

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC1009

Date ISDS Prepared/Updated: 23-Dec-2014

Date ISDS Approved/Disclosed: 12-Jan-2015

I. BASIC INFORMATION

A. Basic Project Data

Country:	Peru	Project ID:	P145610
Project Name:	PE - Lima Metro Line 2 Project (P145610)		
Task Team Leader(s):	Georges Bianco Darido		
Estimated Appraisal Date:	30-Jan-2015	Estimated Board Date:	26-Mar-2015
Managing Unit:	GTIDR	Lending Instrument:	Investment Project Financing
Sector(s):	Urban Transport (100%)		
Theme(s):	Infrastructure services for private sector development (10%), Municipal governance and institution building (10%), City-wide Infrastructure and Service Delivery (80%)		
Financing (In USD Million)			
Total Project Cost:	5000.00	Total Bank Financing:	300.00
Financing Gap:	150.00		
Financing Source		Amount	
Borrower		4550.00	
International Bank for Reconstruction and Development		300.00	
Total		4850.00	
Environmental Category:	A - Full Assessment		
Is this a Repeater project?	No		

B. Project Objectives

The proposed development objective is to improve the urban mobility of people in the area of influence of the Metro Line 2 and Line 4 Branch and support the integration of the public transport system in the Metropolitan Region of Lima.

C. Project Description

The project includes 35-km of new underground rail system (subway) with 35 stations in the Metropolitan Area of Lima. A 35-year concession contract was signed in April 2014 comprising the design, finance, construction, rolling stock provision, operation and maintenance of the 35-km project. Government expects to carry about 660 thousand passengers per day once the 35-km are operational (not expected before 2020).

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

The Project is located in the Lima metropolitan area and thus an urban and highly altered environment. The Project encompasses (1) a 27.3-km expansion of of the proposed Line 2 (East-West corridor connecting the eastern district of Até with the western municipality and Port of Callao through various central districts of Lima), (2) physical connections with the existing Metro Line 1 (Tren Electrico) and the Bus Rapid Transit line (Metropolitano), and (3) a 7.7 km segment of the future Line 4 connecting Line 2 with the international airport and northern districts. The first phase to be constructed is the 5-km 'Etapa 1A' which includes 5 stations. Along the Lima Metro Line 2 alignment there several pre-Hispanic sites (Huacas) and historical buildings and monuments from the new republican period. A segment of the proposed metro-line alignment passes directly underneath a portion of the buffer zone of the Historic Center of Lima, considered a UNESCO World Heritage Site since 1988. Also, some ventilation shafts are located inside of some Huacas (e.g. Puruchuco and San Marcos) and a health center.

E. Borrowers Institutional Capacity for Safeguard Policies

The institutional responsibilities related to Project environmental Bank safeguard policy implementation is in different institutions. The Autonomous Authority of the Electric System for the Massive Transport in Lima and Callao (AATE), which is part of the Ministry of Transport and Communications (MTC) since June 2009, is the executing unit of the Project and has the primary responsibility for environmental and social management. They presently have a small team of professionals to manage environmental issues. AATE has stated they are presently recruiting two socio-environmental management specialists and a specialist on environmental monitoring. Under the Project concession agreement, the private consortium has various responsibilities related to implementing environmental, health and safety management systems and compliance with regulatory requirements for both project construction and operation and maintenance. Both AATE and the MTC's Directorate for Concessions is responsible for contract supervision. In terms of permits, the DGASA under the Ministry of Transport is responsible for issuing and monitoring the Project environmental license. The Ministry of Culture is responsible for regulatory aspects related to potential existence of archeological resources. An assessment of the institutional capacity of relevant entities to meet WB environmental and social safeguard policy requirements will be undertaken as part of project preparation.

AATE has a unit responsible for Sustainability and Interference with experience in involuntary resettlement processes of population. Specifically, it has effectively made the purchase of land for the Metro Line 1 project and is currently working on the acquisition of land for the priority segment of Line 2 (Etapa 1A). However, there should still be a full assessment of their capacity in relation to the implementation of safeguard policies (OP 4.12) identifying where gaps or issues must be addressed with additional staff or their ability to implement appropriate methodologies. Additionally, training in preparing resettlement plans for formal and informal land holders should during project preparation.

F. Environmental and Social Safeguards Specialists on the Team

Abdelaziz Lagnaoui (GENDR)
 Carlos Alberto Molina Prieto (GSURR)
 Jose Vicente Zevallos (GSURR)
 Raul Tolmos (GENDR)
 Robert H. Montgomery (GENDR)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>The project is proposed to be as classified as Category A. An Environmental Impact Assessment (EIA), including an Environmental Management Plan (EMP), has been prepared for the Lima Metro Line 2 Project to meet Peruvian environmental regulatory requirements. Consultation was performed associated with the EIA development, including disclosure of the draft EIA. The EIA has been approved by the Ministry of Transport and Communications' Directorate General on Socio-environmental Matters.</p> <p>The project has various positive benefits, including improvement in the quality of life of the residents of Lima; promotion of urban integration and organization and consequent land development; provision of increased comfort, reliability and decreased commute times; increased urban accessibility and mobility; less superficial vehicular traffic on main roads, allowing for the decrease of traffic congestion, combustion gas contamination and sound, as well as commute times; air quality improvement of Lima, contributing to the reduction of greenhouse gas emissions and the mitigation of climate change; improved public health due to the reduced number of accidents and less environmental contamination; job creation; and increased commercial and economic activity. Additionally the Project will include consulting services and institutional strengthening activities for capacity-building for stakeholder agencies in transport planning, policy formulation and regulatory reforms (including the reorganization of conventional public transport modes, vehicle scrappage).</p> <p>In terms of potential negative environmental and</p>

	<p>social impacts and risks, in addition to typical infrastructure construction impacts which are localized and of short duration (e.g., generation of noise, dust, waste management, etc.), there are some project specific impacts and risks of particular significance. Some potential significant impacts during construction are effects on soil stability or subsidence during tunnel excavation or vibrations that could affect buildings, traffic congestion, noise and dust generation around metro station locations, transport and disposal of soil/excavated material from the tunnel and station excavations to disposal site, possibility of archaeological chance finds and damage, impacts on cultural physical resources in the Lima colonial/republican area, possible impact on urban trees of aesthetic or historical value, worker health and safety risks in tunneling and excavation works, and decreased accessibility to businesses and homes in the immediate vicinity of metro stations. Potential significant operational phase impacts or risks could include: vibration impacts on buildings, waste management of metro rail car maintenance facilities, and risk of emergency event (e.g., fire, explosion, etc).</p> <p>Based upon a review of the project EIA by the Inter-American Development Bank (who is also considering financing for the project) and the World Bank, efforts are presently underway to develop a supplemental document to the EIA to further address some key potential environmental impacts (e.g. environmental liabilities due to soil/water contamination, physical cultural resources), environmental management and monitoring and involuntary resettlement. The preparation of the supplemental EIA is being undertaken by an international environmental consulting. More specifically, the supplemental EIA is addressing: (1) a more comprehensive presentation of the analysis of alternatives for the Lima Metro Line 2 alignments and construction techniques; (2) a more detailed baseline especially in aspects related to physical cultural resources and preparation environmental and social sensitivity maps along the alignment; (3) assessment of impacts in more detail based on quantitative models and analyses and a better baseline for vibration and noise impacts, traffic</p>
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		<p>management during transport of spoil materials from tunnels to the final disposal sites, impacts on underground water and indirect impacts; (4) a more detailed assessment of social impacts such as impacts of construction on accessibility to houses and businesses, traffic detours, aggravated congestion in a city with high levels of congestion, effect on the travel time to reach work place and school, etc.; (5) development of a Resettlement Plan and compensation of welfare losses on the basis of World Bank and IADB involuntary resettlement policies; (6) a more detailed environmental management plan for the construction stage that includes technical, workplace safety, health, environmental and social specifications and a robust scheme for environmental supervision during construction; (7) a management plan for social impacts during construction particularly for sensitive areas such as hospitals, schools, street vendor areas and ensure proper communication lines with communities particularly affected during construction; (8) management plans for areas of spoils final disposal; (9) a policy on (i) no (zero) loss of green and recreational areas; (ii) reposition of all affected infrastructure (including ways affected by traffic detours); (iii) ensuring accessibility to houses and businesses during construction and compensation of loss of welfare due to lack of accessibility; and (iv) ensuring an inclusive design with access to disabled people; and (10) assessment of the project indirect impacts on urban land uses in Lima, changes in the value of land in poor neighborhoods and communities in the vicinity of metro stations. Also, studies on the increase in economic and financial activities associated to construction of metro stations and originated in the demand of goods and services. There will be additional consultation processes performed associated with the development of the supplemental EIA.</p>
Natural Habitats OP/BP 4.04	TBD	<p>The Project does not appear to have any potential significant conversation or degradation of natural habitat. However, since the project might adversely impact the coastal habitats given that one of the potential sites for spoil disposal (a volume of 3.9 million cubic meters) is located in the San Miguel district's coastal zone which in turn is part of the</p>

		Costa Verde area, the triggering of this policy will be confirmed during project preparation.
Forests OP/BP 4.36	No	This policy should not be triggered since the project will not affect forests, forest dependent communities not will it involve changes in the management of forests.
Pest Management OP 4.09	No	This policy should not be triggered since the project does not involve the purchase or use of significant quantities of pesticides. The project may, during the operation phase of the metro, require the limited use of regularly available pesticides for pest control (e.g. rodents, etc.) in the tunnels. Applicable standard procedures will be established in the operation phase environmental management plan under OP 4.01. The EMP will follow World Bank standards for purchase, use/handling, storage, and disposal of any pesticides. these procedures will be part of the Operational Manual as well.
Physical Cultural Resources OP/BP 4.11	Yes	This policy should be triggered given that valleys where Lima was built have been continuously inhabited for more than 10,000 years and given that a portion the proposed metro-line alignment passes directly underneath a portion of the buffer zone of the Historic Center of Lima, considered a UNESCO World Heritage Site since 1988. Thus, probability of chance find of pre-Hispanic artifacts and structures is high. Also, construction of tunnels, stations and ventilation shafts in this buffer zone – as established in the R.S. No 2900-72/ED on December 28, 1972 – and Huacas presents potential risks due to vibrations, soil subsidence, visual impacts of entrance to stations and ventilation shafts located in the historical plazas and Huacas, and impacts to aesthetic values around the stations including trash. It is suggested that a prestigious firm be hired to undertake an Archaeological Assessment Program (PEA) and get the Archaeological Remains Inexistence Certificate (CIRA) before the start of works. The Archaeological Monitoring Plan during construction is not enough given the high probability of archaeological findings, and their presumed existence, along the Lima Metro Line 2 alignment. , The assessment of the known resources should be well developed under the preparation phase: all the key resources should be identified and measures, budgets, and responsibilities should be clearly known prior to appraisal. Additionally, the Team plans to

		undertake consultations with national and international experts on physical cultural resources as well as any key contacts in the UNESCO committee and/or headquarters.
Indigenous Peoples OP/BP 4.10	No	<p>This policy should not be triggered since the project activities will not affect indigenous peoples as defined in the policy.</p> <p>Nonetheless the Team will perform further due diligence as part of Project preparation to assess whether the presence of Indigenous Peoples in Lima could warrant a differentiated approach to ensure that this population benefits in a culturally appropriate manner from the Project. The issue of language discrimination experienced by indigenous peoples in Lima is one of the main barriers for IPs when migrating to the city (i.e. when using health facilities and other public and social services). Given the poverty level of indigenous migrants compounded with their common occupations it is likely that these groups could greatly benefit from the Project but risks of exclusion due to a language barrier could limit the potential of the Metro to benefit this population. Given that indigenous migrants identify language issues as one of the main barriers when reaching urban areas, the Team will explore whether there is need to provide signaling and other information in indigenous languages (i.e. quechua).</p>
Involuntary Resettlement OP/ BP 4.12	Yes	<p>The 35-km underground alignment will not require land acquisition, except in the areas needed to build stations and ventilation shafts. According to estimates based on preliminary designs, Line 2 will affect 338 lots and Line 4 Branch will affect 38 lots, for a total of 376 lots. Of these, 279 are privately owned and 98 belong to public entities. Two stations (16 and 26) will affect lots occupied by shopping centers.</p> <p>Detailed designs are only available for Section 1-A, which will affect 29 lots (21 owned by public entities and 8 privately owned). The acquisition of the 29 lots will not cause physical displacement, except for the acquisition of a privately owned lot required for Ventilation Shaft 20. In this case, 12 informal businesses that occupy a section of this lot will be displaced.</p>

		<p>Land acquisition for Section 1-A is ongoing. A resettlement plan is currently being prepared to document land acquisition to date and to address the displacement of the 12 informal businesses.</p> <p>Land acquisition for the other sections will begin once the detailed designs become available. Resettlement plans will be prepared to address the adverse impacts of land acquisition, according to the provisions of the Project's Resettlement Policy Framework. More designs may be ready and properties identified for land acquisition for other segment of the Project in October/November 2015. Should this be the case an additional Resettlement Action Plan will be prepared.</p> <p>Resettlement plans will be developed and implemented by the Autonomous Authority of the Electric System of Massive Transport of Lima and Callao (AATE). This agency developed land acquisition and resettlement experience during the construction of Line 1.</p> <p>AATE is making progress in the negotiations with the landowners affected by Section 1-A and has already reached agreements with some of them and delivered compensation payments. However, the owners of the structures where the 12 informal businesses operate have rejected AATE's compensation offers to date. They sent a letter to AATE in June, claiming that they have possession rights. Meanwhile, AATE has initiated legal actions to evict the occupants of the 12 structures and the case is now in the hands of the Procuraduría General de la Nación (Attorney General's Office). The Bank informed AATE that no evictions should take place until the Bank has approved the Resettlement Plan for Section 1-A and until there is clear evidence that all affected parties have received compensation offers that meet the standards of the Resettlement Policy Framework and that are based on a clear understanding of the legal rights of the occupants of the business structures, also in accordance with OP 4.12.</p>
Safety of Dams OP/BP 4.37	No	This policy should not be triggered as the project will neither support the construction or rehabilitation of

		dams nor will it support other investments which rely on services of existing dams.
Projects on International Waterways OP/BP 7.50	No	This policy should not be triggered as the project will not finance activities involving the use or potential pollution of international waterways.
Projects in Disputed Areas OP/BP 7.60	No	This policy should not be triggered as the project will not finance activities in disputed areas as defined in the policy.

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 03-Nov-2014

B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

Presently the schedule is for a draft Supplemental EIA in August 2014 and specific Resettlement Action Plan to be completed in September. Additional consultation should occur by September/October. There is still pending the issuance by the government of the Certificate of Inexistence of Archaeological Remains (CIRA).

IV. APPROVALS

Task Team Leader(s):	Name: Georges Bianco Darido	
<i>Approved By:</i>		
Regional Safeguards Coordinator:	Name: Glenn S. Morgan (RSA)	Date: 08-Jan-2015
Practice Manager/Manager:	Name: Aurelio Menendez (PMGR)	Date: 12-Jan-2015

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