

## Environmental and Social Data Sheet

### Overview

Project Name:	BUS RAPID TRANSIT CORRIDOR
Project Number:	20160806
Country:	Nicaragua
Project Description:	The project concerns the construction of a 9.6 km long BRT line in Managua, with segregated preferential lanes dedicated to high-capacity bus services. The BRT corridor is aligned with the avenue Juan Pablo II, a main inner ring road crossing the city from east to west and connecting the central districts to the suburbs and to the Pan-American interurban road network.
EIA required:	No
Project included in Carbon Footprint Exercise <sup>1</sup> :	No

### Environmental and Social Assessment

#### Environmental Assessment

##### Legal Framework:

The environmental legal framework is stipulated by Law No. 217 of 1996 as amended, a general law for the Environment and Natural Resources. The executive decree 76-2006 regulates the EIA legal framework for all plans and programs that require both private and public investment, including all the activities, projects, works and industries subject to Environmental Impact Studies. This Decree defines different categories of projects depending on their impact on environment subject to EIA as well as public consultation requirements.

Nicaraguan environmental legislation is in line with the main international conventions and treaties signed and ratified by the country (biodiversity, cultural heritage, climate change and the Kyoto Protocol).

The Promoter, the city of Managua, will be required to act according to the provisions of the relevant national legislation and to comply with the EIB's Social and Environmental Standards.

The Environmental Impact Assessment system is administered by the Central office of the Ministry of Environment and Natural Resources (MARENA), which is responsible for coordinating the implementation of Nicaragua's Environmental Policy since 1996.

The legal framework is considered sound and substantially aligned with the international and EU standards.

##### Environmental Assessment:

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<sup>1</sup> Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO<sub>2</sub>e/year absolute (gross) or 20,000 tons CO<sub>2</sub>e/year relative (net) – both increases and savings.

Luxembourg, 31 March 2017

The project concerns the construction of a 9.6 km long BRT corridor in Managua, with segregated preferential lanes dedicated to high-capacity bus services. The new BRT line is to be developed along the right of way of the avenue Juan Pablo II. The existing 2x2 cross section of the avenue will be transformed into 2x3 with 7 m wide central reservation to enable BRT dedicated lanes and platforms. The infrastructure will include as well lateral service roads on some sections of the alignment, sidewalks and a bicycle path. The busiest intersections along the avenue will be grade separated to improve the commercial speed of the bus corridor. Pedestrian overpasses and dedicated crossings with traffic lights will ensure access to the bus stops.

If the project had been located in the EU, it would have fallen under Annex II of Directive 2011/92/EU. Under Nicaraguan Law, as the scheme does not foresee a change in the alignment, it does not fall into the categories of projects requiring an EIA. However, environmental and social aspects have been assessed in 2013 as part as part of the design studies required by the Central American Bank for Economic Integration (CABEI), a co-financier of the project. An Environmental and Social Management Plan (ESMP) has also been prepared.

Environmental impacts will be limited to the construction phase and will therefore be temporary. For instance, works will entail traffic disruptions which will be addressed through adequate traffic management measures. The ESMP includes a preliminary traffic management plan and best-practice construction measures to mitigate localised increases in noise, dust emissions and accidental pollution.

As part of the EIB's requirements, a road safety audit has been carried out to improve the design and increase the positive impacts of the project during the operation phase. Other positive impacts of the project in terms of climate change are described below.

#### Nature and Biodiversity

The project is located in a consolidated urban area thus not located on the vicinity of any of the nine RAMSAR sites currently defined in Nicaragua. The reconstruction of the corridor in order to accommodate the BRT lanes will be done on the right of way of the road corridor, therefore, no impacts on nature and biodiversity is foreseen.

#### Climate change

The project is part of the actions foreseen in Managua's Sustainable Urban Development Plan. It aims at tackling climate change through the improvement of the public transport network. Beside this the new design of the corridor foresees improvements on the stormwater and drainage management. It will thus contribute to improving climate adaptation by reducing the flooding risks.

#### **Social Assessment**

The Project intends to have long-term positive social impacts in terms of the urban mobility and road safety.

The main social risks and adverse impacts arise during the pre-construction and construction phases, as a result of land acquisition and the clearance of existing residential and commercial structures.

#### Involuntary Resettlement

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Overall the involuntary resettlement component carries the most significant social risk. Based on a social assessment carried out in 2013, the project might require the involuntary resettlement of some 300 households and 300 businesses, mostly family run, located in the right of way. This assessment will be updated once detail design is completed and the impacts will be better defined at that stage.

With the purpose of mitigating the risks and adverse impacts, a Resettlement Policy Framework (RPF) was completed by the Promoter, with assistance of the EIB. The RPF defines the entitlement matrix in line with EIB standards.

Before disbursement, the RPF will be followed by a Resettlement Action Plan (RAP) that will include a census of all the project-affected persons. The RAP will also be done in line with EIB standards.

The RAP is expected to be developed in consultation with all project-affected persons, to ensure acceptance of the proposed mitigation measures and facilitate the involuntary resettlement process.

#### Labour and Health & Safety

In accordance with Nicaragua law on labour standards and ILO obligations ratified by Nicaragua (Nicaragua ratified all ILO fundamental conventions) the work contracts will comply with ILO core labour standards. The contractors will be required to ensure occupational and community health and safety. The Promoter will undertake to include these requirements in the tender documents of works contracts.

#### **Public Consultation and Stakeholder Engagement**

The Environmental Assessment Legal Framework includes provisions for public consultation.

Article 33 of decree 76-2006 regulates public consultation in the procedures of the environmental assessment based on the guiding principle of proactive inclusion, in which all public persons and decision makers are involved in the process.

The project has not yet started with a formal public consultation process. The environmental Study made in 2013 and the RPF made in 2017 have a provision for consultation and information sharing during the preparation and construction of the project.

#### **Conclusions and Recommendations**

The overall environmental and social impact of the project is expected to be positive, in particular as it will contribute to the sustainable development of Managua.

The main environmental and social risk arises during the pre-construction and construction phases, as a result of the clearance of existing residential and commercial structures located in the right of way.

A Resettlement Policy Framework (RPF) was completed by the Promoter, with assistance of the EIB and the legal framework for environment and social aspects is considered satisfactory. The Promoter has experience working with other IFI's in those aspects and has been supported by them for capacity building. Nevertheless, this will be the first EIB operation with the city of Managua and therefore some reinforcement of the Bank's requirements and standards shall be done through specific conditions and undertakings to be included in the finance contract as indicated here below.



Luxembourg, 31 March 2017

Before disbursement against any works contract of any section requiring resettlement, the Promoter shall provide a Resettlement Action Plan in line with the EIB standards.

In addition to this, the Promoter will undertake to:

- Not to perform any compensation or resettlement before the RAP is finalized to the satisfaction of EIB;
- Implement the project in compliance with the EIB's environmental and social standards, as well as with the ESMP and RAP;
- Provide quarterly monitoring reports on the status of the resettlement during its implementation period;
- Provide a Resettlement Completion report in the end of the resettlement process;
- Include the appropriate labour standards conditions in works contracts.