

1. This is a category III project according to IIC's environmental review procedures because specific impacts may result which can be avoided or mitigated by adhering to generally recognized performance standards, guidelines or design criteria. The main priority in this industry is to minimize the increase in ambient particulate levels by reducing the mass load, "dust", emitted from (1) the kilns, and (2) fugitive emissions from other sources such as crushers and grinders and material handlers. Other environmental and labor issues associated with this project are (1) gaseous emissions (NOX & SOX), (2) wastewater treatment, and (3) occupational health and safety and emergency response.
2. *Air emissions:* The main priority in this industry is to minimize the increase in ambient particulate levels by reducing the mass load, "dust", emitted from (1) the kilns, and (2) fugitive emissions from other sources such as crushers and grinders and material handlers. To achieve these objectives the new kilns are being purchased along with the dust collecting equipment. Dust collection systems will also be installed on the two older kilns. The company has agreed to install dust collection systems in materials handling equipment particularly at the loading and unloading areas. Bag filters will be used to remove the dust. NOx is controlled by regulating the combustion process. SOx emissions levels are controlled by using low sulfur natural gas as the fuel. Mexican NOx requirements are more stringent than World Bank standards.
3. *Liquid effluents:* Sewerage is treated by a septic tank system which is being upgraded. Spent lubricants are collected and removed in accordance with Mexican laws.
4. *Occupational Health and Safety and emergency response:* The lime production process does not present particularly difficult safety issues. The process is highly automated requiring few interventions by operators. In the case of accidents there are control systems to shut down the kilns. Each facility will have guidelines to be followed for the safe operation of activities performed there. The company has operating manuals that include emergency response procedures. All operators have been trained and refresher courses are arranged periodically. The facilities will have fire systems and in-house fire brigades. There are also periodic fire drills and training in the proper operation and use of emergency equipment. Training is a requirement of Mexican law. When quarries are acquired they will be incorporated into the companies operating procedures. The main safety issue will be the safe handling of dynamite. Handling of dynamite is strictly controlled and regulated under Mexican law that will be adhered to by the company.
5. *Monitoring:* The company shall be required to prepare an environmental management plan (EMP) that includes a monitoring program for all of the project facilities as a condition of first disbursement. Key components in the EMP are (1) the schedule for the implementation of all systems (pollution control equipment, and receipt of operating permits), and (2) the requirement for annual reporting of environmental performance, accidents and training