

**INTEGRATED SAFEGUARDS DATASHEET
APPRAISAL STAGE**

I. Basic Information

Date prepared/updated: 08/12/2009

Report No.: AC4469

1. Basic Project Data

Country: Mexico	Project ID: P114012	
Project Name: Sustainable Transport and Air Quality		
Task Team Leader: Arturo Ardila Gomez		
GEF Focal Area: Climate change	Global Supplemental ID:	
Estimated Appraisal Date: August 17, 2009	Estimated Board Date: October 20, 2009	
Managing Unit: LCSTR	Lending Instrument: Adaptable Program Loan	
Sector: General transportation sector (60%);Health (25%);Sub-national government administration (10%);General energy sector (5%)		
Theme: Climate change (33%);Pollution management and environmental health (33%);Access to urban services and housing (17%);Environmental policies and institutions (17%)		
IBRD Amount (US\$m.):	0.00	
IDA Amount (US\$m.):	0.00	
GEF Amount (US\$m.):	5.38	
PCF Amount (US\$m.):	0.00	
Other financing amounts by source:		
<u>BORROWER/RECIPIENT</u>		31.58
		31.58
Environmental Category: B - Partial Assessment		
Simplified Processing	Simple <input checked="" type="checkbox"/>	Repeater <input type="checkbox"/>
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

2. Project Objectives

The objective of the project is to assist the selected Mexican cities in (i) fostering long term increases in the patronage of less energy intensive transport modes so as to promote reductions in GHG emissions growth rates; and (ii) inducing policy changes in favor of sustainable transport projects. To this end, the project will provide technical assistance and support studies to: (a) regulate freight transport; (b) integrate urban land-use and transport planning; (c) induce sustainable transport policies, and programs in Mexican cities that contribute to a long-term increase in patronage of more efficient modes of transport; (d) target research for environmental assessment (both local and global) of transport and land-use measures; (e) pursue political dialogue by engaging different actors dealing with transport, land-use, and environment matters at all levels of government; (f) foster a national and regional common approach to sustainable transport, articulating land-use planning, and air quality policies; and (g) create a network of Latin American cities to allow sharing of regional experiences, enhance the analytical tools available at the institutional level, and make them available to all interested cities.

3. Project Description

The STAQ Program has been structured into a Regional Project and three Country Projects in Argentina, Brazil and Mexico. The Regional Project will focus on monitoring, developing methodologies and toolkits, and dissemination of lessons learned towards strengthening the capacity of specific cities directly participating in the Country Projects, as well as any other interested Latin American cities, to be able to develop comprehensive strategies to promote sustainable transport.

The GEF Country Project in Mexico will provide technical assistance and fund preparatory studies for eventual Bus Rapid Transit (BRT) and non-motorized transport (NMT) programs; no works will be undertaken through this grant. The project consists of technical assistance and pilot investments in four pre-identified cities (Puebla, Leon, Monterrey and Ciudad Juarez) to remove barriers for sustainable transport. The cities have been identified on the basis of the following characteristics: (i) they are economic and governmental centers at the national, state or municipal levels, and (ii) the state and municipal governments are committed to addressing environmental and sustainable transport issues. The project will co-fund measures in four thematic windows presented below, following the cities#, Bank#, and GEF priorities for climate change mitigation in the urban transport sector.

Window 1: Freight Management. This window includes studies and technical assistance to improve the planning, management, financing, and control of freight transport in Ciudad Juarez. This window will also aim at improving the policy and legal framework for regulating freight transport in Ciudad Juarez in order to reduce emissions of GHG. Funding of US\$120,000 is proposed, in order to implement a regulatory plan, including a route system, and a traffic control and supervision systems for Ciudad Juarez.

Window 2: Land Use / Transport Coordination. This window includes: studies and technical assistance intended to address and suggest measures to mitigate barriers that impede a proper transport and land use integration and to improve institutional capacity. In Puebla, GEF will promote the creation of a specialized entity responsible for urban transport planning within the municipality. In Ciudad Juarez the project will help develop a medium term plan for improving pedestrian mobility and a study for recovering historical public centers. The total funding assigned is the equivalent of US\$205,000.

Window 3: Public Transport Enhancement. This window includes studies and technical assistance to improve the institutional and regulatory framework, and to define the state government and municipal roles related to the planning, management and implementation of integrated and sustainable systems for urban transport. This window will also develop strategies for the participation of the private sector in the urban transport management. The four cities are at somewhat different levels of development and technical capacity and at different stages in the planning process for public transport systems. The studies carried out will recognize this reality as follows. In León, GEF funding will finance the studies required for the design and implementation of the second phase of OPTIBUS, under an integrated transport system. In Monterrey, GEF funds will develop studies for

the implementation of two BRT corridors integrated to the current METROREY system. In Ciudad Juarez, the project will finance the studies required for the implementation of the BRT and to reorganize urban transport in the city. In Puebla, GEF funds will finance studies for the rationalization of routes and the design of a BRT corridor project, including origin # destination surveys. Funding of US\$3,757,000 for this Window is proposed.

Window 4: Non-motorized transport. This window comprises studies and technical assistance to introduce and promote walking and the use of bicycles as a viable and safe alternative to the use of private cars or other traditional motorized transport systems. The intended outcome of these activities is to demonstrate and prepare cities to make further investments in non-motorized facilities and to undertake further activities to promote bicycle usage. Funding is proposed at about US\$1,116,000.

Included also is partial financing of the project coordinating unit (located in SEDESOL), which will be in charge of supervising and monitoring performance of the GEF subprojects in the four cities and coordinating with the other countries under the regional umbrella. The amount allocated is US\$180,000.

4. Project Location and salient physical characteristics relevant to the safeguard analysis

This grant is for preparatory studies and will not fund any physical works. All project related activities will take place in four cities: Puebla, Leon, Monterrey and Ciudad Juarez. Eventual works related to the outcome of these studies will take place in consolidated urban areas and no effects are expected on natural habitats, resources or fragile zones.

GEF funds will not be used for infrastructure investments and an environmental and social management framework (MASTU for GEF project) has been prepared that will be used to help mainstream safeguard considerations into the project cycle at city level.

5. Environmental and Social Safeguards Specialists

Ms Maria E. Castro-Munoz (LCSSO)

Ms Carla Della Maggiora (LCSEN)

6. Safeguard Policies Triggered	Yes	No
Environmental Assessment (OP/BP 4.01)	X	
Natural Habitats (OP/BP 4.04)		X
Forests (OP/BP 4.36)		X
Pest Management (OP 4.09)		X
Physical Cultural Resources (OP/BP 4.11)		X
Indigenous Peoples (OP/BP 4.10)		X
Involuntary Resettlement (OP/BP 4.12)		X
Safety of Dams (OP/BP 4.37)		X
Projects on International Waterways (OP/BP 7.50)		X
Projects in Disputed Areas (OP/BP 7.60)		X

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

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This GEF grant will only fund preparatory studies therefore it will not cause any direct social or environmental impacts. However an Environmental and Social Management Framework has been prepared to ensure that the cities incorporate studies to assess possible social and environmental impacts and to mainstream safeguard considerations into the project cycle at city level. This framework follows the model approved for the Mexico Urban Transport Transformation Project (MASTU). In addition to social and environmental matters during project cycle, the MASTU-GEF includes guidelines for public consultation during the different stages of the project cycle and the establishment of mechanisms to solve complains and conflicts.

The MASTU-GEF will be applied in the subprojects that materialized as a result of the studies financed by the GEF STAQ, to include adequate prevention, mitigation and compensation measures to address and minimize the potential environmental and social impacts of construction and/or operation. SEDESOL, in charge of project execution, will be responsible for ensuring that the cities follow the MASTU in preparation and supervise its application during implementation of those projects. To this aim, SEDESOL will provide, if necessary, technical assistance with Bank's support. An assessment, conducted during preparation, indicates that the four cities have the capacity to apply the MASTU_GEF adequately. The four targeted cities have participated in the design of the original version of the MASTU under the previous Medium Cities Urban Transport Project in Mexico, and through this process, all cities have started to mainstream social and environmental management into their project cycle. Although the capacity of the cities varies, the four have experience to address social and environmental impacts as established in Bank's safeguards.

The GEF-MASTU has been disclosed in the country (Web-site of SEDESOL) the four cities and in the Infoshop.

The GEF STAQ project will finance technical assistance and studies aimed at improving public transport systems and environmental quality, while assuring social equity. Therefore it is expected to have positive impacts on living standards of the population, mainly the poor users of public transport. None of the projects to materialize is expected to cause environmental impacts or involuntary resettlement. Nevertheless, as mentioned above, the MASTU will be followed to address any type of social or environmental impact.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

No indirect or long term negative impacts are expected from this operation including only financing studies. Positive long-term impacts are expected due to the reduction in growth of traffic and related emissions and increased accessibility, safety and quality of public transport aimed at poor population.

The investments to be later materialized based on the support provided by this project, will be designed to have a positive long-term impact due to the reduction of global and local emissions, as CO₂, NO_x, SO_x, particulate matter, and other contaminants currently present. The reduction will be directly linked to improved vehicle operation, reduced trip lengths, use of more efficient modes of transport and improved technologies. None involuntary resettlement is expected.

Still, as established in the MASTU-GEF the cities will incorporate in the said-studies adequate prevention, mitigation and compensation measures to address and minimize the potential environmental and social impacts of construction and/or operation.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

N/A

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. An assessment of institutional capacity of the four cities indicates that they have the capacity to address social and environmental matters and are willing to continue building its capacity.

The four targeted cities had participated in the design of the original version of the MASTU under the previous Medium Cities Urban Transport Project in Mexico, and through this process, all cities have started to mainstream social and environmental management into their project cycle. Currently the MASTU includes a clear set of guidelines that incorporates the experience of these cities, among others, on urban transport projects that at present, is fully embraced by the national government.

As such, all cities understand the importance and benefits associated to mainstreaming social and environmental sustainability good practices, including the consultation process

presented in the MASTU-GEF. Environmental management has generally been institutionalized, and as a result of learning by doing, the teams in those cities at a more advance stage of subproject definition, include social management units capable of managing social impacts associated to the subprojects. Replication of the learning by doing process is expected in those cities that are at the early stages of subproject development (Puebla and Ciudad Juarez), especially given the clear mainstreaming of environmental and social consideration in the project cycle presented in the MASTU-GEF.

SEDESOL, in charge of the project gained experience managing the Bank financed Medium Cities Urban Transport Project and will collaborate with SEMARNAT and local governments to ensure adequate capacity building. SEDESOL would provide technical assistance to the cities to adopt the MASTU.

The GEF-MASTU comprises:

- (i) Identification of the investment interventions and their potential environmental and social impacts
- (ii) Characterization of the subprojects
- (iii) Social and Environmental Management and Project Cycle
- (iv) Action plans where needed.

The main objectives of these activities were to:

- (i) Identify the actual environmental and social impacts (positive and negative) of the sub-projects and the measures that should be implemented to prevent, mitigate and compensate the potential negative impacts identified during subprojects preparation, implementation and operation.
- (ii) Develop guidelines for public consultation of the subprojects and discussions regarding the social and environmental measures.
- (iii) Assign clear roles and responsibilities to each actor in social and environmental management process and identify capacity needs.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people. The MASTU was originally developed by the cities and over time, it has evolved into a clear set of guidelines that incorporates the experience of the cities on urban transport projects that at present, is fully embraced by the national government, including SEDESOL and SEMARNAT. Consultations were held with key national and sub-national government agencies and key stakeholders in participating cities. Key stakeholders are public transport operators and transit users.

The MASTU will be applied to all Bank investments in urban transport in Mexico, and as such, it will help streamline safeguard policies in the country.

B. Disclosure Requirements Date

Environmental Assessment/Audit/Management Plan/Other:

Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	01/05/2009
Date of "in-country" disclosure	01/15/2009
Date of submission to InfoShop	06/15/2009
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	

Resettlement Action Plan/Framework/Policy Process:

Was the document disclosed prior to appraisal?	
Date of receipt by the Bank	
Date of "in-country" disclosure	
Date of submission to InfoShop	

Indigenous Peoples Plan/Planning Framework:

Was the document disclosed prior to appraisal?	
Date of receipt by the Bank	
Date of "in-country" disclosure	
Date of submission to InfoShop	

Pest Management Plan:

Was the document disclosed prior to appraisal?	
Date of receipt by the Bank	
Date of "in-country" disclosure	
Date of submission to InfoShop	

*** If the project triggers the Pest Management and/or Physical Cultural Resources, 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 (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?	Yes
If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report?	Yes
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected	Yes

groups and local NGOs?

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies? Yes

Have costs related to safeguard policy measures been included in the project cost? Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies? Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents? Yes

D. Approvals

<i>Signed and submitted by:</i>	<i>Name</i>	<i>Date</i>
Task Team Leader:	Mr Arturo Ardila Gomez	
Environmental Specialist:	Ms Carla Della Maggiora	
Social Development Specialist Additional Environmental and/or Social Development Specialist(s):	Ms Maria E. Castro-Munoz	
<i>Approved by:</i>		
Regional Safeguards Coordinator:	Mr Reidar Kvam	
Comments:		
Sector Manager:	Mr Aurelio Menendez	
Comments:		