

This project has been classified as Category B according to IDB Invest's Environmental and Social Sustainability Policy. The risks and impacts are site specific, moderate in magnitude, and may be addressed through existing mitigation measures that are simple to implement. Among the impacts associated with this type of operation are aspects of worker health and safety and adaptations of working conditions, community safety in the vicinity of the highway and its users, environmental aspects of highway construction and maintenance, land acquisition and involuntary resettlement in areas bordering the rights of way, and biodiversity conservation in protected areas. The project had been granted an installation license by the grantor of the concession, SETOP (State Secretary of Transportation and Public Works), issued in 2006. In July 2008 an Operation License (LO 015/2008) was issued to the Client, valid until July 2012, authorizing both the operation of the road system and the implementation of road improvements. In March 2012 Nascentes requested for a License renewal, which was denied. In June 2017 Nascentes and SUPRAM signed a Conduct Adjustment Agreement (TACs LOC/ASF/38/2017 and TAC.LIF/ASF/39/2017) that guaranteed the regularity of the operation. In June 2018 a new TAC was signed (TAC.LOC/ASF/16/2018) allowing for the road system operation. The Environmental Licenses LIC/LO 001/2018 were issued on April 2018, valid for 6 years for the road works and 10 years for the road operation. A final Operational license is expected to be issued until November 2019. The LIC/LO covers most of the works that are the object of the concession, except one stretch of road (construction of an intersection) situated in an internal area of the Conservation Unit of the Serra da Canastra National Park. SUPRAM ASF requested segregation of that part of the process and ordered that it be licensed in a separate procedure, but relying on the same EIA/RIMA since that study had already incorporated that region of the park in its social and environmental analyses.