Early Warning System

IDBI-12220-01

Tacuarembo-Salto Green Transmission Line

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Quick Facts

Countries	Uruguay
Financial Institutions	IDB Invest (IDBI)
Status	Proposed
Bank Risk Rating	B
Voting Date	2019-12-10
Borrower	Fideicomiso Financiero Linea de Transmision Tacuarembo Salto
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	$ 114.10 million
Loan Amount (USD)	$ 114.10 million
Project Cost (USD)	$ 285.20 million

Project Description

The project consists of the design, construction, operation and maintenance of a 350 km transmission line in 500 kV; the construction of a substation in Chamberlain; the reinforcement of the Salto substation; and the provision of auxiliary services allowing the interconnection of the substations in the departments of Tacuarembo and Salto, enabling the closure of the transmission ring in northern Uruguay (the "Project"). The Project has a construction period of 42 months.

People Affected By This Project

1. Scope of Environmental Review

The Project consists of the construction and commissioning of a 500 kV high voltage line (HVL) between the cities of Salto and Tacuarembo. The proposed line is divided into two sections, one from Tacuarembo to Chamberlain (120 km) and another from Chamberlain to Salto (230 km) that will be linked through the Chamberlain substation, which will be built as part of the Project. Additionally, two sections of 150 kV lines are included that will connect the Chamberlain substation with an existing 150 kV line between Bonete and the Palmatir Wind Farm.

This summary is based on the review of the information provided by UTE, which includes: i) Project Communication - High Voltage Line 500kV Salto - Tacuarembo, prepared by Estudio Ingenieria Ambiental (EIA); ii) the Preliminary Report on the Environmental and Social Due Diligence for the High Voltage Line prepared by IIC's technical consultants (G-Advisory); iii) the Environmental Analysis , prepared by EIA and UTE; and iv) the due diligence visit carried out between September 9 and 12, 2019, which included meetings with the technical teams of UTE, EIA, and G-Advisory and the visit of the path of the HVL, emphasizing critical points such as river crossings, road crossings, flood areas, natural forests and visits to certain rural establishments located on the path and affected by the easement strip.

2. Environmental and Social Categorization 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 HVL crosses the departments of Salto, Paysandu, Rio Negro and Tacuarembo. The geography of the land, of undulating meadows, with no steep slopes or significant geographical accidents, with elevations between 40 and 270 meters above sea level, allows a relatively direct layout. The existing public road network allows easy access to the proximity of the tower installation sites, limiting the need for new access within the affected properties. The Project foresees the installation of between 1,000 and 1,100 towers, separated between 350 and 400 m apart. The path crosses entirely rural areas, avoiding populated centers.

The study area that covers a 2 km wide strip along the entire path (about 700 hectares) is mostly occupied by natural grasslands dedicated to extensive cattle and sheep grazing (approximately 85%), with areas of agricultural crops and forage (11%), forestry (3%) and areas with citrus fruit plantations (1%) in the vicinity of the city of Salto.

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

The main environmental and labor aspects to be evaluated for the Project are: (i) the possible impact on the biological environment and biodiversity, particularly birdlife due to eventual collisions or electrocutions; (ii) efficiency in the use of resources and pollution prevention; (iii) occupational health and safety and working conditions; and (iv) possible effects on land use.

4.1 Assessment and Management of Environmental and Social Risks and Impacts

UTE has not yet selected the contractor that will carry out the construction of the line and its operation. However, all the

Investment Description

- IDB Invest (IDBI)

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ACCOUNTABILITY MECHANISM OF IADB

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IIC)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IIC is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at http://www.iadb.org/en/mici/mici,1752.html (in English) or http://www.iadb.org/es/mici/mici,1752.html (Spanish).

Bank Documents

- ESAP - TAC SALTO ENG.PDF
- Informe de Avance de EsIA_Vf.docx.pdf [Original Source]
- Plan de Manejo Ambiental UTE.pdf [Original Source]
- TACUAREMBO SALTO PUBLIC DISCLOSURE. ENG.PDF