1. Scope of the Environmental and Social Review The Project consists of financing the design, construction and operation of 42 educational centers for the National Public Education Administration (ANEP, for its acronym in Spanish). In November 2015, the ANEP, together with the Child and Adolescent Institute of Uruguay (INAU, for its acronym in Spanish), informed the Ministry of Economy and Finance (MEF) of their intention to jointly develop the educational infrastructure project, with the primary objective of completing 165 infrastructure works within the purview of the ANEP and 60 within the purview of the INAU. It was determined that the total infrastructure to be built would be divided into 4 or more calls to tender. This Project is part of the second of these tenders (call to tender 8/2017), which covers works exclusively for the ANEP. The tender was awarded to the Uruguayan consortium formed by the companies Saceem, Stiler and Berkes. These three companies have a well-established history of construction and engineering in the country (Saceem since 1951, Stiler since 1959 and Berkes since 1939), in both public and private works. Pursuant to the Regulation on Environmental Impact Assessments and Environmental Approvals of the Ministry of Housing, Land-Use Planning and the Environment (MVOTMA, for its acronym in Spanish) and its National Directorate of the Environment (DINAMA, for its acronym in Spanish), the Project does not require an Application for Prior Environmental Approval from the DINAMA (Decree 349/05, Art. 2). 2. Environmental and social classification and rationale According to IDB Invest's Environmental and Social Sustainability Policy, this is a Category B project, as the magnitude and importance of its environmental and social risks are medium to low and can be managed via measures that are readily available and feasible to implement in the context of the operation. The Project activates the following International Finance Corporation (IFC) Performance Standards (PS): • 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 The educational centers of the ANEP that comprise the Project are distributed as follows: (i) Seven 6-classroom schools; (ii) sixteen 9-classroom schools; (iii) nine educational technology centers; and (iv) ten sports centers. All of the above will be built in the urban areas of different localities distributed across 15 Uruguayan districts: Artigas, Canelones, Cerro Largo, Colonia, Durazno, Maldonado, Montevideo, Paysandú, Río Negro, Rivera, Rocha, Salto, San José, Tacuarembó, and Treinta y Tres. The learning centers will combine 4 types of infrastructure (classrooms, workshops, gymnasiums and auditoriums), in addition to ancillary services. The land on which the centers are to be built is entirely owned by state bodies. 4. Environmental risks and impacts, and proposed mitigation and compensation measures 4.1. Assessment and Management of Environmental and Social Risks and Impacts a. Environmental and Social Assessment and Management System. Each of the companies in the consortium has its own system to assess and manage environmental and social risks. To manage the Project risks, they are preparing an Environmental and Social Management Plan for Construction (ESMP-C), which is supplemented by a Comprehensive Safety Plan. These plans incorporate distinct procedures to identify, cancel, and mitigate the environmental, social, health, safety, and security risks specific to each stage. The consortium will have a complete management system in place before the start of construction. The companies that comprise the consortium have ISO 9001, ISO 14001, OHSAS 18001, and ISO 45001 certifications. b. Policy. Each of the companies in the consortium has one or more policies that cover environmental, health, safety, security, and social issues. Stiler has a Quality, Safety, and Environmental Management Policy; Berkes has a Management System Policy that covers health and safety issues, and Saceem has adopted several policies, including the Environment Policy and the Safety and Security Policy. The consortium will implement a general policy that will represent the three member companies. c. Identification of Risks and Impacts. The procedure to identify risks and impacts is being prepared and will be included in the ESMP-C. A team of prevention technicians will train all personnel involved in the works and approve the Safe Work Analyses (SWA), which identify, in the workplace and with the workers themselves, the risks they are exposed to in their daily work. Each workday begins with a "Stop and Think" time, during which the tasks to be performed and the safety, security, and environmental management measures

are reviewed. d. Management Programs. The specific plans that will comprise the management system are being drafted and will use as their basis those already implemented by each of the companies in the consortium. e. Organizational Capacity and Competence. The consortium is headed by a Steering Committee that the Project Manager reports to. The latter is responsible for all environmental, health, safety, and security issues. To this end, he/she is supported by a Head of Safety and Security and a Head of Environment. In turn, every company in the consortium has its own Safety, Security, and Environment team. f. Emergency Preparedness and Response. The emergency preparedness and response plans will be incorporated into the consortium's management system and will be based on the existing plans of its member companies. g. Monitoring and Evaluation. The ESMP-C sets forth that the consortium shall submit environmental performance reports to the relevant authorities detailing its compliance with the environmental management measures included in the plan, the evolution of predefined indicators, the monitoring results, the records of grievances or claims and the company’s corresponding actions, the records of meetings with neighbors, the identification and management of unforeseen environmental aspects or impacts, and other modifications or updates corresponding to the submitted ESMP-C. A final closure report with a summary of the environmental performance of the works will be written upon completion of the Project construction phase. Being certified companies, they are subject to continuous monitoring and evaluation. h. Stakeholder Engagement. The Decentralized Commissions of the ANEP are district bodies that are spearheading the decentralization of territorial powers of the different facets of education management. Its mission includes actions such as: (i) favoring and developing community-education interactions; (ii) coordinating actions that optimize education coverage; (iii) coordinating actions that contribute to solving building infrastructure problems; and (iv) preparing an annual work plan proposal. In fulfilling these functions, the Decentralized Commissions interact with the Resident Architects and with the members of the community to determine where educational premises should be located. i. External Communications and Grievance Mechanism. The Project entails a system to manage grievances and concerns (by telephone and in writing) that extends to the respective Site Managers, Safety and Security Officers, and even the Project’s Upper Management. The means of communication (telephone numbers and e-mail addresses) will be made known in each of the works in progress via public notices. 4.2. Labor and Working Conditions a. Working conditions and management of labor relations. It is estimated that during the construction phase, each center will directly employ between 20 and 50 people, with an average of 30 people. The works will not be executed all at once; instead, it is estimated that approximately 10 of them will proceed in parallel, which means that the total number of workers will be around 300, although there may be specific instances in which this number could be higher. It is estimated that the maximum number of people will be around 500. During the operation phase, each center will employ between 3 and 5 people from the companies executing the Project, not including the faculty and administrative staff of the learning centers provided by the ANEP. i. Human Resources Policies and Procedures. These will be incorporated into the management system under development and will be based on the existing procedures implemented in each of the companies that comprise the consortium. ii. Working conditions, terms of employment, and labor organizations. The workers of the three companies that comprise the consortium are from the construction sector, and their workers are members of the Sindicato Único de la Construcción y Anexos (Single Union for Construction and Related Industries - SUNCA). Labor conditions are governed by the agreements of said industry. Housing will be provided to non-local workers. Under Uruguayan law, all workers are provided with mandatory worker's insurance and family health insurance. Wages and other benefits are set by the sector’s Wage Council. iii. Non-discrimination and equal opportunities. Under Uruguayan law, all forms of discrimination (including gender discrimination) are prohibited. Traditionally, however, there have been few women employed in the construction industry as construction workers. iv. Grievance Response Mechanism. Each of the companies in the consortium has an internal grievance and complaints mechanism via their respective human resources departments. In addition to these mechanisms, workers are supported by their union and have

access to the services of the Ministry of Labor and Social Security (MTSS, for its acronym in Spanish). b. Workforce Protection. Under Uruguayan law, the minimum age of employment is 18. The labor legislation in force in Uruguay prohibits child labor and forced labor, in compliance with the standards of the International Labor Organization (ILO). c. Occupational Health, Safety, and Security. Uruguayan legislation stipulates that the people responsible for works shall submit a Safety, Security and Hygiene Study signed by an architect or engineer for the different work stages. They shall also submit a Safety, Security and Hygiene Plan signed by the prevention technician, which details the risk prevention measures specified in the aforementioned Safety and Hygiene Study. Both the Study and the Plan shall be submitted to the General Inspectorate of Labor and Social Security (IGTSS, for its acronym in Spanish) of the MTSS. They also contain health, safety, and security standards that include the conditions required for the well-being of the workers, which must be followed during the construction phase. The Project has a team of prevention technicians who are responsible for implementing the corresponding Health, Safety, and Security Plan in each project. This is supplemented by the abovementioned SWA (see 4.1.c). d. Third-party workers. Both on-site subcontractors and service providers shall comply with the policies and procedures set out in the consortium's management system. e. Supply Chain. All inputs and materials used to develop the Project are provided by well-established domestic and foreign companies, thus minimizing the occupational risks inherent to the supply chain. 4.3. Resource Efficiency and Pollution Prevention a. Resource efficiency. i. Greenhouse Gases. The type of construction does not envisage a significant effect on greenhouse gas generation. Most of the power consumed during operation will be electric. Uruguay has a power matrix with sufficient capacity derived from renewable sources to supply all the power demanded at full generation. In 2018, 97% of the power generated originated from renewable sources, which means that its impact on greenhouse gases was very small. ii. Water consumption. Given that the schools are located in urban areas, the water supply during the operation phase will be supplied by the public network, which is managed by the state-owned company Obras Sanitarias del Estado (OSE). Whether or not the water supply for the construction phase will be provided by the public service has yet to be determined, but if it is not, the water will be supplied by tanker trucks from a supply point managed by the construction company. iii. Environmental Approval of the Borrow Material Extraction Sites. The work requires an aggregate supply that will be purchased from commercial quarries. Suppliers will be required to submit their extraction sources' Prior Environmental Approval and/or Environmental Operation Approval, as appropriate. b. Pollution prevention i. Waste. During the construction phase, a solid waste management procedure, as defined in the ESMP-C, will be implemented during the construction stage, which will include, first of all, the on-site sorting of organic waste, civil works waste (inert waste, wood, glass, metal, etc.) and special or hazardous waste (additives, hydrocarbons, batteries, etc.). Non-hazardous waste will be disposed of as prescribed by the municipal regulations of each district. Construction waste that might be polluted with hydrocarbon residues or other special waste will be collected separately and disposed of as hazardous waste by an operator approved by the DINAMA that has been granted an Environmental Operating Permit. Likewise, during the operation stage, special waste will also be handled by authorized managers. ii. Liquid effluents. During the construction phase, chemical toilets managed by an authorized operator will be used. In the operation stage, disposal will be provided via the public sewage network, when available, or, where this service does not exist, in an impermeable well supplemented with final disposal by an authorized manager. iii. Hazardous Waste Management. The procedure to safely handle hazardous products during the construction stage (paints, solvents, lubricants, fuels, etc.) shall be part of the ESMP-C and shall consider the national and departmental legislation in force. 4.4. Community Health, Safety, and Security a. Community Health, Safety, and Security. The risks associated with the construction stage will be addressed in the ESMP-C as part of the risk and impact identification process, and the measures to mitigate those risks shall be identified in the plan. During the operation stage, the infrastructure design will include risk prevention systems for educational establishments, including fire detection and firefighting measures as determined by the National

Fire Department under Group E in the Building Classification Tables and Fire Protection Measures (Decree 184/018). In the same line, the management plans for the operational phase shall include emergency preparedness and response measures. b. Security Personnel. The security companies hired for surveillance are regulated by Law 19.721. The use of armed guards is not foreseen. 4.5. Land Acquisition and Involuntary Resettlement a. General considerations. Thirteen of the properties where the works will be executed are owned by the ANEP (31%) and 29 (69%), have been granted by other public bodies (municipalities, ministries or other decentralized bodies). b. Displacement. The project will not involve relocations or the displacement of persons or economic activities. 4.6. Conservation of biodiversity and natural habitats None of the schools will be built on land that affects biodiversity, that is protected, or that has conservation value. All land is urban and has been intervened in the past. 4.7. Indigenous Peoples The project will not affect any indigenous peoples. 4.8. Cultural Heritage The project will not affect cultural heritage. 5. Local access to Project documentation
http://ppp.mef.gub.uy/22908/2/areas/tercer-proyecto-de-infraestructura-educativa.html
http://ppp.mef.gub.uy/innovaportal/file/21043/20/2018-05-28-adj.-provisional-educativo-2-.pdf
http://dsi.anep.edu.uy/ 6. Environmental and Social Action Plan (ESAP) (See attached) 7. Contact information For project inquiries, including environmental and social issues related to an IDB Invest transaction, please contact the client (see Investment Summary sheet), or IDB Invest via email requestinformation@idbinvest.org. As a last resort, affected communities can access IDB Invest's Independent Consultation and Investigation Mechanism by emailing mecanismo@iadb.org or MICI@iadb.org, or by calling the telephone number +1(202) 623-3952.