



Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 06/26/2024 | Report No: ESRSA03458



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
Province of Guayas	Provincial Directorate of Public Works of Guayas	08-Jul-2024	29-Oct-2024
Estimated Decision Review Date	Total Project Cost		
	100,250,000.00		

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Proposed Development Objective

The Project Development Objectives (PDO) is to improve resilient, sustainable, and safe road connectivity in rural areas of PoG and, in case of an Eligible Crisis or Emergency, respond promptly and effectively to it.

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 PAD Data Sheet in the Portal providing information about the key aspects and components/sub-components of the project]

The Project, requested by the Province of Guayas (PoG), aims to increase access to an improved, sustainable, resilient, and safe network in the PoG and, in case of an Eligible Crisis or emergency, respond promptly and effectively to it. 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, highlighting the significance of efficient transport infrastructure and logistics networks to facilitate trade and boost the market across different provinces; (ii) works with a



large number of direct and indirect beneficiaries, especially those that promote the socioeconomic productive sector of the beneficiary communities; 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 will comprise three components. Component 1 "Rural Road Construction and Rehabilitation (US\$ 90 million)" includes construction 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. This Component is composed of 15 interventions, fully defined and agreed between the Borrower and the Bank during Project preparation. These intervention are detailed within the PAD and include seven roads (about 89.75 km) and eight bridges. All interventions will incorporate aspects of road safety audits recommendations, climate resilience, gender, and inclusion. Component 2 "Project Management and Capacity Building (US\$ 10 million)" includes capacity building activities focused on supporting the PoG on managing the operation and increasing capacity for sustainable transport infrastructure management. Also, it includes cross-cutting subcomponents that will leverage the impacts of Component 1 by proactively engaging communities in Project design, 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. These activities will embed the planning, design, construction, maintenance and social and environmental management of the rural state road network. Component 3 "Contingency Emergency Response (US\$ 0 million)" 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 10,000]

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 roads and bridges will be carried out within the continental territory, not considering the islands of the province. Guayas is very important for the Ecuadorian commerce as it has two important ports (Guayaquil and Posorja), Posorja being the largest port in the country. Therefore, the province's rural roads are intensively used by maritime import and export activities, along with activities related to agricultural development and livestock which are important sources of income for the province.

The Project will upgrade some existing roads and bridges of rural areas in Guayas; therefore, few significant adverse environmental and social (E&S) risks or impacts are foreseen. Nevertheless, civil works may affect adjacent lands, due to activities related to the variation of the axis, but without necessarily increasing the width of the existing Right of Way (ROW) and establishing temporary ancillary areas such as camps, machinery yard, and deposit areas for debris and stone materials. During the Project preparation it was assessed that, as a result of the widening of the ROW or works to upgrade existing structures, such as bridges, some interventions could affect areas with vegetation coverage which



could be environmentally sensitive; however, more precise information about the environmental sensitivity of the project's areas will be specified during the preparation of the environmental instruments for each intervention. Furthermore, some works will be carried out near or over bodies of water; the respective potential environmental risks and impacts were identified and the associated mitigation measures will be part of each site-specific E&S instruments.

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's areas of influence.

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 10,000]

The Project implementation agency will be the Prefecture of Guayas, which appointed a dedicated E&S team to prepare the Project identifying the E&S risks and impacts of the proposed interventions and its respective mitigation measures. In addition, the General Coordination of Infrastructure of the PoG will be responsible for ensuring both legal and contractual compliance with E&S requirements during the execution of road works. The Prefecture E&S team reported having no experience in the execution of projects under E&S requirements of multilateral organizations; however, based on the experience preparing the Appraisal instruments, the Bank considers that the PoG's expertise in the execution of road projects using Ecuadorian regulations is valuable and may be subject to improvement through an E&S capacity building plan, as further proposed.

The PoG reported that for the identification and subsequent management of E&S risks and impacts, provisions established in Ecuadorian legislation are used, meaning that the proposed interventions already have evaluated E&S risks and impacts, and have prepared an Environmental Management Plan (EMP) according to the national permit called "Environmental Registry". In light of the above, the PoG will strengthen its ability to also manage provisions under the ESF during Project implementation. An implementation unit, denominated Project Implementation Team (PIT) will be formed within the PoG and will report to the General Coordination of Infrastructure.

The proposed structure for the PIT's E&S management, as detailed in the Project Environmental and Social Commitment Plan (ESCP), will include, among others, one (1) dedicated and full time environmental specialist and one (1) dedicated and full time social specialist, with qualifications and experience satisfactory to the Bank. This team shall be hired no later than forty five (45) days after the Project's Effective Date and maintained throughout Project implementation. The E&S team will directly report to the PIT coordinator after the Project preparation, and the World Bank E&S team will continue to provide technical support to the PIT aiming to ensure a sound E&S management during preparation and implementation of E&S site-specific instruments. Also, the Bank will closely follow-up on the E&S requirements through regular implementation support missions.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) 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 4,000]

Environmental risk rating is deemed Substantial, reflecting various factors such as the project type, its impacts, environmental sensitivity, Borrower capacity, and contextual events. As the Project involves rehabilitation and reconstruction of existing roads/bridges (no new infrastructure), few significant environmental risks and impacts are not anticipated. However, under C1 construction activities are planned like i) soil movement, ii) works near to water bodies, iii) drainage systems, iv) pavement construction, v) ancillary facilities, and vi) road safety measures, resulting on the occurrence of adverse environmental risks and impacts. Following a comprehensive document review and site visits to all the proposed interventions, the anticipated risks and impacts include: (i) nuisances from noise, vibration, dust, traffic disturbances, waste; (ii) disposal of waste materials, including hazardous wastes and materials; (iii) traffic related impacts (road interruptions, accidents, etc.); (iv) potential pollution of water bodies; (v) occupational health and safety hazards for workers involved in Project implementation. The road improvement activities proposed under C1 may require works beyond the established ROW. These works may involve expanding existing road infrastructure to enhance capacity and functionality, potentially removing trees, shrubs, and other vegetation, as well as relocating electric lines, fiber optic cables, and water and sanitation pipelines. This could impact agricultural activities, affecting crop productivity or altering irrigation and drainage systems. The "Pedro Velez - Carlos Arosemena" road is the only project intersecting a protected area, crossing 1.11 km of modified habitats in "Bosque y Vegetacion Natural Daule Peripa." No significant risks are expected, but the PIT must ensure the C-ESMP includes mitigation measures (see ESS 6 for details). The Project will occur in an area prone to extreme precipitation, contributing to infrastructure deterioration and necessitating the Project. The Project's climate resilience task team focuses on a robust climate response to protect infrastructure and ensure environmental sustainability. As mentioned in section D.2, the PoG lacks experience with multilateral entities' environmental requirements but has extensive experience with national regulations, essential for this Project. The environmental team for Project preparation showed interest and dedication. A full-time environmental specialist will be hired for Project implementation, and capacity-building components will help the PoG manage ESF-required environmental provisions. During preparation, the Bank supported PoG's environmental staff in conducting an initial analysis of risks and impacts and developing an E&S Risk and Impact Matrix for each proposed intervention. This tool verifies that all relevant risks, impacts, and mitigation measures are addressed in the local EMP included in the environmental license issued by the Ministry of Environment, Water, and Ecological Transition (MAATE). Identified gaps and additional considerations will be addressed through a Complementary ESMP and a Contractor's ESMP (C-ESMP) for each intervention, detailed in the section on ESS1. The E&S matrices will ensure the Complementary ESMP and C-ESMP align with relevant ESF standards. The identified risks and impacts on occupational health and the environment are expected to be predictable, temporary, and site-specific, with known mitigation measures. Cumulative impacts from past, present, and foreseeable interventions within the Project area will be considered as part of the Complementary ESMPs.

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 4,000]

Social risk is considered Substantial. The planned execution of the Project does not involve high complexity in terms of risk mitigation measures. The activities, which consist of rehabilitating and improving of existing roads, can be



carried out predictably and monitored with relative ease during implementation. These tasks will be performed by contractors who must comply with national regulations and the Complementary ESMP. Substantial risk is related to land acquisition and resettlement. Although the Project activities involve the rehabilitation of existing roads, some of the interventions may involve road expansions that may affect roadsides or bridge implementation areas resulting in expropriation and the need for land acquisition. During this stage, a detailed evaluation of the characteristics of the interventions has been carried out based on the studies of each work, as well as through field visits. It was observed that all of the interventions are related to road rehabilitation and construction of bridges over existing routes, and according to the client, there are no plans to modify the rights of way. The client has identified the lands that will be affected by the interventions according to the cadastral information, and is currently analyzing possibilities to reduce the occurrence of impacts on properties or economic activities; however, prior to the execution of the works, information on the types of impacts that may be generated within the affected properties must be collected to determine whether or not there will be physical and/or economical displacement, as well as a socioeconomic assessment to determine the level of impact on livelihoods and vulnerable people, and prepare the corresponding Resettlement Action Plans (RAP), for the interventions that require them. In general, once the information from the studies of each intervention was reviewed and after the field visits, risks and social impacts related to road construction activities were identified, such as: installation of operation areas, nuisance caused by transport and operation of heavy machinery, community health concern caused by dust, noise, emissions, etc., generation of positive and negative expectations on the part of stakeholders before and during the execution of the works, generation of local employment, contracting of goods and labor, health and safety risks for workers, risks of exposure of the community to communicable and non-communicable diseases, temporary modification of traffic and road safety, use of security companies to guard machinery and work fronts. The most significant risk is related to land acquisition and resettlement, although not all interventions require land acquisition, and the client is evaluating alternatives to reduce the amount of land affected.

[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 8,000]

B. Environment and Social Standards (ESS) that Apply to the Activities Being Considered

B.1 Relevance of Environmental and Social Standards

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

Relevant

[Explanation - Max. character limit 10,000]

ESS1 is relevant. Under Component 1, Rehabilitation of Rural Roads and the Rehabilitation of bridges in rural areas are primarily expected to take place along existing road alignments and rights of way (ROW), although works could be required outside the established ROWs, which will be determined prior the execution of the works. Activities to be financed under C1 already have E&S permits, issued by the Ministry of Environment, Water, and Ecological Transition (MAATE, acronym according to its name in Spanish) in line with national regulations. Out of the 15 proposed interventions, only the activities related to the rehabilitation of the “Colimes – Olmedo” road do not have an issued environmental permit, which is under review by the MAATE. Potential environmental, social, health and safety risks and impacts related to the proposed Project activities, mentioned in section II.A, were preliminary identified in an



E&S risks and impacts Matrix for each of the proposed interventions, as mentioned in section C above, which indicates whether the risks, impacts, and their mitigation measures are addressed in the EMP which is part of the environmental permit issued by the MAATE, or whether any risks, impacts, and mitigation measures need to be addressed as part of a intervention-specific Complementary ESMP. The developed matrices will be used as a check point of the alignment of the Complementary ESMP with relevant ESS aiming to guide their preparation. Complementary ESMPs will be developed by the PIT for each intervention prior to any bidding process. This document will be prepared based on a template developed by the PoG during Project preparation. The template was prepared considering the compliance with the relevant ESS requirements, and mainly taking into account: (i) identification and assessment of associated facilities; (ii) existing and required E&S baseline data; (iii) E&S impact analysis and mitigation measures related to the intervention and associated facilities; (iv) measures for addressing existing environmental liabilities; (v) the establishment of worker camps, among others. During Project implementation, contractors will develop and implement their own C-ESMP, based on the Complementary ESMP. The C-ESMP will be approved by the PIT before starting construction activities. Capacity strengthening measures for the PIT will be part of the Project's ESCP. Key measures that the PoG should pay attention to during Project implementation are the timing of staff recruitment, as necessary, and sequencing of Project activities to ensure there is sufficient time for the recruited staff to receive training. Such training should cover the development of the necessary E&S instruments, the efficient transfer of knowledge from the PoG staff who prepared the Project and the transfer of relevant technical information. Technical Assistance (TA) activities envisaged under C2, regarding the development and implementation of an organization and business plan, include the planning and maintenance of the rural road network; therefore, the ESCP includes commitments to ensure that the preparation of consultancies, studies, capacity-building tasks, training events, and any other types of TA are acceptable to the Bank, and consistent with the relevant ESS. Additionally, as the CERC activities, envisaged under C3, the PIT will ensure that the risks under these activities are assessed and managed through the implementation of CERC-specific E&S instruments which will be developed by the PoG in case the C3 is activated and according a CERC manual. During Project preparation the PoG prepared the following E&S instruments: (i) a E&S risks and impacts Matrix for each of the proposed interventions, as described within the Project Appraisal Document (PAD); (ii) a Complementary ESMP template; (iii) a draft Stakeholder Engagement Plan (SEP) and (iv) a RAP template. The team appointed by the PoG for Project preparation also developed an ESCP containing the measures, actions and timeframe required to ensure compliance with the ESS, as well as monitoring and reporting arrangements during Project implementation. The ESCP shall be agreed between the Borrower and the Bank during the negotiations stage.

ESS10 - Stakeholder Engagement and Information Disclosure

Relevant

[Explanation - Max. character limit 10,000]

ESS10 is relevant. The PoG prepared the studies for the Project interventions in compliance with national standards and has held several meetings with stakeholders during this phase. There were spaces for socialization and participation with the population to inform them about the Project objectives, studies, design and other technical details contemplated by the Project. As a result of these spaces, the PoG was able to gather qualitative information on the understanding of the Project and its impact on the development and dynamics of the community. Based on the information gathered in the community dialogue spaces and in compliance with Bank requirements, the PoG has prepared a draft stakeholder Engagement Plan (SEP) to ensure sustained opportunities for stakeholder participation during Project implementation. This plan has identified strategic institutional actors, such as local governments and ministries, public enterprises, and emergency committees, which will play articulation and coordination roles for



efficient Project implementation. Stakeholders such as private companies, suppliers of goods and services, and contractors were identified. Vulnerable groups were also identified, which due to factors such as poverty, discrimination, disability, age, migration, together with the lack of essential services and adequate means of communication of the Project face greater risks and require special attention to ensure their participation and full understanding of the Project benefits. The SEP contemplates the information needs and details how the communication strategy will be with all stakeholders and interested and affected parties according to the level of interest or influence they have in the Project, for which it has established methods and mechanisms for each of them. It also details the instrument currently used by th PoG to collect complaints and claims from citizens, explaining the existence of digital and physical mechanisms, telephone calls and direct meetings with the highest authority of the institution. However, the Bank suggested the design of mechanisms to be implemented by the contractors during the works, so that those affected can present any concerns or complaints and channel them through the contractors' mechanisms. The client will develop a specific procedure for handling complaints related to sexual exploitation and abuse and harassment, which will be integrated into the Project's Grievance Mechanism, as well as the one to be applied by the contractors during the execution of works. The SEP has included the need for a dedicated professional (as part of the contractor's team) to manage community relations, coordinate interventions that may cause temporary impacts (road closures, disruption of services, labor and local services) and oversee the effective implementation of the grievance mechanism. The SEP will be the same for all the interventions, but each Complementary ESMP will include specific guidelines for its application, from the planning of the participation, to the adequate follow-up and control of the compliance of the activities through reports and periodic informative sessions. This instrument is currently in draft form, and this first version, together with the ESMP template and the RAP template, was briefly consulted with stakeholders at an institutional level (Municipalities) to receive initial feedback. . In addition to these initial consultation processes, further socialization and consultation processes are planned prior to the start of the works, once the Complementary ESMPs have been developed and a more detailed execution schedule is available. The final SEP will be adopted no later than 90 days after the Effective Date, and thereafter the SEP will be applied throughout the implementation of the Project.

ESS2 - Labor and Working Conditions

Relevant

[Explanation - Max. character limit 10,000]

For the Project, the use of direct and contracted workers is foreseen, as the PoG will work with its own staff and may integrate consultants for the PIT, but will essentially work with contracting companies, who in turn will incorporate their own staff, hire local people at the worksites, and may establish contracts with subcontractors, including primary suppliers. The Project does not foresee the use of community workers. Ecuador's labor legislation is generally sound in terms of measures to prevent exploitation, discrimination, minimum working ages, occupational health and safety, and employee and employer rights and responsibilities under the various types of contracts that exist under Ecuadorian law. In any case, a Labor Management Procedure (LMP) will be developed for the Project, as required by ESS2, which will identify the type of Project workers, the legal framework governing their employment, measures to ensure working conditions for all Project workers, and a dedicated complaints and grievance mechanism to address workers. The Project will ensure that workers are provided with appropriate protective equipment for the type of activity and have access to training and education on occupational health and safety and the activities they will be carrying out. The training and education processes will also take into account aspects related to the prevention of abuse, sexual harassment or exploitation, and gender-based violence, as well as the formulation of regulations and codes of conduct for workers. The LMP will be a common document for the entire Project, and will be part of the



documents that will be attached to the bidding process and to the supplementary ESMP, so that they can be implemented by the PoG as well as by contractors and subcontractors. This instrument will be adopted no later than 60 days after the Effective Date, and thereafter will be implemented throughout the life of the Project.

ESS3 - Resource Efficiency and Pollution Prevention and Management

Relevant

[Explanation - Max. character limit 10,000]

This standard is relevant. Under C1 the Project will finance civil works for 15 interventions, meaning rehabilitation and reconstruction of existing roads and bridges, throughout the Guayas province. Project activities and civil works investments are expected to be sources of pollution, emissions (including GHG's), and users of resources as considered by ESS3. The types of potential pollution sources include construction waste, runoff from construction sites and from civil works activities, use of materials, including hazardous materials for construction and petroleum-based products for vehicles and machinery, and air pollution from operation of machinery and vehicles. The Project will finance also TA and aiming to manage potential risks and impacts derived from these activities. TORs, work plans, or other documents defining the scope and outputs of TA activities will be drafted so that the advice and other support provided is consistent with ESS3. Pollution: The interventions designs will incorporate best practices, including WBG General EHS Guidelines, to reduce discharge and waste and is not expected to significantly impact air pollution, noise, or other forms of pollution. It is not likely that the Project will be a large generator of hazardous materials, nevertheless, the Complementary ESMPs and C-ESMPs will include measures to ensure minimization of adverse impacts on human health and the environment including proper storage, handling, use, and disposal of hazardous, flammable or potentially contaminating wastes. The PIT will develop site-specific Complementary ESMPs, including a sufficient budget at the intervention level for monitoring and capacity-building regarding pollution prevention and emergency incident response. Vegetation and soil: Soil removal and clearance of vegetation may occur from road rehabilitation and widening activities, and reconstruction financed by the Project. All construction material needed for the infrastructure work (sand, stones, timber, etc.) will be obtained from licensed quarries and certified timber suppliers. As construction activities and temporary facilities for the execution of the works could take place in or in proximity to ecologically sensitive areas, it is anticipated that some non significant impacts could be caused at these sites, therefore, the PIT will ensure that specific and stringent measures should be included in the C-ESMPs. Waste management: Construction waste will include mostly waste from excavated soil and debris and hazardous waste such as hydrocarbon oils from unplanned maintenance activities of construction machinery and vehicles. Any waste generated by Project activities will be disposed according to national regulations, GIIP and the WBG's General EHS Guidelines. The reuse of asphalt will be promoted. In the event that special handling and disposal of materials and wastes is required, the site-specific C-ESMP will include measures for the management of hazardous material. Also, site-specific ESMPs will include specific measures for waste management. Efficiency measures: The project will consider construction specifications that demonstrate savings in terms of energy and water consumption, aiming to enhance natural resource-use efficiency, reduce GHG emissions, and promote climate adaptation. In line with ESS3, the Borrower together with the Bank characterized and estimated sources of air pollution-related to the Project and determined with the Bank that Project related emissions warrant an estimation of gross GHG emissions as per this standard, as well as its technical and financial feasibility. As assessed within the PAD, in the Project scenario, total emissions are 441,752 tCO₂, while the analyzed representative interventions will increase a total of 83,159 tCO₂ emissions due to the provided activities required to improve the mobility and fulfill the development project objectives.. Air emissions and noise: These may be generated during the construction phase from the use of heavy vehicles, machinery, and construction activities. The C-ESMPs will consider mitigation measures, which may

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include dust suppression and vehicle maintenance programs to minimize the impact of air emissions and to minimize and manage noise levels. The PIT will ensure that the C-ESMPs include these measures as necessary. Water use: The Borrower will adopt measures, to the extent technically and financially feasible, to avoid or minimize water usage. Project water requirements are not expected to result in reduced availability for downstream users nor to affect ecological flows as water will be acquired from water supply companies that will have environmental permits. These requirements will be incorporated in the C-ESMPs. The PoG will develop a procedure to manage environmental liabilities that will be included in the complementary ESMPs and C-ESMPs as required. As mentioned, the PIT will ensure that C-ESMPs include specific measures to address E&S risks and 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 requirements of ESS3 and the WBG's EHS Guidelines and applicable national law.

ESS4 - Community Health and Safety

Relevant

[Explanation - Max. character limit 10,000]

ESS4 is relevant. Identified Risks to community health and safety in the immediate vicinity of road rehabilitation and/or maintenance sites may include risks related to air pollution, noise, vibrations, unsafe construction works/practices, temporary interruption of traffic and/or services, and risks related to increased volume of vehicles as result of the rehabilitation of the road network during the operational phase. Other identified risks include exposure to GBV or Sexual Exploitation, 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 for which specific provisions to ensure the health and safety of the community will be included in specific C-ESMPs. Potential risks and their respective mitigation measures have been identified in the E&S Risk Matrix for each intervention, which include, among others: the design and dissemination of a Code of Ethics and Conduct, the implementation of road safety measures, the development and application of a Traffic Management Plan for all road users, including measures related to signaling and the installation of detours as necessary. Potential risks that have not been fully identified in the instruments approved under national law will be addressed in the Complementary ESMPs including risks related to prevention, infection control, and management of infectious diseases, which will be in line with the WBG EHS Guidelines, Good International Industry Practice (GIIP), including the World Health Organization (WHO) guidance as relevant.

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

Relevant

[Explanation - Max. character limit 10,000]

ESS5 is relevant. During the evaluation phase and preparation of the risk matrixes for the Project interventions, impacts on land were identified, since at least ten of the interventions are planned to intervene on land on one or both sides of the roads and/or bridges. The need to temporarily occupy areas for the installation of facilities such as contractor camps, machinery yards, storage of materials is also foreseen. Given this activity, there is a potential risk of physical and economic displacement that could change the living conditions of the areas that will be affected. Since the client has only valued the land at cadastral value, there is no information available to demonstrate the real economic and social impacts that may result from a land acquisition process in relation to the impacts on

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infrastructure, goods, services, presence of crops, livelihoods, informal commerce, among others. Therefore, the Project, in compliance with ESS5, will have specific RAPs for each intervention involving economic or physical displacement, which will include targeted measures according to the types of impacts. In addition, the Task Team, together with the PoG, is compiling information for the preparation and approval of an internal memo for the Bank to authorize the use of loan proceeds for the payment of land compensation, which is expected to be approved before the negotiation date. The PoG has already identified the area of land that will be affected by each of the interventions and is assessing alternatives to reduce the cases of resettlement, which could even vary once the detailed designs are done before starting construction. If avoiding resettlement is not possible, land acquisition will be managed in accordance with ESS5. Non-monetary compensation may be agreed in certain areas, especially when the areas affected are small and do not involve crops, goods or services, such as improvement of accesses to properties. It is likely that possible micro-variants can be assessed during implementation, which would reduce the incidence of resettlement. As part of the documents that the PoG has generated for the Appraisal phase, there is a RAP template, which will be briefly consulted with stakeholders, along with the draft SEP and the Complementary ESMP template. Subsequently, and prior to the implementation of the works, the client will prepare the specific RAPs for each intervention, considering the template and all the forecasts established in the ESS5. It has even been specified in the RAP template that land donations are an exceptional option and will be subject to due diligence and approval by the Bank via No Objection, as long as the requirements set forth in ESS5 are met. The Project will implement a grievance mechanism, which will help manage any inconveniences arising from the resettlement and land acquisition processes that may generate discomfort among the affected population. This mechanism will be socialized and disseminated in the community on a permanent basis and various channels will be set up for its access.

ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources

Relevant

[Explanation - Max. character limit 10,000]

This standard is relevant. All the activities related to rehabilitation and reconstruction of existing infrastructure will be developed within existing footprints and mostly in degraded areas; however, it is possible that some civil works may potentially interfere with native vegetation or areas of importance for biodiversity. As mentioned in the section A.1, the "Pedro Velez - Carlos Arosemena " rehabilitation (o reconstruction) is the only intervention which is already intersecting an environmental protected area, and the activities provided as part of the Project do not consider additional environmental impacts; however, in case the Contractor identifies the need to make adjustments to the current construction layouts (alignments), the Contractor may require to perform an additional reassessment to determine whether the foreseen activities would impact environmental sensitive areas; and therefore, the appropriate mitigation measures shall be included within the C-ESMPs according to ESS6 requirements. Civil works related to the potential establishment and use of machinery facilities, material storage areas, and work camps may negatively affect biodiversity, habitats, and ecosystem services. The PoG identified these potential risks and impacts by the development of a E&S risks and impacts matrix for each intervention. Subsequently, the corresponding impacts assessment will be carried out by the PIT and the assigned contractors, as appropriate, and duly documented within each Complementary ESMP and C-ESMP. This assessment will aim to identify more accurately the presence or proximity to areas of importance for biodiversity, and therefore those potential risks and impacts on natural habitats and ecosystem services. During Project preparation, it was noted that the only intervention that intersects with a natural protected area is the reconstruction of the "Pedro Velez - Carlos Arosemena" road. The already constructed road intersects with the protected area "Bosque y Vegetacion Natural Daule Peripa" for 1.11 kilometers, in a sector

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with modified terrestrial habitats that include agricultural and grazing lands; therefore, no environmental risks or impacts to sensitive natural areas are expected during the activities planned for this intervention; however, the PIT shall ensure that the C-ESMP includes specific mitigation measures to avoid risks and impacts that could affect the surrounding areas. Where relevant, analysis of viable alternatives will be conducted as part of C-ESMPs and, therefore, appropriate mitigation measures for impacts on natural habitats and ecosystem services will be included therein. During Project implementation, the PIT shall ensure that site-specific C-ESMPs include biodiversity-related mitigation measures addressing each intervention-specific biodiversity risks and impacts to be accurately identified by each contractor, including those related to managing any significant residual impacts related to habitat loss, degradation and fragmentation, invasive alien species and hydrological changes. Specific and stringent measures will be also therein included, aiming to avoid and mitigate any risks and impacts that could alter or cause destruction or degradation of any critical or sensitive natural habitats, especially forests and wetlands outside the designated national protected areas (the project is not expected to impact forests or wetlands, however, if realignment necessitates such contact, appropriate assessments and mitigation measures will be undertaken, as noted at the beginning of this section) These mitigation measures shall be aligned with those documented within each site-specific Complementary ESMP. Complementary site-specific ESMPs will be developed by the PIT prior to launching the bidding process for the respective intervention. Site-specific ESMPs will be developed by each contractor and validated by the PIT prior to commencement of works. Aiming to manage potential risks and impacts resulting from TA activities, terms of reference, work plans and other documents prepared under the TA will be developed to define the scope and outcomes of these activities, so that the advice and other support provided is consistent with ESS6.

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

[Explanation - Max. character limit 10,000]

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, since the Montubio Peoples do not meet the four criteria of ESS7, it has been considered within the Stakeholder Engagement Plan as a vulnerable ethnic group and appropriate measures will be implemented to address the particular needs of this population group, without jeopardizing their collective rights.

ESS8 - Cultural Heritage Relevant

[Explanation - Max. character limit 10,000]

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 furthermore include Chance Finds Procedures for the intervention areas, and construction contracts will include clauses requiring civil contractors to take proper protective measures in case cultural heritage sites are discovered, including to stop construction

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activities if archaeological or cultural sites are encountered during construction activities. Aiming to manage potential risks and impacts resulting from TA activities, terms of reference, work plans or other documents will be developed to define the scope and outcomes of these activities, so that the advice and other support provided is consistent with ESS8.

ESS9 - Financial Intermediaries

Not Currently Relevant

[Explanation - Max. character limit 10,000]

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

[Explanation including areas where "Use of Borrower Framework" is being considered - Max. character limit 10,000]

The Project will not make use of the Borrower's framework.

According to the country's Overview Assessment, Ecuador's E&S regulatory framework is considered to be robust, and in several items aligned with the requirements of the ESS. As explained under ESS1, the interventions proposed by the Project have an environmental permit issued by MAATE in accordance with local legislation, which is referred to as the "Environmental Registry", which contains an Environmental Management Plan (EMP). During Project preparation, the Bank analyzed with the PoG that this E&S management instrument is automatically generated by MAATE's digital system, and does not discriminate the type or scope of each Project; thus, the Environmental Management Plan for the rehabilitation or reconstruction of a road or bridge could have the same format, scope and measures as any other moderate or substantial risk Project, regardless of the type of intervention.

Following the above analysis, the Bank found it necessary to complement the Environmental Management Plan, which MAATE associated with each of the planned interventions, with an E&S instrument that incorporates the requirements of the ESSs relevant to the Project. Accordingly, during Project preparation, the PoG, with the support of a Bank E&S team, carried out a detailed survey of the potential E&S risks and impacts expected for each intervention, within a matrix of E&S risks and impacts specific to each intervention, in order to detail mitigation measures to address the E&S risks and impacts that the local E&S instrument does not contemplate.

Furthermore, in order to manage the potential E&S risks and impacts of each intervention, the PoG, through the PIT, will develop a Complementary ESMP, based on the guidelines of the E&S risk and impact matrix. This Complementary

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ESMP will be part of the bidding documents for each intervention; and, subsequently, the Contractor assigned for each work will be responsible for developing a C-ESMP detailing the potential E&S risks and impacts foreseen, together with the corresponding mitigation measures, as it will then have access to detailed information on the execution of the activities of each work.

Use of Common Approach

No

[Explanation including list of possible financing partners – Max. character limit 4,000]

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 Appraisal Stage PID and PAD – Max. character limit 10,000]

The overall Environmental and Social Risk Rating is considered Substantial.

This operation defines 15 specific interventions for its execution, according to the PAD. In general, these are roads and bridge rehabilitation and reconstruction works with E&S risks and impacts that could be considered mitigable with the appropriate application of site-specific instruments. The main E&S risks and impacts are related to the socio-environmental characteristics in the areas surrounding the intervention sites, and can be mitigated with site-specific Complementary ESMPs to be developed during Project implementation.

From the environmental side, it is considered that: (i) the Project interventions already count on environmental permits in accordance with national legislation, although gaps with the ESS requirements were duly identified in the E&S risk and impact matrices developed by the PoG during Project preparation; (ii) all the activities will be developed within existing footprints and mostly in degraded areas; however, it is possible that some civil works may potentially interfere with native vegetation or areas of importance for biodiversity; and (iii) the Project activities will generate typical risks and impacts related to road and bridges construction works, such as: soil degradation due to adaptation of areas for ancillary activities; air degradation due to noise emissions, and particulate matter; water pollution due to effluent generation; and environmental risks and impacts related to transportation and use of hazardous materials, generation of hazardous waste, transportation and storage of construction materials, temporary disposal of debris, among others. The environmental risks and impacts identified during Project preparation can be managed according to proposed mitigation measures to be provided as part of Complementary ESMP for each intervention, and further observed in the C-ESMPs. The implementation of the mitigation measures set forth in each C-ESMP will be under the responsibility of the contractor, and duly supervised in accordance with the provisions of the Project Operations Manual (POM) and the ESCP.

From the Social side, risks and impacts are identified in at least four main areas: (i) land management and resettlement; (ii) workers health and safety, (iii) Community health and safety; and (iv) stakeholder engagement.

Regarding land management, interventions are expected to require land acquisition to ensure the technical conditions of roads and bridges, which may involve acquiring portions of land alongside the routes or in areas adjacent to bridge installation sites. Temporary land use for contractor camps, machinery parking areas, material storage, etc., is also foreseen. Therefore, there is a need to assess the types of impacts beyond those already identified in the cadaster and propose specific measures for each intervention according to the type of impact and in compliance with the EAS5.

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Regarding the Workers health and safety, it is considered relevant to have standardized measures to manage the different types of labor expected: direct workers, contractor workers, and workers from primary suppliers. Measures to monitor working conditions and a specific grievance mechanism will be established in the Labor Management Procedures (LMP) document and will be applied together with provisions established in Complementary and C-ESMPs.

Impacts on the Community health and safety are related to the transmission of communicable and non-communicable diseases, traffic safety during construction, potential occurrences of events related to exploitation and sexual and/or harassment, and the use of private security for custody of machinery, camps, and work fronts. Specific measures for managing these risks will be considered in Complementary and C-ESMPs for each intervention.

Stakeholder positive and negative expectation management and stakeholder engagement are related to the interactions that will occur with communities, neighbors, vulnerable populations, people affected by resettlement, local authorities, institutions, among other stakeholders. For this purpose, a SEP has been designed, which will serve as a guide for these interactions and will include a grievance mechanism to address any concerns of stakeholders, including a procedure for receiving, recording and processing complaints of GBV/SEA-SH, and facilitating their resolution, which will include referring survivors to gender-based violence-related service providers, all in a safe, confidential, and survivor-centered manner.

Aiming to manage potential risks and impacts resulting from Technical Assistance (TA) activities, terms of reference, work plans and other documents will be developed to define the scope and outcomes of these activities, so that the advice and other support provided is consistent with the relevant requirements of the ESS.

In case C3 is activated, the Borrower shall develop and adopt CERC E&S instruments according to the Bank's CERC Guidance Note (Oct. 2017) and therefore according to a CERC Manual to be developed by the Borrower. The CERC E&S instruments shall incorporate, at least: (i) a positive list of activities that could be financed under this component; (ii) analysis of potential E&S risks and impacts; and (iii) processes for completing, submitting to the Bank for approval, and disclosing any necessary E&S instruments as required under the ESF prior to the initiation of corresponding activities.

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 implementation?

[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 10,000]

The Project is composed of 15 interventions, which have been fully defined and agreed between the Borrower and the Bank during Project preparation and are detailed within the PAD. The Borrower has obtained the E&S permits for each intervention according to local legislation, which corresponds to an Environmental Registry for the most part of the interventions, which includes a default Environmental Management Plan. According to the Bank's analysis, the permits issued by the Ministry of Environment, Water and Ecological Transition (MAATE, according to its name in Spanish) do not cover all the mitigation measures for the E&S risks and impacts anticipated for this type of interventions, in accordance with the ESS. Therefore, the PoG has 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) for each intervention, and further detailed within each C-ESMP. The following E&S instruments were developed, consulted, and disclosed prior to Appraisal:

- E&S risks and impacts Matrix, identifying all potential E&S risks and impacts from each of 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)

In addition, as outlined in the ESMP, the following E&S instruments will be developed, consulted, and disclosed by the Project Implementation Team (PIT) prior to each bidding process, during implementation:

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

During Project implementation, the contractor will develop:

- Contractor ESMP (C-ESMP)

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

- CERC E&S instruments (CERC – instruments). In case C3 is activated, the Borrower shall develop and adopt CERC E&S instruments according to the Bank’s CERC Guidance Note (Oct. 2017) and therefore according to a CERC Manual to be developed by the Borrower. The CERC E&S instruments shall incorporate, at least: (i) a positive list of activities that could be financed under this component; (ii) analysis of potential E&S risks and impacts; and (iii) processes for completing, submitting to the Bank for approval, and disclosing any necessary E&S instruments as required under the ESF prior to the initiation of corresponding activities.

III. CONTACT POINT

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