



Environmental and Social Review Summary
Concept Stage
(ESRS Concept Stage)
World Bank Performance Standards (OP 4.03)

Date Prepared/Updated: 08/15/2024

**I. BASIC INFORMATION****A. Basic Project Data**

| | | | |
|----------------------------------|--|--------------------------|----------------------------|
| Country | Region | Project ID | Parent Project ID (if any) |
| Brazil | Latin America and Caribbean | P181767 | |
| Project Name | Hybrid PPP - São Paulo Commuter Rail Lines 11, 12 and 13 | | |
| Practice Area (Lead) | Financing Instrument | Estimated Appraisal Date | Estimated Board Date |
| Transport | Guarantee | 27-NOV-2024 | 06-MAR-2025 |
| Borrower(s) | Implementing Agency(ies) | | |
| Government of State of Sao Paulo | Companhia Paulista de Parcerias - CPP | | |

Proposed Development Objective(s)

The Project Development Objective is to (i) mobilize private financing to (ii) improve low-carbon mobility and (ii) increase job accessibility in the catchment area of Lines 11, 12 and 13.

| Financing (in USD Million) | Amount |
|----------------------------|-------------------------|
| IBRD Loan | |
| IBRD Guarantees | 100,000,000.00 |
| Total Project Cost | 2,370,000,000.00 |

B. Is the project 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 [including Project structure, components, activities, technical design, flow of funds, etc.]

The project involves providing a Payment Guarantee to support the financial obligations assumed by the State Government of Sao Paulo in a PPP for Commuter Rail Lines 11, 12, and 13.

The goal is to attract private participation and investment to improve Sao Paulo's mass transit system and accelerate the expansion of the commuter rail network.



The Government of São Paulo has appointed IFC Transaction Advisory to structure a PPP transaction that will benefit over 1.2 million passengers daily with USD 2.5 billion in investments.

These investments are aimed at modernizing the brownfield Lines 11 and 12 and expanding Line 13 towards Guarulhos, the second-largest city in the São Paulo Metropolitan Region, currently unserved by Mass Transit Lines. The three lines cover a total of 102 kilometers and 29 stations.

The project will expand these lines by 22.6 kilometers and add eight new stations. Additionally, four stations will be fully reconstructed, five stations will be expanded, and all stations will be equipped with universal accessibility. These works – when initiated – will be under the responsibility of the private concessionaire (under selection).

In addition, as part of the PPP agreement, the Government of São Paulo is responsible for some interventions, namely:

- The **Paulista Metropolitan Trains Company (CPTM)** is in charge of carrying out the following works: a) internal improvements for greater accessibility at Engenheiro Manoel Feio and Aracaré stations; b) renovation and expansion of internal areas at the Palmeiras-Barra Funda; and c) construction of an underground access corridor between the CPTM and SP Metro lines at the Estação da Luz station. All these renovations are internal to existing stations, have already been contracted, and are in progress.
- The **Companhia do Metropolitano de São Paulo (SP Metro)** is in charge of the construction of three new metro stations: a) the Penha Station (integrated with Line 11); b) the Gabriela Mistral (Tiquatira) station (integrated with Lines 12 and 13); and c) the Pari Station (integrated with Line 11). The construction works of the Penha station – which is included as an associated facility in the Green and Resilient SP Metro Line 2 (P504276) – is underway, while Gabriela Mistral is currently in the Detailed Design stage and has yet to break ground. The construction of the Pari Station has not been contracted because it is planned as part of the future expansion of Metro Line 19 (still under design).

To support the leveraging of private investment on favorable terms and conditions for the project's execution, a USD 100 million World Bank Guarantee has been requested. This guarantee will help de-risk the transaction by backstopping the availability payments due from the Government of São Paulo.

D. Scope of application of Performance Standards (PSs) and Environmental and Social Standards (ESSs), if relevant

OP/BP4.03 is suited for the proposed Project given that its objective is to provide a Payment Guarantee to support the financial obligations assumed by the State Government of São Paulo (GSSP) to investments that will be fully transferred to the private concessionaire (now under selection) of the sponsored concession of Alto Tietê commuter rail lines 11, 12 and 13), which will be established for this specific purpose, will operate on a commercial basis, will be financially and managerially autonomous, will not have its day-to-day management controlled by the government and will be fully responsible for the management of environmental and social risks arising from several engineering works (the extension of 22.6 km of rail lines towards the municipalities of Guarulhos and Mogi das Cruzes, the construction of eight new stations, the reconstruction and expansion of nine stations, the rehabilitation and modernization of existing stations to improve comfort and accessibility, the modernization of the permanent track and three maneuvering yards, the elimination of level crossings), the modernization of telecommunications and signaling systems and the Operational Control Center, and the operation of the concessioned lines.

IFC has been modeling the structure of this PPP. The bidding documents for the selection of the private concessionaire (already publicly disclosed by the GSSP) include among the concessionaire's obligations to ensure compliance with the requirements of the IFC Performance Standards (clause 52.1.92 of the Minutes of the Contract) and incorporate Terms



of Reference for the development of an Environmental and Social Impact Assessment, a Stakeholder Engagement Plan and a Resettlement Action Plan that meet the guidance of IFC Performance Standards on how to identify risks and impacts and to help avoid, mitigate and manage them in a sustainable manner.

The World Bank Group Performance Standards will apply to all activities under the responsibility of the private entity to be selected.

As mentioned in the Minutes of the Contract for the sponsored concession (which are publicly disclosed), there are civil works for the construction and rehabilitation of a few facilities that will be conducted under the responsibility of the public sector and implemented by CPTM and the SP Metro. These facilities are defined under the terms of the contract as assets transferable to the concessionaire. They include rehabilitation works to improve accessibility and comfort of four CPTM stations (already under implementation) and the construction of three SP Metro stations – Penha (Line 2-Green that are already under implementation), Gabriela Mistral (Line 2-Green Phase II – detailed design stage) and Pari (in Line 19-Skyblue, not projected yet).

As most of these works are already ongoing, the management of their environmental and social risks has followed the Environmental and Social Framework routinely used by CPTM and SP Metro in compliance with the Brazilian legislation, state licensing requirements for such kind of works, and specific Environmental and Social procedures. During the recent preparation of P504276 Brazil: Green and Resilient SP Metro Line 2 Extension (which includes the construction of the Penha Station as an Associated Facility), SP Metro procedures have been assessed as materially consistent with the requirements of the ESSs. During preparation, the task team will review the licensing instruments prepared for the remodeling of the four CPTM train stations and CPTM E&S risk management procedures (including: the environmental and social impact assessments, the E&S Management Plans, the regular monitoring reports sent to CETESB, and CETESB's technical opinions) to check whether the measures adopted by CPTM also allow the achievement of outcomes that are materially consistent with the objectives and requirements of the relevant ESSs. As needed the Borrower may be required to prepare an Environmental and Social Audit of these works, showing how E&S risks are being managed.

The task team is proposing to use the Borrower's Environmental and Social Framework, whenever it allows the achievement of outcomes materially consistent with the objectives of the relevant ESSs.

E. Environmental and Social Overview

E.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]

The proposed Project will contribute to the implementation of the São Paulo Urban Mobility Program, initiated in 2023 by the Government of the State of São Paulo (GSSP) that includes the objective of mobilizing private capital in partnership with public investments to promote the expansion and modernization of the State's rail transport systems. The Project will support a Payment Guarantee to support the financial obligations assumed by the State Government of São Paulo in a sponsored concession of Commuter Rail Line 11-Coral, Line 12-Sapphire and Line 13-Jade (currently operated by the State-Owned Enterprise São Paulo Metropolitan Train Company - CPTM). Together these commuter rail lines span 107.7 kilometers, comprising 32 stations, with an average daily ridership over 800,000 passengers, of which 81% use the system to go to work and 58% are low-income workers (earn from 1 to 3 minimum wages per month).

They cross the Eastern Zone of the city of São Paulo and areas of the municipalities of Ferraz de Vasconcelos, Guarulhos, Itaquaquecetuba, Mogi das Cruzes, Poá and Suzano within the Metropolitan Region of São Paulo (SPMR) – also known as the Alto Tietê Region. The SPMR is a densely populated urban region, consisting of five sub-regions and 39 municipalities. With a staggering population of over 20 million people, about half of the population of the State of São



Paulo, the SPMR is responsible for 50% of the state's urbanized area and approximately 20% of the country's GDP. With 11.5 million residents (40% in its Eastern zone), the municipality São Paulo concentrates a diverse range of services, educational institutions, and employment opportunities, which are not equally accessible, especially to the workforce residing in peripheral areas, most of them located in the Eastern zone. Among the population's 42 million commute trips daily, only 37% are taken by public transport with buses accounting for 73%, metro 20% and 7% for commuter rail.

As these lines are overcrowded and operate at maximum capacity (peak occupancies in trains exceed 6 passengers per square meter), their expansion towards underserved and peripheral areas of SPMR can play a significant role in improving mobility and promoting better access to labor, education, and other essential services, stimulating local and regional economic development, that will benefit the most lower income social groups. Indeed, the activities foreseen in the sponsored concession of lines 11, 12 and 13 to the private sector respond to long-standing requests from the population of the Alto Tietê region related to the expansion of the railway network, the improvement of comfort and accessibility conditions at stations and the reduction of travel time to the center of São Paulo where the services are concentrated RMSP job opportunities. They will also allow shorter intervals between trains and serve more than 1.26 million people per day by 2040.

GSSP has already transferred the operation of CPTM Lines 7, 8, and 9 (28.7 percent of the system) to the private sector. Back in 2021, International Finance Corporation (IFC) advised the State Government in structuring the PPP transaction of lines 8 and 9 (78.9 km in length). IFC is working in the structuration of the additional PPP transaction of commuter rail lines 11, 12, and 13 (currently operated by SOE CPTM). Their operation and maintenance will be transferred to the private sector, which will become responsible for their modernization and revitalization. The preparation of the concession contracting documents incorporated provisions related to ESG and the forecast of socio-environmental investments in accordance with IFC Performance Standards, including, *inter alia*: the implementation of an environmental and occupational health and safety management system; correcting environmental liabilities and obtaining environmental licenses; geotechnical and noise and vibration modeling studies; climate risk studies and emissions inventory; preparation of emergency response plans and risk management programs; the funding of measures for acquiring areas and expenses for resettlement and for the protection of biodiversity. It also included the adoption of guidelines related to the prevention of gender-based violence, the establishment of codes of conduct and complaints mechanisms. Furthermore, it improved the transition phases of operation from CPTM to the private sector concessionaire, including a pre-operational period and an operation period assisted by CPTM (each lasting 12 months).

The sponsored concession for Lines 11, 12 and 13 operated by CPTM will have a term of 31 years. During years 1 to 8, interventions will be implemented to recover, modernize and expand existing infrastructure. Between the ninth and last year of the concession, the optimized operation of the modernized and expanded lines will take place, serving 1.26 million people per day. With this sponsored concession, GSSP expects that private participation will promote the expansion of low-carbon mobility and bring more efficiency, availability, innovation, and direct access to public – and sustainable – transport options for underserved areas within SPMR.

E. 2. Client's Organizational Capacity/Borrower's Institutional Capacity

There are some entities involved in the Project. The implementing agency – the Paulista Partnership Company (CPP) – is an independent entity linked to the Government of the State of São Paulo (GSSP), entrusted with the facilitation, and structuring of local PPPs. Its creation was authorized by State Law 11,688/2004 and currently CPP is linked to the São Paulo State Secretariat of Investment Partnerships - SPI (Decree 67,435/2023). Its primary mandate is to provide guarantees to PPP projects, thus mitigating associated risks and attracting private investment on more favorable terms. CPP underwrites unconditional and irrevocable guarantees to backstop public payments and government liabilities tied



to PPPs. Furthermore, CPP's mission includes support to the GSSP in prospecting, designing, structuring, modeling, implementing, and monitoring business arrangements. By December 2022, CPP had underwritten BRL 1 billion in guarantees for six distinct PPP transactions, including Metro Lines 4 and 6. CPP is responsible for subscribing fixed income securities in favor of concessionaires as a guarantee against default by the Granting Authority. Notably, CPP uses its own assets to guarantee projects in a 1:1 ratio, equaling the payment amounts due by the Granting Authority to its various concessionaires.

Created in January 2023, SPI focuses on attracting investments and generating opportunities for employment and income for the State of São Paulo and its main program is The São Paulo State Investment Partnership Program (PPI-SP) – ruled by Decree 67,443/2023. The current portfolio of projects includes 24 projects and an estimated investment of over R\$470 billion for the State in the coming years, among which nine related with the passenger and cargo transportation by rail have already been qualified. SPI is currently preparing another operation with the World Bank: The Private-Delivered Metro São Paulo Line 4 Phase III Extension (P506329). Although SPI does not have any previous experience with Safeguard Policies or the ESF, it has staff dedicated to environmental and social management covering several projects. All the PPPs managed by SPI are carried out in accordance to São Paulo's environmental licensing agency, CESTESB, which is a reference in the country for environmental management and enforcement. Also, regarding its rail PPPs, SPI follows the robust SP Metro's guidelines and policies for implementing expansion works and E&S management.

The São Paulo State legislation on Public-Private Partnerships requires that the signature of a Sponsored Concession Contract is based on and preceded by: a) feasibility studies demonstrating that the concession services will be optimized with the participation of the private sector; b) authorization and public disclosure of the authorization of the concession proposal for the provision of services; c) conduction of publicly disclosed market survey meetings; d) project presentation to society in a Public Hearing duly publicized and recorded; e) submission of the draft Call of Proposals, the draft Minutes of Contract and other Annexes to public consultations; f) authorization by the Granting Authority to carry out an international competition in strict compliance with the current legislation; and g) proof that the winning concessionaire is a Specific Purpose Company (SPE), established in accordance with the terms and conditions contained in the Call of Proposals and the Contract.

All these requirements have already been fulfilled with regards to the sponsored concession of the Alto Tietê commuter rail lines 11, 12 and 13 and are publicly available through the website <https://www.parceriaseminvestimentos.sp.gov.br/projeto-qualificado/lote-alto-tiete/>. The feasibility studies (commissioned by IFC) have been completed in the first quarter of 2024. Three Public Hearings – widely disseminated – have been held in the cities of São Paulo, Guarulhos, and Mogi das Cruzes, in June 2024 and were virtually transmitted through the web. Relevant information has been disclosed prior to the hearings through SPI's website <https://www.parceriaseminvestimentos.sp.gov.br/transparencia/participacao-social/> and a *data room*. Furthermore, SPI organized a virtual public consultation to gather contributions and suggestions to improve the project of sponsored concession of Lines 11, 12 and 13. The Public Consultation Ruling Regulation and the presentation made at the Public Hearings were publicly disseminated and remain publicly available. The public consultation was advertised through official and mass media vehicles. The virtual public consultation ended on July 18th, 2024, around 1,200 contributions have been received, and the Public Consultation Ruling Regulation requires the publication of an abridged report. The draft minutes of both the Call of Proposals and the Contract of Sponsored Concession are publicly available through the first website previously mentioned in this paragraph.

Furthermore, the preparation of the sponsored concession's contracting documents incorporated provisions related to environmental, social and governance and the forecast of socio-environmental investments in accordance with IFC



Performance Standards. These investments encompass, *inter alia*: a) the implementation of an environmental and occupational health and safety management system ; b) the correction of environmental liabilities and the obtaining of all required environmental licenses; c) geotechnical and noise and vibration modeling studies; d) climate risk studies and emissions inventory; e) preparation of emergency response plans and risk management programs; f) the funding of measures for acquiring land and expenses for resettlement as well as for the protection of biodiversity. The publicly available documents of the process of sponsored concession include, *inter alia*, the Terms of Reference for Environmental and Social Impact Assessments, Stakeholder Engagement Plans, Resettlement Action Plans, Risk Management Plans, Emergence Response Plans and Operational Safety Plans, which will be implemented by the selected concessionaire and overseen by an Independent Auditor and the State Government of São Paulo.

The process of sponsored concession has also included the adoption of guidelines related to the prevention of gender-based violence, the establishment of codes of conduct and complaints mechanisms. Furthermore, it improved the transition phases of operation from CPTM to the concessionaire, including a pre-operational period and an operation period assisted by CPTM (each lasting 12 months).

The State-Owned Enterprise Companhia Paulista de Trens Metropolitanos (CPTM) has created a corporate environmental policy in 2020 and in 2022 expanded it to an ESG Strategy, created a dedicated Environmental Management Unit (previously Territorial and Environment Unit) and updated its Environmental Management System. Its policy aims to guide all company employees on existing environmental legislation, especially regarding environmental responsibility in the performance of their activities, outlines environmental guidelines, indicating the legal requirements necessary for the effective environmental sustainability of CPTM, and is implemented in strict compliance with current legislation. The core attributions of the Environmental Management Unit are a) to disseminate the Environmental Policy in the company, b) to promote institutional coordination with environmental bodies and other stakeholders and the culture of environmental responsibility and c) to guide other areas of the company on related issues environmental management. CPTM has initially committed itself to ensuring environmental regularity with licensing bodies and control actions in accordance with current legislation, implementing corporate environmental programs, its control and management tools and establishing environmental indicators and targets. The Environmental Management System covers ten Corporate Environmental Programs, addressing issues related with historical and cultural heritage, solid waste and hazardous products, irregular disposal of waste and effluents; management of effluents and emissions, water management and treatment of interference with water resources, management of contaminated areas, vegetation management and specially protected areas, fauna monitoring, morpho-dynamic processes, and noise and vibration. CPTM has previous experience with the World Bank's safeguard policies, as implementing agency of the Sao Paulo Trains and Signaling (P106308) Sao Paulo Trains and Signaling Additional Financing (P117122), which served as a catalyst for a series of institutional transformations such as the creation of the territorial and environmental management unit, the preparation of an Environmental and Territorial Management Plan and the establishment of a corporate georeferenced information system (ICR Report).

SP Metro was established by the Municipal Law 6,988/1968. It is controlled by the Government of the State of São Paulo under the management of the State Secretariat for Metropolitan Transport (STM). It is responsible for the operation and expansion of the metro network and the planning of metropolitan passenger transport in the SPRM. SP Metro has acquired extensive experience working with the World Bank's safeguard policies through two early operations: the Sao Paulo Metro Line 5 Project (P116170), Sao Paulo Metro Line 4 PHASE 2 (P106390) and the Sao Paulo Metro Line 4 Additional Financing (P105959). SP Metro is also preparing another operation under the ESF: the Green and Resilient SP Metro Line 2 Extension (P504276). Its capacity to manage environmental and social risk has been assessed and rated high. It has adopted (and made its contractors adopt) relevant policies on: a) equal opportunity, non-discrimination,



freedom of organization and worker's protection (including the establishment of a Code of Ethics and Conduct and an Ethics Committee that is responsible for receiving reports, evaluating and judging violations to the Code of Conduct and Integrity) and a channel for reporting on internal irregularities, such as moral and sexual harassment in the workplace; b) environmental sustainability and social responsibility; c) information disclosure and engagement with stakeholders and communities (including a two-tier grievance mechanism to address concerns and complaints raised by users, citizens and stakeholders); and, d) involuntary resettlement of vulnerable families and businessmen.

Brazil has a robust regulatory framework in four key areas: environmental risk management; labor relations and workers' protection and safety; transparency, citizen participation and grievance redressing; and the rights of vulnerable/culturally distinct social groups. On environmental issues, the control, inspection, monitoring, and licensing of activities that generate pollution in the state of São Paulo is under the responsibility of the Environmental Company of the State of São Paulo (CETESB). Created in 1968 (Decree 50,079/1968), CETESB has become internationally recognized. Thus, CETESB has evolved into one of the 16 United Nations reference centers for environmental matters; concerning hazardous waste issues, CETESB also serves as advisor for the United Nations Development Program in Latin America; and it is one of the five global institutions of the World Health Organization (WHO) for water supply and sanitation issues.

The World Bank team will review the institutional capacity of the involved governmental agencies to manage environmental and social risks. Once the private concessionaire is selected, the World Bank team will assess its Environmental and Social Management System (ESMS) as well as the ESIA, SEP, and RAP it will prepare to ensure these instruments adequately answer the requirements of the bidding documents.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Categorization of Activities under Responsibility of the Private Entity

[Category A, B, C, FI-1, FI-2 and FI-3]

Category A for the activities under the responsibility of the private concessionaire. This rating is based on the preliminary findings of a Scoping Report commissioned by IFC to an independent consultancy as part of the modeling of the PPP. Carried out in line with World Bank Performance Standards (PSs), before the engineering designs were ready and cautiously covering a much larger geographic area than the planned intervention footprint (a 2 km wide strip), this Scoping Report has associated the future investments under the responsibility of the concessionaire of the Commuter Rail Line 11-Coral, Line 12-Sapphire, and Line 13-Jade with potentially significant adverse environmental and social risks and/or impacts that are diverse, among which some are long-term and impossible to avoid due to the nature of the activities (particularly, a) the environmental risks related with one endangered species due to potential interferences with a protected area, b) the direct social impacts related with land acquisition and involuntary resettlement and c) the downstream impact related with retrenchment of the current CPTM workforce) and although they are predictable and the activities will be developed in a legal and regulatory environment where there is no uncertainty or conflict as to jurisdiction of competing agencies, the environmental, social and labor legislation and regulations adequately address the risks and impacts of complex activities and enforcement is robust.

The preliminary findings of the above-mentioned Scoping Report associate the future investments under the responsibility of the concessionaire of the Commuter Rail Line 11-Coral, Line 12-Sapphire, and Line 13-Jade with:

a. Environmental risks categorization rational:

The Category A risk rating accounts primarily for the extension of CPTM lines over protected areas, and potentially critical habitats. It also accounts for the construction of tunnels and the inherent hazards associated with underground construction works. Key risks and impacts include excavation and earth works, gravel extraction and land degradation,



embankment of natural habitats, geotechnical risks and ground stability supporting nearby buildings, water table lowering, impacts to nearby structures from vibrations from tunneling and civil works, generation and disposal of excavated material, excavation and disposal of soil from contaminated sites, noise and dust emissions, heavy traffic of dump trucks and concrete mixers within densely populated urban areas and transport of heavy equipment. It also includes workplace hazards for the construction workers such as confined spaces, working at heights, hazardous atmospheres, lifting of heavy equipment, noise, vibrations, use of torch and welders, excavations, electrical hazards etc.

b. The following potential social risks and downstream impact:

- Adverse impacts of involuntary resettlement. Based on the concept that the line extensions would be carried out on the ground, the Scoping Report has pointed out the need to expropriate and remove 1,953 families (mostly low-income ones). Afterwards, engineering designs and constructive techniques have changed and expansions in areas with greater population density in Guarulhos, for Line 13, would rely on underground tunnels, which will certainly reduce in a large amount the number of affected people. The new estimate of the magnitude of involuntary resettlement is still being measured.
- Irregular and opportunistic encroachment of the rights of way due to the absence of protective barriers, exposing operations and encroachers at risk.
- Temporary interruption of the provision of services provided by public and private facilities and leisure areas during the construction stage.
- Interference with built heritage (railway stations) and chance finds of cultural heritage as the construction works involve excavations and movement of earth.
- Disturbances on neighboring communities during the construction phase that can have adverse impacts on public health and/or houses of low-income families that are built according to poor constructive standards due to increases on levels of dust, noise, and vibration.
- Retention of armed security personnel to safeguard the private concessionaire's personnel and property that may lead to disproportionate use of force, abuse of power, and unlawful or abusive acts against line users if they are not properly recruited, trained and supervised, in a local context of racial discrimination in relation to persons of afro descent.
- The downstream impact of the downsizing of CPTM's workforce after the transference of the operation of Lines 11, 12 and 13 from CPTM to the selected private concessionaire that may lead to demands for indemnities and compensation as well as litigation.

According to the publicly disclosed bidding documents and process of the sponsored concession of Lines 11, 12 and 13, a complete Environmental and Social Impact Assessment, a Stakeholder Engagement Plan and a Resettlement Action Plan will be developed by the concessionaire to meet Performance Standards requirements, WBG's EHS Guidelines and applicable national law. The Terms of Reference for these environmental and social risk management instruments have been incorporated as annexes of the bidding documents.

B. Environmental and Social Risk Classification

[High, substantial, Moderate and Low]

Environmental Risk Rating of Activities under the Responsibility of Public Entities

Moderate

As part of the sponsored concession of Lines 11, 12 and 13, the construction works that will remain under the responsibility of public state agencies (CPTM and SP Metro) are restricted to the construction of new stations within existing railroad lines and remodeling of existing stations, which are not likely to generate a wide range of significant adverse risks and impacts to the environment. Thus, CPTM is responsible for remodeling the train stations of Palmeiras-



Barra Funda, Luz, Engenheiro Manoel Feio, and Aracaré (already ongoing) and SP Metro will build the metro stations of Penha (already ongoing), Gabriela Mistral (detailed design stage) and Pari (not projected or contracted yet).

These are brownfield areas, which are not expected to interfere with environmental sensitive zones. The impacts are expected to be mostly temporary, site specific, and reversible and fully mitigated by the adoption of standard environmental industry practice. CPTM and SP Metro have a strong capacity and good track record on dealing with works of the same level of complexity.

Social Risk Rating of Activities under the Responsibility of Public Entities

High

As part of the sponsored concession of Lines 11, 12 and 13, land acquisition potentially leading to adverse impacts related with physical and economic displacement may have occurred for the construction works of the Penha metro station (already ongoing). As the construction of the Penha Station was considered an Associated Facility of the Green and Resilient SP Metro Line 2 (P504276), an Audit is being prepared by SP Metro on the procedures adopted for land acquisition and involuntary resettlement as part of the Environmental and Social Action Plan of this operation.

Land acquisition (with potential adverse involuntary resettlement impacts) will also be needed for the construction of the Gabriela Mistral (detailed design stage) and the Pari (not projected yet) metro stations. The magnitude of these adverse impacts cannot be defined yet and, during preparation, the task team will include in the Project's Environmental and Social Action Plan material measures to ensure that these impacts will be addressed in a manner materially consistent with the objectives and requirements of the World Bank's ESS 5 or IFC PS 5. In addition, disturbances to neighborhoods are expected due to increased levels of dust, noise, and vibration.

Meanwhile, the remodeling works under the responsibility of CPTM are taking place within the areas already built of the rail stations of Palmeiras-Barra Funda, Engenheiro Manoel Feio, Luz and Aracaré. They aim to improve accessibility and comfort for users. Their impacts on human populations are predictable, temporary, reversible, low in magnitude, site-specific and mitigable through routine safety precautions. The works at the Luz Station are more complex because they involve excavation, movement of earth, and work in confined spaces. Furthermore, the Luz Station is listed historical built heritage that is protected by the São Paulo State's Council for the Defense of Historical, Artistic, Archaeological and Tourist Heritage (Condephaat).

Additionally, and as previously mentioned, during the period of implementation of the Project, the Government of Sao Paulo will have to deal with the significant social adverse impact of the resizing of CPTM's workforce and the implementation of collective dismissal. Preliminary assessments found that a significant portion of CPTM employees may be laid off after the transfer of operations on lines 11, 12 and 13 to the private concessionaire (expected to occur in 2027), potentially leading to opposition and litigation with employees and relevant labor unions.

III. APPLICABLE ES STANDARDS

A. Performance Standards (PSs) that Apply to the Activities Being Considered

PS1 Assessment and Management of Environmental and Social Risks and Impacts

Environmental and Social Assessment and Management Programs

As previously mentioned, the Environmental and Social categorization of the activities of the private entity to be selected was based on the early findings of the Scoping Report that has been commissioned by IFC to an independent consultancy as part of the preliminary studies for the modelling of the sponsored concession. This Scoping Report includes the identification and preliminary assessment of socio-environmental risks and impacts, proposes mitigation measures, and defines environmental and social management plans and programs to be prepared and implemented.



According with the proposed terms of the Contract of the sponsored concession, the process of E&S risks and impacts assessment in line with PS1 will be a full responsibility of the private entity (PSE) to be selected to implement the PPP Project. Hence, the documents publicly disclosed include the Terms of Reference for the preparation by the private concessionaire of the Environmental and Social Impact Study (ESIA), therefore it must be completed during project implementation. The ESIA must follow the requirements from the IFC Performance Standards (PS), the World Bank Group (WBG)/IFC General Environment, Health and Safety Guidelines, and the WBG/IFC Specific Environment, Health and Safety Guidelines for projects of railways. This ToR covers aspects related with: the characteristics of the concession; the technological and locational alternatives of the structures, the construction methods and the possibilities of layout of the rail system so that the concession is environmentally, technically and economically viable, particularly considering the estimation of areas of natural habitat to be suppressed, the intervention in conservation units, other environmental protection areas and archaeological sites, and the number of families to be expropriated or resettled; the legal framework; the characterization of the physical, biotic and socioeconomic (highlighting the identification and characterization of vulnerable groups and individuals, in the concession's area of influence, who may suffer disproportionate adverse impacts and who may not be able to benefit from opportunities associated with the concession) environments in the concession area; the characterization of possible environmental liabilities; the screening and assessment of environmental and social risks and impacts (including gender-related aspects and paying attention to synergic and cumulative impacts); the proposal of mitigation and compensatory measures; and the development of the Environmental and Social Management Program (ESMP), which shall be implemented according to an adaptive management practice that is sensitive to changing conditions and monitoring results during the life cycle of the Concession. This ToR also enumerates a number of core environmental and social management plans and programs that must be included in the ESMP – namely: the Social and Environmental Management Plan for Contractors and Subcontractors, the Human Resources Management Program, the Pollution Prevention and Control Management Program, the Community Health and Safety Management Program, the Resettlement Plan, the Biodiversity Action and Management Program, the Cultural Heritage Protection and Management Program, and the Emergency Action Plan.

Additionally, the private concessionaire (to be selected) is required to conduct a study of Climate Change Risks in order to map all risks that may impact the operations of planned and existing lines, as well as risks to the community that may be exacerbated as a result of interventions by the Concessionaire and, when possible, seek technical and engineering alternatives to avoid or minimize impacts resulting from flood events that may affect the operation of the Lines in question and associated infrastructures.

In accordance with requirements of the Environmental Regulatory Agency (CETESB) for licensing, an Environmental and Social audit of CPTM facilities in lines 11, 12 and 13 has been completed and disclosed at SPI website under the PPP documents disclosed as part of the process of selection of the private concessionaire. This audit (Annex IV.B from the contract) included traffic safety elements, potential contaminated areas, storm water runoff and drainage systems, soil erosion, discharges of wastewater, storage of hazardous materials, encroachment of ROWs, solid wastes disposal, and so forth. Going forward SPI must hire a specialized auditing firm to assess aspects related with Occupational Health and Safety liabilities (covering the requirements from Brazilian OHS standards known as NRs, and São Paulo State Fire Authority standards).

Potential environmental and social risks and impacts

As previously mentioned early assessments – which will be enhanced when the concessionaire completes the required Environmental and Social Impact Assessment (ESIA) – the main environmental risks and impacts of the project are associated with: a) the extension of CPTM lines over protected areas, and potentially critical habitats; b) the construction of tunnels and the inherent hazards associated with underground construction works, including excavation



and earth works, gravel extraction and land degradation, embankment of natural habitats, geotechnical risks and ground stability supporting nearby buildings, water table lowering, impacts to nearby structures from vibrations from tunneling and civil works, generation and disposal of excavated material, excavation and disposal of soil from contaminated sites, noise and dust emissions, heavy traffic of dump trucks and concrete mixers within densely populated urban areas and transport of heavy equipment; and c) workplace hazards for the construction workers such as confined spaces, working at heights, hazardous atmospheres, lifting of heavy equipment, noise, vibrations, use of torch and welders, excavations, electrical hazards, etc.

Meanwhile, the main social risks and impacts of the project encompass: a) significant land acquisition needs and adverse impacts related to involuntary resettlement required for the extension of CPTM lines; b) the potential irregular and opportunistic encroachment of the rights of way of the concessioned rail lines due to the absence of protective barriers, exposing operations and encroachers at risk; c) temporary interruption of the provision of services provided by public and private facilities and leisure areas during the construction stage; d) interference with built heritage (railway stations) and chance finds of cultural heritage as the construction works involve excavations and movement of earth; e) disturbances on neighboring communities during the construction phase that can have adverse impacts on public health and/or houses of low-income families that are built according to poor constructive standards due to increases on levels of dust, noise, and vibration; f) retention of armed security personnel to safeguard the private concessionaire's personnel and property that may lead to disproportionate use of force, abuse of power, and unlawful or abusive acts against line users if they are not properly recruited, trained and supervised, in a local context of racial discrimination in relation to persons of afro descent; and g) the downstream impact of the downsizing of CPTM's workforce after the transference of the operation of Lines 11, 12 and 13 from CPTM to the selected private concessionaire that may lead to demands for indemnities and compensation as well as litigation.

Organizational Capacity and Competency

The terms of the Contract of the sponsored concession establish that the PSE must prepare and establish within 30 days of the end of the Pre-Operational Phase, a Health and Safety, Environmental and Social Management System –(SGSSAS) in accordance with (i) the requirements established in IFC Performance Standard 1 and in Brazilian legislation; (ii) the assessment presented in the ESIA; and (iii) environmental and social risk management plans and programs. The SGSSAS must be prepared. The SGSSAS must manage the environmental and social risks and impacts of the concession throughout all its phases, in a structured, continuous, systematic, and proportional way to the level of risks and impacts of the concession. The SGSSAS can be an autonomous system or integrated with other concessionaire management systems, as long as it includes: a) a comprehensive socio-environmental policy that will indicate who, within the concessionaire's organization, will guarantee its compliance and will be responsible for its execution; b) a plan for developing the concessionaire's organizational capacity and competence to implement, maintain and, if necessary, reinforce the SGSSAS, including defining relevant roles and responsibilities of the technical team with appropriate skills and knowledge that fully meet the Performance Standards; c) an Environmental and Social Management Plan (ESMP) consisting of Management Programs, which include prevention, mitigation, improvement and performance monitoring measures and actions, which address the risks and impacts arising from all of the concessionaire's activities, identified in the ESIA. Programs must be aligned with applicable Brazilian legislation and relevant IFC Performance Standards. The ESMP must be prepared and approved up to 30 (thirty) days before the start of any impact-generating activity, go through a continuous review process and include a schedule for the preparation and implementation of the various Management Programs. It must also include a Management Program for contracted and subcontracted companies.

The terms of the Contract of the sponsored concession also include General Environmental and Social Requirements and Guidelines for Environmental Licensing, which require that the concessionaire must develop and implement a



supply chain management system, as a minimum: (i) purchasing policy; (ii) Supplier Code of Conduct that addresses child labor, forced labor and significant safety issues, in line with Performance Standard 2; (iii) contractual clauses in commercial contracts with suppliers, requiring compliance with the supplier's Code of Conduct; (iv) verification process to ensure that new suppliers have the policies and procedures in place to meet the requirements of the Supplier Code of Conduct; (v) communication strategy to inform suppliers about the Code of Conduct; and (vi) formal process for engagement, effects of non-compliance or disengagement of suppliers, in case of non-conformities that are not corrected.

Emergency Preparedness and Response

As early mentioned, the terms of the Contract of the sponsored concession include General Environmental and Social Requirements and Guidelines for Environmental Licensing, which state that the concessionaire must prepare and implement an Emergency Action Plan. This plan must include prevention and response measures to natural disasters, including an early warning system for hydrometeorological phenomena that may put users at risk (high rainfall and geological risks), and response and contingency actions. The plan must include provisions for ongoing upgrades as well as evacuation drills at least annually to test effectiveness and training. It must include the fire safety requirements and evacuation measures requested by the São Paulo State Fire Department and the International Standards from the NFPA ("National Fire Protection Association"). The concessionaire must prepare and/or verify the alignment of existing Emergency Response Plans (PAE) with IFC PS 1 and PS 4 and with Brazilian legislation. The plan must identify and consider the communities potentially affected by the emergency scenarios raised.

Stakeholder Engagement and Grievance Mechanism

As early mentioned, the terms of the Contract of the sponsored concession include General Environmental and Social Requirements and Guidelines for Environmental Licensing, which also require the private concessionaire to prepare and implement a Stakeholder Engagement Plan (SEP), consistent with the requirements of PS 1 and adapted to the characteristics and interests of affected communities and including a comprehensive Complaints and Grievance Mechanism. A Term of Reference for the elaboration of the SEP have also been publicly disclosed. This ToR determines that:

- The SEP will identify, analyze and prioritize key stakeholders, including socially sensitive recipients (such as schools and healthcare providers) and individuals or groups identified as disadvantaged or vulnerable, and outline how, when and with whom to engage will occur, ensuring that the perspectives of women and vulnerable individuals/groups are obtained and their interests taken into account in all aspects of project planning, including resettlement planning and execution.
- The SEP will establish formal and ongoing consultation structures (e.g. community committees, working groups, open days or public meetings) and tailored approaches to engage with different stakeholders.
- The SEP shall define the roles and responsibilities of the project team, laying the groundwork for full consultation and collaboration as well as measures to ensure the availability of sufficient human and financial resources for its effective implementation and management.
- The consultation process shall pay particular attention to the participation of people identified as disadvantaged or vulnerable and ensure that the perspectives of women and these groups are obtained, and their interests considered in all aspects of project planning and implementation.
- The SEP must include personalized actions for engagement with disadvantaged and vulnerable social groups that may be identified, to guarantee the implementation of a process of informed consultation and participation.



- SEP's implementation must include the distribution of information on the status and progress of the Concession throughout its life cycle. This dissemination of information must be regular, timely and culturally appropriate.
- The Concession must establish a grievance redress mechanism, in line with international standards, to identify, manage and address project-specific grievances from both the community and the concessionaire's workers before, during and after construction.

The terms of the Contract of the sponsored concession state that the concessionaire must a) maintain broad and permanent communication with the population, disseminating information about the operation of services and the progress of the expansion works; b) establish and maintain a permanent Ombudsman Office throughout the period of the concession to receive; and c) hire an independent company to carry out every six months a Service Quality Survey, for monitoring the level of user satisfaction with the concessioned services and minimally evaluating parameters of speed, comfort, reliability, safety against accidents, public safety, passenger service and information and accessibility.

PS 2 Labor and Working Conditions

PS2 is relevant.

The terms of the Contract of the sponsored concession and its General Environmental and Social Requirements and Guidelines for Environmental Licensing state that the concessionaire must respect collective labor agreements, the national labor legislation and PS2 requirements.

Brazilian labor laws (summoned by the Brazilian Labor Code and the Consolidation of Labor Laws, or CLT) incorporate the principles of fair treatment, non-discrimination, and equal opportunity of workers as well as freedom of association and collective bargaining. They promote safety and health at work applying international standards for the protection of workers from OHS hazards. They prevent the use of all forms of forced labor and child labor. They also provide workers with accessible means to raise workplace concerns. The findings of an ongoing overview assessment of the Brazilian regulatory framework commissioned by the World Bank shows that its use will allow the achievement of outcomes that are materially consistent with the objectives of ESS 2.

It is also required that – during the Pre-Operational Phase – the concessionaire must develop – and thereafter implement and keep update:

- a) Human Resources policies and procedures consistent with the requirements of Brazilian legislation and PS 2, including: (i) promotion of fair, safe and healthy employment and working conditions as well as equal opportunities and non-discrimination for all workers (direct and indirect); (ii) safeguarding against the employment of children in any way that is economically exploitative and/or considered dangerous and/or that interferes with the child's education, against forced labor and/or labor resulting from human trafficking, and against all forms of gender-based violence and harassment, considering affected workers and communities; (iii) recognizing the right of workers to join unions of their choice, or to negotiate collectively, without retaliation for the workers involved; and (vii) establishing a Code of Conduct for workers, which must include requirements related to SEA/SH.
- b) Policies and procedures to manage and monitor the performance of subcontracted companies (in all segments and adapted to the CONCESSION phase) in accordance with national labor legislation and PD2 requirements including develop and implement a supply chain management system, as a minimum: (i) a purchasing policy; (ii) a Supplier's Code of Conduct that addresses child labor, forced labor and significant safety issues, in line with PS 2; (iii) contractual clauses in commercial contracts with suppliers, requiring compliance with the



Supplier's Code of Conduct; (iv) a verification process to ensure that new suppliers have the policies and procedures in place to meet the requirements of the Supplier's Code of Conduct; (v) a communication strategy to inform suppliers about the Supplier's Code of Conduct; and (vi) a formal process for engagement, effects of non-compliance or disengagement of suppliers, in case of non-conformities that are not corrected.

- c) Establish a Workers Complaint Mechanism, accessible to all workers, to identify concerns, grievances and all types of work-related grievances, including SEA/SH and GBV.
- d) Develop and implement a systematic approach to Occupational Health and Safety (OHS) management in line applicable Brazilian legislation, including Regulatory Standards (NRs) and IFC Requirements.

Finally, it is stated that the concessionaire must make reasonable efforts to hire workers who may be subject to collective dismissal due to the concession, if they have the skills and qualifications appropriate to the available positions.

PS 3 Resource Efficiency and Pollution Prevention and Management

CPTM Lines 11, 12 and 13 extensions may include the generation and disposal of construction wastes, pit borrow areas, gravel extraction sites, disposal of excavation material, treatment and disposal of soil from contaminated sites, noise and vibration emissions, use of chemicals, temporary lowering of the water table during underground works, pumping contaminated ground water, use of water and wastewater emissions. The operations and rehabilitation of existing CPTM stations, maintenance shops, electrical substations, parking and maneuvering areas and railroad lines may include the remediation of contaminated sites, discharge of wastewater, disposal of hazardous and nonhazardous wastes, noise, vibration, and dust emissions. An inventory of environmental liabilities has been completed and included into the bidding documents. All these impacts must be identified either by the ESIA or as part of concessionaire's E&S management system, and appropriate mitigation and control measures must be put in place in accordance with PS3 requirements and World Bank EHSs.

PS 4 Community, Health, Safety, and Security

This PS is relevant.

Risks and impacts to community health, safety and security will be further assessed in the ESIA that will be conducted by the concessionaire and calls for a) the identification of the epidemiological profile in the area of influence - with a special focus on diseases that may be exacerbated by the concession (such as sexually transmitted diseases, respiratory diseases and mental health) – and a contextualization of gender-based violence issues and b) the assessment of potential risks and adverse impacts during construction and operating activities of planned structures related; c) the assessment of potential risks and adverse impacts during the operating activities of existing and planned structures.

The terms of the Contract of the sponsored concession and the General Environmental and Social Requirements and Guidelines for Environmental Licensing already state several measures to be taken to ensure the safety of passengers and neighboring communities in accordance with PS 4 requirements. Thus, the Concessionaire must:

- Prepare an Operational Safety Plan, develop and implement preventive/predictive maintenance plans and maintain a Permanent Commission on Safety of Operational Systems to investigate occurrences



that may compromise the security of the operational systems, or put passengers, employees, contractors, equipment, and facilities at risk.

- Prepare and implement an Emergency Action Plan, considering prevention and response measures to natural disasters, including an early warning system for hydrometeorological phenomena that may put users at risk (high rainfall and geological risks), and response and contingency actions and including provisions for ongoing upgrades as well as evacuation drills at least annually to test effectiveness and training as well as the fire safety requirements and evacuation measures requested by the São Paulo State Fire Department and the USA Life and Fire Safety Standards NFPA ("National Fire Protection Association").
- Present in advance a Contingency Plan for Works whenever dealing with civil works. This plan must contain measures to ensure the safety of workers and nearby communities, to cover possible emergencies, assure the quality the works.
- Provide and maintain in perfect condition for use in all facilities, all equipment need to ensure the safety of passengers, passersby, systems, buildings, and employees and obtain and renew the Fire Department Certification (AVCB – Auto de Vistoria do Corpo de Bombeiros) for all locations covered within the concession area.
- Develop and implement Community Health and Safety Management Plans, taking in consideration potential risks of a) the construction stage related to (i) movement of vehicles and machinery associated with the work, especially in densely populated areas and/or with large pedestrian circulation, (ii) potential interference with the access and/or operation of social facilities and leisure areas, (iii) access to construction areas and storage sites for dangerous substances, (iv) atmospheric emissions and noise, (v) potential exposure to communicable diseases and occurrence of events related with gender-based violence, sexual harassment, abuse and exploitation, and (vi) possible human rights abuses against members of local communities and users by security personnel; and b) the operating stage related to (i) railway circulation for both passengers and the community in the surrounding area, (ii) line crossings, (iii) derailments; (iv) noise and vibrations (with potential risks to public health and damage to neighboring structures); (v) presence of workers (possible agents of disease transmission and gender-based violence), and (vi) the risk of disproportionate use of force by the property security team, especially if armed security is involved (considering the guidelines of IFC's "Manual of Good Practices - Use of Security Forces: Assessment and Management of Risks and Impacts - Guidance").
- Develop and implement a Property and Personnel Security Management Policy and Security Management Plan, intended for the commercial operation phase, based on a security risk assessment and on consultation with local communities and containing: (i) security management objectives and specific stakeholders; (ii) the internal and external risks identified in the risk assessment; (iii) internal and external security arrangements; (iv) screening security personnel regarding the implications of past incidents (criminal background checks); (v) training in the use of force and appropriate conduct; (vi) coordination between the concessionaire and the local police; (vii) the investigation and reporting of incidents; and (viii) performance standards for adequate security management.
- Develop and implement the Assessment and Management of Gender-Based Harassment and Violence Risk, including awareness campaigns for workers (direct and indirect) and the community and dissemination of specific complaint mechanisms, based on a survivor-centered approach, and using appropriate and confidential mechanisms.



- Provide services without any type of discrimination of origin, race, sex, religion, sexual orientation or age, ensuring the right to use one's social name and recognition of gender identity and apply the universal access concept by enforcing legislation and other standards that deal with priority care for people with disabilities, elderly people aged 60 (sixty) years or over, pregnant women, breastfeeding women, people with infants and obese people, as well as promoting accessibility for people with disabilities or reduced mobility.
- Maintain broad and permanent communication with the population of neighboring communities aimed at disseminating information about services and the progress of construction works, indicating the company(ies) responsible for the respective works.
- Establish channels for reporting irregularities that are easily accessible to the public, widely disseminated to any interested parties, allow for anonymous complaints, and adopt confidentiality rules ensuring that the identity of whistleblowers will be accessible only to sectors of the concessionaire that, justifiably, need access to information for investigating, preventing, or combating of the reported irregularity.
- Comply with the legislation (Federal Law 13,709/2018) related to the protection and processing of personal data of its users, with the obligation to develop and adopt a Data Privacy Program.

PS 5 Land Acquisition and Involuntary Resettlement

PS 5 is relevant.

At the concept stage of the concession's , a Resettlement and Livelihood Restoration Framework was prepared. Then, it was preliminarily dimensioned that 1,953 properties (a total area of 242,613.30 m² of productive and non-productive lands) in the operating range of the area planned for expansion of Lines 11, 12 and 13 could be affected and subject to physical and/or economic displacement.

Later, the Scoping Report commissioned by IFC has estimated adverse impacts related with 1,700 land properties.

The development of project designs and the choice of alternative constructive methodologies that includes a section of underground works for line 13 reduced these figures. The actual adverse impacts related with involuntary resettlement will be significant smaller but have not been estimated yet.

Land acquisition and resettlement principles, processes and procedures have been defined in four documents prepared by the Borrower with regards to the concession of Lines 11, 12 and 13 – namely: a) the Resettlement and Livelihood Restoration Framework (Annex K of the bidding documents); b) the Concession Contract; c) the Terms of Reference for the preparation and implementation of both the General and the Annual Plans by the concessionaire (Annex of the bidding documents); and d) the General Environmental and Social Requirements and Guidelines for Environmental Licensing. All these documents were prepared according to requirements of IFC PS 5. These documents set the requirements to be followed by the private concessionaire. All these documents have been made public as part of the process of the selection of the private concessionaire.

The Resettlement and Livelihood Restoration Framework (Annex K of the bidding documents of the sponsored concession)

The Resettlement and Livelihood Restoration Framework was prepared as an annex of the Scoping Report commissioned by IFC, which is the main consulting partner of the Urban Mobility Program of the São Paulo State Government and refers to the concession of CPTM Lines 11, 12 and 13. The document is based on the requirements of



IFC PS 5 and comprises: a) the project description, b) a preliminary description of the socioeconomic profile of the population in the polygonal of the intervention area, c) a comparative analysis between the requirements of Brazilian legislation and those of PS 5, d) a preliminary definition of the type and magnitude of adverse impacts related to the acquisition of land and e) a set of guidelines for:

- i) The planning of land acquisition and involuntary resettlement;
- ii) The definition of eligibility and rights of different categories of affected people;
- iii) The dissemination of information and engagement of affected people and other interested parties;
- iv) The operation of a grievance mechanism; the collection of baseline socioeconomic data among the affected people;
- v) The valuation of affected assets (based on independent valuation, transparent methodology, participation of affected people, consideration of additional impacts, fair and adequate compensation covering not only market value but additional costs, and transparent process for reviewing and appeal);
- vi) The promotion of restoration and/or improvement of livelihoods; and
- vii) The preparation, implementation, monitoring and evaluation of specific Resettlement and Livelihood Restoration Plans.

This Resettlement and Livelihood Restoration Framework was the basis for the development of the Terms of Reference for the Resettlement Plans that will be prepared and implemented by the private concessionaire, which are publicly disclosed as part of the bidding process for the sponsored concession.

The Sponsored Concession Contract

Chapter XV of the publicly disclosed draft sponsored concession Contract (The Contract) is entirely dedicated to the topic of expropriations, easement fees, temporary occupations, and resettlement.

The Contract states that the private concessionaire:

- a. Will be responsible for dealing with these aspects whenever they are necessary to carry out the extension works in rail lines 11, 12 and 13s.
- b. Must always find a solution that minimizes the socioeconomic impacts related with land acquisition, considering IFC PS 5. Social and technically viable solutions must prioritize a) the reliance on temporary occupation and easement fees to expropriation and, if the latter is inevitable, b) prioritize negotiated processes to the detriment of judicial expropriation.
- c. Must present a General Plan for Expropriation, Temporary Occupation, Easement Fees, and Resettlement (General Plan) to the concession's Independent Auditor within 90 days after signing the Contract. This General Plan must indicate the option for expropriation, easement fees or temporary occupation, as well as for friendly negotiation or judicial expropriation. In any case, the General Plan must abide to principles of transparency and publicity regarding information related to expropriation processes. It must also present the cadaster of affected families and the justification for the forms of expropriation chosen to be provided for each of the affected families.
- d. Must begin the implementation of the General Plan after the Independent Auditor's technical opinion and the non-objection of the Granting Authority.
- e. Must annually present to the Independent Auditor (for approval) and to the Granting Authority (for non-objection) Specific Plans for Expropriation, Temporary Occupation, Easement and Resettlement (Annual Plans). These Annual Plans must contain the treatment to be given to the properties and areas that will be the subject of intervention by the concessionaire in the year following their presentation and must consider that the prior



provision of compensation (and, if applicable, other forms of assistance) to the affected families is a requirement for taking possession of the expropriated lands.

- f. Is prohibited from expropriating, temporarily occupying, establishing easement fees, or carrying out resettlement in areas that are not necessary to carry out the works needed for the concession.
- g. Must respect the valuation requirements set out in the applicable legislation, aiming at fair compensation for the affected property and the principle of economy and efficiency.
- h. Must prioritize the carrying out of resettlement in properties owned by the Granting Authority, which may mobilize the State Housing and Urban Development Company (CDHU) and other state entities for this purpose.
- i. Must submit to the Granting Authority monthly reports detailing the evolution of negotiations (friendly or legal) with the affected people.

Terms of Reference (Annex IV-A-Appendix 4 of the bidding documents of the sponsored concession)

The Terms of Reference for the preparation and implementation of both the General and the Annual Plans by the concessionaire have also been developed and publicly disclosed as part of the bidding documents for the sponsored concession.

They determine that said plans must be prepared in line with applicable Brazilian legislation and the requirements of IFC PS 5, and taking into account the guidelines presented in “Land Acquisition and Involuntary Resettlement Handbook”, prepared by the IFC and available at <https://www.ifc.org/en/insights-reports/2023/handbook-land-acquisition-and-involuntary-resettlement>.

It states that these resettlement plans must cover:

- a. a review of the country’s legislation in light of the requirements of PS 5, encompassing a gap analysis and identifying measures to fill any identified gap;
- b. a description of the institutional framework and an analysis of the capacity of governmental agencies and civil society organizations that will support the implementation of the processes of land acquisition, resettlement and livelihood restoration;
- c. an assessment of temporary and permanent impacts, paying particular attention to adverse impacts for women and vulnerable groups; the identification of affected people and communities, including an inventory of affected assets and livelihoods;
- d. a census of the affected families and socioeconomic studies;
- e. the definition of a strategy of consultation, information, and engagement of key stakeholders;
- f. the definition of the eligibility criteria and the alternatives of compensation
- g. the definition of the standard methodology of asset evaluation; and
- h. the processes of implementation, monitoring, and evaluation of the plans.

The General Environmental and Social Requirements and Guidelines for Environmental Licensing (Annex IV-A-1 of the bidding documents of the sponsored concession)

This document reiterates that the Resettlement Plans must consider key principles of PS 5 related to: prioritization of negotiated agreements with affected people; eligibility for compensation of people with and without legal rights or recognizable claims over affected assets; compensation for loss of assets at replacement cost; compensation for foregone profits, wage losses and transition allowances for economically displaced people; special attention with disadvantaged and vulnerable people; and no use of forced eviction.



The task team has reviewed these documents, and the team's initial assessment is that they set principles, processes and procedures to conduct land expropriation and involuntary resettlement that are aligned with the requirements of IFC PS5.

PS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

CPTM lines 11, 12 and 13 are located in densely populated urban areas and no loss of natural habitats or impacts to natural or critical habitats are expected, but for the extension of line 11 that will cross a Protected Area – APA da Várzea do Alto Tietê. This is a category of PA (sustainable use) with less restrictions on land use when compared with the PAs of full conservation (Proteção Integral). Protected areas are regulated at a federal level under the law 9.985/2000 (or Lei do SNUC – Sistema Nacional de Unidades de Conservação) which defines 12 different types of Protected Areas (PA) split into two different categories: PAs for full conservation and PAs of sustainable use. APAs are equivalent of IUCN Management category VI – Sustainable use of natural resources. The APA da Várzea do Alto Tietê is managed by Fundação Florestal from São Paulo State Government and it has a Management Plan that can be accessed at (<https://fflorestal.sp.gov.br/planos-de-manejo/em-aprovacao/apa-varzea-do-rio-tiete/>). The extension will follow an existing railroad line already crossing the area. Whereas no significant loss of habitats is expected, some impacts from widening existing ROW can adversely impact the local fauna and flora, including an endangered species of bird found there. Nevertheless, the project must follow PS6 requirements. Proper identification of impacts, and the completion of a Biodiversity Action Plan with appropriate mitigation and/or compensation measures will be addressed in the ESIA of the project during project implementation.



PS 7 Indigenous Peoples

PS7 is not currently relevant.

CPTM operates Lines 11, 12 and 13 run through the East region of the capital city of São Paulo and the municipalities of Ferraz de Vasconcelos, Guarulhos, Itaquaquecetuba, Mogi das Cruzes, Poá and Suzano.

According to data from the 2022 Census released by the Brazilian Institute of Geography and Statistics (IBGE). Residents in these municipalities who self-identify as Indigenous Peoples count for: 19,777 residents in São Paulo, of which only 7% live in the six officially delimited areas that are located at its Northwesternmost and Southernmost borders, far away from the neighborhoods crossed by CPTM Lines 11, 12 and 13; 1,649 people in Guarulhos; 536 residents in Mogi das Cruzes; 494 people in Itaquaquecetuba; 338 inhabitants of Suzano; 222 people living in Ferraz de Vasconcelos; and 79 residents of Poá.

However, in these areas crossed by CPTM operated lines, it is not identified the presence of distinct social and cultural groups possessing (in varying degrees) the characteristics of a) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others, b) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories, c) customary cultural, economic, social, or political institutions that are separate from those of the mainstream society or culture, or d) a distinct language or dialect, often different from the official language or languages of the country or region in which they reside. Furthermore, there is no identification of the presence of communities or groups who have lost attachment to distinct habitats or ancestral territories in the project area during the lifetime of the concerned group members because of forced severance, conflict, government resettlement programs, dispossession of their lands, natural disasters, or incorporation of such territories into an urban area.

Therefore, there is no need to prepare a plan to address the relevant requirements of the World Bank Group Performance Standard 7 – Indigenous Peoples.

PS 8 Cultural Heritage

PS8 is relevant for Guarantee Project for the sponsored concession of Lines 11, 12 and 13 to a SPE still to be selected by the State Government of São Paulo. Some works to be carried out by the concessionaire may interfere with built cultural heritage and others may involve excavations and movement of earth works. The terms of the Contract of the sponsored concession state that the concessionaire is responsible to meet the requirements made by the competent bodies in charge of the protection of historical and cultural heritage to obtain licenses, authorizations, and permissions necessary for the execution of the Contract.

Furthermore, the General Environmental and Social Requirements and Guidelines for Environmental Licensing state that the concessionaire must comply with current legislation protecting cultural heritage and the requirements of PS 8 and mention that in the scope of the ESIA, the concessionaire must: a) map the cultural heritage existing in the area of influence of the concession; b) conduct an assessment of potential risks and adverse impacts resulting from the concession, during the commercial operation and demobilization phases; c) define measures to mitigate adverse impacts and measures to enhance cultural heritage (such as listed stations or those with historical value) to be implemented in conjunction with government bodies responsible for cultural heritage (IPHAN, CONDEPHAAT and municipal institutional stakeholders), as well as in consultation with interested and affected parties; and d) develop



chance find procedures to be implemented in areas identified in the ESIA as having the potential to chance finds, either during construction or during operation, as a way to avoid adverse impacts.

The published ESIA's ToR requires: the mapping of tangible cultural heritage in the intervention area, including their distance in relation to the concession's intervention area; the carrying out of additional analysis by a competent professional of the cultural values that may be directly affected by the concession and the potential risks and impacts of degradation of these assets, considering indirect impacts that may occur as a result of expansion works, such as the impact of these assets by vibration effects; and the development of a chance findings procedure.

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

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of ESS1:

ESS 1 is relevant. The PPP contract for the concession of Lines 11-Coral, 12-Sapphire, and 13-Jade states that the GSSP, through CPTM and SP Metro, will remain responsible for the implementation of the construction and/or rehabilitation of some rail and metro stations, of which some are already ongoing. The task team will check the processes and procedures followed by CPTM and SP Metro to assess potential E&S risks and impacts of these works, the conditions imposed by the environmental licensing agency (CETESB) and the mitigation measures required and how they are being implemented. CPTM and SP Metro have an extensive experience and a good record working with the World Bank safeguard policies and robust Environmental and Social Management Systems.

A critical and significant social impact associated to the project – as a downstream effect of the sponsored concession of the commuter rail lines – refers to the future resizing of CPTM workforce. Preliminary assessments found that a significant portion of CPTM employees may be laid off after the full transfer of operations on lines 11, 12 and 13 to the private concessionaire (which will not occur before the end of the second year of the contract), potentially leading to opposition and litigation with employees and relevant labor unions.

To reduce the adverse impacts of retrenchment, CPTM will need to develop a retrenchment plan that must:

- Be based on non-discriminatory criteria, on broad communication and meaningful consultations with key stakeholders (workers and unions), on collective bargaining agreements.
- Comply with all legal and contractual requirements envisaged under the Brazilian labor legislation (related with notice of dismissal and severance payments prior to dismissal).
- Consider alternatives to dismissal such as voluntary measures to terminate the employment relationship voluntarily in exchange for some benefit (beyond the legally required entitlements), voluntary early retirement with appropriate income protection, negotiated working-time reduction programs, outplacement assistance, employee capacity building programs and financial counseling, and the priority hiring of CPTM employees by the private concessionaire, etc.

The development of the Retrenchment Plan, as well as the monitoring and reporting of activities that will rely on the BESF will be included in the Project's ESAP.

Areas where reliance on the Borrower's E&S Framework may be considered:

During project preparation the task team will consider the use of the Borrower's Environmental and Social Framework (BESF) for activities under the responsibility of public entities with regards to screening and management of environmental and social risks and impacts, labor protection and labor rights, resource efficiency and waste management, community health and safety, protection of cultural heritage, and citizen and stakeholder engagement.



Previous World Bank operations and assessments have pointed out that outcomes that are materially consistent with the objectives and relevant requirements of ESS 1, ESS 2, ESS 3, ESS 4, ESS 8 and ESS 10 can be achieved using BESF.

The task team will conduct two complementary activities:

- a) Considering the remodeling of the four CPTM stations is already ongoing and using the BESF system, the team will review the licensing instruments prepared for these works as well as CPTM E&S risk management procedures (including: the environmental and social impact assessments, the E&S Management Plans, the regular monitoring reports sent to CETESB, and CETESB's technical opinions) to check whether the measures adopted by CPTM allow the achievement of outcomes that are materially consistent with the objectives and requirements of the relevant ESSs.

The review aims to ensure that environmental and social risk management have been conducted by CPTM in a manner consistent with the relevant World Bank Group requirements and, as needed, propose additional material measures for proper E&S risk management.

As needed the Borrower may be required to prepare an Environmental and Social Audit of these works, showing how E&S risks are being managed. A Draft of the Report of this eventually needed E&S Audit shall be submitted to the Bank prior to Appraisal.

- b) Considering works that have not started yet, the task team will conduct a re-assessment of the BESF, paying closer attention to institutional capacity of the robust regulatory framework and decide, at Appraisal, on what aspects of BESF the Project can rely on and propose additional material measures and actions (as needed) to address the potential environmental and social risks of the project.

ESS10 Stakeholder Engagement and Information Disclosure

Overview of the relevance of ESS10:

ESS 10 is relevant. GSSP will remain responsible for the implementation of the construction and/or rehabilitation of some rail and metro stations and, therefore, stakeholder engagement and information disclosure measures apply. Both CPTM and SP Metro, entities that carrying out the works, have sophisticated citizen and stakeholder engagement systems. SP Metro's system has been assessed in the scope of the SP Metro Line 2 Extension Project (P504276) and considered materially consistent with ESS10. SP Metro adopts a Standard for Engagement with Stakeholders in the lifecycle of its projects guided by AA1000SES - Accountability Stakeholder Engagement Standard and NBR ISO 26000 - Guidance on Social Responsibility. Hence, SP Metro maintains several communication and relationship channels with citizens, including specific channels for communication and engagement with the community surrounding expansion works. CPTM follows similar procedures, and both maintain transparency portals within their websites, where monthly reports on progress of works and grievance handling are published. Also, both entities maintain user councils, which are regulated by Federal Law 13,460/ 2017, Decree 68,156/2023 and in the State General Comptroller (CGE) Resolution 23/2023.

CPTM and SP Metro operate similar two-tiers grievance redressing mechanisms. The first tier is provided by the Corporate Citizen Assistance System, which provides multiple contact channels, including one in sign language. The second tier (to be contact when citizens consider their first service to be unsatisfactory) is provided by the Ombudsman's Office, established based on State Law 10,294/1999, with the mission of representing citizens before the Company and recommending improvements to internal processes, contributing to the quality of services provided. Additionally, both entities operate whistleblower channels, which receive complaints related to moral or sexual



harassment, corruption, fraud, unlawful acts, discrimination, and violation of the CPTM and SP Metro Codes of Conduct and Integrity.

During preparation, the team will analyze the measures taken by CPTM and SP Metro to disseminate information about works already in progress to interested parties and address complaints and concerns registered by their grievance mechanisms in relation to them. This analysis aims to ensure that stakeholder engagement processes are materially consistent with the requirements of ESS 10.

It is worth to highlight that – as previously mentioned – the process for bidding the sponsored concession has been broadly communicated and involved hybrid public hearings on the scope of the concession and virtual consultations on the bidding documents, which include all relevant environmental and social aspects.

ESS2 Labor and Working Conditions

ESS 2 is relevant. GSSP will remain responsible for the implementation of the construction and/or rehabilitation of some rail and metro stations and will engage direct and contracted workers. Brazilian labor laws (summoned by the Brazilian Labor Code and the Consolidation of Labor Laws, or CLT). incorporate the principles of fair treatment, nondiscrimination and equal opportunity of workers as well as freedom of association and collective bargaining. They promote safety and health at work applying international standards for the protection of workers from OHS hazards. They prevent the use of all forms of forced labor and child labor. They also provide workers with accessible means to raise workplace concerns. The findings of an ongoing overview assessment of the Brazilian regulatory framework commissioned by the World Bank shows that its use will allow the achievement of outcomes that are materially consistent with the objectives of ESS 2. During project preparation the borrower must complete an E&S audit of ongoing activities including the appropriate measures to properly manage OHS and Labor risks in accordance with local regulatory and ESS2 requirements.

As previously mentioned (ESS1 section), a critical and significant social impact associated to the project – as a downstream impact of the sponsored concession of the commuter rail lines – refers to the future resizing of CPTM workforce. Preliminary assessments found that a significant portion of CPTM employees – not necessarily engaged to perform core functions of the project (no project workers in a *stricto sensu*) may be laid off after the full transfer of operations on lines 11, 12 and 13 to the private concessionaire. This transference will not occur before the end of the second year of the contract (2027). Nevertheless, to reduce the adverse impacts of retrenchment, the Project's ESAP will set the commitment of the public entities and authorities to develop a retrenchment plan following GIIP and including the principles of:

- Being based on non-discriminatory criteria, on broad communication and meaningful consultations with key stakeholders (workers and unions), on collective bargaining agreements.
- Complying with all legal and contractual requirements envisaged under the Brazilian labor legislation (related with notice of dismissal and severance payments prior to dismissal).
- Considering alternatives to dismissal such as voluntary measures to terminate the employment relationship voluntarily in exchange for some benefit (beyond the legally required entitlements), voluntary early retirement with appropriate income protection, negotiated working-time reduction programs, outplacement assistance, employee capacity building programs and financial counseling, and the priority hiring of CPTM employees by the private concessionaire, etc.



As part of processes of concession of the operations of commuter rail Lines 8 - Diamond and 9 - Emerald, CPTM has previous experience with the implementation of an Incentive Dismissal Plan, based on the principle of voluntary adherence, guaranteeing rights provided for in labor legislation and granting additional financial incentives to workers in proportion to their length of service. During project preparation, the task team will consult CPTM on lessons learned from the implementation of this previous program and identify additional recommendations to be considered for the future preparation and implementation of the envisaged retrenchment plan.

ESS3 Resource Efficiency and Pollution Prevention and Management

The ongoing construction of new stations and rehabilitation of 4 existing CPTM stations may include the remediation of contaminated sites, discharge of wastewater, disposal of hazardous and nonhazardous wastes, noise, vibration, and dust emissions. During project preparation the borrower must complete an E&S audit of ongoing activities including the appropriate measures being taken to properly manage these impacts in accordance with local regulatory and ESS3 requirements.

ESS4 Community Health and Safety

Overview of the relevance of ESS4:

The standard is relevant. The construction and/or rehabilitation of some rail and metro stations under responsibility of the GSSP, may provoke temporary disturbances on neighborhoods. During project preparation, **the task team will review the** routine measures defined and adopted by CPTM and SP Metro to: a) ensure community health and safety, b) the application of the concept of universal access in the engineering designs of these stations, and c) the manner both traffic and road safety issues and the risks posed by security arrangements made to safeguard the personnel and properties of CPTM, SP Metro and their contractors during the construction phase are being handled.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Overview of the relevance of ESS5:

ESS5 is relevant.

The remodeling works in the four CPTM train stations (the Acaré, the Engenheiro Manoel Feio, the Luz and the Palmeiras-Barra Funda stations) did not require land acquisition as they occurred inside the areas of these facilities.

However, land acquisition potentially leading to adverse impacts related with physical and economic displacement occurred for the construction works of the Penha metro station (already ongoing). As the construction of the Penha Station was considered an Associated Facility of the Green and Resilient SP Metro Line 2 (P504276), an “Audit” is being prepared by SP Metro on the procedures adopted for land acquisition and involuntary resettlement as part of the Environmental and Social Commitment Plan of P504276 operation.

Land acquisition (with potential adverse involuntary resettlement impacts) will be probably needed for the construction of the Gabriela Mistral (detailed design stage) and the Pari (not projected yet) metro stations. The magnitude of these potential adverse impacts (if any) cannot be defined yet. During preparation, the task team will include in the Project’s Environmental and Social Action Plan material measures to ensure that these impacts will be addressed in a manner materially consistent with the objectives and requirements of ESS 5 and Resettlement Action Plans will be prepared and implemented as needed.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

Overview of the relevance of ESS6:



This standard is not currently relevant. The ongoing construction and rehabilitation works under CPTM and Metro responsibility will not result in loss of natural habitats or impacts to natural or critical habitats.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

Overview of the relevance of ESS7:

ESS7 is not currently relevant. No distinct social group possessing the four characteristics set in paragraph 8 of ESS 7 is present in or has collective attachment to the proposed project area. Furthermore, in the proposed area of the project, there are no communities or groups of Indigenous Peoples who have lost collective attachment to distinct habitats or ancestral territories in the project area during the lifetime of the concerned group members because of forced severance, conflict, government resettlement programs, dispossession of their lands, natural disasters, or incorporation of such territories into an urban area.

ESS8 Cultural Heritage

Overview of the relevance of ESS8:

This standard is relevant, because a) the Luz Station – where some rehabilitation works (which also include excavation and movement of earth) are being carried out by CPTM - is listed as a historical built heritage that is protected by the São Paulo State's Council for the Defense of Historical, Artistic, Archaeological and Tourist Heritage (Condephaat) and b) the construction works of the SP Metro stations require excavation and movement of earth works, requiring the adoption of a chance finds procedure. The existing regulatory framework with regards to cultural heritage are consistent with the requirements of ESS 8 and the enforcement capacity in the state of São Paulo is strong. During project preparation, the task team will review the procedures adopted by CPTM and SP Metro regarding cultural heritage.

ESS9 Financial Intermediaries

Overview of the relevance of ESS9:

This standard is not currently relevant.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways No

The proposed project is not financing any detailed design and engineering studies for projects listed in para 2a of OP 7.50.

OP 7.60 Projects in Disputed Areas No

The activities of the PPP supported by this Guarantee Project will not take place in a disputed area as defined per OP 7.60.

IV. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Other Relevant Project Risks

None.

B. Is a common approach being considered? No

Does not apply.



C. Proposed Measures, Actions and Timing (Borrower's commitments)

Actions to be completed prior to Project Appraisal:

- The Borrower must submit a draft report on the consultations carried out during Project preparation.
- The Borrower must submit a draft report on the results and lessons learned from the implementation of the implementation of previous Incentive Dismissal Plan by CPTM.
- As needed (after the task team review of the procedures and processes followed by CPTM for the management of E&S risks of the ongoing remodeling works in four train stations), the Borrower may be required to submit a Draft E&S Audit Report on the environmental and social risk management measures that have been applied to the already ongoing construction works that are part of the sponsored concession but remain under the responsibilities of the public agencies to evidence they have been conducted in a manner consistent with the relevant World Bank Group requirements.
-

D Possible issues to be addressed in the:

Environmental and Social Action Plan (ESAP):

- Ensure that the Granting Authority maintains a concession monitoring structure with adequate capacity to monitor the concessionaire's compliance with the environmental and social requirements established in the contracting documents.
- Ensure the presentation of Specific Annual Plans for Expropriation, Temporary Occupation, Easement and Resettlement to the Independent Auditor (for approval) and to the Granting Authority (for non-objection) prior to implementation and, thereafter, ensure presentation of annual implementation reports and a final completion report.
- Review the Environmental Audit Report (Annex IV.B from the Contract) and include the inventory of Occupational Health and Safety liabilities.
- Ensure the Borrower will prepare a Retrenchment Plan following adequate procedure for meaningful consultation with all key stakeholders, based on non-discriminatory criteria and providing different alternatives to minimize adverse impacts on the layoff workforce.
- Monitoring and reporting of activities that will rely on the BESF (civil works under responsibility of GSSP).
- Ensure the Borrower will strictly follow all the provisions of the robust Brazilian labor legislation and collective bargaining agreements applicable to project workers, directly engaged on the construction and rehabilitation works and in the operation of the commuter rail system during the pre-operational stage of the sponsored concession.
- Ensure the Borrower will prepare a Resettlement and Livelihood Restoration Plan for addressing all adverse impacts related with land acquisition leading to physical and economic displacement under the responsibility of the public agencies in a manner consistent with the principles and requirements of PS5, in line with the PPP's Resettlement and Livelihood Restoration Framework.
- Ensure the Borrower will develop a chance find procedure in a manner consistent with the country legislation and the requirements of PS8.
- Ensure the Borrower will keep transparent channels to provide information about the relevant construction works to key stakeholders and citizens in general and an adequate grievance mechanism throughout the implementation of these works.

Borrower Environmental and Social Commitment Plan (ESCP):



E. Timing

Tentative target date for preparing the Appraisal Stage ESRS

21-OCT-2024

V. CONTACT POINTS

World Bank

| | | | |
|---------------|----------------------|--------|----------------------|
| Contact: | Edpo Covalciuk Silva | Title: | Transport Specialist |
| Telephone No: | | Email: | |

Borrower/Client/Recipient

Government of the State of São Paulo

Implementing Agency(ies)

Companhia Paulista de Parcerias - CPP

VI. FOR MORE INFORMATION CONTACT

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Web: <http://www.worldbank.org/projects>

VII. APPROVAL

Task Team Leader(s): Edpo Covalciuk Silva, Georges Bianco Darido, Bettina Winstel

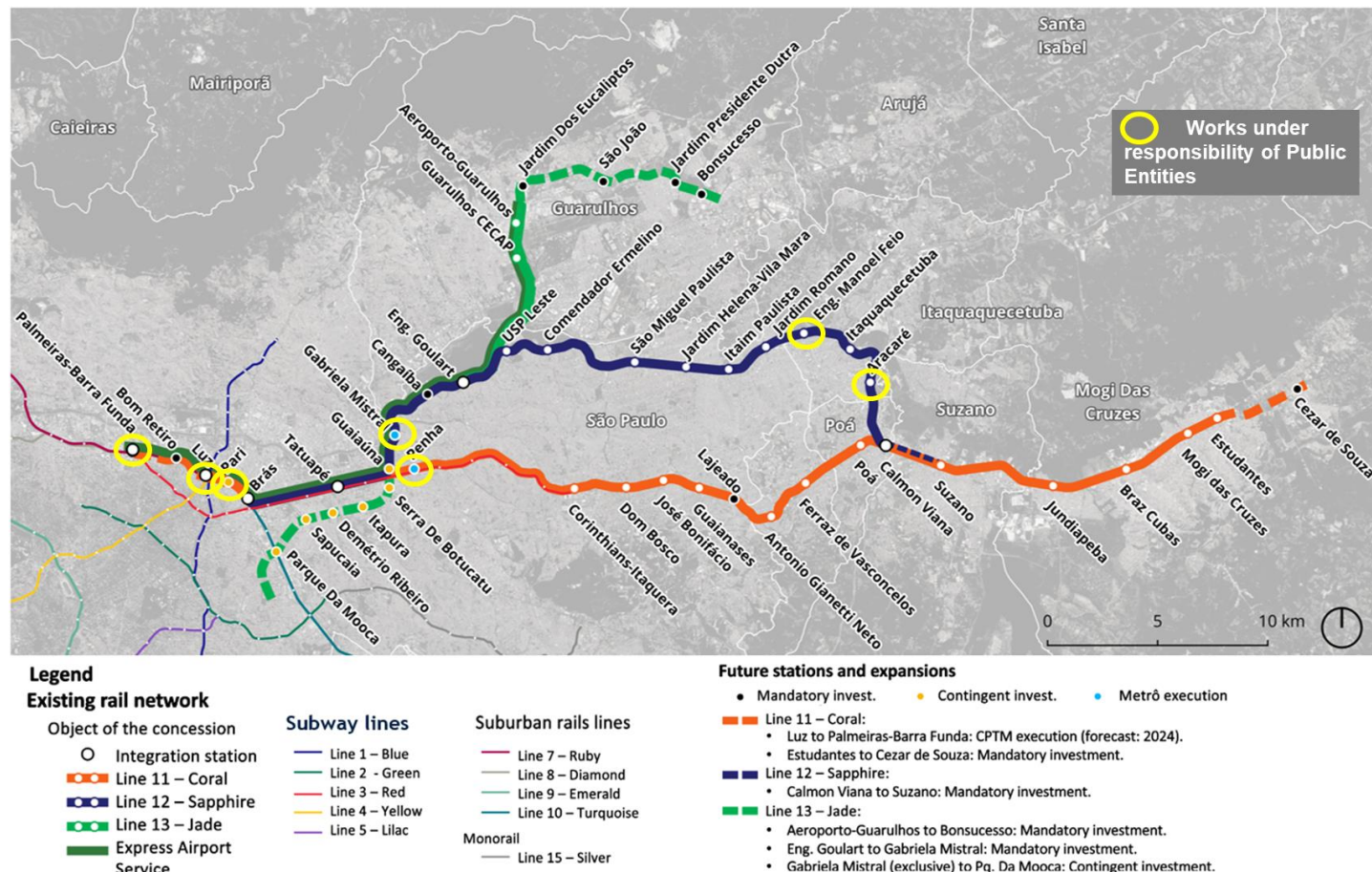
| | | |
|---|-------------------------|------------|
| Environmental and Social Standards Advisor (ESSA): | Angela Nyawira Khaminwa | 10/25/2024 |
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| Practice Manager: | Bianca Bianchi Alves (Transport), | |
| | Erwin de Nys (ENB), | 10/25/2024 |
| | David Seth Warren (SSI) | 10/24/2024 |



ANNEX

MAP OF PROJECT INTERVENTIONS



ANEX II.D OF CONCESSION DOCUMENTS – DESIGN, CIVIL WORKS AND SISTEMS UNDER REPSONSABILITY OF THE PUBLIC ENTITIES

| # | Station | Type of intervention | Lines | Responsibility | Scope of works | Beginning | Ending |
|---|-----------------------|----------------------------|-------------------------------|------------------------|--|------------|------------|
| 1 | Palmeiras-Barra Funda | Adjustments to the station | 11-Coral e Expresso Aeroporto | CPTM | Execution of works to adapt CPTM's Palmeiras-Barra Funda station | 19/01/2022 | 19/04/2024 |
| | | | | | Execution of civil works for the renovation, expansion, demolition and adaptation of the environments of the CPTM Palmeiras-Barra Funda station, with the supply of materials, labor, equipment and supplies | 5/5/2023 | 5/5/2024 |
| | | | Linha 7 e TIC Eixo Norte | PROJETO TIC EIXO NORTE | Expansion of platforms 5 and 6 and mezzanine | n/a | n/a |
| 2 | Luz | New access to Luz Station | 11-Coral e Expresso Aeroporto | CPTM | Execution of works on the new connecting tunnel between CPTM and the Metro at Luz station and access adjustments | 14/09/2021 | 14/09/2025 |



| | | | | | | | |
|---|------------------------|--|---|----------|---|---|------------|
| 3 | Engenheiro Manoel Feio | Adjustments in Eng. Manoel Feio Station | 12-Safira | CPTM | Execution of civil works to adapt accessibility at Engenheiro Manoel Feio station, CPTM's line 12 - Safira | 1/2/2022 | 31/07/2024 |
| 4 | Aracaré | Adjustments in Aracaré Station | 12-Safira | CPTM | Execution of civil works to adapt accessibility at Aracaré station, on CPTM's line 12 - Safira | 15/05/2023 | 14/05/2026 |
| 5 | Penha | Construction of Penha Station | 11-Coral | SP Metro | Execution of civil works, including rough work, finishing and permanent way, on the stretch between Penha Station (inclusive) and VSE Castelo Branco (inclusive) — Vila Prudente Dutra stretch of Line 2 — Green SP Metro | abr/24 | set/27 |
| 6 | Gabriela Mistral | Construction of Gabriela Mistral (Tiquatira) Station | 12-Safira, 13-Jade e Expresso Aeroporto | SP Metro | Execution of civil works, including rough construction and finishing, on the stretch between the Aricanduva and Tiquatira Stations Vila Prudente — Dutra Section of Line 2 — Green SP Metro | nov/25- | dez/30 |
| 7 | Pari | Construction of Pari Station | 19 Celeste | SP Metro | As of the date of issue of this annex, there is no contract for construction of the Pari station on Line 19—Celeste. | Contingent Investment ¹ n/a | |

¹ Contingent investment is outlined in the PPP contract but will only be executed in the future if both parties (the concessionaire and the government) agree.