

This investment is a Category B project in accordance with the IDB Invest's Policy on Environmental and Social Sustainability. Based on information reviewed by IDB Invest, the proposed transaction has limited adverse environmental and social (E&S) impacts, particularly as the Project has already been constructed and is complying with IDB's E & S requirements as required by the previous loan with the IDB.

The E&S summary is based on review of the project through the initial EIA (2013), quarterly environmental and social monitoring reports submitted to the client during the construction and operation phases, monitoring field visits by E & S staff, and information from independent environmental and social consultants obtained from the onset of the project in 2014 to date. In addition, the environmental licenses granted for both the solar facility and transmission line right of way that are in effect have been reviewed.

The project site is located near a large population center in northeastern Uruguay approximately 5 km south of the city of Salto. The project site is owned by one individual who has approximately 220 ha, much of which is used for cattle grazing, aside from the area where his house is located. The solar array occupies approximately 139 ha and includes a large buffer zone around the house; a large parcel was maintained for continued grazing use. Prior to construction of the project, the company signed a land lease agreement with the owner based on the total number of hectares to be used. The client also conducted a consultation meeting in the local communities in May 2014, as per IDB's requirements.

As per the IDB's requirement of the previous loan, the client developed a project-specific Environmental and Social Management Plan (ESMP). The ESMP established plans to minimize potential environmental and social impacts during construction and outlines procedures including waste management, erosion, traffic management, health, safety and labor, monitoring and auditing. The ESMP also addressed specific project location related issues, such as minimizing impacts to the property owner that leased part of their land for the project, including traffic, noise and dust.

It was observed during supervision visits carried out by independent E&S consultants and IDBG staff that the ESMP was effectively implemented. For instance, the company effectively conserved the vegetation in the biological corridor of the Cañada Dona Jacinta riparian area, which is a habitat for terrestrial and avian species. A specialized independent environmental firm has also been monitoring the status on Jacinta's fauna situation, with an emphasis on monitoring bird biodiversity.

In addition, once in operation, the project established an education program for school children and adults to visit the facilities and to learn about the solar industry and the project, which is the first large-scale solar energy project in the area. Since then, several schools have visited the plant and scholarship programs have also been developed by the company.

Annual environmental and social reports have been submitted to the Government (Dirección Nacional de Medio Ambiente -DINMAA) during construction and the company has consistently submitted to the IDB Invest quarterly compliance reports during construction and annual compliance reports during operation. No additional Environmental and Social Action Plan is required for the transaction as the current E&S requirements related to the previous IDB loan are still in effect.

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.