

Environmental and Social Review Summary
Ezeiza - Cañuelas Highway: RN N 3 - Access to Cañuelas (Pellegrini Street), SUR-AU-8 and
Reconstruction of the Descending Roadway (Pergola Bridge - Cañuelas Roundabout) Projects,
SUR-RS-19, Roadway Corridor SUR, 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.

This summary covers two works of the South Roadway Corridor:

- The Ezeiza - Cañuelas - National Highway (RN, for its acronym in Spanish) No.3 - Access to Cañuelas (Pellegrini Street), South Roadway Corridor Project ("the SUR-AU-08 Project") includes: i) the construction of new twinned 7.30-m-wide roads (4 lanes); and ii) the construction of two intersections and two interchanges. The ancillary works include a 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 33 months. The Project has a General Characterization of the Environment, dated September 2018, an Environmental Impact Assessment (EIA) completed in January 2019, and the Environmental Impact Statement (EIS) approved by the

Provincial Organization for the Sustainable Development of the Province of Buenos Aires, dated January 2019.

- The Ezeiza - Cañuelas Highway - Reconstruction of the Descending Roadway Section: Pergola Bridge - Cañuelas Roundabout Project ("the SUR-RS-09 Project") includes the refurbishment and/or reconstruction of the descending road for a length of approximately 5 km, between Km. 58+321 and Km 63+324. Ancillary works include an existing work site owned by the Company INGEVIAL, which already has an asphalt and concrete plant. The works will have an estimated duration of four months. The Project has an Environmental Management Plan (EMP), dated March 2019.

The South Corridor Projects were tendered in 2018 and awarded to the company Rovella Carranza SA - Mota - Engil Latin America B.V. and JCR S.A. ("the Contractor").

2. Environmental and Social Categorization and Rationale

Each Project has been classified as a Category B (medium risk) operation, in accordance with IDB Invest's Sustainability Policy, since their 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 Projects. 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

Both projects are in the same location (they share the same starting point and are located in adjacent areas). The Projects' area is a rural area whose adjacent lands are mainly agricultural. Regarding the social aspects of the SUR-RS-09 Project, it will be developed parallel to the road in use, so the area is already subject to a high influx of vehicles. The land use of the adjacent parcels of land is mainly agricultural and land that seems to be in disuse. No housing or industries adjacent to this segment were identified.

The layout of the SUR-AU-08 Project will be built in a new area and will be almost entirely developed in private properties. It will cross the backyards of homes, a recreational sports complex and a poultry farm. According to what was reported by the Projects' representatives, most of the parcels of land in the layout were expropriated between 1999 and 2000, although their continued use was allowed because the Projects had not started yet. The land crossed by the Projects' layout is currently used for agriculture and animal husbandry, mainly for bovine and equine livestock grazing.

The Projects do not cross protected areas or areas of international importance.

No public services were identified in the Projects' profile.

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 SUR-AU-08 Project has a General Characterization of the Environment, an EIA [including an Environmental Management Plan (EMP)], and an EIS. The SUR-RS-09 Project has an EMP. Both Projects have a Supplementary Environmental and Social Analysis (SESA) to address IDB Invest's requirements. The EIA and the EMP identify 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 EIS details the permits and authorizations required for the execution of Project SUR-AU-08. The SESA identifies, assesses, and proposes management measures to mitigate additional effects to those assessed in the EIA and the EMP, 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 Projects 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

Although the number of workers required for the Projects has yet to be defined, an estimated 100 workers are considered. The incorporation of female staff in administrative, technical, support, assistance functions is foreseen.

Regarding working conditions, the Projects shall provide their 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 Contractor 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.

Neither the EIA nor the EMP include a worker grievance mechanism.

4.3 Resource Efficiency and Pollution Prevention

The drinking water required by the Projects will be sourced from wells or municipal sources. The construction of water intake wells will be assessed and authorized by the corresponding environmental authority. Water intended for human consumption and domestic use will be provided in package (commercial) form.

The contractor may exploit quarries on its own, always complying with the Regulations in force, using the distances and exploitation methodologies set forth in the Roadworks Assessment and Environmental Management Manual (RAEM, Version II), and obtaining the Quarry Permit from the relevant provincial authority. The Corresponding Mining Producer Registry will be obtained.

In addition, construction material deposits shall not affect cultural resources or protected natural areas.

The EIA and the EMP propose mitigation measures to manage and correctly dispose of sewage and waste generated by the construction of the Projects, 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 Projects 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 Projects will be carried out mainly in unpopulated areas, which minimizes the community's exposure to the direct effects of their 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 SUR-RS-0 Project does not require expropriations. The SUR-AU-08 Project will affect a total of 43 parcels of land, four (9%) of which have been released as of March 2019. One of the affected buildings is a residence a few meters from the roadway layout that could be affected by the noise and dust generated during construction, but there are no homes or buildings in the layout of the roadway variant.

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 this case, in view of the small number of expropriated parcels of land (43), 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 peoples or communities in the expropriation areas, the overall impact is considered to be minimal.

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 proposal for compensation measures.

4.6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The Projects do not affect any area of conservation importance, including IBAs. Possible negative impacts on species with conservation status would occur mainly during the construction stage due to disturbance and loss of habitat by clearing. Taking into account the spatial scale of the Projects—which has a linear impact covering approximately 9.5 km—the transitory duration of the impacts, and the current condition of the Projects' area, mainly considered as a modified habitat, it is considered that these possible impacts would have a less than negligible significance, wherefore 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 Projects have been identified as: crops, livestock grazing lands, erosion control, and non-utilitarian biodiversity value. Given that the Projects will disturb a limited area, with localized effects on environmental and social components, it is foreseen that their impact on ecosystem services will be negligible.

4.7 Indigenous Peoples

The Projects will not affect indigenous communities or areas.

4.8 Cultural Heritage

Both the EIA and the SESA have concluded that the possible impact of the Projects 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 these Projects 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

**Ezeiza - Cañuelas Highway: RN N 3 - Access to Cañuelas (Pellegrini Street), SUR-AU-8 and
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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. 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
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	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
PS 5: Land Acquisition and Involuntary Resettlement				
5.1	Acquisition Plan	For Project SUR-AU-08, 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.	Only for Project SUR-AU-08 - Acquisition Plan Document and evidence of its implementation.	Only for Project SUR-AU-8 - Before presenting the Operation to the Board of Directors.
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.	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
PS 8: Cultural Heritage				
8.1	Chance Finds	Prepare and implement a Chance Find Procedure for Cultural Resources.	Chance Find Procedure document and evidence	Prior to first disbursement

Item No.	Reference	Action	Product / Deliverable	Expected Delivery Date
			of its implementation.	