

Classification and Environmental and Social Strategy (ESS) Puerto de Manta – Ecuador

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1. Project Scope and Objective, and IDB Invest Participation

Manta's Port Authority was created in October 1966 to operate and control the international and domestic terminals at the Port of Manta (the "Port"), located in the Province of Manabí in Ecuador. In December 2016, as part of the initiative of involving the private sector in service rendering, Grupo Agencias Universales S.A. (AGUNSA) was granted the expansion of the port facilities and its operation for 40 years. AGUNSA is a Chilean company with 50 years of experience in the maritime, port, logistics, and general transportation business, and has a presence in 22 countries. For this purpose, AGUNSA set up the Ecuadorian company Terminal Portuario de Manta S.A. (TPM).

The Port expansion is expected to be carried out in two phases. Phase I (the Project) involves: i) extending Pier 2 by 100 m; ii) dredging the access channel to gain 13 m of free draft at low tide; iii) dredging the berths; iv) adding two moving cranes; v) building a passenger terminal for cruise ships; vi) investing in port equipment (cargo containers, tractor trailers, forklifts, etc.); vii) improving roads, access controls, safety, lighting, and water supply; and viii) expanding storage yards.

Phase II will involve: i) increasing capacity to 150,000 TEUs (twenty-foot equivalent units); ii) a new 300 meter by 35.5-meter pier; iii) dredging the channel and berths to 14.5 m of free draft at low tide; iv) adding several Gantry cranes; v) acquiring rubber-tired Gantry (RTG) cranes; vi) investing in port equipment (cargo containers, tractor trailers, forklifts, etc.); and vii) expanding storage yards.

2. Classification and Environmental and Social Strategy

This transaction has been preliminarily classified as Category B in accordance with IDB Invest's Environmental & Social Sustainability Policy, as it will generate the following impacts, among others: i) air emissions; ii) noise and vibrations; iii) waste and wastewater; iv) changes to water resources; v) potential soil pollution; vi) sedimentation; vii) potential changes to aquatic flora and fauna; viii) landscape changes; ix) increased risks to community health and safety; and x) occupational health and safety risks. These impacts are considered of medium to medium-high intensity and are mostly limited to the Project site; they are largely reversible and can be easily mitigated through the measures in place and implemented in the context of the transaction.

In May 2017, TPM completed an Environmental and Social Impact Assessment (ESIA) for the Project, which was approved by the Decentralized Autonomous Government of the Province of Manabí as part of the environmental licensing process (Resolution # GPM-2018-009556).

Due to the mobility restrictions imposed by the Ecuadorian government to fight the COVID-19 pandemic, the environmental and social due diligence (ESDD) will be carried out online. It will involve interviewing

the staff participating in the Project and other stakeholders, as well as reviewing relevant documents, to assess the following: i) contextual risks; ii) cumulative impacts; iii) gender-related risks; iv) exposure to climate change; v) organizational capacity and competency; vi) stakeholder engagement; vii) grievances and complaints management; viii) occupational health and safety; ix) managing contractors; x) greenhouse gas emissions; xi) water consumption; xii) handling hazardous materials; xiii) community health and safety; xiv) biodiversity management; and xv) cultural heritage management.

Based on the information received and reviewed to date, the Performance Standards (PS) that the Project is likely to trigger are: PS1: Assessment and Management of Environmental and Social Risks and Impacts; PS2: Labor and Working Conditions; PS3: Resource Efficiency and Pollution Prevention; PS4: Community Health and Safety; PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources; and PS 8: Cultural Heritage. As no land will need to be acquired for the Project and there is therefore no expectation of involuntary resettlement, and no indigenous community will be affected by the proposed activities, PS 5: Land Acquisition and Involuntary Resettlement and PS 7: Indigenous Peoples have not been triggered. Nonetheless, the PSs to be triggered by the Project will ultimately be determined at the end of the ESDD.

Once the ESDD is completed, an Environmental and Social Review Summary (ESRS) will be prepared and published on this website.

3. Additional Information

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In addition, and as a last resort, affected communities can access IDB Invest's Independent Consultation and Investigation Mechanism (ICIM) as follows:

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