

Early Warning System

IDBI-12518-01

Forum Uruguay

Quick Facts

Countries	Uruguay
Specific Location	Canelones
Financial Institutions	IDB Invest (IDBI)
Status	Proposed
Bank Risk Rating	B
Voting Date	2019-10-03
Borrower	Ceripen Trade S.A.
Sectors	Construction
Investment Type(s)	Loan
Investment Amount (USD)	$ 27.60 million
Project Cost (USD)	$ 69.00 million

Project Description

Ceripen Trade S.A. (the "Borrower") is a special purpose vehicle established for the development, construction and operation of a fair ground and convention center of approximately 48,000 m2 in Roosevelt Park in Canelones, Uruguay (the "Project" or "Forum Uruguay"). The Project will be located in a land of approximately 30 hectares given in concession for 50 years, based on the provisions of the International Public Tender 100/2017 of the Municipality of Canelones.

The Project will be developed by Ebital S.A. ("Ebital"), a Uruguayan construction company with long experience in the construction of large projects, such as Carrasco International Airport, Tower 4 of the World Trade Center and the Nuevo Centro shopping center. Forum Uruguay will be operated and marketed by Feria Valencia, the oldest event organizer in Spain and operator of one of the ten largest venues in the world.

The proposed financing is aligned with IDB Invest's mandate, as it contemplates a "greenfield" sustainable tourism transaction, and from Canelones contribute to the expansion of the tourism sector in this department and in the metropolitan area of Montevideo. Additionally, the Project is expected to result in an economic stimulus effect through the increase in the number of visitors, tourist expenses, and benefits in the economic environment (including transportation, hotels, culture and gastronomic tourism).

People Affected By This Project

1. Scope of Environmental Review

The project consists of the construction and operation of a fair ground and convention center to be installed in the Franklin Delano Roosevelt Metropolitan Children's Rights Park (Roosevelt Park) in the Department of Canelones, Uruguay, destined to host congresses, conventions, seminars and other social events linked to the academic, corporate, sports and entertainment areas in general.

The total roof area to be built will be 48 thousand m2 and about 30 thousand m2 of parking.

The main building is divided into 3 large blocks linked together:

The set of buildings will be surrounded by a parking lot with capacity for about 1200 vehicles. The construction of the buildings will be of light construction with prefabricated materials and a metallic structure of pillars and steel beams. The roof will be made of sheet metal with insulation. The exterior of the buildings will be covered with fiber cement board or outdoor gypsum board. The interior walls will be made of drywall mounted on a galvanized steel structure. The spaces will be acoustically isolated to allow simultaneous events in the different venues. This will prevent the propagation of sound towards the outside of the buildings.

The environmental and social due diligence was carried out between January and March 2019, with visits to the property and meetings with the members of the project consortium (Consorcio Odetur - Ebital, hereinafter Uruguay Forum), the architecture studio responsible for the project (Bodega y Piedrafita Arquitectos), the environmental and social consultants of the client (GEA Environmental Consultants), the international operator hired to operate the project (Feria Valencia), the construction company responsible for executing the work (Ebital) and the independent consultants on strategy and market (JLL Hotels & Hospitality Group).

2. Environmental and Social Categorization and Rationale.This is a Category B Project according to the IDB Invest Sustainability Policy, because its environmental and social risks can be mitigated via measures that are already available and feasible to implement in the context of the operation. The Performance Standards (PS) of the International Finance Corporation (IFC) applicable to this Project are the following:

3. Environmental and Social Context.Roosevelt Park is in the Department of Canelones, near the limit of the Department of Montevideo, in the metropolitan area of the city of Montevideo. It is a park developed more than 100 years ago (it started in 1916), built outside the city in an area composed of wetlands and marshes that were dried and then planted by trees in a total number of approximately 2 million, comprising both introduced and native species. Today it has been transformed into a metropolitan park and the city has grown mainly towards the East, surrounding it with housing and associated businesses. Its original area of almost 1,500 hectares has suffered significant impacts, some due to planned developments such as the extension of the main runway of Carrasco Airport, the installation of a military unit, the construction of educational centers, the installation of a sports and equestrian arena, a playground, sports courts, etc. It also suffered unplanned impacts (invasions of illegal occupants, clandestine logging of trees, garbage landfill, etc.), that have negatively affected the park leaving an image of partial abandonment. Today the area conserved and maintained as Roosevelt Park is around 330 hectares, with an additional undeveloped reserve. The area under concession to Forum Uruguay is about 30 hectares at the southern end of the park. The consortium is committed to maintain and care for the intervened area and develop a joint plan with the municipality to gradually improve cleaning, lighting and security, returning to the community a green recreational area recovered for public use. The project fits the "Territorial Planning for the Franklin Delano Roosevelt Metropolitan Children's Rights Park", which is in its Chapter III, Article 5 (5.5) establishes that the concession area is within the preferred section for the implementation of general commercial, cultural, touristic, gastronomic and recreational activities or services.

Investment Description

- IDB Invest (IDBI)

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Ceripen Trade S.A.	Client	-

Contact Information

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For project inquiries, including environmental and social questions related to an IDB Invest transaction please contact the client (see Investment Summary tab), or IDB Invest using the email divulgacionpublica@iadb.org. As a last resort, affected communities have access to the IDB Invest Independent Consultation and Investigation Mechanism by writing to mecanismo@iadb.org or MICI@iadb.org, or calling +1(202) 623-3952.

Bank Documents

- FORUM URUGUAY-ENVIRONMENTAL AND SOCIAL ACTION PLAN.PDF