

Classification and Environmental and Social Strategy (ESS) Puerto Bolívar – ECUADOR

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1. Project Scope and Objective and IDB Invest Participation

The expansion of Puerto Bolívar (the “Port”), located in El Oro Province, Ecuador, aims to increase the Port’s annual handling capacity of Twenty-foot Equivalent Unit (“TEU”) containers through a five-phase plan. Yilport Holding S.A. (the “Company”, the “Client”, or “YILPORT”) has been granted a 50-year concession to expand and operate the Port, after which all assets will be transferred to the Puerto Bolívar Port Authority (Autoridad Portuaria de Puerto Bolívar). The Port expansion is part of the privatization process of the existing Puerto Bolívar and will be implemented in 5 Phases.

Phase 1 of the Port’s expansion (the “Project”) aims to increase its capacity from 120,000 to 600,000 TEU containers. The Project will include: i) the construction and operation of new 450 m berth (Berth 6); ii) the dredging to 16.5 m deep of a 9 hectares (“ha”) work area in front of the Port; iii) the dredging to 14.5 m deep of the Port’s Access Canal (473.57 ha); iv) the construction of new container storage yards and a 5,600 m² refrigerated storage facility for perishable items, especially bananas and shrimp; and v) the purchase and installation of new equipment, including cranes, a reach stacker, and a tugboat, as well as the construction of service facilities, including electrical infrastructure (substations and lighting), water facilities (a water tank for firefighting, water pumps, and water pipes), a fuel station, a truck washing station, emergency generators, and a perimeter wall and internal fences.

Phase 2, estimated to occur from 2023 to 2025, is intended to increase the Port’s capacity to 1 million TEUs, and Phase 3, estimated for 2028 to 2030, to 1.5 million TEUs. Phase 4, estimated for 2033 to 2035, will involve the construction of a new, 315 m pier (Pier 7) and will increase the Port’s capacity to 2.1 million TEUs. Phase 5, estimated to occur after 2066, will increase the Port’s capacity to 2.6 million TEUs.

2. Classification and Environmental and Social Strategy

The Project has been classified as a Category A operation according to IDB Invest’s Environmental and Social Sustainability Policy, since it will likely generate, among others, the following impacts: i) potential impacts on mangrove ecosystems; ii) potential soil and water pollution; iii) generation of atmospheric emissions, noise, vibrations, and dust; iv) visual and landscape modifications; v) increase in the generation of solid waste and wastewater; vi) increase of safety risks for the local communities due to traffic; vii) water pollution due to wastewater discharges from Port facilities and sewage and ballast discharges from vessels; viii) increase of health risks due to the storage and handling of hazardous substances (e.g., fuel, lubricants); ix) potential accidents and spills during transportation activities; x) increase of health and safety risks associated with the operation of heavy machinery; xi) potential impacts to marine life from dredging activities; and xii) increase of security risks associated with transportation of cargo for export. These impacts are deemed to be of medium-high to high intensity.

Based on the information received and reviewed so far, the Performance Standards (PS) that the Project is likely to trigger are: i) PS1: Assessment and Management of Environmental and Social Risks and Impacts; ii) PS2: Labor and Working Conditions; iii) PS3: Resource Efficiency and Pollution Prevention; iv) PS4: Community Health, Safety and Security; v) PS6: Biodiversity Conservation; and vii) PS8: Cultural Heritage.

The Environmental and Social Due Diligence (“ESDD”) will review, among other documents, the Project’s associated environmental licenses and its Environmental and Social Impact Assessments (“ESIA”), which include an ESIA and Complementary ESIA for the Project’s dredging activities, and an ESIA for the Port construction activities. The ESDD will also include a site visit to the port facilities and interviews with: i) key port personnel such as the Company’s General Manager for the Port, the Project Manager, the Project Administrator, the Company’s Lawyer, the onsite Environmental Health and Safety (“EHS”) Manager, and Port workers; and ii) relevant external stakeholders, such as the artisanal fishing representatives, contractors, local authorities, and representatives of the Banana Producer’s Union, the Shrimp Producer’s Union, and the Puerto Bolívar Port Authority.

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

3. Additional Information

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For questions and comments to BID Invest, please contact:

Name:	BID Invest Communication Group
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In addition and as a last resource, 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
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