**Puerto de Antioquia (Colombia) – PUBLIC DISCLOSURE**

Disclosed Date: 22nd March 2019

Project Name: Puerto de Antioquia (Puerto de Uraba)

Project Number: 12378-01

Investment Type: Long-term Financing

E&S Category: A

Projected Board Approval Date: Expected by the 30th of July 2019

Company Name:  Puerto Bahía Colombia de Urabá S.A

Sponsoring Entity: CMA Terminal Holdings, Agrícola Santa Maria SAS, CI Banacol, CI Uniban, CI Banafrut, CI Tropical and Puertos Inversiones y Obras SAS (PIO).

Sector: Transportation

Financing Requested:  Up to US$112,500,000

Financing Currency: US$

Project Country: Colombia

Team Leader: Rafael Matas Trillo

For inquiries about the Project, contact:  Andres Bustos Isaza

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**Project Scope and Objective:**

Puerto Antioquia (the “Project” or “PA”), a multipurpose port facility with an estimated investment of US$650 million, located in the Gulf of Uraba on Colombia’s Caribbean Coast and near the city of Turbo. The Project has been granted an exclusive right over an offshore area of 130 hectares pursuant to a 30-year concession, in conjunction with onshore facilities will be constructed on 38 hectares of private land acquired by the Project.

The investment includes (i) an offshore deck with 4 berths capable of handling post-Panamax vessels, (ii) 5.9km viaduct/access road that connects the offshore deck with the inland terminal, (iii) 32 hectares inland terminal/logistic facilities, including a container yard, warehouses, inspection areas, maintenance and admin buildings and utilities. Initial handling capacity is 600,000 TEU (expansible to 800,000 TEU), 1.15M tons of general cargo/year, 3M tons of bulk cargo, and 60,000 cars.

The project has been developed by CMA terminal holdings, port operations arm of CMA CGM, the third largest shipping line in the world, in association with PIO, an experienced Colombian port owner – operator and local banana growers/exporters that will enter into long-term offtake contracts.

The development of the Project is expected to provide significant benefits for competitiveness considering travel distances, travel time, associated transport costs, and road network improvement. IDB Invest participation in the financing will play an important role to complement long-term financing, in collaboration with international and local banks that provide resources in US$ and Colombian pesos.

**Category Justification:**

The Project is screened as Category A because potential impacts are diverse and irreversible. The main environmental and social concerns associated with the Project are related to potential impacts to Indigenous Peoples; community health and safety impacts, particularly due to marked increase in traffic during construction and operation; potential impacts to the marine environment from dredging and driving of piles during construction; occupational health and safety; and waste management.

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

**Environmental and Social Review:**

The Project involves the development, construction and operation of a multi-purpose port facility for handling containers, dry bulks, general cargos and roll-on roll-off cargo, located near the city of Turbo, on the Gulf of Uraba, in the northern part of the Department of Antioquia. The Project consists of: an offshore marine terminal, an onshore logistics area on the banks of the Leon River, a 4 km trestle with bridge that connects the offshore and onshore areas, an onshore bridge over the Leon River, an approximately 2.5 km access road from the onshore terminal to the town of Nueva Colonia, worker housing for 400 workers, and an approximately 4 km transmission line, considered an associated facility, from the Nueva Colonia substation to the port. The Project is considering construction of new roads for port traffic during the operational phase. The road alternatives being considered would pass through banana plantations, minimizing potential impacts to communities.

A 30-year concession for the Project from the Agencia Nacional de Infraestructura (ANI) has been granted for the exclusive use of an offshore area of 130 ha. This area is located within an existing shipping transfer zone, which is off limits to boat traffic that is no shipping related. Onshore facilities will be on 38 ha of private land. The land site is currently a green field used for agricultural/cattle management purposes. The surface area of the offshore facility will be 12.8 ha. To connect the offshore viaduct with the onshore terminal, the Project will build a bridge over the Leon River and a 778 m long – 20 m wide road. This road that will be constructed will affect 1.55 ha of land pertaining to the Protected Area (PA) *Reserva Forestal Protectora de los Humedales entre los ríos León y Suriquí.* The area presents mangroves habitats and different species of relevant importance for the local ecosystem. The degree of project impacts to artisanal fishing activities in the Gulf of Uraba is being assessed.

The community of Nueva Colonia will be directly impacted by the Project. In March 2018, the Ministry of Interior recognized and officially registered the *Consejo Mayor de Comunidades Negras de Nueva Colonia-COMANUNCO* as an Afro-descendent community within Nueva Colonia. Other communities in the Project area of influence include Puerto Girón and Rio Grande. Puerto Girón is an Afro-descendent community officially recognized by the Colombian Government in 2013 and located 1.7 km upstream of the project area on the right bank of the Rio Leon. The community of Rio Grande, which is located 9.5 km from the port site, will be impacted by traffic from the Project.

Initial public consultation was carried out during the Environmental and Social Impact Assessment process in 2010. This consultation was followed by additional informational meetings with stakeholders in 2015 as part of the Project’s modification of the Environmental License. The Project has developed a draft Stakeholder Engagement Plan and conducts ongoing meetings with communities.

An updated Environmental and Social Review Summary, containing and Environmental & Social Action Plan, will be prepared and published on the IDB Invest website once IDB Invest’s involvement in the transaction has been confirmed and the environmental and social due diligence has been concluded.