

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: ISDSA2033

Date ISDS Prepared/Updated: 05-Dec-2013

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I. BASIC INFORMATION

1. Basic Project Data

Country:	Peru	Project ID:	P132505
Project Name:	Cusco Transport Improvement Project (P132505)		
Task Team Leader:	Mauricio Cuellar		
Estimated Appraisal Date:	02-Dec-2013	Estimated Board Date:	27-Mar-2014
Managing Unit:	LCSTR	Lending Instrument:	Investment Project Financing
Sector(s):	Urban Transport (60%), General transportation sector (40%)		
Theme(s):	City-wide Infrastructure and Service Delivery (55%), Other urban development (15%), Infrastructure services for private sector development (15%), Municipal governance and institution building (15%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Financing (In USD Million)			
Total Project Cost:	152.60	Total Bank Financing:	120.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			32.60
International Bank for Reconstruction and Development			120.00
Total			152.60
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

2. Project Development Objective(s)

The overall PDO is to improve mobility in the east-west corridor of Cusco Provincial Municipality.

This objective will be achieved by: (i) the capacity expansion and completion of the dual

carriageway section of the East-West Via Expresa Avenue, and (ii) strengthening the capacity of the CPM in the definition and implementation of mobility policies.

3. Project Description

The Cusco Transport Improvement Project would achieve the above mentioned objective through the implementation of four components: Total cost is US\$ 152.6 million, of which the World Bank will finance US\$120 million (detailed description in Project Appraisal Document, Annex 2).

Component 1: Integral Improvement of the Via Expresa Avenue of Cusco Provincial Municipality - CPM

- (a) (i) Carrying out of final detailed design studies for the completion of the construction of the Via Expresa Avenue; and (ii) based on the final detailed designs mentioned in (i) herein, carrying out of civil works which comprise of approximately 6.4 km of a divided roadway with four local access lanes and four lanes for a total width of 50 meters for purposes of improving connectivity and permeability in the surrounding urban road network for pedestrians, bicycle users and motorized vehicles.
- (b) Carrying out of supervision activities of the design and civil works referred to in (a)(i) and (ii) above.
- (c) Provision and installation of traffic lights and a control system compatible with CPM's current traffic light control system.

Component 2: Improvement of Mobility in the Cusco Provincial Municipality

- (a) Provision of support for the development and improvement of a mobility plan in the historical center of the city of Cusco, paying special attention to the protection and exaltation of its condition as World Heritage Site, and focused on the improvement of mobility for users of public and non-motorized transport modes, and reducing traffic congestion caused by inefficient use of vehicles in the historic city center.
- (b) Strengthening CPM's traffic authorities capacity for the implementation of public transport and traffic regulation plans, mobility planning, financing and acquisition of transport models, hardware, planning software and monitoring systems, as well as the provision of training for CPM's technical transport planning personnel.
- (c) Designing and implementing pedestrian and biking paths circuits in peri-urban areas to foster the use of bicycles and other non-motorized modes of transport, including the construction of a biking path in the Via Expresa Avenue and the development of a bicycle path network plan.
- (d) (i) provision of support to CPM's infrastructure office to strengthen its capacity to prepare a urban road network maintenance management strategy, including annual plans (aimed at enhancing the condition of the existing roadways), and their budgets and to implement said plans based on results; and (ii) provision of support to CPM on transport infrastructure works in the greater metropolitan area of the CPM, including the provision of software and hardware to enhance management capacities and to better control the condition of the roadways and to monitor the state of the road network.

Component 3: Institutional Strengthening and Monitoring and Evaluation

- (a) Strengthening of the institutional capacity of PER Plan COPESCO and the PCU in order to enhance their institutional capabilities required for the successful implementation of Project activities, including Project technical support on procurement, safeguards, and financial management requirements (including audits).
- (b) Provision of support for the carrying out of monitoring activities as well as mid-term and impact evaluation surveys in order to evaluate the Project's impacts, including social impacts and livelihood improvements for low-income groups, women, the disabled and other vulnerable segments of society.

Component 4: Project Management: Strengthening of the institutional capacity of PER Plan COPESCO for the oversight and supervision of Project activities, through the provision of goods, consultants' services and operating costs.

The Project is classified as Category B under OP/BP 4.01. This classification is based upon the temporary and non-significant nature of most of its anticipated impacts. The proposed project will finance part of Cusco's Via Expresa Avenue, which already has completed some portions and the remainders are under construction. The right of way (RoW) for the complete road already exists and is well delimited. The Avenue will run through areas already highly impacted by man, mostly open and unused, and areas that have accumulated construction debris and waste, or limited vegetation. Its entirety will take place within a heavily urbanized context. Within the RoW, there are no significant or important natural habitats, forests, or environmental protected areas. Depending on the final design of the Avenue, some portions or the junction connecting the Avenue and the Via de Evitamiento road might require some construction near or around the Huatanay River, which is presently a highly polluted river. The Via Expresa Avenue is not near the historic core, and no archaeological sites or other physical cultural resources are expected to be impacted by the project.

The main negative project impacts will be the typical ones associated with construction within an urban context. They include traffic disturbances, noise, vibrations, dust or slope destabilization. All these impacts can be readily mitigated. The project will also have significant positive impacts, such as increased driving security, or reduced travel times with consequent reduction in traffic emissions.

Among other safeguard policies, the project triggers OP/BP 4.01 (Environmental Assessment) and OP 4.12 (Involuntary Resettlement). The Expressway is going to be constructed using a design-build contract approach which means that, at the time of writing this document, it is not possible to define all of the final road design characteristics. Nevertheless, the alignment of the expressway and its main characteristics are sufficiently defined to allow for the preparation of Environmental and Social Impact Assessment --ESIA, its corresponding Environmental and Social Management Plan -ESMP, and a Resettlement Action Plan -RAP, based on the best information available. As part of the design-build contract to be carried out during implementation, limited additional analytical work will be carried out to inform a review and update of the existing ESIA, ESMP and RAP in order to reflect the final design decisions. The final design details are not expected to significantly change the nature of the environmental or social risk or conclusions of the ESIA however some incremental changes to the management actions required under each of these documents may be needed. The Bank and the counterpart have agreed on the required steps to complete this analysis and, in the event that any revisions are made to safeguards documents, they will be re-disclosed to the public. In addition, the borrower has defined a clear consultation strategy with all relevant stakeholders during the

implementation period of the project. The project Loan Agreement has stipulated requirements for the completion of this work which would ensure that no civil works can commence before the remaining environmental and resettlement work is completed.

The project also triggers OP/BP 4.11 (Physical Cultural Resources). This policy is triggered because the project is implemented in a city declared World Heritage Site by UNESCO. However, project activities are not expected to have any direct impact on physical cultural resources, and will entail positive indirect impacts (less congestion within the city). The ESIA however includes clear provisions on the eventuality of chance findings, as dictated by the Ministerio de Cultura of Peru. Activities under Component 2, which provide technical assistance for improved circulation and better public transportation and maintenance programs within the city, will have to comply with best practices on physical cultural resources management and follow Bank guidelines.

A number of consultations around the Via Expresa Avenue have taken place during 2012 and 2013. A wide variety of actors have been involved throughout the consultations, including the Municipal Districts, Regional Government, Ministry of Finance, General Directorate of Investment Policies, and several other public and private institutions. A technical coordination group was established, and has met periodically to review progress and next steps. Feedback received mentioned the need of appropriate rain drainage infrastructure, adequate articulation with adjacent roads, and adequate slope stabilization on some road sections. All these considerations will have to be included in the final ESIA.

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

Cusco Province, Peru

5. Environmental and Social Safeguards Specialists

Jose Vicente Zevallos (LCSSO)

Daniel Mira-Salama (LCSEN)

Carlos Alberto Molina Prieto (LCSSO)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	The project is classified as Category B under OP 4.01, due to its potential adverse environmental and social impacts, which are not expected to be significant, permanent or irreversible. The majority of these impacts can be readily mitigated. The Via Expresa Avenue is expected to have the typical negative impacts associated with standard road construction practices within an urban environment. However, overall, the project will generate an improvement on environmental conditions within the city, thanks to the reduction in travel time and congestion, that will be translated into less emissions, less noise and reduced heavy traffic circulation near the city center, where the main physical cultural

		<p>attractions are located.</p> <p>Based on the most up to date, accurate information on the design and alignment of the road, the borrower has prepared an Environmental and Social Impact Assessment (ESIA). Since the final design of the Via Expresa Avenue is still not known, and will be prepared during project implementation as part of a design-build contract, a revised ESIA will be submitted to the Bank during implementation, reflecting any changes that the design might have undergone. The ESIA prepared to date contains an appropriate level of analysis of baselines, types and intensity of impacts, and identifies a number of mitigation measures, through a detailed management plan. The plan includes a chapter on grievance redress mechanisms as well as other mitigation programs.</p> <p>Regarding the bypass road that is currently being constructed in Cusco, and which will connect with the Via Expresa Avenue financed by this project, the Bank team conducted due diligence with the review of their environmental management plan, and made some suggestions in order to improve it and ensure coordination.</p> <p>Under Components 2 and 3, technical assistance and training will be provided. This will include considerations to minimizing environmental and social impacts during road rehabilitation, maintenance, mobility plans and others. There will also be elements targeted towards strengthening of environmental and social oversight by the Region of Cusco.</p>
Natural Habitats OP/BP 4.04	No	<p>No Project components are expected to directly or indirectly cause any significant conversion of or loss to any existing natural habitats. Moreover, the project does not involve any works within areas of significant or important natural habitats, forests, or environmental protected areas. The construction of the Via Expresa Avenue is within an urban environment, and specifically a right-of-way area that has been highly impacted by man. Depending on the final designs, there might be some construction required in or around the river, which will not affect its water quantity or quality.</p>

		Should this be the case, good practices on river bed works and appropriate road drainage will have to be applied. These provisions have already been preliminarily addressed on the EIAs prepared by the borrower.
Forests OP/BP 4.36	No	The project will not have any impact on forested areas.
Pest Management OP 4.09	No	No utilization, promotion or acquisition of pesticides is foreseen during road construction under the project. However, under the ESIA prepared by the borrower, there is a sub-program to remove rodents and remove pests before the onset of works. As described on OP/BP 4.01, the ESIA will include provisions related to good practices in storage, application, personal protection, labeling, or best types of substances to be applied.
Physical Cultural Resources OP/BP 4.11	Yes	<p>This policy is triggered because the project is implemented on a city declared World Heritage Site by UNESCO. However, project activities are not expected to have any direct impact on physical cultural resources (PCR), and will entail positive indirect impacts on them given the improved transportation and less congestion within the city of Cusco. The Via Expresa Avenue does not go through or near any known PCR, however, the ESIA prepared by the borrower already includes clear steps in case of chance findings, as dictated by Peru's Ministry of Culture.</p> <p>Activities in Components 2 and 3, which provide technical assistance for improved circulation, better public transportation and maintenance programs within the city, will have to comply with best practices on PCR management and follow Bank guidelines. The Cusco region has a tradition of working within these environments, and close coordination with and oversight by the Ministry of Culture is maintained.</p>
Indigenous Peoples OP/BP 4.10	No	The project does not affect communities of indigenous peoples as characterized in OP 4.10.
Involuntary Resettlement OP/BP 4.12	Yes	Land acquisition for the project will result in physical and economic displacement. Most of the planned civil works will take place within existing rights of way. However, land acquisition

		<p>will be required at specific locations, such as the Ovalo Libertadores and the Versalles Interchange. Land acquisition will affect property owners, as well as occupants of informal housing and business structures. In addition, the planned civil works will displace informal activities in a few locations.</p> <p>A resettlement plan has been prepared to address the adverse impact of land acquisition. The plan is based on the Project's feasibility study and is currently being revised to take into account comments provided by the Bank. The plan will need to be updated when the final designs become available. The Bank will give the No Objection to the final designs after it has reviewed and approved the updated resettlement plan. The entitlements of affected persons and the expected outcomes of the various programs included in the plan will not vary, but the exact area of impact of the project at certain locations (particularly at the Versalles Interchange) is likely to change. Therefore, Project impacts at these locations will need to be reassessed taking into account the final designs and in consultation with affected persons.</p>
Safety of Dams OP/BP 4.37	No	The project does not support the construction or rehabilitation of dams nor will it support other investments which rely on the services of existing dams.
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

<p>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p>
<p>The Project will deliver important benefits to the inhabitants of the Cusco region. The investments in the Via Expresa Avenue and the Improvement of Mobility in the Center of Cusco components will satisfy important needs for mobility of the city of Cusco, particularly for people living in the districts of Wanchaq, San Sebastián and San Jerónimo. The Via Expresa Avenue will reduce traffic, pollution and travel times. The improvement of mobility infrastructure and services will promote economic integration and expand economic opportunities for local people.</p>

<p>The project is expected to have the negative impacts associated with construction within an urban context. These impacts include increased noise levels due to the operation of machinery, emission of dust, vibrations or traffic disturbances. These impacts all have a temporary nature, and there are mitigation measures to minimize their significance. Positive impacts will be long term, such as reduction in travel times with subsequent reduction in vehicle emissions, or increased driving security.</p>
<p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p>
<p>The civil works that will be carried out as part of the Project require land acquisition and, therefore, could have adverse impacts. The construction of the Via Expresa Avenue also involves the usage of accumulation of materials, quarries and campsites which may interfere with current activities in the area of influence of the project.</p> <p>The city of Cusco is also undertaking the construction of a bypass road. This bypass road will be inter-connected to the Via Expresa Avenue. Although the combined effect of both roads is anticipated to greatly reduce travel times, and significantly alleviate the circulation of heavy vehicles within the city center – with the consequent positive impacts – there might be temporary, negative accumulated impacts, such as traffic disturbances or noise disturbances. Coordination and communication between the two initiatives is already ongoing to ensure the minimization of potential negative impacts.</p>
<p>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</p>
<p>For decades, Via Expresa Avenue was envisioned in Urban Plans as an expressway (thus its name) but was never developed properly. At present, Via Expresa is mainly a dual carriageway unpaved and underutilized road. The current initiative to develop the Via Expresa as an urban boulevard departs from the original 1970 expressway plans mainly since the urban sprawl of Cusco has resulted in dense urbanization of the road's area of influence. For example, urbanization has left the city airport locked in the middle of the urban landscape of Cusco, which is part of the reasons why the airport is being transferred out of the city. Different construction alternatives have been considered, such as elevated or underground crossings between the Via Expresa and traversal roads. Different design speed alternatives for the road are also being analyzed. Greater speeds bring greater reduction on travel times, but they also encompass greater impacts (noise, barrier effect, likely greater excavation needs). A road with an appropriate speed for an urban context (around 50km/h) might be the best alternative, since it promotes universal utilization and integration, reduced accident risk or reduced noise and emission levels, for example.</p>
<p>4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.</p>
<p>Given that the final design of the Via Expresa Avenue will be prepared during project implementation (as part of a design-build contract), the borrower has prepared an Environmental and Social Impact Assessment based on the feasibility study. This ESIA already identifies the main expected impacts, and includes an environmental and social management plan to mitigate them. The borrower also held consultations and socialization of project activities, together with its anticipated social and environmental impacts (the last events took place on February, March and June 2013, as reflected in the ESIA). The borrower has laid out a plan to increase communication and feedback mechanisms as project moves into implementation. As part of the design-build contract, the borrower will include provisions in the terms of reference in order to update the existing ESIA wherever required.</p>

The project will also support the borrower in increasing their capacity to manage and supervise environmental and social safeguards. In this way, the project includes provisions to provide technical assistance to COPESCO and their implementing unit in management and supervision of civil works. COPESCO's safeguards team is also going to be strengthened with additional experienced staff.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

A number of consultations on the Project, focusing on different technical, environmental and social issues, have been taking place throughout project preparation during 2012 and 2013. A wide variety of actors have been involved throughout the consultations, including the Municipal Districts, Regional Government, Ministry of Finance, General Directorate of Investment Policies, and several other public and private institutions. Representatives from different neighborhoods, and from civil associations, also took part. A technical coordination group was established, and has met periodically to review progress and next steps.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	28-Nov-2013
Date of submission to InfoShop	03-Dec-2013
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Peru	02-Dec-2013
<i>Comments:</i> The Environmental Assessment has been published locally by the client in PER Plan COPESCO's webpage. Link: http://www.copesco.gob.pe/proyIV_proder.html	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	02-Dec-2013
Date of submission to InfoShop	10-Dec-2013
"In country" Disclosure	
Peru	03-Dec-2013
<i>Comments:</i> The Resettlement Action Plan (Plan de Accion de Compensacion y Reasentamientos Involuntarios, PACRI) has been published locally by the client in PER Plan COPESCO's webpage. Link: http://www.copesco.gob.pe/proyIV_proder.html	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.11 - Physical Cultural Resources	
Does the EA include adequate measures related to cultural property?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.12 - Involuntary Resettlement	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

III. APPROVALS

Task Team Leader:	Name: Mauricio Cuellar	
Approved By		
Regional Safeguards Advisor:	Name: Glenn S. Morgan (RSA)	Date: 06-Dec-2013
Sector Manager:	Name: Aurelio Menendez (SM)	Date: 06-Dec-2013