Early Warning System

IDBI-12278-01

Proyecto Ferrocarril Central PPP

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Quick Facts

Countries	Uruguay
Specific Location	Puerto de Montevideo-Paso de los Toros Station
Financial Institutions	IDB Invest (IDBI)
Status	Approved
Bank Risk Rating	A
Voting Date	2019-04-30
Borrower	Grupo Via Central
Sectors	Infrastructure, Transport
Investment Type(s)	Loan
Investment Amount (USD)	$ 300.00 million

Project Description

IDB Invest is considering granting a Project financing loan to back the construction, restoration and maintenance of the infrastructure, railway track and turnouts of the Puerto de Montevideo-Paso de los Toros Station rail section through a Public-Private Partnership (PPP). IDB Invest financing will be complemented by contributions from the Sponsors and long-term financing from other financial institutions to cover the total needs of the Project.

People Affected By This Project

The Project has been classified as Category A, consistent with IDB Invest's Social and Environmental Sustainability Policy, due to its possible negative impacts during the construction and operation stages. The Project's classification will be confirmed in consideration of the results of the Environmental and Social Due Diligence (ESDD).

During construction, it is expected that the following adverse impacts on the environment may occur: i) Potential impact on soil quality due to the loss of plant cover, compacting due to the transit of heavy machinery and possible pollution due to fuel and lubricant spills; ii) possible surface water pollution due to accidental fuel and lubricant spills during the construction of structures over water courses; iii) possible impacts on air quality due to particulate matter blasting and emissions of combustion gases from heavy machinery, trucks, and vehicles; iv) possible impact on biodiversity due to possible impacts on sensitive habitats (such as the Santa Lucia wetlands). During construction, some of the most significant potential social and cultural impacts include the following: i) physical and/or economic displacement of population groups subject to involuntary resettlement, including those located in detour areas and/or new road sections, and including population groups that, because they are located within the railway strip and do not possess property titles, are not subject to the application of the expropriation law; ii) potential impact on motor vehicle traffic by cutting streets and level crossings during construction work; iii) potential impact on quality of life due to annoyances caused by the emission of dust, noise and vibrations produced by construction machinery; iv) potential impact on archaeological heritage due to excavations and land leveling required for construction work.

The following adverse environmental impacts are expected to occur during the operation phase: i) impact on air quality by gaseous emissions from locomotives; ii) impact on indigenous and domestic fauna being run over on the tracks; iii) potential impact on the health of the population due to possible spillage or leakage of hazardous materials transported in bulk by rail; (iv) potential impact on urban mobility (by eliminating existing level crossings) and road safety levels through the potential increase in accident probability in 41 level crossings covered by the project and (v) generation of noise and vibration in areas adjacent to the tracks.

Together with all of the project's funding entities, IDB Invest plans to hire an independent environmental and social consultant to collaborate with the environmental divisions of these institutions to conduct the ESDD assessment, including the development of an Environmental and Social Action Plan that will allow the project to comply with the requirements of the environmental and social policies of the funding entities (Environmental and Social Action Plan - ESAP). During the ESDD, IDB Invest staff will visit the Project site, assess the environmental, social, and health and safety system to be adopted by Grupo Via Central (including associated plans and procedures), visit camp sites, material preparation sites, and loan areas, and verify the planning, implementation, and effectiveness of the consultation and public participation process planned for the construction and operation phases. During the visit, IDB Invest staff and the consultants will hold interviews with Grupo Via Central staff, public authorities and representatives of third parties potentially affected by the Project.

An Environmental and Social Review Summary (ESRS) will be prepared and posted on IDB Invest's website once the ESDD process is complete.

Investment Description

- IDB Invest (IDBI)

Sponsoring entity: Compania Sudamericana de Empresas Eléctricas, Mecánicas y de Obras Públicas S.A. ("SACEEM"), Sacyr Concesiones SL ("SACYR"), NGE Concessions ("NGE") y Berkes Construccion y Montajes S.A. (Grupo Vía Central)

Contact Information

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

- 1_Nota-Solicitud-de-AAP_PF-Mdeo-PdlT.pdf [Original Source]
- 2_Documento-del-Proyecto_PF-Mdeo-PdlT.pdf [Original Source]
- 3_EsIA_Descripcion-del-Medio_PF-Mvdeo-PdlT-min.pdf [Original Source]
- 4_EsIA_Analisis-Ambiental_PF-Mvdeo-PdlT.pdf [Original Source]
- 5_Plan-de-Prevencion-de-Riesgos-y-Respuestas-ante-Contingencias_PF-Mdeo-PdlT.pdf [Original Source]
- 6_EsIA_Anexos_PF-Mdeo-PdlT.pdf [Original Source]
- ESRS CENTRAL RAILROAD.pdf [Original Source]