RECORD OF DISCUSSIONS

FOR

Development of Public Transport Master Plan for Lima and Callao

AGREED UPON BETWEEN

The Authority of Urban Transportation for Lima and Callao

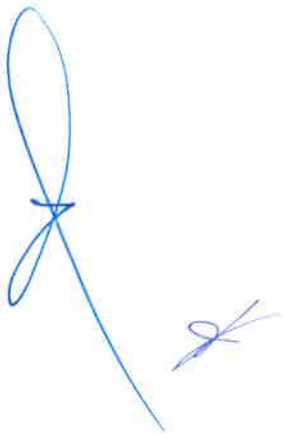
OF

Republic of Peru

AND

JAPAN INTERNATIONAL COOPERATION AGENCY

March 6, 2026



Based on the minutes of meetings on the Detailed Planning Survey for the Project for Development of Public Transport Master Plan for Lima and Callao (hereinafter referred to as "the Project") signed on September 12th, 2025 between the Authority of Urban Transportation for Lima and Callao of Peru (hereinafter referred to as "the Counterpart") and the Japan International Cooperation Agency (hereinafter referred to as "JICA"), JICA held a series of discussions with the Counterpart and relevant organizations to develop a detailed plan of the Project.

The purpose of this Record of Discussions (hereinafter referred to as "the R/D") is to establish a mutual agreement for its implementation by both parties and to agree on the detailed plan of the Project as described in the followings and the Annex1, 2,and 3, which will be implemented within the framework of the Agreement on Technical Cooperation signed on February 15th 1980 (hereinafter referred to as "the Agreement") and the Note Verbales exchanged on December 24th 2025 between the Government of Japan and the Government of Peru.

The Counterpart will be responsible for the implementation of the Project in cooperation with JICA, coordinate with other relevant organizations and ensure that the self-reliant operation of the Project is sustained during and after the implementation period in order to contribute toward social and economic development of Peru.

Both parties also agreed that the Project will be implemented in accordance with the "Basic Principles for Technical Cooperation" published in January 2022 (hereinafter referred to as "the BP"), unless other arrangements are agreed in the R/D.

The R/D is delivered at Lima as of the day and year first above written. The R/D, except Annex 4 to 6 may be amended by minutes of meetings between both parties. The minutes of meetings will be signed by authorized persons of each side who may be different from the signers of the R/D.

For	For
Japan International Cooperation Agency	Urban Transport Authority for Lima and Callao
Mr. Yukinari HOSOKAWA Chief Representative JICA Peru Office	Mr. David Augusto Hernández Salazar Executive President

Annex 1 Project Description
Annex 2 Main Points Discussed
Annex 3 Drafts of TOR for environmental and social considerations studies
Annex 4 Implementation Structure
Annex 5 List of Proposed Members of Joint Coordinating Committee
Annex 6 Basic Principles
Appendix: Minutes of Meeting (M/M) signed on September 12th, 2025

Annex 1

PROJECT DESCRIPTION

(1) Title of the Project

The Project for Development of Public Transport Master Plan for Lima and Callao

(2) Overall Goal

Realization of sustainable urban development in the Lima and Callao Metropolitan Area through the promotion of appropriate public transport systems and the modal shift to public transport, based on the Public Transport Master Plan formulated in the Project.

(3) Project Purpose

This project aims to develop the Public Transport Master Plan for the Lima and Callao Metropolitan Area, including the quantitative estimation of potential contributions to GHG (Green House Gas) reduction through key policies in order to establish an implementation plan for environmentally friendly, efficient and economically viable, public transportation services, thereby contributing to the sustainable development of the metropolitan area.

(4) Period of the Project

The duration of the Project is twenty four (24) months from the date on which the JICA Expert Team started on site activity in Lima.

(5) Implementing Agency

Urban Transport Authority for Lima and Callao (ATU)

(6) Project Inputs (Japanese Side, any important inputs)

1) Dispatch of JICA Experts
2) Expenses related to JICA experts' activities.
3) Technical Working Group, Seminar and Trainings for Peru participants

(7) Environmental and Social Considerations

Under the 'JICA Guidelines for Environmental and Social Considerations, January 2022'

Annex 2

MAIN POINTS DISCUSSED

1. **Annex 4 to 6 and Appendix**

   Both parties agreed on the contents of Annex 4 to 6 and **Appendix** which is categorized as references of the R/D. Both parties further agreed that the contents of Annex 4 to 6 and **Appendix** may be modified by mutual confirmation such as determination of monitoring sheets or minutes of meetings usually after Joint Coordinating Committee.

2. **Environmental and Social Considerations**

   With regard to the Section 10.1 of the Basic Principles, since the Project is categorized as B under the "JICA Guidelines for Environmental and Social Considerations January 2022"

   (1) Disclosure of the information regarding environmental and social considerations

   Both parties agreed that JICA discloses the front page of the R/D and drafts of TOR for environmental and social considerations studies attached as Annex 3 as agreement documents designated by the 3.4.2.7 of the Guideline. The front page of the R/D and drafts of TOR are disclosed on JICA's website promptly after concluding the R/D.

3. **Gender Equality and Women's Empowerment**

   Both parties confirmed that a chapter describing the results of gender analysis and proposal measures will be included. In addition to efforts toward gender equality, social inclusion will be considered as one of the cross-cutting perspectives to ensure convenient, comfortable, safe, and accessible public transport system for all users including vulnerable people.

4. **Climate Change Mitigation**

   Both parties confirmed that the Project contributes to Climate Change mitigation by allowing for the identification and prioritization of policies and projects aimed at improving the public transportation system and at the potential reduction of traffic congestion and greenhouse gas (GHG) emissions, achieved via the formulation and implementation of the Public Transport Master Plan for Lima and Callao (hereinafter referred to as "the TMP") . Furthermore, the parties agreed to strengthen the added value of the TMP by aligning it with "National Strategy on Climate Change by 2050" and the transport sector's Nationally Determined Contributions (NDCs).

5. **Private Sector and International Donor Engagement**

In order to contribute to development of Lima and Callao Metropolitan area, it is important to collect and reflect opinions on the TMP developed in the Project and make it a more sustainable metropolitan area. In this regard, both parties agreed on the importance of Private Sector and International Donors engagement for realizing the TMP and committed to disclose information during the Project period to achieve this goal. Specifically, it is envisioned that the interim outputs approved by the Joint Coordinating Committee (JCC) will be shared within the working group, and that discussions will be held to incorporate the perspectives of the private sector and international donors toward the early realization of public transportation system development, particularly mass transit infrastructure. These discussions will include consideration of planning approaches such as financing schemes and plans.

6. **Joint Working**

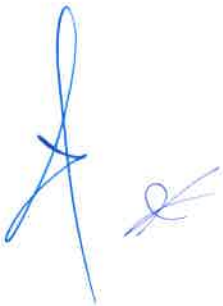
   Both parties understood the importance of the capacity building and collaboration work between the JICA Expert Team, the Counterpart, and relevant organizations during the Project. The Counterpart agreed to the provision of its utmost effort toward successful delivery of the Project.

7. **Amendments**

   The present R/D can be amended based on Minutes of Meetings between JICA and the Counterpart. The Minutes of Meetings shall be signed by authorized persons of each side who may be different from the signers of this R/D.

8. **Language of R/D**

   The present R/D is signed in English and Spanish. Should there be any discrepancies between the two documents, the English version shall prevail.



Environmental and Social Considerations in Detailed Planning Survey
(Technical Cooperation for Development Planning)

1. Legal Framework of Environmental and Social Considerations

(1) Legal Framework

The National System for Environmental Impact Evaluation (Sistema Nacional de Evaluación del Impacto Ambiental: SEIA) is for Environmental and Social Considerations for projects by the Peruvian Government. As stated in Article 24 of the General Law of the Environment (Law No. 28611) established in 2005, all human activities that involve constructions and other activities with potentially significant impact are subject to SEIA. It also states that there is an environmental principle, which mandates that any stakeholder is obligated to adopt measures to improve the current state of the environment after an intervention, or to compensate those affected when environmental degradation is not reversible. The SEIA Law was approved in 2001 (Law N° 27446) based on a previous version of the above General Law of the Environment. Article 3 of this Law ascertains that the projects or service and commercial activities referred to in the scope of the Law may not begin without the environmental certification issued by the respective competent authority. SEIA needed further details to implement its mandate, so several policies were approved afterwards, the Supreme Decree N° 019-2009-MINAM, approved in 2009, being one of the most important and fundamental of these.

There are two approaches in assessing environmental impact:

a) for investment projects according to their category, through an Environmental Impact study (detailed or semi-detailed) and an Environmental Impact Statement.

b) for Public Policies, Plans or Programs (PPP), through Strategic Environmental Assessment.

In this regard, the master plan is subject to the SEA since it proposes the directions for the development of urban transport in the area.

(2) Projects Subject to Environmental Assessment

Categorization of the Projects

The SEIA law states that public and private investment projects that involve activities, constructions or works that may cause negative environmental impacts require environmental certificate (article 3), and these are categorized into 3 categories and require different levels of studies as follows (article 4).

a) Category I: An Environmental Impact Declaration is necessary for projects that might not produce negative environmental impacts in a significant way.

b) Category II: Semi-detailed Study of Environmental Impact (EIA-sd) is necessary for projects that might produce negative environmental impacts moderately, whose negative effects could be eliminated or minimized by way of easy application of environmental measures.

c) Category III: Detailed Study of Environmental Impact (EIA-d) is necessary for projects that might produce significant negative environmental impacts quantitatively or qualitatively, which require profound analysis for examining impacts and to propose strategies of environmental management.

Contents of the environmental assessments for each category are described as follows.

Table 1 Category wise Terms of Reference for Environmental Studies

Category I: Environmental Impact Declaration (DIA)	Category II: Semi Detailed Environmental Impact Assessment (EIA-sd)	Category III: Detailed Environmental Impact Assessment (EIA-d)
Description of the Project	Executive Summary	Executive Summary
Physical, biological, social, cultural and economic features	Description of the Project	Description of the Project
Citizen participation plan	Baseline	Baseline
Description of Possible impacts	Citizen participation plan	Citizen participation plan (Public consultation)
Mitigation and prevention measures, compensation for environmental impacts	Characterization of environmental impacts (classification and assessment of impacts)	Characterization of environmental impacts (classification and assessment of impacts)
Monitoring plan and management plan	Environmental Management Strategy (Environmental Management Plan, Monitoring Plan, Contingency Plan, Closure Plan, Schedule, Implementation of Environmental Strategy,	Environmental Management Strategy (Environmental Management Plan, Monitoring Plan, **Compensation Plan, Community Relations Plan,** Contingency Plan, Abandonment Plan,

Category I: Environmental Impact Declaration (DIA)	Category II: Semi Detailed Environmental Impact Assessment (EIA-sd)	Category III: Detailed Environmental Impact Assessment (EIA-d)
	Commitments Made)	Schedule and Budget for the Implementation of the Environmental Strategy, Commitments Made)
Closure plan	Other considerations determined by the competent authority	Economic evaluation
Execution schedule		Other considerations determined by the competent authority
Implementation Budget		

Source: Ministerial Resolution No. 1056-2019 MTC/01.02 Annex I

The project classification is carried out based on the Initial Classification (Clasificación Anticipada). The classification of projects in sectors without initial classification and projects with unclear classification are done by identifying project activities with potentially negative environmental impact and the possibly affected environmental elements, through scoping and technical interviews with relevant organizations. This clarification procedure is called a "Preliminary Project Evaluation" (Evaluación Preliminar: EVAP) and is approved by the National Environmental Certification Service for Sustainable Investment (Servicio Nacional de Certificación Ambiental para las Inversiones Sostenibles: SENACE) established under MINAM. Table presents provisional classification of transportation projects.

Table 2 Classification of Transportation Projects (extract)

Type and activities of projects	Category (type of assessment)
1. Creation of roads (National Road Network) without existing routes	III (EIA-d)
21. Creation of lines and terminals for railways, commuter trains, and/or subways	III (EIA-d)
22. Creation of bus and/or truck terminals for urban and interprovincial transport	II (EIA-sd)
23. Creation of aerodromes with a runway length of 1,800 m or more	III (EIA-d)
26. Construction of a river pier for passenger transport activities, with a pier length of less than or equal to 60 m	I (DIA)

Source: Ministerial Resolution No. 1056-2019 MTC/01.02 Annex I

In the case of the transport sector, a Socio-Environmental Technical Sheet (Ficha Técnica Socio Ambiental: FITSA) should be prepared for minor projects that are not categorized in any of the categories in the table above. Categories for such minor projects are provided by the Ministry of Transport and Communication

(MTC).

Procedures and Relevant Organizations

MINAM administers systems for environmental consideration through SEIA, while SENACE, a subordinate institution of MINAM, is responsible for the evaluation and approval of EVAP and EIA-d. On the other hand, the evaluation and approval of the environmental management tools such as DIA and EIA-sd are the responsibility of other ministries such as MTC for the transportation sector and other governmental institutions are in charge of each respective sector. The table below shows the organizations responsible for each environmental impact in projects of the transport and housing sector.

Public Participation

As mentioned in Table 1, public participation in the process of environmental impact assessment is defined based on the intensity of environmental and social impacts of the projects. Furthermore, the sustainable urban development law (Law No. 31313) defines effective citizen participation as one of guiding principles for sustainable urban development.

(3) **Policies, Plans and Programs**

Law N° 27446 of the Environmental Impact Assessment System (SEIA), in its Article 4, establishes that:

"It is the responsability of the proposing sector to apply a Strategic Environmental Assessment (SEA) when it comes to proposals for development policies, plans or programs that may have significant environmental implications".

Likewise, Article 61 of the Regulations of the aforementioned Law (D.S. 019-2009-MINAM) states that:

"The Strategic Environmental Assessment (SEA) is a systematic, active and participatory process that seeks to incorporate teh environmental variable into proposals for public policies, plans and programs as a preventive tool for environmental management."

Strategic Environmental Assessment

The Ministerial Resolution No. 00426-2024-MINAM, establishes the "Guidelines for the Implementation of the Strategic Environmental Assessment (SEA) process within the framework of the National Environmental Impact

Assessment System (SEIA)".. Likewise, to repeal Ministerial Resolution No. 228-2021-MINAM, which approved the "Guidelines for the implementation of the Strategic Environmental Assessment (SEA) process within the framework of the National Environmental Impact Assessment System (SEIA)".

2. Provisional Implementing procedures and Scoping

(1) Major tasks in the SEA process

Major tasks in the SEA process include the following.

1) Preparatory Works and Scoping for SEA

a. Establishment of a formation to implement SEA study, including SEA Team,

b. Stakeholder analysis and develop a participation strategy.

c. Implementation of SEA study including problem framework, governance framework, critical decision factors, evaluation of strategic options and monitoring plan.

2) Stakeholder participation.

a. Organizing stakeholder meetings including focus group discussions and community meetings.

b. Engagement of non-governmental stakeholders.

3) Reporting, Review and Approval (internal)

(2) Provisional Delimitation Results

3. Result of the consultation with recipient government on environmental and social consideration including roles and responsibilities.

ATU agreed with JICA on 12 September 2025 on abide by "JICA Guidelines for Environmental and Social Considerations (January, 2022)" in order to ensure that appropriate considerations will be made for the environmental and social impacts of the Project.

4. Terms of Reference for Environmental and Social Considerations

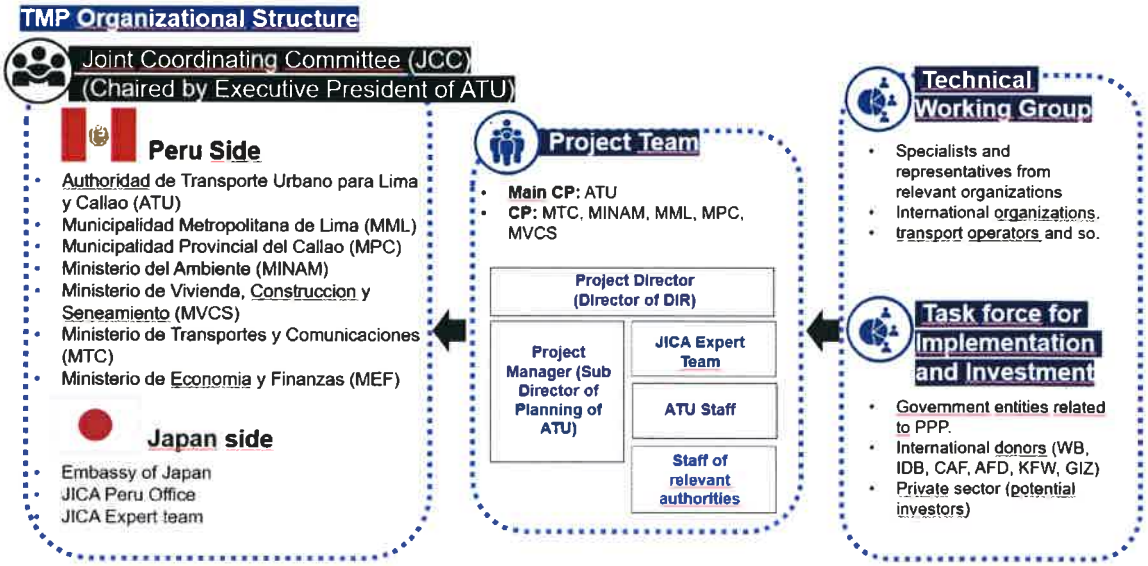
As mentioned above, the Project shall conduct Strategic Environmental Assessment in compliance with the Japan International Cooperation Agency (JICA) Environmental and Social Considerations Guidelines (January 2022) (the JICA Environmental Guidelines). Emphasis shall be placed on comparing and examining the alternatives at PPP levels above the Project. Specifically, after conducting scoping (clarifying the environmental and social impact items that are extremely important in decision-making of policies, plans, programs, etc. and their assessment methods), a comparative study of multiple

alternatives, including the impact of environmental and social aspects shall be conducted.

(1) Studies to be Conducted

1) Examination of objectives and targets of policies, plans, etc. of the Project.
2) Confirmation of environmental and social consideration systems and organizations of Republic of Peru.
    a. Laws, regulations, standards, etc. related to environmental and social considerations (environmental impact assessment, resident relocation, resident participation, information disclosure and others.)
    b. Gap Analysis between the local law/regulation and the JICA Environmental Guidelines
    c. Outline of related organizations
3) Examination of the contents of policies and plans (development forecasts, lists of countermeasures, maps of routes and future development areas and others.)
4) Consideration of alternatives to achieve the purpose within a reasonable range
5) Implementation of scoping (clarification of extremely important environmental and social items in decision-making of policies, plans, programs, etc. and their evaluation methods)
6) Confirmation of baseline environmental and social conditions (land use, natural environment, living areas of indigenous peoples, economic and social conditions.)
7) Impact assessment
8) Impact assessment and comparison of alternatives (PPP level)
9) Consideration of mitigation measures
10) Examination of monitoring methods
11) Preparation of scoping results of environmental and social consideration items of the most impactful projects proposed by the Project (alternative plans to be considered, scope of environmental and social impact items considered important, and prediction and evaluation method proposals)
12) Stakeholder consultations (examination of the purpose, participants, method and content of discussions and others. JICA Environmental Guidelines Appendix 5 shall be referred.)

END

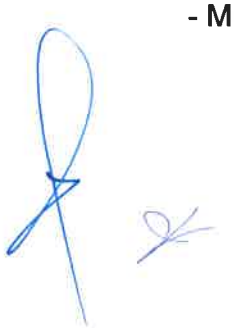


Establish a Task force composed of relevant authorities, donor agencies and potential investors to share information and recognition on major infrastructure projects to be listed in the Master Plan.

Annex 5

List of Proposed Members of Joint Coordination Committee

- Chair of JCC: Executive President of ATU
- Project Director: Director of Urban Transport and Collection Integration of ATU
- Project Manager: Sub Director of Planning of ATU
- Participants:
  - Authoridad de Transporte Urbano para Lima y Callao (ATU)
  - Municipalidad Metropolitana de Lima (MML)
  - Municipalidad Provincial del Callao (MPC)
  - Ministerio del Ambiente (MINAM)
  - Ministerio de Vivienda, Construccion y Seneamiento (MVCS)
  - Ministerio de Transportes y Comunicaciones (MTC)
  - Ministerio de Economia y Finanzas (MEF)



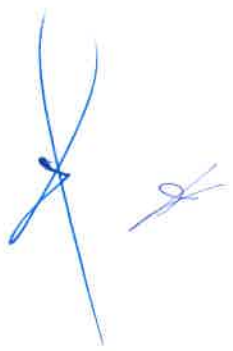
BASIC PRINCIPLES

FOR

TECHNICAL COOPERATION

January, 2022

JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)



Basic Principles for Technical Cooperation
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Basic Principles for Technical Cooperation

I. Introduction

Section 1.1 Introduction

The purpose of the Basic Principles for Technical Cooperation (hereinafter referred to as "the BP") is to set forth the basic principles generally applicable to Technical Cooperation Project and Technical Cooperation for Development Planning implemented jointly by the Japan International Cooperation Agency and the implementing agency of the recipient country (hereinafter referred to as "Technical Cooperation"), which consists of the record of discussions (hereinafter referred to as "the R/D") agreed upon between the Japan International Cooperation Agency (hereinafter referred to as "JICA") and the implementing agency of the recipient country (hereinafter referred to as "the Counterpart").

Section 1.2 Inconsistency with the R/D

If any contents of the BP is inconsistent with any contents of the R/D, such contents of the R/D will prevail.

II. Definition of Technical Cooperation

Section 2.1 Technical Cooperation

Technical Cooperation supports human resource development, research and development, technology dissemination and the development of institutional frameworks essential for the development of economies and societies in the recipient country.

Section 2.2 Technical Cooperation Project

Technical Cooperation Project refers to a systematic and comprehensive project implementation to attain certain outcomes within certain time period, in which input includes, but not limited to, the dispatch of members of JICA missions and/or JICA experts, acceptance of training participants, and/or provision of equipment from JICA.

Section 2.3 Technical Cooperation for Development Planning

In Technical Cooperation for Development Planning, JICA conducts necessary studies to support the recipient country to formulate policies and master plans, by dispatching members of JICA missions. Based on the results of this cooperation, the recipient country is expected to formulate plans for sector/regional development or rehabilitation/reconstruction by utilizing the results, to implement plans by raising funds from international organizations and others, and/or to carry out the recommended organizational/institutional reforms and other proposed activities.

III. Implementation Structure

Section 3.1 Project Team

Project team will work together for implementing Technical Cooperation. Its members include, but not limited to, Project Director, Project Manager, personnel from the Counterpart, members of JICA missions, JICA experts, and/or other members to be determined by both parties (hereinafter referred to as "the Project Team"). Details are described in the R/D.

Section 3.2 Roles of Project Team Members

General roles of members of the Project Team are as follows. Roles for other members will be determined by both parties for specific Technical Cooperation.

(1) Project Director

The project director, appointed from the Counterpart, will be responsible for the overall implementation and coordination of Technical Cooperation.

(2) Project Manager

The project manager, appointed from the Counterpart, will manage Technical Cooperation on a regular basis, and be responsible for administrative and technical matters of Technical Cooperation.

(3) Members of JICA Missions

The members of JICA missions will conduct studies regarding Technical Cooperation in cooperation with the Counterpart.

(4) JICA Experts

The JICA experts will give necessary technical guidance, advice and recommendations to the Counterpart on any matters pertaining to the implementation of Technical Cooperation.

Section 3.3 Joint Coordinating Committee

Joint Coordinating Committee (hereinafter referred to as "JCC") will be established in order to manage Technical Cooperation, and its proposed members are listed in the R/D. JCC will be held at least once a year and whenever deems it necessary and plays vital roles for implementing Technical Cooperation as follows.

(1) JCC for Technical Cooperation Project

Main tasks are 1) to review the progress, 2) to revise the overall plan when necessary, 3) to approve an annual work plan, 4) to suggest modifications of the framework (including the Project Design Matrix (hereinafter referred to as "PDM") and the Plan of Operation (hereinafter referred to as "PO") for Technical Cooperation Project), 5) to conduct evaluation of Technical Cooperation Project, and 6) to exchange opinions on major issues that arise during the implementation of Technical Cooperation Project.

(2) JCC for Technical Cooperation for Development Planning

Main tasks are to discuss on the progress and major issues that arise during the implementation of Technical Cooperation for Development Planning.

IV. Undertakings of the Counterpart

Section 4.1 Grant of Privileges, Exemptions, Benefits to JICA, the members of JICA missions and the JICA experts

The Counterpart and the government of the recipient country will take necessary measures to grant JICA, the members of JICA missions and the JICA experts privileges, exemptions and benefits in accordance with international agreements concluded between the government of Japan and the government of the recipient country.

Section 4.2 Provision of Conveniences for the members of JICA missions and the JICA experts

The Counterpart and the government of the recipient country will take necessary measures to provide conveniences listed hereto at its own expense;

(1) Information as well as support in acquiring suitable furnished accommodation for the JICA experts and their families;
(2) Information as well as support in obtaining medical service for the members of JICA missions, the JICA experts and their families; and
(3) Credentials or identification cards as necessary to the members of JICA missions and the JICA experts.

Section 4.3 Provision of Services, Facilities and Local-Cost Bearing for the Technical Cooperation

The Counterpart and the government of the recipient country will take necessary measures to provide services, facilities and local-cost bearing listed hereto at its own expense;

(1) Services of the Counterpart's personnel;
(2) Suitable office space for the Project Team with necessary equipment;
(3) Running expenses necessary for the implementation of Technical Cooperation;
(4) Expenses necessary for transportation within the recipient country of the equipment provided by JICA for Technical Cooperation Project as well as for the installation, operation and maintenance thereof;
(5) Supply or replacement of machinery, equipment, instruments, vehicles, tools, spare parts and any other materials necessary for the implementation of Technical Cooperation other than those prepared and provided by JICA;
(6) Travel allowances for the Project Team for official travel within the recipient country; and
(7) Available data (including maps and photographs) and information

related to Technical Cooperation.

V. Reporting

Section 5.1 Reporting for Technical Cooperation Project

The Project Team will prepare the Project Completion Report three (3) months before the completion of Technical Cooperation Project.

Section 5.2 Reporting for Technical Cooperation for Development Planning

The Project Team will prepare and submit the following reports to the Counterpart. Details, such as the language of the reports, will be determined based on mutual consultation.

(1) Inception Report at the commencement of the work period in the recipient country
(2) Interim Report at the middle of the work period in the recipient country
(3) Draft Final Report at the end of the work period in the recipient country
(4) Final Report within one (1) month after the receipt of the comments on the Draft Final Report

VI. Monitoring and Evaluation

Section 6.1 Regular Monitoring and Evaluation for Technical Cooperation Project

The Project Team will jointly and regularly monitor the progress of Technical Cooperation Project through the monitoring sheets based on PDM and PO every six (6) months, while JCC will conduct overall evaluations of Technical Cooperation Project.

Section 6.2 Ex-post Evaluations

JICA will conduct the following ex-post evaluations and surveys to verify sustainability and impact of Technical Cooperation and draw lessons. The Counterpart will make best efforts to provide necessary support for them.

(1) Ex-post evaluation three (3) years after the completion of Technical Cooperation, in principle
(2) Follow-up surveys, as necessary

VII. Ownership of Equipment, Machinery, and Materials

Section 7.1 Equipment, Machinery, and Materials provided by JICA

The equipment, machinery and materials provided by JICA will become the property of the Counterpart or competent authorities of the recipient country upon being delivered to the Counterpart or the authorities.

Section 7.2 Equipment, Machinery, and Materials owned by JICA

The equipment, machinery and materials prepared by JICA for the performance of duties of the members of JICA missions and the JICA experts will remain the property of JICA unless a separate arrangement is agreed between JICA and the Counterpart or competent authorities of the recipient country.

VIII. Construction of Pilot Facility

Section 8.1 Ownership of Pilot Facility

When a pilot facility is constructed in Technical Cooperation, based on a separate arrangement to be agreed between the relevant parties, JICA will provide necessary services for constructing the pilot facility for Technical Cooperation throughout the implementation period. Upon the completion of the construction, the pilot facility will become a property of the Counterpart or competent authorities of the recipient country. The Counterpart or the authorities will ensure proper and effective operation and maintenance of the pilot facility.

Section 8.2 Safety Management of Construction

JICA and the Counterpart will assure safety management of the construction in accordance with 'the Guidance for the Management of Safety for Construction Works in Japanese ODA Projects'.

IX. Public Relations

Section 9.1 Promotion of Public Support

For the purpose of promoting support for Technical Cooperation, JICA and the Counterpart will take appropriate measures to make Technical Cooperation widely known to the people of Japan and the recipient country.

X. Environmental and Social Considerations

Section 10.1 Policy

JICA and the Counterpart abide by 'JICA Guidelines for Environmental and Social Considerations' in order to ensure that appropriate considerations will be made for the environmental and social impacts of Technical Cooperation. The version of 'JICA Guidelines for Environmental and Social Considerations' to be applied shall be designated in the R/D.

XI. Miscellaneous

Section 11.1 Misconduct

All related personnel and organizations will keep the highest ethics and prevent any corrupt or fraudulent practices in the implementation of Technical Cooperation.

If JICA or the Counterpart receives information related to suspected corrupt or fraudulent practices in the implementation of Technical Cooperation, JICA and the Counterpart will cooperate to take appropriate measures against such practices and provide the other party with such information as the other party may reasonably request, including information related to any concerned personnel of the contractor, consultant, government and/or public organizations.

JICA and the Counterpart will not, unfairly or unfavorably treat the person and/or organization which provided the information related to suspected corrupt or fraudulent practices in the implementation of Technical Cooperation.

Section 11.2 Mutual Consultation

JICA and the Counterpart will consult each other whenever any issues arise in the course of implementation of Technical Cooperation.

MINUTES OF MEETINGS
BETWEEN
URBAN TRANSPORT AUTHORITY FOR LIMA AND CALLAO
AND
JAPAN INTERNATIONAL COOPERATION AGENCY
ON
PUBLIC TRANSPORT MASTER PLAN FOR LIMA AND CALLAO

In response to the request from the Government of Peru, Japan International Cooperation Agency (hereinafter referred to as "JICA") dispatched the Detailed Planning Survey Team (hereinafter referred to as "the Team") headed by Mr. SANJO Akihito from 1st September to 12th September 2025 for the purpose of working out the outline of the technical cooperation project "The Project for Development of Public Transport Master Plan for Lima and Callao" (hereinafter referred to as "the Project").

During its stay in Peru, the Team exchanged views and had a series of discussions with Urban Transport Authority for Lima and Callao (hereinafter referred to as "ATU"), which is responsible for implementing the Project on Peru side, and other relevant authorities, regarding the framework and components of the Project referring to the terms of reference previously provided by ATU.

As a result of the discussion, both sides agreed on the matters described in the document attached hereto.

Lima, 12 September 2025

Mr. SANJO Akihito
Team Leader
Detailed Planning Survey Team
Japan International Cooperation Agency

Mr. Romero Bonilla Jaime Francisco
Executive President
Urban Transport Authority for Lima and Callao

ATTACHED DOCUMENT

I. FRAMEWORK OF THE PROJECT

1. Project Outline

Both sides agreed on the project outline described in the draft of Record of Discussions (hereinafter referred to as "R/D") attached hereto.

Both sides understood that the purpose of the R/D is to establish a mutual agreement on project implementation by both sides and to agree on the detailed plan of the Project. Furthermore, both sides understood that the contents of the R/D are subject to change based on further internal consideration by both sides and their mutual consent.

2. The Title of the Project

Both sides have agreed that the title of the Project is "The Project for Development of Public Transport Master Plan for Lima and Callao".

3. Target Area

Both sides confirmed that the Project will cover the area of Lima Callao Metropolitan Area, and the urban continuum areas under the jurisdiction of ATU.

4. Target Year

Target year of the Master Plan proposed by the Project is 2048.

5. Duration of the Project

Both sides agreed that the duration of the Project is twenty-four (24) months from the date on which JICA Expert Team (hereinafter referred to as "JET") started their onsite activity in Lima. The Procurement Procedure of JET will start once after the R/D had been signed.

6. The Structure of Project Management

Both sides confirmed that the structure of the project management will be as follows.

(1) Project Director, who will be responsible for the overall implementation and coordination of the Project, is the Director of Urban Transport Integration and Collection of ATU.

(2) Project Manager, who will manage the Project on a regular basis, and be responsible for administrative and technical matters of the Project, is the Sub Director of Planning of ATU.

(3) The Joint Coordination Committee (JCC)

The Joint Coordination Committee (hereinafter referred to as "JCC") consisting of the authorities concerned will be established in order to facilitate inter-organizational coordination during the project period. JCC will be chaired by the Executive President of ATU. The proposed members of the JCC are described in Annex 5 of the draft R/D. JCC will be held once in half a year and whenever deemed necessary by the members.

II. KEY ISSUES DISCUSSED

1. Status of "Plan de Movilidad Urbana para Lima y Callao"

"Plan de Movilidad Urbana para Lima y Callao" (hereinafter referred to as the "PMU") is a comprehensive urban mobility plan formulated by ATU. In accordance with Law No. 30900, Article 6 defines the functions of the ATU within its jurisdiction, explicitly designating it as the competent authority responsible for planning, approving and implementing the PMU. Accordingly, the PMU attains legal validity upon its formal approval by the Council of ATU. Both sides confirmed that the Master Plan shall be officialized through the corresponding document according to ATU's competences.

Status and finalization schedule of the PMU are as follows:

- October 2025, public consultation of the PMU,
- November 2025, solving comments from the public consultation and finalizing the PMU; and
- December 2025, approval of the PMU by the Council of ATU.

Both sides confirmed that the Public Transport Master Plan for Lima and Callao (hereinafter referred to as "Master Plan") shall be regarded as a plan that is aligned to the PMU, recognizing that PMU is strategic plan and that the Master Plan shall develop in detail and prioritize the proposed transport projects. The Master Plan will maintain following elements of the PMU:

- Vision "Mobility in Lima and Callao is safe, accessible, sustainable, democratic, inclusive and efficient, integrating various modes of transport, prioritizing the safety of people to generate opportunities for economic development and improve the quality of life of the population";
- The six principals (Efficiency in Urban Mobility; Competitiveness and Economic Development; Environmental Sustainability and Comprehensive Resilience; Universal Accessibility and the Right to the City; Sustainable Urban Mobility Culture; and Governance and Cooperation).

In addition, both sides also confirmed that the Master Plan can revise and update as input, following elements of the PMU:

- Basic assumption (socio-economic parameters, financial constraint etc.);
- Transport demand forecast;
- Corridor of integrated transport system (SIT), mode, cost and completion of major projects composing the PMU;
- Predicted benefit of the projects under the PMU; and
- Strategic Environmental Assessment (hereinafter referred to as "SEA") procedure and methodology (basic concept, "participatory approach" is to be respected).

2. Coordination Mechanisms of the Project

(1) Joint Coordination Committee

Both sides understood that the Project requires good coordination among all related stakeholders including other Government agencies and the municipalities as well as international development partners. ATU agreed to coordinate those related organizations to formulate of the Master Plan through JCC or any other necessary meetings.

(2) Technical Working Group

Both sides confirmed that, during the formulation of the Master Plan, a Technical Working Group shall be established, through which inputs and feedback will be collected from private organizations, transport operators, professional associations and international organizations.

(3) Task Force for Implementation and Investment

Funding is a major issue on development of transport infrastructure especially for mass public transportation systems. To cope with the issue, Government of Peru has utilized loans from donor agencies and funds from private sectors. In this connection, both sides agreed to establishing a Task Force composed of relevant authorities, donor agencies and potential investors to share information and recognition on major infrastructure projects to be listed in the Master Plan. Composition of the Task Force is to be further discussed at the Technical Working Group and JCC.

3. Scope of the Project

Both sides confirmed that the expected outputs and activities of the Project to be developed by the Project Team are as follows.

(1) Expected Outputs

(a) To propose future layout of Integrated Transport System (SIT), excluding detailed feeder network. Considering network proposed by the PMU and accessibility to peripheral areas, following issues will be examined in terms of demand, available space for construction and rough but more detailed cost estimate than that of PMU (F/S level study is not expected):

- Necessity, appropriate routes and modes of current and other potential Metro lines;
- Necessity of Metro Line1 extension and its capacity expansion;
- Possibility of utilizing inter-city railway network as intra-city one; and
- Proper routes of Bus Rapid Transit (BRT), Bus Corridors and cable car lines.

At first, optimal network in 2048 without budget constraint will be identified and then 3 to 4 scenarios will be proposed according to scenarios of budget constraint. Financial schemes such as public works, loan from donor agencies, PPP, the G-to-G scheme, Land Value Capture (LVC) and their hybrid will be discussed incorporating stakeholders' opinions and results of market sounding.

(b) To present a proposal of pilot study for a feeder bus network of greater capacity and efficiency as opposed to present authorized route network within a pilot area of influence of existing Metro System. This has the purpose of discussing its future reorganization with stakeholders such as operators. The study will propose several alternatives and examine their network performance such as demand capture and contribution to social equity.

Financially viable business model (such as gross-cost-contract model and/or net-cost-contract model as well as level of subsidization by public funds) of each alternative will be also considered.

(c) To propose alternatives of public transport business models (responsibility demarcation model between regulator and operators, contract vs license, availability payment from public fund vs cost recovery by tariff revenue, tariff revenue allocation system) by utilizing benchmark study on major cities in the world. The result of the benchmark study is expected to be utilized to consider modernization of segmented licensed bus operators.

(d) To propose traffic management measures to improve bus travel speed and reduce CO2 emissions (e.g., traffic control at bus stops, exclusive/priority lane for bus, Intelligent Transportation System (ITS) technologies for public transport operation and tariff collection, congestion charging, Low Emission Zone, parking control and so on).

(e) To calculate contribution of the projects listed in the Master Plan to reduction of greenhouse gas (GHG) emissions, methodologies to meet objectives of relevant actions will be presented.

For the purpose of estimating GHG mitigation potentials of comprehensive activities under the Master Plan to provide a picture ex ante, the methodology based on traffic assignment model, which delivers outputs of unit emission per vehicle milage, should be applied.

For the purpose of Measurement, Reporting and Verification (MRV) of mitigation actions and actual GHG emissions reduction during and after the implementation (ex post), the simplified methodology by utilizing unit emission per person milage, which were developed as a basis of the MRV model's outputs should be applied.

By having them in appropriate combination, potentials to contribute to the Peru's Nationally Determined Contributions (NDC) will be accurately visualized, while practical burdens to track them will be minimized. Further, to facilitate bringing additional benefits of support and mobilizing various sources of climate-related finance, it could be beneficial to ATU and the Ministry of Transport and Communications (hereinafter referred to as the "MTC") if more projects of the Master Plan were identified as

NDC.

(2) Expected Activities

(a) To review the Data Collection Survey and the PMU.
(b) To revise demand forecast model proposed by the Data Collection Survey by incorporating newly acquired Big Data.
(c) To set up alternative networks of public transport system.
(d) To review approximate costs and technical difficulties of component projects of the alternatives.
(e) To forecast traffic and transport demand of each alternative network.
(f) To comprehensively examine benefits, costs, economic and environmental impact, and challenges of the alternative networks.
(g) To implement SEA in order to strategically evaluate alternative plans by gathering stakeholders' opinion.
(h) To identify an optimal network plan with proper modes of trunk public transport lines.
(i) To identify a pilot corridor, set up alternative licensed bus network plans, and examine performance of them.
(j) To develop phased implementing plan (such as short, mid and long term plans) of the optimal network (including identification of priority measures).
(k) To propose implementation schemes for priority policies and projects including appropriate financial schemes.
(l) To identify challenges to realize the Master Plan.
(m) To propose monitoring methodology of the Master Plan.

4. Demand Forecast Model

The demand forecast model "M-TRES", which was developed by the PMU by utilizing aggregated CDR data, was reviewed and revised in the course of the Data Collection Survey. However, certain issues have been acknowledged in the analysis on the CDR data. Therefore, JICA considers that it is necessary, in the course of the Project, to obtain new aggregated CDR data and appropriately update the demand forecast model proposed by the Data Collection Survey.

Both sides recognized the importance of this information, therefore ATU shall evaluate the purchase of the CDR data, based on the budget availability in the corresponding fiscal year, within two (2) months after commencement of the study.

National Census 2025 is being implemented in August 2025. The available census data as of 2 months after commencement of the Project shall be utilized for the demand forecast.

5. Climate Change Mitigation

Both sides confirmed that to ensure alignment with Peru's national strategies and guidelines, the items and measures from the "National Strategy on Climate Change by 2050," submitted to the United Nations Framework Convention on Climate Change in June 2025, that should be incorporated into this Master Plan will be confirmed with both the MTC and the Ministry of Environment.

6. Process of Approval of the Master Plan
Both sides confirmed that the Master Plan which will be formulated in the Project shall be approved by the Council of ATU at the end of the Project.
After the completion of the Project, the JCC members shall monitor progress and undertake the necessary procedures for the implementation of the projects proposed in the Master Plan.

7. Basic Network of the Mass Transit System
Both sides confirmed that the Master Plan shall be officialized through the corresponding document according to ATU's competences.

8. Provision of benefits and facilities
(1) ATU has agreed to provide the following benefits and facilities:
(a) Provision of office space with office furniture and utilities such as internet connection, electricity, air conditioner and so on.
(b) Necessary data and information for the project implementation such as tracking data through GPS equipment attached to licensed bus vehicles, based on availability.
(c) Permission for access to project sites for JICA Experts.
(d) Identification cards from ATU or other relevant authorities for JICA Experts as necessary.
(e) Assignment of the ATU staff involved in the Project.
(f) Expenses related to the activities of ATU staff involved in the Project.

(2) JICA has agreed to provide following inputs for the Project:
(a) Dispatch of JICA Experts.
(b) Expenses related to JICA experts' activities.
(c) Trainings/Study Tours for Peru participants in Japan and/or in the third country.

9. Basic Principles
Both sides have agreed that the Project will be implemented in accordance with the "Basic Principles for Technical Cooperation" published in April 2022 (hereinafter referred to as the "BP"), unless other arrangements are agreed in the R/D. The BP is available on the website below: https://www.jica.go.jp/english/our_work/types_of_assistance/tech/op_info/basic.html

10. Environmental and Social Consideration
Regarding the Section 10.1 of the BP, since the Project is categorized as "B" under the "JICA Guidelines for Environmental and Social Considerations (January 2022)" (hereinafter referred to as "the Guidelines"), the necessary procedures are taken in accordance with the Guidelines.

11. Contents of Reports
JICA will prepare and submit the following reports to ATU in English and Spanish.
(1) Inception Report (ICR)
Methodologies to formulate public transport master plan and project

implementation schedule
Soft copy within one (1) month after the commencement of the Survey.

(2) Progress Report (PR)
Review the Data Collection Survey before the Project, Socio-economic framework, future vision and strategic objectives, evaluation criteria, alternative scenario.
Soft copy within six (6) months after the commencement of the Survey.

(3) Interim Report (ITR)
Traffic demand forecast modeling (MTRES), and optimal proposal of SIT network,
Soft copy within twelve (12) months after the commencement of the Survey.

(4) Draft Final Report (DFR)
Phased implementing plan, proposal of organizational and financial arrangement, and proposal of monitoring mechanism, business model and financing,
Soft copy within eighteen (18) months after the commencement of the Survey.

(5) Final Report (FR)
The Master Plan and public relations materials
The Master Plan and public relations materials with Executive Summary: 10 hard copies and one (1) soft copy.

12. Monitoring and evaluation

JICA will conduct the following evaluations and surveys to verify how the proposed Master Plan is utilized and to draw lessons. ATU and other related organizations are required to provide necessary support for those evaluations and surveys.

(1) Ex-post evaluation two (2) years after the project completion, in principle
(2) Follow-up surveys on necessity basis.

13. Public Relations

ATU will take appropriate measures to make the Project widely known to the people of Peru. The Team agreed that JET will provide information and contents for public relations to ATU, and that both sides will seek for effective and efficient public relations.

14. Confidentiality

JICA and ATU confirmed that confidential data such as personal information should be handled in a proper manner for the implementation of the Project. If JICA needs to use those data for the purpose except the Project implementation, JICA and JICA Expert Team will make prior consultation to ATU to this effect.

15. Signer of R/D

Both sides confirmed that the signer of R/D would be the Chief Representative of JICA Peru Office and the Executive President of ATU.

16. Next Steps

Both sides agreed to conduct internal procedures before signing the R/D. The R/D will be signed between JICA and ATU after its approval by JICA headquarter and ATU. The R/D is expected to be signed by January 2026.

17. Language of M/M

The present M/M is signed in English and Spanish. Should there be any discrepancies between the two versions, the English version shall prevail.

Attachment: Draft Record of Discussions (R/D)

Attachment

DRAFT
RECORD OF DISCUSSIONS

FOR

Public Transport Master Plan for Lima and Callao

AGREED UPON BETWEEN

The Authority of Urban Transportation for Lima and Callao

OF

Republic of Peru

AND

JAPAN INTERNATIONAL COOPERATION AGENCY

Dated Month Day 2025

Attachment

Based on the minutes of meetings on the Detailed Planning Survey for the Project for Development of Public Transport Master Plan for Lima and Callao] (hereinafter referred to as "the Project") signed on September 12th, 2025 between The Authority of Urban Transportation for Lima and Callao of Peru (hereinafter referred to as "the Counterpart") and the Japan International Cooperation Agency (hereinafter referred to as "JICA"), JICA held a series of discussions with the Counterpart and relevant organizations to develop a detailed plan of the Project.

The purpose of this record of discussions (hereinafter referred to as "the R/D") is to establish a mutual agreement for its implementation by both parties and to agree on the detailed plan of the Project as described in the followings and the Annex1, 2,and 3, which will be implemented within the framework of the Agreement on Technical Cooperation signed on February 15th 1980 (hereinafter referred to as "the Agreement") and the Note Verbales exchanged on August 20th 1979 between the Government of Japan and the Government of Peru.

The Counterpart will be responsible for the implementation of the Project in cooperation with JICA, coordinate with other relevant organizations and ensure that the self-reliant operation of the Project is sustained during and after the implementation period in order to contribute toward social and economic development of Peru.

Both parties also agreed that the Project will be implemented in accordance with the "Basic Principles for Technical Cooperation" published in January 2022 (hereinafter referred to as "the BP"), unless other arrangements are agreed in the R/D.

The R/D is delivered at Lima as of the day and year first above written. The R/D, except Annex 4 to 6 may be amended by minutes of meetings between both parties. The minutes of meetings will be signed by authorized persons of each side who may be different from the signers of the R/D.

For	For
Japan International Cooperation Agency	Urban Transport Authority for Lima and Callao
Mr. Yukinari HOSOKAWA Chief Representative JICA Peru Office	Mr. Jaime Romero BONILLA Executive President

Attachment

Annex 1 Project Description
Annex 2 Main Points Discussed
Annex 3 Drafts of TOR for environmental and social considerations studies
Annex 4 Implementation Structure
Annex 5 List of Proposed Members of Joint Coordinating Committee
Annex 6 Basic Principles
Appendix: Minutes of Meeting (M/M) signed on September 12th, 2025

Attachment

Annex 1

PROJECT DESCRIPTION

(1) Title of the Project
The Project on Public Transport Master Plan for Lima and Callao

(2) Overall Goal
Realization of sustainable urban development in the Lima and Callao Metropolitan Area through the promotion of appropriate public transport infrastructure and systems, and the accelerated modal shift to public transport, based on the Transport Master Plan formulated in the project.

(3) Project Purpose
This project aims to develop the Public Transport Master Plan for the Lima and Callao Metropolitan Area, including the quantification of contributions to GHG (Green House Gas) reduction through key policies in order to establish an implementation plan for environmentally friendly, efficient, economical, and sustainable public transportation services, thereby contributing to the sustainable development of the metropolitan area.

(4) Period of the Project
The duration of the Project is twenty four (24) months from the date on which the JICA Expert Team started on site activity in Lima.

(5) Implementing Agency
Urban Transport Authority for Lima and Callao

(6) Project Inputs (Japanese Side, any important inputs)
1) Dispatch of JICA Experts
2) Expenses related to JICA experts' activities.
3) Technical Working Group, Seminar and Trainings for Peru participants

(7) Environmental and Social Considerations
Under the 'JICA Guidelines for Environmental and Social Considerations, January 2022

Attachment

Annex 2

MAIN POINTS DISCUSSED

1. **Annex 4 to 6 and Appendix**
   Both parties agreed on the contents of Annex 4 to 6 and **Appendix** which is categorized as references of the R/D. Both parties further agreed that the contents of Annex 4 to 6 and **Appendix** may be modified by mutual confirmation such as determination of monitoring sheets or minutes of meetings usually after Joint Coordinating Committee.

2. **Environmental and Social Considerations**
   With regard to the Section 10.1 of the Basic Principles, since the Project is categorized as B under the "JICA Guidelines for Environmental and Social Considerations January 2022"
   (1) Disclosure of the information regarding environmental and social considerations
   Both parties agreed that JICA discloses the front page of the R/D and drafts of TOR for environmental and social considerations studies attached as Annex 3 as agreement documents designated by the 3.4.2.7 of the Guideline. The front page of the R/D and drafts of TOR are disclosed on JICA's website promptly after concluding the R/D.

3. **Gender Equality and Women's Empowerment**
   Both parties confirmed that activities to promote gender equality and women's empowerment should be duly practiced for the Project implementation.

4. **Climate Change Mitigation**
   Both parties confirmed that this project contributes to Climate Change mitigation by alleviating traffic congestion through improvements to the public transportation system, achieved via the formulation of the Master Plan and the implementation of projects proposed therein. Furthermore, the parties agreed to enhance the added value of the Master Plan by aligning it with "National Strategy on Climate Change by 2050" and the transport sector's Nationally Determined Contributions (NDCs).

5. **Private Sector and International Donor Engagement**
   In order to further develop Lima and Callao Metropolitan area, it is important to reflect opinions on the Public Transport Master Plan developed in the Project and make it a more sustainable area where is preferred by more citizens. In this regard, both parties agreed on the importance of Private Sector and International Donors engagement for realizing the Master Plan and committed to disclose information during the Project

period to achieve this goal. Specifically, it is envisioned that the interim outputs approved by the Joint Coordinating Committee (JCC) will be shared within the working group, and that discussions will be held to incorporate the perspectives of the private sector and international donors toward the early realization of public transportation system development, particularly mass transit infrastructure. These discussions will include consideration of planning approaches such as financing schemes.

6. **Joint Working**
   Both parties understood the importance of the capacity building and collaboration work between the JICA Expert Team, the Counterpart, and relevant organizations during the Project. The Counterpart agreed to the provision of its utmost effort toward successful delivery of the Project.

7. **Amendments**
   The present R/D can be amended based on Minutes of Meetings between JICA and the Counterpart. The Minutes of Meetings shall be signed by authorized persons of each side who may be different from the signers of this R/D.

8. **Language of R/D**
   The present R/D is signed in English and Spanish. Should there be any discrepancies between the two documents, the English version shall prevail.

Annex 3

Environmental and Social Considerations in Detailed Planning Survey
(Technical Cooperation for Development Planning)

1. Full title of the Project

   The Project for Development of Public Transport Master Plan for Lima and Callao (The Project)

2. Type of the study (e.g. Master Plan, Feasibility Study, Detailed Design, etc.)

   Master Plan

3. Categorization and its reason

   The Project is classified as a "Category B" because of the following reasons:

   The project is not likely to have significant adverse impact on the environment under the JICA Guidelines for Environmental and Social Consideration (January 2022, hereinafter referred to as JICA Guidelines) in terms of its sectors, characteristics and areas.

   The Project formulates the public transport master plan for Lima and Callao, while maintaining visions and principals proposed by the "Plan de Movilidad Urbana para Lima y Callao" (hereinafter referred to as the "PMU"). The Project intends to achieve safe, accessible, sustainable, democratic, inclusive, efficient and integrity of various modes of transport. The project will conduct demand forecast, predict the economic benefits of such public transport and propose improved mass transit system in the target area. Therefore, the impact of the project is expected to be moderate and may be handled by proper mitigation measures.

4. Agency or institution responsible for the implementation of the project

   Urban Transport Authority for Lima and Callao (ATU)

5. Outline of the Project

   Below descriptions will be updated in accordance with the final version of M/M and R/D

(1) Expected Outputs

   (a) To propose future layout of Integrated Transport System (SIT) without feeder network.

   (b) To present study for a bus network of greater capacity and efficiency as

opposed to present authorized route network within a pilot area of influence of existing Metro System.

(c) To propose alternatives of public transport business models (responsibility demarcation model between regulator and operators, contract vs license, availability payment from public fund vs cost recovery by tariff revenue, tariff revenue allocation system) by utilizing benchmark study on major cities in the world.

(d) To propose traffic management measures to improve bus travel speed and reduce CO_2 emissions (e.g., traffic control at bus stops, exclusive/priority lane for bus, Intelligent Transportation System (ITS) technologies for public transport operation and tariff collection, congestion charging, Low Emission Zone, parking control and so on).

(e) To calculate contribution of the projects listed in the Master Plan to reduction of greenhouse gas (GHG) emissions, methodologies to meet objectives of relevant actions will be presented.

(2) Expected Activities

(a) To review the Data Collection Survey and the PMU.

(b) To revise demand forecast model proposed by the Data Collection Survey by incorporating newly acquired Big Data.

(c) To set up alternative networks of public transport system.

(d) To review approximate costs and technical difficulties of component projects of the alternatives.

(e) To forecast traffic and transport demand of each alternative network.

(f) To comprehensively examine benefits, costs, economic and environmental impact, and challenges of the alternative networks.

(g) To implement SEA in order to strategically evaluate alternative plans by gathering stakeholders' opinion.

(h) To identify an optimal network plan with proper modes of trunk public transport lines.

(i) To identify a pilot corridor, set up alternative licensed bus network plans, and examine performance of them.

(j) To develop phased implementing plan of the optimal network plan (including identification of priority measures).

(k) To propose implementation schemes for priority policies and projects including appropriate financial schemes.

(l) To identify challenges to realize the Master Plan.

(m) To propose monitoring methodology of the Master Plan.

(3) Justification

The Government of Peru committed to net zero CO_2 emissions by 2050 to achieve the goal in the Paris Agreement. In the Nationally Determined Contribution (NDC) of Peru, the target of unconditional Greenhouse Gas (GHG) reduction is set at 30%, and that of the conditional goal is 40%, compared with the business-as-usual (BAU) scenario. The Ministry of Transport and Communications (MTC) proposed measures in the transport sector, which are expected to reduce the CO_2 emissions by 1.08 $MtCO_2$ by 2030. Therefore, reduction in vehicle emissions is one of the important issues in the transport sector in Peru. It is necessary to improve the public transport system to encourage a modal shift from private cars to mass transit systems and conversion of existing vehicles to eco-friendly vehicles. This project aims at proposing appropriate routes and modes of current and potential mass transits and ultimately contributes to improve urban transportation in the target area. It is also in line with the country's policy to strengthen urban management and modernization.

6. Description of the project site (maps, environmental and social condition, current issues)

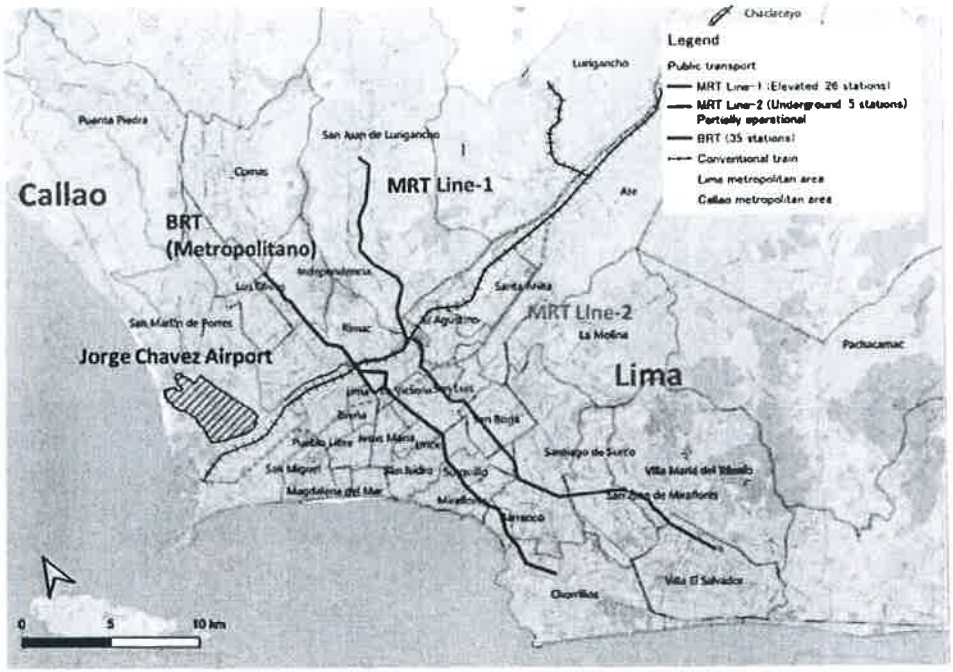
(1) Target area

The target area is the Lima and Callao Metropolitan Area.

(2) General Features and Natural Environment

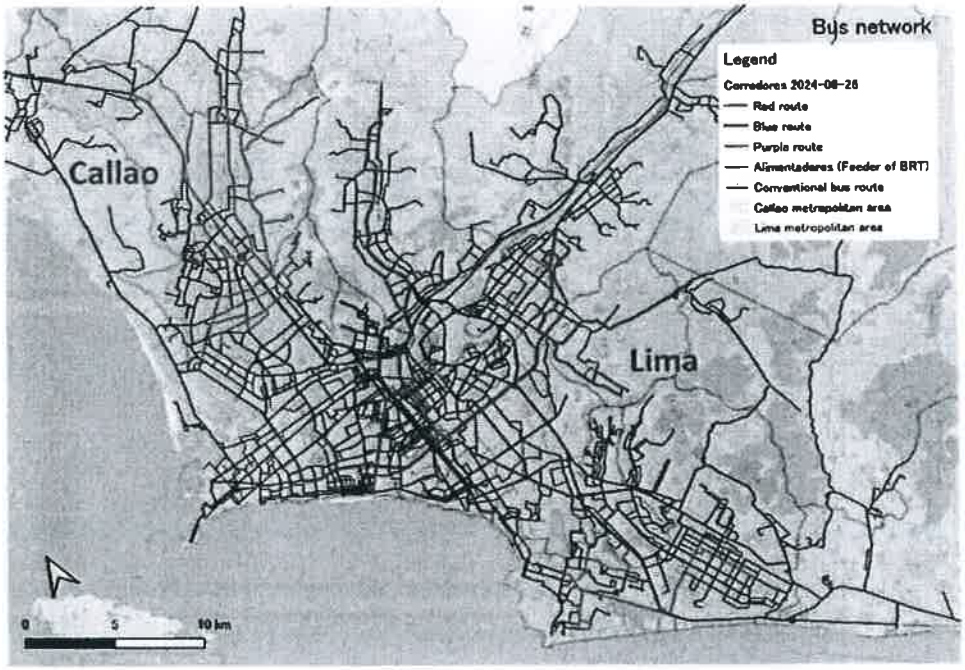
1) Outline

Lima-Callao metropolitan area is Lima is located on the central coast of Peru, situated between the Pacific Ocean to the west and the Andes foothills to the east, forming a coastal desert oasis. It lies in the valleys of three river systems, namely Chillón, Rímac, and Lurínat, covering approximately 2,819 km^2 and with 11.3 million population as of 2023. Public transportation in the Lima-Callao metropolitan area consists of the BRT (Bus Rapid Transit, commonly known as the Metropolitano) and Metro Line 1 as in Figure 1. Additionally, five other metro lines are planned, with Line 2 currently under construction aiming for opening within 2025. Figure 2 indicates bus networks of the project area, which cover the areas where MRT and BRT do not reach.



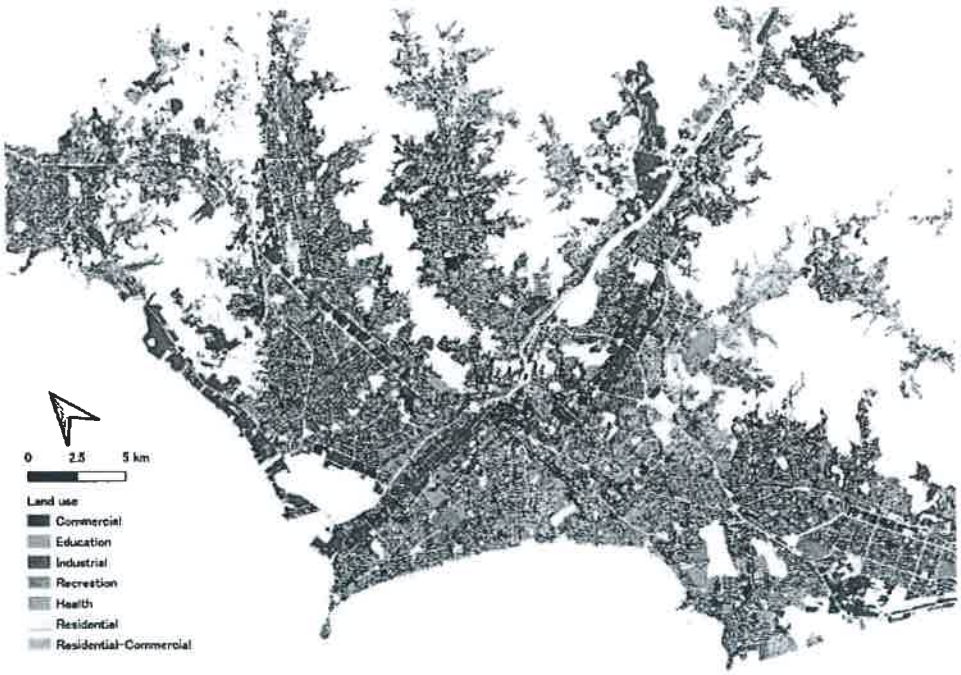
Source: JICA Study Team (JST)

Figure 1 Public Transport (MRT and BRT) in Lima and Callao metropolitan area



Source: JST

Figure 2 Bus network in Lima and Callao metropolitan area



Source: Interim Report of the Data Collection Survey on Climate Change Mitigation Effects of Public Transportation Shift in Lima and Callao Metropolitan Area

Figure 3 Land use of Lima and Callao metropolitan area

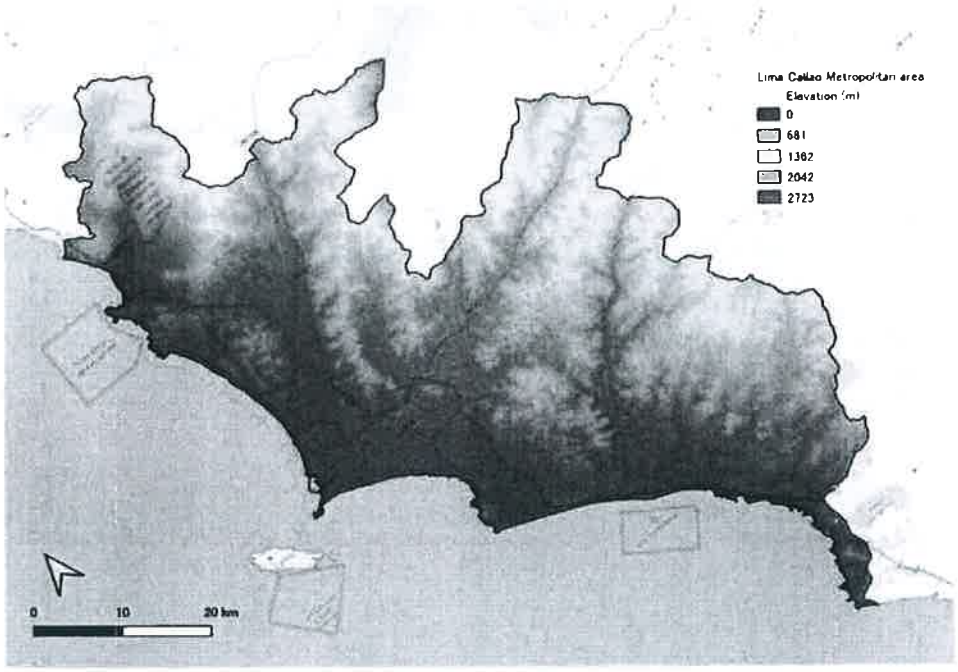
2) Physical Features

Climate Conditions

Climate conditions of Lima and Callao are mild desert climate with two distinct seasons: a cooler winter from April to October and a warmer summer from November to March. The metropolitan area is characterized by its high humidity levels throughout the year, which can make the temperatures feel slightly cooler or warmer than actual temperature. As a result of the cold Humboldt Current, which flows off the coast, the area rarely experiences extreme heat, making it pleasant for visitors in any season.

Geographical Features

Figure 4 presents elevation of the project area. Mean elevation of the area is around approximately 150-160 meters above sea level, situated in a valley between the Pacific Ocean and the foothills of the Andes Mountains. The terrain includes sandy cliffs along the coast and extends into valleys and the nearby mountains, with parts of the city reaching up to 2723 m.

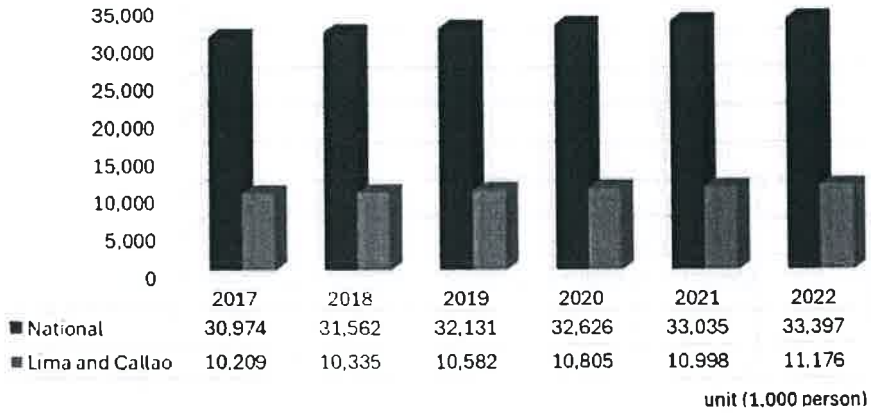


Source: JST

Figure 4 Elevation of the Project area

Population

In Peru, the most recent population censuses survey (census) has been conducted in 2017, and the population data after the census year has been projected by national statistics bureau, INEI. The population of Peru is around 30 million, and that of Lima Callao metropolitan area is approximately one third of national population as in following figure.



Source: INEI

Figure 5 Population of Peru and Metropolitan area between 2017 and 2022

Protected Areas and Biologically Important Areas

As indicated in Table 1 and Figure 6, there are 4 protected areas are located within the project area.

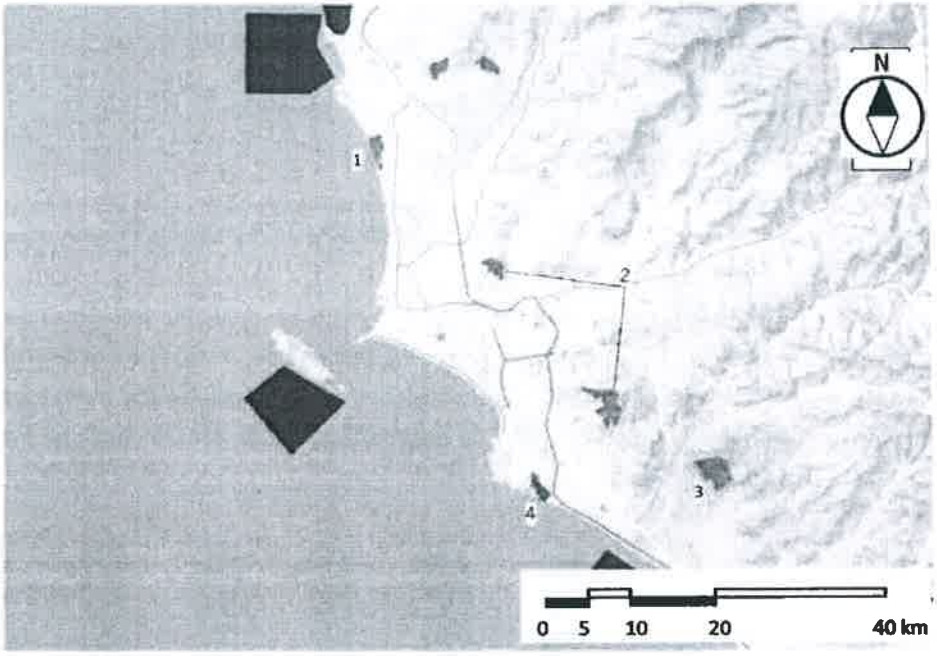
There is no Biologically Important Area, Key Biodiversity Area, nor Ramsar site located within or around the project area.

Table 1 Protected Areas in the Project area

No.	Name	Area (ha)	IUCN Management Category 1)
1	Humedales de Ventanilla	2,750	VI
2	Sistema de Lomas de Lima	13,476	VI
3	Lomas de Quebrada Río Seco	788	VI
4	Los Pantanos de Villa	2,633	IV

1) IV: habitat or species management area, VI: protected area with sustainable use of natural resources

Source: www.protectedplanet.net



Note) numbers in the map correspond to those of Table 1

Source: https://www.protectedplanet.net

Figure 6 Map of protected areas inside and around the Project area

7. Legal Framework of Environmental and Social Considerations

(1) Legal Framework

The National System for Environmental Impact Evaluation (Sistema Nacional de Evaluación del Impacto Ambiental: SEIA) is for Environmental and Social Considerations for projects by the Peruvian Government. As stated in Article 24 of the General Law of the Environment (Law No. 28611) established in 2005, all human

activities that involve constructions and other activities with potentially significant impact are subject to SEIA. It also states that there is an environmental principle, which mandates that any stakeholder is obligated to adopt measures to improve the current state of the environment after an intervention, or to compensate those affected when environmental degradation is not reversible. The SEIA Law was approved in 2001 (Law N° 27446) based on a previous version of the above General Law of the Environment. Article 3 of this Law ascertains that the projects or service and commercial activities referred to in the scope of the Law may not begin without the environmental certification issued by the respective competent authority. SEIA needed further details to implement its mandate, so several policies were approved afterwards, the Supreme Decree N° 019-2009-MINAM, approved in 2009, being one of the most important and fundamental of these.

There are two approaches in assessing environmental impact, the SEIA for investment projects and the Strategic Environment Assessment (SEA), which is part of SEIA. The former is for evaluating the impacts of concrete infrastructure projects, and the latter is for conceptual assessment of a policy, regulation, plan, or program (Política, Plan o Programa Público: PPP). The master plan is subject to SEA as it proposes directions of urban transport development of the area.

(2) Projects Subject to Environmental Assessment

1) Categorization of the Projects

The SEIA law states that public and private investment projects that involve activities, constructions or works that may cause negative environmental impacts require environmental certificate (article 3), and these are categorized into 3 categories and require different levels of studies as follows (article 4).

a) Category I: An Environmental Impact Declaration is necessary for projects that might not produce negative environmental impacts in a significant way.

b) Category II: Semi-detailed Study of Environmental Impact (EIA-sd) is necessary for projects that might produce negative environmental impacts moderately, whose negative effects could be eliminated or minimized by way of easy application of environmental measures.

c) Category III: Detailed Study of Environmental Impact (EIA-d) is necessary for projects that might produce significant negative environmental impacts quantitatively or qualitatively, which require profound analysis for examining impacts and to propose strategies of environmental management.

Contents of the environmental assessments for each category are described as follows.

Table 2 Category wise Terms of Reference for Environmental Studies

Category I: Environmental Impact Declaration (DIA)	Category II: Semi Detailed Environmental Impact Assessment (EIA-sd)	Category III: Detailed Environmental Impact Assessment (EIA-d)
Description of the Project	Executive Summary	Executive Summary
Physical, biological, social, cultural and economic features	Description of the Project	Description of the Project
Citizen participation plan	Baseline	Baseline
Description of Possible impacts	Citizen participation plan	Citizen participation plan (Public consultation)
Mitigation and prevention measures, compensation for environmental impacts	Characterization of environmental impacts (classification and assessment of impacts)	Characterization of environmental impacts (classification and assessment of impacts)
Monitoring plan and management plan	Environmental Management Strategy (Environmental Management Plan, Monitoring Plan, Contingency Plan, Closure Plan, Schedule, Implementation of Environmental Strategy, Commitments Made)	Environmental Management Strategy (Environmental Management Plan, Monitoring Plan, **Compensation Plan, Community Relations Plan,** Contingency Plan, Abandonment Plan, Schedule and Budget for the Implementation of the Environmental Strategy, Commitments Made)
Closure plan	Other considerations determined by the competent authority	Economic evaluation
Execution schedule		Other considerations determined by the competent authority
Implementation Budget		

Source: Ministerial Resolution No. 1056-2019 MTC/01.02 Annex I

The project classification is carried out based on the Initial Classification (Classificación Anticipada). The classification of projects in sectors without initial classification and projects with unclear classification are done by identifying project activities with potentially negative environmental impact and the possibly affected environmental elements, through scoping and technical interviews with relevant organizations. This clarification procedure is called a "Preliminary Project Evaluation" (Evaluación Preliminar: EVAP) and is approved by the National Environmental Certification Service for Sustainable Investment (Servicio Nacional de Certificación Ambiental para las Inversiones Sostenibles: SENACE) established under MINAM. Table 3 presents provisional classification of transportation projects.

Table 3 Classification of Transportation Projects (extract)

Type and activities of projects	Category (type of assessment)
1. Creation of roads (National Road Network) without existing routes	III (EIA-d)
21. Creation of lines and terminals for railways, commuter trains, and/or subways	III (EIA-d)
22. Creation of bus and/or truck terminals for urban and interprovincial transport	II (EIA-sd)
23. Creation of aerodromes with a runway length of 1,800 m or more	III (EIA-d)
26. Construction of a river pier for passenger transport activities, with a pier length of less than or equal to 60 m	I (DIA)

Source: Ministerial Resolution No. 1056-2019 MTC/01.02 Annex I

In the case of the transport sector, a Socio-Environmental Technical Sheet (Ficha Técnica Socio Ambiental: FITSA) should be prepared for minor projects that are not categorized in any of the categories in the table above. Categories for such minor projects are provided by the Ministry of Transport and Communication (MTC).

2) Procedures and Relevant Organizations

MINAM administers systems for environmental consideration through SEIA, while SENACE, a subordinate institution of MINAM, is responsible for the evaluation and approval of EVAP and EIA-d. On the other hand, the evaluation and approval of the environmental management tools such as DIA and EIA-sd are the responsibility of other ministries such as MTC for the transportation sector and other governmental institutions are in charge of each respective sector. The table below shows the organizations responsible for each environmental impact in projects of the transport and housing sector.

3) Public Participation

As mentioned in Table 2, public participation in the process of environmental impact assessment is defined based on the intensity of environmental and social impacts of the projects. Furthermore, the sustainable urban development law (Law No. 31313) defines effective citizen participation as one of guiding principles for sustainable urban development.

4) Strategic Environmental Assessment

The Ministerial Resolution No.00039-2025-MINAM, the publication of the draft "Guidelines for the Implementation of the Strategic Environmental Assessment (SEA) process within the framework of the National Environmental Impact Assessment System (SEIA)" was ordered. However, the regulation or guidelines do not provide detailed terms of references of SEA, so in practice, SEA are conducted based on the type, scale of PPPs and other elements, such as funder's operation rules or guidelines.

8. Provisional Implementing procedures and Scoping

(1) Implementing Procedures

Based on Peruvian national environmental impact assessment system and JICA's Environmental and Social Consideration guidelines (2022), the Environmental and Social Consideration (ESC) study for the Project shall be Strategic Environmental Assessment (SEA). As there are no official detailed guidelines for SEA study is provided by MINAM, the Project shall contact person in charge of environmental impact assessment in MINAM (SENACE) and request comments in each process of decision making.

In addition, international guidance such as SEA Performance Criteria by International Association for Impact Assessment (IAIA) and other relevant guidelines shall be referred in conducting SEA. Also, as the study will be financed by JICA, it should align with JICA guidelines. Major tasks in the SEA process include the following.

1) Preparatory Works and Scoping for SEA

a. Establishment of a formation to implement SEA study, including SEA Team,

b. Stakeholder analysis and develop a participation strategy,

c. Implementation of SEA study including focus group discussions, data collection of following items: air pollution, noise & vibration, water quality, solid wastes, flora and fauna including aquatic ecosystem, transportation, local socio-economy, archaeological and cultural heritage, and land acquisition including involuntary resettlements and so on.

2) Assessment of the Master Plan

a. Assessment of the countermeasure alternatives including 'without project'

b. Initial environmental assessment for the priority projects proposed by the Master Plan for future implementation (if appreciable)

3) Stakeholder Participation

a. Organizing stakeholder meetings including focus group discussions and community meetings

b. Engagement of non-governmental stakeholders

4) Reporting, Review and Approval (internal)

(2) Provisional Scoping Results

It is assumed that the priority projects proposed by the Master Plan consists of soft and hard measures, but concrete contents of those measures are not yet designed. Therefore, the provisional scoping is prepared based on the assumption that the

Master Plan may include development of new urban transportation system, such as the new construction of metro line that may involve underground construction works with land acquisition. The scoping results should be updated after contents of the Master Plan will be decided.

Table 4 Draft Scoping of the Project (in case of new metro line construction)

	Item	Rating		Reasons *CP: Construction Phase, OP: Operation Phase*
		CP	OP	
Pollution Control				
1	Air Quality/Dust	✓		CP: During construction, temporary deterioration of air quality by dust due to construction activities is expected. OP: No air quality impacts are of concern.
2	Water quality	✓		CP: Water quality is expected to be affected by the construction work due to excavation of soils etc. OP: No negative impact is expected.
3	Soil contamination	✓	✓	CP/OP: It is expected that there is no impact by the project.
4	Noise & vibration	✓	✓	CP: Noise due to construction activities and vehicles mobilization are expected. OP: No impact is foreseen from the project.
5	Land subsidence	✓	✓	CP/OP: Underground excavation for metro line construction may result in land subsidence.
6	Offensive Odors			CP/OP: No impact is expected, as the project does not envisage any facilities that will permanently generate offensive odors.
7	Bottom Sediment			CP/OP: No impacts are foreseen from the project.
8	Solid Waste	✓	✓	CP/OP: It is expected that both construction and operation may cause increase solid waste generated by the project related activities.
Natural (physical) environment				
9	Topography/ geography	✓		CP: Underground excavations may cause negative impacts on the topology. OP: No major cut and fill would be necessary, so no topographical or geological impacts are envisaged.
10	Hydrography	✓		CP: underground excavation may impact on hydrology of the surrounding areas. OP: No impact is expected.
11	Groundwater	✓	✓	CP/OP: Some impacts are assumed as the result of underground excavation and existence of underground metro line facilities.
12	Ecosystem/ Flora & Fauna/ Biodiversity			CP/OP: The project may not modify the ecosystem of surrounding areas, as the projects will be implemented in urban areas.
13	Protected area			CP/OP: No impact is expected as there is no national parks nor protected area located inside and nearby project area.
Social environment				
14	Land Acquisition/ resettlement	✓		CP: It is expected that the project may not induce large scale land acquisition but may require involuntary resettlements including economic resettlement (e.g. roadside vendors etc.) OP: No impact by the project is expected.
15	Poor People	✓	✓	CP/OP: Expansion of urban transportation networks may positively or negatively impact poor people.
16	Ethnic minorities/Indigenous peoples	✓	✓	CP/OP: It is not sure if ethnic minorities or indigenous peoples are located around the project site, so the current status shall be confirmed through the study.

	Item	Rating		Reasons
		CP	OP	* CP: Construction Phase, OP: Operation Phase
17	Local economy, including employment and means of livelihood	✓	✓	CP/OP: Employment of unskilled labors by construction and other pilot activities may increase the income of local workers and temporarily improve their livelihoods.
18	Land use and use of local resources	✓	✓	CP/OP: The project may modify land use and local resources, and impact its use.
19	Water use and water rights			CP/OP: It is expected that the Project would not impact water use and water rights.
20	Social infrastructure and social services	✓	✓	CP/OP: Both positive and negative impacts are expected the Project may improve mobility of urban traffic, that may contribute positively to improve social services.
21	Social institutions (local decision-making institutions)			CP/OP: It is expected that there is no impact by the project.
22	Misdistribution of benefits and damages			CP/OP: The project is not expected to cause misdistribution of damage and benefits.
23	Local conflict of interest			CP/OP: No impact by the project is expected.
24	Cultural and historical heritage	✓		CP/OP: In case the facilities' location are close to heritage sites, .some impacts are expected.
25	Landscape	✓		CP: The project may cause slight modification of landscape by modifying road design, but it may not significantly impact the landscape of surrounding area.
				OP: No negative impact is expected during operation phase.
26	Gender	✓	✓	CP/OP: No specific negative impacts on gender from the project are envisaged, but positive impacts by improving women's access to public transport means.
27	Children's rights			CP/OP: No specific negative impacts on children's rights are expected.
28	Public health (infectious diseases)	✓		CP: The Project may negatively impact the public health status of the area due to influx of construction workers from outside of the area.
				OP: No negative impact is expected during operation phase.
29	Occupational health and safety	✓	✓	CP/OP: there are risks of occupational safe for construction workers during construction phase and traffic operators during operation phase as the project modify the traffic system and may confuse drivers.
	others			
30	Accidents	✓		CP: The Project may cause increased accidents due to modification on traffic system.
				OP: No negative impact is expected during operation phase.
31	Transboundary impacts, and climate change		✓	CP/OP: As the project activities are not large in scale, no significant transboundary climate change-related negative impact is envisaged. Nonetheless, it is expected that the project would contribute reducing GHGs emission by improving efficiency of public transport.

Source: JST

9. Result of the consultation with recipient government on environmental and social consideration including roles and responsibilities.

   ATU agreed with JICA on *DAY MONTH 2025* on abide by "JICA Guidelines for Environmental and Social Considerations (January, 2022)" in order to ensure that appropriate considerations will be made for the environmental and social impacts of

the Project.

10. Terms of Reference for Environmental and Social Considerations

As mentioned above, the project shall conduct Strategic Environmental Assessment in compliance with the Japan International Cooperation Agency (JICA) Environmental and Social Considerations Guidelines (January 2022) (the JICA Environmental Guidelines). Emphasis shall be placed on comparing and examining the alternatives at PPP levels above the project. Specifically, after conducting scoping (clarifying the environmental and social impact items that are extremely important in decision-making of policies, plans, programs, etc. and their assessment methods), a comparative study of multiple alternatives, including the impact of environmental and social aspects shall be conducted.

(1) Studies to be Conducted

1) Examination of objectives and targets of policies, plans, etc. of the Master Plan
2) Confirmation of environmental and social consideration systems and organizations of the host country
   a. Laws, regulations, standards, etc. related to environmental and social considerations (environmental impact assessment, resident relocation, resident participation, information disclosure and others.)
   b. Gap Analysis between the local law/regulation and the JICA Environmental Guidelines
   c. Outline of related organizations
3) Examination of the contents of policies and plans (development forecasts, lists of countermeasures, maps of routes and future development areas and others.)
4) Consideration of alternatives to achieve the purpose within a reasonable range
5) Implementation of scoping (clarification of extremely important environmental and social items in decision-making of policies, plans, programs, etc. and their evaluation methods)
6) Confirmation of baseline environmental and social conditions (land use, natural environment, living areas of indigenous peoples, economic and social conditions)
7) Impact assessment
8) Impact assessment and comparison of alternatives (PPP level)
9) Consideration of mitigation measures (avoidance, minimization, mitigation and compensation)
10) Examination of monitoring methods
11) Preparation of scoping results of environmental and social consideration items of the most impactful projects proposed by the Master Plan, (alternative plans to be

considered, scope of environmental and social impact items considered important, and prediction and evaluation method proposals)

12) Stakeholder consultations (examination of the purpose, participants, method and content of discussions and others. JICA Environmental Guidelines Appendix 5 shall be referred.)

(2) Terms of Reference that correspond to the scoping results

Terms of Reference of the environmental and social considerations survey for the project that correspond to the scoping results are proposed as follows.

Table 5 Terms of Reference for Environmental and Social Consideration survey (draft)

Environmental Factors	Survey Items	Survey Methods
Air Quality/ Dust	• Current condition of air quality around the project site and nearby monitoring station • Environmental standard of air quality in Peru and other related international standards if necessary • Estimation of impact, propose mitigation measures and monitoring plan	• To review existing reports/data, conduct site measurement and analysis • To confirm relevant regulations in Peru • To survey situations and measures taken by other similar institutions
Water quality	• Current condition of water quality in and around the project site • Environmental standard of ambient water quality in Peru and other related international standards if necessary • Estimation of impact, mitigation measures and monitoring plan	• To review existing reports/data, conduct site measurement and analysis • To confirm relevant regulations • To conduct the field survey, to review existing reports/materials • To survey situations and measures taken by other similar projects
Soil contamination	• Current status of soil contamination • Environmental standards and other related international standards	• To conduct the field survey around the project site • To confirm relevant regulations in Peru
Noise and Vibration	• Environmental standard of noise and vibration in Peru and other related international standards if necessary • Estimation of impact, propose mitigation measures and monitoring plan	• To confirm relevant regulations in Peru • To conduct the field survey around the project site • To study situations and measures taken by other similar projects
Land subsidence	• Amount of ground water usage of the project related activities	• To confirm ground water usage record
Solid Waste	• Amount of solid waste generated by the project activities	• To confirm monitoring information of generated solid wastes
Topography/ geography	• Geographical features, soil conditions of project area	• To review existing information • To conduct geological survey as required
Hydrography	• Location and profile of current surface water bodies in and around the project site	• To review existing facility information and projected construction plans
Groundwater	Same as Land subsidence	Same as Land subsidence
Land Acquisition/ resettlement	• Socio-economic condition of impact areas and project affected people	• To conduct interview survey and inventory observation of project affected structures including

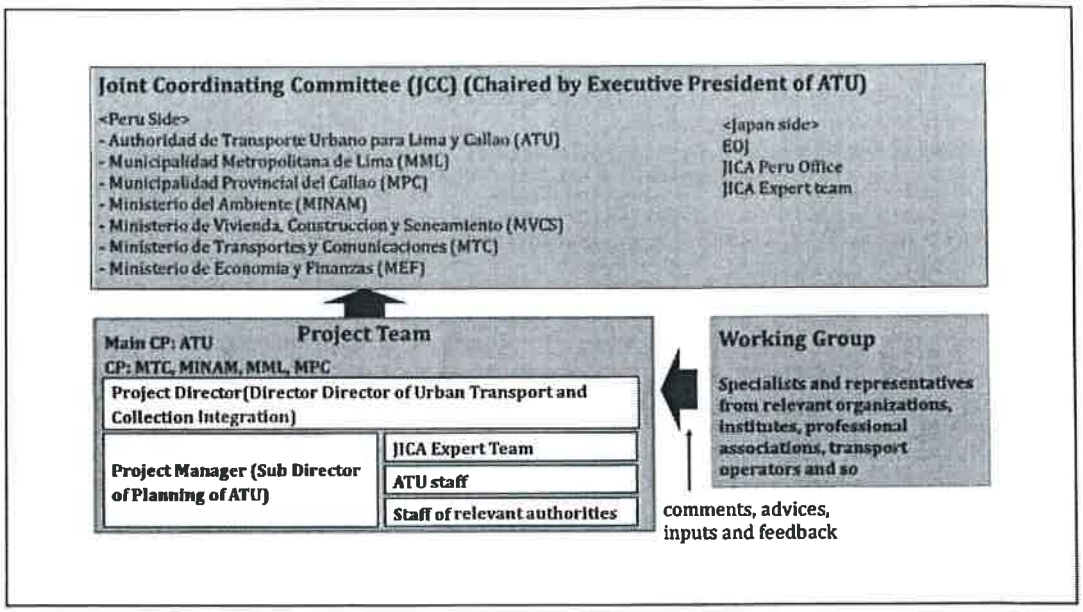
Annex 3

Environmental Factors	Survey Items	Survey Methods
		households and business entities
Poor People	• Economic conditions of project affected people	• To conduct interviews and literature survey
Ethnic minorities/ indigenous peoples	• Social situation, demography and population by ethics of the impact area	• Same as Land acquisition
Local economy, including employment and means of livelihood	• Employment plan during the construction phase • Prediction of impact on local economy caused by the project	• To examine the construction plan • To review similar projects
Land use and use of local resources	• Land usage, local resources inventory	• To conduct the field survey around the project site
Social infrastructure and social services	• Existing infrastructures and social services	• To conduct the field survey around the project site
Cultural and historical heritage	• Location and type of cultural and historical heritages	• To confirm with local authority for heritages
Landscape	• Current landscape and viewpoints of pilot project area(s)	• To conduct the field survey around the project site
Gender	• Current situation related to gender issue especially in disaster	• To review gender consideration of mitigation measures proposed by the project
Public health (infectious diseases)	• Current situation related to public health	• To review statistics related to public health
Accidents	• Cases of traffic accidents around project site	• To review accidents' record
Occupational Health and Safety	• Potential risks related to occupational health and safety • Guidelines related to occupational health and safety in Peru and other related international guidelines	• To review the project activities • To review existing documents, reports and materials

Source: JST

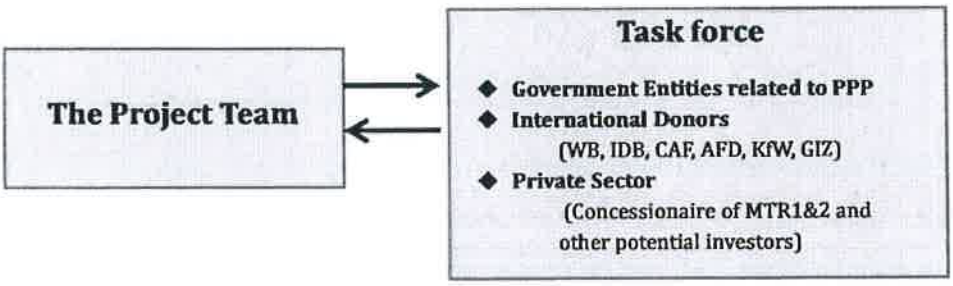
END

Annex4



Establish a Task force composed of relevant authorities, donor agencies and potential investors to share information and recognition on major infrastructure projects to be listed in the Master Plan.

Task force for Implementation and Investment



Annex 5

List of Proposed Members of Joint Coordination Committee

- Chair of JCC: Executive President of ATU
- Project Director: Director of Urban Transport and Collection Integration of ATU
- Project Manager: Sub Director of Planning of ATU
- Participants:
  - Authoridad de Transporte Urbano para Lima y Callao (ATU)
  - Municipalidad Metropolitana de Lima (MML)
  - Municipalidad Provincial del Callao (MPC)
  - Ministerio del Ambiente (MINAM)
  - Ministerio de Vivienda, Construccion y Seneamiento (MVCS)
  - Ministerio de Transportes y Comunicaciones (MTC)
  - Ministerio de Economia y Finanzas (MEF)

BASIC PRINCIPLES

FOR

TECHNICAL COOPERATION

January, 2022

JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)

Basic Principles for Technical Cooperation
Table of Contents

Basic Principles for Technical Cooperation

I. Introduction

Section 1.1 Introduction

The purpose of the Basic Principles for Technical Cooperation (hereinafter referred to as "the BP") is to set forth the basic principles generally applicable to Technical Cooperation Project and Technical Cooperation for Development Planning implemented jointly by the Japan International Cooperation Agency and the implementing agency of the recipient country (hereinafter referred to as "Technical Cooperation"), which consists of the record of discussions (hereinafter referred to as "the R/D") agreed upon between the Japan International Cooperation Agency (hereinafter referred to as "JICA") and the implementing agency of the recipient country (hereinafter referred to as "the Counterpart").

Section 1.2 Inconsistency with the R/D

If any contents of the BP is inconsistent with any contents of the R/D, such contents of the R/D will prevail.

II. Definition of Technical Cooperation

Section 2.1 Technical Cooperation

Technical Cooperation supports human resource development, research and development, technology dissemination and the development of institutional frameworks essential for the development of economies and societies in the recipient country.

Section 2.2 Technical Cooperation Project

Technical Cooperation Project refers to a systematic and comprehensive project implementation to attain certain outcomes within certain time period, in which input includes, but not limited to, the dispatch of members of JICA missions and/or JICA experts, acceptance of training participants, and/or provision of equipment from JICA.

Section 2.3 Technical Cooperation for Development Planning

In Technical Cooperation for Development Planning, JICA conducts necessary studies to support the recipient country to formulate policies and master plans, by dispatching members of JICA missions. Based on the results of this cooperation, the recipient country is expected to formulate plans for sector/regional development or rehabilitation/reconstruction by utilizing the results, to implement plans by raising funds from international organizations and others, and/or to carry out the recommended organizational/institutional reforms and other proposed activities.

III. Implementation Structure

Section 3.1 Project Team

Project team will work together for implementing Technical Cooperation. Its members include, but not limited to, Project Director, Project Manager, personnel from the Counterpart, members of JICA missions, JICA experts, and/or other members to be determined by both parties (hereinafter referred to as "the Project Team"). Details are described in the R/D.

Section 3.2 Roles of Project Team Members

General roles of members of the Project Team are as follows. Roles for other members will be determined by both parties for specific Technical Cooperation.

(1) Project Director

The project director, appointed from the Counterpart, will be responsible for the overall implementation and coordination of Technical Cooperation.

(2) Project Manager

The project manager, appointed from the Counterpart, will manage Technical Cooperation on a regular basis, and be responsible for administrative and technical matters of Technical Cooperation.

(3) Members of JICA Missions

The members of JICA missions will conduct studies regarding Technical Cooperation in cooperation with the Counterpart.

(4) JICA Experts

The JICA experts will give necessary technical guidance, advice and recommendations to the Counterpart on any matters pertaining to the implementation of Technical Cooperation.

Section 3.3 Joint Coordinating Committee

Joint Coordinating Committee (hereinafter referred to as "JCC") will be established in order to manage Technical Cooperation, and its proposed members are listed in the R/D. JCC will be held at least once a year and whenever deems it necessary and plays vital roles for implementing Technical Cooperation as follows.

(1) JCC for Technical Cooperation Project

Main tasks are 1) to review the progress, 2) to revise the overall plan when necessary, 3) to approve an annual work plan, 4) to suggest modifications of the framework (including the Project Design Matrix (hereinafter referred to as "PDM") and the Plan of Operation (hereinafter referred to as "PO") for Technical Cooperation Project), 5) to conduct evaluation of Technical Cooperation Project, and 6) to exchange opinions on major issues that arise during the implementation of Technical Cooperation Project.

(2) JCC for Technical Cooperation for Development Planning

Main tasks are to discuss on the progress and major issues that arise during the implementation of Technical Cooperation for Development Planning.

IV. Undertakings of the Counterpart

Section 4.1 Grant of Privileges, Exemptions, Benefits to JICA, the members of JICA missions and the JICA experts

The Counterpart and the government of the recipient country will take necessary measures to grant JICA, the members of JICA missions and the JICA experts privileges, exemptions and benefits in accordance with international agreements concluded between the government of Japan and the government of the recipient country.

Section 4.2 Provision of Conveniences for the members of JICA missions and the JICA experts

The Counterpart and the government of the recipient country will take necessary measures to provide conveniences listed hereto at its own expense;

(1) Information as well as support in acquiring suitable furnished accommodation for the JICA experts and their families;
(2) Information as well as support in obtaining medical service for the members of JICA missions, the JICA experts and their families; and
(3) Credentials or identification cards as necessary to the members of JICA missions and the JICA experts.

Section 4.3 Provision of Services, Facilities and Local-Cost Bearing for the Technical Cooperation

The Counterpart and the government of the recipient country will take necessary measures to provide services, facilities and local-cost bearing listed hereto at its own expense;

(1) Services of the Counterpart's personnel;
(2) Suitable office space for the Project Team with necessary equipment;
(3) Running expenses necessary for the implementation of Technical Cooperation;
(4) Expenses necessary for transportation within the recipient country of the equipment provided by JICA for Technical Cooperation Project as well as for the installation, operation and maintenance thereof;
(5) Supply or replacement of machinery, equipment, instruments, vehicles, tools, spare parts and any other materials necessary for the implementation of Technical Cooperation other than those prepared and provided by JICA;
(6) Travel allowances for the Project Team for official travel within the recipient country; and
(7) Available data (including maps and photographs) and information

related to Technical Cooperation.

V. Reporting

Section 5.1 Reporting for Technical Cooperation Project

The Project Team will prepare the Project Completion Report three (3) months before the completion of Technical Cooperation Project.

Section 5.2 Reporting for Technical Cooperation for Development Planning

The Project Team will prepare and submit the following reports to the Counterpart. Details, such as the language of the reports, will be determined based on mutual consultation.

(1) Inception Report at the commencement of the work period in the recipient country
(2) Interim Report at the middle of the work period in the recipient country
(3) Draft Final Report at the end of the work period in the recipient country
(4) Final Report within one (1) month after the receipt of the comments on the Draft Final Report

VI. Monitoring and Evaluation

Section 6.1 Regular Monitoring and Evaluation for Technical Cooperation Project

The Project Team will jointly and regularly monitor the progress of Technical Cooperation Project through the monitoring sheets based on PDM and PO every six (6) months, while JCC will conduct overall evaluations of Technical Cooperation Project.

Section 6.2 Ex-post Evaluations

JICA will conduct the following ex-post evaluations and surveys to verify sustainability and impact of Technical Cooperation and draw lessons. The Counterpart will make best efforts to provide necessary support for them.

(1) Ex-post evaluation three (3) years after the completion of Technical Cooperation, in principle
(2) Follow-up surveys, as necessary

VII. Ownership of Equipment, Machinery, and Materials

Section 7.1 Equipment, Machinery, and Materials provided by JICA

The equipment, machinery and materials provided by JICA will become the property of the Counterpart or competent authorities of the recipient country upon being delivered to the Counterpart or the authorities.

Section 7.2 Equipment, Machinery, and Materials owned by JICA

The equipment, machinery and materials prepared by JICA for the performance of duties of the members of JICA missions and the JICA experts will remain the property of JICA unless a separate arrangement is agreed between JICA and the Counterpart or competent authorities of the recipient country.

VIII. Construction of Pilot Facility

Section 8.1 Ownership of Pilot Facility

When a pilot facility is constructed in Technical Cooperation, based on a separate arrangement to be agreed between the relevant parties, JICA will provide necessary services for constructing the pilot facility for Technical Cooperation throughout the implementation period. Upon the completion of the construction, the pilot facility will become a property of the Counterpart or competent authorities of the recipient country. The Counterpart or the authorities will ensure proper and effective operation and maintenance of the pilot facility.

Section 8.2 Safety Management of Construction

JICA and the Counterpart will assure safety management of the construction in accordance with 'the Guidance for the Management of Safety for Construction Works in Japanese ODA Projects'.

IX. Public Relations

Section 9.1 Promotion of Public Support

For the purpose of promoting support for Technical Cooperation, JICA and the Counterpart will take appropriate measures to make Technical Cooperation widely known to the people of Japan and the recipient country.

X. Environmental and Social Considerations

Section 10.1 Policy

JICA and the Counterpart abide by 'JICA Guidelines for Environmental and Social Considerations' in order to ensure that appropriate considerations will be made for the environmental and social impacts of Technical Cooperation. The version of 'JICA Guidelines for Environmental and Social Considerations' to be applied shall be designated in the R/D.

XI. Miscellaneous

Section 11.1 Misconduct

All related personnel and organizations will keep the highest ethics and prevent any corrupt or fraudulent practices in the implementation of Technical Cooperation.

If JICA or the Counterpart receives information related to suspected corrupt or fraudulent practices in the implementation of Technical Cooperation, JICA and the Counterpart will cooperate to take appropriate measures against such practices and provide the other party with such information as the other party may reasonably request, including information related to any concerned personnel of the contractor, consultant, government and/or public organizations.

JICA and the Counterpart will not, unfairly or unfavorably treat the person and/or organization which provided the information related to suspected corrupt or fraudulent practices in the implementation of Technical Cooperation.

Section 11.2 Mutual Consultation

JICA and the Counterpart will consult each other whenever any issues arise in the course of implementation of Technical Cooperation.