



# Appraisal Environmental and Social Review Summary

## Appraisal Stage

### **(ESRS Appraisal Stage)**

Date Prepared/Updated: 06/12/2024 | Report No: ESRSA03559



I. BASIC INFORMATION

A. Basic Operation Data

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P178842	Investment Project Financing (IPF)	Lima Traffic Management (Phase 1)	2025
Operation Name	Improving Lima Traffic Management and Supporting Sustainable Transport		
Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
Peru	Peru	LATIN AMERICA AND CARIBBEAN	Transport
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
Republic of Peru	Metropolitan Municipality of Lima	15-Jul-2024	19-Sept-2024
Estimated Decision Review Date	Total Project Cost		
07-May-2024	200,418,000.00		

Proposed Development Objective

To increase accessibility to job opportunities for the province of Lima population in a green, safe, and inclusive urban mobility system.

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 proposed phased program (Multiphase Programmatic Approach, MPA) is designed to improve traffic management and support sustainable transport options to increase accessibility to job opportunities for the Lima population in a green, safe, and inclusive manner. Improving traffic management and road safety, while reducing the barriers for sustainable mobility options and reducing the environmental impact of urban transport requires a comprehensive and



sustained effort with sizable public resources over a long period of time. This also requires a phased framework that allows for an adaptive learning agenda across and within phases, adjusting the design and targeting of interventions to introduce innovations and maximize the economic and social benefits of the MPA, and allowing for progressive cultural change in planning practices and behavioral changes in the population. Phase 1 of the MPA will lay the groundwork for traffic management systems and technologies to enable new innovative solutions for prioritizing transit and NMT flows, and road capacity charging schemes to be included in Phases 2 and 3. Phases 2 and 3 of the MPA will build upon Phase 1, maintaining the same structure of components but adjusting the scope of activities. Phase 1 will partially close the gap of integrated and modernized traffic lights, implement a revamped TCC, pilot Lima's first automated traffic violation detection system, implement Lima's first metropolitan public bike shared system with private sector participation, and improve road safety at intersections —targeting transit and bicycle corridors— and neighborhoods. Phases 2 and 3 will continue to close the gap in sustainable mobility options, such as in bicycle lanes infrastructure, while expanding to other bicycle infrastructure and services, including the integration of bicycle infrastructure and public transport with parking and intermodal facilities at mass transit stations, and the expansion of the metropolitan public bike shared system. The MPA Phase 1 Program include the following components: (i) Traffic lights system (US\$93.0 million); (ii) Automated traffic violation detection system (US\$7.2 million); (iii) Safe intersections and neighborhoods (US\$44.3 million); (iv) Cycle-infrastructure and complete streets (US\$38.7 million); and (v) Project management and capacity building (US\$16.8 million).

## 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]*

Location. The program will be implemented throughout the Metropolitan City of Lima, in urban areas, and at intersections of avenues with high vehicular and pedestrian traffic. The estimated population of the Metropolitan City of Lima in 2021 was of 4,9 million as per the National Institute of Statistics and Informatics (INEI). Component 1 (C1), aimed at expanding and improving the centralized traffic lights network, will be implemented in 488 intersections across 20 Lima Metropolitan Area (LMA) districts. These intersections have been prioritized to cover major transit corridors and projected bicycle lane infrastructure. Component 2 (C2) will support the installation of automated traffic violation detection equipment at 40 intersections in LMA. Component 3 (C3) includes the implementation of low-cost traffic interventions at 295 intersections with high accident rates in LMA (Subcomponent 3.1) and seeks to implement Traffic Calming Zones (Zonas de Tráfico Calmado, ZTC) on local roads (Subcomponent 3.2). Component 4 (C4) includes the construction of 50 km of segregated high-quality cycle infrastructure in 15 districts of Lima Center. In summary, the Program, including Phase 1, includes interventions and effects in all 43 districts of LMA.

Environmental context. Areas of intervention are characterized by a dense population, limited amount of green areas, dense traffic, poor air quality, noise, and contamination due to solid waste accumulation. No natural habitats nor critical natural habitats have been identified near or within the Program intervention area. Small urban green areas may be found at specific sites, including parks, along avenues, next to sidewalks, etc. Given that a coastal city such as MML is vulnerable to natural disasters such as floods and earthquakes, the Program's activities could be located in areas vulnerable to natural disasters.



In relation to the social context, the Program will be implemented in busy avenues with high volumes of pedestrian, vehicular, and small-business activity, formal and informal. Most of the informal vendors likely to be found in areas to be intervened by Program works are expected to be mobile. The city of Lima is characterized by high levels of traffic informality, in which many drivers and pedestrians do not follow traffic rules and warning signals. Urban transport drivers are normally part of transport associations, which have a track record of organizing strikes and protests against measures issued by the Municipality of Lima and the Urban Transport Authority (ATU) to regulate urban traffic. The system to enforce the payment of fines for traffic violations, which is supported by the national police, has also been reported as having limitations in terms of effectively removing repeated offenders from public circulation. It is also common for neighborhood associations to voice concerns over disagreements with project proposals. The city of Lima is also characterized by the presence of significant levels of citizen insecurity, including at road intersections.

Peru has made significant progress in advancing gender equality over the past two decades; however, Peruvian women could benefit from improved access to better jobs. Transport deficiencies add to the list of factors that discourage women from joining the wider labor market. By increasing access to safe and gender-inclusive bicycle infrastructure, and tracking gender aspects in a disaggregated manner as project beneficiaries, the Program is expected to help close the gap in the use of sustainable modes of travel among Lima’s female residents.

## **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 Metropolitan Municipality of Lima (MML) will be the implementing entity for the MPA Phase 1 with support from the Special Traffic Management Project (Protransito), a special project of the MML ascribed to the Mayor’s office. Protransito will provide support with procurement, budgeting, and technical supervision of works, provision of goods, and services, as well as environmental and social (E&S) risk management.

The capacity of Protransito to manage the E&S risks of the Program activities in accordance with the ESF was assessed during project preparation, and was deemed to be limited. However, their capacity was enhanced during project preparation. This special project currently does have an environmental and a social specialist, and an organizational structure to support them. Although the organization as such does not have experience with the ESF, the current environmental and social specialists do have experience, which is expanding to the rest of the organization. Protransito has implemented a grievance mechanism (GRM) and is currently in place. Although the specialists do have some experience, still close support is required to ensure ESS requirements are met. The ESCP includes provisions to hire and maintain a team of specialists to carry out different E&S risk management tasks, the provision of ESF training, as well as the development of E&S risk management plans, as part of the preparation of the E&S instruments of the Project. The SEP, for instance, has helped them set up a GRM consistent with ESS10. The Project’s operations manual is also expected to include an organizational structure for the E&S specialists within the new PIU to be set up for the Project. Component 5 will include resources to support the functioning and strengthening of the E&S risk management aspects of the Project.

Although the MML has the mandate for traffic management throughout the LMA, interventions that occur on local district streets typically require coordination with the municipal districts. Likewise, traffic management interventions to



make public transport and non-motorized transport modes safer and more efficient must be coordinated with the plans and strategies made by the ATU, the specialized technical agency of the Ministry of Transport and Communications (MTC). This interinstitutional coordination is expected to require significant levels of collaboration in many areas directly related to the work of the E&S team. The Bank’s recent experience supporting the MML in the implementation of the Lima Metropolitan BRT North Extension Project (P170595), carried out in the same metropolitan area under the ESF, has helped support the Bank’s E&S due diligence process.

## II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

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

Substantial

#### A.1 Environmental Risk Rating

Moderate

*[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]*

The program environmental risk classification for Phase 1 of the MPA is considered to be Moderate under the World Bank’s Environmental and Social Framework (ESF). Given the nature and scale of activities, low to moderate environmental, health and safety (EHS) risks and impacts are expected under Components 1 through 4, mainly associated with the implementation of the traffic light infrastructure at high vehicular and pedestrian traffic intersections and accessibility improvement including reconstruction of existing pavement and sidewalks and expansion and improvement of bicycle and pedestrian infrastructure. These risks and impacts are expected to be: (i) temporary and/or reversible; (ii) not significant nor complex/large; (iii) not expected to cause serious adverse effects to human health and/or the environment, and; (iv) with readily available management measures. Key anticipated potential EHS risks and impacts during the execution of program works, and program operation, are related to: (i) overall nuisances to communities due to noise and vibration, dust, traffic congestion, and waste generation; (ii) potential adverse impacts to houses and other infrastructures next/close to construction activities due to vibrations; (iii) occupational health and safety issues: unskilled workforce, poor labor and working conditions and risk of occupational accidents; (iv) inadequate sourcing and transportation of construction materials, as well as inadequate transportation and disposal of surplus materials from the reconstruction of pavements and sidewalks; (v) inadequate management of e-waste generated during equipping of controllers, cameras, repeaters, and traffic lights; (vi) risks of community accidents due to construction activities and increased/changes in vehicular traffic during start-up and operation, specially related to the traffic lights operation; (vi) potential impacts on chance archaeological finds and/or cultural heritage areas; (vii) potential incremental and cumulative impacts and risks associated with other current and future projects located in the same area of intervention; and (viii) impacts on urban green areas, which in turn negatively affects local communities in terms of landscape, recreation, etc. Environmental risks for future phases of the MPA will be assessed as part of the preparation of each of the subsequent phases. Their corresponding rating may differ from the one of this first Phase.

#### 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]*

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The social risk rating for Phase 1 of the MPA is Substantial, particularly because of contextual risks. Key risks include: (i) risk of discontent from certain sectors of the local population with some Program activities and locations that could lead to local opposition to project actions such as the proposed location of pedestrian bridges, changes to neighborhood dynamics, particularly in gated communities, and the increased levels of traffic control, surveillance, and fines for motorists to be enhanced by the traffic cameras; (ii) temporary access restrictions to areas where the civil works will be conducted, some of which can create adverse economic impacts for local businesses and informal mobile vendors, and limit the ability of local residents and business customers to move around and park vehicles in those areas; and (iii) community health and safety risks, particularly in relation to the risk of increased accidents for the local population during construction, including pedestrians and bicyclists at road intersections. These risks are particularly intensified by a socially sensitive context, with some of the subprojects posing a significant level of social sensitivity; a record of opposition to MML projects by some neighborhood groups; a politically complex setting, characterized by instability; high levels of traffic informality, with very low levels of compliance with traffic regulations; and a context of citizen insecurity, posing a risk for project workers, along with the limited capacity of the PIU to manage the social risks in accordance with the ESF. While the type of works in future phases of the MPA may be similar to the ones of the first phases, the social risks of future phases will be reassessed for each subsequent phase, and their social risk rating could potentially differ from the one of Phase 1.

*[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**

<b>ESS1 - Assessment and Management of Environmental and Social Risks and Impacts</b>	<b>Relevant</b>
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*[Explanation - Max. character limit 10,000]*

This standard is relevant given that activities to be carried out involve risks and potential impacts that need to be assessed and managed. Given that: (i) not all interventions have specific sites already defined; (ii) potential interventions are located in several districts throughout the LMA; (iii) the scope of interventions at each site varies; and that (iv) activities will be procured under different contracts, the Borrower has developed a draft Environmental and Social Management Framework (ESMF) to adequately identify and manage potential project E&S risks and impacts of MPA Phase 1 and to guide the management of E&S issues during implementation. The ESMF validates and further assesses Program E&S issues and expected risks and impacts, develops guidelines and procedures for their adequate management, in line with para. 5 of ESS1, and further defines the necessary implementation arrangements. It has been developed in compliance with ESS1 requirements, WBG General Guidelines of Environmental, Health and Safety (EHS), among others, proportionate to the expected risks and impacts of the MPA Phase 1 Program, and assesses all relevant direct, indirect and cumulative E&S risks and impacts of interventions. Specifically, it lays out: (i) A detailed exclusion list: In order to make sure that the interventions to be considered in the Program are of moderate or low risk, the ESMF includes an Exclusion List with the set of interventions that will not be financed due to their potential significant E&S risks. The Exclusion List explicitly rule out interventions that have the potential to generate significant EHS risks and impacts, and those that require an EIA (Detailed or Semi-detailed Environmental

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Impact Assessment) under national regulations, due to their potential significant E&S risks. (ii) E&S Management Guidelines for the development of site-specific Environmental and Social Management Plans (ESMPs): Due to their scope and technical characteristics, interventions associated with the implementation of an automated Traffic Violation Detection and Control System (C2), and the immediate traffic actions and traffic calming zone interventions (C3) are not subject to the national Environmental Impact Evaluation System (SEIA). Accordingly, in order to comply with the ESF, stand-alone Environmental and Social Management Plans (ESMPs) will need to be developed in compliance with relevant ESSs. For the Interventions under C1: Expansion and improvement of the centralized traffic signal network and C4: Expansion and Improvement of Bicycle and Pedestrian Infrastructure, the environmental authority may require the development of an instrument under the SEIA, otherwise ESMPs will be developed. A request for opinion on C1 has been submitted to the Environmental Authority. The ESMF lay out the process for the development, approval, and implementation of ESMPs, which will include all the necessary E&S management measures to comply with relevant ESF standards, including local stakeholder engagement activities, in a manner consistent with ESS10, and chance find procedures, among others. The ESMPs will be prepared, adopted, and implemented before launching the respective bidding processes and, thereafter, implement them throughout Project implementation. The ESMF also details procedures to identify the vulnerable groups and measures for them, as well as procedures for security personnel, gender aspects (and procedures to assess SEA/SH risks in subprojects, with corresponding measures), considerations related to people with disabilities, and procedures to manage adverse economic impacts on mobile vendors and local businesses or restrictions on accesses to houses, caused by temporary restrictions during construction works. Regarding the risk of temporary access restrictions to areas where civil works will be conducted, these could indirectly create adverse economic impacts for local businesses and mobile vendors. While mobile vendors are likely to continue their informal selling activities outside the areas needed for the works, and thus maintain their source of livelihood, established businesses may experience a decrease in their income levels due to reduced customer flow, even when they are able to remain open for business. The procedures to identify these impacts, and the measures to manage them, are described in a specific ESMF program (“Program to manage areas availability and business impacts”) to mitigate the risks for mobile vendors and local businesses and the potential restrictions on the accesses of houses or other properties. The ESMF will be disclosed in draft version, prior to project Appraisal. The ESMF will be updated, finalized, disclosed and adopted, no later than 60 days after project effectiveness, as defined in the ESCP. Technical Assistance (TA) activities such as consultancies, studies, capacity-building tasks, training events, and any other types of technical assistance activities under the Program will conform to ToRs that are acceptable to the Bank, and will need to be consistent with the relevant ESSs. The Bank’s ToR review and no objection processes will be described, as needed, in the Project Operations Manual.

**ESS10 - Stakeholder Engagement and Information Disclosure**

Relevant

*[Explanation - Max. character limit 10,000]*

This standard is relevant. MML has prepared a draft Stakeholder Engagement Plan (SEP) that will be publicly disclosed on the Borrower’s website and the the Bank’s external portal (with this appraisal stage ESRS) before appraisal, and finalized and disclosed no later than 60 days after project effectiveness. The SEP map out the various stakeholders and develop a strategy on how to engage with them, share project information, mitigate potential social conflicts and/or misperceptions about project impacts and benefits and solicit feedback on the project. The SEP includes the following subjects: (i) a stakeholder identification and analysis (including project affected-parties, and other interested parties); (ii) a summary of the consultations performed, including the results or conclusions of these processes; (iii) a strategy on how information disclosure will take place throughout the project; (iv) the methodologies

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that will be implemented to engage with stakeholders; (v) a proposed timeframe for engagement throughout the project cycle; (vi) who will be responsible for this engagement; (vii) an estimated budget and a timeline; and a Grievance Redress Mechanism (GRM). Key stakeholders include the local municipalities, representatives of the citizens in the project’s area of influence, representatives of potentially affected groups (such as local businesses and cyclists’ associations, and people who reside adjacent to the location of the civil works who may be temporarily affected by the construction works and traffic disruptions), representatives of civil society organizations (including NGOs), and vulnerable groups including women, children/elder people, and people with disabilities. Among other interested parties, the SEP identifies: i) local authorities (municipal representatives); ii) sectorial and technical authorities (different Ministries such Transportation, Household, Health, Education, Women and vulnerable populations, Culture); iii) transport representatives; iv) commercial organizations and representatives; v) companies providing public services (water, electricity, etc.). Particular emphasis will be placed on creating spaces for the participation of organizations and representatives of vulnerable groups. The stakeholder engagement process is planned and detailed in the SEP and include a combination of social research methodologies (interviews with key informants, surveys applied to a sample to collect first level information/opinions from project affected-parties and other interested parties) and consultations and participatory mechanisms (open consultation meetings, thematic focus groups, workshops, etc.) to gather the feedback of the participants and to provide them with relevant information about the project and their impacts. The SEP also describes the results of the consultation and participatory processes performed by the MML and other implementing agencies involved (05 local municipalities) during the project design and the preparation of the pre-investment studies (2022-2024). For Component 1 (traffic lights system in 488 intersections) and Component 2 (Automated traffic violation detection system), there have been 08 thematic workshops (2022-2024) to articulate different kinds of stakeholders and authorities, with good results. For Component 3, subcomponent 3.2. (Traffic Calming Zones, known as “Supermanzanas”), there have been a broad consultation and participatory process, including 32 “Informative meetings” (30 during 2023, and 02 during 2024), and 24 “Participatory workshops” (13 in 2023, and 11 in 2024), but with certain level of complexity. This is certainly the most critical and risky component of the project from the social perspective, because it supposes changes in the regular use of streets, roads, sidewalks, parking lots, and in the traffic of vehicles and pedestrian transit. The result of the consultation process for this component 3, in 03 districts is in favor of the project, but in 02 districts (San Miguel and Lince) some members disagree (because of the lost of parking lots, and the reduction of lanes in roads, among other arguments). To manage this situation the MML is going to strengthen and broaden the consultation processes with them to provide more information and to promote more spaces to discuss and analyze. If the neighbors do not agree after these efforts, this subcomponent will be modified to include other areas where a broad collective support and better social conditions exist. Finally the project has performed 04 general meetings to coordinate with all interested parties about all the project components, during 2024 with good results; and has performed 02 informative meetings for C4 (Cycle-infrastructure) between 2023-2024. The SEP includes the report of all this stakeholder engagement activities, with the corresponding documentary evidence. The SEP also includes a Grievance Redress Mechanism (GRM), that includes: (i) different ways in which users can submit their grievances (in person, by phone, by Whatsapp, by e-mail, by a web platform and by the use of the social media and networks); (ii) a registry of the grievances; (iii) procedures stating the time users can expect to receive an acknowledgement or a response about the resolution of their grievances; (iv) an appeals process to which unsatisfied grievances may be referred when a resolution has not been achieved. Additionally, the SEP includes operational and budgetary arrangements as well as a schedule of activities.

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*[Explanation - Max. character limit 10,000]*

This standard is relevant. Draft Labor Management Procedures (LMP) have been prepared, and the final version will be finished and disclosed no later than 60 days after project effectiveness. The LMP considers the following type of workers: (i) direct workers (government officials, civil servants, and consultants); (ii) contracted workers; and possibly (iii) primary supply workers (for example, personnel of the suppliers responsible for the delivery of material supplied for the works). The project will not involve community workers. The final LMP will include a more detailed gap analysis and will assess the risks associated with their activities, hiring modalities, working conditions and common practices from the construction industry. The LMP lays out requirements to promote transparency in terms and conditions of employment, fair treatment, non-discrimination, and equal opportunity; minimum working age and measures to prevent the use of all forms of child labor and forced labor; and worker’s organizations. The minimum age for project workers will be 18 years old. The LMP includes a GRM specifically for all project workers to ensure they have a mechanism in place for project workers to raise and resolve workplace-related concerns. Measures will be implemented to ensure that the grievance mechanism is easily accessible to all project workers. The borrower will also address gender-based violence (GBV) issues in the LMP and identify available service providers that can be utilized as part of a referral pathway for any potential GBV case within the project activities’ context. Additionally, to ensure the health and safety of workers throughout the construction phase, the LMP will include a comprehensive Occupational Health and Safety Plan (OHSP) tailored to civil works activities, in accordance with the WBG general EHS guidelines. The project will not hire children. The minimum working age in the Program is expected to be 18 years old, which is normally verified during the contracting process. Workers’ rights are protected by government organizations such as the Ministry of Labor and Employment Promotion, and the National Superintendence of Labor Inspection (SUNAFIL), who supervise compliance with labor laws, among others. The Program will take place in a large metropolitan area, so most labor is expected to be supplied locally, and no major issues associated with labor influx are anticipated. Forced labor will be also prohibited in association with the project and the different types of workers involved. Peru has a relatively comprehensive and evolving framework for labor and working conditions in place, which at a normative level is overall consistent with the provisions of ESS2. However, there are some risks associated with the practical implementation of the labor norms, for instance regarding contractual modalities, that will require attention during project approval and implementation. The LMP also includes a Workers Code of Conduct, which contains the norms of conduct that all workers involved in the project will need to adhere to as a condition of their employment. This will include provisions to prevent discrimination, and Sexual Exploitation and Assault, and Sexual Harassment (SEA/SH). The Code of Conduct will also need to consider discrimination by nationality (migrants), sex (LGBTQ), ethnicity (indigenous origin), and other forms of discrimination, following the guidance provided by the Technical Note on Non-Discrimination (Sexual Orientation and Gender Identity (SOGI), and the Good Practice Note: Non-Discrimination and Disability. The risks of discrimination and exclusion will be further assessed as part of the finalization of the LMP. The norms of conduct will be part of the bidding documents for the contractors and their subcontractors as well.

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

**Relevant**

*[Explanation - Max. character limit 10,000]*

This standard is relevant. Pollution prevention and management during construction and operation will be set out in the ESMF: (i) As part of the draft ESMF, the Borrower prepared guidelines for the development of a waste management plan, in line with para. 17-20 of ESS3. It includes specific management measures to ensure there is no



soil, water and/or air contamination from handling and disposal of construction and operation waste, including hazardous materials, as well as measures to ensure waste is appropriately piled and removed from construction areas to the corresponding accredited dump sites in a timely manner. The ESMPs will reflect corresponding measures, tailored to the context of each intervention area and scope of the works. (ii) The ESMF includes guidelines for the handling, reuse, and disposal of the e-waste generated during the equipment of controllers, cameras, repeaters and traffic lights. The e-waste guidelines cover the requirements set forth in national regulations. The ESMPs will reflect the corresponding measures, tailored to the types of devices that could turn into e-waste. (iii) The ESMF also lay out the process to identify and manage potential environmental liabilities, especially those related to informal waste disposal sites commonly used by the population. (iv) Guidelines for material sourcing and transportation during construction were also prepared as part of the ESMF, and the Borrower will make sure that quarries are duly accredited and have the necessary permits in force. The ESMPs will reflect corresponding measures, tailored to the context of each intervention area and scope of works.

**ESS4 - Community Health and Safety**

Relevant

*[Explanation - Max. character limit 10,000]*

This standard is relevant given that project investments may expose communities and commuters to health and safety. Traffic management and road safety during works and start-up: Key risks and impacts related to community health and safety are linked to civil works and traffic safety at high vehicular and pedestrian traffic intersections. Special attention will be given to traffic management and detour plans and road safety during the works. As part of the ESMF, the Borrower will prepare guidelines for Traffic Management and Road Safety, which will: (i) include provisions for the development of detour plans that contemplate potential risks to community safety and provide corresponding mitigation measures in line with the requirements of ESS 4; (ii) consider factors such as: detour of public transportation and private vehicles, both residential and non-residential, assessment of alternatives for traffic diversion, location of sensitive areas (schools, nurseries, etc.), the operation of intersections to improve traffic flow and particularly enhance road safety, strategies to ensure that stops used by trucks carrying equipment/materials allow for these to be safely off-loaded; (iii) include communication measures that will provide clear and timely information, including a communication strategy with educational training about road safety, targeting the youth and children; among others; and (iv) include measures for ensuring an adequate operation of the traffic lights during start-up of C1 and measures to provide safety to users of the roads during times when traffic lights are not functioning during the works/start-up. The contractor of the civil works will need to include a specific budget line to execute these guidelines during construction. The ESMPs will reflect corresponding measures, tailored to the context of each intervention area and scope of work. Community Health and Safety during works: Work sites will need to be adequately restricted by fencing and other barriers to avoid third-party accidents. The necessary security measures and procedures include communication strategies, installation of security equipment, development and socialization of processes and reporting protocols in case of third-party accidents, and implementation of the necessary inter-institutional arrangements, among others. These measures are included in the guidelines for the Community Security, Health and Safety Management for works, as part of the ESMF. The ESMPs will reflect corresponding measures, tailored to the context of each intervention area and scope of works. The final designs will also include considerations of accessibility and universal access, following the Good Practice Note on Non-Discrimination and Disability. The SEA/SH risks of the Program are not considered to be significant, especially because project workers are expected to belong to the same metropolitan area as the population where the subprojects will take place, reducing the disparities in their socioeconomic situation. However, measures are in place as part of the ESMF, the LMP's code of

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conduct, and the bidding documents. The training activities for project workers will also need to create awareness about the importance of taking a preventive attitude toward SEA/SH, and inform them about the resources available for SEA/SH victims. These risks will need to be further assessed and complemented in the ESMPs, as applicable.

**ESS5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement** Not Currently Relevant

*[Explanation - Max. character limit 10,000]*

Not currently relevant. Program activities are not expected to require land acquisition or impose restrictions on land use that may cause physical displacement (relocation, loss of residential land, or loss of shelter) or economic displacement associated with the loss of land, assets, or access to assets. The temporary access restrictions to areas where the civil works will be conducted, which could create indirect economic impacts for local businesses and mobile vendors, will be managed with measures to be included as part of the ESMF, particularly its dedicated program to manage the risks associated with the adverse impacts on mobile vendors and local businesses. This is consistent with the provision in ESS5 (p.5), which indicates that “This ESS does not apply to impacts on incomes or livelihoods that are not a direct result of land acquisition or land use restrictions imposed by the project. Such impacts will be addressed in accordance with ESS1,” and is further explained in the ESS1 section. The relevance of ESS5 will be continued to be assess during project implementation as design of project investments are being finalized.

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

*[Explanation - Max. character limit 10,000]*

This standard is relevant. The program includes the implementation of the traffic light infrastructure, the construction of bicycle lanes, pedestrian bridges, and the reconstruction of the existing pavement and sidewalks. Some of these works may affect green areas, such as local parks and berms, and may require the removal of trees. The program’s ESMF includes guidelines for the development of green areas management plans, in compliance with ESS6 and national requirements (mainly Ordenanza N° 1852 - Conservación y gestión de áreas verdes en la provincia de Lima). These guidelines detail, among others: (i) the process and requirements for developing a tree and areas green inventory, before finalizing the technical files of each work, and to be considered in the design; (ii) requirements for developing an assessment of sites where the affected trees are to be relocated; (iii) the list of necessary permits for tree removal (at the level of the Metropolitan Municipality of Lima and district municipalities), and the inter-institutional coordination measures needed; (iv) guidelines for the monitoring, reporting and verification of the activities; and (v) specific management measures for the adequate maintenance of green areas during the operation phase, among others. The ESMPs will reflect corresponding measures, tailored to the context of each intervention area and scope of works. The SEP will include the necessary communication measures to be implemented during the execution of the Program’s activities involving green areas, tree relocation, and landscaping.

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

*[Explanation - Max. character limit 10,000]*

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Not currently relevant. No indigenous communities as described in ESS7 are present in the area of the project.

**ESS8 - Cultural Heritage**

Relevant

*[Explanation - Max. character limit 10,000]*

This standard is relevant. It is not expected that known archaeological sites will be affected by infrastructure works. However, given the possibility of finding cultural heritage artifacts during the execution of the civil works, there will be a need for measures for cultural heritage findings. Therefore, the ESMF will include a Chance Finds Procedure, in line with national legislation (mainly SD. N° 054-2013-PCM, and the Guidelines for Archaeological Intervention, SD. N° 003-2014-MC), and para. 11 of ESS 8. The Procedure will also establish the need for measures in ESMPs, stating the need for contractors to employ appropriate risk mitigation measures in accordance with the project characteristics.

**ESS9 - Financial Intermediaries**

Not Currently Relevant

*[Explanation - Max. character limit 10,000]*

Not currently relevant.

**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]*

None

**Use of Common Approach**

No

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

None.

**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 Environmental and Social Standards (ESS) relevant to Phase 1 of the MPA are ESS 1, 2, 3, 4, 6, 8, and 10. The overall environmental and social (E&S) risk rating under the WB’s ESF is Substantial. E&S risks of the consecutive phases of the

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MPA are expected to be similar to those of the first phase, considering that they are expected to be of similar nature and scope, and also located within MML districts. However, those risks will be assessed as part of the preparation of each subsequent phase, and the corresponding ratings will be adjusted as necessary. To properly identify and manage the E&S risks of Phase 1 of the Program, the Borrower has prepared E&S risk management instruments, carrying out stakeholder engagement activities, and incorporating features as part of the Program design.

The Program's environmental risk rating is considered to be Moderate. Given the nature and scale of activities, low to moderate environmental, health and safety (EHS) risks and impacts are expected under Components 1 through 4, mainly associated with the implementation of the traffic light infrastructure at high vehicular and pedestrian traffic intersections and accessibility improvement including reconstruction of existing pavement and sidewalks and expansion and improvement of bicycle and pedestrian infrastructure. These are expected to be: (i) temporary and/or reversible, (ii) not significant, complex or large, (iii) not expected to cause serious adverse effects to human health and/or the environment, and (iv) with readily available management measures. Key anticipated EHS risks and impacts during the execution of program works, and program operation, are related to: (i) overall nuisances to communities due to noise and vibration, dust, traffic congestion, and waste generation; (ii) potential adverse impacts to houses and other infrastructure close to construction activities due to vibrations; (iii) occupational health and safety issues: unskilled workforce, poor labor and working conditions, and risk of occupational accidents; (iv) inadequate sourcing and transportation of construction materials, as well as inadequate transportation and disposal of surplus materials from the reconstruction of pavements and sidewalks; (v) inadequate management of e-waste generated during equipping of controllers, cameras, repeaters, and traffic lights; (vi) risks of community accidents due to construction activities and increased/changes in vehicular traffic during start-up and operation, specially related to the operation of traffic lights; (vii) potential impacts on chance archaeological finds and/or cultural heritage areas; (viii) potential incremental and cumulative impacts and risks associated with other current and future projects located in the project area; and (ix) impacts on urban green areas, which in turn negatively affects local communities in terms of landscape, recreation, etc.

The Social risk rating for Phase 1 of the MPA is Substantial, particularly because of contextual risks. Key risks include: (i) risk of discontent from certain sectors of the local population with some Program activities and locations that could lead to local opposition to project actions such as the proposed location of pedestrian bridges, changes to neighborhood dynamics, particularly in gated communities, and the increased levels of traffic control, surveillance, and fines for motorists to be enhanced by the traffic cameras; (ii) temporary access restrictions to areas where the civil works will be conducted, some of which can create adverse economic impacts for local businesses and informal mobile vendors, and limit the ability of local residents and business customers to move around and park vehicles in those areas; and (iii) community health and safety risks, particularly in relation to the risk of increased accidents for the local population during construction, including pedestrians and bicyclists at road intersections. These risks are intensified by a socially sensitive context, with some of the subprojects posing a significant level of social sensitivity; a record of opposition to MML projects by some neighborhood groups; a politically complex setting, characterized by instability; high levels of traffic informality, with very low levels of compliance with traffic regulations; and a context of citizen insecurity, posing a risk for project workers, along with the limited capacity of the PIU to manage the social risks in accordance with the ESF. While the type of works in future phases of the MPA may be similar to the ones of the first phases, the social risks of future phases will be reassessed for each subsequent phase, and their social risk rating could potentially differ from the one of Phase 1.



The SEA/SH risk classification for Phase 1 of the MPA is rated Moderate. There is a high prevalence of cases of sexual harassment in Lima’s public spaces (mainly in public transportation, and public transport infrastructure) and certain characteristics of the Peruvian culture related to sexist behaviors and mindsets (machismo) that could affect local population and project workers (women, LGBTI, in a greater degree). However, Peru has a strong regulatory framework against SEA/SH, and certain institutions that support victims; and this risk is expected to be managed through preventive measures (such as codes of conduct and training activities for project workers), mitigation measures to inform, support and protect SEA/SH victims (including information dissemination activities and a project’s grievance mechanisms for workers and local population), among other measures. The work force is not large for each sub-project, workers will mainly be from Lima and there are not expected to be any work camps.

To adequately manage the E&S risks and impacts during the implementation of MPA Phase 1, in a manner consistent with the ESF, the Borrower has prepared: (i) a draft Environmental and Social Management Framework (ESMF) to identify the main EHSS risks and impacts and develop the necessary measures and procedures for their adequate management, which include the “program to manage areas availability and business impacts” to mitigate risks for mobile vendors and local businesses and the potential restrictions on the accesses of houses or other properties. Due to their scope and technical characteristics, some interventions may not be subject to the national Environmental Impact Evaluation System (SEIA). Accordingly, the ESMF establishes that the Borrower will need to prepare stand-alone Environmental and Social Management Plans (ESMPs) in compliance with the relevant ESSs. The ESMPs will be drafted, consulted, finalized, adopted, and disclosed by the Borrower prior to the start of works, during project execution; (ii) a Stakeholder Engagement Plan (SEP), including the documentary evidence of the consultations and stakeholder engagement activities carried out during Program preparation, as well as the activities planned in subsequent stages of Phase 1 of the Program, and a project-specific Grievance Redress Mechanism (GRM); (iii) Labor Management Procedures (LMP) establishing the procedures to ensure appropriate labor and working conditions in a manner aligned with ESS2, and including a code of conduct for project workers; and (iv) an Environmental and Social Commitment Plan (ESCP) describing the timelines and commitments for the preparation and implementation of all E&S instruments needed, training and capacity building actions, staffing arrangements for the PIU, and other relevant E&S measures. Draft versions of the ESMF, ESCP, SEP, and LMP will be disclosed prior to Program Appraisal.

### 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]*

As per the ESCP, these are the following commitments in terms of E&S instruments:

1. Prepare, disclose, consult, adopt, and implement an Environmental and Social Management Framework (ESMF), Stakeholder Engagement Plan and Labor Management Procedures for the Project. The ESMF shall be prepared in accordance with the requirements of the relevant ESSs, the Bank’s Environment, Health, and Safety Guidelines (EHSG) and other relevant good international industry practices (GIIP). Adopt and disclose the final version of the ESMF,



SEP and LMP no later than sixty (60) days after the Effective Date, and thereafter implement them throughout Project implementation.

2. Prepare, adopt, and implement environmental and social management plans (ESMPs), and environmental and social checklist (E&S Checklist) for all Project interventions that require them, in accordance with the ESMF, SEP and LMP, the EHS, and other relevant GIIPs. Adopt the ESMP, and E&S Checklist before launching the respective bidding processes and, thereafter, implement them throughout Project implementation.

3. Ensure that contractors prepare, adopt, and implement contractors' environmental and social management plans (ESMP-Cs) that include considerations to comply with the ESMF, ESMP, LMP, SEP, and E&S Checklists as applicable to the specific intervention. The ESMP-Cs shall be adopted by the respective contractors and approved by the TCU prior to the carrying out of the respective Project activity and, once so adopted, implemented throughout Project implementation.

**III. CONTACT POINT**

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