

Environmental and Social Review Summary (ESRS) PPP Educativa 3 – URUGUAY

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1 General Information of the Project and Overview of Scope of IDB Invest's Review

In November 2015, the National Administration for Public Education (ANEP, for its acronym in Spanish), together with the Uruguayan Institute for Children and Adolescents (INAU, for its acronym in Spanish), communicated to the Ministry of Economy and Finance (MEF) their intention to jointly undertake to build 165 educational infrastructure works under the jurisdiction of the ANEP and 60 under the INAU, through 4 or more public tenders.

The PPP Education III project (the "Project") is part of the third of these tenders, and consists of the design, financing, construction, and operation of 27 Child and Family Care Centres (CAIF, for its acronym in Spanish) for the INAU and 15 schools for the ANEP. This tender was awarded to the CIEU consortium (composed of BTD Capital 12 SL, Tecнове SL, Conami Ltda. and Basirey SA) to prepare the design, obtain the financing, build, and operate the educational infrastructure for the Project.

According 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 the former National Directorate of the Environment (DINAMA, for its acronym in Spanish)¹, the Project does not require an Application for Prior Environmental Approval from the DINAMA or an environmental license (Decree 349/05, Art. 2).

2 Environmental and Social Categorization and Rationale

The Project has been classified as a Category B operation according with BID Invest's Environmental and Social Sustainability Policy since it will likely generate the following impacts among others, impacts associated with the generation of noise, dust and vibrations, as well as a potential impact on traffic due to the circulation of trucks. In terms of health and safety, the most significant risks are electrical, mechanical (limb entrapment and work at heights), ergonomic (lifting heavy objects) and respiratory (breathing polluted air). Such impacts and risks are of medium to low magnitude and can be adequately managed by employing measures known and widely used in the industry.

The Performance Standards (PS) triggered by the Project are: i) PS1: Assessment and Management of Environmental and Social Risks and Impacts; ii) PS2: Labor and Working Conditions; iii) PS3: Resource Efficiency and Pollution Prevention; iv) PS4: Community Health, Safety, and Security; and v) PS8: Cultural Heritage.

¹ The DINAMA, then under the MVOTMA, has been replaced by the National Directorate of Environmental Quality and Assessment (DINACEA, for its acronym in Spanish), under the new Ministry of Environment.

3 Environmental and Social Context

3.1 General Characteristics of the Project's site

The ANEP educational centers that comprise the Project are distributed as follows: (i) 7 schools with a capacity of 6 classrooms; (ii) 8 schools with a capacity of 9 classrooms and (iii) 27 CAIF centers. They will all be built in urban areas in various locations in 15 departments of Uruguay: Canelones, Cerro Largo, Colonia, Maldonado, Montevideo, Paysandú, Río Negro, Rocha, Salto, San José, Soriano and Tacuarembó. All the land on which the schools and centers will be built is owned by state agencies, with the exception of the C12 Center, which is owned by a civil association on gratuitous loan (²).

3.2 Contextual Risks

The works will be carried out in an urban context and will not involve material transportation or construction risks.

4 Environmental Risks and Impacts and Proposed Mitigation and Compensation Measures

4.1 Assessment and Management of Environmental and Social Risks and Impacts

4.1.a E&S Assessment and Management System

The CIEU will develop and implement an Integrated Environmental, Social and Health and Safety Management System (IMS) consisting of documented plans and procedures, the minimum content of which will be as specified in the Environmental and Social Action Plan. Any management system or management plan related to environmental, social and health and safety issues that is implemented by the contracted construction companies, or by any subcontracted company, will be aligned with the requirements of the IMS.

The IMS will be led by a competent professional, who will represent the CIEU before the authorities, financing entities and third parties.

4.1.b Policy

The CIEU will develop and implement a Project-specific Environmental, Social and Health and Safety Management Policy, which will ratify the Project's compliance with legal requirements and with IDB Invest's Environmental and Social Sustainability Policy.

4.1.c Identification of Risks and Impacts

The CIEU will prepare and implement a specific procedure to identify and evaluate the environmental aspects, occupational risks and legal issues of the Project using matrices, the formats of which will be specified in an appendix to the aforementioned procedure.

² A loan of use agreement, whereby one of the parties allows the other party the use of something non-fungible, which will be returned at the time stipulated in the agreement in question.

4.1.c.i Direct and Indirect Impacts and Risks

The direct adverse risks and impacts associated with the construction stage are the generation of noise, dust, vibrations, and interference with local traffic due to the presence of trucks; the direct positive impacts are associated with the hiring of local labor and, during operation, the availability of educational centers to increase and improve the education of members of the community. Adverse indirect impacts include greenhouse gas and waste generation.

4.1.c.ii Analysis of Alternatives

No alternatives analysis was carried out for the Project, since the selection of the sites where the infrastructure to be built will be located was determined by educational coverage requirements, in consolidated locations, as determined by the competent educational authority.

4.1.c.iii Cumulative Impact Analysis

No material incremental impacts associated with ongoing projects and those likely to be implemented in the future within or near the Project's area of influence are expected, primarily because the works to be financed are in a well-established urban context.

4.1.c.iv Gender Risks

The project involves no relevant gender risks.

4.1.c.v Climate Change Exposure

Based on the climate change exposure assessment conducted during the due diligence, the Project will be exposed to extreme weather events, especially flooding. The emergency prevention and response plans for each site and each facility will include these events in their respective emergency scenarios.

4.1.d Management Programs

To manage operational impacts and risks, the CIEU will develop the plans and procedures set out in the Environmental and Social Action Plan as part of the Integrated Environmental and Social Management System (IMS), and will ensure that the operational plans and procedures of construction companies and their subcontractors are aligned with the requirements of the IMS.

4.1.e Organizational Capacity and Competency

The CIEU will prepare a specific procedure by which it will require all contracted companies to prepare and implement semi-annual training plans for each construction site, specifying the criteria to be used to identify training needs, the responsibilities assigned to the preparation and implementation of the courses, the training subjects, their duration, and the format for generating attendance records. Training courses for construction company personnel (and subcontractors) will include at least the following topics: i) emergency plans; ii) management of personnel complaints and claims; iii) management of third-party complaints and claims; iv) safe handling of construction machinery, trucks, and light vehicles, with an emphasis on maximum speed specifications and prohibition of alcohol and drug use; and v) management of hazardous substances and waste.

4.1.f Emergency Preparedness and Response

The CIEU will prepare and implement an Emergency Prevention and Response Plan (EPRP) which will define the minimum content to be included in the specific emergency plans to be prepared by the contractors for each project. The EPRP will identify: (i) the specific emergency scenarios for each construction site, including scenarios associated with adverse weather conditions (with emphasis, where appropriate, on flooding events); (ii) corresponding actions to prevent and to address the emergency; (iii) personnel responsibilities vis-à-vis the specific plan (including holidays and weekends); (iv) the identification of external stakeholders that could be involved in an emergency; (v) the communication flowchart and decision-making authority; and (vi) a sketch indicating meeting points, emergency exits and the location of specific facilities (such as fire extinguishing equipment, flammable material storage tanks, power cut-off switches, etc.).

4.1.g Accident Management

The CIEU will prepare and implement a specific Personal Accident Management procedure, whose content: i) ensures compliance with legal requirements; ii) identifies actions to be applied immediately after the accident occurs; and iii) provides instructions for recording the nature and seriousness of the accident, the processing of basic legal aspects, the formats and methodology to be used to prepare the accident investigation report and the identification of preventive or corrective measures adopted to avoid its repetition.

4.1.h Goods and Services Supplier Management

CIEU will also prepare and implement a Regulation for Suppliers of Goods and Services. The regulation will include, at least, the following: i) the obligation to abide by the principles of the CIEU's Environmental, Social and Health and Safety Policy and Human Resources Policy; ii) the obligation to manage all environmental and social impacts, and occupational risks, in accordance with what is specified in the IMS; iii) the minimum requirements of specialized personnel that the supplier must have in order to adequately manage environmental, social and health and safety aspects; iv) a list of all programs, plans and procedures of the IMS applicable to each supplier, as appropriate by type; v) a list of the specific training requirements for the supplier's personnel on environmental, social and health and safety issues; vi) specific training requirements for personnel in environmental, social and health and safety matters; and vii) channels for receiving and resolving complaints and claims from in-house and subcontracted personnel.

4.1.i Monitoring and Review

The CIEU will develop and implement an Environmental, Social and Health and Safety Monitoring Plan to monitor the following parameters: (i) ambient air quality; (ii) ambient noise level; (iii) parameters requiring monitoring as specified in the Safety and Hygiene Study and Plan for each construction site; (iv) accident frequency and severity rates for own and contracted personnel; (v) records of incidents and unsafe working conditions at the construction site fronts; (vi) records of positive COVID-19 cases; (vii) electrical panel grounding resistance values; (viii) the number of community complaints received and resolved or pending resolution; (ix) the amount of water, energy and supplies consumed and waste generated; and (x) the content and number of training courses imparted.

4.1.j Stakeholder Engagement

CIEU will develop and implement a Stakeholder Engagement Plan, which will establish guidelines for: i) stakeholder identification and mapping; ii) publicizing the Project and its main activities, with emphasis on those that could affect the quality of life or health and safety of the community; iii) allowing the participation of community members, especially those directly affected by the works, to resolve any complaints made to the main contractor; and iv) communicating and recording the results of the actions taken by the main contractor in response to stakeholder opinions or requests.

4.1.j.i Disclosure of Information

During the construction phase, through the implementation of the Stakeholder Engagement Plan, the CIEU will verify that each contractor establishes communication channels with the population potentially affected by the works, and disseminates the necessary information to minimize the potential impacts of the works on the quality of life of the community.

4.1.j.ii Informed Consultation and Participation

In observance of the legislation in force, Project works have required neither environmental impact assessment studies nor consultations prior to their construction. During the construction and operation phase, the consultation and participation of stakeholders will be allowed through the implementation of a Stakeholder Engagement Plan, especially those directly affected by the works.

4.1.j.iii Indigenous Peoples

The Project will not affect indigenous populations.

4.1.j.iv Private Sector Responsibilities Under Government-Led Stakeholder Engagement

The responsibility for the stakeholder participation process is assumed solely by the Project.

4.1.k External Communication and Grievance Mechanisms

4.1.k.i Grievance Mechanisms for Affected Communities

The CIEU will develop and implement a procedure for Third Party Complaint and Grievance Management that will include the possibility of capturing anonymous complaints or grievances, establish those responsible for handling them, and determine the deadlines for evaluation and response. The procedure will clearly state the assignment of responsibilities for each contractor's personnel and the corresponding registration forms.

4.1.k.ii Provisions for addressing vulnerable groups' grievances

The Project will not affect vulnerable groups.

4.1.k.iii Ongoing Reporting to Affected Communities

CIEU or contracted personnel will prepare reports for the affected communities whenever required to ensure the participation of the community or the communication of responses to any complaints or claims from its members.

4.2 Labor and Working Conditions

4.2.a Working Conditions and Management of Worker Relationships

It is estimated that during the construction phase, each center will directly employ between 10 and 30 people, with an average of 20 people. The works will not be executed 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 200, with specific instances in which this number may be exceeded. During the operation phase, each center will employ between 3 and 5 people from the companies executing the Project, not including the teaching and administrative staff of the learning centers provided by the ANEP and the INAU.

4.2.a.i Human Resources Policies and Procedures

The CIEU will develop and implement a Human Resources Policy for the Project, applicable to in-house and contracted personnel, which will be aligned with legal requirements and applicable international standards.

4.2.a.ii Working Conditions, Terms of Employment and Workers' Organizations

The workers of the companies comprising the consortium may choose to join the *Sindicato Único de la Construcción y Anexos* (SUNCA) union. Labor conditions are governed by the agreements of said industry.

The Project will provide non-local workers with housing or a *per diem* to be used to pay for housing. Wages and other benefits are set by the sector Wage Council ⁽³⁾.

4.2.a.iii Non-discrimination and Equal Opportunity

Under Uruguayan law, all forms of discrimination (including gender discrimination) are prohibited. Traditionally, however, there are few women in the construction industry at the worker level. For equal capabilities evaluated by an external evaluator, the CEU and contracted construction companies will favor the participation of women and will regularly monitor their representation in the workforce.

4.2.a.iv Retrenchment

The CIEU will carry out a Retrenchment Plan to mitigate the possible adverse impacts generated by this process, in compliance with all the corresponding legal and contractual requirements.

4.2.a.v Grievance Mechanism

For the processing of complaints, 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). Nevertheless, the CIEU will develop and implement a Complaint and Grievance Management procedure for its own and contracted personnel, which will include the possibility of capturing anonymous complaints or grievances, and will determine the deadlines for evaluation and response to the complaints made. The procedure will clearly state the assignment of responsibilities for each contractor and subcontractor, as well as the corresponding registration forms.

³ The Wage Councils are tripartite bodies consisting of representatives of the government, employers, and workers, created by Law 10,449, by means of which, through social dialogue, minimum wages are established by labor category.

4.2.a.vi Protecting the Workforce

Uruguayan law sets the minimum working age at 18 years; prohibits child labor and forced labor, following International Labor Organization (ILO) standards; and requires that all workers have mandatory accident insurance, as well as medical insurance with family coverage.

4.2.b Occupational Health and Safety

Uruguayan legislation stipulates that the persons responsible for works shall submit a Safety, Security and Hygiene Study signed by an architect or engineer for the different work stages, along with a Safety, Security and Hygiene Plan signed by the prevention technician that details the risk prevention measures specified in the aforementioned study, 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. A team of prevention technicians will therefore be available to the construction companies and will be responsible for implementing the corresponding Health, Safety, and Security Plan in each work front. Nevertheless, the health and safety management of each construction site must be aligned with the requirements of the IMS.

4.2.c Provisions for People with Disabilities

The facilities will be equipped with devices to allow the mobilization of people with reduced capacity.

4.2.d Supply Chain

All inputs and materials used to develop the Project will be 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

4.3.a Resource Efficiency

The IMS foresees monthly water and energy consumption records, as well as aggregate and concrete consumption and the amount and destination of waste generated and recycled in the Project.

The Project will identify the most advisable working methods to increase efficiency in the use of resources and minimize the type and volume of waste generated.

4.3.a.i Greenhouse Gases

Given its characteristics, the Project will not be a significant source of greenhouse gas emissions. That said, the Project will strive to use techniques that minimize emissions of gases that could have an impact on climate change. In addition, considering the way Uruguay's energy matrix is structured (with a majority proportion of renewable energy), energy consumption during the operation phase is not considered to have a significant impact on climate change.

4.3.a.ii Water Consumption

Given that the schools are 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. The CIEU will monitor the water consumption of each construction site, promoting its rational use.

4.3.b Pollution Prevention

4.3.b.i Waste

The CIEU will prepare and implement a waste management procedure that includes: i) the assignment of responsibilities, management instructions and formats for recording the type and amount of waste generated; ii) the management of hazardous or special waste, in compliance with legal requirements; iii) the management of non-hazardous solid waste, specifying, in cases where the collection system allows it, the implementation of separation at source by type (organic, glass, plastics, inert, etc.); and iv) the management of liquid waste (chemical bath effluents, liquid waste from the processing or handling of concrete, etc.), as specified in current regulations.

4.3.b.ii Hazardous Materials Management

The CIEU will prepare and implement a specific procedure for the management of hazardous substances that includes: i) the assignment of responsibilities and formats for the generation of records; ii) specifications for the transportation, temporary storage, handling and temporary disposal of waste generated; and iii) the express prohibition of acquiring or using chemical substances that include any Class Ia (extremely hazardous) or Ib (highly hazardous) component according to the World Health Organization (WHO) classification.

4.3.b.iii Pesticide Use and Management

Pesticides used during both the construction and operation phases will not contain chemicals that include any Class Ia or Ib components according to the WHO classification.

4.4 Community Health, Safety and Security

4.4.a Community Health and Safety

Risks to community health, safety and security are limited since their ongoing identification and management are included in the IMS plans and procedures. If necessary, however, the CIEU will prepare and adopt new plans or procedures to avoid or mitigate any emerging risks to the health and safety of third parties, both for the construction phase and for the operation of the Project.

4.4.a.i Infrastructure and Equipment Design and Safety

The civil works have been conceived in such a way that their designs incorporate safety factors that prevent any potential risk to the community. The planned works themselves do not constitute a danger to the community.

4.4.a.ii Hazardous Materials Management and Safety

Inputs considered hazardous substances (such as additives, fuels, oils, etc.) will be managed according to a specific procedure.

4.4.a.iii Ecosystem Services

Project works will not materially affect ecosystem services.

4.4.a.iv Community Exposure to Disease

Considering (a) the location of the planned works (in predominantly urban areas), (b) the relatively small number of workers required to carry them out, and (c) the fact that most of the unskilled labor will come from neighboring communities, the Project is not expected to exacerbate the current health conditions in each community.

4.4.a.v Emergency Preparedness and Response

The emergency events to which the construction sites may be subjected are not expected to affect the community, as long as the corresponding Emergency Prevention and Response Plan for each construction site is applied should such events occur.

4.4.b Security Personnel

To ensure the physical safety of people, facilities and equipment, construction companies may hire security companies, regulated by Uruguayan law (Law 19,721). The guards will not be armed.

4.5 Land Acquisition and Involuntary Resettlement

The land on which the Project will be built is owned by the Government, except for one plot, which is on loan from a civil association. No involuntary resettlement of people is expected.

4.6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

Given that the Project works will be developed in highly disturbed areas, no impacts on biodiversity or living natural resources are expected.

4.7 Indigenous Peoples

Since the Project works will be carried out in mostly urban areas, no impact on indigenous peoples is expected.

4.5 Cultural Heritage

Despite the fact that the project works are located in mostly urban areas and that the probability of interference with cultural heritage is extremely low, the CIEU, in keeping with the legislation in force, will prepare and implement a procedure to manage chance finds.

5 Local Access of Project Documentation

The documentation relating to the project can be accessed at the following link:

<https://www.comprasestatales.gub.uy/consultas/detalle/mostrar-llamado/1/id/627196>