

## 1. Scope of Environmental Review

The project consists of the construction and operation of a fair ground and convention center to be installed in the Franklin Delano Roosevelt Metropolitan Children's Rights Park (Roosevelt Park) in the Department of Canelones, Uruguay, destined to host congresses, conventions, seminars and other social events linked to the academic, corporate, sports and entertainment areas in general.

The total roof area to be built will be 48 thousand m<sup>2</sup> and about 30 thousand m<sup>2</sup> of parking.

The main building is divided into 3 large blocks linked together:

- Fair ground of approximately 14,800 m<sup>2</sup> on one floor.
- Congress Center consisting of 2 buildings on 3 levels, with approximately 24 thousand m<sup>2</sup> of roof. This component comprises an auditorium of 1,400 seats and several configurable multipurpose rooms with complementary infrastructure.
- Forum that unites the 2 buildings of the Congress Center with the Trade Center, under a single roof of approximately 9 thousand m<sup>2</sup>. This component will house restaurants, offices and other services.

The set of buildings will be surrounded by a parking lot with capacity for about 1200 vehicles. The construction of the buildings will be of light construction with prefabricated materials and a metallic structure of pillars and steel beams. The roof will be made of sheet metal with insulation. The exterior of the buildings will be covered with fiber cement board or outdoor gypsum board. The interior walls will be made of drywall mounted on a galvanized steel structure. The spaces will be acoustically isolated to allow simultaneous events in the different venues. This will prevent the propagation of sound towards the outside of the buildings.

The environmental and social due diligence was carried out between January and March 2019, with visits to the property and meetings with the members of the project consortium (Consorcio Odetur - Ebital, hereinafter Uruguay Forum), the architecture studio responsible for the project (Bodega y Piedrafita Arquitectos), the environmental and social consultants of the client (GEA Environmental Consultants), the international operator hired to operate the project (Feria Valencia), the construction company responsible for executing the work (Ebital) and the independent consultants on strategy and market (JLL Hotels & Hospitality Group).

**2. Environmental and Social Categorization and Rationale.** This is a Category B Project according to the IDB Invest Sustainability Policy, because its environmental and social risks can be mitigated via measures that are already available and feasible to implement in the context of the operation. The Performance Standards (PS) of the International Finance Corporation (IFC) applicable to this Project are the following:

- PS 1: Assessment and Management of Environmental and Social Risks and Impacts
- PS 2: Labor and working conditions
- PS 3: Resource Efficiency and Pollution Prevention
- PS 4: Community Health, Safety and Security

**3. Environmental and Social Context.** Roosevelt Park is in the Department of Canelones, near the limit of the Department of Montevideo, in the metropolitan area of the city of Montevideo. It is a park developed more than 100 years ago (it started in 1916), built outside the city in an area composed of wetlands and marshes that were dried and then planted by trees in a total number of approximately 2 million, comprising both introduced and native species. Today it has been transformed into a metropolitan park and the city has grown mainly towards the East, surrounding it

with housing and associated businesses. Its original area of almost 1,500 hectares has suffered significant impacts, some due to planned developments such as the extension of the main runway of Carrasco Airport, the installation of a military unit, the construction of educational centers, the installation of a sports and equestrian arena, a playground, sports courts, etc. It also suffered unplanned impacts (invasions of illegal occupants, clandestine logging of trees, garbage landfill, etc.), that have negatively affected the park leaving an image of partial abandonment. Today the area conserved and maintained as Roosevelt Park is around 330 hectares, with an additional undeveloped reserve. The area under concession to Forum Uruguay is about 30 hectares at the southern end of the park. The consortium is committed to maintain and care for the intervened area and develop a joint plan with the municipality to gradually improve cleaning, lighting and security, returning to the community a green recreational area recovered for public use. The project fits the "Territorial Planning for the Franklin Delano Roosevelt Metropolitan Children's Rights Park", which is in its Chapter III, Article 5 (5.5) establishes that the concession area is within the preferred section for the implementation of general commercial, cultural, touristic, gastronomic and recreational activities or services.

#### **4. Environmental Risks and Impacts and Proposed Mitigation and Compensation Measures**

##### **4.1. Assessment and Management of Environmental and Social Risks and Impacts**

a. E&S Assessment and Management System. Forum Uruguay does not yet have an environmental and social management system specific to the Project that includes all the components required by the Environmental and Social Sustainability Policy of IDB Invest. It must be developed as established in the Environmental and Social Action Plan (ESAP). However, the EPC contractor (Ebital), which is also a partner of the consortium, has a Management System based on the ISO 9001:2015 and 18001:2007 standards that it will apply during the construction phase, which will allow to mitigate environmental and social risks during this stage fulfilling the requirements of IDB Invest.

b. Policy. Forum Uruguay must develop its environmental and social policy. Ebital has a Quality Policy and a Safety Policy, following ISO 9001 and 18001. In these policies, Ebital indicates its commitment to the community and the environment, safety, risk mitigation, ongoing training and continuous improvement. The requirements established in the policies include workers, suppliers, subcontractors, customers and anyone who accesses the facilities.

c. Identification of Risks and Impacts. The Environmental Impact Study (EIS) carried out by GEA Consultores Ambientales (GEA) identifies the main environmental and social risks in the construction and operation stages. The environmental aspects are grouped into the following categories: atmospheric emissions, liquid effluents, solid waste, noise, use of resources (fuel, energy and water), physical presence (includes physical presence of workers and traffic impact) and incidentals (accidents, fires or spills, among others). In turn it analyzes the sensitivity of the receptors highlighting as sensitive the following aspects: surface hydrology, soil, flora, terrestrial fauna, population and transit routes. The detailed analysis of each of the possible impacts on each of the sensitive receptors concludes that these are mitigable through proper management. No risks of cumulative impacts are identified.

Ebital has a Hazard Identification and Risk Control Procedure as part of its Management System to identify and eliminate occupational hazards in the construction phase. Such procedure includes the identification of risks, their evaluation, the establishment of safety conditions, inspection of construction site, emergency preparation and response, training program and subsequent work safety analysis.

d. Management Programs. The detailed description of Ebital's Management System and the

requirements related to its management, content, application and verification are included in the following documentation:

4. Scope of the System
5. Quality and Occupational Health and Safety (OHS) Policies
6. Quality and OHS Objectives and Planning
7. Management System Manual
8. Job Description Manual
9. Construction Quality Plan
10. Procedures
11. Instructions
12. Records
13. Legal and Other Requirements

The EIS includes a series of recommendations on measures that should be incorporated into the Environmental Management Plan developed by Forum Uruguay, both for the construction phase and for the operation phase. For the construction phase, these measures are related to proper work management, addressing aspects of soil movements, road maintenance, rain drainage, waste and hazardous products management, atmospheric emissions, liquid effluent management, noise generation, vehicles and machinery traffic management, emergency and contingency response, and management of human resources, health and safety. All these aspects are contemplated in Ebital's Management System. For the operation stage, the EIS includes recommendations on liquid effluent management, waste management, noise generation, traffic management, fire and accident prevention, emergency management, among others. These recommendations should be incorporated into the Management System of Forum Uruguay.

e. Organizational Capacity and Competency. Ebital is one of the largest companies in the country in the development, management and construction of large projects, which has a strong team of professionals with sufficient organizational skills and competencies for the construction phase. Forum Uruguay, together with the operator (Feria Valencia), must develop the management team for the operation phase. Feria Valencia manages the Feria Valencia Conference and Exhibition Center in Valencia, the largest meeting space in Spain that is among the ten largest in the world. Feria Valencia has approximately 100 events per year that attract more than one million attendees. In addition, is a co-founder or partner of some of the most important professional meetings associations in the world.

f. Emergency Preparedness and Response. Ebital has an emergency response plan for the construction stage that is part of its management system. For the operation stage, Forum Uruguay must implement an emergency plan with the support of Feria Valencia.

g. Monitoring and Review. During the construction phase, monitoring and evaluation of management is included in the Ebital Management System. As part of its continuous improvement of process effectiveness, the company carries out measurement, monitoring and analysis activities, with specific indicators for each process. Corrective and improvement actions are implemented to address risks and opportunities and achieve the objectives established. Periodically, with the participation of the management of the company, the past corrective and preventive actions are analyzed and used for setting objectives, programs and goals.

In addition, the EIS proposes actions to monitor the actions recommended for the construction and operation stage, which must be incorporated into the management system developed by Forum Uruguay.

h. Stakeholder Engagement. The property was granted under the "International Public Bid for the Concession of Public Space for the Installation of a Fair and Congress Complex in the Roosevelt Park of the Department of Canelones". This tender was managed through the State Purchasing and Contracting Agency (ACCE).

IDB Invest requested that an information meeting with neighbors and other interested parties be organized to publicize the characteristics of the Project and its impacts. On April 30th, 2019, the meeting was held at the offices of Roosevelt Park, where Forum Uruguay together with the architects' studio made a presentation of the project and answered questions from the attendees. The concerns of the neighbors refer mainly to the state of deterioration of the park and the ways in which Forum Uruguay can influence in reversing said situation, as well as the incidence that the activities to be developed will have on the transit and the noise.

i. External Communication and Grievance Mechanisms. Forum Uruguay must implement an external communications system and complaints mechanism that complies with the IDB Invest Sustainability Policy, covering the construction and operation stages. This obligation is established in the ESAP. Ebital develops a communications plan for each project based on the needs of the interested parties and their information requirements and has the necessary processes to ensure the collection and management of the information in a timely and appropriate manner, as well as the designation of those responsible for its achievement.

## **4.2. Labor and Working Conditions**

a. Working Conditions and Management of Worker Relationships. The Project will use local labor for its construction. It is estimated that between 250 and 300 workers will be required. In the operation stage, it is estimated that the Project will occupy about 50 people permanently, in addition to the indirect generation of jobs.

The Project will respect the labor legislation in force in Uruguay, which includes policies that prohibit discrimination (including by gender), child labor, unpaid work and forced labor, following the standards of the ILO. The workers of Ebital are affiliated to the National Construction Union (SUNCA) and enjoy all the benefits of that economic sector. According to Uruguayan legislation, all workers have mandatory accident insurance coverage, as well as medical insurance with family coverage. The workers' salaries and other benefits are determined by the Wages Council corresponding to the sector.

Ebital has guidelines to ensure that relevant information on the Management System is communicated to workers and other interested parties, and their consultations and concerns are received. In addition to the company's internal mechanisms for dealing with complaints, workers have access to the services of the Ministry of Labor and Social Security (MTSS).

b. Occupational Health and Safety. Ebital's Management System establishes that before the start of each work a specific Safety and Hygiene Study is carried out, with a description of the tasks to be carried out, the procedures and technical equipment to be used, and an identification of the possible risks of accidents and occupational diseases. This Study is complemented by a Safety and Hygiene Plan with allocation of responsibilities, determination of preventive measures, identification of hazards and risk control, determination of legal requirements and emergency procedures. Following the Uruguayan legislation, all construction works require a Risk Prevention Technician. All workers receive basic safety standards, job risk evaluation by category and occupational health and safety training prior to admission.

Forum Uruguay will have to develop its own management system for the operation stage, based on

the General Norms of Prevention of Labor Risks of Feria Valencia. These establish, among other subjects, general safety clauses for contractors, general safety rules for employees of third-party companies, safety rules and regulations for workers during assembly and disassembly of events.

c. Workers Engaged by Third Parties. All contracted and subcontracted parties follow the same procedures as Ebital.

d. Supply Chain. All the supplies and materials used in the development of the Project come from established formal companies, both national and foreign, thus minimizing the labor risks inherent in the supply chain.

### **4.3 Resource Efficiency and Pollution Prevention**

#### **a. Resource Efficiency**

i. Greenhouse Gases. The type of construction does not foresee a significant impact on the generation of greenhouse gases. The energy consumption during the operation will be mainly electrical. Uruguay has an energy matrix with enough capacity from renewable sources to supply the total power demanded at full generation. In 2018, 97% of the total electric energy generated was of renewable origin, which means that the greenhouse gas impact is very limited.

ii. Water Consumption. Given that the fairground is located within the metropolitan area of the city of Montevideo, the water supply during the operation will be from the public network managed by the state company OSE. It has not yet been determined if the supply for the construction phase will be from public service network. If it is not available, the water will be supplied by tanker trucks from a supply point managed by the construction company. The water consumption will be exclusively for cleaning tasks since the concrete will be received premixed. No drilling is planned on the property.

#### **b. Pollution Prevention**

i. Solid waste. During the construction stage, a solid waste management procedure will be carried out that will include the following guidelines:

- Classification of waste.
- Availability of suitable containers and a conditioned storage area.
- Have an authorized outsourced service to transport the waste to the final disposal points.
- Recycling through an authorized manager (paper, cardboard, plastic and nylon).
- Dispose of non-hazardous waste in accordance with local regulations.

For the operation stage, Forum Uruguay must develop a waste management procedure. For this, Feria Valencia has a document with the technical requirements of the cleaning, collection and integral waste management services that can be adapted to the local operation. This document must incorporate the food services that will operate on the property.

Liquid effluent. During the construction phase, portable chemical toilets managed by an authorized service provider will be used. For the operation stage, the fairground will be connected to the health network of the city.

ii. Hazardous Materials Management. Work residues that may be contaminated with traces of hydrocarbons or other hazardous substances will be collected separately and disposed of as hazardous waste through an authorized service provider. Likewise, during the operation phase, hazardous waste may be generated from the assembly and disassembly activities of fairs and

exhibitions (paints, adhesives, solvents and their respective containers and means of application). These should also be treated by authorized service providers.

#### **4.4 Community Health, Safety and Security**

##### **a. Community Health and Safety**

i. Infrastructure and Equipment Design and Safety. Both the closed facilities and the perimeter ring in the parking area will have a fire protection system with distributed fire hydrants. The covered areas of the congress centers, fair grounds and central forum will also have sprinklers that comply with US NFPA regulations. The projected fire water reserve is 200m<sup>3</sup>, the piping will be pressurized with a main pump and jockey pump, with generator. The fire detection system will have sensors in all closed areas with auditory and visual notification. All closed environments will have emergency exits in accordance with local regulations and the recommendations of the technical advisor, with its corresponding signage.

ii. Emergency Preparedness and Response. An evacuation plan will be implemented for the operation stage as part of the management system of Forum Uruguay.

b. Security Personnel. Forum Uruguay will contract security services to specialized local companies (regulated by Law 19,721). The use of armed guards is not considered.

#### **4.5 Land Acquisition and Involuntary Resettlement**

a. General. The fairground was given in concession for 50 years to Forum Uruguay based on the provisions of the International Public Tender 100/2017 of the Municipality of Canelones. The fairgrounds will occupy public lands, without displacement of people or economic activities. The concession area is approximately 30 hectares. As compensation it must pay a fee to the Municipality of Canelones in accordance with the provisions of the tender specifications, in addition to committing to the maintenance of the intervened area and adjacencies for public use (cleaning, security, lighting, hygiene, etc.).

b. Displacement. There is no physical or economic displacement of people.

#### **4.6 Biodiversity Conservation and Natural Habitats**

a. General. The park was created in the early twentieth century, the result of a donation of land, on the condition that the wetlands were dried to prevent the proliferation of diseases transmitted by mosquitoes. The destination was to create a forest park for public use. Its design was entrusted to the French landscape architect Charles Racine whose work was developed throughout 20 years during which approximately 2 million trees were planted, most of which correspond to introduced species. The drainage and forestation work covered an area significantly greater than the 330 hectares that are now conserved as a park.

b. Protection and Conservation of Biodiversity. In the Roosevelt Park there are only two native tree species that are in the list of priority species for the conservation of the National System of Protected Areas, the Butiá capitata and the Peltophorum dubium. Both were introduced when the park was developed and are not located in the site where the Project will be developed.

c. Modified, Natural and Critical Habitat. For the development of the Project, an existing clearing will be used, involving a minimum removal of trees all of which are common introduced species (eucalyptus, pines and acacias), some of them with an invasive characteristic (acacia). However, it is proposed that for every tree removed two are planted, and that they belong to native species.

d. Management of Ecosystem Services. The park is today a recreation area for the local population. With the development of the Project it is expected that the quality of the park, in the surroundings of the fairground, will improve due to the care, cleaning and surveillance that the operator will implement, as well as the improvements in the existing roads, lighting and security.

#### **4.7 Indigenous Peoples**

There are no affected indigenous peoples.

#### **4.8 Cultural Heritage**

There is no impact on cultural heritage.

**5. Environmental and Social Action Plan (ESAP).** Please see attached document.

#### **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](mailto: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](mailto:mecanismo@iadb.org) or [MICI@iadb.org](mailto:MICI@iadb.org), or calling +1(202) 623-3952.