

Classification and Environmental and Social Strategy (ESS) TRECESA - GUATEMALA

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1. Project Scope and Objective and IDB Invest Participation

Empresa Transportadora de Energía de Centroamérica S.A. (“TRECESA”, the “Company” or the “Client”), a sister company of the Colombian Grupo Energía Bogotá (“GEB”), is building the Project PET-01-2009 (the “Project”) in Guatemala.

The Project, which is part of the Transportation System Expansion Plan (“PET”, for its acronym in Spanish) of Guatemala, consists in building and maintaining 783 km of 230 kW electric power transmission lines (“TL”) and 11 new transforming stations (“TS”), as well as expanding 12 existing substations. The Project is organized in 6 stretches (the “Stretches”): i) Stretch A (Metro Pacific Ring), located in the departments of Guatemala, Escuintla, Sacatepéquez and Santa Rosa; ii) Stretch B (Hydraulic Ring), situated in the departments of Huehuetenango and Quiché; iii) Stretch C (Atlantic Ring), placed in the departments of Zacapa and Izabal; iv) Stretch D (Atlantic Ring), located in the departments of Izabal, Alta and Baja Verapaz; v) Stretch E (Hydraulic and Atlantic Ring), situated in the departments of Alta Verapaz, Baja Verapaz and El Progreso and vi) Stretch F (Western Ring), placed in the departments of Chimaltenango, Sacatepéquez, Guatemala, Sololá, Suchitepéquez and Retalhuleu. The Project started in May 2012 and, as of December 31, 2020, its overall progress was of 86.62%.

2. Classification and Environmental and Social Strategy

The Project has been pre-classified in Category A, in accordance with IDB Invest’s Environmental and Social Sustainability Policy because it will likely generate, among others, the following impacts and risks: i) potential occupational health and safety impacts for workers; ii) generation of solid and liquid waste; iii) air quality alteration as a result of substation building works; iv) generation of increased level of noise and vibrations due to the use of heavy machinery during the construction of substations; v) potential increase of the soil pollution risk due to the hazardous substances to be used during the construction of the Project; vi) initiation of potential erosion processes due to land movements; vii) issues arising from substation vehicle traffic; viii) potential impact on the biological environment and biodiversity, especially on birds from collisions or electrocutions; ix) loss of vegetation with the potential impacts on the flora, fauna and natural habitats as a result of the construction of the right-of-way stretch; x) permanent alteration of the landscape due to the TL; xi) potential impacts on the communities due to the construction of the easement stretch and the presence of transmission structures; and xii) potential impacts on cultural heritage arising from the expected land movements. These impacts and risks are deemed to be medium-high to high.

Each of the 6 Stretches into which the Project has been divided has in place a separate Environmental Impact Assessment (“EIA”) approved by the Guatemalan Ministry of the Environment and Natural Resources (“MARN”, for its acronym in Spanish). In addition to the local legal requirements, TRECESA has undertaken 27 additional environmental documents to support the changes made to enhance the TL layout and the locations of the TS.

Due to the restrictions arising from the COVID-19 pandemic, the Environmental and Social Due Diligence (“ESDD”) process will be held virtually. During this process, IDB Invest will hold interviews with executives from the Client’s key areas (environmental, social, occupational health and safety); will assess its Environmental and Social Management System (“ESMS”), including any related plans and procedures; and will evaluate any base information and social and labor aspects related to the Project, among other aspects. As a result of the ESDD, IDB Invest will confirm the Project’s categorization, identify any potential compliance gaps in terms of its Environmental and Social Sustainability Policy and define an Environmental and Social Action Plan (“ESAP”) to close such gaps.

Based on the information received and reviewed so far the Performance Standards (“PS”) that the Project is likely to trigger are: PS1 Assessment and Management of Environmental and Social Risks and Impacts; PS 2 Labor and Working Conditions; PS 3 Resource Efficiency and Pollution Prevention; and PS 4 Community Health, Safety and Security; PS5 Land Acquisition and Involuntary Resettlement; PS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources; PS7 Indigenous People; PS 8 Cultural Heritage. The final determination of the PS triggered by the Project will be done by the end of the ESDD.

Once the ESDD is completed, an Environmental and Social Review Summary (ESRS) will be prepared and published on this website.

3. Additional Information

For questions about the Project please contact Transportadora de Energía de Centroamérica, S. A.

Name:	Rodrigo Ronquillo
Title:	Sustainable Development Manager
Phone number:	+502 23123000
Email:	rronquillo@trecca.com.gt

For questions and comments to IDB Invest, please contact:

Name:	IDB Invest Communications Group
Email:	requestinformation@idbinvest.org

In addition, and as a last resort, affected communities can access IDB Invest’s Independent Consultation and Investigation Mechanism (ICIM) as follows:

Phone number:	+1 (202) 623-3952
Fax number:	+1 (202) 312-4057
Address:	1300 New York Ave. NW Washington, DC. USA. 20577
Email:	mecanismo@iadb.org or MICI@iadb.org