INTEGRATED SAFEGUARDS DATA SHEET
CONCEPT STAGE

Report No.: ISDSC1192

Date ISDS Prepared/Updated: 14-Aug-2012

I. BASIC INFORMATION

A. Basic Project Data

<table>
<thead>
<tr>
<th>Country:</th>
<th>Nicaragua</th>
<th>Project ID:</th>
<th>P121152</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name:</td>
<td>Second Land Administration Project in Support of Nicaragua Land Program (PRODEP) (P121152)</td>
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<tr>
<td>Task Team Leader:</td>
<td>Enrique Pantoja</td>
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<td></td>
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<tr>
<td>Estimated Appraisal Date:</td>
<td>26-Nov-2012</td>
<td>Estimated Board Date:</td>
<td>26-Feb-2013</td>
</tr>
<tr>
<td>Managing Unit:</td>
<td>LCSAR</td>
<td>Lending Instrument:</td>
<td>Specific Investment Loan</td>
</tr>
<tr>
<td>Sector:</td>
<td>Central government administration (60%), Sub-national government administration (25%), General agriculture, fishing and forestry sector (15%)</td>
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<tr>
<td>Theme:</td>
<td>Land administration and management (70%), Personal and property rights (20%), Decentralization (7%), Indigenous peoples (3%)</td>
<td></td>
<td></td>
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</tbody>
</table>

Financing (In USD Million)

<table>
<thead>
<tr>
<th>Financing Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>BORROWER/RECIPIENT</td>
<td>0.00</td>
</tr>
<tr>
<td>International Development Association (IDA)</td>
<td>30.00</td>
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<tr>
<td>Financing Gap</td>
<td>0.00</td>
</tr>
<tr>
<td>Total</td>
<td>30.00</td>
</tr>
</tbody>
</table>

Environmental Category: B - Partial Assessment

Is this a Repeater project? No

B. Project Objectives

The PDO is to strengthen the property rights of the population in the Project area through improved regularization, titling, and registry services. Building on the foundations of the previous project, this objective will be achieved through strengthening and consolidating the agencies in the land administration system, the systematic regularization of land rights, recognition of indigenous land rights in selected areas, and demarcation of protected areas.

C. Project Description
The proposed Project is the second phase of the Nicaragua Land Administration Program (PRODEP). This national program evolved from the pilot efforts conducted under the Nicaragua Land Administration Project (P056018). The second phase will consolidate and scale up the activities of the original Project. The proposed Project will be financed by an IDA Credit of US$30.0 million equivalent over a five-year period. The Attorney General's Office (PGR) will implement the Project through a Project Coordination Unit, in close coordination with the co-executing agencies and participating municipalities.

The Project will have five components: (1) consolidation of the institutional and policy framework; (2) property registry and alternative conflict resolution strengthening; (3) titling and regularization services; (4) demarcation of protected areas; and (5) project management and monitoring and evaluation.

Component 1: Consolidation of the Institutional and Policy Framework (US$6.9 million)

The objective of this component is to consolidate the land administration system and facilitate inter-institutional coordination of Project activities through capacity strengthening of the co-executing agencies. The component will comprise the following sub-components and activities:

Subcomponent 1.1: Strengthening of Cadastral Services Capacity, by supporting the Nicaraguan Institute of Territorial Studies (INETER) in developing a framework for sustainable cadastral services and maintenance with the participation of the municipalities and property registries. Specific activities include: (a) preparing technical and administrative regulations for the cadastre and providing training on the standardization of cadastral procedures; (b) supporting INETER’s departmental offices in the provision of cadastral services, including the issuance of cadastral certificates; (c) supporting municipalities in the design and implementation of capacity building programs and technical assistance to coordinate cadastral services with INETER; and (d) renovating and equipping INETER’s offices in Nueva Segovia and Jinotega.

Subcomponent 1.2: Strengthening of Land Regularization Capacity, by supporting the Property Intendancy (IP) in: (a) updating the Property Information System (SIIPRO) and deploying the Legal and Cadastral Information System (SILEC) in the three new departments; (b) strengthening IP’s capacity to deliver titling, regularization and legal services at the central and departmental levels, including improving record management and filing system, covering incremental costs, and renovating and equipping offices; and (c) capacity building in IP’s departmental offices in the Project area.

Subcomponent 1.3: Strengthening of Municipal Land Administration Services, by supporting the Nicaraguan Institute of Municipal Development (INIFOM) in: (a) preparing technical guidelines and regulations for the management of municipal cadastres; (b) providing capacity building to municipalities to use the Municipal Cadastral System (SISCAT) for property taxation and land use planning, as well as linking this database with the Integrated Financial and Administrative Municipal System (SIAFM) and INETER’s national cadastre; and (c) providing capacity building to strengthen the sustainability of municipal cadastres.

Component 2: Strengthening of Property Registry and Alternative Conflict Resolution Capacity (US $3.8 million)
The objective of this component is to support the Supreme Court of Justice (CSJ) in strengthening the capacity of the regional property registries in systematic titling and registration, consolidating SIICAR, and strengthening the capacity of the Directorate for Alternative Conflict Resolution (DIRAC). The component will comprise the following sub-components and activities:

Subcomponent 2.1: Property Registry Capacity Strengthening, by supporting the regional property registries in the Project area to carry out systematic titling and registration.

Subcomponent 2.2: Consolidating SIICAR, by supporting CSJ and INETER in validating the pilot version of the system in Chinandega and deploying an enhanced version in the departments of Chinandega, Esteli, Madriz, and Leon. Specific activities under this subcomponent include: (a) consolidating the pilot version, upgrading hardware and licensing requirements, migrating data to new platform, adding more options for types of land transactions and a data mining function, and creating a digital folio for the cadastral linked to a successive tract and cadastral regulations; (b) redesigning the software to respond better to institutional requirements and to ensure better maintenance control; and (c) deploying the enhanced version of the system in the selected departments in a secure environment.

Subcomponent 2.3: Alternative Conflict Resolution strengthening, by supporting CSJ’s DIRAC in: (a) providing mediation services during the cadastral survey in the departments of Nueva Segovia, Jinotega, and Rivas, and expanding the provision of mediation services to the regularization and titling processes in the rest of the Project area; (b) training mediators and co-executing agencies personnel to improve their capacity to resolve land conflicts related to the agrarian reform, demarcation of protected areas, and titling of indigenous peoples’ lands; and (c) preparing a manual to standardize the outcomes of the mediation in order to provide legal validity to agreements on boundary disputes and property rights.

Component 3: Titling and Regularization Services (US$15.4 million)

The objective of this component is to record and clarify the land rights of three main groups of stakeholders: (a) the total population of selected municipalities in the departments of Nueva Segovia, Jinotega, and Rivas through a systematic process; (b) individuals requesting land regularization services or prioritized by national programs; and (c) complementary areas of two indigenous territories in the department of Jinotega. The component will comprise the following sub-components and activities:

Subcomponent 3.1: Systematic Titling and Regularization Services, by supporting INETER, IP, PGR, and property registries in: (a) conducting a systematic cadastral surveying of approximately 138,000 parcels in Nueva Segovia, Jinotega, and Rivas; (b) preparing and implementing operational plans to legalize as national lands the properties pending from the agrarian reform in order to regularize them in favor of current possessors; (c) regularizing, titling, and registering properties; and (d) implementing the Project’s Communication Strategy.

Subcomponent 3.2: Demand-based Titling and Regularization Services, by supporting INETER, IP, PGR, and property registries in surveying, regularizing, titling, and registering selected parcels on a demand basis and/or individuals prioritized by national programs such as agrarian reform beneficiaries holding parcels recently legalized as national lands and groups of female small farmers identified by the Ministry of Agriculture and Forestry (MAGFOR).
Subcomponent 3.3: Demarcation and Titling of Indigenous Territories, by supporting IP, INETER, the Secretariat for the Development of the Atlantic Coast, and National Commission for Demarcation and Titling (CONADETI) in the demarcation and titling of two complementary areas belonging to the indigenous territories of Mayanga Sauni Bu (MSBU) and Miskitu Indian Tasbaika Kum (MITK) in the department of Jinotega. These communities are located in the Special Development Zone, within the Bosawas Biosphere Reserve, which covers the basin of the rivers Alto Wangki and Bocay. The Project will support co-executing agencies in: (a) validating the existing territorial diagnostics; (b) establishing conflict resolution mechanisms; (c) financing the demarcation, titling, and registration procedures; and (d) providing capacity building and coordination activities with regional and national agencies.

Component 4: Demarcation of Protected Areas (US$1.1 million)

The objective of this component is to demarcate the external boundaries of at least five protected areas and implement an environmental communication and educational campaign. The component will comprise the following sub-components and activities:

Subcomponent 4.1: Demarcation of Protected Areas, by supporting the Ministry of Environment and Natural Resources (MARENA) in the demarcation of the external boundaries of five protected areas in Nueva Segovia and Jinotega relevant to the cadastral surveying activities under the Project. As has been the practice, the Republic of Nicaragua shall refrain from granting or considering any claims for lands within or adjacent to Protected Areas, unless said lands have been physically demarcated in a manner satisfactory to the Bank. The demarcation process will include: (a) conducting preparatory work and consulting with beneficiaries; (b) conducting field socio-economic and land tenure data collection; (c) determining the precise boundaries; (d) physically demarcating with markers (mojones), geo-referencing and registering the boundaries in the Cadastre and Registry; and (e) placing signs in the perimeter and within boundaries of the protected area. These activities shall be carried out in accordance to the Environmental Management Plan, MARENA’s Environmental Guidelines for the Demarcation of Protected Areas, and the Process Framework to ensure that appropriate measures are taken to prevent, minimize, mitigate and compensate any negative environmental and social impact or restriction of access to sustainable use of natural resources.

Subcomponent 4.2: Environmental Communication and Educational Campaign, by supporting, MARENA in: (a) conducting an environmental and educational communication campaign in at least five protected areas and neighboring communities, which will include basic information about the protected area, relevant environmental laws and regulations, direct and indirect benefits of natural resources conservation activities, and recommended land management practices; (b) coordinating this campaign with the local Family, Health, and Life Councils; and (c) facilitating to the general public and institutions information on the protected areas in accordance to the Access to Public Information Law.

Component 5: Project Management and Monitoring and Evaluation (US$2.8 million)

The objective of this component is to support Project administration and monitoring and evaluation. The PCU established during the original project will continue to be responsible for overall project coordination under the leadership of PGR. The component will comprise the following sub-components and activities:

Subcomponent 5.1: Project Management, by supporting SE-PRODEP in: (a) overseeing the technical
management of Project activities, including planning, coordination, supervision, and provision of technical assistance; (b) carrying out the fiduciary aspects of the Project, including financial management, audits and procurement; (c) providing training and workshops; (e) supervising the implementation of the communication strategy and gender equity strategy; and (f) ensuring safeguard compliance, including implementation of the Environmental Management Plan, Process Framework, and Indigenous Peoples Plan.

Subcomponent 5.2: Monitoring and Evaluation, by supporting SE-PRODEP in: (a) monitoring the Project’s physical and financial progress; (b) preparing bi-annual progress reports, midterm review and final evaluation; and (c) collecting baseline data to assess the Project’s social, environmental, and economic impacts, including gender-differentiated impacts.

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

The Project area covers selected municipalities in the departments of Nueva Segovia, Jinotega, and Rivas to conduct systematic land surveying and regularization. The Project will also continue to cover the original departments of Chinandega, Esteli, Madriz, and Leon in order to complete pending land regularization requests and consolidate institutional modernization. Demand-based regularization will also be conducted.

New Departments

Nueva Segovia and Jinotega share a border in the north with Honduras. Rich in natural resources, these two departments are important producers of coffee, tobacco, and basic grains. The land also has potential for livestock production. Part of the Bosawas Biosphere Reserve is located in Jinotega. Rivas borders Lake Nicaragua to the east and the Pacific Ocean to the west. The south part of the department borders with Costa Rica. Rivas has fertile soils and substantial tourism investments. Sugar cane, tobacco, and crop plantations are grown in the department. Tourism is centered around the beach resort of San Juan del Sur and Ometepe Island in Lake Nicaragua.

Protected Areas

The Project includes the physical demarcation of five protected areas:
- Cordillera Dipilto Natural Reserve (Nueva Segovia)
- Cerro – Dantali – El Diablo Natural Reserve (Jinotega)
- Cerro Kilambe Natural Reserve (Jinotega)
- Macizo de Penas Blancas Natural Reserve (Jinotega)
- Volcan Yali Natural Reserve (Jinotega)

Indigenous Communities in the Pacific and Central Region

There are indigenous communities settled in the departments of Nueva Segovia, Jinotega, and Madriz. These communities include Mozonte (Nueva Segovia); Jinotega and Pantasma (Jinotega); and San Lucas, Telpaneca, and Totogalpa (Madriz). The department of Madriz was part of the original project, but this Project will continue conducting activities in these areas to consolidate and complete the land regularization process.

In the Caribbean Region, the legal framework grants territorial rights to indigenous communities. Law 445 recognizes governance structures at the territorial and community levels. The legal
framework is restricted regarding the recognition of territorial rights of indigenous peoples in the
Pacific and Central regions. In the Pacific and Central regions, the legal framework recognizes
collective landholdings but does not grant territorial rights. In this regard, the Government has
demonstrated its commitment to recognizing the tenure rights of indigenous peoples, but under the
current legal framework the Project will not be able to meet the expectation of indigenous
communities in the Pacific and Central regions who aspire to obtain territorial rights. As a result,
some indigenous communities may not agree to provide the broad community support required to
implement the Project in the municipalities where they are settled. Under the original project, three
indigenous communities in the department of Madriz have thus far decided not participate in
cadastral survey. The Government will continue the free, prior and informed consultation process
with the communities. Following the same practice, no cadastral activities will take place in a
municipality with indigenous peoples unless they have agreed to such activity and to land tenure
regularization under the existing legislative framework. Consultations will be properly documented
to ensure transparency. The Social Assessment will assess ways that Indigenous Peoples Plan could
mitigate adverse or negative impact to indigenous peoples. SMART indicators will be prepared to
measure consultation and participation processes.

Indigenous Communities in the Bosawas Biosphere Reserve

The Project will demarcate and title the lands of ten indigenous communities in the department of
Jinotega located in a Special Development Zone created by Presidential Decree No. 19-2008. The
Special Development Zone is located in the basin of the rivers Alto Wangki and Bocay, within the
Bosawas Biosphere Reserve, and covers the indigenous territories of Mayanga Sauni Bu (MSBU),
Miskitu Indian Tasbaika Kum (MITK), and Kipla Sait Tasbaika (KST). The original Project
supported the demarcation and titling of these territories’ core areas in 2007. The demarcation and
titling of the complementary areas belonging to MSBU and MITK territories will complete this
process.

Complementary Area of MSBU: The Mayagna have asserted the ownership of the MSBU territory
since the creation of the Bosawas Reserve in 1991. The original claim included 15 communities, but
only nine of them, covering an extension of 947.38 sq. km were included in the original title. The six
communities that remain to be titled are: Yapuwas, Kiuhsi, Wisuh, Sakarasang, Silamplanta, and
Tunawlang. The first four communities form a block whereas the last two are geographically isolated
but nonetheless share a common origin and history with the MSBU territory. The six communities
cover a total area of 216.03 sq. km. The total population in these communities is 877 individuals;
about 75 percent are indigenous and 25 percent non-indigenous. There are no reported conflicts
between indigenous and non-indigenous groups, and the latter have been known for having a
conciliatory attitude. As per Law 445, the territorial authorities may enter into rental contracts with
non-indigenous settlers.

Complementary Area of MITK: This Miskito territory was demarcated in 1997, but the communities
of Ulwasking, Amarrana, Yakalpanani, and Plis were not included in the original perimeter due to
the presence of armed groups in this area. In 2007, the Government granted a title to MITK for based
on the original perimeter and covering an area of 652.3 sq. km. The complementary area covers an
extension of 269.38 sq. km. There are about 1,800 indigenous and 12,000 non-indigenous individuals
settled in this area. Most of the non-indigenous are migrants from the municipality of Wiwilli or
elsewhere in Jinotega.

E. Borrowers Institutional Capacity for Safeguard Policies
Since taking over as Project Implementing Agency of the original project in 2008, PGR has demonstrated its commitment to achieving sustainable results. PGR and the co-executing agencies have demonstrated a satisfactory track record during the implementation of the original project. Safeguard compliance has also been satisfactory under the original project. The PCU will include an environmental, social/gender, and communications specialist. The proposed Project will also incorporate a grievance redress mechanism by adapting the system already in place at PGR. PRODEP also has gained significant experience with the demarcation of 14 protected areas and demarcation and titling of 15 indigenous territories under the original project, with no apparent negative social or environmental impacts. Implementing agency will prepare clear and SMART indicators and a monitoring and evaluation system to oversight the impact of implementation of social and environmental safeguards. PRODEP has been very successful in documenting and in monitoring and evaluating progress of the safeguards’ implementation. Lessons learned will be incorporated in the PRODEP II to improve the World Bank and implementing agency capacities to supervise land administration Projects and to outline important lessons to be applied in other Projects implemented in Nicaragua and/or by the Bank elsewhere.

F. Environmental and Social Safeguards Specialists on the Team

Mary Lisbeth Gonzalez (LCSSO)
Marco Antonio Zambrano Chavez (AFTG1)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

<table>
<thead>
<tr>
<th>Safeguard Policies</th>
<th>Triggered?</th>
<th>Explanation (Optional)</th>
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<tbody>
<tr>
<td>Environmental Assessment OP/BP 4.01</td>
<td>Yes</td>
<td>A &quot;Category B&quot; is proposed for the Project, which would require the preparation, approval, and disclosure of an Environmental Assessment (EA) and respective Environmental Management Plan (EMP). The EA will (a) identify potential positive and negative, direct and indirect, and accumulative impacts associated with the Project considering all applicable safeguard policies; and (b) identify mechanisms and measures to prevent, avoid, minimize, mitigate or compensate the negative impacts. Activities with potential environmental impacts include: (a) beneficiaries clearing forests to claim possession prior to the cadastral survey; (b) physical demarcation of protected areas; and (c) minor civil works as part of the renovation of institutional offices. In the past, forest clearing to claim possession has been a regular practice in frontier areas. The Communication Strategy will emphasize that forest clearing is not necessary to claim possession. MARENA has prepared guidelines for the demarcation of protected areas which minimize environmental...</td>
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impacts. As per these guidelines, forest clearing around or between markers will not be required. The Project will also finance an environmental awareness campaign to foster conservation and sustainable natural resource management. The EMP will include guidelines for civil works.

<table>
<thead>
<tr>
<th>Natural Habitats OP/BP 4.04</th>
<th>Yes</th>
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<tbody>
<tr>
<td>This policy is triggered in relation to the protected areas targeted for demarcation. Although inhabited, these protected areas are home to natural habitats. The boundaries of these protected areas are already well-defined administratively and the Project will not modify them. It is expected that the Project contributes to the preservation of natural habitats by marking these administrative boundaries on the ground and updating the cartography with georeferenced records. The protected areas targeted for demarcation already have management plans. The Project will not involve the revision of these plans or result in alterations to existing zoning.</td>
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<tr>
<th>Forests OP/BP 4.36</th>
<th>Yes</th>
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<tbody>
<tr>
<td>This policy is triggered because the protected areas targeted for demarcation are home to forests. It is expected that the Project contributes to the preservation of forests by marking these administrative boundaries on the ground and updating the cartography with georeferenced records. The Project will not support any forestry (natural or plantation) activity.</td>
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<tr>
<th>Pest Management OP 4.09</th>
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<tbody>
<tr>
<td>This policy is not triggered because Project activities will not involve purchase, use or storage of pesticides, nor will it support the procurement, or use of, or lead to the increased use of other agricultural chemicals.</td>
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<thead>
<tr>
<th>Physical Cultural Resources OP/BP 4.11</th>
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<tr>
<td>This policy is triggered because Project activities might take place in locations that have sacred sites, landscapes of cultural importance, or physical cultural resources not yet screened. Activities with potential risks include minor civil works, cadastral surveying, demarcation of protected areas, and demarcation of indigenous territories. The country’s laws and procedures regarding physical cultural resources will be applied for addressing potential “chance finds” encountered during construction, and related to</td>
<td></td>
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<tr>
<td>Policy</td>
<td>Triggered</td>
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<tr>
<td>Indigenous Peoples OP/BP 4.10</td>
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<tr>
<td>Involuntary Resettlement OP/BP 4.12</td>
<td>Yes</td>
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</table>
The implementation of the Process Framework will be under the responsibility of MARENA.

<table>
<thead>
<tr>
<th>Safety of Dams OP/BP 4.37</th>
<th>No</th>
<th>This policy is not triggered because Project activities will not involve construction of dams or depend on existing dams.</th>
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<tbody>
<tr>
<td>Projects on International Waterways OP/BP 7.50</td>
<td>No</td>
<td>This policy is not triggered because Project activities will not be conducted in or influence international waterways.</td>
</tr>
<tr>
<td>Projects in Disputed Areas OP/BP 7.60</td>
<td>No</td>
<td>This policy is not triggered because Project activities will not be conducted in disputed areas.</td>
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</tbody>
</table>

### III. SAFEGUARD PREPARATION PLAN

**A. Tentative target date for preparing the PAD Stage ISDS:** 12-Nov-2012

**B. Time frame for launching and completing the safeguard-related studies that may be needed.**

The specific studies and their timing\(^1\) should be specified in the PAD-stage ISDS:

The Environmental Assessment/Environmental Management Plan, Indigenous Peoples Plan, and Process Framework will be finalized and disclosed before appraisal (expected early November 2012).

### IV. APPROVALS

<table>
<thead>
<tr>
<th>Task Team Leader:</th>
<th>Name: Enrique Pantoja</th>
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<tbody>
<tr>
<td><strong>Approved By:</strong></td>
<td></td>
</tr>
<tr>
<td>Regional Safeguards Coordinator:</td>
<td>Name: Glenn S. Morgan (RSA)</td>
</tr>
<tr>
<td>Sector Manager:</td>
<td>Name: Laurent Msellati (SM)</td>
</tr>
</tbody>
</table>

\(^1\) Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.