

PROGRAM TO SUPPORT ALTERNATIVE MECHANISMS FOR SETTLING PROPERTY DISPUTES

(TC-98-05-37-8)

EXECUTIVE SUMMARY

Executing agency:	Corte Suprema de Justicia (CSJ) [Supreme Court]	
Beneficiaries:	<p>The direct program beneficiaries will be people affected by disputes over the ownership of urban or rural properties pursuant to formal or informal measures ordered by previous governments or as a result of spontaneous human settlement.</p> <p>National and foreign private investment and property sales in the country will also benefit with the reestablishment of a reliable property rights system that offers legal security. The administration of justice and the capacity of the system's operators will benefit indirectly from the increased supply of services to settle existing property disputes.</p>	
Financing:	Type:	Grant (Technical Cooperation Facility)
	IDB/MIF	US\$ 982,456
	Local counterpart:	US\$ 687,170
	Total:	US\$1,669,626
Execution timetable:	Execution period:	30 months
	Disbursement period:	36 months
Objectives:	The program's objective is to support Nicaragua in settling property disputes, particularly through introduction of the new alternative mechanisms established in the law, to be coordinated with the existing property system.	
Exceptions to Bank policy:	None.	
Environmental and social review:	The consultants responsible for training should include consideration of the property rights of women, as established by law.	

**Special
contractual
conditions
precedent to
consideration
by the Donors
Committee:**

Prior to presenting the Donors Memorandum to the Donors Committee for consideration, the CSJ will be required to present the following to the Bank's satisfaction: (i) the list of candidates proposed for key program positions (the director of DIRAC and the coordinators of the national mediation and arbitration offices) based on profiles agreed upon with the Bank; and (ii) evidence that a procedure has been introduced, in the terms agreed upon with the Bank, for appointing key personnel, which will establish conditions equivalent to a merit-based civil service to ensure stability and functional technical independence.

**Special
contractual
conditions:**

The first disbursement of MIF funds will be conditional upon the CSJ presenting evidence to the Bank's satisfaction of: (i) the selection of an international consultant for the program; (ii) the plan and execution timetable for the program, including a breakdown of activities for the first 12 months and final terms of reference for program consultants; (iii) establishment of a program administration unit and the personnel that will run it; and (iv) entry into effect of the operating regulations for the fund to pay for arbitration for individuals whose incomes prevent them from using this mechanism, under the terms agreed upon with the Bank.

The first disbursement for the activities in component IV on support for the Property Bureau will be conditional upon the CSJ presenting evidence to the Bank's satisfaction that it has signed an agreement or letter of understanding with the Property Bureau, establishing operating mechanisms and committing the counterpart for that agency.

I. PROGRAM ELIGIBILITY

- 1.1 The proposed program is consistent with other programs to establish alternative dispute settlement mechanisms financed by the MIF, since its end goal is to benefit the investment climate and private sector activities. The program fits into the Bank's strategy for Nicaragua, which gives priority to modernization of the State, the strengthening of democratic institutions based on a State of Law, and financial and trade liberalization to open up new fields for private participation and remove sector obstacles to it. The Donors Committee declared Nicaragua eligible for all types of MIF financing on June 7, 1994.

II. BACKGROUND

A. General context

- 2.1 Today in Nicaragua there are legal disputes regarding the ownership of some 8,500 urban and rural properties, as a consequence of historical, political, economic and social processes. A series of complex, interdisciplinary, systematic and comprehensive actions is required to address them. When the new rules described below to settle these disputes are publicized, that figure is expected to rise to about 15,000 additional property claims. The situation is affecting the investment climate in the country and the process of consolidating the democratic system.
- 2.2 In response to the need to solve this problem and to address the interests of different social and political sectors, the government reached a consensus with them, which is reflected in promulgation of the Law on Reformed Urban and Rural Property Ownership, (Law 278 of December 27, 1997), which establishes a suitable legal framework that includes the use of mediation and arbitration as alternative methods for settling property disputes.
- 2.3 The law regulates: (i) tenure, exercise, obligations and liquidation of rights over property belonging to the State under the Housing Act (Law 85), the Urban Sites Act (Law 86) and the Agrarian Reform Property Titles Act (Law 88); (ii) spontaneous human settlements consolidated up to 1995; and (iii) suits brought by previous owners who are demanding the restitution of their property or payment of the corresponding compensation.

B. Institutional framework

1. Administrative channels

- 2.4 The so-called 'property system' in the country, which existed prior to Law 278, consists of the receipt and processing of claims through administrative channels, prior to access to the dispute settlement mechanism established in the new law. The system is complicated and includes different institutions, offices and agencies

linked to the subject, under the coordination of the Intendencia de la Propiedad [Property Bureau] of the Ministry of Finance and Public Credit. The Comisión Nacional de Revisión de Confiscaciones (CNRC) [National Confiscation Review Commission], which reports to the Office of the President, was created under this framework to perform legal analysis and determine whether or not a property claim is eligible for review for compensation.

- 2.5 The following offices report to the Property Bureau: (i) the Oficina de Cuantificación de Indemnizaciones (OCI) [Compensation Calculation Office], which determines the amount to be paid and applies to the Treasury Department to issue compensation payment bonds; (ii) the Oficina de Ordenamiento Territorial (OOT) [Land Management Office], which receives and reviews applications from the beneficiaries of Laws 85, 86 and 88 and issues “review and disposal credits” if the case is decided in favor of the claimant or refuses the case if it is ineligible on the grounds established in the different laws; and (iii) the Oficina de Titulación Urbana (OTU) [Urban Land Titling Office], which is responsible for preparing property titles once it has received geographic information from the Instituto de Estudios Territoriales (INETER) [Land Studies Institute], based on data from the OOT.
- 2.6 There is also a Public Property Registry that reports to the Supreme Court, which records property titles and public deeds in its books. Last, the Procuraduría General de la Propiedad (PGP) [Office of the Public Property Attorney], which reports to the Office of the Attorney General, is involved in cases tried in the courts, representing the Nicaraguan State.

2. Alternative dispute settlement

- 2.7 Law 278 grants the Supreme Court the power to administer mediation and arbitration processes to settle the property disputes mentioned earlier.
- 2.8 With respect to mediation, the law orders that a mediation office be established and organized, with a presence on the departmental or regional levels, as established in regulations to be issued for that purpose by the Supreme Court in plenary session (article 50 of the law).
- 2.9 With respect to arbitration, the law provides for the installation of arbitration tribunals for cases that opt for this alternative. It provides for a national list of arbitrators including at least 250 lawyers with good ethical qualifications and recognized expertise in the field of law (article 59 of the law). It also creates a property bench in the appeals courts to hear appeals of decisions on ownership, composed of three regular judges and their respective alternates (article 69 of the law).

C. Bank action

- 2.10 In 1994, the Bank approved a technical-cooperation project to finance a program for the solution of property ownership disputes through administrative channels in the equivalent of US\$2.8 million (ATN/SF-4904-NI). The purpose of that operation was to speed up the administrative solution of property-related disputes and begin the process of titling urban property. The program's executing agency was the former Deputy Ministry of Property, today the Property Bureau. The funds were administered by the United Nations Development Programme.
- 2.11 The technical-cooperation funds were used to partially finance the professional and technical staff working in the different agencies in the property system. Significant progress has been made in the administrative resolution of property disputes, settling 53.2% (8,469) of the cases submitted since the start of the program, as reported in the final evaluation of ATN/SF-4904-NI, which can be consulted in the program's technical files. That operation also financed a large part of the Urban Land Titling Plan, specifically surveys of 15,900 lots.
- 2.12 The operation is in the final stage of execution. However, complementary actions are necessary to wind up cases that could not be settled through administrative channels and to deal with the large number of new claims that have been filed. The activities to be financed under the operation presented here complement the actions begun under the technical-cooperation project in question and the support provided by other external cooperation agencies, which have promised the government contributions totaling US\$5.3 million (UNDP, Sweden, Japan and USAID).
- 2.13 To support the actions of the Supreme Court in implementing the alternative mediation and arbitration mechanisms established in the law mentioned earlier and consolidate the efforts of the Property Bureau begun with Bank support, the authorities have requested the present technical-cooperation project, which will be financed under the Technical Cooperation Facility of the MIF.

III. PROGRAM OBJECTIVES AND DESCRIPTION

A. Objective

- 3.1 The program's objective is to support Nicaragua in settling property disputes, particularly through introduction of the new alternative mechanisms established in the law, to be coordinated with the existing property system.

B. Description

- 3.2 The program includes four components to achieve this objective: (i) establishment and start up of the Dirección de Resolución Alternativa de Conflictos de la Propiedad

(DIRAC) [Alternative Property Dispute Settlement Directorate] in the Supreme Court; (ii) training; (iii) publicity; and (iv) support for the Property Bureau.

1. Component I. Establishment and start up of DIRAC (US\$1,024,126)

- 3.3 The Supreme Court will be in charge of this component's activities which are intended to establish and start up DIRAC, which will provide the institutional and technical framework required for mediation and arbitration, and to install two regional offices as called for in articles 50 and 59 of Law 278.

a. Design, structure and organization

- 3.4 This activity includes: (i) determination and design of the functions, organization, job profiles and tasks, recruitment of staff, regulation and other aspects required for the organizational, functional, ethical and administrative structure of DIRAC and the offices that make it up – the National Mediation Office, the National Arbitration Office and two regional mediation and arbitration offices; (ii) establishment of the profiles for mediators and arbitrators and design of a transparent and objective recruiting system for qualified candidates; (iii) design of a fee schedule for mediation and arbitration services that will balance the principle of access to justice against the need for sustainability of the system; and (iv) establishment of indicators to measure the success or performance of the system and the personnel involved, and a mechanism for permanent evaluation.
- 3.5 An international consultant who is an expert in the design and organization of alternative dispute settlement centers will be contracted for an estimated 200 working days, who will be required to remain in the field during the first three months of the program. The consultant will also provide support for the director of DIRAC.
- 3.6 A national consultant will be contracted for 30 days to support the work of the international consultant in legal analysis of Nicaraguan regulations and assist in drafting regulations and rules for the structuring and start up of DIRAC.
- 3.7 Based on the profiles prepared by the project team, the MIF will support the start up of DIRAC by contracting the services of a director, who will be hired by the Supreme Court following Bank procedures. The coordinator of the National Mediation Office and the coordinator of the National Arbitration Office will also be contracted following Bank procedures. The Supreme Court will contract the coordinators of the regional offices and the necessary administrative staff using its own funds and procedures. Presentation of the names of the candidates and the bases for contracting key DIRAC personnel will be a condition precedent to consideration of the operation by the MIF Donors Committee.

b. Infrastructure, equipment and information systems

- 3.8 Administration of dispute settlement methods requires infrastructure, equipment and specific information systems. With regard to the first two, the international consultant mentioned in paragraph 3.5 will be required to establish the minimum requirements, with support from the Supreme Court's architects and/or civil engineers. As for the information systems, specialized software will be procured to manage information at the conciliation, mediation and arbitration centers, and general software will be acquired for the administrative offices, such as data processors, programs for presentations, spread sheets, electronic agendas and core data bases. A local consultant on information systems contracted using program funds will establish system needs and technical specification for software and hardware, provide advice during the procurement process and assist in setting the systems up in the offices, including basic training for staff in operating them.
- 3.9 The Supreme Court will facilitate and adapt the physical spaces needed for DIRAC, the national mediation and arbitration offices and at least two regional mediation and arbitration offices.

c. Mediators and arbitration fund

- 3.10 On account of the large number of cases to be dealt with (claims regarding some 8,500 properties) and to facilitate access to dispute settlement processes by low-income claimants, a group of 16 mediators will be hired to deal with cases at the National Office in Managua and the mediation offices established in two regions. A fund will be set up to pay arbitrators in cases in which the parties are unable to cover the costs. As a condition precedent to the first disbursement, the Supreme Court will present the regulations governing that fund.

2. Component II. Training (US\$198,000)

- 3.11 The objective of this activity is to obtain suitable staff, mediators and arbitrators who will provide efficient and effective service for rapid settlement of disputes about property, in accordance with the objectives of Law 278. Since this is a new experience in the institutional context in Nicaragua, it will be necessary to: (i) provide initial training for a group of arbitrators (100) and mediators (75), whose profiles will make it possible to comply with the mandates established in Law 278; and (ii) develop local capacity by training national instructors who will be able to continue to train arbitrators and mediators in order to attain the minimum numbers required by Law 278, consistent with potential demand for services. Training should also be offered to the administrative staff of the offices to raise their awareness of the importance and specific nature of their work.
- 3.12 International consulting services will be contracted (two consultants/instructors per course) to design and teach the courses (at least eight courses for 25 people each)

for a total of 16 consultants/instructors. This figure is based on the number of people to be trained (100 arbitrators, 75 mediators and 25 local instructors). The unit cost of training (US\$600 per person) will be paid in a lump sum and includes fees, travel and living allowances for the 16 consultants/instructors. The consulting services will be contracted in accordance with Bank procedures. Provision has also been made to pay stipends to local participants who must travel from different parts of the country, to cover the basic costs this entails. The Supreme Court will cover logistical support and organization for the training events out of its own budget.

- 3.13 The international consultants will be responsible for evaluating the course participants and will certify their aptitude, knowledge and skills as arbitrators, mediators and local trainers in the context of property disputes in Nicaragua. When designing the training modules for arbitrators and mediators (basic and intermediate modules) the consultants will be required to consider the local context and the complexity of the property disputes that will be submitted for mediation and arbitration. The training, including the two modules, must last for at least 56 hours for arbitrators and mediators and must also include supervised practice involving real cases. The module for local trainers must be at least 24 hours.

3. Component III. Publicity (US\$54,000)

- 3.14 This component is intended to publicize the benefits and advantages of mediation and arbitration for persons involved in property disputes and for the community in general. Its specific goals are to: (i) inform the public about the existence of mediation and arbitration services, in order to generate demand for them; and (ii) obtain support for the program from the community, community leaders, and public and private organizations.
- 3.15 The specific activities in this component are: (i) design of a strategy to publicize alternative methods for settling property disputes, targeted to potential users, including the design of the tools to be used; (ii) implementation of a campaign to publicize dispute settlement methods using the tools defined. To that end, consideration will be given to: (i) the cultural, political, economic and social context in Nicaragua, particularly the campaign's target population; (ii) segmentation of potential users; (iii) the communications tools available in the local context; (iv) the need to build confidence in dispute settlement methods as a novel approach to the sensitive issue of property rights; and (v) alternatives for sustaining the campaign.
- 3.16 A national expert in campaigns to publicize services (the same as or similar to dispute settlement methods) will be hired who, together with the international consultant mentioned in paragraph 3.5 and the director of DIRAC, will propose a communications strategy and the tools to be used to the Supreme Court. The publicity campaign will be run by a specialized advertising firm or agency.

4. Component IV. Support for the Property Bureau (US\$265,200)

- 3.17 DIRAC will operate within the framework established by the property system and the judicial system. Effective operation of the institutions in the property system headed by Property Bureau and coordination between them and DIRAC is fundamental for achieving the program's objective of settling property disputes. The technical and administrative activities of the Property Bureau constitute the stage that precedes the dispute settlement mechanism (administrative channel).
- 3.18 Therefore, as a continuation of technical assistance project ATN/SF-4904-NI, the Supreme Court agreed that this operation would offer support for the Property Bureau to facilitate: (i) support for the efficient processing of property claims in the Property Bureau, as a step prior to the mediation or arbitration established in the new law; (ii) the establishment of mechanisms for referring claims to the offices to be established by DIRAC and for preparing background documentation to facilitate and streamline the process; (iii) promotion of mechanisms to coordinate operations between DIRAC and the Property Bureau to facilitate compliance with deadlines, avoid unnecessary duplication of procedures and facilitate transfers of case documents; and (iv) consolidation of the mechanisms for processing the cases submitted to the bureau's offices, particularly to the OCI, based on the recommendations made in the final evaluation of the program referred to in paragraph 2.11.
- 3.19 Incremental staff will be contracted for the Property Bureau to carry out the above activities, including lawyers, legal analysts and property evaluators, working part time (60%), to be paid from the MIF contribution.
- 3.20 To manage the channeling of these funds, the Supreme Court will sign an agreement or letter of understanding with the Property Bureau that will give the particulars of support under this component and will establish the operating mechanisms and counterpart commitment for the bureau, in accordance with the budget for this operation. The funds for the component will be placed in an account to be managed separately by the bureau. This agreement will be a condition precedent to the first disbursement for activities under this component.

IV. PROGRAM EXECUTION, BENEFICIARIES AND CONTINUITY

A. Program executing agency

- 4.1 The Supreme Court will be the program executing agency, through a program administration unit (PAU) to be established for that purpose. The unit will be composed of: (i) the director of DIRAC; (ii) an administrator/accountant, who will work full time on program execution, particularly the financial and accounting aspects, including disbursements, progress reports, contracts and compliance with

the different contractual clauses; and (iii) support staff. The PAU's support staff will be appointed by the Supreme Court. Establishment and staffing of the PAU will be a condition precedent to the first disbursement for the program.

- 4.2 Both DIRAC and the PAU will receive technical support from the international consultant in charge of designing the program mentioned in paragraph 3.5. The contract with this consultant will be for a total for 200 days (three consecutive months for start up and 14 two-week technical missions during the program, spaced at approximately two month intervals). The director of DIRAC will be responsible for technical execution of the work plans, and will support the program's consultants and coordinate his activities with them. Ten months into the program, the director will establish specific goals, indicating the approximate number of cases to be processed during the next six months of the program (see paragraph 7.3 (i) and (v)). The director will also act as technical secretary of the committees to be established during the program. The individual consultants and consulting firms, the technical group and counterpart personnel will report to the director, and the director will report to the Chief Justice of the Supreme Court.
- 4.3 The Supreme Court will maintain adequate internal accounting and financial control over program funds. The accounting system will be organized to provide the necessary documentation and to permit verification of transactions and facilitate timely preparation of financial statements and reports. The program's records will be kept in a way that: (a) identifies the sums received from the different sources; (b) reports program spending in accordance with the chart of accounts approved by the Bank, distinguishing between funds from the MIF contribution and other sources; (c) includes the details necessary to identify the goods acquired and services contracted, and the use of those goods and services.
- 4.4 After all the conditions precedent to the first disbursement are complied with, the Bank may advance 15% of the contribution to establish a revolving fund. These funds will be kept in a special bank account in the program's name.
- 4.5 The executing agency will present semi-annual progress reports on the program and the status of the revolving fund and annual financial statements in accordance with Bank requirements, duly audited by independent auditors acceptable to the Bank.
- 4.6 The program will last for 30 months and the disbursement period will be 36 months.

B. Beneficiaries

- 4.7 The direct program beneficiaries will be people affected by disputes over urban or rural properties pursuant to formal or informal measures ordered by previous governments or as a result of spontaneous human settlement.

- 4.8 National and foreign private investment and property sales in the country will also benefit with the reestablishment of a reliable property rights system that offers legal security. The administration of justice and the capacity of the system's operators will benefit indirectly from the increased supply of services to settle existing property disputes.
- 4.9 Once the bulk of outstanding property disputes have been settled, with support from DIRAC, the Supreme Court will define a strategy before the program ends to expand DIRAC's activities into other types of disputes, particularly in the fields of estates, commerce and business, which will permit it to reach larger numbers of beneficiaries.

C. Program continuity

- 4.10 The costs of the mediation and arbitration services that become part of the justice administration system should be covered out of the annual budget of the Nicaragua's Judicial Branch. Part of these costs can be recovered through charging fees to users of the services and/or establishing a fund to finance them to which government agencies that benefit from introduction of the dispute settlement system would contribute.

V. COST AND FINANCING

- 5.1 The total cost of the consulting services, start up, training, publicity, infrastructure and equipment necessary for the program is the equivalent of US\$1,669,626, with the MIF financing US\$982,456 of that sum as a nonreimbursable contribution. The Supreme Court will contribute US\$581,090 and the Property Bureau US\$106,080 as the national counterpart, summarized as follows:

Table V-1
Consolidated budget
(in US \$ thousands)

Category	IDB/MIF	Supreme Court	Total	%
Program management and administration	20	35	55	3.3
1. Program administration unit		24	24	
2. General support and services		11	11	
3. Auditing	20		20	
Component I. Establishment of DIRAC	554	470	1,024	61.3
A. Design of DIRAC	311	312	623	
1. Consulting services	150	232	382	
2. Key DIRAC personnel	161		161	
3. Operating costs		80	80	
B. Infrastructure, equipment and info. System	72	77	149	
1. Consulting services	9		9	
2. Office remodeling	63	50	113	
3. Office equipment (software)		27	27	
C. Mediators and arbitration fund	171	81	252	
1. Consulting services	121	81	202	
2. Arbitration fund	50		50	
Component II. Training	168	30	198	11.9
1. Consultants/trainers	120		120	
2. Stipends for participants	48		48	
3. Logistical support		30	30	
Component III. Publicity	36	18	54	3.2
1. Consulting services	9		9	
2. Publicity campaign	27	18	45	
Evaluations	15		15	1.0
Contingencies	30	28	58	3.4
	IDB/MIF	Property Bureau	Total	
Component IV. Support for the Property Bureau	159	106	265	15.9
1. Incremental staff	159	106	265	
Total	982	688	1,670	100

Note: The detailed budget can be consulted in the program files.

VI. PROGRAM JUSTIFICATION AND RISKS

- 6.1 The problems involving property disputes described in this document are jeopardizing the country's political and economic stability, and therefore the activities described here in support of new rules for the settlement of property disputes will help to provide greater legal security for national and foreign capital investments with respect to property rights.
- 6.2 The lack of confidence in the judicial service by people affected is a serious risk for the program's success. The establishment of new, streamlined alternative mechanisms for dispute settlement will help to boost confidence in the service. The program includes a significant investment in publicity and training activities. Participation by judges, lawyers and interested parties will be decisive for the success of the system.
- 6.3 The reliability of the system will depend chiefly on the quality and transparency of the mediators and arbitrators and on the efficiency and speed with which cases are processed. The training and strengthening activities included in the program for the human resources who will operate in the system is the key to obtaining efficient and reliable service.

VII. PROGRAM EVALUATION

A. Evaluation of implementation

- 7.1 Evaluation of program execution and progress will be carried out as shown in the logical framework in Annex I. This activity will take account of the evaluations of training and publicity events, through written questionnaires to be answered anonymously by the participants. The results of this on-going evaluation will be presented to the Bank in the semi-annual progress reports prepared by the director of DIRAC. These reports will describe achievements in the preceding six months, problems encountered, and the action plan for the next six months, and will be presented within 30 days after the close of each period.

B. First evaluation

- 7.2 Ten months after DIRAC begins operating, a consultant specializing in dispute settlement with experience in evaluating mediation and arbitration centers will perform an evaluation, which will cover: (i) the services provided for case management; and (ii) the quality of mediation and arbitration. The first aspect will be evaluated through computer records and opinion surveys. The second will also require an analysis of the evaluations by users, exit surveys and suggestions, in addition to follow-up on cases after the procedure has concluded.

- 7.3 Based on the results of this evaluation, the Bank and the Supreme Court will agree on the strategy to be followed for the rest of the program, with a view to: (i) establishing the number of cases from administrative channels to be processed by DIRAC in each six-month period; (ii) maximizing the impact of the program on settling property disputes; (iii) ensuring the continuous functioning of DIRAC under Law 278; (iv) promoting continued and expanded use of dispute settlement in Nicaragua, using the institutional structure that has been established and drawing on the experience and skills acquired under the program; and (v) establishing indicators to be used to regularly evaluate the results of the use of dispute settlement mechanisms.

C. Final evaluation

- 7.4 At the end of the program, the results will be evaluated in terms of: (i) the number of cases heard and settled through alternative dispute settlement mechanisms and through administrative channels; and (ii) acceptance of the alternative dispute settlement mechanism by the beneficiaries.

VIII. EXCEPTIONS TO BANK POLICY

- 8.1 The program contains no exceptions to Bank policy.

IX. SPECIAL CONTRACTUAL CONDITIONS

- 9.1 Prior to presenting the Donors Memorandum to the Donors Committee for consideration, the CSJ will be required to present the following to the Bank's satisfaction: (i) the list of candidates proposed for key program positions (director of the DIRAC and the coordinators of the national mediation and arbitration offices) based on profiles agreed upon with the Bank; and (ii) evidence that a procedure has been introduced, in the terms agreed upon with the Bank, for appointing key personnel, which will establish conditions equivalent to a merit-based civil service to ensure stability and functional technical independence.

LOGICAL FRAMEWORK

PROGRAM TO SUPPORT ALTERNATIVE MECHANISMS FOR SETTLING PROPERTY DISPUTES			
Goal/purpose	Indicators	Means of verification	Assumptions
<p>in Nicaragua in settling property disputes, introducing the new mechanisms established in the program, coordinated with the existing systems. This will help to provide security for national and foreign investments.</p> <p>and operation of the Property Dispute Settlement (DIRAC) and support for the mediation system.</p>	<p>Creation of a structured mechanism for settling property disputes in Nicaragua, which will help to settle the backlog of cases in the alternative and administrative property settlement systems.</p> <p>From the start to the end of the program, an increase in the number of cases decided each year through mediation, arbitration or the courts and through administrative channels.</p> <p>Ten months into the program, the director of DIRAC will establish specific goals for the approximate number of cases to be processed during each subsequent six month period during the program.</p> <p>By the end of the program, an increase in the number of annual registrations of real rights in the property registry and rolls.</p>	<p>Data from the Property Bureau of the CSJ and the PGP, the courts, and DIRAC on the number of cases submitted for settlement through mediation, arbitration and the courts.</p> <p>Register of cases in DIRAC and the property tribunals.</p> <p>Data on deed registration in the property registers.</p>	<p>The CSJ supports the program and allocates counterpart funds from the budget for use during the program.</p> <p>Demand by persons involved in property disputes.</p>

COMPONENT I: ESTABLISHMENT AND START UP OF DIRAC			
Activities/Activities	Indicators	Means of verification	Assumptions
Start up DIRAC and its offices in order to provide the legal and technical framework for mediation and arbitration.	National Directorate and mediation and arbitration offices functioning.	Data from the management system, consultants' reports, mid-term and final evaluations.	DIRAC receives support from donors and users, judges, attorneys and other professionals linked to the settling of property disputes and the social issues affected by those disputes.
<p>Structure and organization</p> <p>Design and design of functions, job profiles and tasks, personnel, regulation.</p> <p>Development of profiles for mediators and design of a transparent system.</p> <p>Establishment of a schedule for mediation and arbitration services.</p> <p>Development of indicators for system monitoring and a permanent evaluation system.</p> <p>Production of a system for management and control.</p> <p>Structure, equipment and information systems</p> <p>Establishment of DIRAC with suitable physical spaces, equipment and specific information systems for mediation and arbitration services.</p> <p>Mediators and arbitration fund</p> <p>Recruitment of mediators and arbitrators to hear the large number of cases.</p>	<p>Creation of instruments for planning, organization and operations.</p> <p>Adjustment of processes and procedures, functions and work posts and consolidation of the profiles and criteria for selecting operators.</p> <p>Establishment and implementation of a fee policy leading to the financial self-sustainability of DIRAC.</p> <p>Establishment of a system for quality and performance control.</p> <p>Establishment of case management and statistical information systems to include the cases channeled by the bureau.</p> <p>Distribution of physical space, equipment and furnishings for DIRAC's mediation and arbitration centers. Hardware and software procured and users trained in it.</p> <p>Contracting of mediators and arbitrators.</p>	<p>Manuals of procedures and copies of the Supreme Court decisions placing them in effect.</p> <p>Personnel regulations in place, contracts with suitable personnel, user surveys on the quality of the service.</p> <p>Fee policy implemented.</p> <p>Evaluation reports and the resulting action plans.</p> <p>Case management and statistical information systems introduced.</p> <p>Architectural plans prepared.</p> <p>Design of information systems completed and implemented.</p> <p>Reports by the consultant evaluator and the director of DIRAC.</p>	<p>DIRAC has adequate human and financial resources and technical assistance to carry out the program.</p> <p>Purchase and/or rental of premises for DIRAC's offices.</p> <p>Bid process by DIRAC to procure furniture and computer equipment.</p> <p>A large number of cases are expected from low-income claimants in the initial phase of the program.</p>

COMPONENT II: TRAINING

Activities/Activities	Indicators	Means of verification	Assumptions
<p>the personnel, mediators and provide efficient and for the rapid settlement routes.</p> <p>for 100 arbitrators and 75 se profiles permit them to e mandates established in</p> <p>f local capacity to teach ent by training 25 national</p> <p>her agents in the Judicial s and members of encies involved in the n.</p> <p>selection of graduates from</p>	<p>Lists of arbitrators and mediators. Level of user satisfaction. Sustained demand for access to the service.</p> <p>Design of training programs that include practical teaching of mediation, and evaluation and selection of mediators linked to the courts.</p> <p>Terms of reference, regulations and plan for co-mediation, supervision and evaluation of the practical work of graduates designed and tested.</p> <p>Performance evaluation. The director and coordinators of DIRAC will also support this activity.</p> <p>Training and practical evaluation plan, assignment of cases based on complexity and mediator skills, and selection criteria for compulsory co-mediation cases.</p>	<p>Reports on attendance and reports by trainers on the different courses, report on results of the course evaluations completed by participants, user surveys.</p> <p>Selection and registration of participants, list of graduates, user surveys, case registration and follow up, reports on course evaluations.</p> <p>Curricula, training materials, timetables, list of applicants and applicants selected for the courses.</p> <p>Management reports by the coordinator and the director of DIRAC.</p> <p>Evaluations by participants, performance evaluation reports by instructors, user surveys.</p>	<p>A significant number of profes the necessary skills are interest responding to the demand.</p>

COMPONENT III: PUBLICITY			
Objectives/Activities	Indicators	Means of verification	Assumptions
<p>People with property disputes unity in general about the advantages of mediation and</p> <p>Ability to publicize alternative settling property disputes and to be used.</p> <p>Publicity campaign on different methods using the tools determined.</p> <p>Workshops to build consensus in conflict and events of to the public.</p>	<p>Publicity campaign and instruments prepared.</p> <p>Agreements between DIRAC and community organizations to publicize the new mediation and arbitration services.</p> <p>Public workshops held.</p>	<p>Posters, newspaper clippings, records of events, booklets and printed materials distributed through the media.</p> <p>Letters, agreements, action plans, etc.</p> <p>Records of the meetings and reports on outcomes.</p> <p>List of presenters and participants.</p>	<p>The supply of alternative dispute settlement services requires strong reporting in the media.</p> <p>The establishment of alternative for settling property disputes requires ideological rapprochement and values.</p>

COMPONENT IV: SUPPORT FOR THE PROPERTY BUREAU			
Activities/Activities	Indicators	Means of verification	Assumptions
Property Bureau in administrative activities as prior to dispute settlement	Incremental staff contracted.	Contracts signed with the bureau.	DIRAC functions in an integration with the bureau's property system
Effective administrative property claims within the bureau.	Increase in the number of claims processed.	Statistics kept by the bureau.	
Flow of mechanisms for referring cases to the offices established by the bureau in preparation of the background	Flow of information and case background between the offices of the bureau and DIRAC established.	Progress reports by the bureau.	
Flow of mechanisms for operational coordination between DIRAC and the bureau.	Operational coordination of activities between the two institutions.		

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PROPOSED RESOLUTION

**NICARAGUA. NONREIMBURSABLE TECHNICAL COOPERATION FOR A PROGRAM
TO SUPPORT ALTERNATIVE DISPUTE RESOLUTION MECHANISMS FOR REAL
PROPERTY CONFLICTS**

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Inter-American Development Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Multilateral Investment Fund, to enter into such agreements as may be necessary with the República de Nicaragua, and to take such additional measures as may be pertinent for the execution of the Donors Memorandum referred to in Document MIF/AT-_____ with respect to a technical cooperation program to support alternative dispute resolution mechanisms for real property conflicts.

2. That up to the amount of US\$982,456, or its equivalent in other convertible currencies, is authorized for the purpose of this resolution, chargeable to the resources of the Technical Cooperation Facility of the Multilateral Investment Fund.

3. That the above-mentioned sum is to be provided on a nonreimbursable basis.