

Classification and Environmental and Social Strategy (ESS) Ruta al Sur - COLOMBIA

Original language of the document: Spanish
Issuance date: April 2022

1. Project Scope and Objective and IDB Invest Participation

The Santana – Mocoa – Neiva corridor (the “Project”) is part of the fourth-generation (“4G”) concessions program headed by the Colombian government through its National Infrastructure Agency (“ANI”). The Project considers the financing, construction, upgrading, refurbishment, and maintenance of a 456-km-long highway connecting the towns of Santana and Mocoa, located in the southeast part of the Putumayo Department, with the city of Neiva, situated in the Huila Department, Colombia.

The original concession contract was awarded in 2015 to Concesionaria Aliadas para el Progreso S.A.S., a legal entity comprising the companies Controladora de Operaciones de Infraestructura S.A. de CV (35%), Cass Constructores y Cia. (20%), Carlos Alberto Solarte Solarte (20%), Estyma (10%), Latinoamericana de Construcciones (10%) and Alca Ingeniería (5%). However, due to various problems that prevented the companies from executing the scope of the contract, the concession was assigned in mid-2021 to the vehicle Concesionaria Ruta al Sur S.A.S. (the “Concessionaire”), 70% owned by Rodovías Colombia S.A.S. (an affiliate of Patria Investments) and 30% by MC Victorias Tempranas S.A.S. (owned by Mercantil Colpatria). The contract assignment provides for a 12-month normalization period prior to the construction start date set for July 2022. It should be noted that the contract considers a 25-year duration with a possible 4-year extension.

For construction purposes, the Project has been divided into seven sections or functional units (“UFs”, for is acronym in Spanish), each with a 36-month construction term: UF1 Neiva – Campoalegre, 21.9 km long and which includes the construction of a second lane and the refurbishment of the existing lane; UF2 Campoalegre – Gigante, 65.0 km long and which includes the refurbishment and upgrade of the current road and construction of two variants; UF3 Gigante – Garzón, 35.6 km long and which includes the refurbishment of the current highway and construction of the Gigante variant; UF4 Garzón - Pitalito - San Agustín, 109.2 km long and which includes the refurbishment and upgrade of the current highway and construction of the Timaná variant; UF5 Pitalito - San Juan de Villalobos, comprising the refurbishment of all 60.7 km of the current highway; UF6 San Juan de Villalobos – Mocoa, 76.1 km long and which includes the refurbishment of the current highway and construction of the Mocoa variant; and UF7 Mocoa – Santana, 78.5 km long and which includes the refurbishment and upgrade of the current highway, the construction of two variants, and the refurbishment of the Santana – Puerto Asís section, 9.2 km long (quality factor). Thus, in total, the Project entails refurbishing 357 km of existing roadways, upgrading 37 km of the current highway, and building 47 km of new lanes.

2. Classification and Environmental and Social Strategy

The Project has been preliminarily classified as Category A under the IDB Invest Environmental and Social Sustainability Policy (“ESSP”), as it could generate the following environmental and social risks and impacts: i) gas and dust generation; ii) increased noise levels due to heavy machinery use and increased vehicular traffic; iii) domestic and industrial waste production; iv) soil compaction due to machinery traffic; v) possible soil contamination; vi) solid waste generation (excavation material, pavement waste, rubble, paper, wood, scrap metal, greasy rags, etc.); vii) vehicular traffic interruptions or stoppages; viii) water resource appropriations; ix) plant cover removal; x) physical or economic displacement of the population due to the release or conformation of the right-of-way; and xi) generation of expectations regarding employment opportunities that may arise from the foreseen activities. These impacts are expected to be of medium-high to high intensity.

To date, the Concessionaire has obtained the necessary permits, authorizations, and licenses from the corresponding environmental authorities, as required by Colombian law. To this end, it has prepared an Environmental Guide Adaptation Plan (“PAGA” for its acronym in Spanish) for all sections of the UFs that involve refurbishment and upgrade activities; and Environmental Impact Assessments (EIAs) for the following sections of the corridor: second lane of UF1; Campoalegre variant (UF2); Hobo variant (UF2); Betania Sur (UF2); and Gigante variant (UF3). It is also undertaking in advance the procedures to obtain environmental licenses for the new roadways located in FU6 and FU7.

The Environmental and Social Due Diligence (“ESDD”) process, which will be supported by an Independent Environmental Consultant, will include interviews with executives from the Concessionaire's key areas (environmental, social, occupational health and safety), analyze its Environmental and Social Management System (ESMS), including all related plans and procedures, and assess any baseline social and labor information related to the Project, among other aspects. Based on the ESDD, IDB Invest will confirm the Project's categorization, identify any possible compliance gaps with regard to the ESSP, and define an Environmental and Social Action Plan (“ESAP”) to close such gaps.

As per the information received and reviewed to date, the Project triggers the following Performance Standards (“PS”): 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, Safety, and Security; PS5 Land Acquisition and Involuntary Resettlement; PS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources; PS7 Indigenous Peoples; and PS8 Cultural Heritage. The definitive determination of the PS triggered by the Project will occur once the ESDD process has been finalized.

An Environmental and Social Review Summary (“ESRS”) will be prepared and posted on this website once the ESDD process is complete.

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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