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Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 05/12/2023 | Report No: ESRSA02812

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BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Ecuador	LATIN AMERICA AND CARIBBEAN	P181079	
Project Name	Ecuador: Emergency Resilient Reconstruction Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Transport	Investment Project Financing	5/3/2023	6/9/2023
Borrower(s)	Implementing Agency(ies)		

Proposed Development Objective

The Project Development Objective (PDO) is to restore connectivity and improve infrastructure resilience and road safety in areas affected by Natural Hazards.

Financing (in USD Million)	Amount
Total Project Cost	150.00

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

Yes

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

This project seeks to assist the Government of Ecuador via Ministry of Transport and Public Works (MTOP) in rebuilding better, safer, more resilient, greener, and more inclusive transport infrastructure affected by Eligible Disasters. Those include recent and future landslides, flooding and earthquakes, as well as those caused by volcanic activity, and in compliance with the determination of an Eligible Disaster as defined in the project Legal Agreement (Section D) and the Project Appraisal Document (PAD). The project will also support the MTOP in improving resilience and conducting preventive actions for highly vulnerable transport infrastructure, as well as improve institutional capacity for planning and management of transport assets. To that end, the project includes both general training

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activities, capacity building linked to projects, as well as the financing of a firm sppecialized in drafting E&S instruments.

The project will follow a framework approach. Although there are some interventions identified, there is no final confirmation on which the project will support. Additionally with a framework approach enables the project to respond to future disasters or imminent threats during implementation. Therefore, specific interventions will not be confirmed until after approval. Following Paragraph 12 (a) of the Section III of the IPF Policy regarding projects in situation of urgent needs of assistance owing to disasters, the fiduciary and environmental and social requirements that are applicable during the Project preparation stage will be deferred to the Project implementation stage.

Component 1: Infrastructure Recovery and Resilience Interventions (estimated total costs US$135 million)

1. Framework approach for infrastructure interventions. The project activities are defined under a Framework approach. There is uncertainty about future emergent needs, as well as about existing emergencies that will be supported by the project (the client may resort to national funds to intervene on any of them during preparation). In this scenario, the Project definition of infrastructure activities is based on eligibility. Positive eligibility criteria will be teleological: The activity follows under the description of Infrastructure Recovery and Resilience Interventions.

2. Infrastructure Recovery. This component will finance any activity related to restoring connectivity lost by damages in transport infrastructure caused by an Eligible Disaster. This may include, among others, designs, works supervision, audits, project management, general civil works (construction, rehabilitation, or improvement), procurement of equipment or consultancy services and Land Compensation Payments. All Infrastructure Recovery Interventions will include a resilience assessment that may lead to the inclusion of Resilience Interventions in the activity. These activities will support both provisional solutions and activities for immediate emergency response, as well as definitive solutions to rebuild better. Through this component, the project will contribute to closing gender employment gaps in the construction sector by providing training opportunities for women in the operation of specialized equipment (for example, heavy machinery, vehicle drivers, and occupational health and safety) and provision of a certificate. Unlike component 2, training and community activities under this component will be based on specific activities implementation.

i. An Eligible Disaster—national or localized in scope—affects transportation infrastructure and has occurred on or after 2022. An Eligible Disaster should trigger at least one of the following protocols:

1. Alert Declaration (Declaratoría de Alerta)
2. Declaration of an Emergency Situation (Situación de Emergencia)
3. State of Emergency (Estado de Excepción)

3. Resilience Interventions. This component will finance any activity related to reducing exposure of HVTI to Natural Hazards. This may include, among other, designs, works supervision, civil works, acquisition of equipment, consultancy services, or Land Compensation Payments. These activities will support interventions such as urgent rehabilitation of poorly maintained HVTI, mitigation of Natural Hazards (for example, slope stabilization and revegetation, drainage, or increase in road elevation). Interventions involving changes in the layout of a road would be eligible, subject to consistency with acceptable measures to mitigate identified environmental and social risks and possible impacts.

i. Highly Vulnerable Transport Infrastructure (HVTI) refers to a combination of exposure to Natural Hazards and the vulnerable condition of the transport infrastructure, which poses or is likely to imminently pose a threat to people, assets, or the environment.

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ii. Natural Hazards refer to:

1. geological hazards: extreme natural events originating in the Earth's crust, such as earthquakes, volcanic eruptions, tsunamis or tidal waves, and landslides (as a secondary event after an earthquake);

2. hydrometeorological hazards: natural events produced by climate variability as heavy rains, flooding, landslides, and so on; and

3. intensified El Niño phenomenon causing heavy rains, floods, storm surges, or landslides.

4. Restoring MTOP's heavy equipment fleet for emergency response and preventive maintenance. This component can finance the acquisition of emergency response and maintenance equipment by MTOP. The acquisition or overhaul of heavy machinery for emergency response may include equipment such as dump trucks, backhoe loaders, loaders, and excavators. The acquisition or overhaul of heavy machinery for evaluation, preventive maintenance and reconstruction may include pavement and vulnerable zone evaluation equipment such as deflectometers, laser profilometers, roughness meters; and construction execution equipment such as motor graders, finishers, road rollers, asphalt mixers, asphalt distributors, and recycling machines.

5. Fostering infrastructure efficiency, resilience and road safety; community participation; and bridging the gender gap in intervened geographic areas. This component will include main or complementary activities in the intervened areas to foster community participation, efficiency, resilience, road safety and inclusive participation for projects. To foster community participation, in addition to consultations, this component may finance training for local communities and microenterprises. This may include, among other things, capacity building to participate in the implementation of project activities, community response to emergencies, encouraging the participation of local microenterprises in post-reconstruction maintenance works. The goal is to ensure that women will benefit from upcoming employment opportunities through the hiring by the government of community members for maintenance works, as well as the support of microenterprises. To promote efficiency, resilience and road safety, the design of Infrastructure Recovery and Resilience Interventions will consider recycling opportunities, prioritize the use of environmentally friendly materials (for example, asphalt emulsions, warm and cold asphalt mixes, asphalt base stabilization) and construction methods (for example, water reuse, minimization of material transport needs). To promote resilience and road safety, all interventions will include road safety audits and resilience considerations from the pre-design phase. To help bridge the gender gap, contractors will provide training for women to obtain certifications to operate heavy machinery. Community emergency response training and microenterprise training activities will also promote women's leadership and management.

Component 2: Project Management and Institutional Strengthening for Resilience (US$15 million)

6. Asset management system and planning tools. This component includes the purchase and/or design, implementation, and staff training of a transportation infrastructure asset management system, which will improve MTOP capacity for asset and disaster risk management. It consists of a software-based solutiondesigned to help MTOP manage the lifecycle of its transportation assets, such as roads, bridges, tunnels, railways, airports, seaports, and other related infrastructure. It will include a combination of tools for Inventory management, condition assessment, performance monitoring, scheduled maintenance and repair activities, budgeting, forecasting, reporting, and analytics. This component also includes the operationalization of these tools and the improvement of the MTOP geoportal. The component may include support to improve the Geoportal and the development of tools for open data

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and information sharing. The aim is to increase competitiveness and efficiency. This will in turn enable the development of information sharing platforms based on planned or executing activities. These activities include employment opportunities from private contractors, availability or need of materials for recycling, machinery.

7. Capacity building activities, including training, knowledge exchanges, guidelines, and manuals on relevant topics. In addition to specific support in capacity building linked to activities included in Component 1, this component will include capacity building activities for civil servants in relevant agencies (for example, MTOP, ANT, CT), civil society, media, private firms, and other relevant actors. This will include training in relevant topics for those responsible for the planning, implementation and policy related to transport infrastructure management, resilience, road safety, gender and other topics relevant to the project. Activities may take the form of training workshops, knowledge exchange visits, drafting of guidelines and manuals. They will target implementation and planning capacity strengthening on topics such as community participation, efficiency, resilience, circular economy, road safety, gender, and emergency response. This component may also include technical support for updating relevant technical regulations issued by MTOP. The component will also finance an analysis of the specific barriers that women in the project areas face in order to work in construction. The analysis will be used to develop an Action Plan for the training and certification of women on specialized equipment, which will be implemented under Component 1 activites..

8. Support to the Project Implementation Team (PIT). This component may finance any expenditure related to the PIT operation, including, among other staff costs, acquisition of equipment, travel related expenses, office supplies, or communications-related expenditures.

9. Project Management and Technical Support (PMTS). In addition to the PIT, this component will finance a Project Management and Technical Support firm. The PMTS firm will provide specialized technical support to the Borrower in the design and implementation of relevant activities during the implementation of the Project. This includes engineering support, as well as on gender, road safety, environmental and social matters, along with ESF, resilience, and other technical relevant topics.

10. Environmental and Social Framework Support (ESFS). Like the PMTS, this component will finance an environmental and social consultancy firm in charge of supporting MTOP in Environmental and Social risks and impact management. The firm will elaborate E&S instruments as required for different interventions. It will also ensure MTOP capacity building in E&S risk management matters and support MTOP in carrying out consultations and monitoring and supporting management of grievances. In addition to design, implementation and monitoring activities, the firm will coordinate with the technical teams to address emergent issues with environmental and social implementations, as well as facilitate other participatory processes beyond Environmental and Social risks.

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D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

With a total area of 283,561 km2, Ecuador lies between latitudes 2°N and 5°S. Ecuador has four geographic regions: (i) The Coast, which is the western region bordering the Pacific Ocean and includes the western provinces of the Andean mountain range – seven provinces, (ii) The Sierra, which consists of the provinces of the Andean and inter-Andean highlands – ten provinces, (iii) The Amazon, formed by the provinces of the Amazon jungle – six provinces, and (iv)

The Insular Region that includes the Galápagos Islands, about 1,000 kilometers west of the continent in the Pacific Ocean.
Ecuador is among the 10 countries with the highest natural disaster risk in the region and among the top 20 in the World according to the World Risk Index report from 2022. This is due to its exposure to geological and hydrometeorological hazards such as earthquakes, volcanic eruptions, floods, and droughts, and to 96% of its urban population residing in coastal and mountainous areas that increase its susceptibility to phenomena like El Niño, leading to floods and landslides and La Niña, associated with increased droughts. Climate extremes are affecting the population and economy, and with climate change projected to intensify such events, the country's susceptibility to natural disasters is expected to rise. The earthquake on March 18, 2023, heavy rains, and the lack of maintenance of road infrastructure, have led to extensive damage to critical public infrastructure and loss of life. This has resulted in the significant destruction of numerous roads and bridges, leading to emergency situations being declared by both the MTOP and the Government. With heavy rains expected to increase in April according to Ecuador's National Institute of Meteorology and Hydrology (INAMHI), additional disasters are expected. The National Multimodal Transportation System (NMTS) is heavily exposed to natural hazards, with deteriorating infrastructure and poor maintenance, making it vulnerable. Around 52% of the national road network is in landslide-prone areas, and 66% is in areas vulnerable to seismic intensities. Additionally, 46% of major roads are in flood-prone areas, and the country has 84 volcanic formations, nine of which have some volcanic hazard feature on the State Road Network. Following the earthquake, the president declared a state of emergency in 14 provinces, and the MTOP issued a resolution declaring a road emergency in four provinces. Immediate implementation is needed for four sites, including a bridge and state roads.

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The scope of the proposed project is nationwide; its main objective is to restore connectivity in areas affected by eligible disasters and ensure connectivity of Highly Vulnerable Transport Infrastructure (HVTI), while improving resilience and safety. This will include four type of activities: (i) Infrastructure recovery, which will include activities related to restoring connectivity lost by damages in transport infrastructure caused by an Eligible Disaster, including design and civil works – construction, rehabilitation or improvement; (ii) Resilience intervention, which will support interventions such as urgent rehabilitation of poorly maintained HVTI and mitigation of Natural Hazards (e.g., slope stabilization and revegetation, drainage, or increase in road elevation); (iii) Equipment for emergency response and preventive maintenance, which will finance the acquisition of emergency response and maintenance equipment including heavy machinery, vulnerable zone evaluation equipment, and construction execution equipment; and (iv) Asset management system and planning tools, as well as capacity building activities, including training, knowledge exchanges, guidelines, and manuals on relevant topics, from the preparation stage and during the implementation of the project and the various interventions.

The specific works that the project will finance have not yet been determined and may be subject to continuous revision due to the urgent nature of the works that will be required.

It is important to note that the impact of natural disasters are not limited to economic and human losses. It has also had long-term effects on society, such as increased poverty and social exclusion, migration and forced displacement of the population, and decreased resilience of local communities. Floods and landslides have also been a recurring problem in the country, especially in rural areas, where the population is often more vulnerable and damage to infrastructure can be more severe. These disasters have had a negative impact on the country's economy, affecting agricultural production and tourism, and generating an additional burden on the health and education systems. From an environmental perspective, natural disasters affecting road structures can have various effects, such as changes in

the topography of the sites, requiring a reevaluation of the design of the road structure; possible variations in natural runoff flows and bodies of water; changes in the landscape; flooding of areas of interest or high environmental sensitivity, among others.

D. 2. Borrower's Institutional Capacity

The Ministry of Transport and Public Works (MTOP) will be responsible for overall project implementation and will establish a dedicated Project Implementing Team (PIT) to manage it. The establishment of the PIT will take place after Effectiveness and according to the Project Operations Manual (POM). The PIT will work closely with relevant departments across MTOP's structure and will consist of a team dedicated to the Project. The PIT structure will be defined in the POM, but it is anticipated that will include one social specialist, one environmental specialist, and one E&S coordinator who will be dedicated to the project and will ensure that the project design and implementation comply with the Bank´s Environmental and Social Standards (ESSs). They will work in the National Direction of Social and Environmental Management (Dirección Nacional de Gestión Socio Ambiental), dependent of the Subsecretary of Transport Infrastructure in the Vice ministry of Transport Infrastructure and Civil Works. During project preparation, the environmental and social (E&S) team within the National Directorate of Socio-Environmental Management will serve as the project's E&S counterpart.

Although MTOP has experience preparing and implementing projects financed by international institutions such as CAF, BID, and the World Bank (in 2016), the MTOP E&S specialists are new to managing World Bank projects under the Environmental and Social Framework (ESF). The previous project implemented by MTOP was P157324 Risk Mitigation and Emergency Recovery Project, a Substantial risk project under safeguards policies, implemented as an emergency response operation as well. The Project faced safeguards-related challenges, however there were no instances of non-compliance and maintained Satisfactory (S) and Moderately Satisfactory (MS) ratings due to some implementation delays.

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During the preparation of the initial project documents, it became apparent that the MTOP staff responsible for E&S matters had only basic knowledge of the requirements under multilateral agency standards. Consequently, the Bank deemed necessary for the MTOP to additionally engage the support of an environmental and social framework support (ESFS) firm to assist the PIT in complying with local legislation and relevant ESSs. As detailed under ESS1, the hiring of an ESFS firm aims to: (i) design and deliver all E&S instruments under the local legislation and under the ESSs requirements; (ii) provide close operational support and capacity building for E&S risk management and supervision during Project implementation; (iii) develop and deliver a E&S risk management capacity building plan, including the relevant ESCP aspects, essentially on the development, implementation and monitoring of E&S instruments; (iv) support MTOP in carrying out consultations and monitoring; and (v) support MTOP for complaints management. The firm would be engaged in sufficient time to ensure that the E&S instruments are prepared to the Bank's satisfaction and approved by the local environmental agency, prior to the start of works. The ESFS firm will be hired no later than 90 days after Effectiveness date and shall be maintained throughout Project implementation. MTOP will prepare the TORs for hiring the firm as part of the Project Operational Manual, and will include as a key aspect the design and implementation of the capacity building plan.

Additionally, MTOP will require capacity building to manage E&S risks during project preparation and implementation, including monitoring E&S risks and impacts, as well as reporting activities. Therefore, during project preparation, the Bank's E&S team will provide support to the team designated by the MTOP for the preparation of the instruments

required under the Bank's ESSs. While capacity building will be supported as part of Component 2 activities, under which an ESFS firm will be financed aiming to supporting MTOP in E&S risks and impact management, as mentioned above and under ESS1.

As described above, MTOP will ensure the capacity building of the PIT through training provided by the Bank during project preparation and by the ESFS firm during project execution. Details of the key trainings are mentioned in the ESCP.

The ESCP reflects the recommendations resulting from this assessment on the staffing, training, and other capacity building needed to manage the project in compliance with the ESF.

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

A. Environmental and Social Risk Classification (ESRC) — High

Environmental Risk Rating — High

Environmental risk rating is rated High at this stage. The project aims to carry out civil works activities such as construction, rehabilitation, or improvement of existing transport infrastructure, however the specific list of interventions to be included and financed under the Project has not been defined yet. Typically, the activities expected to be carried out under this Project would likely be Substantial. However, given the urgent need of the interventions that will be financed, it is possible that some interventions (specifically those involving repairs or maintenance) are located within environmentally or patrimonial protected and sensitive areas, which pose possible significant environmental risks. Eventhough, based on the nature of rehabilitation works proposed environmental risks and impacts are expected to be predictable, short to medium term, reversible, site-specific and moderate in magnitude, it is possible that some interventions are located within high value ecosystems and habitats or in Natural Protected Areas (ANPs) which would potentially require complex mitigation and compensatory measures, thus giving the Project an overall environmental risk rating of High. There is a possibility of occurrence of new emergencies of great magnitude, related to the continuity of the rainy season, the possibility of occurrence of the El Niño phenomenon, the activation of new geological fractures that may cause landslides of considerable magnitude, damming, flooding and even volcanic eruptions. Specific activities to be financed and their related technical details will be defined during Project implementation, with the government presenting the possible eligible emergencies as required. Considering preliminary information of some sites requiring repair and the works that would be required, some potential risks and impacts may be: (i) impacts on lands and temporary land use, including impacts on natural habitats due to interventions on existing infrastructure and related material sourcing, where MTOP shall meet local and ESS3 environmental requirements for qualified material sources, or ensure that sources comply with previous E&S assessments; (ii) soil erosion due to inadequate revegetation after the works; (iii) water pollution due to construction works, generation and discharge of wastewater from civil works; (iv) nuisance due to dust generation, vibration, noise and odors; (v) generation, management and disposal of non-hazardous and hazardous waste, residual construction waste, and hazardous materials from demolitions; (vi) temporary disruptions to traffic during the works; (vii) health and safety risks to workforce and local communities in the close areas to works, including exposure to hazardous materials and wastes and the possibility of disease outbreaks. Such impacts will be addressed through proper assessment of the eligible activities and development of site-specific E&S assessments and management plans that will include measures to manage these risks and impacts appropriate to the scale and nature of the activities.

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Specific mitigation measures will be defined for activities within environmentally protected or ecologically sensitive areas. With regards to the Borrower's capacity, and as noted in the previous section, MTOP has successfully completed similar projects that met the E&S requirements of IDB and CAF and a WB emergency response project under safeguards policies. However, prior to the implementation of the Project, the executing agency needs to strengthen its ESF knowledge and experience. The Bank has evaluated current E&S staff working on project preparation and concluded that they require significant improvement in managing projects under the ESF, and additionally in emergency situations. This assessment has further contributed to categorizing the overall E&S risk as High due to the counterparts limited E&S capacity to manage these type of interventions in line with the ESF.

Social Risk Rating High

Social risk is classified as High at this stage of Project preparation based on the nature of the proposed activities and due to the fact that interventions to be included under the Project may involve high social risks, especially in relation to those interventions in the response to major landslide emergencies. The overall social benefits are expected to be positive, through resilient rehabilitation and reconstruction of public infrastructure such as roads and bridges to reestablish connectivity vial and strengthening of the project implementing agencies' technical and institutional capacity to respond to the emergency. However, identified social risks and potential impacts include: (i) inadequate management of the environmental impacts as set out above that may harm the people affected by both the disaster and the intervention; (ii) potential increase in accidents involving the workforce and local population surrounding the work sites; (iii) possible expropriation of properties located in the right of ways or areas where the project could intervene; (iv) potential exclusion of vulnerable populations, whose interests could be under-represented, from accessing labor opportunities, (v) risks related to Gender Based Violence (GBV), which severely augment during disaster contexts and major civil works projects; (vi) potential inadequate implementation of a stakeholder engagement strategy, including differentiated approaches to reach the most vulnerable stakeholders; (vii) the presence of crime and violence during disaster response and reconstruction activities which can pose a threat to local communities and project workers and could hinder the implementation of site-specific project activities; (viii) potential use of law enforcement, military or private security companies; (ix) Potential temporary affectation to public services at a local or regional level; (x) temporary economic displacements and livelihood impacts on people and local producers as a result of road interruptions. These risks and corresponding mitigation measures will be set out in the Project's ESMF, in the Labor Management Procedures (including a Project workers-specific GRM), and a Stakeholder Engagement Plan (SEP) which has been developed incorporating a stakeholder mapping and a two-way engagement strategy to guide the interactions with Project beneficiaries (including the most vulnerable among them) and ensure that a Project Grievance Redress Mechanism (GRM) is in place for addressing concerns and grievances during the Project implementation. Given the above, and making use of the precautionary principle, the task team has assessed the social risk rating as High at this stage because: i) the limited information available about the activities to be financed; ii) the local context and the possibility of the occurrence of new emergencies of great magnitude, related to the continuity of the rainy season, the possibility of the occurrence of an El Niño phenomenon, the activation of new geological fractures that may cause landslides of considerable magnitude, damming, flooding and even volcanic eruptions; (iii) the tight time frames for project execution and the possibility to finance already existing works; and (iv) current client capacity for E&S risk management. The risk rating will be reviewed and adjusted during appraisal, if necessary, as more detailed information becomes available.

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

B.1. General Assessment

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ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

This Standard is relevant.

Under Component 1, Infrastructure Rehabilitation and Resilience Interventions, the project will finance the recovery, rehabilitation and resilient reconstruction of road infrastructure damaged/destroyed by some events and situations such as intense rainfalls, seismic activities, lack of a systematic maintenance, and potentially affectation to other infrastructure by future disasters as well. Project activities may include financing studies (designs, road safety audits, diagnostics), civil works, and other interventions required to restore connectivity in areas affected by eligible disasters, or studies or interventions to enhance resilience in priority areas. This component will also finance the acquisition and overhauling of machinery needed for road maintenance and emergency response. It can also finance studies for estimating needs and preparing procurement for acquisition or overhauling of said machinery. Under Component 2, Project Management and Institutional strengthening for resilience, the project will finance PIT related expenditures. It will also finance the design and implementation of an asset management system; the implementation of a tool for transport projects prioritization; and the hiring of an ESFS firm in charge of supporting MTOP in E&S risks and impact management.

As the interventions to be carried out under Component 1 are not currently specified, an E&S framework approach will be adopted. Among the prioritization criteria for works, the project will identify E&S risks and opportunities to ensure that investments do not cause significant unforeseen environmental or social impacts and leverage social opportunities for inclusive development. At project preparation and early implementation stage, the project instruments to assess and manage E&S risks and impacts will consist of: (i) an Environmental and Social Management Framework (ESMF), with general guidelines for E&S management, including methodologies for selecting measures to address different types and level of risk of interventions. The ESMF will describe how the MTOP will ensure that each intervention complies with the requirements of the applicable ESSs, and will define responsibilities and allocable budgets, for which each intervention is expected to have a site specific E&S assessment and corresponding ESMP. The ESMF will be prepared, consulted on, disclosed, and adopted by the MTOP no later than five months after Effectiveness, and as a condition to any disbursement or launching any bidding process under Component 1 of the Project; (ii) a Stakeholder Engagement Plan (SEP) (a draft has already been developed during preparation); (iii) Labor Management Procedures (LMP) within 60 calendar days of Effectiveness; (iv) a Resettlement Policy Framework (RPF) within 60 calendar days of Effectiveness. The ESMF will include an E&S methodology for risk classification of site-specific project activities, which will set forth the requirements for site-specific Environmental and Social Impact Assessments (ESIAs) and Environmental and Social Management Plans (ESMPs), instruments that shall be prepared in a manner acceptable to the Bank and in line with the ESSs, and be finalized either prior to the launching of the respective bidding process, or prior to the commencement of the respective Project activity, as applicable in accordance with the ESMF. According to national regulations, for activities identified to carry High or Substantial risks, MTOP will use independent consultants to carry out the E&S assessment at intervention level, necessity that would be met by using the services of the ESFS firm to be contracted. MTOP will develop an Indigenous Peoples Planning Framework (IPPF) consistent with ESS7 within five months of Project Effectiveness and in any case, as a condition to any disbursement under Component 1 of the Project, which will outline the general aspects to be considered for the development of specific Indigenous Peoples Plans (IPP) for each intervention, in case that it is determined during the identification of the work. The IPPF and also the ESMF will include specific measures to ensure that, prior to the execution of any work, timely due diligence is carried out to determine whether or not an IPP is

required, including an assessment to determine the necessity of obtain Free, Prior and Informed Consent (FPIC). If any of the works to be carried out involve intervention in the territories of indigenous, Afro-Ecuadorian or Montubio peoples and nationalities, an IPP will be prepared that will take into account at least the following aspects: information and communication, culturally appropriate participation and consultation, and grievance mechanisms. With the information available at the moment, it is not possible to determine if any road rehabilitation works under the Project will be carried out in lands where IPs are present and, thus, an IPPF will be prepared, and subsequent IPPs could be prepared according to the intervention need.

The ESMF will include generic E&S risk management procedures / codes of practice, in line with the World Bank's ESF; WBG's General Environmental, Health, and Safety (EHS) Guidelines; and infrastructure specific EHS guidelines, where applicable, that can be quickly and easily adapted and tailored to site-specific project activities and incorporated into site-specific ESMPs, Contractor ESMPs and bidding documents, covering, inter alia: management of diverse construction impacts; occupational and community health and safety; management of project material sites; debris and hazardous materials management; worker camp management; GBV/SEA risk management procedures; a worker Code of Conduct; guidelines for universal access design in line with ESS4; and measures to avoid/mitigate potential impacts on natural habitats and ecosystem services. The ESMF will further detail institutional roles and responsibilities, monitoring and reporting requirements, an estimated E&S budget, and capacity building measures.

Site-specific ESIAs and ESMPs will be consulted on and disclosed locally and by the Bank either prior to the launching of the respective bidding process, or prior to the commencement of the respective Project activity, as applicable in accordance with the ESMF. Engineering and design plans for the infrastructure to be financed by the project will be informed by the ESIAs/ESMPs and grounded in existing national laws and policies and the ESF; and will consider as much as possible climate-resilient aspects tailored to the context of Ecuador. The ESMF will also detail the application of national regulations on environmental permitting and will include the need to complement the measures of the national documents (EIAs / Environmental Registers) with measures according to the relevant ESSs and established in site specific Environmental and Social Impact Assessments and Management Plans (ESIAs/ESMPs).

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All technical assistance activities foreseen by the project include capacity building and support for updating the relevant technical regulations. Such TA activities, from the TOR and the work plans to the outputs and other documentation, must comply with the requirements ESS1, paragraphs 14-18 and the relevant ESSs incorporating such requirements in a form acceptable to the Bank.

A draft Environmental and Social Commitment Plan (ESCP) was agreed with MTOP and includes all necessary actions and measures to undertake during preparation and implementation, their timeframes, and M&E arrangements will be finally agreed upon with the Borrower during Negotiations. A draft ESCP will be disclosed by MTOP and the Bank prior to Appraisal, while a negotiated version will also be subquently disclosed.

Capacity strengthening measures for the PIT will be part of the Project's ESMF and reflected in detail in the Project's ESCP. Key measures that MTOP should pay attention to during project implementation are timing of recruitment of staff, as necessary, and sequencing of Project activities to ensure there is sufficient time for the recruited staff to receive training to develop the required E&S instruments, and receive training from the MTOP personnel who prepared the project, as a hand over of technical information. The Bank deem necessary for the PIT to engage the support of an ESFS firm to (i) design and deliver all E&S instruments under the local legislation and under the ESSs

requirements; (ii) provide close operational support and capacity building for E&S risk management and supervision during Project implementation; (iii) develop and deliver a E&S risk management capacity building plan, including the relevant ESCP aspects, essentially on the development, implementation and monitoring of E&S instruments; (iv) support MTOP in carrying out consultations and monitoring; and (v) support MTOP for complaints management.

In the event that MTOP requests retroactive payments to be made, the MTOP shall carry out an E&S compliance assessment to confirm that activities subject to retroactive financing have been implemented in accordance with the relevant ESSs, in accordance with terms of reference acceptable to the Bank. The results of the above mentioned compliance assessment shall be used to inform the preparation of a corrective action plan, if necessary, and will determine whether an activity is not eligible for Bank financing. The Terms of Reference for this environmental and social compliance assessment shall be part of the ESMF. Submitting the E&S compliance assessment report in terms acceptable to the Bank, shall be a condition of disbursement to access retroactive financing.

ESS10 Stakeholder Engagement and Information Disclosure

The standard is relevant.

The main stakeholders of the Project are people affected by the damages to road infrastructures caused by the severe natural events related to damage to road infrastructure, collapse of bridges, landslides of great magnitude, earthquakes, floods, river flooding, among other natural disasters. These would include people located near the targeted road infrastructure, neighboring communities that use this infrastructure daily, as well as other frequent road users at large. Further interventions will be identified during Project implementation.

Other stakeholders would include subnational authorities (decentralized autonomous governments at the regional, provincial, cantonal, parochial), economic agents such as transporters, tourism industries, public service providers that uses the road infrastructure to be intervene, among others.

The MTOP has prepared an initial draft SEP which will be initially disclosed prior to project appraisal and then updated, consulted, and disclosed by MTOP, within five months of Project Effectiveness. The final SEP will identify affected and interested parties as well as vulnerable groups. The document will include an analysis of the different stakeholder groups and present a strategy that includes timelines and methods for consultations and continuous engagement throughout project implementation. The SEP will outline the aspects to be considered in order to establish targeted lines of communication tailored to the different types of actors and stakeholders, including engagement methodologies for vulnerable groups. The SEP will also identify resources and responsible personnel to ensure its implementation as well as guidelines for monitoring and reporting. The SEP will ensure the participation of all stakeholders, to understand the needs of the affected populations, ensure transparency and coordination between government entities, the MTOP and communities, and receive feedback and grievances. The SEP will set out the nature and periodicity of stakeholder consultations and require regular beneficiary feedback surveys.

MTOP has agreed to consult as early as possible (including at the level of authorities, local decision makers or with representative IP organizations/communities) on the overall project. Once the project interventions have been identified, consultations on the specific activities and on the instruments of each intervention shall be carried out early, to ensure that stakeholders can contribute to the design processes and preparation of risk mitigation

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measures, much of which will be carried out in the early stages of implementation. The MTOP will ensure that all consultations and participatory dialogues with participation of specific vulnerable groups within communities whose interests are traditionally underrepresented, such as elders, women, youth and persons with disabilities.

The MTOP has two Grievance Redress Mechanisms established in the framework of the Public Administration, which are the "Citizen Contact" platform and the Presentation of grievances in the offices of the Ministry of Transportation and Public Works. In both cases, the complaints are processed internally and referred to a specific area in charge of responding to the complainant. MTOP will analyze the way in which it can follow up more closely the complaints received through these means.
In addition, for each intervention, MTOP will require its contractors, both construction and inspection to deploy mechanisms for receiving grievances and complaints, suggestions or concerns, such as: mailboxes, telephone lines, WhatsApp, email, website, where interested parties can access and submit a complaint. MTOP will follow up on the mechanisms for complaints and claims in the monthly reports of contractors and audits. For future bidding processes, it will be specified that the Grievance and Complaint Mechanisms must comply with the requirements established by the ESS 10, including the possibility of submitting anonymous complaints.
At the moment, a project level Grievance Mechanism (GM) has been outlined in the draft SEP, will be based on the current MTOP GRM and will be finalized by MTOP and made operational and adequately resourced and staffed no later than five months after project effectiveness date. It will address concerns and complaints promptly and transparently with no cost or discrimination toward stakeholders and project-affected communities. People affected by or involved in the activities supported by the project will have accessible and inclusive means to raise concerns or register complaints through the GM. The GM will have multiple entry points of contact, including the one that MTOP currently has, but also those that contractors will be required to maintain while operating on the various work or activity fronts, and will have the capacity to provide attention to complaints related to GBV. The GRM is also expected to will also be expected to provide early warnings of emerging social risks.

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B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

This Standard is relevant.

The project is expected to engage with direct and contracted workers. The MTOP will develop and adopt Labor Management Procedures (LMP) to manage labor related risks and impacts and describe the types and number of workers included in the project. The LMP shall be adopted no later than 60 days after the Effective Date and in any case, before engaging project workers. The LMP is also a condition to any disbursement under Category 1 (which relates to Part 1 of the Project). Once adopted, implement the LMP throughout Project implementation. The LMP will provide an overview of applicable legislation, expected types of personnel to be hired under the project, and measures to comply with ESS2, including child labor, minimum salary, and work hours. The LMP will also include a description of the GRM specific and available to project workers. Where government civil servants are working in connection with the project, whether full-time or part-time, but not hired by the project, they will remain subject to the terms and conditions of their existing employment agreement or arrangement unless there has been an effective

legal transfer of their employment or engagement to the project. For these employees, provisions of Protecting the Work Force and Occupational Health and Safety of ESS2 will apply.

Regarding the occupational health and safety during project implementation, the ESMF, and subsequent intervention-level instruments, will include an Occupational Health and Safety Procedure (OHSP) and an Infectious Disease Prevention and Response Procedure (IDPRP) for potential communicable infectious diseases which could affect project workers and communities. These procedures will be in line with the WBG's General EHS Guidelines and Good International Industry Practice (GIIP), including WHO and PAHO guidance. The OHSP will include requirements for the use of Personal Protective Equipment (PPE), inclusion of training activities for general OHS, traffic safety, operation of heavy machinery among other topics, and investigation/reporting of accidents. While the IDPRP will include measures for prevention, infection control and case management of infectious diseases. The ESMF will also include a general Emergency Response Procedure (ERP) for emergency preparedness and management, and response arrangements in the event of any social, labor related and/or natural disaster situation that could take place or evolve during project implementation and operational phase. These procedures will serve as the basis for the development of specific OHSPs and ERPs that will be required in site-specific ESMPs, as necessary.

Bidding documents for all investments will include OHS requirements, a worker Code of Conduct, and requirements for other labor issues such as labor influx, non-discrimination, equal opportunity, and prevention of all forms of forced labor. The Project will not hire people younger than 18 years old for hazardous work; those between the national legal minimum age of 14 and 18 can be engaged to do non-hazardous work in line with ESS2 provisions and will comply with all Ecuadorian labor laws. The MTOP and their designated supervision consultants will actively monitor civil works activities throughout the project cycle to ensure adherence to this Standard.

The LMP will include a GRM for workers, which amongst other aspects will include procedures on how to address GBV related grievances that will be survivor-centered. The LMP will be reviewed and updated throughout project implementation as required, considering the activities to be undertaken in each site-specific project activities and as additional project activities unfold entailing additional labor related risks or issues.

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ESS3 Resource Efficiency and Pollution Prevention and Management

This standard is relevant.

Under Component 1 the Project will finance civil works in the road network and associated infrastructure, meaning rehabilitation and new constructions to address emergent situations, throughout the Ecuadorian territory. The Project activities will also support interventions such as urgent rehabilitation of poorly maintained Highly Vulnerable Transport Infrastructure (HVTI), mitigation of Natural Hazards (e.g. slope stabilization and revegetation, drainage, or increase in road elevation). Project activities and civil works investments are expected to be sources of pollution, emissions (including GHG's), and users of resources as considered by ESS3. The types of potential pollution sources include construction waste, runoff from construction sites and from civil works activities, use of materials, including hazardous materials for construction and petroleum-based products for vehicles and machinery, and air pollution from operation of machinery and vehicles. The Project will finance also TA and aiming to manage potential risks and impacts derived from these activities. TORs, work plans, or other documents defining the scope and outputs of TA activities will be drafted so that the advice and other support provided is consistent with ESS3.

Pollution: The Project design will be geared to incorporate best practices, including WBG General EHS Guidelines, to reduce discharge and waste and is not expected to significantly impact air pollution, noise, or other forms of pollution. It is important to note that in order to improve pollution management, component 1 of the project includes the purchase of recycling machines. It is not likely that the Project will be a large generator of hazardous materials, nevertheless, it will be assessed during project implementation and the ESMF will include measures to ensure minimization of adverse impacts on human health and the environment including proper storage, handling, use, and disposal of hazardous, flammable or potentially contaminating wastes. The ESMF will define institutional responsibilities and will guide the preparation of site-specific management plans as needed, including a sufficient budget at the intervention level for monitoring and capacity-building regarding pollution prevention and emergency incident response.

Vegetation and soil: Soil removal and clearance of vegetation may occur from road rehabilitation and widening activities, and new construction financed by the Project. All construction material needed for the infrastructure work (sand, stones, timber, etc.) will be obtained from licensed quarries and certified timber suppliers. Considering the flooding nature of the areas, all areas cleared will be adequately revegetated to avoid potential landslides. As construction activities and temporary facilities for the execution of the works could take place in or in proximity to ecologically sensitive areas, it is anticipated that significant impacts could be caused at these sites, therefore, the environmental risk of the project has been categorized as high; therefore, specific and stringent measures should be included in the ESMPs.

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Waste management: Construction waste will include mostly waste from excavated soil and debris and hazardous waste such as hydrocarbon oils from maintenance activities of construction machinery and vehicles. Any waste generated by Project activities will be disposed according to national regulations, GIIP and the WBG's General EHS Guidelines. More information on the possibility that the Project will involve the demolition of structures should become available during interventions preparation; in the event that special handling and disposal of materials and wastes in general is required, the ESMF will include generic measures for the management of hazardous material, and site-specific ESMPs will also include specific measures for waste management.

Efficiency measures: The project will consider construction specifications that demonstrate savings in terms of energy and water consumption, aiming to enhance natural resource-use efficiency, reduce GHG emissions, and promote climate adaptation. In line with ESS3, the Borrower together with the Bank characterized and estimated sources of air pollution-related to the Project and determined with the Bank that Project related emissions warrant an estimation of gross GHG emissions as per this standard, as well as its technical and financial feasibility. As assessed within the PAD, in the Project scenario, total gross emissions are 7,599,493 tCO2 ,while the analyzed representative interventions will reduce a total of 1,896,538 tCO2 net emissions.

Air emissions and noise: These may be generated during the construction phase from the use of heavy vehicles, machinery, and construction activities. The ESMF will consider mitigation measures, which may include dust suppression and vehicle maintenance programs to minimize the impact of air emissions and to minimize and manage noise levels. Site specific ESMPs to be prepared will include these measures as necessary. The bidding for the acquisition of heavy equipment will include specific ESMF measures and sustainability criteria to ensure the

equipment acquired complies with air emissions and noise from WB General EHS guidelines and offers savings in terms of energy and energy saving in the materials used.

Water use: The Borrower will adopt measures, to the extend technically and financially feasible, to avoid or minimize water usage. The Borrower must assess the significance of water use (particularly quantity and effects of availability on the local population) under Component 1. These requirements will be incorporated in the ESMF.

ESS4 Community Health and Safety

This Standard is relevant.

Rehabilitation and reconstruction activities may expose communities to health and safety risks especially to those communities that are in proximity to the construction sites and affected areas. Civil works may cause some inconvenience to the local communities as access, particularly road traffic and pedestrian access, and potentially utilities, could be interrupted temporarily. Measures to reduce road and pedestrian accidents around or near-by reconstruction/rehabilitation sites will be included in the ESMF. Site-specific ESMPs will include traffic management plans and measures for local communities to ensure pedestrian safety, as well as requirements for the adoption of signage and safety barriers in or near construction zones and safe storage arrangements for construction machinery and equipment. The Component 1 activities include training and capacity building to support community sensitization on road safety. Due consideration will be put to the specific needs of vulnerable groups such as elderly, children and persons with disabilities. In the interventions to be financed for both construction and rehabilitation, MTOP will prioritize the implementation of mechanisms to ensure universal access for all beneficiaries, i.e. free access for people of all ages and abilities in different situations and in different circumstances. Nuisances caused to local communities from noise, dust and vibration resulting from the use of construction machinery and vehicle movement during construction works causing disturbance to nearby homes will be addressed in the ESMF, and site-specific ESMPs (and C-ESMPs) will be required to include specific measures to reduce the impacts from these activities, as necessary, to ensure adherence to this Standard.

For civil works to be financed by the project situated in high-risk locations, and those were failure or malfunction of implemented structures may threaten the safety of communities, the project will be required to engage one or more independent experts (prior agreed with the Bank) with relevant and recognized experience in similar projects, separate from those responsible for the design and construction, to conduct a review as early as possible and throughout the stages of project design, construction, operation, and decommissioning.

Unstable settings, due to mudslides, and landslides, because of natural events, could also pose a potential health and safety risk to the affected local communities and project workforce. The ESMF will include appropriate measures (such as ERP) to guide the workforce and local communities on what to do when there are imminent danger, as well as on actions for during and after these types of events. Site-specific ESMPs will adopt these measures as deemed necessary, depending on the specific risks at each worksite. All civil works to be financed by the project will be reconstruction/rehabilitation, taking into consideration climate-resilient aspects that will have the ability to anticipate, prepare and respond to future hazardous events, trends, or disturbances related to climate, thus, reducing future climate-related risks. As mentioned above, among the prioritization criteria for works, the project will prioritize interventions where E&S risks and opportunities ensure that investments do not cause significant

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unforeseen environmental or social impacts and leverage social opportunities for inclusive development. The Borrower will also include a code of conduct for the workforce that will be part of the ESMF and LMP.

The management of community health and safety issues will be described in the Project's ESMF and will be integrated into the site specific ESMPs. The influx of labor for site-specific project activities might increase several risks, including Sexual Exploitation and Abuse (SEA) for vulnerable communities including children. The ESMF will lay out measures to be adopted in site-specific ESMPs to minimize the risks to the population, through a combination of education and awareness-raising, and the adoption of strict traffic safety and GBV/SEA risk management procedures. Project activities will be designed to ensure that all workers know project OHS requirements, wear personal protective equipment (PPE) and receive appropriate training to reduce contagion to a minimum. Outbreaks of water-borne (Cholera, typhoid, etc.) and vector-borne (malaria, dengue, etc.) diseases could occur as a result of the intense rains. Although not specifically a water born disease, infectious diseases such as leptospirosis that have registered outbreaks due to the intense rainfalls in some part of the country should also be monitored when pertinent. The Infectious Disease Response Procedure (IDRP) included in the ESMF will outline measures to (i) identify and reduce sources of contagion in the affected area; (ii) evaluate living conditions of the affected population; (iii) define actions towards ensuring availability of safe water and adequate sanitation facilities for project workers, to the extent possible, and, (iv) identify potential healthcare facilities to ensure effective case and incident management. Other potential health and safety risks to affected communities may be produced from diminution of water quantity or quality, exposure to hazardous materials, and potential impacts caused by other natural disaster risks affecting the surrounding communities. The ESMF's Emergency Response Procedure (ERP) will include measures to manage and mitigate these risks.

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The MTOP has indicated that there is a potential for deployment of security forces (private security companies) in the implementation of some of the Project activities. MTOP will ensure that specific measures consistent with the requirements of ESS4 and World Bank guidance on Use of Security Forces are adopted, for project activities that may require the use of security personnel or security forces. Furthermore, the client will ensure that security personnel follow a strict code of conduct and avoid any likely adverse impacts throughout project implementation. Thus appropriate requirements will be specified in the ESMF for management of use of security forces, if it were to occur, such as: i) screened to confirm that they have not engaged in past unlawful or abusive behavior, including sexual exploitation and abuse (SEA), sexual harassment (SH) or excessive use of force; ii) adequately instructed and trained, on a regular basis, on the use of force and appropriate behavior and conduct (including in relation to SEA and SH), as set out in the ESMF; and iii) deployed in a manner consistent with applicable national law.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

This standard is relevant.

MTOP has indicated that the works will be mainly rehabilitation of existing road infrastructure within the existing right of way (RoW), and they do not foresee the need to acquire new land and do not anticipate that such RoW is occupied by informal settlers. However, currently, there is no available information to be able to confirm whether any of the interventions that will be financed would require new areas of land or the resettlement of people. Once the interventions to be carried out with the project financing have been identified, it will be established that during

the designs and even during the implementation of the works, all the necessary measures will be taken to avoid and reduce resettlement as much as possible, as technically and socially feasible..

Given that some of the interventions to be financed under the Project may lead to the need to acquire additional land or resettle people, MTOP will develop a Resettlement Policy Framework (RPF) within 60 calendar days of project Effectiveness. The RPF will be used for cases where land acquisition or resettlement is needed for priority infrastructure, including temporary land taking for contractors' camps and storage of equipment; permanent or temporary relocation of encroachers due to site-specific activities; and interruption and/or restriction to access to any business adjacent to site-specific projects causing loss of income. When necessary, and prior to the start of any civil works requiring resettlement, Resettlement Action Plans (RAPs) will be submitted for Bank's approval prior to their broad-based consultation with Project affected peopled, and final plans disclosed in the Bank and official local institution's websites an fully implemented (all compensation at full replacement cost awarded to Project affected people covered by said RAPs) before the initiation of works. Works will not commence until the full implementation of the RAPs, including the provision of compensation in kind and/or in cash at full replacement cost has been provided to Project affected people to mitigate for any impacts.

The RPF will establish eligibility criteria for affected persons in line with ESS5 (including informal occupants without a right or a claim to the land occupied), set out procedures and standards for compensation at full replacement cost (which differs from the standard of cadastral value set forth in the local laws), and incorporate arrangements for consultations, monitoring and addressing of grievances.

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ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

This standard is relevant.

According to available information, construction activities and temporary facilities for the execution of the works could take place in or in proximity to ecologically sensitive areas. If this is the case, significant impacts could occur at these sites, therefore, the environmental risk of the project has been categorized as High; therefore, specific and stringent measures should be included in the ESIAs/ESMPs of each of the interventions as required.

It is estimated that most of the activities related to rehabilitation of existing infrastructure (roads, highways, bridges, and potentially others) will be developed within existing footprints and mostly in degraded areas; however, it is possible that some civil works may potentially interfere with remaining areas of native vegetation or areas of importance for biodiversity. For the new construction works, the Project will avoid to the extent possible the siting of infrastructure on natural or critical habitats. The ESMF will include generic biodiversity-related mitigation measures that will serve as the basis for the subsequent development of site specific ESIAs/ESMPs. Potential risks and impacts on natural habitats will be assessed in detail upon the definition of the location, type, and scope of infrastructure works to be financed. Where relevant, analysis of viable alternatives will be conducted as part of ESIA/ESMP and appropriate mitigation measures for impacts on natural habitats and ecosystem services will be included in the site specific ESMPs. Specific and stringent measures will be included in the site specific ESMPs (and bidding documents) which will help to avoid and mitigate any risks and impacts that could alter or cause destruction or degradation of any

critical or sensitive natural habitats, especially forests and wetlands outside the designated national protected areas. Site specific ESIAs/ESMPs must be developed before launching the bidding process for the respective intervention.

Aiming to manage potential risks and impacts resulting from TA activities, terms of reference, work plans or other documents will be developed to define the scope and outcomes of these activities, so that the advice and other support provided is consistent with ESS6.

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

This Standard is relevant.

The available information does not allow to assess specific presence and needs regarding IPAM since there are no specific works determined. However, the Borrower will implement the Project in a manner that provides the IPAM communities with equitable access to project benefits; considering their concerns or preferences, addressed through meaningful consultations, including Free, Prior and Informed Consent (FPIC), if needed.

MTOP will develop adopt and implement an Indigenous Peoples Planning Framework (IPPF) for the Project, consistent with ESS7, no later than five months after Project's effectiveness. The IPPF will include specific measures to ensure that, prior to the execution of any work, timely assessmen is carried out to determine whether or not an IPP is required or even if FPIC is be required. Once the interventions to be carried out are identified, MTOP will agree with the Bank, the elaboration of an assessment to determine whether or not to intervene on territories of Indigenous Peoples, according to which it will evaluate the need to obtain the Free, Prior and Informed Consent (FPIC) of the IPs. In such a case, it will apply the specific provisions established to that effect, which will be described in the IPPF, and will be consistent with the Bank's ESA7 (paragraphs 24-33). As soon as an intervention is selected to be financed, MTOP will agree with the Bank on a preparation of an IPP and obtain a non- objection. When necessary, MTOP, through the ESFS firm will develop, adopt and implement a site-specific Indigenous Peoples Plan (IPP) for each intervention under the Project, with tailored measures according to local cultural context and specific needs

Both, the IPPF and IPP, will implement the arrangements for the grievance mechanism for IPAM, as required under the IPP and further describe such arrangements (if the grievance mechanism is different from the one established under ESS10).

ESS8 Cultural Heritage

This standard is relevant as the anticipated rehabilitation and construction activities under Component 1 could potentially affect physical cultural heritage sites or archaeological remains. The ESMF will include provisions for site specific-level screening and assessment of any known sites or remains of cultural or historic importance which may be impacted, as well as identification of any sites of cultural/social importance for local communities. The ESMF, and all future site specific ESMPs as needed, will furthermore include Chance Finds Procedures for the construction areas, and construction contracts will include clauses requiring civil contractors to take proper protective measures in case cultural heritage sites are discovered, including to stop construction activities if archaeological or cultural sites are encountered during construction activities. Additionally, during preparation of site specific interventions the need of a Cultural Heritage Management Plan (CHMP) will be assessed in order to outline mitigation measures to be

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considered to avoid or reduce impacts on community cultural heritage sites directly affected by the Project. All site specific ESMPs measures will be reflected in corresponding construction contracts.

With respect to intangible heritage, it is possible that natural events qualified as eligible disasters may have affected places or assets of cultural importance for the population; it is also possible that the interventions may require that these places or assets be affected. Examples of affected sites could be: religious temples, religious images, waterfalls, rivers, rocks, among others. Prior to the intervention of an eligible disaster with the potential to cause risks or impacts on cultural heritage, MTOP will carry out an assessment of such risks or impacts and propose measures for their adequate mitigation, in terms acceptable to the Bank. Both the assessment and the measures shall be part of the site-specific ESMP.

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

ESS9 Financial Intermediaries

ESS9 is not currently relevant. Its relevance will be assessed during the implementation of the project.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways	No
OP 7.60 Projects in Disputed Areas	No

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B.3. Reliance on Borrower's policy, legal and institutional framework, relevant to the Project risks and impacts

Is this project being prepared for use of Borrower Framework?	No

Areas where "Use of Borrower Framework" is being considered:

None.

IV. CONTACT POINTS

World Bank

Contact:	Alejandro Hoyos Guerrero	Title:	Senior Transport Specialist
Telephone No:	5364+611 / 593-2-2943611	Email:	ahoyos@worldbank.org

Borrower/Client/Recipient

Implementing Agency(ies)

V. FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: http://www.worldbank.org/projects

VI. APPROVAL

Task Team Leader(s):	Alejandro Hoyos Guerrero
Practice Manager (ENR/Social)	Paul Jonathan Martin Cleared on 12-May-2023 at 11:35:6 EDT
Safeguards Advisor ESSA	Marco Antonio Zambrano Chavez (SAESSA) Concurred on 12-May-2023 at 14:36:22 EDT

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