

The Project has been preliminarily classified as Category A (High Risk) operation according to the IIC's Environmental and Social Sustainability Policy. This categorization will be confirmed after the environmental and social due diligence (ESDD). The Project is to be located near two important conservation areas that include an estuary system and an offshore belt: i) "Manglares del Golfo de Guayaquil", an Important Bird Area (IBA) that is habitat for the magnificent frigate bird (*Fregata magnificens*), the brown pelican (*Pelecanus occidentalis*) and the blue-footed booby (*Sula nebouxii*), and that also is a temporary host for the bottlenose dolphin (*Tursiops truncatus*); and ii) the "Manglares del Morro" wildlife refuge, a protected area, part of the National System of Protected Areas of Ecuador, characterized for having four species of mangroves (white, black, red, and jeli) and a massive concentration of sea birds (pelicans, seagulls, and the largest colony of frigates in the country). The development of the Project's first phase will directly affect approximately 10 ha of well-preserved mangroves; it will potentially affect some small-scale fishing and tourism activities that are currently performed in the area nearby; and it may also affect in a very small portion of the habitat of the red-lored amazon (*Amazona lilacina*), an endemic parrot of the coast of Ecuador that has been listed as endangered in the International Union for the Conservation of Nature's (IUCN) Red List. The Project has an environmental license for the access road, granted to the Ministry for Public Works (Ministerio de Transporte y Obras Públicas - MTOP), and another for the Port and access canal, granted by the Ministry for the Environment (Ministerio del Ambiente del Ecuador - MAE). The EIA for the Port and the access canal (Estudio de Impacto Ambiental y Plan de Manejo Ambiental para el Desarrollo, Construcción, Mantenimiento de Instalaciones; el Dragado, Construcción y Mantenimiento de un Canal de Navegación hasta Posorja en la Provincia del Guayas; y la Operación del Servicio Público del Puerto de Aguas Profundas de Posorja, Ubicado En La Provincia Del Guayas) presents an Environmental and Social Management Plan (ESMP) composed by the following sub-plans: i) impact prevention and mitigation, which includes air quality; noise and vibrations; agriculture and forest resources: geologic resources; hydric resources; flora and fauna; landscape; archaeological resources; traffic and transport; public services; transport, management and handling of chemical products; dredging activities; greenhouse gases; and ballast water and vessel operation programs; ii) waste management; iii) environmental training and education; iv) public relations; v) emergency response; vi) health and safety; vii) biodiversity management; viii) rehabilitation and revegetation; ix) monitoring; and x) decommissioning. IIC intends to hire an independent environmental and social consultant to assist the ESDD process and to perform the following tasks: i) a Rapid Ecological Assessment (REA) in order to: a) determine the conservation state of the mangrove area that will be directly impacted by the execution of the Project's first phase, and b) propose alternative measures of compensation; ii) evaluate the environmental and social risks related to the Project and its associated facilities; iii) confirm the Project categorization; iv) assess the adequacy of the proposed management plans to mitigate these risks, and v) define a project environmental and social action plan (ESAP) should any gap with respect to IIC Sustainability Policy is found. During the ESDD the IIC and the consultant will visit the site and further assess the Project's Environmental, Health and Safety Management System, including plans and procedures, review the main Project facilities, verify the extent of public consultation, evaluate the status of land claims, assess baseline information pertaining to key environmental and social concerns, and evaluate the social and labor issues related to the Project. The visit will be focused on gathering and assessing the available information related to: i) social impacts; ii) locational alternative analysis; iii) cumulative impact assessment (CIA); iv) informed consultation and participation (ICP) process; v) involuntary resettlement and land easement and acquisition process; vi) biodiversity assessment of direct and indirect areas of influence (e.g., IBA and Protected Area); and vi) natural disaster risk. An Environmental and Social Review Summary (ESRS) will be prepared and posted on this website once the ESDD process is concluded. Contact Information For project inquiries, including environmental and social questions related to an IDB Invest transaction please contact the client (see Investment Summary tab), or IDB Invest using the email requestinformation@idbinvest.org. As a last resort, affected communities have access to the IDB

Invest Independent Consultation and Investigation Mechanism by writing to mecanismo@iadb.org or MICI@iadb.org, or calling +1(202) 623-3952.