Early Warning System

IFC-33776

CMSA Manzanillo

Early Warning System
CMSA Manzanillo

IFC-33776

Quick Facts

Countries	Mexico
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	A
Voting Date	2014-02-28
Borrower	Contecon Manzanillo, S.A. de C.V.
Sectors	Construction, Infrastructure, Transport
Potential Rights Impacts	Healthy Environment, Housing & Property, Right to Food, Right to Health, Right to Water
Investment Type(s)	Loan
Investment Amount (USD)	$ 172.00 million
Project Cost (USD)	$ 378.00 million

Project Description

This joint project by the International Financial Corporation (IFC) and Inter-American Development Bank (IDB) involves the design, construction, operation, and maintenance of the first three phases of the 650,000 TEU CMSA Container Terminal in the Port of Manzanillo, Mexico. Project components include: (i) Dredging 435,000 cubic meters of material for a depth of 16m to allow for construction of and ship-access to the quay deck (ii) Filling and constructing of patio area where containers will be stacked and stored, equipped with storm water drains, ducts for housing underground electrical installations, and lighting towers. The patio was filled with dredge spoils form the Project and off-site materials and surfaced with 105,000 cubic meters of paving stones overlaid on a sand base. (iii) Constructing a quay deck from pre-cast, armored concrete sections and driving 672 metal support piles. (iv) Construction of additions to the internal road network. Paved additions to the Port's internal road network will be constructed to improve access to and within the northern zone of the port. (v) Laying 2.9 km of rail lines for an intermodal rail yard.

Location: Port of Manzanillo on the Laguna de San Pedrito, in the town of Manzanillo in the state of Colima, Mexico

Resources needed: 435,000m3 dredged matter for a depth of 16m, 720 meters of quay, 2 berths, 4 Super Post Panamax cranes and a 41.3 hectare container yard, 2.9km of rail lines

Early Warning System Project Analysis

Risk Assessment: Category A.

The International Finance Corporation classifies proposed projects based on the type, location, sensitivity, and scale of the project and the nature and severity of its potential environmental impacts. Category A is assigned to a project only if it is "expected to have significant adverse social and/or environmental impacts that are diverse, irreversible, or unprecedented."

APPLICABLE SOCIAL & ENVIRONMENTAL STANDARDS

The following IFC Performance Standards apply:

PS 1 - Assessment and Management of Environmental and Social Risks and Impacts Impacts due to construction include:

- a) clearance of a total of 15.7 ha of mangrove forest, which is protected under Mexican Law "NOM-022-SEMARNAT-2003, (b) impacts associated with the dredging of new channel (7,743,600, m3) and the berth (275,179 m3), and additional impacts typical of any civil construction such as: (c) increased air emissions and dust, noise, and vibration from earth movements and construction works, (d) generation of solid and hazardous waste from construction activities and/or accidental spills, (e) liquid effluent from construction activities (f) increased risks from transportation of heavy equipment and machinery in peri-urban and urban roads, and (g) potential health and occupational risks to construction workers including the risks associated with handling and operating heavy equipment and machinery."

Incremental impacts due to port operation include:

"(h) impacts and risk from increased ship traffic (e.g. pollution risks from fugitive and/or accidental spills from vessels, increased turbidity) and road traffic in peri-urban and urban roads, (i) impacts associated with maintenance dredging and disposal of dredged material and increased generation of operational solid and hazardous waste, (j) treatment and disposal of ship effluent and ballast waters, (k) increase generation of air, dust and noise emissions and (l) occupational health and safety of port and shipyard employees."

PS 2 - Labor and Working Conditions:

- The construction process creates occupational hazards, including: "transportation and use of cranes and other heavy equipment, handling and storage of hazardous materials onsite, electrical work and work on confined spaces, near water, and scaffolding, platforms, and other heights, welding, excavations and trenching" as well as health and safety impacts from operation, including: "physical and chemical hazards, working in confined spaces and exposure to organic and inorganic dust as well as noise."

PS 3 - Resource Efficiency and Pollution Prevention:

- The project poses a "potential re-suspension of pollutants and disturbance to water quality (e.g. turbidity, dissolved oxygen) associated with the dredging of the inner harbor and navigation channel" and "the potential for storm runoff to carry pollutants into the marine environment;" GHG emissions from tractors that transport cargo from to the intermodal yard; minimal "generation of both hazardous and non-hazardous wastes;" and minimal "handling and storage of hazmat" as "a minor fraction of the total cargo handled will be considered hazardous."

PS 4 - Community Health, Safety, and Security:

- The project will create an "expected increase in truck and rail traffic resulting from the expansion program's throughput of cargo containers" that may increase pollution as well as the likelihood vehicular accidents.

People Affected By This Project

OUR RISK ASSESSMENT

The Right to a Healthy Environment:

The project requires the clearing of 68 hectares of vegetation, including the clearing of 15.7ha of mangroves. The project is also expected to create "increased air emissions and dust, noise, and vibration from earth movements and construction works; generation of solid and hazardous waste from construction activities and/or accidental spills; liquid effluent from construction activities," and "increased risks from transportation of heavy equipment and machinery in peri-urban and urban roads." Both short term construction effects and long-term consequences of vegetation loss and adjusted traffic patterns may pose serious health and environmental risks to the surrounding community.

Labor Rights:

As described above, terminal construction and operation poses a myriad of occupational hazards and health risks due to heavy equipment usage, hazardous material handling and storage, unsafe working conditions, and exposure to harmful chemicals, dust, and noise. In addition, the workforce is 100% male, and there are no women who belong to the worker's union, CROM.

The Right to Water:

There is a potential for water shortages due to pressure from the surrounding, more industrialized states while, at the same time, the centers of development in the interior of the municipality and state may cause water shortages and water pollution for communities downstream. There is also concern for potential water pollution from ship effluent and ballast waters and risk of accidental spills from vessels.

The Right to Food:

The destruction of mangroves may threaten access to food as these trees, in particular, serve as "nurseries" for diverse species which are vital to the marine food chain and therefore the local food supply, nutrition, and livelihoods of people and communities that rely on them.

The Right to Health:

Sewage complications pose cause for health concerns. IFC documents state: "Discharges of sewage, untreated, cause degrees variables from contamination of surface water bodies of the country that limits the direct use of water and pose a risk to health." If water is left untreated, there is a good chance that debilitating health effects may emerge as a result of implementing this project.

The Right to Adequate Housing and Property:

"The IDB Environmental & Social Strategies document presented the possibility of "involuntary resettlement of approximately 150 properties due to construction and operation of the tunnel and the new rail line running to and from it."

Investment Description

- International Finance Corporation (IFC)

Amount of bank loan or investment: US$113 million of equity and approximately US$265 million of debt with IDB considering an investment of $75 million. Financing will be in the form of 3 loans, including a US$75 million Private Sector Loan A Fund, a US$37.5 million Private Sector Loan A, and a US$60 million Private Sector Loan B Fund.
Total project cost: US$378 million

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Contecon Manzanillo, S.a. De Cv	Client	-

Contact Information

*No contact at the time of writing

IDB Documents state that two consultations took place during the environmental impact assessment preparations and during meetings between APIMAN and local stakeholders in addition to interviews between the IDB and stakeholders as part of the IDB's environmental and social due diligence (ESDD) process. Manzanillo continues to participate in APIMAN's "ongoing public consultations and grievance mechanism processes" and IDB documents require "implementing ongoing information disclosure and consultation activities relation to environmental, labor, social, and healthy and safety aspects of the project."

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC-financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

Additionally, the Independent Consultation and Investigation Mechanism (ICIM) is the independent complaint mechanism and fact-finding body for the IDB. You may find out more about the ICIM and file a complaint at http://www.iadb.org/en/mici/independent-consultation-and-investigation-mechanism-icim,1752.html

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

Bank Documents

- 1. Mangrove Estudio Tecnico Justificativo.pdf
- 2. Manzanillo_ESDD_Final_Report_July 2014.pdf
- CMSA_APIMAN+Manifestacion+de+Impacto+Ambiental