

**Environmental and Social Review Summary (ESRS)**  
**RN N 7 Highway - Carmen de Areco Twinning and Gouin Access Interchange Project,**  
**C-AU-03, Roadway Corridor C, Argentina**  
**Safe Roads Program Public-Private Partnership, Stage 1**

**Original language of the document:** Spanish

## **1. Summary of the Scope of the Environmental and Social Review**

Argentina has important road infrastructure investment needs. To solve this deficit, the federal government has undertaken a series of reforms aimed at promoting Public-Private Partnerships (PPP), so that private investors can participate in the execution and funding of road infrastructure projects in the country.

In March 2018, the Inter-American Development Bank (“the IDB”) approved the Argentinian Productive Infrastructure Financial Support Program – AR-L1281 (the “Program”), with the main objective of attracting private investment for the financing of highway infrastructure, providing for said purpose a facility of investment guarantees for up to US\$490 million.

The Safe Highways and Roads Program (“the Operation”) will benefit from the partial credit guarantee issued by the Program in favor of a public construction trust fund (which will be financed by IDB Invest and commercial banking credits) that, once in place, will provide resources for the partial financing of the Safe Highways and Roads Network Program Stage I, proposed by the National Highways Department.

The individual road projects included in the Safe Highways and Roads Network Stage I located in corridors A, B, C, E, F and South (see <https://ppp.vialidad.gob.ar/proyecto-7/>) will be financed by the Operation in two stages: i) the first, consisting of eight projects, will be disbursed once the Operation has been approved, the financial closing has been achieved and the prior disbursement conditions have been met; and ii) the second, which includes 17 additional projects, will be disbursed once the environmental and social information on each of these projects has been substantially verified as being in compliance with the requirements contained in IDB Invest's Sustainability Policy.

The RN No. 7 Highway - Carmen de Areco Twinning (km 138.35 to km 141.00, around 3 km long) and Gouin Access Interchange (km 137.87) Project, C-AU-03, Roadway Corridor C, (the Project) includes: i) the construction of new twinned 7.30-meter-wide roads starting at progressive 1+165.14 (km 138.35) and ending at the overlap with the following section at progressive 3+690.75 (km 141); ii) the construction of an interchange bridge to access Gouin (at its intersection with PR No. 31); iii) the paving of RP No. 31 from the interchange to the first intersecting roads north and south of the same; iv) the construction of paved secondary roads between the interchange and the urban area and a roundabout access to Carmen de Areco; v) the construction of an entrance ramp to the main road coinciding with the roundabout, and vi) the construction of an exit ramp to the secondary road at km 140). The ancillary works include an existing work site, an asphalt plant, and a quarry from which the petrous aggregates required for the Project will be extracted. The works will have an estimated duration of 18 months. The Project has an Environmental Impact Assessment (EIA), dated November 2018, an Environmental Impact Statement (EIS), dated January 2019, and a Supplementary Environmental and Social Analysis, dated

March 2019. The Project was tendered in 2018 and awarded to the company José Cartellone Construcciones Civiles S.A. ("the Contractor").

## **2. Environmental and Social Categorization and Rationale**

This Project has been classified as a Category B (medium risk) operation, in accordance with IDB Invest's Sustainability Policy, since its effects and risks are mainly confined to the project site, are considered reversible, and are manageable through the application of the standard measures to be implemented throughout the Project. The main impacts, which will occur primarily during the construction phase, include, among others; i) local traffic disruption, ii) dust, emissions and noise generation, iii) a moderate increase in the possibility of erosion, and iv) the expropriation of land in order to provide the ease of the right-of-way for the road.

## **3. Environmental and Social Context**

The land along the Project corridor is in agricultural use, mainly hay fields and corn fields. In addition, along both sides of the corridor, there are areas of old fields where eucalyptus and other tree species have been planted.

According to baseline information, the Project does not cross any national or regional parks, nor does it pass through national or regional, public or private protected natural areas.

The works are adjacent to urban areas in an advanced process of anthropic intervention, of high commercial and service density. The Project runs south of the city of Carmen de Areco; in this section, there are several buildings along the highway, including a gas station, a hotel, a grill, and the archway into the community. None of these buildings will be expropriated.

## **4. Environmental and Social Risks and Impacts and Proposed Mitigation and Compensation Measures**

### **4.1 Assessment and Management of Environmental and Social Risks and Impacts**

The Project has an EIA and an EIS, as well as a Supplementary Environmental and Social Analysis (SESA), to address IDB Invest's requirements. The EIA identifies the typical impacts of this type of project and their mitigation measures, as provided for in the Roadworks Assessment and Environmental Management Manual (RAEM, Version II) used by the National Highways Department. The EIA has an Environmental Management Plan (EMP) and an Environmental Monitoring Plan specific to the Project. The EIS details the permits and authorizations required for the Project's execution. The SESA identifies, assesses, and proposes management measures to mitigate additional effects to those identified in the EIA, which must be fulfilled in order to comply with IDB Invest's requirements. These include: i) a cumulative impact assessment, ii) verifying possible impacts on protected areas or species of international importance, iii) the need for a Chance Find Procedure for cultural resources, iv) the need for an additional public participation event, specific to the Project, v) a grievance mechanism, and vi) a Land Acquisition Plan.

The Contractor does not have an environmental and social management system specific to the Project that includes all the components required by IFC Performance Standard 1: i) Policy, ii) risk and impact identification, iii) management programs, iv) organizational capacity and competence, v) emergency

situation preparation and response, vi) social stakeholder participation and vii) monitoring and assessment.

#### **4.2 Labor and Working Conditions**

The Project will use local labor for its construction and maintenance. It is estimated that around 100 workers will be required, 100 of whom are in-house employees and six of whom are contracted employees. The incorporation of female staff in administrative, technical, support, assistance functions is foreseen.

Regarding working conditions, the Project will provide its personnel with: i) accommodation, ii) transportation to and from the work site to their homes, iii) food, either hot meals at each work site or in specific canteens; iv) personal protection equipment (e.g. helmets; gloves; boots; masks; goggles; belts); v) compensatory days for foreign staff, based on distance (1 compensatory day for every 4.5 days worked); and v) technical training (equipment operation, soil, granular base, and asphalt compacting), and environmental health, safety, and security training. Separate bathrooms will be provided for each gender. Working hours are from Monday to Saturday, 7:00 AM to 6:00 PM, with a one-hour break.

The Project will respect existing Collective Labor Agreements and the corresponding labor legislation, which includes policies prohibiting discrimination (including gender), child labor, unpaid and forced labor. Contracting will be performed in accordance with the Construction Workers' Union (UOCRA, for its acronym in Spanish) agreement, meaning that paid-by-day personnel will have the corresponding Unemployment Fund Card. The validity of the Mandatory Life Insurance and Labor Risk Insurance covering all personnel, as required by the PPP agreement, will always be kept up to date.

#### **4.3 Resource Efficiency and Pollution Prevention**

The drinking water required by the Project will be sourced from wells or municipal sources. The petrous aggregates will be extracted from a quarry selected by the Contractor, having previously analyzed the alternatives and taking into account that they must be located no less than 500m from the road axis and out of its sight, and that their exploitation within environmentally sensitive areas shall be avoided.

The EIA proposes mitigation measures to manage and correctly dispose of sewage and waste generated by the construction of the Project, as well as to reduce effects related to emissions and air quality (including greenhouse gases) during the construction stage.

#### **4.4 Community Health, Safety, and Security**

The effects of the Project on the health, safety, and security of the community are generally limited to the construction stage and include: i) traffic disruption, ii) possible exposure to dust and noise, and iii) a possible increase in traffic accidents.

Land use in the area to be expropriated is agricultural, and there is land in disuse. This minimizes the community's exposure to the direct impacts of construction. The implementation of a traffic management plan will maintain the flow of traffic and prevent accidents.

#### **4.5 Land Acquisition and Involuntary Resettlement**

Twenty potential appropriations arising from the highway expansion were identified. As of March 2019, six (30%) of them have already been released and the right of way granted.

The Project will only carry out expropriations in the area of the road interchange where bridge RP No. 31 will be located. Land use in the area to be expropriated is agricultural, and there is land in disuse. There is an unfinished building within the expropriated area that will be demolished; according to the owner, it was his decision to build it. This person did not raise any objections to the Project.

The community has an industrial park and a grain storage plant, which are accessed through a road at the end of the Project's path. Reportedly, connectivity to this park will not be affected because it will be possible to use the bridge and the secondary road.

The expropriations are made in compliance with Law 21,499 (National Expropriation Law). According to it, once the Project is approved, all the assets that will be affected by the works must be recorded and declared as State Services, as provided for in Article 17 of the Constitution. The owner is informed via a telephone call or a Notice of Expropriation. The National Expropriation Court performs the appraisal (property valuation) and informs the owner of the appraisal value through a Valuation Letter. By Law, the amount defined during the appraisal must be increased by 10%. If the owner rejects such appraisal, the court reconsiders the value and issues a new Notice, which is definitive. A second rejection gives rise to an expropriation trial. If approved, the agreement is signed, the administrator's referendum validating the agreement is prepared, a wire transfer is made to the owner's account and the ownership of the land is transferred. The expropriated estate is registered in the name of the Argentinian National State - state assets.

In view of the small number of expropriated parcels of land, the expropriation process carried out under Argentinian Law 21,499, the field data acquired, the positive opinion of the communities and affected parties regarding the Project, and the absence of indigenous or vulnerable populations in the expropriation areas, the overall effect is considered to be minimal.

The EIA did not include a Land Acquisition Plan incorporating the elements required by IDB Invest. Therefore, the SESA includes a Land Acquisition Plan that complements the expropriation process in order to comply with IDB Invest's requirements. For example, the plan includes a mapping of potentially affected parties, an analysis of the economic conditions of the affected parties, an inventory and an appraisal of the assets within the expropriated area, the vulnerability status of the affected parties and a suitable compensation measures proposal.

#### **4.6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

Both the EIA and the SESA have concluded that the possible impacts on biodiversity, including on protected species and areas, or on protected areas of international importance, are minor to negligible. However, the region in which the Project is located may contain some important species, such as *Alectrurus risora*, *Argenteohyla siemersi*, *Bibimys torresi*, *Blastocerus dichotomus*, and *Ctenomys rionegrensis*, among others. Therefore, the SESA proposes implementing preventive actions, including (prior to construction) visiting the affected natural areas, in order to identify any relevant specimens or nests and take the appropriate actions if any protected or internationally important species are found.

Ecosystem services related to the Project have been identified as: crops, livestock grazing lands, erosion control, and non-utilitarian biodiversity value. Given that the Project will disturb a limited area, with localized effects on environmental and social components, it is foreseen that its impact on ecosystem services will be insignificant to moderate.

#### **4.7 Indigenous Peoples**

The Project does not affect indigenous communities or areas.

#### **4.8 Cultural Heritage**

Both the EIA and the SESA have concluded that the possible impact on cultural values is negligible. Nevertheless, the SESA proposes the implementation of a Chance Find Procedure in line with internationally accepted good practices for the protection of previously unknown cultural heritage discovered during construction activities.

#### **5. Local Access to Project Documentation**

Information on the Project is available locally on the National Highways Department website via the following link: <https://ppp.vialidad.gob.ar/proyecto-7/>.

#### **6. Environmental and Social Action Plan**

**RN N 7 Highway – Carmen de Areco Twinning and Gouin Access Interchange Project, C-AU-03, Roadway Corridor C, Argentina  
Environmental and Social Action Plan (ESAP)**

Item No.	Reference	Action	Product / Deliverable	Expected Delivery Date
<b>PS 1: Assessment and Management of Environmental and Social Risks and Impacts</b>				
1.1	Environmental and Social Management Plan	Develop and implement an Environmental and Social Management Plan for the Project that includes: i) Policy, ii) risk and impact identification, iii) management programs, iv) organizational capacity and competence, v) emergency preparation and response, vi) social stakeholder participation, and vii) monitoring and assessment. The Plan must include the construction and operation stage.	Environmental and Social Management Plan Document	Prior to first disbursement
1.2	Additional Public Participation Event	Carry out a public participation event in accordance with IDB Invest's Sustainability Policy.	Event Report	Before presenting the Operation to the Board of Directors
1.3	Permits	Prepare and keep an updated monitoring matrix of permits for the Project.	Permit matrix and regular updates.	Before presenting the Operation to the Board of Directors
1.4	Community Grievance Management Mechanism	Develop and Implement a Community Grievance Management Mechanism	Grievance Mechanism Document and evidence of its implementation.	Prior to first disbursement
<b>PS 2: Labor and Working Conditions</b>				
2.1	Worker Grievance Management Mechanism	Develop and implement a Worker Grievance Mechanism	Grievance Mechanism Document and evidence of its implementation.	Prior to first disbursement
<b>PS 3: Resource Efficiency and Pollution Prevention</b>				
3.1	Greenhouse gas emission calculation	1. Submit an annual forecast of greenhouse gases for each year. 2. Submit the annual greenhouse gas figures for each completed year.	1. GHG future forecast 2. GHG figures	1. Annually 2. Annually
<b>PS 5: Land Acquisition and Involuntary Resettlement</b>				
5.1	Acquisition Plan	Develop and implement a Land Acquisition Plan that includes: i) a map of potentially affected parties; ii) an analysis of the economic conditions of the affected parties, iii) an inventory and appraisal of the assets in the area to be expropriated, iv) the vulnerability status of the affected parties, and v) suitable compensation measures.	Acquisition Plan Document and evidence of its implementation.	Before presenting the Operation to the Board of Directors
<b>PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources</b>				
6.1	Application of Preventive Measures to Address Chance Finds of Protected or Internationally Important Species	Prior to construction, visit the affected natural areas in order to identify any relevant specimens or nests and take the appropriate actions if any protected or internationally important species are found.	1. Chance Find Procedure for Protected or Internationally Important Species and evidence of its implementation. 2. Important species inventory	1. Prior to first disbursement 2. Before the order to proceed
<b>PS 8: Cultural Heritage</b>				
8.1	Chance Finds	Prepare and implement a Chance Find Procedure for Cultural Resources.	Chance Find Procedure document and evidence of its implementation.	Prior to first disbursement