Environmental and Social Review Summary

Boulevard Turistico Del Atlantico

This Environmental and Social Review Summary (ESRS) is prepared by MIGA staff and disclosed in advance of the MIGA Board consideration of 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 the MIGA Board of Directors. Board dates are estimates only.

Any documentation which 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: Dominican Republic
Sector: Infrastructure
Project Enterprise: Boulevard Turistico Del Atlantico
Environmental Category: B
Date ESRS Disclosed: January 17, 2008
Status: Due Diligence

A. Project Description

The project consists of the design, rehabilitation and construction, operation, and maintenance of a highway in the northeastern peninsula of Samaná. The road will connect the cities of Nagua, Sanchez, Samana, El Limon, Las Terrenas, and Majagual. Ninety-nine kilometers of the existing road will be rehabilitated and a new 24-km segment will be built, for a total 123-km to be operated and maintained under a 30 year concession contract. The project will also include the construction of a new toll station, two new bridges, three new underpasses, and several basic at-grade intersections.

The project is an extension of the Santo Domingo – Samana toll road concession that is being constructed by Autopistas Del Nordeste, C. por A. (ADN), an existing project currently guaranteed by MIGA. The concession contract, granted to ADN in 1999, included a provision to extend the road corridor under concession to include the loop around the Samana peninsula. This new toll road (and the associated project enterprise) has been named Boulevard Turistico del Atlántico (BTA).

B. Environmental and Social Categorization

Boulevard Turistico Del Atlantico is a Category B under MIGA’s Environmental and Social Review procedures, because the impacts are site-specific, limited in number, and mitigation measures are readily identifiable. More than 80 percent of the Boulevard is reconstruction of existing roadway within the right-of-way. The 24 kilometers of new construction cross a sparsely populated area with some secondary forest of limited conservation value. Before finalization of the road alignment, Forestry officials are required to verify that no stands of primary forest or indigenous tree species are crossed.
C. Applicable Standards

In carrying out its review of the proposed investment, MIGA determined that the key social and environmental issues are traffic patterns and flow, air quality and noise, water resources and drainage, waste and spill management, public and workers health and safety, residential resettlement, land acquisition and compensation, land use, and biodiversity management. Based on our current information it is expected that the following Performance Standards are applicable:

- PS1: Social and Environmental Assessment and Management System
- PS2: Labor and Working Conditions
- PS3: Pollution Prevention and Abatement
- PS4: Community Health, Safety and Security
- PS5: Land Acquisition and Resettlement
- PS6: Biodiversity Conservation and Sustainable Natural Resource Management

Performance Standards 7 and 8 are not applicable to this project. The investment will have no significant adverse impact on indigenous peoples. Significant effects on cultural resources are not expected, though a “chance finds” policy has been established for paleontological and archeological artifacts that might be uncovered in the new construction stretch.

D. Key Documents and Scope of MIGA Review

The primary document reviewed by MIGA was Declaracion de Impacto Ambiental Proyecto Boulevard Turistico del Atlanticco (Segunda Atapa Santo Domingo – Samana). (Environmental Impact Statement for Atlantic Tourist Boulevard (Second Stage Santo Domingo – Samana)). Prepared by The Louis Berger Group, Inc. Santo Domingo.

MIGA’s review of this project consisted of appraising environmental and social information submitted by the investor-concessionaire, and a visit by MIGA social and environment staff to the project site to meet with company management, the Secretariat of Public Works and Communications (concession partner), and residents and civil society representatives in some areas affected by the project.

E. Key Issues and Mitigation

Social and Environmental Assessment and Management Systems

The Environmental Impact Assessment (September 2007), with its included Environmental Management Plan, has been compiled, reviewed, and finalized. Land acquisition and resettlement planning will be finalized once the topographic survey is completed and the principles of resettlement and compensation are discussed with each project affected household. Principles of labor and working conditions, community health and safety, applied by the project enterprise are among the other components of the Social and Environmental Management Systems. The project enterprise will develop its Social and Environmental Management System in full compliance with PS1, with
disclosure locally and on the company web site, prior to start of construction in early 2008.

**Labor and Working Conditions**

The majority of the construction work force will be engaged by contractors; the project enterprise will exert due effort to ensure relevant requirements of Performance Standard 2 will be applied to all such non-employee workers. All project contractors are required to give preference to local residents in hiring unskilled employees. Workplace accidents and injuries caused by road construction, upgrading, and associated tasks will be prevented and managed by development of workplace health and safety plans covering all workers and subcontract labor involved in the project; special provisions for blasting safety; provision of appropriate personal protective equipment to all workers; detailed recordkeeping of accidents, incidents, and injuries; and monitoring and control by company safety inspectors (with oversight by Labor Secretariat inspectors with power to apply sanctions). The project enterprise HR policy will also reflect transparent worker relations, terms of employment, retrenchment and grievance mechanism, non-discrimination. These procedures are consistent with PS2.

**Pollution Prevention and Abatement**

The impacts of dust, noise, diesel emissions, and access blockage created along the 99 kilometers of road reconstruction, about 80 percent of BTA, will affect urban and rural residents and small areas of natural habitats along the right-of-way for brief periods during construction works. These will be mitigated by standard operating procedures for dust and traffic control, as well as use of modern, well maintained equipment with adequate acoustic and emission controls. During operation of the Boulevard, these road segments will carry more traffic than at present, in places at higher speeds, but along a safer and more modern road alignment.

The 24 kilometers of new road construction will require considerably more roadbed and drainage earthworks than the 99 kilometers of road upgrade, including some blasting. However, the size of the human population subject to the impacts from this work is small.

A project-specific Environmental Management Program (*Programa de Manejo y Adecuacion Ambiental*) was developed within the EIA that focuses on construction impacts. Dust, gas, noise, and vibration emissions from operation of heavy equipment in clearing right-of-way, earthworks, asphalt recycling and paving, and related works, will be managed or controlled by water spray for dust control on areas of construction and detours; covering beds of trucks carrying fill or aggregate; use of well maintained equipment in good mechanical condition to minimize noise and gas emissions; limitation of road work to daylight hours; and use of personal protective equipment to protect operators and workers and signage and diversion barriers to protect the public. These procedures are consistent with Performance Standard 3.
Impacts on surface and groundwater quality and changes to flows from possible leaks and spills of fuel and lubricants; waste management and disposal activities; increased impervious areas, erosion and sediment transport; loss of topsoil and deterioration of soil structure will be managed and controlled by standard procedures for management of hydrocarbons and wastes, as well as for stockpiling and re-placement of topsoil and fill. Other measures include use of well maintained mechanical equipment that does not leak; temporary and permanent diversion and drainage works as needed; and re-vegetation of works-exposed surfaces and borrow pits, which will also restore degraded visual quality. These procedures are consistent with Performance Standard 3.

Community Health and Safety

The road sections planned to be reconstructed and upgraded pass through numerous areas of medium and high density settlements. Management and control of road traffic through (and in detours around) areas of road reconstruction and upgrading will minimize hazards to local residents and travelers (as well as road workers). These mitigation measures to protect/ensure public safety will be documented in a Traffic Management Program (TMP). Also a Community Traffic Awareness Program (CTAP) will be developed and implemented. The TMP and CTAP will be produced by the project enterprise in close collaboration with The Ministry of Public Works and Communications, and will be disclosed locally at strategic locations along the BTA. The project enterprise is also developing emergency contingency plans incorporating the entire work force to respond to unusual conditions (fire, hydrocarbon or hazmat spills, hurricane, tornado, or flood). These procedures are consistent with Performance Standard 4.

Land Acquisition and Resettlement

Preliminary information on land holdings and use was gathered by the Ministry of Public Works and Communications and the project enterprise. This initial information indicated that 15 houses, 11 improvements (including wells, fences etc.) will need to be relocated and 131 plots will be affected to varying degrees due to the project. The number of homes and plots affected by the project is not expected to increase. Topographic research to identify the exact borders of plots affected is planned to be completed by the end of December 2007, and each plot/home owner will be contacted individually to explain resettlement and compensation principles; their feedback will be incorporated in the Resettlement and Land Compensation Action Plan (RCAP) consistent with the requirements of PS5. The RCAP will be prepared by the project sponsor (the concessionaire) together with the Ministry of Public Works and Communications. The RCAP is a key document presenting mitigation measures to address the project’s land acquisition impact.

Biodiversity and Resource Management

In areas of new road construction, issues include loss of forest and pasture resources, changes in land use, and potential onward effects on floral and faunal diversity. The EIA lists 10 species of endangered, threatened, or protected flora and 10 such species of fauna (five birds and five reptiles) that are known or believed to occur within the impact area of
the Boulevard project, though none is known to be directly affected by road construction. The reptiles include an iguana, a turtle, and three crocodile species. The birds include species of crow, dove, ibis, tody, and the National Bird, the Palmchat (*Dulus dominicus*). While the EIA predicts disturbance of habitat and wildlife in the area of new road construction, field observations in this area indicate vegetation along the right-of-way is degraded secondary forest heavily interplanted with coconut. Approximately 7 kilometers of this road stretch at present contains only an unimproved road track. Significant impacts on critical habitat, and on biodiversity resources in general, are not expected in building or operating the Boulevard.

Impacts of loss of vegetative cover and destruction and fragmentation of fauna habitats due to right of way clearing and the exploitation of borrow pits will be managed with use of geotextiles for slope stabilization where needed; hydroseeding of exposed soil surfaces with close cover vegetation (vetiver); planting and 3 years maintenance/replacement of seedlings of mixed tree species native to the area wherever forest can be restored, together with establishment of fencing and forest management procedures. These procedures are consistent with Performance Standard 6.

**F. Environmental Permitting Process and Community Engagement**

In the Dominican Republic, public hearings for significant projects are announced in newspapers 15 days in advance; all interested parties are invited to attend and express their opinions. Also, Public Notice issued through local authorities, lists the affected communities, gives the public 15 days to register views, and schedules the public hearings. If a project receives strong opposition during the public hearings, a Public Audience is organized for further detailed discussions. Outcomes of the Public Audience process are reported to the Project Validation Committee (which consists of members of the various subsecretariats of the Ministry of Environment).

The EIA for the BTA project was published in September 2007, and includes an Affidavit (*Declaracion Jurada*) in which Public Works Secretary and the project’s environmental consultant summarize the project activities and impacts, and state a commitment to implement the prevention, control, and mitigation measures in the Environmental Management Program. The Environmental License for this project was to be issued on Monday 19 November.

Public hearings were held in Nagua, Sanchez, and Los Terrenas on August 28 and 29, 2007. Prior to the hearings, a household survey was conducted in the project-affected communities. The survey questionnaire contained 77 questions to elicit basic data about the household head, family characteristics (including size, composition, economic status and income), dwelling characteristics, social and physical infrastructure available, land tenure, land size, economic activity carried out on the land, type of output (agricultural, fishing, livestock etc output), and public awareness and opinion about the project. Of the 154 household heads interviewed, 72 percent indicated that they knew the existence of the project; 84 percent of those who know the existence of the project are supportive. Comments at the Nagua meeting focused on road improvements. Los Terrenas residents
said they are very happy with the project, which they have been awaiting for a long time. Sanchez residents asked for improvements in traffic control.

During MIGA’s due diligence visit to Los Terrenas, local government, business, and civil society representatives expressed strong support for the project. There were requests for proper and fair compensation for project affected people. A suggestion that more traffic circles be built was the most specific comment tabled.

During the construction and operation phases, the project enterprise (BTA) is committed to continuing community engagement and consultations (at least through the first 5 years of operation). A community engagement and disclosure of information plan will be presented as part of the Social and Environmental Management System prepared by BTA. According to the Secretariat of Public Works, community engagement in the Dominican Republic is a continuous process. Public Works personnel plan to visit the project area at least monthly during the construction period. The Environment Secretariat also requires monitoring reports to be submitted every 3 months during construction, and these are to include any complaints by project affected people.

G. Availability of Documentation

Environmental Impact Assessment (September 2007) has been disclosed by the project enterprise at its website www.bta.com.do since November 29, 2007. The shortcut to the EIA is http://www.bta.com.do/bta/Informe%20Final%20DIA%20BTA%20_RD_.pdf. Other social and environmental documents will be disclosed at the same website as they become available. Also please see the attached EIA document.