

PROJECT ABSTRACT

Project number	AR-0237
Project name	Rosario-Victoria Bridge
Country:	Argentina
Sponsors:	Impregilo S.P.A., Iglys S.A., Hochtief A.E.G., Techint S.A., and Benito Roggio e Hijos S.A.
Total project cost	US\$374 million
IDB participation	IDB A-Loan: US\$33 million IDB B-Loan: US\$40.6 million
Department:	Private Sector Department (PRI).
Status	Approved by the Board of Executive Directors
Date:	Julio 14, 1999

I. THE PROJECT

- 1.1 The Government of Argentina (GOA), through its Ministry of Economics and Public Works, and the Provincial Governments= of Santa Fe and Entre Ríos, developed a concession for a roadway link, known as the Rosario-Victoria Bridge. The purpose of the bridge is to improve the connections between the northeastern or The Mesopotamia provinces (Entre Ríos, Corrientes, Misiones) and the rest of the nation. The bridge will also serve to facilitate the interaction between the Mercosur countries. The areas of Entre Ríos and southern Santa Fe, separated by the Paraná river, will be the principal focus for commercial and industrial growth in the country. The city of Rosario is expected to become a major transportation and distribution center for the Mercosur region. The Rosario-Victoria project will be the fourth land link to cross this intermediary region, which has felt major increases of both interprovincial and international traffic. The alternative link=s limited infrastructure and road access has hampered both passenger and freight transport, leading to long travel times and high vehicle operating costs.
- 1.2 On September 29, 1997, following a competitive bid, the GOA awarded a 25-year concession to the Consortium Impregilo S.P.A./Iglys S.A./Hochtief A.E.G./Techint S.A./ Benito Roggio e Hijos S.A.. This Consortium is led by multimillion dollar competitive and highly experienced international and local construction companies. All of them have participated in Argentina's concession program. The project entails the construction, maintenance, and administration of the technical and commercial exploitation of a highway network which will connect the cities of Rosario (in the Province of Santa Fe) and Victoria (in the Province of Entre Ríos). The project, to be carried out on the Paraná River valley, consists of a two-lane roadway system supported by viaducts and earth fillings for a total extension of 59.3km. This will link the north end of Rosario, the National Route No.11, and the city's beltway (A-008 Av. de Circunvalación), with the north of Victoria and the Provincial Route No.11. This connection envisions future expansion by building a second roadway parallel to the one currently proposed.
- 1.3 The Paraná River valley, enclosed between the steep riverbanks of Rosario City and the upper end of Victoria, is formed by the main river channel and an area of marshlands and small islands with both permanent and temporary watercourses. The river basin is approximately 56km wide at this point, requiring the construction of complex piece of infrastructure. The construction of this network is to include the formation of earth fillings for a length of approximately 44.6km. The special works planned will be approximately 12km long and will be distributed in the following manner: (i) a 1km concrete viaduct inland at the Rosario terminus; (ii) a 3km main bridge structure to be built over the Paraná River's largest navigable channel with access viaducts at both

ends; and (iii) six (6) bridges to be built over navigable watercourses with nine (9) smaller drainage structures to be built throughout the marshland and island area with a total length of 8km. The construction period of the project will be four years.

- 1.4 The total investment of the proposed project amounts to US\$350.0 million. Due to the greenfield characteristics of the project, the significant amount of investment needed, and the novelty of the structure proposed by the GOA, it was decided that the public sector should participate in the project investment with a financial contribution to complement the efforts of the private sector. Therefore, the GOA in its bidding documents, established such financial contribution to be the determining variable to award the concession. As a result of the bidding process, the governmental contribution was instituted at US\$207.0 million. The remaining US\$150.0 million are to be financed by the Consortium, which is to be the total estimated cost of the project eligible for IDB financing.
- 1.5 The project is characterized by its East-West socioeconomic integration capacity. It will enable the installation of a new road corridor for the national (to/from Northeast Provinces) and international (Chile-Northeast Provinces-Uruguay-Brazil) traffic. At the provincial level, the connection aims at the creation of a localized transportation between Rosario and its nearby towns with Victoria, promoting Victoria's natural attractions for tourism and improving its commerce, while Rosario City will benefit with another exit route for its industrial and agricultural products.

II. THE SPONSORS

- 2.1 The consortium is led by multimillion dollars competitive and highly experienced international and local construction companies: Impregilo S.p.A. (Italy) and Iglys S.A. (a subsidiary of Impregilo), Hochtief A.E.G. (Germany), Techint S.A.C.E.I. (Argentina), and Benito Roggio e Hijos S.A. (Argentina). **Impregilo** is one of Italy's largest engineering and construction companies with worldwide operations and ample experience in Latinamerica. Impregilo has been actively participating in Argentina's concession program. Currently, Impregilo is also a Sponsor for Autopistas del Sol, the main access to Buenos Aires, and of the Santo Tomé-Sao Borja toll bridge on the Argentine-Brazilian border. **Hochtief** is a leading engineering and construction firm in Germany, also with international operations. **Techint** is a major Argentinean builder with national and international experience in contracts for works and services, civil works, gas pipelines, urban services, mining and steel, hydraulic works, marine services, and sanitation. **Benito Roggio e Hijos** is also one of Argentina's largest construction companies. It is involved in the construction of hospitals, bridges, highways, dams, industrial plants, water and gas distribution works. The company has been a major participant in the infrastructure privatization program in Argentina and is currently one of the leading infrastructure development and management companies. It has participated in the privatization of the mobile telephone system in the interior of the country (Compañía de Teléfonos del Interior), Acceso Oeste highway, Buenos Aires subway and the Urquiza railway line (through Metrovias). The company has major ownership interest in various national toll road concessions. This translates into the operation of 2,500km averaging 185,000 toll transactions per day.

III. ENVIRONMENTAL AND SOCIAL IMPACT ISSUES

- 3.1 The project will comply with the Argentinean legislation and regulations and with the Bank's environmental and social policy procedure. The Granting Authority has included substantive environmental goals and requirements to be met by the project to ensure a positive impact on the highway's area of influence. The legal environmental framework applicable to the proposed

project includes national and provincial legislation. The Sponsors have proven experience in the management of the environmental impacts on toll roads and bridge projects, and have considered a relevant action plan during the construction and operation of the highway. An initial Environmental Impact Assessment (EIA) has been performed by a consulting firm retained by the Sponsors which was also submitted with the bidding documentation. This document outlines the basis for the environmental management plan; identified the direct and indirect impacts during the construction and operation of the project; mitigating measures; defines the responsibility of the Concessionaire vs. GOA; and the monitoring plan. An updated EIA will be completed and submitted to the Granting Authority before the construction works are initiated.