Early Warning System

IDBI-12340-01

PPP Educativa 2

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Quick Facts

Countries	Uruguay
Financial Institutions	IDB Invest (IDBI)
Status	Proposed
Bank Risk Rating	B
Voting Date	2019-09-13
Borrower	Infraestructura Educativa II SA
Sectors	Education and Health
Investment Type(s)	Loan
Investment Amount (USD)	$ 25.00 million
Loan Amount (USD)	$ 25.00 million

Project Description

As part of its strategic plan to develop the country's educational infrastructure, the Government of Uruguay is implementing a four-package educational infrastructure program to be developed through Public-Private Partnership (PPP) Contracts. PPP Educativa 2 is the second of these packages. It includes the design, financing, construction, operation, maintenance, and equipment--by the Concessionaire--of 23 schools, 9 technology centers and 10 sports centers. The works will be distributed in the Districts of Artigas, Canelones, Cerro Largo, Colonia, Durazno, Maldonado, Montevideo, Paysandu, Rio Negro, Rivera, Rocha, Salto, San Jose, Tacuarembo, and Treinta y Tres.

The total cost of PPP Educativa 2 amounts to the equivalent of approximately 804 million Indexed Units. The Concessionaire will be entitled to an availability payment as each center is completed, a percentage of which will be dollar denominated. IDB Invest will participate in the project through a 20-year dollar-denominated senior loan of up to approximately US$25 million, to finance the portion of the initial investment denominated in said currency. The loan will be repaid with the dollar portion of the availability payment.

People Affected By This Project

1. Scope of the Environmental and Social Review

The Project consists of financing the design, construction and operation of 42 educational centers for the National Public Education Administration (ANEP, for its acronym in Spanish). In November 2015, the ANEP, together with the Child and Adolescent Institute of Uruguay (INAU, for its acronym in Spanish), informed the Ministry of Economy and Finance (MEF) of their intention to jointly develop the educational infrastructure project, with the primary objective of completing 165 infrastructure works within the purview of the ANEP and 60 within the purview of the INAU. It was determined that the total infrastructure to be built would be divided into 4 or more calls to tender. This Project is part of the second of these tenders (call to tender 8/2017), which covers works exclusively for the ANEP.

The tender was awarded to the Uruguayan consortium formed by the companies Saceem, Stiler and Berkes. These three companies have a well-established history of construction and engineering in the country (Saceem since 1951, Stiler since 1959 and Berkes since 1939), in both public and private works.

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

2. Environmental and social classification 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 educational centers of the ANEP that comprise the Project are distributed as follows: (i) Seven 6-classroom schools; (ii) sixteen 9-classroom schools; (iii) nine educational technology centers; and (iv) ten sports centers. All of the above will be built in the urban areas of different localities distributed across 15 Uruguayan districts: Artigas, Canelones, Cerro Largo, Colonia, Durazno, Maldonado, Montevideo, Paysandu, Rio Negro, Rivera, Rocha, Salto, San Jose, Tacuarembo, and Treinta y Tres. The learning centers will combine 4 types of infrastructure (classrooms, workshops, gymnasiums and auditoriums), in addition to ancillary services. The land on which the centers are to be built is entirely owned by state bodies.

4. Environmental risks and impacts, and proposed mitigation and compensation measures

4.1. Assessment and Management of Environmental and Social Risks and Impacts

a. Environmental and Social Assessment and Management System. Each of the companies in the consortium has its own system to assess and manage environmental and social risks. To manage the Project risks, they are preparing an Environmental and Social Management Plan for Construction (ESMP-C), which is supplemented by a Comprehensive Safety Plan. These plans incorporate distinct procedures to identify, cancel, and mitigate the environmental, social, health, safety, and security risks specific to each stage. The consortium will have a complete management system in place before the start of construction. The companies that comprise the consortium have ISO 9001, ISO 14001, OHSAS 18001, and ISO 45001 certifications.

Investment Description

- IDB Invest (IDBI)

Contact Information

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Bank Documents

- Environmental and Social Action Plan Educational PPP 2