

The project has been classified as a Category B operation, in accordance with the Environmental and Social Sustainability Policy of IDB Invest, since it is expected that the environmental and social impacts and risks will be mostly limited to the Project site and will be largely reversible or temporary, and that they can be mitigated using standard industry measures. The main impacts include: i) effects on marine life due to the water intake and brine discharge, ii) impacts during construction phase (e.g. noise, dust, traffic), iii) the removal of vegetation for the construction of the aqueduct, iv) the creation of employment opportunities during the construction and operation phases. The project is subject to the following International Finance Corporation Performance Standards (PS): • PS1: Evaluation and Management of Environmental and Social Risks and Impacts • PS2: Labor and Working Conditions • PS3: Resource Efficiency and Pollution Prevention • PS4: Community Health, Safety and Security • PS5: Land Acquisition and Involuntary Resettlement • PS6: Conservation of Biodiversity and Sustainable Management of Living Natural Resources • PS7: Indigenous Peoples • PS8: Cultural Heritage