



# Concept Environmental and Social Review Summary

## Concept Stage

### ( **ESRS Concept Stage** )

Date Prepared/Updated: 03/27/2024 | Report No: ESRSC04183



I. BASIC INFORMATION

A. Basic Operation Data

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P504400	Investment Project Financing (IPF)	GRRR (Guayas)	2025
Operation Name	Ecuador Guayas: Resilient Rural Roads		
Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
Ecuador	Ecuador	LATIN AMERICA AND CARIBBEAN	Transport
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
Prefectura de Guayas	Dirección de Obras Públicas	24-Jun-2024	10-Sept-2024
Estimated Concept Review Date	Total Project Cost		
05-Mar-2024	100,250,000.00		

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Proposed Development Objective

The Project Development Objectives (PDO) is to improve climate resilient and safe connectivity on targeted rural roads in the PoG.

B. Is the operation being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project Activities

[Description imported from the Concept Data Sheet in the Portal providing information about the key aspects and components/sub-components of the project]

The proposed Project, requested by the Province of Guayas (PoG), aims to improve the resilience and safety of the rural roads. The PoG has prioritized road interventions based on the following criteria: (i) works located on provincial boundaries that have not received attention to their needs on the last decade; (ii) works with a large number of direct and indirect beneficiaries, especially those that promote the socioeconomic productive sector of the communities to be benefited; and (iii) works that ensure connectivity between population centers such as precincts and parishes, thereby



improving viability. Additional works such as carriageway or pedestrian bridges were also considered as part of this criterion. The project includes a US\$86 million component that includes maintenance and rehabilitation interventions for roads and bridges, aiming to enhance connectivity within the province. By strengthening infrastructure, the initiative aims to create a more resilient transportation network capable of withstanding environmental challenges. It is estimated that about 60 km of roads could be intervened. The works will be developed on roads that have (or have had) asphalt, have an annual average daily traffic of 400 to 1,800 vehicles, have an execution time of 6 to 12 months, and present definitive designs that have environmental permits. In addition to roads, the initial analysis shows up to 12 bridges will be intervened. The bridges to be rehabilitated will be 15 to 35 meters long, will take 4 to 5 months to complete, and have current national environmental permits. The bridges are made of reinforced concrete, without intermediate piers, with two lanes, and will be equipped with road safety and information signs and lighting. The project also includes a capacity building component (US\$14 million) activities focused on supporting Prefecture of Guayas on managing the operation and increasing capacity for sustainable management of the transportation infrastructure. Also, it includes a cross-cutting component that will leverage the impacts of other components by proactively engaging communities in project design and monitoring and implementing approaches that will ensure social inclusion and protection while contributing to reduce violence and increase participation and decision making, especially for women. The support will include the development and implementation of an organization and a business plan addressing all functional areas including planning, design, construction, maintenance and social and environmental management of the rural state road network. Finally, the project includes a contingent emergency response component (CERC). It is included under the project in accordance with OP/BP 10.00, paragraphs 12 and 13, for situations of urgent need of assistance, as a project specific CERC. Rural transport infrastructure is particularly vulnerable to climate disasters, including the CERC under the Project will allow for rapid reallocation of project funds in the event of a natural disaster/ crisis during the Project's lifespan. Eligible emergency needs and the conditions to trigger this component will be specified in the CERC operations manual. This component will have no funding allocation initially and will draw resources from the unallocated expenditure category in the case of activation.

## D. Environmental and Social Overview

### D.1 Overview of Environmental and Social Project Settings

*[Description of key features relevant to the operation's environmental and social risks and opportunities (e.g., whether the project is nationwide or regional in scope, urban/rural, in an FCV context, presence of Indigenous Peoples or other minorities, involves associated facilities, high-biodiversity settings, etc.) – Max. character limit 2,000]*

The Project is to be deployed in several locations of the Province of Guayas, which is one of the twenty-four provinces of Ecuador, located in the coastal region of the country. The interventions for the rehabilitation of bridges and roads will be carried out within the continental territory, not considering the islands of the province. Guayas is a highly important territory for Ecuador as it has the largest port in the country, meaning that maritime import and export activities use the province's rural roads to the two ports located in the province (Guayaquil and Posorja). Also, the rural roads are routes for the development of agricultural and livestock activities, important sources of income for the province. The Project will upgrade existing roads and bridges of rural areas in Guayas; therefore, no significant environmental and social (E&S) risks or impacts are foreseen.

Nevertheless, civil works may still affect adjacent lands, due to activities related to increasing Rights of Way (ROW) and establishing temporary operations areas, quarries, borrow pits, camps, and storage areas for debris and stone materials. The interventions on the adjacent lands of the ROW may require a moderate number of expropriations and therefore affect landowners and potentially the livelihoods of people. Additionally, although impacts on indigenous peoples'



territories are not foreseen, there may be populations of communities belonging to the Montubio people (not indigenous but with collective rights) living in the Project influence areas.

**D.2 Overview of Borrower’s Institutional Capacity for Managing Environmental and Social Risks and Impacts**

*[Description of Borrower’s capacity (i.e., prior performance under the Safeguard Policies or ESF, experience applying E&S policies of IFIs, Environmental and social unit/staff already in place) and willingness to manage risks and impacts and of provisions planned or required to have capabilities in place, along with the needs for enhanced support to the Borrower – Max. character limit 2,000]*

The project implementation agency will be the Prefecture of Guayas, which has a dedicated team in charge of managing the E&S risks and impacts of the projects led by the Prefecture of Guayas. In addition, the contract management unit of the Prefecture of Guayas is responsible for ensuring both legal and contractual compliance with E&S requirements during the execution of road works. The Prefecture team reported having no experience in the execution of projects under E&S requirements of multilateral organizations; however, based on the information reviewed in the identification mission, the Bank considers that the Prefecture of Guayas’ experience in the execution of road projects using Ecuadorian regulations is valuable.

The Prefecture of Guayas’ E&S team, composed of 4 members during the identification mission, reported that for the identification and subsequent management of E&S risks and impacts, provisions established in Ecuadorian legislation are used, meaning that for the case of the proposed interventions E&S risks and impacts are evaluated, and an Environmental Management Plan (EMP) is prepared according to the national permit called “Environmental Registry”. The measures established in the EMPs for the works are subsequently used for the bidding, execution, and monitoring of each project. Note that the obtained E&S permits would require further evaluation and enhancement to be in alignment with the relevant Environmental and Social Standards (ESS) of the ESF.

In light of the above, the Bank considers that the Prefecture of Guayas is relatively well prepared to carry out the Project preparation; however, it will need to strengthen its ability to also manage provisions under the ESF during Project implementation. An implementing unit, denominated Project Implementation Team (PIT) will be formed within the Prefecture of Guayas with specific dedication to the execution of the project.

**II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS**

**A. Environmental and Social Risk Classification (ESRC)**

Substantial

**A.1 Environmental Risk Rating**

Substantial

*[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 2,000]*

The environmental risk classification is Substantial at this stage. Main adverse environmental risks and impacts are associated with the development of rural roads (SC 1.a) and rehabilitation of bridges (SC 1.b) under C1, including earth movement, drainages (culverts, longitudinal drainages), pavement, ancillary facilities (e.g., quarries, borrow pits and camps), and road safety. The reviewed documents and site visits predicted risks and impacts associated with: (i) nuisances due to noise, vibration, dust, traffic disturbance, waste, and visual disturbances; (ii) generation, management and disposal of wastes, including hazardous wastes; (iii) traffic management issues that may disturb communities and increase accident risks due to increased vehicular traffic; (iv) contamination of seasonal and permanent water bodies due to spills or discharges; (v) inadequate management of borrow pits and quarries; (xi) risks

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from not managing existing environmental liabilities; and (x) worker health and safety risks. Additionally, road improvement activities proposed under SC 1.a. would require works outside established ROWs, involving clearing of vegetation and agricultural crops. The intersection of projects with environmental protected areas will be confirmed during the project evaluation along with associated facilities that could cross areas of high biodiversity value and/or known archaeological sites. The environmental, health and safety risks and adverse impacts identified are expected to be predictable, temporary, site specific, and for which there are known and reliable mitigation measures. During operation, potential impacts related to community safety could be generated as a result of increased traffic. Cumulative impacts could also be generated along with impacts from other relevant past, present, and reasonably foreseeable projects in the area of the Project. The significance of these risks and impacts will be assessed as part of project preparation.

**A.2 Social Risk Rating**

Substantial

*[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 2,000]*

Social risk has been categorized as Substantial. The project’s planned execution doesn’t involve a high complexity in terms of measures for mitigating risks since the activities involved can be executed in a predictable manner and monitored with relative ease during implementation. However, there is one specific issue that causes the risk level to increase to substantial, and it is related to resettlement. Although the project activities involve rehabilitation of existing roads that may include expansions of the route towards the sides of the roads or bridge implementation areas that result in expropriations of land are foreseen. The client has identified the properties affected by the interventions according to cadastral information, but there is no assessment of the impacts within the affected properties, nor a socioeconomic evaluation that would allow determining if there will be impacts on livelihoods or vulnerable people. The Bank’s team is currently reviewing the information provided by the client and another field identification mission is planned to be conducted prior to appraisal. Risks related to construction activities are foreseen, such as: temporary labor influx; stakeholders expectations and concerns previously and during the execution of works, grievances, and potential impacts on vulnerable populations. Regarding risks to community health and safety, in addition to the ones associated with construction activities (noise, dust, temporary interruption of roads and services), risks related to traffic, disease transmission, gender-based violence (GBV) and risks related to use of private security forces are foreseen. The Bank team has asked the Prefecture to conduct a detailed assessment of the types of impact that the proposed routes could have on the vulnerable people (including the possibility of variants). This will be defined after the identification phase is completed and evaluated during appraisal.

*[Summary of key factors contributing to risk rating. This attribute is only for the internal version of the download document and not a part of the disclosable version – Max. character limit 2,000]*

**B. Relevance of Standards and Policies at Concept Stage**

**B.1 Relevance of Environmental and Social Standards**

ESS1 - Assessment and Management of Environmental and Social Risks and Impacts

Relevant

*[Optional Explanation - Max. character limit 1,000]*

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Activities to be financed under C1 will have E&S permits issued by the Ministry of Environment, Water, and Ecological Transition (MAATE) in accordance with national regulations. A gap analysis between Ecuadorian regulations and the ESF requirements for road projects was conducted recently for another Bank’s Project, and it will be used as input to prepare an E&S risks and impacts Matrix that will be used as a check point of the alignment of the ESMP with relevant ESS. A Complementary ESMP will be developed, based on a template, for each intervention prior to any bidding process; this template will be prepared considering the establishment of worker camps and respective IFC ESHS guidelines. During project implementation, contractors will develop and implement their own contractors’ ESMPs (C-ESMP), based on the Complementary ESMP. The C-ESMP will be approved before starting construction activities. The Borrower will develop and adopt a CERC-ESMF in case the C3 is activated.

**ESS10 - Stakeholder Engagement and Information Disclosure**

Relevant

*[Optional Explanation - Max. character limit 1,000]*

The Prefecture of Guayas prepared the studies for the interventions with national standards, and already held stakeholder meetings during this phase. A Stakeholder Engagement Plan (SEP) will be prepared to ensure opportunities for stakeholders to participate during implementation in a sustained manner. The SEP will include an analysis of the engagement carried out following the national standards during project preparation, and in any case incorporate the stakeholder feedback into the final selection and design of the selected roads. The SEP may include the need to have a dedicated professional (as part of the contractor’s team) for managing community relations, coordinating interventions that may cause temporary impacts (road closures, service interruptions, local labor and services), and monitoring the GRM established for each intervention (mailing, verbal complaints, reports, etc.). A draft SEP will be ready by the Appraisal stage and the final one as a condition of effectiveness.

**ESS2 - Labor and Working Conditions**

Relevant

*[Optional Explanation - Max. character limit 1,000]*

ESS2 is relevant. The Prefecture of Guayas informed that this operation will hire contractors, who will be required to comply with E&S requirements. The Project will make use of direct and contracted (contractors and subcontractors) workers. The use of community and primary supply workers is not foreseen but it will be assessed during Appraisal. Ecuadorian legislation is strong in labor matters and legal provisions are clear for the anticipated contractual relations. To close any minor gaps, identified in the Ecuador Overview Assessment, it is anticipated the need of one Labor Management Procedures (LMP) for the Project, establishing the procedures and obligations to be fulfilled in labor matters for the implementation of the project, especially in terms of a worker’s-specific Grievances Redress Mechanism, gender-based violence (GBV) and prevention of abuse, exploitation or sexual harassment (SEA-SH). The LMP requirements will be part of the bidding documents for contractors.

**ESS3 - Resource Efficiency and Pollution Prevention and Management**

Relevant

*[Optional Explanation - Max. character limit 1,000]*

ESS3 is relevant. The project will require the use of heavy machinery, equipment, and vehicles. Also, human activities will be carried out at the intervention sites. These activities are expected to generate common and hazardous waste, atmospheric emissions, and effluents, which are likely to affect bodies of water, soil, and air. Civil works will consume

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finite resources, as stone material and asphalt, material from borrow pits and quarries. During preparation, it will be identified if the project will be located in an area with resource constraints that could threaten its implementation. Complementary ESMPs will include measures to address these impacts, according to the mitigation hierarchy, including measures to achieve efficient processes in terms of the use of water, energy, raw materials, and for proper management of waste, emissions and effluents, in accordance with the GIIP and general and specific EHSG. Calculated gross GHG emissions will be reported at the appraisal stage.

**ESS4 - Community Health and Safety**

Relevant

*[Optional Explanation - Max. character limit 1,000]*

ESS4 is relevant. Risks to community health and safety in the immediate vicinity of intervention sites may include risks related to air pollution, unsafe construction works/practices, temporary interruption of traffic and/or services, and risks related road safety. Other risks may include exposure to Gender Based Violence (GBV) or Sexual Exploitation, Abuse or Harassment (SEA-SH) occurrences; water-related, vector-borne as well as communicable and non-communicable diseases that could result from labor influx triggered by project activities. Due to the increased crime situation in Ecuador, it is possible that contractors may have to use private security personnel to protect their operations, which will be evaluated during project preparation. Potential risks that have not been fully identified in the instruments approved under national law will be addressed in the specific Complementary ESMPs to safeguard the community health and safety in the vicinity of the interventions.

**ESS5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

Relevant

*[Optional Explanation - Max. character limit 1,000]*

This standard is relevant. The activities foreseen in the Project will generate impacts on land, insofar as land acquisition may be required to widen the roads and to install bridges. The client has identified the sites that will be affected by expropriations, but only valued the land at the cost of cadastral value, without considering any other affectation, contrary to what is required by ESS5, which requires a characterization of the type of impact, a valuation of all the elements that would be affected total replacement cost (infrastructure, goods, crops), and the determination of impacts on livelihoods. It is foreseen that the respective Resettlement Action Plans (RAPs) will be prepared. Prior to appraisal, a RAP template will be prepared, to standardize the contents and to expedite the preparation of RAPs for implementation. The client is also assessing its capacity to afford compensations under EAS5, which will be clearly defined during appraisal.

**ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources**

Relevant

*[Optional Explanation - Max. character limit 1,000]*

ESS6 is relevant. Whereas the proposed works are expected to be carried out along existing road alignments and mostly modified terrestrial habitats, it is possible that the ROW expansion of some of the roads may be located in areas of biodiversity importance and/or to protected areas, as is the case of the Pedro Velez - Carlos Julio Arosemena road that intersects with the Forest and Natural Vegetation Daule - Peripa. In addition, the impact of civils works on natural resources may result from the potential establishment and use of quarries, laydown areas, and camps.



Complementary ESMPs shall use the results of the E&S risks and impacts Matrix to include information on potential risks and impacts to natural habitats and ecosystem services and their mitigation measures, including identification of any significant residual impacts related to habitat loss, degradation and fragmentation, invasive alien species, hydrological changes, among others.

**ESS7 - Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities** Not Currently Relevant

*[Optional Explanation - Max. character limit 1,000]*

This standard is not relevant for this operation, as there are no indigenous or afro descendant populations in the area where the interventions will be carried out. It is very likely that populations belonging to the Montubio people will be identified as in Guayas they represent 8.4% of the population of the province. Montubio is an ethnic group made up of peasants of the Ecuadorian coast who claim their own culture, traditions and identity, and are recognized by the Constitution of Ecuador as People with collective rights. Therefore, it is foreseen that they will be treated as a vulnerable ethnic group in the Stakeholder Engagement Plan (SEP) in order to apply appropriate measures to address the particular needs of this population group, without jeopardizing their collective rights.

**ESS8 - Cultural Heritage** Relevant

*[Optional Explanation - Max. character limit 1,000]*

ESS8 is relevant. As works will be carried out in previously disturbed areas, there is a very low probability of finding archaeological remains during soil removal resulted from the preparation of non-asphalted roads or adjacent areas needed for complementary works, such as ditches or drainage. As local regulations do not require a heritage resource management plan for this type of intervention, the Complementary ESMPs will include chance finds procedures.

**ESS9 - Financial Intermediaries** Not Currently Relevant

*[Optional Explanation - Max. character limit 1,000]*

Not relevant for this operation.

**B.2 Legal Operational Policies that Apply**

**OP 7.50 Operations on International Waterways** No

**OP 7.60 Operations in Disputed Areas** No

**B.3 Other Salient Features**

**Use of Borrower Framework** No

*[Optional explanation – Max. character limit 1,000]*

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**Use of Common Approach**

No

*[Optional Explanation including list of possible financing partners – Max. character limit 1,000]*

Not applicable.

**B.4 Summary of Assessment of Environmental and Social Risks and Impacts**

*[Description provided will not be disclosed but will flow as a one time flow to the Concept Stage PID – Max. character limit 5,000]*

The overall Environmental and Social Risk Rating is considered Substantial at this Concept Stage.

This operation defines specific interventions for its execution. In general, these are road rehabilitation and bridge construction works with E&S risks that could be considered mitigable with the appropriate application of site-specific instruments. The main risks and impacts are related to the socio-environmental characteristics in the areas surrounding the intervention sites and can be mitigated with site-specific ESMPs.

From the environmental side, it is identified that: (i) the project interventions already have environmental permits in accordance with national legislation (although gaps with the Bank’s standards are foreseen); (ii) that they will be developed mostly in intervened and environmentally altered areas (although in one case very close to a protected area); and (iii) that they will generate impacts typical to road construction works, such as: impacts on the soil due to construction and adaptation of areas for roads and bridges; impacts on the air due to noise, emissions, and particulate matter; impacts on the water due to effluent generation; and other types of environmental impacts due to transportation and use of hazardous materials, generation of hazardous waste, transportation and storage of construction materials, and disposal of debris, among others. All these impacts can be managed with complementary Environmental and Social Management Plans (Complementary ESMPs) for each intervention, which will be implemented by the contractors through the C-ESMPs and supervised according to the Project Operations Manual.

From the social side, the impacts and risks have to do with: (i) land acquisition for the execution of the interventions: this has been planned by the client to be executed with national standards, so not all the criteria of the Bank’s standards are considered in terms of replacement cost, characterization of the type of impact (physical and/or economic) and potential impact on livelihoods. (ii) labor management: definition of work and working conditions, temporary labor influx due the use of contractors; (iii) management of stakeholder participation and consultation: participation and consultation to manage expectations, management of community relations during the execution of works, management and follow-up of complaints and claims, and attention to the needs of vulnerable populations; (iv) Community health and safety: risk related to GBV/ SEA-SH occurrence, temporary interruption of traffic and/or services and road safety, as well as communicable and non-communicable diseases that could result from labor influx triggered by project activities, and use of security forces. For the management of these impacts and control the respective risks, Resettlement Plans must be proposed for each intervention where needed, along with Labor Management Procedures (LMP), and Stakeholder Engagement Plans (SEPs), which will complement the ESMPs, and may be executed with the support of the contractors, for which this responsibility must be ensured in the terms of their contracting.

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In case the component 3 is activated, the Borrower will develop and adopt a CERC-ESMF, according to the Bank's CERC Guidance Note (Oct. 2017). This document will incorporate: (i) an exclusion list of activities that will not be financed by this component; (ii) analysis of potential E&S risks and impacts; and (iii) processes for completing, submitting to the World Bank for approval, and disclosing any necessary E&S instruments as required under the ESF prior to initiation of corresponding activities; among others.

### C. Overview of Required Environmental and Social Risk Management Activities

#### C.1 What Borrower environmental and social analyses, instruments, plans and/or frameworks are planned or required by Appraisal?

*[Description of expectations in terms of documents to be prepared to assess and manage the project's environmental and social risks and by when (i.e., prior to Effectiveness, or during implementation), highlighted features of ESA documents, other project documents where environmental and social measures are to be included, and the related due diligence process planned to be carried out by the World Bank, including sources of information for the due diligence - Max. character limit 3,000]*

The Project is composed of several interventions, which will be fully defined and agreed between the Borrower and the Bank prior to Appraisal. By Appraisal, the Borrower will ensure the issuance of an E&S permits for each intervention according to local legislation, which corresponds to an Environmental Registry for the most part, which includes a default Environmental Management Plan. According to the Bank's analysis during the identification mission, the permits issued by MAATE do not cover all the identification and mitigation measures for E&S risks and impacts anticipated for this type of interventions, in accordance with the ESS. Therefore, the Prefecture of Guayas will develop an E&S risks and impacts Matrix to ensure that the relevant E&S risks and impacts, as well as their corresponding mitigation measures, are included in their specific E&S instruments (Complementary ESMP). Accordingly, the following E&S instruments are expected to be prepared:

E&S instruments developed, consulted, and disclosed prior to Appraisal:

- E&S risks and impacts Matrix, identifying all potential E&S risks and impacts from the proposed interventions, including appropriate mitigation measures in accordance to the relevant ESS.
- Template for a complementary Environmental and Social Management Plan (Complementary ESMP) with standardized content in accordance to the relevant ESS.
- Template for a Resettlement Action Plan (RAP)
- Draft Stakeholder Engagement Plan (SEP)
- Draft Environmental and Social Commitment Plan (ESCP)

E&S instruments developed, consulted, and disclosed prior to each bidding process or commencement of works, during implementation:

- Complementary ESMP for each intervention, including the assessment of the E&S risks and impacts and respective mitigation measures identified in the E&S risks and impacts Matrix .
- Resettlement Acton Plan (RAP)
- Stakeholder Engagement Plan (SEP)
- One Labor Management Procedures (LMP) for all the interventions

During project implementation:



- Contractor ESMP (C-ESMP)

E&S instruments developed, consulted, and disclosed in case Component 3 is activated:

- Environmental and Social Management Framework (CERC - ESMF) In case the component 3 is activated, the Borrower will develop and adopt a CERC-ESMF, according to the Bank’s CERC Guidance Note (Oct. 2017). This document will incorporate: (i) an exclusion list of activities that will not be financed by this component; (ii) analysis of potential E&S risks and impacts; and (iii) processes for completing, submitting to the World Bank for approval, and disclosing any necessary E&S instruments as required under the ESF prior to initiation of corresponding activities; among others.

### III. CONTACT POINT

#### Contact Point

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### IV. FOR MORE INFORMATION CONTACT

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### V. APPROVAL

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