NOTICE OF REGISTRATION

Re: Request for Inspection
Peru: Lima Transport Project (North-South Subsystem)
(Loan No. 7209-PE and GEF TF No. 052856)

On October 1, 2009, the Inspection Panel (the “Panel”) received a Request for Inspection (the “Request”) dated September 9, 2009, concerning the Peru: Lima Urban Transport Project (the “Project”). The Request was submitted by residents of the district of Barranco in the city of Lima, Peru, an area affected by the Project. The Requesters complain that the district of Barranco has suffered harm during the implementation of the Project.

The Project

The Project’s objective is “to assist the Borrower in enhancing the economic productivity and the quality of life in the Borrower’s municipal territory by improving mobility and accessibility for its population, especially in the peri-urban poor neighborhoods, through the establishment of an efficient, reliable, cleaner and safer mass transit system”.1 The Project’s objectives are to be achieved through four components: mobility and environmental improvements (Part A); social mitigation and community participation (Part B); institutional strengthening (Part C) and studies and construction supervision (Part D).2 According to Project documents, the Project is the first phase of an integrated mass rapid transport system in Lima, and is aimed at providing services from Lima's historic center to the northern and southern parts of the city.3

The Project is financed by an IBRD loan of $45,000,000 million, by an Inter-American Development Bank loan of the same amount, and supported by a Global Environmental Facility (GEF) grant in the amount of $7,930,000 million.4

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2 Loan Agreement, Schedule 2.
The Request

The Requesters claim that they are suffering harm as a result of the “deficiencies and omissions” of the World Bank in the Project design and implementation. They allege particularly that citizen consultations were not carried out, and that the environmental assessment (EA) was neither rigorously conducted nor approved by the competent authority, the Minister of Transportation.

The Request gives examples of the most serious harm they believe was caused by Bank’s omissions in following its own policies, including:

- Work construction did not follow any plans for management of traffic or environmental management, which were necessary to limit or mitigate the negative impacts of the works. There was also no adequate management of the information given to the population on work progress;
- Traffic in the district of Barranco was severely affected and not managed, and, as a result, life conditions in the district worsened due of a higher risk of accidents;
- The residential character of the district and the conditions allowing the conservation of its historic area have deteriorated as a result of the Project;
- The direct and indirect impacts of Project works have affected the lifestyle of Barranco residents, “disarticulating” the urban and socio-cultural dynamics that historically characterize this district, and have caused “irreparable” harm to the architectural patrimony of the area;
- The traditional social and economic exchange among the district of Barranco and Surco has been interrupted;
- No consultations were carried out in accordance with Peruvian legislation; and
- Not only was the environmental assessment not approved by the Minister of Transportation and Communication, but the works began without the necessary environmental certification.

According to the Requesters, the harm that the residents of the Barranco district and the district itself are suffering is going to be permanent. They further state that the options proposed thus far by Project authorities to solve their concerns cannot truly address the problems.

The Request includes a list of letters the Requesters addressed to national authorities and the World Bank to raise their concerns. They claim that these concerns about the negative impacts of the Project were not taken into consideration. These negative impacts, they reiterate, were also not taken into account in the EA.

The Requesters point out that thanks to the intervention of the World Bank and the Inter-American Development Bank, a co-financier of the Project, the Municipality of Lima declared its intention to convene a consultation event to discuss these problems. The Requesters add, however, that this intention has yet to materialize clearly and effectively. Based on the foregoing, they ask the Panel to carry out an investigation of the matters raised in the Request for Inspection.
The above claims may constitute non-compliance by the Bank with various provisions of, *inter alia*, the following operational Policies and Procedures:

- **OP/BP 4.01** Environmental Assessment
- **OP/BP 4.11** Physical Cultural Resources
- **OP/BP 13.05** Project Supervision
- **OMS 2.20** Project Appraisal

Until further notice, all communications with the Requesters in connection with the Request will be sent to the contact person listed below, whom the Requesters appointed as their representative.

Pursuant to paragraph 17 of the Panel’s Operating Procedures (the ‘Operating Procedures’), I am notifying you that I have, on October 14, 2009, registered this Request in the Inspection Panel Register.

In accordance with paragraph 18 of the IBRD Resolution 93-10 that established the Panel (‘Resolution’), paragraphs 2 and 8 of the “*Conclusions of the Board’s Second Review of the Inspection Panel*” (the ‘1999 Clarifications’), and paragraph 18 (d) of the Operating Procedures, Bank Management must provide the Panel, no later than November 12, 2009, with written evidence that it has complied, or intends to comply, with the Bank’s relevant policies and procedures in relation to the above-referenced Project. The subject matter that Management must deal with in a response to the Request is set out in paragraphs 3 and 4 of the 1999 Clarifications.

After receiving the Management response, the Panel will, as outlined in the 1999 Clarifications and as provided by paragraph 19 of the Resolution, “*determine whether the Request meets the eligibility criteria set out in paragraphs 12 to 14 [of the Resolution] and shall make a recommendation to the Executive Directors as to whether the matter should be investigated.*”

The Request has been assigned IPN Request Number RQ09/09

Yours sincerely,

[Signature]

Werner Kiene
Chairperson
cc:

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Mr. Robert B. Zoellick
President
International Bank for Reconstruction and Development

The Executive Directors and Alternates
International Bank for Reconstruction and Development