

GONZALO CASTRO DE LA MATA
Chairman
The Inspection Panel

IPN REQUEST RQ 16/04

August 3, 2016

**MEMORANDUM TO THE EXECUTIVE DIRECTORS
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT**

Request for Inspection

MEXICO: Urban Transport Transformation Project (P107159)

Notice of Non-Registration

Summary

1. In accordance with paragraph 17 of the Resolution¹ establishing the Inspection Panel (the “Panel”), I hereby inform you that on April 1, 2016 the Panel received a Request for Inspection (the “Request”) of the Bank-financed Urban Transport Transformation Project (the “Project”), raising concerns about the felling of trees for the *Cuarta Etapa del Proyecto Corredor Troncal de Transporte San Jerónimo-Echeveste*, a Bus Rapid Transit (BRT) project in León, Mexico (hereinafter the “BRT León”). The Request is attached to this Notice.
2. The Panel conducted extensive due diligence in line with its updated Operating Procedures² to establish the admissibility of the Request. The Panel consequently decided not to register the Request as it confirmed that the alleged harm is not linked to a Bank-financed Project.

The Request

3. On April 1, 2016, the Panel received a Request for Inspection from a resident of León, Mexico, claiming to represent residents of 15 neighborhoods of the Boulevard Hidalgo affected by the BRT León. The Request claims harm to the environment resulting from the implementation of the BRT León. The Request argues that the number of trees felled for this project is unnecessarily high, and claims that there were three possible alternatives to mitigate the environmental impact of the project. The Request

¹ The World Bank Inspection Panel, International Bank for Reconstruction and Development, Resolution No. IBRD 93-10 (referred to as “the Resolution”).

² Available at:

<http://ewebapps.worldbank.org/apps/ip/PanelMandateDocuments/2014%20Updated%20Operating%20Procedures.pdf>

also raises concerns about corruption, inadequate Bank oversight, and intimidation by municipal authorities.

The Project

4. The Project is a specific investment loan approved by the Board of Executive Directors of the World Bank on March 25, 2010. The total cost is US\$350 million, of which the International Bank for Reconstruction and Development (IBRD or the “Bank”) is financing US\$150 million and the Clean Technology Fund (CTF) US\$200 million. The borrower is the National Development Bank for Public Works and Services (*Banco Nacional de Obras y Servicios Publicos* or BANOBRAS).

5. According to the Project Appraisal Document (PAD), the Project's development objective is “*to contribute to the transformation of urban transport in Mexican cities toward a lower carbon growth path.*”³ Component 2 of the Project (Development of Integrated Transit Systems that Reduce CO2 Emissions) comprises two Bank-financed activities: (a) Mass Transit Corridors and Ancillary Investments, and (b) Low Carbon Bus Technologies and Scrapping of Displaced Buses. The PAD explains that the Project complements the Government-funded *Programa de Apoyo Federal al Transporte Masivo* (PROTRAM), which is the larger Government effort to improve the efficiency of the transportation sector and to steer it towards a lower-carbon development path.

Panel’s Observations and Determination

6. In accordance with its Operating Procedures, after receipt of the Request the Panel issued a Notice of Receipt on its website.⁴ The Panel conducted its due diligence by reviewing the information contained in the Request and Project documents. The Panel also spoke to the Requester and met with Management to better understand the concerns and the current status of subproject selection and implementation.

7. On April 29, 2016, the Panel received a communication from the Country Director for Colombia and Mexico explaining that the BRT León mentioned in the Request is not being financed by the Bank. On May 6, 2016, Management also forwarded to the Panel a communication from BANOBRAS confirming that the BRT León is not financed by the World Bank. On May 9, 2016, the Panel was copied on a communication by the Country Operations Advisor for Colombia and Mexico explaining to the complainant that the BRT León is being financed by BANOBRAS with funds that are distinct from those of the Bank.

8. Finally, the Panel requested and received from Management a list of PROTRAM sub-projects that have received technical advice from the Bank for safeguards management during sub-project preparation, that were previously considered for the Project financing, that are currently considered for the Project financing or that were

³ PAD, p. iv.

⁴ <http://ewebapps.worldbank.org/apps/ip/Pages/ViewCase.aspx?CaseId=114>

approved for the Project financing. This list shows that, as of July 2016, the Bank has not financed the BRT León and is no longer considering financing it.⁵

9. The Panel thus determines that the Bank is not financing the sub-project relevant to the complaint, and therefore concludes that the Request does not meet the admissibility criteria for Registration. In light of the foregoing and in accordance with the Panel Resolution, its Clarifications, and its Operating Procedures, the Panel is not registering the Request for Inspection.

10. The Panel notes that, if the sub-project mentioned in the Request comes to be supported by Bank financing in the future, the Panel would be in a position to reassess the existence of a plausible link between a Bank-supported project and the alleged harm. Hence, in such a case, the Requesters retain their right to re-submit a Request for Inspection concerning the issues raised.

Yours sincerely,



Gonzalo Castro de la Mata
Chairman

Attachment

Mr. Jim Yong Kim, President
International Bank for Reconstruction and Development

The Executive Directors and Alternates
International Bank for Reconstruction and Development

⁵ Bank Management told the Panel in a meeting on July 7, 2016 that the Bank was informed in 2014 that the City of León would not ask for Bank financing for the BRT León.

Request for Inspection

León, Guanajuato, Estados Unidos Mexicanos, a 31 de marzo de 2016

Dr. Jim Yong Kim

Presidente del Grupo Banco Mundial

Saludos cordiales. Por medio de la presente, le expresamos nuestra consternación después de varios sucesos intimidatorios recibidos por parte de las autoridades municipales; como vecinos de 15 colonias afectados, recurrimos a esta instancia con el objeto de dar a conocer nuestra preocupación por la planeación y ejecución del proyecto de movilidad pública denominado "Cuarta Etapa del Proyecto Corredor Troncal de Transporte San Jerónimo- Echeveste" con número de expediente IMA-MG-338-2014, Referencia D.U. 22-4397.

Consideramos lamentable e innecesaria la tala en esta obra, pues encontramos tres variantes posibles para mitigar el impacto ambiental (sin impedir el llevar a cabo la obra); una de ellas desestimada por el actual cabildo, que se mostró bajo la presión de cumplir un proyecto trazado, alegando que Banobras les retiraría el recurso en caso de incumplir con la entrega de dicha obra.

*"El Banco Mundial otorgó un crédito de 540 millones de pesos y el Banco Nacional de Obras y Servicios Públicos (Banobras) aportó a fondo perdido 280 millones de pesos para el Sistema Integrado de Transporte, de acuerdo con un comunicado que emitió Banobras en junio del 2014."*¹

Nosotros, como ciudadanos preocupados y con conocimiento de los altos índices de corrupción de nuestro país, reconocido por varios indicadores, pedimos que le den seguimiento al recurso que destinan. Si bien es cierto que nuestro país requiere de estos recursos para su desarrollo, también requiere de la transparencia destino de los financiamientos.

*"El país (México) ocupa el puesto 95 a nivel mundial, según un estudio de Transparencia Internacional; entre los 34 países de la OCDE, México es el país que más corrupto se ve, según Transparencia Internacional."*²

¹ Portal <http://kuali.com.mx/> consultado 29 marzo de 2016, "<http://kuali.com.mx/continuaran-sin-modificacion-obras-del-sit-lopez-santillana/>"

² Portal <http://expansion.mx/>, consultado el 30 de marzo de 2016

"<http://expansion.mx/economia/2016/01/27/mexico-se-estanca-como-el-pais-mas-corrupto-de-la-ocde>"

Desde nuestra perspectiva, la obra incurre en una mala planificación (con base en estudios y opiniones de expertos con respecto al marco integral de desarrollo y los objetivos del **Desarrollo del Milenio**, los cuales forman parte de los pilares del trabajo del instituto que preside). Los aspectos que nos preocupan se mencionan a continuación:

1. México se encuentra entre los países con mayor deforestación en el mundo. "FAO, en su sección de Amenazas a la Biodiversidad analiza la deforestación del país y señala que México ha sufrido una de las tasas de deforestación más altas del mundo, estimándolas entre 300 mil y un millón de hectáreas anuales. Así mismo, indica que entre 1981 y 1991 la deforestación promedio se calculó en 678 mil hectáreas al año. Menciona que esta alta tasa de deforestación es el reflejo de la intensa actividad ganadera y agrícola que se ha registrado en el país desde hace muchos años".³ La necesidad de la conservación de áreas verdes es irrefutable en esta ciudad, dentro una visión de verdadero desarrollo.
2. No cumplen con los requerimientos del Banco Mundial, respecto a la debida implementación del manual y las capacitaciones sobre las "buenas prácticas medioambientales" al personal de construcción, administrativos, subcontratistas y administradores de materiales.

Entre los objetivos del **Desarrollo del Milenio** se encuentra garantizar la sostenibilidad ambiental, y el resolutivo del proyecto que aquí se señala, no lo cumple; además de no integrar el desarrollo holístico y de largo plazo.

Solicitamos una inspección para nuestra tranquilidad, como vecinos y ciudadanos afectados de estas obras.

Atentamente



P. Roberto García Gómez Sivertson

Representante mediador de los vecinos del Blvd. Hidalgo

³ Portal <http://www.fao.org/> consultado el 30 de marzo de 2016
"http://www.fao.org/docrep/006/ad667s/ad667s05.htm#TopOfPage"

León, Guanajuato, Estados Unidos Mexicanos, March 31, 2016

Dr. Jim Yong Kim
President of the World Bank Group

Best regards. Hereby, we express our consternation after several incidents of intimidation by municipal authorities; as residents of 15 affected neighborhoods, we reached out to you in order to show our concerns about the planning and execution of the public mobility project called "Fourth stage of the Transport Corridor Project San Jeronimo Echeveste" under project number IMA-MG-338-2014, reference D.U. 22-4397.

We consider regrettable and unnecessary the cutting down of trees for this project, and we find three potential alternatives to mitigate the environmental impact (without affecting the work); one of them was dismissed by the current local Government, which was under pressure to meet the project deadlines, alleging that Banobras would withdraw the resources in case of not fulfilling the project deliverables.

*"The World Bank granted a loan of 540 million pesos and the National Bank of Works and Public Services (Banobras) provided a repayable loan of 280 million pesos for the integrated transportation system, according to a statement issued by Banobras in June 2014."*¹

We, as concerned citizens and with knowledge of the high levels of corruption in our country, which is recognized by several indicators, ask you to keep track of your resources. While it is true that our country requires these resources for its development, it also requires the transparency of how the resources are used.

*"The country (Mexico) ranks 95 worldwide, according to a study by transparency international; "among the 34 countries of the OECD, Mexico is seen as a more corrupt country, according to Transparency International."*²

¹ <http://kuali.com.mx/> accessed 29 March 2016, "<http://kuali.com.mx/continuaran-sin-modificacion-obras-del-sit-lopez-santillana/>"

² <http://expansion.mx/>, accessed 30 March 2016 "<http://expansion.mx/economia/2016/01/27/mexico-se-estanca-como-el-pais-mas-corrupto-de-la-ocde>"

From our perspective, the work incurred poor planning (based on studies and opinions of experts regarding the comprehensive development framework and **Millennium Development** goals, which are part of the pillars of the work of the World Bank). The aspects that concern us are listed below:

1. Mexico is among the countries with major deforestation in the world. *"FAO, in its section on threats to the biodiversity analyzes the deforestation of the country and points out that Mexico has suffered one of the highest deforestation rates in the world, estimating them between 300 thousand and one million hectares per year." Likewise, it indicates that between 1981 and 1991 the average deforestation was calculated at 678 thousand hectares per year. It mentions that this high rate of deforestation is the reflection of the intense agricultural and livestock activity that has been recorded in the country for many years*".³ The need for the preservation of green areas is beyond doubt in this city, from a perspective of true development.

2. They do not comply with the requirements of the World Bank, regarding the proper implementation of the manual and training on *"best environmental practices"* to workers in construction, administration, subcontractors and procurement staff.

One of the **Millennium Development Goals** is to ensure environmental sustainability, and the project objective described here, does not comply with it; in addition, it does not comply with holistic and long term development.

We request an inspection for our peace of mind as neighbors and concerned citizens affected by this project.

Kind regards
P Roberto García Gómez Sivertson
Representative mediator of neighbors Blvd Hidalgo

³ <http://www.FAO.org/> consulted March 30, 2016
<http://www.fao.org/docrep/006/ad667s/ad667s05.htm#TopOfPage>"