

The Project has been classified as Category A, according to IIC's Environmental and Social Sustainability Policy, given the potential to generate the following negative impacts: i) air quality alteration due to construction activities and as a consequence of traffic increase; ii) erosion due to expected earth movements; iii) increased noise level and vibration due to the use of construction equipment and later increase in traffic; iv) vegetation and forest cover loss with possible impacts on fauna, flora and natural habitats; v) changes in water flow and quality and local hydrology, which is particularly important in the tunnel construction; and vi) increased risk of soil pollution from hazardous substances used during project construction. The principal social impacts are related to: i) increased spontaneous migration from other parts of the country to the project area in search of better economic and work opportunities, alongside an increased demand for basic health and sanitation services; ii) increased property value of nearby land with a potential incidence in the speculation of real estate market; iii) limited articulation of the regional and central management in aspects related to the execution and monitoring of social aspects inherent to the proposed road infrastructure; iv) traffic interruption and rerouting; v) increased risk of traffic accidents as a result of increased traffic volume; v) increased health risks, especially during tunnel construction and other elevated structures (bridges, viaducts); vii) potential increased risk of accidents with native and domestic fauna; viii) physical or economic displacement of the population as a result of the easement of right of way; and ix) possible alteration of living conditions of the population due to, among other factors, a local economic boost, new job opportunities and land acquisition.

In conformance with Colombian legislation, the functional units UF1, UF2.1 and UF3 required the preparation of an Environmental Impact Assessment (EIA) and its submittal to the National Authority for Environmental Licenses (*Autoridad Nacional de Licencias Ambientales - ANLA*) as a step prior to obtaining the environmental licenses (issued by resolution No. 00606 from May 2017 and No. 00639 from June 2017, for UF1 and UF3 and for UF2.1, respectively), while the other UF only required an Adaptation Plan to the Environmental Guidelines (*Planes de Adaptación a las Guías Ambientales - PAGA*), given that the works involve only rehabilitation and improvement of roads. The project, as a prior requirement to obtaining the environmental license for UF2.1, also conducted a prior consultation process with the Community Council (*Consejos Comunitarios*) of the Black Communities of Los Almendros, San Nicolás, Guaymaral and La Puerta, all located in the municipality of Sopetrán.

The EIAs and PAGA include various plans and programs to manage the negative impacts, including: i) Soil Conservation Program, which includes the programs for special geotechnical site stability conservation and restoration; management and disposal of excess excavation and demolition material; slope management; landscape management; and explosives management and execution of underground and open-air explosions, among others; ii) Water Resource Management Program, which includes programs for management of domestic and industrial wastewater; surface and underground water; and aquifers; iii) Atmospheric Resources Management Program; iv) Accident Control and Access Routes Management Program, which includes programs for the control of road accidents and environmental management of the routes that will be used for project construction; v) Vegetation and Fauna Species Conservation Program, which includes the programs for fauna conservation, vegetation cover management, flora management, forest management, revegetation and conservation of critically endangered vegetation species or in curfew; vi) Protection and Conservation of Habitats and Sensitive Ecosystems Program; and vii) Socioeconomic and Cultural Program, which includes the programs for users response; education of training of personnel associated to the project; local employment; community information and participation; support to the capacity in institutional management; preventive archaeology; accompanying of the social-land management; resettlement; management of housing infrastructure and public services; and community equipment, among the most important.

IDB Invest intends to engage the support of specialized consultants for the Environmental and Social Due Diligence (ESDD), evaluate the probable environmental risks, confirm the project categorization, review the management plans to mitigate risks and prepare an environmental and social action plan (ESAP) to address identified gaps. During the ESDD, IDB Invest will visit the Project site and evaluate the environmental, social and health and safety system to be adopted, including the associated plans and procedures; inspect the sites expected to be developed or in operation, including camps and industrial areas; verify the scope of the social process and prior consultation; evaluate the baseline information and review how the social and labor issues have been managed.

An Environmental and Social Review Summary (ESRS) and the ESAP will be posted on this website once the due diligence process is concluded.

### 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.