

PROJECT ABSTRACT

Project number	BR-0307
Project name	Section IV of Linha Amarela
Country	Brazil
Sponsors	Construtora OAS Ltd. and OAS Participações Ltd.
Total project cost	\$39.3 Million
IDB participation	IDB A-Loan: \$10 Million IDB B-Loan: \$10 Million
Department	Private Sector Department
Status	Approved by the Board of Executive Directors
Date	October 6, 1999

Project Description

In 1994, LAMSA was granted a 10-year concession by the Municipality of Rio de Janeiro to participate in the construction and operation of Linha Amarela, a 10-mile toll road connecting northern and southern communities in the city of Rio de Janeiro. The road was divided into four main sections, three of which (I, II and III) were to be constructed by private construction firms, including Construtora OAS Ltd. and OAS Participações Ltd. Section IV was to be left in the hands of the Municipality until inter-connectivity issues with an adjacent road could be resolved. The first three Sections of Linha Amarela made this project unique in that it was the first urban toll road concession in Brazil and also a greenfield project.

The proposed additional investment in Linha Amarela entails the rehabilitation and operation of the existing 3.2-mile "Section IV" mentioned above, thus completing the linkage between Linha Amarela with Linha Vermelha, another major thoroughfare in Rio de Janeiro. In specific, the 3.2-mile expansion of Linha Amarela will conclude the establishment of the 13.2 mile transverse corridor linking Jacarepaguá, Barra da Tijuca and Recreio dos Bandeirantes (southwest) to the Island of Fundao in the Guanabara Bay and to the downtown area (northeast). The Project will also include the expansion of accesses and other facilities to better interconnect the Manguinhos viaduct with Ilha do Fundao. A viaduct on the Canal da Cunha will also be constructed as a part of the Project to better connect Linha Vermelha with Linha Amarela. These works will relieve the current congestion problem created where traffic from the Linha Amarela is forced to merge into pre-existing roads, thus completing the entire Linha Amarela Project as originally recommended.

Upon completion of the project, LAMSA will operate a total of 13.2 miles of the road. No additional tolls will be charged to users. The additional cost will be financed by the Concessionaire with an expected increase in traffic volumes and the extension of the Concession for the entire project to a total of 25 years.

Project Highlights

The construction of Linha Amarela represents an important step towards the upgrading and construction of infrastructure services including easier and safer access to the different parts of the city and reduced and redistributed traffic on the existing urban roads. The construction of Linha Amarela will continue to be instrumental in restructuring traffic patterns between Barra de Tijuca and downtown Rio de Janeiro. This will increasingly benefit the alternative roads that

now have reduced traffic levels. In addition, the creation of the road has stimulated significant urban economic development in the areas surrounding the line.

The project will serve the City of Rio de Janeiro by:

- reducing congestion that results in several problems for the neighboring communities, a situation that will only aggravate with expected traffic volume,
- reducing travel time of the commuters from 60 to 20 minutes during rush hours,
- allowing increasing numbers of passengers in the downtown area to use small portions of the road at no cost, and
- substantially improving the overall quality of service provided by the Concessionaire.