

Environmental and Social Review Summary
San Nicolás - Rosario Project, E-AU-11, Roadway Corridor E, 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.

San Nicolás (Int. RN 188) - Rosario (Int. RN A008) Project, E-AU-11, Roadway Corridor E (“the Project”) includes: i) the construction of an additional 3.65-meter-wide lane in each direction for each of the existing roads, ii) the widening of existing culverts for the construction of the 3-meter-wide inner shoulder; and iii) the construction of four branches and acceleration and deceleration lanes at the intersection with the existing bridge at progressive km 257.8. Ancillary works include a work site with storage tanks and an asphalt plant. The works will have a duration of 24 months. The Project has a Preliminary and Comprehensive Environmental Report (PCER), dated November 2018, and a Supplementary Environmental and Social Analysis, dated March 2019. The Project was tendered in 2018 and awarded to the company Helpert S.A. - Panedile Argentina S.A.I.C.F.E.L. – Sociedad de Obras y Servicios Copasa-Eleprint 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, and iii) a moderate increase in the possibility of erosion.

3. Environmental and Social Context

The land use of the adjacent parcels of land is mainly agricultural and animal husbandry. Additionally, some businesses can be found along the Project layout, including service stations, food and product vendors, materials vendors, and a rubber shop. No houses were identified near the affected area. Some areas of the central quarry have ornamental shrubs, but most are covered by ornamental grass.

The Project does not cross natural or protected areas, nor does it affect indigenous communities. Finally, no public services were identified in the Project layout. The works related to this Project are within the footprint of the existing highway and, therefore, no expropriations are considered.

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 a PCER and a Supplementary Environmental and Social Analysis (SESA) to address IDB Invest's requirements. An Environmental and Social Management Plan (ESMP) that identifies the typical impacts of this type of project and their mitigation measures was prepared as part of the SESA, as provided for in the Roadworks Assessment and Environmental Management Manual (RAEM, Version II) used by the National Highways Department. The SESA identifies, assesses, and proposes management measures to mitigate impacts and fulfill 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, and iv) the need for an additional public participation event, specific to the Project.

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 lacks specific data regarding the workforce, although an estimated 100 workers will be required, including female staff (approximately four women) in administrative, technical, support, and assistance functions.

Regarding working conditions, the Project will provide its personnel with: i) transportation to and from the work site to their homes, ii) travel expenses, if the worker is more than 50 km from home, iii) meals,

either in foodstuffs or a payment on the payslip corresponding to the amounts agreed with the Union; iv) personal protection equipment (e.g. helmets, gloves, boots, masks, goggles, belts); v) compensatory days for foreign staff, based on distance (taking into account the distance in km from his or her home to his or her current address); and vi) 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 consider a minimum of 8 and maximum of 10 hours per day. A one-hour break is considered for lunch.

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.

The PCER does not include a worker grievance mechanism.

4.3 Resource Efficiency and Pollution Prevention

Given that there is no information about the work site, the drinking water source is unknown. The drinking water required by the Project will most likely be sourced from wells or municipal sources. The petrous aggregates will be extracted from a quarry selected by the Contractor, which shall have the corresponding permits.

The SESA 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.

The Project consists of works that will be carried out within the footprint of the existing highway, which 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

The entire Project will be developed within the existing right of way, so it does not involve expropriations.

4.6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The Project does not affect natural or protected areas, or areas of international importance. 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 negligible.

4.7 Indigenous Peoples

The Project does not affect indigenous communities or areas.

4.8 Cultural Heritage

The SESA has 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

**San Nicolás - Rosario Project, E-AU-11, Roadway Corridor E, Argentina
Environmental and Social Action Plan (ESAP)**

Item No.	Reference	Action	Product / Deliverable	Expected Delivery Date
PS 1: Assessment and Management of Environmental and Social Risks and Impacts				
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.	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
PS 2: Labor and Working Conditions				
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
PS 3: Resource Efficiency and Pollution Prevention				
3.1	Greenhouse gas emission calculation	<ol style="list-style-type: none"> Submit an annual forecast of greenhouse gases for each year. Submit the annual greenhouse gas figures for each completed year. 	<ol style="list-style-type: none"> GHG future forecast GHG figures 	<ol style="list-style-type: none"> Annually Annually
PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources				
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.	<ol style="list-style-type: none"> Chance Find Protocol for Protected or Internationally Important Species and evidence of its implementation. Important species inventory 	<ol style="list-style-type: none"> Prior to first disbursement Before the order to proceed
PS 8: Cultural Heritage				
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