movement to the "driver's seat" of formalization processes.

5. Under the Project, the decentralization of the formalization process would proceed via Participation Agreements between COFOPRI and selected provincial and district municipalities. Under the Participation Agreements, municipalities would provide (in exchange for formalization and cadaster support) local offices and staff, vehicles, and room and board for COFOPRI staff temporarily assigned to work with them for local capacity building. The tax dimension of the cadaster would be closely coordinated with the SIAF initiative to develop the untapped tax potential of recently formalized areas.

1.2 Original Project Development Objectives (PDO) and Key Indicators (*as approved*)

6. The main objective of the Project was to consolidate a decentralized and sustainable quality real property rights system that would facilitate access to property titles for the Peruvian population. The system was expected to enhance the welfare of real property owners and facilitate access to economic opportunities. The system would also provide support to the decentralization program of the GoP through the institutional strengthening of the participating municipalities.

7. The key indicators were: (i) an appropriate legal, regulatory and institutional framework for real property rights protection and promotion adopted and operational; (ii) low transaction cost of formalization and cadaster for users in terms of out-of-pocket expenditures and time; (iii) low formalization and cadaster costs for GoP; (iv) increased number of SUNARP users and internet services; (v) increased number of integrated real property cadastre and registry records; and (vi) an average property value increase of about US\$550.

1.3 Revised PDO (as approved by original approving authority) and Key Indicators, and reasons/justification

8. During the implementation of the Project, the Project Development Objective (PDO) and the description of components, subcomponents and activities remained unchanged. Changes to selected indicators within the results framework were made to ensure a closer alignment between the contributions of Project-financed activities to the achievement of the PDO. In that regard, the Project reduced the number of results indicators, choosing only the ones that were most relevant in measuring the Project's desired outcomes.

9. After protracted internal discussions and agreements with the Client, four key indicators were dropped with the remaining ones considered to be sufficient to measure the PDO. These indicators proved to be too extensive and beyond the Project's scope (e.g., adoption and implementation of legal, regulatory and institutional framework and increased property values are not within the Project's control to claim sufficient and direct attribution), redundant (e.g., cost of formalization and cadaster to users with cost to GoP already measured), or no longer relevant (e.g., increased number of SUNARP users and internet services given the change in strategy during implementation).

10. Following these discussions between the Bank and Client which started one year prior to the Project's closing date; the Project was restructured on June 24, 2011. Four PDO indicators were dropped and several intermediate indicators were either dropped or revised (see table 1 for detail):

Table 1. Project restructuring, original vs. revised indicators

Indicator	Original Target Values	Formally Revised Target Values
<i>PDO Indicators</i>		
Appropriate legal, regulatory and institutional framework for real property rights protection and promotion adopted and operational.	-	Dropped
Low transaction cost of formalization and cadaster for users in terms of out-of-pocket expenditures and time.	-	Dropped
Low formalization and cadaster costs for GoP (Project average titling unit cost in US Dollars).	-	64
Increased number of SUNARP users and internet services	-	Dropped
Increased number of integrated real property cadaster and registry records (Number of property registry records under a new registry model).	-	5,823,770
Average property value increase about US\$550	-	Dropped
<i>Intermediate Indicators</i>		
Diagnostic studies finalized (including subjects like cost-benefit, credit practices and land allocation).	4	3
Workshops held with key stakeholders on real property rights issues.	2	3
Legal and regulatory reform proposals identified, prepared and agreed upon on real property rights, land administration and allocation, investment and credit promotion and inter-institutional coordination.	4	3
80 Provincial Municipalities provided training on formalization services by COFOPRI	144	80
Approximately 400,000 lots formalized by COFOPRI	-	398,952
Approximately 300,000 titles issued by COFOPRI.	471,000	300,000
COFOPRI's Project Average titling unit costs not higher than \$100 per title.	-	64
56 District Municipalities provided training on cadaster services by COFOPRI.	427	56
Approximately 536,000 properties cadastered by COFOPRI.	536,000	535,639
5,823,000 million property registry records under a new registry model.	5,670,000	5,823,770
New publicity services provided (summary sheets).	-	Dropped
SUNARP publicity services on-line no less than 67% of total publicity services.	-	Dropped
SUNARP average duration of registration of property transaction in SUNARP no longer than 5 days.	-	Dropped
45 permanent continuous monitoring GPS stations installed.	14	45

Indicator	Original Target Values	Formally Revised Target Values
4,955 control points added to geodetic network.	4,955	4,955
Increased access to credit evidenced by number and amounts of credit obtained by formalized users, with or without mortgages.	-	Dropped
129,000 recently formalized owners use real property exchange.	129,000	129,000
Disaggregated socio-economic information generated by the Project and user feedback utilized in decision-making.	-	Dropped

1.4 Main Beneficiaries

11. The Project was expected to increase the quality of life of families living on the properties targeted under the *Decentralized Formalization and Cadaster Services* component. This component was expected to cover around 3.7 million people, representing about 15% of the total population of Peru. Specific areas were pre-selected under the *Participation Agreements* using criteria related to: (i) population density; (ii) poverty levels; (iii) economic potential; and (iv) cost-benefit ratio. This allowed for areas in the so-called “Poverty Triangle” section of the country (Ayacucho, Huancavelica and Apurimac) to be included, as well as the departments of Tumbes, Puno, Tacna, Piura and Cajamarca –which also showed significant levels of poverty. During project implementation the areas of intervention expanded, resulting in coverage being provided to a total of ten regions: Ancash, Ayacucho, Cajamarca, Cusco, Junín, Lambayeque, La Libertad, Lima, Piura and Puno.

1.5 Original Components (*as approved*)

Component 1: Comprehensive Real Property Rights Policies (0.86% of project costs – US\$360,000 total, of which US\$180,000 correspond to Bank financing).

12. The *objective* of this component was to strengthen the property rights policy-making process in Peru in order to preserve the achievements of the legal, regulatory and institutional reforms pursued under the UPRP, and to ensure that further reforms would have a positive socio-economic impact. Topical areas included inter-institutional coordination in a decentralized governance framework, access to affordable land, land use planning for municipalities, and the linkages between real property rights institutions and the financial and housing sectors.

Component 2. Decentralized Formalization and Cadaster Services Provision (50.91% of project costs – US\$21.21 million total, of which US\$13.71 million correspond to Bank financing).

13. The *objective* was to expand the formalization of urban and peri-urban areas within the territories of participating municipalities, via the provision of technical assistance by COFOPRI through activities that: (i) were adapted to the diverse needs of informal owners; (ii) justified in cost-benefit terms; and (iii) involved capacity-building for provincial and district municipalities. The Project aimed to continue promoting administrative simplification aimed at recognizing and protecting property rights in order to prevent a reversion to informality by creating an environment in which formal rules interacted with social reality and reduced transaction costs.

Component 3. Modern Real Property Rights Systems (36% of project costs – US\$15 million total, of which US\$9.40 million correspond to Bank financing).

14. The *objective* was to support the integration of real property data and the establishment of the national cadaster system in SUNARP to improve: (a) the quality of property registry-cadaster services; and (b) the Peruvian population's access to the system. This component supported SUNARP's real property registry information system and real property demarcation activities. It comprised the following subcomponents: a unified real property registry, and a national integrated real property cadaster information system.

Component 4. Credit and Registry Culture Promotion (4.92% of project costs – US\$2.05 million total, of which US\$900,000 correspond to Bank financing).

15. The *objective* of this component was to support the economic utilization of property rights and foster real property-related economic activity in formalized areas. Specific goals were: (a) providing practical information on the linkage between registration and access to credit as a tool for individual empowerment; (b) reducing information gaps between formalized owners, and credit and service providers; (c) understanding real estate markets in marginal areas in order to identify measures to encourage and facilitate real property transactions and investments; and (d) developing strategic alliances among the public and private sectors to promote business development in formalized areas and facilitate investments in infrastructure and services.

Component 5. Project Management, Monitoring and Evaluation (7.25% of project costs – US\$3.03 million total, of which US\$800,000 correspond to Bank financing)

16. The *objective* of this component was to achieve effective and efficient Project implementation. It supported standard Project management, and monitoring and evaluation activities, like (i) assessments of the transparency and accountability framework of COFOPRI and SUNARP, and (ii) evaluation of socio-economic outcomes through: (a) continuous follow-up of poverty indicators in formalized areas; (b) assessment of market mobilization of real property rights in terms of transaction numbers and prices, credit and investment directed to formalized properties, and (c) review of the impact of Project communications and educational activities in terms of knowledge gains and behavior changes in individuals and communities.

1.6 Revised Components

17. Project components were not revised, nor were additional components added during the life of the loan. However, allocations by components were revised under the June 24, 2011 restructuring. In particular, the total costs of implementing Components 1, 3 and 4 were reduced while the total cost of Component 2 was increased to support the completion of COFOPRI's titling activities in selected areas where substantial demand for formalization and cadaster services had been detected.

1.7 Other significant changes

18. The Loan Agreement was amended on November 20, 2006, to reflect a reduction in the commitment fee payable by the Borrower.

19. On January 14, 2008, the Loan was amended to: (i) modify the role of COFOPRI in connection with Part B of the Project; (ii) modify the role of provincial municipalities in

connection with Parts B.1 and B.2 of the Project; (iii) modify the composition of the Steering Committee; (iv) extend the definition of Operating Costs under the Project; and (v) modify the description of Parts B.1 and B.2 of the Project, as to reflect the new role of COFOPRI.

20. The Loan Agreement was further amended on November 4, 2010 to allow the use of electronic means for delivering applications for withdrawals and supporting documentation.

21. The Project was restructured on June 24, 2011 in order to consolidate Project achievements and ensure Project sustainability after closing. The modifications in that phase included: (i) changes in implementation arrangements following the decision of the Ministry of Finance (MEF) to convert the Project Coordination Unit into an autonomous budget-holder unit; (ii) changes in component-specific costs; (iii) changes in disbursement arrangements to introduce a new disbursement category, reallocation of Loan proceeds, and an increase in the disbursement percentage (up to 82% of the expenditure categories) which was consistent with Peru's country financing parameters to provide adequate financing for selected activities; (iv) extension of the Closing Date by six months to June 30, 2012 to allow SUNARP to complete critical Project activities related to the migration of property registries to the new registry model and ensure satisfactory outcome at exit; (v) changes to selected indicators of the results framework to ensure closer alignment of the contribution of Project-financed activities to the achievement of the Project Development Objective as described in Section 1.3; and (vi) revisions to the Project Annual Operating Plans and Procurement Plans as a result of the above changes (See Annex).

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design and Quality at Entry

22. **The Project's purpose was systematically aligned with the Government's decentralization policy agenda.** At the time of its design, the Project was meant to support COFOPRI and SUNARP in their formalization efforts. In particular, the Project aimed at supporting COFOPRI and SUNARP in expanding the property consolidation achievements into both regional and municipal subnational entities.

23. The overall design of the project was well conceived, yet it did not include the contingencies of the external political factors. The Project may have not properly assessed that the institutional arrangements necessary for the carrying out of project activities by COFOPRI, SUNARP and IGN would be subject to external political factors that could affect project implementation. The Project may have underestimated the potential risks that it would face during the implementation of key project activities. Furthermore, the Project was approved with inappropriate or non-existent baselines and targets. The following are key issues related to project design, along with its main strengths and shortcomings:

24. **The Project's design incorporated lessons learned from previous Bank operations and research findings.** The project was a continuation of a preceding successful Bank operation (*Urban Property Rights Project*, UPRP – Loan No. 4384-PE). The Project had similar objectives in regards to using formalization as a driver for social inclusion and economic growth. However, it was designed to expand the benefits of the UPRP under a decentralized management structure. In particular, the Project financed qualitative and quantitative studies -including surveys and focus groups- in order to better understand the socio-economic benefits and the long-term impact of property formalization, including follow-up surveys and studies to compare results with the

ones carried out under the UPRP. Lessons learned from the implementation of the UPRP (1999-2004) were identified in the Project Document (PAD) and reflected in the Project's design.

25. **The Project's design was aligned to the Country Assistance Strategy (CAS).** The Project supported specific objectives of the 2002 Peru CAS –as updated by the CAS Progress Report of 2004. The first pillar of the CAS aimed at laying the foundation for sustainable growth and poverty reduction, and the third pillar aimed at strengthening governance and helping build an accountable and efficient government that provides services accessible to all Peruvians. In particular, the Project contributed to both purposes by (i) formulating and applying comprehensive property rights policies; (ii) supporting municipalities' formalization; and (iii) developing municipalities' cadasters.

26. **Given the major role of the formalization agenda in Peru, the Project was designed explicitly as a part of a larger strategy that partially depended on the performance of partner government agencies.** The underlying logic of the Project at design was that the main aspect of the PDO (create a National Real Property Registry-Cadaster System) could only be fulfilled if, with Project support, SUNARP completed the registration process and migration to the registry model of a significant portion of formalized properties in Peru (up to 5.6 million properties out of approximately 11 million property titles). During project design it was envisioned that the loan would finance slightly more than half of the total universe of registry properties that needed to be transferred to the new model, with SUNARP assuming responsibility for the migration of the remaining registries. While this interdependence was useful to fully integrate the Project into the policy agenda during the project design, it also became problematic when SUNARP's short term strategy did not envision the completion of the registration process under its responsibility. As a consequence of this interdependence, unless the migration of the substantial portion of property registries was made, the full functionality of SUNARP's registry model would have been limited.

27. The PAD indicated that the project met the regional criteria for readiness for implementation.

2.2 Implementation

28. The Project was approved by the Bank's Board on March 14, 2006 and signed on November 3, 2006. It was declared effective on February 1, 2007 following the entry into cooperation agreements with SUNARP and IGN and the approval of the Operational Manual.

29. **The favorable institutional context that was in place at appraisal did not hold throughout the Project's cycle and negatively affected its implementation.** The Presidential elections held in 2006 led to changes in the political landscape that resulted in institutional instabilities that had negative effects on the achievement of outcomes. Project implementation was affected by a number of factors such as frequent turnover in the PCU, and a six-month period of instability following the leadership changes in SUNARP during the project's final year of implementation. During the initial stages of implementation (2006-2009) the project was able to prepare for contingencies thanks to a close coordination between the task team and the Borrower. Despite not being able to resolve the critical issues that arose in relation to the activities to be implemented by SUNARP, the task team was proactive in proposing actions to mitigate these developments and ensure the sustainability of activities following Project closure.

30. **Changes in the legal framework regarding property rights created additional delays in project implementation.** The project became effective as of January 31, 2007, but suffered

delays in the implementation of major components due to the passage of Law No.28923 which: (i) returned the authority to title state land in urban areas to COFOPRI; and (ii) called for the merger between COFOPRI and the *Programa Especial de Titulación de Tierras* (PETT) for rural land formalization. The new internal legal framework (passing of Law No. 28923) required that the Project Feasibility Study as originally envisaged under Component 2 of the project be modified and resubmitted for approval to the MEF and the Presidency of the Council of Ministers (PCM). This also required an Amendment to the Loan Agreement in order to align the project with the new legal framework, recognizing the key role of the Executing Agency (COFOPRI) as the institution in charge of formalization and titling, while local governments (municipalities) would be involved in capacity building activities through participation/cooperation agreements. As a result, project procurement and disbursements experienced significant delays during the first year of implementation.

31. **Despite delays in the configuration of the PCU team, the Project accelerated its execution during Calendar Year (CY) 2008.** During the first quarter of CY08, most of the programmed project activities were executed following the completion of Participation Agreements between COFOPRI and six districts. Additionally, various municipalities entered into agreements for the provision of cadaster services for local governments. Project components related to property rights policies and registry, and credit culture benefits were also strengthened and prioritized. Major setbacks in project implementation occurred during the first semester of 2009 due to high PCU turnover and vacancies (9 out of 20 positions), including the resignation of the Project's second Coordinator in less than a year. During the 2nd semester of CY09, the project made significant progress with an increase in implementation activities for Components 1 and 4, as well as a managerial renewal in COFOPRI and the PCU. This new environment substantially reduced the turnover in the PCU thereby providing stability to its operations. The progress in project execution was closely related to the timely implementation of the action plan agreed upon during the mid-term review. By the end of CY09, disbursements of loan proceeds stood at 45%.

32. **One of the main setbacks to Project implementation was created by the need for a high number of individual contracts and the lack of a standardized due diligence system.** During the execution of the Project, between 2008 and 2010, the land titling system applied to this project required a large number of consultants working in the field for COFOPRI across several departments. A total of 717 consultants were hired to fill a broad range of positions. In May 2010, the PCU reported irregularities to the Task Team, which in turn, reported to the Department of Institutional Integrity (INT) the findings of an internal procurement post review (IPR). It was found that some of the consultants hired had presented false information on their CVs, misrepresenting their education credentials in their job applications. These findings prompted the Task Team leader (TTL) to advise the Borrower to review all 717 contracts to verify the information provided by the consultants hired under the bank-funded project. COFOPRI formed a special committee to review the files and consult with the issuing institutions to confirm the veracity of the diplomas and/or certificates contained in the CVs of 618 consultants with contracts as of November 8, 2008. COFOPRI found that 78 consultants presented false documents with their CVs, amounting to 12.6% of all consultants with ongoing contracts with the Project.

33. **As a result of Bank supervision efforts, the task team proposed a solution that allowed for a smooth continuation of project implementation.** In close coordination with procurement and financial management staff, the Task Team worked with the Borrower, MEF, and MVCS, to find a solution that would not derail project implementation. During the 2nd semester of 2010 and 1st semester of 2011, the Project made significant progress with the implementation of all components according to the Annual Operating Plan. The contract with a

consulting firm in charge of implementing program activities envisaged under Component 3 (new property registration model operational and 5.8 million of property records migrated to the new model) was signed. Activities under this contract sought to create a public registry information system that was secure and reliable, and that provided accessible and quality services.

34. **In addition, the Task Team's proactive actions allowed the timely identification of potential contingencies that could affect the implementation of Project activities.** On June 24th, 2011, the Project was restructured to ensure achievement of project objectives as described in its Annual Operating and Procurement Plans. The restructuring proposed a change in the costs of the individual components in order to support the completion of COFOPRI's titling activities in selected areas where substantial demand for formalization and cadaster services had been detected. In total, US\$1 million was shifted from Components 1, 3 and 4 to Component 2. Also, the geographic scope of the Project was modified accordingly in the Annual Operating Plan and the Government took over responsibilities for some activities/areas using its own resources. The closing date was extended from December 31, 2011 to June 30, 2012, in order to enable the completion of critical Project activities under Components 3 and 4, and thereby ensure the achievement of the desired project outcomes.

35. **However, disagreements between SUNARP and the contractor during the execution of digitalization and migration activities generated delays in the activity's overall implementation.** The administration of SUNARP that took over in August 2011 raised concerns over the performance of the contractor in the migration of 5.8 million property records to the new registry model. Furthermore, the contract for the implementation of this activity had become politicized in the public arena following a congressional inquiry into the leadership of the previous superintendent. These challenges were compounded by the fact that during the design of the project, SUNARP had not made an accurate assessment of its technological capacity, and agreed on an implementation calendar that exceeded the capacity of its systems. The situation resulted in frequent collapses of SUNARP's servers, bottlenecks from the contractor's side as its installed registry input capacity exceeded that which SUNARP could receive, and the impossibility of the contractor's delivery of the agreed upon number of registries.

36. **Despite various efforts, the contract for the digitalization and migration was cancelled with significant impacts in the achievement of the PDO.** With the purpose of further exploring the issues raised by SUNARP, in October 2011 a Bank mission held meetings with representatives of the contractor, SUNARP, COFOPRI, and the PCU in order to discuss the steps needed to resolve the existing issues and keep moving towards the successful implementation of the activities envisioned under the contract. The Superintendent of SUNARP reaffirmed the institutional commitment to finding quick solutions to outstanding issues related to SUNARP's counterpart financing, the technical difficulties that arose in the process of migrating entries to the new model registry, and the continuity of the batch migration process.

37. The Bank stressed to the new SUNARP authorities that the component activities implemented by the institution were essential to the achievement of the project objective of consolidating property rights in Peru, as it represented the culmination of over 15 years of state policy supported by several Peruvian governments in which investments of up to US \$34 million had been made. Despite multiple discussions in the months following the supervision mission, SUNARP –following the legal counsel of an independent law firm– prepared an amicable termination of the property registry migration contract subject to the Bank's no objection.

38. With an amicable termination of the contract being reached, the Task Team acknowledged the serious impact this represented for the achievement of the PDO. The number

of property registries delivered upon termination (600,000) would represent slightly more than 10% of the total programmed migration of 5.8 million records established during the Project's restructuring. However, a migration of property registries through a "batch process" commenced before project closing accounted for an additional 2.8 million records migrated achieving a total of 56% of the total end target.

39. Project implementation was rated satisfactory throughout most of the life of the project. However, it was downgraded to moderately unsatisfactory during the final quarter of implementation when activities related to the migration of property registries became clearly unachievable. The amount that remained undisbursed from loan funds for the property registries migration was USD\$ 4,039,702 out of the allocated total for Non-consulting services. In total, an amount equal to US\$ 5,852,647.10 million dollars of loan resources was cancelled.

40. **The institutional commitment of Project actors, along with their managerial leadership, achieved outstanding results throughout components.** Aside from the administrative and political problems that affected the Project, through the clarity of their mission and institutional commitments, IGN and COFOPRI achieved important results in the implementation of Components 3 and 4, respectively. Both institutions spearheaded the operation of the country's geodetic network and the creation of a culture of formalization. In the specific case of IGN, during early project stages the establishment of 14 permanent monitoring GPS stations was identified as the end target. However, thanks to IGN's celerity and efficiency in resource management and technological advances, the number of tracking stations that were installed was increased to 45 stations (this target was set in the restructuring of the project). For COFOPRI, the areas of intervention led by Component 4 made significant progress in the culture of formalization, particularly with secondary level students, as confirmed by the Project's impact assessment study.

2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

41. The M&E framework design and implementation has been rated as **moderately satisfactory**. The project's results framework contained performance indicators for the PDO and each individual component. A number of the PDO and outcome indicators formulated were effectively revised or dropped during project restructuring with the purpose of aligning the contribution of individual Project activities more closely with the achievement of the PDO. However, the Project was approved with some inappropriate or non-existent baselines and targets which slightly affected the monitoring of outcomes during implementation.

42. To prepare the progress reports required by the Loan Agreement, COFOPRI developed a solid M&E system that fed the Bank's own systems. PDO and intermediate results indicators were closely monitored during implementation support missions and accurately reported in ISRs. Furthermore, the project's PCU successfully oversaw essential activities designed to effectively measure outcomes such as studies to verify the consistency of SUNARP databases, consultancies to estimate titling costs, studies by the ESAN University to estimate cadaster impact on municipalities, an independent study on territorial management tools and an impact evaluation study to assess the impact of the project on poverty and other welfare indicators.

2.4 Safeguard and Fiduciary Compliance

43. Project procurement was considered satisfactory or moderately satisfactory throughout project implementation. Biddings and regular procurement processes were done following strict

Bank guidelines and posed no threat to the implementation of Project activities. On the other hand, according to the Section 3.03 (c) (ii) of the Loan Agreement, the project was required to furnish to the Bank, not later than six months after the end of each fiscal year, a procurement audit. This requirement was not met by the Project for the years 2009, 2010, 2011 and 2012, as the process was conducted by CGR (*Contraloría General de la República*) and resulted in unsuccessful bidding processes for each of the respective years. However, taking into account that the process was not conducted by the Project, the Procurement rating was not lowered.

44. Project Financial Management (FM) was considered satisfactory or moderately satisfactory throughout project implementation. Quarterly financial monitoring reports and yearly audits were submitted on time and were acceptable to the Bank. Minor errors and inconsistencies found during FM supervision missions were properly addressed by the Client and did not impact the outcome and controls of the Project.

2.5 Post-completion Operation/Next Phase

45. Currently, there are no planned -or identified- follow up operations. During the final implementation support mission, and the Implementation Completion and Results Report discussions, the Bank emphasized to the Borrower that the sustainability of the Project was dependent on the continuance of COFOPRI as the lead agency in charge of preventing the return to informality, as well as the long-term modernization process of SUNARP. The commitment of both institutions to such mandates will be key to the sustainability of the Project's development outcome.

3. Assessment of Outcomes

3.1 Relevance of Objectives, Design and Implementation

46. The original objective of the Project maintained its relevance over time. The system was expected to enhance the welfare of real property owners and facilitate access to economic opportunities. Even though the Project was not conceived to eliminate all forms/causes of informal tenure, it was expected to reduce the negative impacts of informality and discourage further informality by consolidating the legal security of property rights, completing conversion of informal tenure, and building capacity to address its causes through strategic partnerships between various levels of government and key stakeholders in the private sector and civil society. The objective was –and still is– aligned with the country policy agenda (i.e. strengthening public sector capacity at the subnational level). In addition, the objective remains relevant for the current Bank's Country Partnerships Strategy for Fiscal Year (FY) 2012-2016, namely for the Strategic Objective of “Connecting the Poor to Services and Markets” and “Improved Public Sector Performance for Greater Inclusion”.

3.2 Achievement of Project Development Objectives

47. **Overall PDO.** In the original Project design, the PDO was to be measured against six Key Indicators which were subsequently reduced to two: (i) low formalization and cadaster costs for GoP (Project average titling unit cost in US Dollars); and (ii) increased number of integrated real property cadaster and registry records (number of property registry records under a new registry model). The Project was **moderately satisfactory** at achieving its PDO when one takes into consideration the achievement of most of its outcome indicators and the substantial gains and success of the activities implemented across project components.

48. The task team acknowledges that the Project suffers when measuring the achievement of the PDO against its indicator for the “increased number of integrated real property cadaster and registry records under a new registry model”. At project closing in June 2012, only 10% of the target goal had been achieved, with the migration of 600,000 property records out the project’s universe of 5,823,770. However, building on activities that started to be implemented before project closing, the project had reached the migration of 3.4 million records as of October 31, 2012. This amount translates to approximately 58% of the total PDO indicator target, representing a critical mass of registries that are key to achieving the consolidation of property rights recognition and protection around a national integrated registry-cadaster system. The critical mass of 3.4 million property records migrated is substantial enough to mainstream the new registry model as it exceeds 25% of the estimated total of property records, and relates to the properties in Lima-Callao, the most active and valuable property market in the country.

49. One of the Project’s main objectives was associated with the recognition by households of their rights and need to register property. In terms of impact, there is strong and significant evidence found in the Project’s Impact Evaluation Study (see Annex 3 for details) to conclude that this has been the case. This especially holds true in the registration of improvements to properties, where the project helped to increase the level of secondary registration by over 32% according to a differences-in-differences methodology. With respect to the measurement of the value of formalization and cadaster costs, there are two ways in which this can be calculated: (i) from the GoP perspective which includes all administrative costs; and (ii) from the users’ point of view which includes their out of pocket expenditures. For GoP calculations, despite the technical complications associated with measuring this indicator, the project’s internal calculations estimated this value at US\$110 (US\$10 over the ceiling determined by the project). The impact evaluation demonstrated that from the users’ point of view the registration cost per property was reduced by S/19.1⁵ from a S/70 baseline.

50. The Project successfully achieved most of its intermediate outcome indicators and their target values, detailed in Annex 2. Out of the project’s 13 intermediate outcome indicators across 4 components, 7 of the indicators achieved –or surpassed- their end targets. The operation was successful in meeting the objectives of enhancing the welfare of real property owners and facilitating their access to economic opportunities through the issuing of over 300,000 property titles, the formalization of approximately 336,000 lots and the registering of over 540,000 properties across 10 regions. Furthermore, the Project successfully reached over 200,000 people (adults and high-school students alike) as part of its credit and registry culture promotion campaigns.

51. Despite the obstacles and challenges faced during its implementation, and the failure to satisfactorily meet the end target for the migration of property registries, the operation made positive changes towards the consolidation of a decentralized and sustainable real property rights system that facilitates access to property titles for the Peruvian population. Furthermore, the operation helped support the decentralization program of the GoP through the institutional strengthening of participating municipalities.

⁵ (dif-dif= 19.1***; PSM = 26.1***)

52. An increase in the collection of property taxes in participating municipalities became an unintended outcome of the Project. According to a study⁶ undertaken at the time of project closing, municipalities that benefitted from Project activities targeted at building their municipal cadaster were able to increase the number of registered properties and considerably increased their overall tax collection in 2011. Among those municipalities are Pampas de Hospital, Bellavista, San Juan de la Virgen, Oxapampa, Castilla and Pícsi. In some municipalities where the cadaster was highly underdeveloped or inexistent, the study also projected potential increases in the collection of property taxes of up to 2,000%. In sum, extensive gains were achieved under the components for Decentralized Formalization and Cadaster Services, and Credit and Registry Culture Promotional.

3.3 Efficiency

53. The main objective of the Project was to improve the access of the Peruvian population to services associated with the registration of property rights. This has been achieved as Project findings point to an increase of 10% (PSM)⁷ on households that reported "all" their register related actions, with registration of second actions reporting an increase of 32% (diff-diff).

54. These increases brought record improvements to the lives of property owners. First, an estimated improvement in property value near S / 8,284 (US\$3226) or an equivalent of 20.3% of the average value reported in surveys, was estimated according to the Hedonic Price methodology used in the Impact Evaluation. This value is 3.5 times higher than the expected value of the Economic and Financial analysis at the beginning of the Project. Other results include increased legal security, which translated to owners increased willingness to invest in their properties by an additional 7%. Additionally, the number of households in unsuitable conditions has been reduced by 9%, among other associated effects of the project on poverty as understood in terms of basic needs unmet.

55. Measuring poverty according to income, the project had null or insignificant effects. However, according to the sampling methodology used in the Project's impact assessment, it could be argued that the effects of the project on poverty may be seen in the medium term, where the project could have a significant impact through the increase of S/1,612 per household per year. This is partly due to property titling which provides for greater family stability and an overall better position to weather economic cycles.

56. The results above, along with the issuing of over 300,000 property titles, the formalization of approximately 336,000 lots and the registering of over 540,000 properties across 10 regions, suggest that the project has had a significant economic and social impact. See Annexes 2 and 3 for details.

3.4 Justification of Overall Outcome Rating

Rating: **Moderately Satisfactory**

⁶ *Estimación de los Impactos del Catastro en las Municipalidades*, Organismo de Formalización de la Propiedad Informal, COFOPRI, 2012.

⁷ Dif in Dif estimation for this indicator was not significant.

57. The Project's impact assessment demonstrates significant results with regards to the culture of formalization and the benefits of the Project on the value of property and the overall quality of life of the population intervened. However, the fact that Project indicators related to the PDO were not met adequately, along with the administrative irregularities that led to the fraud investigation, suggest a **Moderately Satisfactory** rating. This rating supports a further evaluation of the lessons to be learned with regards to the design of indicators, institutional arrangements and project monitoring.

3.5 Overarching Themes, Other Outcomes and Impacts

(a) Poverty Impacts, Gender Aspects, and Social Development

58. Previous studies on the benefits of real property (De Soto, 1987) in Peru would suggest that the project has indeed achieved a direct impact on poverty and social development given the causal relationship between housing improvements and the reduction of poverty rates. The Project's impact assessment shows that this relation was important for improvements in households. However, for this particular case, the results on access to public services, education and health were marginal or non-existent. Similar results were found for the access to credit and the development of a formal housing market.

59. In terms of access to public services, a positive relationship between the formalization of property and access to sewage services has been identified, especially in homes formalized for a longer period of time⁸. With regards to education, although no impact was established on new attendances, the results show a correlation with a decrease in falling behind in school⁹.

(b) Institutional Change/Strengthening

60. The Real Property Rights Consolidation Project's institutional development impact has been **substantial** as it contributed toward the capacity to manage urban cadasters of COFOPRI, as well as increasing its collection of property taxes in participating municipalities. Moreover, the project has made some important contributions to the development of policy instruments, the proposal of new institutional arrangements in the housing sector and the increase in technical knowledge to strengthen capacity at all government levels. With respect to the National Geographic Institute (IGN), the project greatly strengthened its capacity through the installation of 45 permanent continuous monitoring GPS stations and 4,955 control points which were added to the geodetic network. This has given IGN the capacity to provide geo-referencing services to various government institutions and the tools to possibly provide geographical data services to third parties, potentially creating a new source of revenue for the agency.

3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops

61. No beneficiary survey or stakeholder workshops were conducted specifically for purposes of reviewing project performance. A study evaluating the project's impact, with a survey of over 3,600 households benefitted, has been delivered with some of its findings included

⁸ dif-dif = +0.13* percentage points

⁹ dif-dif = -0.12 ** percentage points

throughout this document. The findings of the study are listed among the supporting documents for the ICR in Annex 7.

4. Assessment of Risk to Development Outcome

Rating: **Moderate**

62. There are several factors which indicate that the development outcomes achieved through the Project are likely to be maintained and justify rating the risk as **moderate**. In particular: (i) the municipalities that had cadasters put in place were able to increase their collection of property taxes the following year, creating an incentive for them to maintain the system; (ii) the Project has continued progressing after the completion of Bank-financed operations, demonstrating the government has acquired the know-how to continue with the implementation of this activity without Bank support; and (iii) SUNARP has confirmed its commitment and political will to finish the migration of the remaining registries (approximately 7 million), as part of its short-term strategy to be achieved with its own resources under a revised methodology that should ensure better outcomes.

5. Assessment of Bank and Borrower Performance

5.1 Bank Performance

(a) Bank Performance in Ensuring Quality at Entry

Rating: **Moderately Satisfactory**

63. The Real Property Rights Consolidation Project intended to expand on the positive results of the UPRP which had achieved an impressive target of issuing almost 1.135 million titles. Prepared to take into account the lessons learned from the previous project, and looking to expand the previous operation's scope through the development of a coherent property rights policy framework, the Real Property Rights Consolidation Project required the joint efforts of several institutions at the central and local levels of government. COFOPRI and SUNARP were ideally positioned to coordinate initiatives that could be articulated with lower levels of government. Both institutions had developed an expertise under the UPRP that should have allowed them to support the development of modern policies at a national level and apply them in municipal jurisdictions.

64. The Project as prepared was well-designed. However, the Bank may have underestimated the risks that the Project would face during its implementation if the favorable institutional context that was in place at appraisal were to change substantially throughout the Project's lifetime. This proved to be the case in the initial stages of project implementation when relations between COFOPRI and the PCU delayed the implementation of activities and effectively placed the project at risk of not reaching its objectives. During the last year of project implementation new challenges affecting implementation surfaced as SUNARP went through a six-month period of instability that saw its leadership change across the nomination of five Superintendents.

65. Furthermore, the Project was approved with inappropriate or non-existent baselines and targets. Four of the six PDO indicators identified in the PAD were dropped without baselines in 2011, with one of the indicators retained (low formalization and cadaster costs for GoP) being revised in 2011 to change its baseline value. The lack of appropriate measurement data slightly hindered the Project's quality at entry, and affected monitoring of outcomes during implementation.

(b) Quality of Supervision

Rating: **Moderately Satisfactory**

66. Overall, the actions taken by the Bank's team in monitoring the project at its different stages was satisfactory. The Bank's task team was praised in an internal INT report that recognized the efforts in finding an effective resolution to the corruption issues that arose during project implementation and suggested the team's approach could be potentially used as a best practice on Bank projects.

67. There are two facts that suggest that Project oversight could have been tighter. The Project received an upgrade from *Unsatisfactory* to *Satisfactory* in 2009 and was later downgraded back to *Moderately Satisfactory* in 2010 as the project implementation team did not apply concrete corrective measures as the Bank Team had suggested. Secondly, the number of supervision field visits decreased, particularly since 2009. Following that year, the average time between missions was slightly above 6 months, despite the fact that both Sector and Country managers recommended closer oversight of the Project. However, an Independent Evaluation report commissioned by the Borrower rated the Bank's implementation support efforts as "highly satisfactory".

68. Considering the case of alleged fraud filed in early 2010, the Project should have received a lower rating in terms of Procurement and Monitoring and Evaluation. In fact, a rating of *Unsatisfactory* would have raised a red flag in the Project and could have possibly triggered follow-up actions on each of the contracts active or under evaluation.

(c) Justification of Rating for Overall Bank Performance

Rating: **Moderately Satisfactory**

69. Given the Bank's performance in ensuring quality at entry, and in the quality of Bank supervision, the overall Bank performance is rated as **Moderately Satisfactory**. This ICR, as well as an internal INT report, recognizes the Bank's task team efforts in finding an effective resolution to the corruption issues raised during project implementation. The refund of the amounts involved in the INT investigations were effected thanks to the close cooperation between the Task Team and procurement and financial management staff. Despite periods of institutional turmoil, the task team made continued efforts to ensure that project outcomes were achieved and all prioritized activities were undertaken successfully.

5.2 Borrower Performance

(a) Government Performance

Rating: **Satisfactory**

70. The Government of Peru played a key role during project preparation showing high levels of ownership and a strong commitment to the Project and the reforms it proposed. The Project was seen as key to a government agenda that placed a high importance on developing revenue generation capacity in the public sector, particularly at the municipal level. Due to the relevance of its overarching themes, the Project was supported by the Presidency of the Council of Ministers (PCM), MEF, MINJUS and MVCS who in different capacities supported the implementation of the project and kept an open dialogue with the bank throughout the Project cycle.

(b) Implementing Agency or Agencies Performance

Rating: **Moderately Unsatisfactory**

71. COFOPRI. The Project's implementing agency, COFOPRI, was responsible for overall Project management, monitoring and evaluation. During the early stages of project implementation, activities headed by COFOPRI suffered initial delays due to high PCU turnover and vacancies. Internal structural issues also did not allow the PCU to fulfill its mandate satisfactorily, resulting in frictions between the PCU and the administrative line units within COFOPRI. However, by the project's mid-term review most of these issues had been resolved and COFOPRI successfully met the vast majority of project targets under its responsibility. It is worth highlighting that the titling and cadaster activities under component 2 exceeded their end targets months before project closing, as did most activities under the component focusing on credit and registry culture promotion.

72. Despite COFOPRI's response being expeditious and proactive once the issues related to irregular activities were identified, findings from the investigation uncovered serious administrative weaknesses that could have potentially jeopardized the project. Unfortunately, the irregularities that surfaced during implementation marred the project and its successes.

73. IGN. The National Geographic Institute's performance was exemplary. Project activities under their responsibility were implemented in a timely and cost-efficient manner earning the praise of the task team and Borrower.

74. SUNARP. Cabinet shifts during the new government administration brought various changes over a short timeframe to the Superintendent position of SUNARP. These changes severely weakened its role as the main counterpart on the implementation of one of the project's most critical components. During a six-month period between October 2011 and March 2012, SUNARP was led by three superintendents, one adjunct superintendent and one general manager with provisional superintendent powers. In this environment, the Task Team faced implementation challenges that were severely hampered by the lack of continuity in SUNARP leadership. SUNARP was not able to effectively accomplish the migration of registries under its responsibility. This subsequently affected the full-fledged functionality of the registry model, thus making impossible for the Project to accomplish its objectives in full.

(c) Justification of Rating for Overall Borrower Performance

Rating: **Moderately Unsatisfactory**

75. Considering the arguments made above, and the individual assessments made to all three implementing agencies, the overall borrower performance is rated moderately unsatisfactory.

6. Lessons Learned

76. **Project designs should include all of the elements necessary to meet the development objectives –or otherwise estimate operational risks accordingly.** The Project's development outcomes partially depended on the performance of an outside element. Contrary to previously agreed-to arrangements, during the implementation of Project activities SUNARP's short-term strategic plans changed and the completion of the registration process stopped being a priority. As a result, the weak commitment of some ephemeral SUNARP administrations to the country's policy agenda ended up affecting the achievement of the Project's PDO. As a lesson learned, future operations should contemplate the sustainability of partnerships that can be strained by high turnover in the leadership of a partner institution, and if finally included, assess the risks

associated with that interdependence. Activities implemented under the Project should be able to guarantee the achievement of total project objectives.

77. **Projects involving Information and Communications Technology (ICT) activities should require that all parties commit to robust standardized protocols beforehand.** The activity design did not contemplate the elaboration of a registry digitalization standard (protocol) for cadaster data, which led to a heterogeneous process of digitalization that SUNARP could not accept at its discretion, thereby causing a delay in the digitalization and migration process. Furthermore, the project failed to identify how a “zero error” clause included in the contract could have impeded the satisfactory delivery of consulting products for an activity of such a grand scale. This lesson can be extended to other particular activities according to the stages and characteristics of the project.

78. **Implementing a project with multiple executing units should require additional agreements on Project governance structures.** During the lifetime of the Project, the Bank faced a number of challenges in dealing with multiple implementing units. The implementation of the Project was led by a Project Coordinating Unit (PCU) attached into COFOPRI for administrative and budgetary purposes, yet some activities were commissioned to two other agencies (SUNARP and IGN). When contingencies arose, the institutional arrangements were found to be insufficient to coordinate all the parts responsible for the implementation of project activities. A lesson learned from this experience is that it is difficult to promote inter- and intra-institutional communication if the coordination risks have not been tackled through appropriate agreements on project governance structures.

79. **Projects involving a high number of hirings should include some safeguards in connection with the due diligence standards for hiring processes.** The risk related to project activities that would require a large amount of contracts was not addressed in the PAD. This posed a considerable fiduciary risk that could have been managed through a proper due diligence system for hiring contractors.

7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners

(a) Borrower/implementing agencies

80. COFOPRI has agreed with the Bank’s assessment of its performance and has suggested, as lessons learned, the need to improve risk management and to properly identify baseline data for purposes of adequately monitoring expected project results upon Project conclusion.

(a) Cofinanciers

Not applicable.

(c) Other partners and stakeholders

Not applicable.

Annex 1. Project Costs and Financing

(a) Project Cost by Component (in USD Million equivalent)

Components	Appraisal Estimate (USD) in millions of dollars	Actual/Latest Estimate (USD)) in millions of dollars	Percentage of Appraisal
Component 1	.36	.45	125%
Component 2	21.21	23.53	111%
Component 3	15.00	6.83	46%
Component 4	2.05	1.43	70%
Component 5	3.03	3.68	121%
Total Baseline Cost	41.66	35.92	86%
Physical Contingencies	0.00	0.00	0.00
Price Contingencies	0.00	0.00	0.00
Total Project Costs	0.00	0.00	
Front-end fee PPF	0.00	0.00	0.00
Front-end fee IBRD	0.00	0.06	0.00
Total Financing Required	41.66	35.98	

(b) Financing

Source of Funds	Type of Cofinancing	Appraisal Estimate (USD millions)	Actual/Latest Estimate (USD millions)	Percentage of Appraisal
Borrower		16.60	16.84	101%
International Bank for Reconstruction and Development		25.00	19.07	76%

Annex 2. Outputs by Component

PDO	Revised PDO Indicators	Project Output
<ul style="list-style-type: none"> To consolidate property rights recognition and protection in Peru around a national integrated registry-cadaster system. To enhance the welfare of property owners and facilitate access to economic opportunities. 	<ul style="list-style-type: none"> Low formalization and cadaster costs for GoP (Project average titling unit cost in US Dollars). Increased number of integrated real property cadaster and registry records (Number of property registry records under a new registry model). 	<ul style="list-style-type: none"> Project average titling unit cost estimated at USD 110.02 according to 2011 study. Through a manual digitalization and batch migration process, 3.4 million property registry records were migrated to the new registry model.

	Revised Results Indicators for Each Component	Project Outputs
<p>Component One:</p> <p>Comprehensive Real Property Rights Policies Component.</p> <p>1.1 Diagnostic Studies.</p> <p>1.2 Strategic Partnerships.</p> <p>1.3 Legal and regulatory proposals</p>	<ul style="list-style-type: none"> Diagnostic studies finalized (including subjects like cost-benefit, credit practices and land allocation). Workshops held with key stakeholders on real property rights issues. Legal and regulatory reform proposals identified, prepared and agreed upon on real property rights, land administration and allocation, investment and credit promotion and inter-institutional coordination. 	<ul style="list-style-type: none"> 3 diagnostic studies finalized in the topics of: (i) “survey to obtain information on specific elements of the actual universe of titled lots by COFOPRI between 1996-2007”; (ii) “formalization of property and urban control”; and (iii) “granting of available free land in the State’s possession”. Workshops were held in the cities of Piura, Cajamarca, Lima, Tarapoto, Arequipa, Huaraz, Chiclayo, Trujillo and Huancayo with the participation of entities involved in property formalization, civil society, private sector and state governments. 2 agreed upon Legal and regulatory reform proposals made including the resolution to create the multi-sectorial commission

	Revised Results Indicators for Each Component	Project Outputs
		<p>in charge of proposing reforms on issues relating to property rights</p> <ul style="list-style-type: none"> • International forum on “international experiences on policies for urban formalization” and local forum on “Peru: public policy and government challenges in cadaster and land management”.
<p>Component Two:</p> <p>Decentralized Formalization and Cadaster Services Component.</p> <p>2.1 National Formalization Strategy Subcomponent.</p> <p>2.2 Municipal Strengthening Programs Subcomponent.</p> <p>2.3 Municipal Formalization Plans Subcomponent.</p>	<ul style="list-style-type: none"> • 80 Provincial Municipalities provided training on formalization services by COFOPRI. • Approximately 400,000 lots formalized by COFOPRI • Approximately 300,000 titles issued by COFOPRI. • COFOPRI’s Project Average titling unit costs not higher than \$100 per title. • 56 District Municipalities provided training on cadaster services by COFOPRI. • Approximately 536,000 properties cadastered by COFOPRI. 	<ul style="list-style-type: none"> • 307,913 titles (103% of target) were issued by COFOPRI in the 10 regions intervened by the Project: Ancash, Ayacucho, Cajamarca, Lambayeque, La Libertad, Piura, Puno, Cusco, Junin and Lima. • 335,985 lots were formalized (84% of target), 544,762 properties were cadastered (102% of target), and 494,052 lots were diagnosed (83% of target) by COFOPRI in the regions: intervened by the Project. • Inter-institutional agreements were subscribed with 59 participating municipalities. • 195 workshops (348% of target) were held on cadaster formation.
<p>Component Three:</p> <p>National Real Property Registry-Cadaster Systems Component.</p> <p>3.1 Unified Real Property</p>	<ul style="list-style-type: none"> • 5,823,000 million property registry records under a new registry model. • 45 permanent continuous monitoring GPS stations installed. • 4,955 control points added to geodetic 	<ul style="list-style-type: none"> • 3.4 million Property registries were migrated to the new registry model (58% of target) via a digitalization process (600,000 registries) and batch process (2.8 million

	Revised Results Indicators for Each Component	Project Outputs
Registry Subcomponent. 3.2 National Integrated Real Property Cadaster Information System Subcomponent.	network.	registries). <ul style="list-style-type: none"> 45 permanent continuous monitoring GPS stations were installed and 4,955 control points were added to the geodetic network by the IGN.
Component Four: Credit and Registry Culture Promotion Component. 4.1 Communication and Public Education Subcomponent. 4.2 Market-relevant Information Subcomponent.	<ul style="list-style-type: none"> 124,000 property owners and 102,000 high school students reached by registry culture campaign. Satisfactory evaluation of cultural appropriateness of formalization and cadaster services to indigenous peoples and women. 129,000 recently formalized owners use real property exchange. 8,000 micro-entrepreneurs and 99,000 high school students obtain access to credit information. 855 community leaders and 60,000 high school students reached. 	<ul style="list-style-type: none"> 143,534 and 85,924 high school students reached by registry culture campaign. A network of social promoters was established in 5 regional offices for formalization culture activities. The Real Property Exchange was created and launched. COFOPRI is exploring ways to maximize its full potential as it hasn't been made fully operational. 9,156 micro-entrepreneurs, 85,924 high school students and 123,503 individuals obtained access to credit information. 85,924 high school students and 890 community leaders were reached by the campaign for the benefits of formalization. Agreements with the Ministry of Education were reached to include registry and credit culture in school curricula. Advertising and radio campaigns on the benefits

	Revised Results Indicators for Each Component	Project Outputs
		<p>of formalization and property registry with a reach of over 100,000 families were implemented.</p> <ul style="list-style-type: none"> • 9 registry fairs were developed in the regions of Piura, La Libertad, Ancash, Lima and Lambayeque.

Annex 3. Economic and Financial Analysis

The Project's Impact Evaluation study used three different methodologies to identify the impacts of the project: (i) Difference in Difference (Dif-in-Dif), to compare the effects in three groups of land properties: those registered in 2000, as a contra factual; those registered during 2008-2009 as factual group 1; and those registered on 2011 as factual group 2; ii) Propensity Score Matching (PSM), to compare the effects between land properties registered in 2000 with those registered after 2008; and iii) Hedonic prices, to study the implicit prices and costs associated to the registration of a lot.

The final sample size used for the evaluation was of 3697 properties: 304 from the 2000 registration, 488 from the 2008-2009 registration, 2060 from the 2010 registration and 845 from the 2011 registration. The sample was designed with a 2.5% margin error and 95% of confidence interval. The following tables present the main results of the impact indicators of the Project, as well as the variables used to measure poverty.

CUADRO 14: RESULTADOS DE EVALUACIÓN DE IMPACTO – INDICADORES DE FIN

Indicadores de impacto	Modelo Diferencias en Diferencias ^{1/}			Modelo PSM ^{2/}
	Muestra Completa	Muestra 2010-11	Muestra 2008-09	Muestra 2000
Indicadores a nivel fin	Coef. ^{3/}	Coef. ^{3/}	Coef. ^{3/}	Coef. ^{3/}
Porcentaje de hogares que registraron en registros públicos todas las acciones realizadas en vivienda luego de adquirir la propiedad. (M1=516, M2=411, M3=65, M4=1 564)	0.05 (0.04)	0.07 (0.04)	0.32** (0.13)	0.10*** (0.03)
Monto promedio de pago por registro del título de propiedad (S/.) (M1=291, M2=274, M3=15, M4=1 564)	-19.11*** (6.99)	-15.38** (7.58)	n.d.	-26.1*** (2.86)

^{1/} Para el modelo de DD se utilizaron como controles las condiciones iniciales de la variable dependiente, la posesión previa o simultánea de otros tipos de título de propiedad, las características demográficas del jefe de hogar (sexo, edad, años de educación, entre otros), las características de la vivienda (extensión, antigüedad de residencia, número de pisos, entre otros), el conocimiento previo acerca de la los servicios que brinda la SUNARP o COFOPRI, el distrito de residencia y la intensidad del tratamiento (para la muestra completa).

^{2/} El modelo PSM se utilizó debido a la falta de controles para la sub-muestra del año 2000. Se incluyeron aquellos controles que se consideraron más invariantes en el tiempo (sexo, edad, lengua materna, la situación de migrante del jefe de hogar, la antigüedad de residencia en el inmueble y de construcción del mismo), y se excluyó de la muestra a aquellas observaciones con una antigüedad de residencia en el predio menor de 10 años.

^{3/} Se presenta el valor del coeficiente con "****" si supera el 99% de confiabilidad, "***" si supera el 95% de confiabilidad y "**" si supera el 90% de confiabilidad. La desviación estándar del estimador se presenta entre paréntesis.

Fuente: Trabajo de campo PCDPI
Elaborado por APOYO Consultoría

CUADRO 15: RESULTADOS DE EVALUACIÓN DE IMPACTO – CALIDAD DE VIDA

Indicadores de impacto	Modelo Diferencias en Diferencias ^{1/}			Modelo PSM ^{2/}
	Muestra Completa Coef. ^{3/}	Muestra 2010-11 Coef. ^{3/}	Muestra 2008-09 Coef. ^{3/}	Muestra 2000 Coef. ^{3/}
Ingreso familiar mensual promedio (M1=497, M2=403, M3=70, M4=1 564)	111.42 (102.72)	-45.54 (121.22)	1612.46* (930.11)	175.71*** (62.18)
NBI1. Vivienda inadecuada. (M1=1 217, M2=976, M3=167, M4=1 564)	-0.09** (0.04)	-0.14*** (0.05)	0.12 (0.11)	-0.08*** (0.03)
NBI2. Vivienda con hacinamiento. (M1=1 222, M2=981, M3=167, M4=1 564)	-0.01 (0.02)	-0.03 (0.03)	0.02 (0.03)	-0.01 (0.01)
NBI3. Vivienda sin SSHH. (M1=1 215, M2=977, M3=165, M4=1 564)	0.03 (0.04)	-0.05 (0.05)	0.15 (0.11)	-0.06*** (0.02)
NBI4. Niños que no asisten a la escuela. (M1=1 222, M2=981, M3=167, M4=1 564)	0.00 (0.01)	0.00 (0.01)	0.00 (0.01)	0.01 (0.01)
NBI5. Alta dependencia económica. (M1=1 172, M2=943, M3=162, M4=1 564)	0.00** (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.03)
Porcentaje de hogares en situación de pobreza según NBI. (M1=1222, M2=981, M3=167, M4=1 564)	-0.04 (0.06)	-0.17** (0.07)	0.27** (0.11)	-0.13*** (0.04)
Porcentaje de hogares en situación de pobreza extrema según NBI. (M1=1222, M2=981, M3=167, M4=1 564)	0.00 (0.02)	-0.04* (0.02)	0.06 (0.08)	0.00 (0.02)

^{1/} Para el modelo de DD se utilizaron como controles las condiciones iniciales de la variable dependiente, la posesión previa o simultánea de otros tipos de título de propiedad, las características demográficas del jefe de hogar (sexo, edad, años de educación, entre otros), las características de la vivienda (extensión, antigüedad de residencia, número de pisos, entre otros), el conocimiento previo acerca de los servicios que brinda la SUNARP o COFOPRI, el distrito de residencia y la intensidad del tratamiento (para la muestra completa).

^{2/} El modelo PSM se utilizó debido a la falta de controles para la sub-muestra del año 2000. Se incluyeron aquellos controles que se consideraron más invariantes en el tiempo (sexo, edad, lengua materna, la situación de migrante del jefe de hogar, la antigüedad de residencia en el inmueble y de construcción del mismo), y se excluyó de la muestra a aquellas observaciones con una antigüedad de residencia en el predio menor de 10 años.

^{3/} Se presenta el valor del coeficiente con "****" si supera el 99% de confiabilidad, "***" si supera el 95% de confiabilidad y "**" si supera el 90% de confiabilidad. La desviación estándar del estimador se presenta entre paréntesis.

Fuente: Trabajo de campo PCDPI
Elaborado por APOYO Consultoría

Annex 4. Bank Lending and Implementation Support/Supervision Processes

(a) Task Team members

Names	Title	Unit	Responsibility /Specialty
Lending			
Supervision/ICR			
David F. Varela	Task Team Leader	LCSPS	
Diego Dorado	Task Team Leader (ICR)	LCSPS	
Jorge Luis Archimbaud	Senior Country Officer	LCSPS	
Rosmary Marcela Cornejo	E T Consultant	LCSPS	
Tanya Gupta	Senior Resource Management Off	CFRPA	
Nelly Ikeda	Financial Management Analyst	LCSFM	
Francisco Lazzaro	E T Consultant	LCSPS	
Lourdes Consuelo Linares	Sr Financial Management Specialist	LCSFM	
Javier Julio Madalengoitia	Consultant	LCSPS	
Patricia E. Mendez	Senior Executive Assistant	LCSPR	
Aldo Ernesto Ortiz Anderson	Consultant	LCSHE	
Rodrigo Palacios	Consultant	LCSPS	
Sheila Grandio	Consultant	LCSPS	
Francisco Rodriguez	Procurement Specialist	LCSPT	
Evelyn Villatoro	Senior Procurement Specialist	EASR1	

(b) Staff Time and Cost

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	USD Thousands (including travel and consultant costs)
Lending		
FY03		58.73
FY04		105.60
FY05		164.92
FY06		122.97
FY07		37.71
Total:		489.93
Supervision/ICR		
FY03		0.00
FY04		0.00
FY05		0.00
FY06		0.00
FY07		32.82
FY08		101.26
FY09		142.46
FY10		81.49
FY11		106.78
FY12		64.06
FY13		52.19
Total:		581.05

Annex 5. Summary of Borrower's ICR and/or Comments on Draft ICR

Unofficial translation of Borrower's comments:

The main objective of the Real Property Rights Consolidation Project was to consolidate a decentralized and sustainable quality real property rights system that facilitated access for the Peruvian population. This system would enhance the welfare of real property owners and facilitate access to economic opportunities.

Even though the Project could not eliminate all forms/causes of informal tenure, it would reduce the negative impacts of informality and discourage further informality by consolidating the legal security of property rights, completing conversion of informal tenure, and building capacity to address its causes through strategic partnerships of various levels of Government and key stakeholders in the private sector and civil society. The project would also provide support to the decentralization program through the institutional strengthening of Participating Municipalities.

However, as expressed in the ICR prepared by the Bank, although the Project was fundamentally well structured and planned; it underestimated the risks and the favorable environment present during project preparation. The Project was affected by the changes in government in 2006 and the instability of the main institutions involved with the Project, which saw revolving leadership throughout the course of the Project affecting its development, especially in the case of SUNARP and its performance as co-implementer of Project activities.

At the same time, deficiencies in identifying baseline data for the purposes of project monitoring have hampered the adequate evaluation of results upon Project conclusion. This is reflected in the figures for results by component, and especially in component three (National Real Property Registry-Cadaster Systems Component) where SUNARP was unable to reach its objectives despite all the efforts made.

The methodology used by the World Bank for the preparation of the ICR is very objective as it revolves around the comparison of expected outcomes, and those that were effectively reached, as well as the baseline values determined at project beginning, and the values found at the end. Hence, the result of the evaluation is very objective and does not leave space for an alternative interpretation. Given this, we effectively conclude that the Project's performance was not the most "satisfactory" despite some components being efficiently implemented, and at times, surpassing its expected targets.

Original Borrower comments:

El Proyecto de Consolidación de los Derechos de Propiedad Inmueble tuvo como finalidad consolidar un sistema de derechos de propiedad descentralizado y sostenible, de calidad que facilite el acceso a la población peruana mejorando su acceso a las facilidades y oportunidades económicas.

Aun cuando no estuvo previsto que el proyecto elimine las causas de la informalidad; debía reducir el impacto negativo de ella y desalentar futuras informalidades al consolidar los derechos de propiedad a través de su intervención en varios niveles de gobierno y a través de socios estratégicos; lo que además proporcionaría un soporte para el proceso de descentralización y fortalecimiento de los gobiernos locales y regionales.

Sin embargo, tal como el propio Informe de Cierre preparado por el banco Mundial lo expresa, pese a que el proyecto estuvo fundamentalmente bien estructurado y planificado; se subestimaron los riesgos y los entornos muy favorables existentes durante la fase de preinversión fueron muy afectados por el cambio de gobierno del año 2006; y la inestabilidad de las principales instituciones involucradas en el proyecto que vieron pasar sucesivas gestiones en el curso del proyecto afectando su desarrollo, especialmente en el caso de SUNARP y su actuación como co-implementador.

Asimismo, deficiencias en la determinación de las líneas de base para la medición del proyecto han dificultado, a su finalización que pueda realizarse una adecuada evaluación de los resultados; lo que se refleja en las cifras frías de resultados por componentes, en donde se aprecia que especialmente el componente tres, sobre fortalecimiento del Registro de Predios (SUNARP), no logro alcanzar sus objetivos pese a todos los esfuerzos realizados.

La metodología utilizada por el Banco Mundial para la preparación del Informe de Cierre es muy objetiva y se centra en la comparación de los logros que estuvieron previstos, y los que efectivamente se alcanzaron, así como en las líneas de base determinadas al inicio del proyecto, con las alcanzadas al final; de manera que el resultado de la evaluación es muy objetivo y no deja espacio para una interpretación alternativa; conforme a ello, efectivamente se concluye que el desempeño general del proyecto no fue el mas satisfactorio' pese a que algunos componentes se realizaron muy eficientemente e incluso superaron las metas previstas.

Annex 6 Comments of Cofinanciers and Other Partners/Stakeholders

Not Applicable.

Annex 7. List of Supporting Documents

“Servicios de Evaluación de Impacto del Proyecto de Consolidación de los Derechos de Propiedad Inmueble –PCDPI-, Apoyo Consultoría, Lima, Noviembre, 2012.

“Informe de Evaluación del Prestatario – Proyecto de Consolidación de los Derechos de Propiedad Inmueble”, Lima, Noviembre, 2012.

“Estimación de los Impactos del Catastro en la Municipalidades”. Universidad ESAN. Lima, Junio 2012.

“World Development Report, Chapter IV, Property Rights, 2005, p.81.” World Bank Group.

“Project Appraisal Document on a Proposed Loan in the amount of USD 25 Million to the Republic of Peru for a Real Property Rights Consolidation Project, dated February 16, 2006”. World Bank Group.

“Country Assistance Strategy Progress Report – PERU, 2004” World Bank Group.

“Implementation Supervision Reports 2006-2012”.

