



MIGA

**Multilateral Investment
Guarantee Agency**
WORLD BANK GROUP

Environmental and Social Review Summary

Corredor Turístico de Honduras

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This Environmental and Social Review Summary (ESRS) is prepared by MIGA staff and disclosed prior to the date on which MIGA's Board of Directors considers the proposed issuance of a Contract of Guarantee. Its purpose is to enhance the transparency of MIGA's activities. This document should not be construed as presuming the outcome of the decision by MIGA's Board of Directors. Board dates are estimates only.

Any documentation that is attached to this ESRS has been prepared by the project sponsor, and authorization has been given for public release. MIGA has reviewed the attached documentation as provided by the applicant, and considers it of adequate quality to be released to the public, but does not endorse the content.

Country:	Honduras
Sector:	Infrastructure – Toll Road
Project Enterprise:	Autopistas del Atlántico S.A. de C.V.
Environmental Category:	Category B
Date ESRS Disclosed:	November 11, 2014
Status:	Due Diligence

A. Project Description

MIGA is considering supporting the Corredor Turístico de Honduras (the Project) in Honduras. The project will be developed by Autopistas del Atlántico S.A. de C.V. (ADASA), which is a consortium comprised of Grodco and Prodecon S.A. de C.V. The project is a proposed toll road located in the north of the Republic of Honduras, in the Departments of Cortes, Yoro and Atlantida. The project comprises of 220 km of road, of which approximately 99 km will be expanded and upgraded, approximately 6 km will be greenfield construction, and about 115 km will only be rehabilitated:

- Section 1: La Barca – El Progreso (36.5 km), expansion of existing road from two to four lanes
- Section 2: El Progreso – Tela, expansion of existing road from two to four lanes between Camalote to Tela (62.55 km) and construction of a new 5.94 km bypass from El Progreso to Camalote
- Section 3: San Pedro Sula – El Progreso (17.5 km) rehabilitation of existing road
- Section 4: Tela – La Ceiba (97 km) rehabilitation of existing road (construction only).

Expansion activities in Sections 1 and 2 include adding 2 lanes to the existing roadway, constructing a new center median, establishing new shoulders and embankments where needed, installing surface water drainage systems (where required), and stabilizing any slopes. For the majority of Sections 1 and 2, a lane will be constructed either side of the existing roadway within the existing right-of-way (RoW). In some sections where the adjacent land is constrained both lanes may be constructed together on one side and this may require the RoW to be expanded.

The project includes work on the 25 existing bridges and 3 new bridges within Sections 1 and 2. Works will be performed on the Santa Rita Bridge (Section 1) and La Democracia Bridge (Section 3), which were damaged during the 2009 earthquake. The Santa Rita Bridge will be a new 4-lane bridge constructed within the existing footprint.

Rehabilitation activities include repairing and / or resurfacing road surfaces and repairing existing surface water drainage systems. No new road works will be undertaken in Sections 3 and 4. Rehabilitation works will progress approximately 500m per day along the existing roadway by small teams of workers and 2 or 3 vehicles. More than one rehabilitation team will be working along different sections of the road at any point. The rehabilitation teams will remove all equipment and material from the work area each evening.

Three sets of toll booths will be constructed and operated by ADASA for Sections 1, 2, and 3, with tolls following the formula in the Concession Agreement. Tolls will be collected by a third party yet to be identified. Under a thirty year Concession Agreement, ADASA will provide ongoing operation and maintenance responsibilities for Sections 1, 2, and 3 (123 km of the road). Weigh centers and accompanying wait areas near the toll booths will be constructed and operated to monitor heavy vehicle weight loads. A control center will be constructed to house the operations, including toll employees, security, and first aid facilities.

Aggregate material for the project will come from existing, licensed quarries operated by third parties. Asphalt and concrete will be sourced from existing operational concrete batching plants (expected to be a plant in San Pedro Sula) and transported to temporary placement sites along the route of the Project. Other temporary facilities include materials and equipment storage areas, and field offices. Construction works for the expansion will commence in phases following satisfactory completion of the resettlement process. Rehabilitation works on Section 3 and 4 is expected to start before the finalization of the resettlement work in Sections 1 and 2.

The project crosses the Sula Valley along gently sloping terrain, with some areas bordered by foothills leading to nearby mountain systems. This valley is characterized by highly productive network of aquifers that supply 70% of the water to the cities of El Progreso and San Pedro Sula. The project route is primarily bordered by land used for agricultural activities (plantations) and passes through pockets of forested land and some residential areas. Section 4 (Tela – La Ceiba) route is located in a floodplain. Although the existing road system passes through town settings, the concession does not extend into higher density urban settings in Tela; the small sections of the existing roads not covered by the concession are not considered associated facilities as there are other road options. Only the new 5.94 km bypass near El Progreso can be characterized as greenfield (no existing road); this land is currently used for crop production (sugar cane fields). Nearest protected ecological areas are approximately 1 km away or further and are not anticipated to be impacted by the project.

B. Environmental and Social Categorization

The project is a category B under MIGA's Policy on Environmental and Social Sustainability (2013). Key environmental and social risks include waste (solid, liquid, and hazardous), air quality, noise, flood risk and surface water run-off management, physical and economic displacement resulting from land acquisition, worker and community health and safety (including

traffic safety), security, and contractor management. The environmental and social impacts and risk are considered to be largely reversible and readily addressed through mitigation to be implemented through Sponsor and contractor management plans.

Benefits of the project are anticipated to include generation of jobs and boost to the local and regional economy; reduction in travel time and fuel costs for road users (as well as vehicle emissions); increase in road safety due to road improvements and emergency services to be provided by the concessionaire. The infrastructure upgrade works may also reduce the vulnerability of this road network to natural disasters.

C. Applicable Standards

While all Performance Standards are applicable to this investment, based on our current information, the investment will have impacts which must be managed in a manner consistent with the following Performance Standards:

- PS1: Assessment and Management of Environmental and Social Risks and Impacts
- PS2: Labor and Working Conditions
- PS3: Resource Efficiency and Pollution Prevention
- PS4: Community Health, Safety and Security
- PS5: Land Acquisition and Involuntary Resettlement.

The project does not appear to affect areas of critical or natural habitat as defined under PS 6 (Biodiversity Conservation and Sustainable Management of Living Natural Resource); therefore PS 6 is not triggered. Habitat loss will be minimal and mostly related to tree cutting as part of the expansion works. There is no tree cutting or habitat clearance works envisaged for Section 3 and 4. No additional risk from habitat fragmentation is expected as a result of the bypass route as this passes through an area of low biodiversity (sugar cane fields).

The project has performed an Indigenous Peoples impact assessment, which included carrying out consultations with Indigenous Communities. This assessment concludes that the project does not appear to adversely affect Indigenous Communities (Garifuna), the closest of which is approximately 2.4 km (travel distance) from the existing road; therefore PS 7 (Indigenous Peoples) is not triggered at this time. Should unexpected impacts be identified through ongoing consultations and regular monitoring, the project will notify MIGA and will develop, in conjunction with local authorities, an Indigenous Peoples Plan (IPP) in line with MIGA requirements.

Desk top and field review of the project direct area of impact have been performed and the National Institute for Archaeology and History (IHAH) issued a certificate confirming that direct area of influence of the project will not affect known archaeological sites or sites of potential archaeological value; therefore PS 8 (Cultural Heritage) is not triggered except to require a chance finds procedure as part of the overall social and environmental management system for

the project and implemented by the Contractor(s). The project will submit updated designs to the IHAH for review should final design extend beyond previously reviewed areas of influence.

The following World Bank Group (WBG) Environmental, Health, and Safety (EHS) guidelines are applicable to the project:

- General EHS Guidelines
- EHS Guidelines for Toll Roads
- EHS Guidelines for Construction Materials Extraction.

D. Key Documents and Scope of MIGA Review

In addition to reviewing environmental and social documentation, MIGA participated in a site visit in July 2014 to tour the 220 km road and to meet with the Concessionaire, representatives from local communities and project affected people. Meetings were also held with various government agencies (*Superintendencia de Alianza Publico Privada / SAPP; Secretaria de Infraestructura y Servicios Publicas / INSEP; Comission para la Promocion de la Alianza Publico-Privada / COALIANZA; Secretaria de Energia, Recursos Naturales, Ambiente y Minas / SERNA; Instituto de Antropologia e Historia / IHAH*).

The following documents were reviewed by MIGA:

- *Honduras Corredor Turistico: Resettlement Action Plan (draft)*, November 2014, prepared on behalf of ADASA by Mott MacDonald Ltd.
- *Honduras Corredor Turistico: Stakeholder Engagement Plan (SEP), including grievance mechanism*, 30th October 2014, prepared on behalf of ADASA by Mott MacDonald Ltd.
- *ESDD Corredor Turístico de Honduras Addendum 1* (27 October 2014), prepared by Independent Environmental and Social Consultant (Mott MacDonald Inc)
- *Honduras Corredor Turistico: Indigenous Peoples Assessment* (October 2014), prepared on behalf of ADASA by Mott MacDonald Ltd.
- *Corredor Turistico Honduras: Tramo La Barca – El Progreso Proyecto Categoría 3 Plan de Gestión Ambiental (draft) (undated)*, prepared on behalf of ADASA by The Louis Berger Group
- *Corredor Turistico Honduras: Tramo El Progreso – Tela Proyecto Categoría 3 Plan de Gestión Ambiental (draft) (undated)*, prepared on behalf of ADASA by The Louis Berger Group
- *Environmental and Social Due Diligence Report (ESDD): Corredor Turístico de Honduras* (25 August 2014), prepared by Independent Environmental and Social Consultant (Mott MacDonald Inc)
- *Corredor Turistico Honduras Toll Road: Technical Due Diligence Report (draft)* (23 September 2014), prepared by Independent Engineering Consultant (ARUP Latin America, S.A.U.)
- Supplemental assessment documentation (e.g., land use within 50 m of right of way, sensitive receptors assessment for air and noise, etc.)
- *Executive Summary: Corredor Turistico de Honduras* (undated)

- *Formulario SINEIA F02 – Corredor Turístico de Honduras: Tramo: La Barca – El Progreso* (September 2013), prepared by Ingeniería y Ambiente de Sula (Spanish) (English), and corresponding license
- *Formulario SINEIA F02 – Corredor Turístico de Honduras: Tramo: San Pedro Sula – El Progreso* (September 2013), prepared by Ingeniería y Ambiente de Sula (Spanish) (English), and corresponding license
- *Formulario SINEIA F02 – Corredor Turístico de Honduras: Tramo: El Progreso – Tela* (September 2013), prepared by Ingeniería y Ambiente de Sula (Spanish) (English), and corresponding license
- *Formulario SINEIA F02 – Corredor Turístico de Honduras: Tramo: Tela – la Ceiba* (September 2013), prepared by Ingeniería y Ambiente de Sula (Spanish) (English), and corresponding license

Formal documentation was supplemented by various email exchanges and conference calls among the parties (e.g., equity investors, potential lenders, project company, independent E&S consultant, independent engineer, etc.). Potential lenders engaged an independent environmental and social consultant to carry out environmental and social due diligence (ESDD) to supplement their internal processes. MIGA's due diligence has been coordinated with that of the lenders. Lenders have also engaged an independent technical (engineer) consultant. An Environmental and Social Action Plan (ESAP, to be attached to this ESRS) is being developed to address gaps between the current project documentation and the requirements of the PSs.

E. Key Issues and Mitigation

PS1: Assessment and Management of Environmental and Social Risks and Impacts

Environmental and Social Assessment: An Environmental Impact Summary (EIS) and Environmental Management Plan (EMP) were prepared for each section of the road as part of the national requirements for a Category 3 project. These summaries have identified key impacts in line with national requirements. Further baseline and impact assessment / evaluation was identified as necessary in relation to mapping of sensitive receptors, indigenous peoples, and land use in the existing right-of-way (RoW) and 50m either side of the existing RoW. The EMPs prepared for national requirements are being revised to become Environmental and Social Management Plans (ESMP) which reflect additional mitigation and management plans, including social impacts.

For the expansion sections in particular, the expansion design was identified based on greatest potential to use the existing RoW. Additional land use mapping for the project indicates that the majority of the RoW passes through residential areas, pockets of forested land and modified habitats (mostly agricultural). Although the project is not located within or impacting environmentally protected areas, some mature exotic trees known as “bala de canon” trees along a 100 m portion of Section 2 have local ecological and aesthetic value but are not protected under national or international designations; design mitigation is being finalized and some measures for preserving these trees during construction are outlined in the ESMP (draft). An overall tree inventory will be performed as per national permitting requirements. ADASA will also further define land type along the route to elaborate a land clearance plan as part of the ESMP. Implementing these management plan requirements will be carried out by the construction contractor overseen by ADASA.

A network of aquifers is located throughout the project area. In the EISs, the project did not adequately assess the effect of the project on the use of water resources during construction although it is known that some water courses will be used for abstraction under permit and in accordance with the project management plans. Water use during operation is expected to be minimal. Temporary construction impacts to the aquifer (e.g., pollution run off, foundation works) will be managed through the implementation of good practice construction techniques in the ESMP.

Management Program and Monitoring: Grodco's (the consortium leader) corporate environmental policy has been adopted by the consortium and is applicable to the project. The policy establishes the environmental commitment at the senior level of the company and ensures adequate resources are allocated. Grodco's management system is certified to ISO 9001 (Quality Management), ISO 14001 (Environmental Management), and OHSAS 18001 (Occupational Health and Safety). A similar integrated management system will be adopted by the project for the operation and maintenance phase.

The project EISs are supplemented by construction environmental and social management plans (ESMPs) which are currently in draft. The ESMPs will describe management and mitigation commitments provided in the EISs, describe additional mitigation measures consistent with good international industry practice and the PSs, identify E&S roles and responsibilities, and communicate E&S requirements to the project team (including contractors). The ESMPs will address construction and operational impacts and will be updated to incorporate recommendations provided in the ESDD report (e.g., carry out flood risk assessment once design is finalized; revise solid waste management; incorporate monitoring for noise, vibration, air quality, and water quality). Topics will include: construction traffic management, air emissions, noise and vibration, ecology (including reforestation), pollution prevention measures including solid waste management, hazardous materials management, water, erosion and sediment control, spill prevention and response, and hazardous materials impacts. Measures to manage future unexpected impacts to Garifuna communities will also be incorporated into the ESMP, with necessary measures and resources to implement measures. The ESMPs are complimented by various management plans such as Hazardous Materials Management, Vegetation Clearing, Waste Separation and Disposal, Security Management Plan, Emergency Response Plan, and Occupational Health and Safety Plan. Environmental monitoring and quality supervision is included. Key E&S documentation will be available in both Spanish and English.

As part of its contract conditions, ADASA will require that contractors adhere to the project's E&S requirements. The management plans will identify those responsibilities which remain with the Sponsor and those which may be transferred to contractors. ADASA (directly or through a contracted party) will provide onsite monitoring and oversight of the contractors as well as their own activities. ADASA will also monitor social risks during construction and operations, including land acquisition and resettlement and potential influx. An operation's ESMP will be developed and submitted to MIGA prior to toll road operations commencing, and will include plans for toll booths as well as road maintenance. As part of this, the company will implement an appropriate monitoring and reporting program, including monitoring of ambient air quality and noise levels at sensitive receptors.

Organizational Capacity and Competency: ADASA started internal EHS staffing (including a social specialist to oversee the resettlement action plan and stakeholder engagement) and also

continues to work with external E&S consultants. In addition to ADASA hiring additional permanent capacity prior to starting construction, the construction contractor will have its own EHS personnel to oversee day-to-day construction works and sub-contractor activities. The organizational structure for both ADASA and the EPC contractor will be refined prior to commencing activities to ensure comprehensive oversight and reporting.

Grodco is a Colombian-based construction company which has experience constructing and operating toll roads in the region, including a toll road in Dominican Republic supported by [MIGA](#).

Emergency Response: The project's ESMPs provide for a contingency and emergency plan. Revisions will be carried out to ensure that both workers and communities are adequately addressed. Measures will be included for emergency preparedness and potential effects on communities, coordinating response with municipal service providers, and training and communicating the plan to potentially affected communities.

PS2: Labor and Working Conditions

Working Conditions: ADASA prepared a Human Resources (HR) policy which will be revised to be consistent with Honduran requirements and PS 2, reflecting decent working conditions, transparent worker relations, freedom of association, collective bargaining, terms and duration of employment (including minimum age), and a workers' grievance mechanism, all based on the principle of non-discrimination. Key elements of the HR policy and grievance mechanism will be disclosed to all workers. In addition, ADASA's HR policy (or similar) is required to be implemented by all construction contractors. The project will implement a labor auditing program of sub-contractor's HR and labor procedures against the requirements of PS 2.

ADASA will employ a small team (5 staff) during construction to oversee work being carried out by contractors. Each contractor will employ a team of 3 EHS specialists for each 18 km section of road to supervise EHS performance. At peak construction (which will coincide with work on El Progreso-Tela Section), ADASA contractors will employ approximately 4,000 workers, with the majority being hired locally, and employees during operations and maintenance will be approximately 150. ADASA will monitor the Contractor's local recruitment plan.

Worker Health and Safety: Occupational health and safety (OHS) matters are included in the ESMP; however, a stand-alone OHS plan will be developed to formalize all measures specified in the ESMP, national requirements, policies and procedures in the Health, Safety and Management Program as well as those detailed in the PSs and EHS guidelines. The OHS plan will include a hazard analysis to identify potential health and safety risks and will include procedures to record and investigate accidents / incidents. This OHS plan will be submitted to MIGA in advance of commencing construction activities. An Operations OHS plan will be submitted to MIGA in advance of toll road operations.

Worker' Accommodation: Temporary construction workers' accommodation is planned along Section 1 and 2 of the project. For Sections 3 and 4, personnel will be located in existing accommodation or in temporary accommodation located within Sections 1 or 2. Workers' accommodations will be provided in line with the IFC / EBRD guidance note *Workers'*

accommodation: processes and standards (August 2009) and their approach to this will be documented in a Temporary Facilities Management Program to be submitted to MIGA

PS3: Resource Efficiency and Pollution Prevention

Pollution risks and impacts are expected to be avoided, reduced or mitigated through implementation of measures provided in the EISs, ESMPs (draft) and in compliance with PS3 and the WBG EHS Guidelines.

Resource efficiency: It is recommended that ADASA require the EPC Contractor to optimize opportunities through design and planning to minimize natural resource use, including construction material extracted from quarries. Water efficiency measures will be identified during construction (e.g., through the collection and treatment of run-off, alternative options over spraying for dust control, concrete manufacture) and operations (e.g., through the design of maintenance yards drainage systems and sanitation facilities such as low flush toilets in the control center).

Construction Impacts: Risks and impacts are related to air emissions, noise, soil erosion and runoff, surface and ground water quality, waste, hazardous materials, and spills. These risks and impacts are expected to be managed through project design and mitigation measures provided in the EISs and ESMPs (revised versions), as implemented by contractors. Construction environmental management will be overseen by the project company through an inspection and auditing program.

Air quality and noise levels: Noise and air modeling predictions for operations was not carried out. as the majority of impacts are expected in connection with the expansion works, although best practice construction mitigation techniques will also be employed during rehabilitation. Air emissions during construction are expected from fugitive dust generated from construction works, and gaseous emissions from construction vehicles, equipment and machinery. Good practice construction techniques will be employed in accordance with the project ESMP to manage temporary construction air quality impacts. Mitigation measures will include maintaining vehicle condition and controlling dust emissions by keeping working areas sprayed with water. All disturbed areas will be replanted with grasses. An air quality monitoring program will be developed (that will extend into the operational phase) and will include monitoring at sensitive receptors along the road alignment. Baseline air quality monitoring is not proposed as the project is not located in a degraded airshed and the management and mitigation measures proposed reflect best practice.

The current baseline noise environment is characterized by the existing road and general residential / commercial noise. Construction noise is expected to be short term and temporary and will be managed in accordance with best practice measures outlined in the ESMP. In addition the project company will implement a program of disclosure informing residents in advance of upcoming construction works and outlining how to contact the project company in the event of a problem.

To enable future changes in noise levels to be evaluated, baseline noise monitoring at sensitive receptors will be performed prior to the start of construction works. The project has also

identified sensitive receptors (residential properties, schools, hotels) along the RoW and within 50m of the RoW most at risk to changes in noise level and these locations will be included in the baseline noise assessment. During operation a noise monitoring program will be developed; should changes in noise levels exceed EHS guidelines for noise at sensitive receptors, the project company has committed to implement mitigation measures to reduce noise levels to acceptable levels. Information relating to potential noise and air quality impacts will be disseminated as part of the consultation program outlined in the SEP and the project grievance mechanism will form a valuable tool in recording noise or air quality complaints and tracking them to successful close out.

Spill control and management of pollution risk from resurfacing activities will be managed in accordance with good practice techniques as outlined in the ESMP and in accordance with EHS guidelines. Typical impacts during resurfacing works may include general oil spills, refueling spills, and hydraulic spills from defective equipment, small chemical spills and asphalt spills.

Aquatic: Bridge work will be carried out using good practice techniques for working in or near water including diversion isolation techniques during works in watercourses and sediment traps will be used. Netting and other mitigation measure will be utilized to minimize waste and other materials falling into the watercourse. All refueling and other preparation works will be undertaken more than 50m from the edge of the watercourse, no equipment will be stored within 50m of the watercourse. These requirements will be stated in the ESMP for implementation by the contractor overseen by ADASA.

Right-of-way maintenance: Vegetation in the RoW will be maintained at 20 cm height and will be cleared by physically cutting the vegetation. The use of herbicides is not allowed in accordance with the national Forestry Law, except in exceptional cases and under justified requests. Some tree cutting will be required and permits will be requested. National requirements and general practices will be set out in the ESMP.

Storm water run-off management: Storm water management plans will be developed before any excavations begin. Channels, pipes and ditches will be kept clean and where necessary, equipment will be available to divert or remove water from the work areas. Once designs are finalized, flood risk assessments will be carried out for the expanded and new road sections. The drainage design should be reviewed to establish whether existing runoff rates will be maintained once roads are expanded. Drainage systems will be maintained as part of road operations. In addition, an erosion and sedimentation plan will be implemented, settlement ponds and sediment traps will be used, and staging and storage areas will be minimized and located at least 50 m from water courses.

Solid and liquid materials management (including waste and litter): As part of the ESMP, a solid and liquid materials management program will be implemented during construction and operations which will prevent and control hazardous substance spills. Hazardous materials such as tar, diesel fuel, oil and grease will be transported, stored and used during construction. Hazardous materials and liquid wastes must be stored in an appropriately labeled and bunded area to prevent leaking. Periodic inspections will be conducted on the integrity of storage tanks and bunds, location and contents of spill kits, and presence of spill prevention measures that will be recorded in an inspection log. In the event of a significant spill, sampling and monitoring of

surface and ground water will be required to assess the need for remediation. Litter collected during operations will be segregated for recycling and disposed in municipal landfills.

PS4: Community Health, Safety and Security

The project passes through fourteen municipalities and will cause temporary disruption to local traffic patterns during construction. It is also expected that improvement to this road network is likely to result in more traffic, which may bring larger numbers of tourists to the Caribbean coastal area, including the Garifuna communities in the area. Tourism is already an active income stream for Caribbean coastal area. ADASA is committed to working with local authorities to monitor and manage potential adverse impacts related to increased tourism and other commercial activities in the area (including impacts on Indigenous Communities), by facilitating meetings with relevant stakeholders and by reporting to local authorities potential safety concerns related to road users.

Potential impacts and risks are described below.

Preparation and construction: Risks and impacts are related to noise and vibration, traffic safety and community health and safety (including potential influx of workers and job seekers). Noise and vibration are expected from vehicles and equipment. Measures to reduce or mitigate construction noise include, for example, engagement with the residents and businesses, restricting construction works to daylight hours, and ensuring equipment and machinery is well maintained. Periodic monitoring of noise and vibration impacts will be conducted at nearest sensitive receptors to be identified in the monitoring plan, which is part of the ESMP.

Accident risks and disruptions to normal traffic patterns will be mitigated through traffic detour plans and haul routes, installation of appropriate barriers and signage, enforcing established speed limits for construction-related vehicles, providing driver training. The project will work with local authorities to promote traffic safety in the communities (through community awareness campaigns, presentations in local schools, meetings with local leaders, etc.) and will consult with local emergency services to coordinate emergency response plans. The project will be required to prepare and monitor implementation of its community health and safety plan as part of the ESMP and to require contractors to develop construction traffic management plans. In addition, during the consultation events set out in the SEP, ADASA will consult with communities to establish best locations to install safe crossing points at sensitive receptors (e.g., school, hospitals, churches, etc.). Unauthorized access to construction areas and staging areas will be controlled through the use of barriers (including fencing) and security personnel. ADASA, in conjunction with local authorities, will also prepare an influx management plan to identify and monitor potential adverse impacts related to influx of workers and job seekers during construction. This plan will complement the local recruitment plan prepared by ADASA's contractor.

Operations: Risks and impacts are related to traffic safety and accidents and natural disasters. Project design includes features that are expected to improve traffic safety during operations, such as expanding from two to four lanes to minimize vehicles crossing into oncoming traffic to pass another vehicle, installing signage and pavement markings which meets Central American traffic codes and providing signed pedestrian crossing points. The project will record traffic accidents and will work with authorities to identify root causes of such accidents. Ongoing community

awareness programs regarding traffic safety will be developed with the support of local authorities (e.g., radio campaigns to promote use of seatbelts, no drinking and driving, etc.).

The project is responsible for maintaining the RoW for Sections 1, 2 and 3 clear of obstacles and hazards for road safety. As part of finalizing the design, ADASA will incorporate safety features into the design to minimize potential road safety issues resulting from vendors and others in the RoW, such as speed restrictions and other safety measures near sensitive receptors, cooperation with police to enforce identifying set-back distances, or adequate roadside area for vehicles to leave and re-enter the road, dedicated crossing points, signage. Should road side vendors significantly affect the safe operation of the road, ADASA will notify relevant authorities to ensure that the RoW is clear and to relocate the vendor to a new location (as per the RAP).

Based on the EISs, none of the road sections are prone to landslides. However, the area is prone to seismic events, hurricanes, and tropical storms. Recommendations by the Lenders' Engineer have been made to ADASA to further assess the structural conditions of the existing major bridges (La Democracia and Santa Rita) for the potential need for foundation upgrades or retrofit, and to perform scouring analysis for all the bridges to evaluate the need for erosion protection. This action is reflected in the ESAP. Further work to evaluate potential flood risk for Sections 1 and 2 undergoing expansion is also required as per the ESAP.

Security Arrangements: ADASA will use armed private security firm to safeguard construction laydown areas and during operations, will also engage private security to provide 24 hr security for Sections 1, 2, and 3. This security firm will inform the Honduran Police of any criminal activity occurring within the project. ADASA will ensure that private security meet the requirements of PS 4. The Honduran Army will provide security at toll booths, weigh stations, and at the control center. ADASA will define a security procedure that will include training on human rights, monitor government provided security for the project, and record all security incidents and investigate all allegations of unlawful or abusive acts by security personnel.

PS5: Land Acquisition and Involuntary Resettlement

The main sections of the road where resettlement will occur are Sections 1 (La Barca - El Progreso) and 2 (El Progreso – Tela), as they will be widened. This will include impact to new receptors from expanded RoW (for example for the new bypass), impact to structures in the existing RoW, and informal settlers in the RoW. ADASA has carried out baseline surveys to identify affected properties, and to collect socio-economic data of property users (formal and informal) and owners. While numbers are not yet finalized, it appears that 105 properties will be affected, of which 7 comprise of land (i.e., no structures) and none are communal lands. Approximately forty-four houses (203 people) and about eighteen businesses (most are roadside stalls) will be relocated from the RoW.

Although resettlement is government-led as per the Concession Agreement, the Resettlement Action Plan (RAP) will be completed to meet Honduran and PS 5 requirements). The draft RAP is based on the principles of minimizing involuntary resettlement to the extent possible, providing compensation for loss of assets at replacement cost, and improving or restoring the livelihoods and standards of living of displaced persons. ADASA will act as the implementing agency for carrying out and monitoring resettlement, with support from the Ministry of Infrastructure and

Public Works. The government has power of expropriation it can exercise if an agreement is not ultimately possible. The expropriation will be initiated while the government reaches an agreement with the affected landowner.

According to the Concession Agreement, valuation of assets will be carried out by a committee comprising of experts on behalf of the Accountant General of the Republic, the Property Institute, and the respective Municipalities Cadastral Units. The committee will evaluate each plot individually and issue an appraisal report, which will be shared and approved by the affected land owners. If the affected landowner does not agree, the price can be negotiated as long as it is within the price range which has been issued by the Expert Assessor of the National Commission of Banking and Insurance. The resettlement grievance mechanism is outlined in the draft RAP and will be overseen by the ADASA. Grievances will be centrally logged and are required to be responded to within 20 days of receipt. The grievance procedure includes a mechanism for appealing the response.

Economic displacement will affect roadside stalls to be moved, especially in La Barca, where they are located within the footprint of the widened road. The project will not relocate shops or stalls from the RoW on the 'maintenance only' sections and the construction/maintenance schedule will be maintained in a way that people who work along the roadside will not be impacted for more than a day at a time.

To minimize resettlement, most of the widening will take place within the existing RoW which is currently 20 m from the centerline of the existing road in each direction. As a result of road expansion, some existing structures such as houses and shops will end up closer to the road than before, which may lead to an increase in potential adverse impacts related to noise, safety and air quality. The project has made a preliminary assessment of these sensitive receptors and has committed to carrying out monitoring. In addition to the resettlement identified in the RAP, a complimentary commitment to mitigate the effects of noise for those outside the RoW will be implemented by ADASA.

F. Environmental Permitting Process and Community Engagement

National environmental licenses have been issued for the four sections of road which comprise the project. All sections were categorized as Category 3 under the national law, a categorization which required an environmental impact summary form (SINEIA F-02) to be completed and an environmental management plan (E(S)MP) to be produced and submitted to SERNA (national regulator) for approval and for subsequent issuance of an environmental license. During construction the project will affect 14 municipalities, and during operation the toll road will pass through only 7 municipalities. As part of the national environmental licensing process, ADASA undertook initial consultation activities in three of the 14 affected municipalities. Further meetings were then undertaken between ADASA, COALIANZA (the government entity responsible for structuring concessions), and all 14 affected municipalities. The consultations were sufficient to meet national permitting requirements, but limited information has been provided to affected communities. The information available indicates there is municipal support for the project and they have requested that ADASA provide more information on a regular basis. Consultation with affected communities has been limited and community concerns have not been systematically gathered. To address this consultation and information gap in accordance with the

requirements of PS1, the project has developed a Stakeholder Engagement Plan (SEP), including Indigenous Communities, with supporting grievance mechanism and project information brochures to disseminate information on key risks, impacts, and project milestones. A program of engagement has been developed and includes public meetings, private meetings, information campaigns, media activity and selected focus groups. This program will be implemented before the start of construction.

A Community Liaison Officer will coordinate all consultations and interactions with communities which will be directly affected as well as surrounding communities near the road as required by the SEP. Specific attention will be given to dissemination of information related to traffic management planning and community health and safety precautions. Information on planned road works will be publicized seven days before the commencement of the works. The consultation program also includes activities with representatives of the four closest Garifuna communities. The SEP includes a stakeholder grievance mechanism. Forms will be distributed along with contact e-mail and telephone number and grievances can be made via the project's Community Care Centre. Grievances will be answered or resolved with 20 days from receipt.

G. Availability of Documentation

The documentation listed below is available electronically as PDF attachments to this ESRS at www.miga.org:

- [Honduras Corredor Turistico: Stakeholder Engagement Plan, including grievance mechanism](#) (October 2014), prepared on behalf of ADASA by Mott MacDonald Ltd.
- [Honduras Corredor Turistico: Indigenous Peoples Assessment](#) (October 2014), prepared on behalf of ADASA by Mott MacDonald Ltd. (personal information has been removed from disclosed version)
- *Executive Summary: Corredor Turistico de Honduras* (undated) ([English](#))
- *Formulario SINEIA F02 – Corredor Turistico de Honduras: Tramo: La Barca – El Progreso* (September 2013), prepared by Ingeniería y Ambiente de Sula ([Spanish](#)) ([English](#))
- *Formulario SINEIA F02 – Corredor Turistico de Honduras: Tramo: El Progreso – Tela* (September 2013), prepared by Ingeniería y Ambiente de Sula ([Spanish](#)) ([English](#))
- *Formulario SINEIA F02 – Corredor Turistico de Honduras: Tramo: San Pedro Sula – El Progreso* (September 2013), prepared by Ingeniería y Ambiente de Sula ([Spanish](#)) ([English](#))
- *Formulario SINEIA F02 – Corredor Turistico de Honduras: Tramo: Tela – la Ceiba* (September 2013), prepared by Ingeniería y Ambiente de Sula ([Spanish](#)) ([English](#))

Documentation is also available for viewing at the following location:

- Profesionales de la Construcción (PRODECON) en San Pedro Sula (Colonia Bográn, 9 calle, N.E., 300 metros al Este del Hospital del Valle

Questions about the project can be submitted to:

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