

Environmental Examination Report

( 1 ) Project Name

Irrigation Project

( 2 ) Project Site

Republic of Peru, Arequipa

( 3 ) Project Outline

Irrigation Project

( 4 ) Category Classification

Category A

( 5 ) Reason for Classification

The project includes sensitive sector (Agricultural sector with irrigation) and characteristics and is located in or near sensitive areas under the Environmental Guidelines.

( 6 ) Environmental Permits and Approvals

The ESIA Report for this project (consisting of Phase 1 and Phase 2) was prepared in compliance with the local laws and regulations, and was approved by the Ministry of Agriculture in Peru (the authority at the time of approval) on July 16, 2010 for Phase 1 and on May 13, 2015 for Phase 2, respectively. Under Environmental Law of Peru, the approval of the ESIA is required to be renewed every five years, and also when there are any changes in the design of the project.

( 7 ) Pollution Mitigation Measures

It is confirmed that this project does not produce air pollutants and that water quality, waste, noise and vibration are properly managed.

( 8 ) Natural Environment

Appropriate measures are taken to avoid impacts to the natural environment.

( 9 ) Social Environment

Appropriate plans were developed, and appropriate measures are taken for consideration of socioeconomically affected inhabitants.

( 1 0 ) International Standard

IFC Performance Standard

( 1 1 ) Others, Monitoring

Taking the above environmental review into consideration, JBIC will monitor status of updating the ESIA report in accordance with any design changes, implementation of wetland substitution measures, acquisition of agreements for resettlement, and implementation of compensation and expropriation procedures when expropriation of land is applicable.

## Questions

**Q1.** Please provide the address of the project site.

The project is located in the southern part of Peru.

**Q2.** Please provide brief explanation of the project.

The project's general objective is to supply and regulate water for agricultural use

**Q3.** Will JBIC loan be applied to a new project or an executing project? In case of an executing project, please inform of strong claims by stakeholders such as local residents, as well as improvement guidance or cessation orders for construction work / operations, from environmental authorities.

- |  |  |
|--|--|
| <input type="checkbox"/> New Project                                       | <input type="checkbox"/> Executing Project (with Claim etc.) |
| <input checked="" type="checkbox"/> Executing Project (without Claim etc.) | <input type="checkbox"/> Others (Please specify)             |

**Q4.** In case of this project, is it necessary to execute Environmental and Social Impact Assessment (ESIA) based on the laws or regulations of the country where the project is to be implemented? If necessary, please inform the progress of ESIA.

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Required (completed) | <input type="checkbox"/> Required (under execution or under planning) |
| <input type="checkbox"/> Not Required                    | <input type="checkbox"/> Others (Please specify)                      |

**Q5.** In case that ESIA is already completed, please inform whether ESIA report is already approved based on the environmental and social assessment system of the country where the project is to be implemented or not. If ESIA report is already approved, please provide the date and name of authorities of the approval.

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Approved (without condition) | <input type="checkbox"/> Approved (conditional)  |
| <input type="checkbox"/> Under approval process                  | <input type="checkbox"/> Others (Please specify) |

Date of Approval: 16/07/2010 (1<sup>st</sup> EIA) and 13/05/2015 (2<sup>nd</sup> EIA)

Name of Authorities: Ministerio de Agricultura y Riego (Ministry of Agriculture and Irrigation)

**Q6.** If environmental and social permit(s) other than ESIA is required, please provide the name of required permit(s). Have you obtained required permit(s)?

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Obtained | <input type="checkbox"/> Required, but not obtained yet |
| <input type="checkbox"/> Not required        | <input type="checkbox"/> Others (Please specify)        |

Name(s) of required permit(s): Environmental Licensing

Note: Some permits of the National Water Authority – ANA are expired and required update.

**Q7.** Will the loan be used for the undertaking that cannot specify the project at this stage (e.g. export or lease of machinery that has no relation with specific project, or Two Step Loan that cannot specify the project at the time of loan agreement)?

(Yes /  No)

If you answered “Yes”, it is not necessary to reply to the following questions.

If you answered “No”, please reply to the following questions.

**Q8.** Are there any environmentally sensitive area(s) shown below in and around project site(s)?

(Yes / No)

If you answered “Yes”, please select applicable items by marking, and reply to the following questions.

If you answered “No”, please reply to the questions 9 and after.

- (1) National parks, nationally-designated protected areas (coastal areas, wetlands, areas for ethnic minorities or indigenous people, and cultural heritage, etc. designated by national governments)
- (2) Forests with important ecological value (including primary forests and natural forests in tropical areas)
- (3) Habitats with important ecological value (including coral reefs, mangrove, wetland and tidal flats.)
- (4) Habitats of rare species requiring protection under domestic legislation, international treaties, etc.
- (5) Areas in danger of large-scale salt accumulation or soil erosion
- (6) Areas with a remarkable tendency towards desertification
- (7) Areas with unique archaeological, historical or cultural value
- (8) Areas inhabited by ethnic minorities, indigenous peoples or nomadic peoples with traditional ways of life (including areas which are used for cultural or spiritual purposes) and other areas with special social value

**Q9.** Does the project involve following characteristics?

(Yes / No)

If you answered “Yes”, please describe the scale of applicable characteristics, and reply to the questions 10 and after.

If you answered “No”, please reply to the questions 11 and after.

- (1) Involuntary resettlement and/or loss of means of livelihood (Number of affected people: 332 peoples affected)
- (2) Pumping of groundwater (Scale: m<sup>3</sup>/year)
- (3) Land reclamation, development and/or clearing (Scale: ha)
- (4) Deforestation (Scale: ha)

**Q10.** Under the environmental and social impact assessment system of the country where the project is to be implemented, do the applicable characteristics from (1) – (4) of the questions 9 above and their scale serve as basis for executing an ESIA for the project?

- They do  They do not  
 Others (Please specify)

**Q11** May the project involve significant social impacts?

(Yes /  No)

If you answered “Yes”, please describe the outline of the impacts, and reply to the questions 12 and after.

If you answered “No”, please reply to the questions 12 and after.

- The likelihood of severe project-related human rights impacts ( )  
 Others ( )

**Q12.** Will JBIC share in the project be equal or less than 5% of the total project cost, or the total amount of JBIC loan equal or less than SDR 10 million? (In the case of additional support for a past project, this shall be the accumulated total amount)

(Yes /  No)

If you answered “Yes”, it is not necessary to reply to the following questions.  
If you answered “No”, please reply to the questions 13 and after.

**Q13.** Does the project belong to either of the sectors that impact on the environment and society is deemed immaterial or is not anticipated under normal conditions (e.g. maintenance of the existing facilities, non-expansory renovation project, and acquisition of rights and interests without additional capital investment)?

(Yes /  No)

If you answered “Yes”, it is not necessary to reply to the following questions.  
If you answered “No”, please reply to the questions 14 and after.

**Q14.** Does the project belong to the following sectors?

( Yes / No)

If you answered “Yes”, please specify the sector by marking, and reply to the questions 15 and after.  
If you answered “No”, it is not necessary to reply to the following questions.

- (1) Mining
- (2) Oil and natural gas development
- (3) Pipelines
- (4) Iron and steel (projects that include large furnaces)
- (5) Non-ferrous metals smelting and refining
- (6) Petrochemicals (manufacture of raw materials; including complexes)
- (7) Petroleum refining
- (8) Oil, gas and chemical terminals
- (9) Paper and pulp
- (10) Cement plants (including a greenfield quarry)
- (11) Manufacture and transport of toxic or poisonous substances regulated by international treaties, etc.
- (12) Thermal power
- (13) Nuclear power
- (14) Hydropower, dams and reservoirs
- (15) Power transmission and distribution lines involving large-scale involuntary resettlement, large-scale logging or submarine electrical cables
- (16) Roads, railways and bridges
- (17) Airports
- (18) Ports and harbors
- (19) Sewage and wastewater treatment having sensitive characteristics or located in sensitive areas or their vicinity
- (20) Waste management and disposal
- (21) Agriculture involving large-scale land-clearing or irrigation

- (22) Forestry
- (23) Tourism (construction of hotels, etc.)

**Q15.** Please provide information on the scale of the project (project area, area of plants and buildings, production capacity, amounts of power generation, etc.) Further, please explain whether an execution of ESIA is required on account of the large scale of the project in the country where the project is implemented.

Principal components:

- Dam capacity: 1.140 cubic kilometres
- Bypass tunnel: with a capacity of 30 m<sup>3</sup>/s and y 16,5 km long
- Area to irrigate: 38.500 ha
- Surface of the reservoir: 1.290 km<sup>2</sup>
- An additional ESIA is not required.