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BOLIVIA

PLAN OF OPERATIONS

**STRATEGIC ENVIRONMENTAL ASSESSMENT OF THE SANTA CRUZ-
PUERTO SUÁREZ TRANSPORTATION CORRIDOR**

(TC 9904003-BO)

This document was prepared by the project team consisting of: Henry Green (RE1/FI1), leader; and Luis Miglino (RE1/FI1).

SUMMARY

Name:	Strategic Environmental Assessment of the Santa Cruz-Puerto Suárez Transportation Corridor	
Number:	TC-9904003-BO	
Team:	Leader: Henry Green (RE1/FI1); Luis Miglino (RE1/FI1) and Juan Carlos Paez (COF/CBO)	
Executing unit:	Finance and Basic Infrastructure Division 1 (RE1/FI1)	
Beneficiaries:	Vice-Ministry of Transport, Communications and Civil Aviation (VMTAC) and the National Highway Service (SNC)	
Financing plan:	Fund for Special Operations	US\$750,000
	Total	US\$750,000

I. BACKGROUND

- 1.1 The Inter-American Development Bank (IDB) is considering the possibility of partially financing the Santa Cruz-Puerto Suárez Transportation Corridor Project in Bolivia, which will establish a highway connection between Bolivia and Brazil. The first phase of the construction is the Pailón – San José Highway Project that is scheduled for approval in the year 2000 (BO-0036). The feasibility study for the corridor, which included the environmental impact assessment (EIA), and the final designs of the Pailón – San José section were contracted in 1997 after protracted delays of a process begun in 1994.
- 1.2 The draft final report for those studies was submitted to the Servicio Nacional de Caminos (SNC) in December 1998. A review of the reports indicated certain areas that needed improvement. In particular, the EIA was based on the environmental considerations applicable at the time the corresponding terms of reference were prepared and would not meet the current requirements for financing the Project.
- 1.3 Additional studies are needed in order to conceive and detail a sound strategy for government and Bank actions aimed at developing an adequate environmental management framework to address the potential impacts of the project and to examine the developmental possibilities in the area of influence of the Corridor.
- 1.4 Consultants are being hired with resources from three complementary technical assistance operations from Nordic countries. In the technical assistance related to this Plan of Operations the work of the consultant will be coordinated with these other technical cooperation projects. Consultants financed by the Norwegian trust funds (ATN/NC-6564-BO – TC-9905030-BO) will improve the environmental

- planning by carrying out the compilation and maintenance of an environmental spatial database. The work will focus on the compilation of the existing primary and secondary data for the studying of the conservation areas that are within the area of influence of the corridor, thus providing support for the development of this operation.
- 1.5 Danish trust funds (ATN/DC-6556-BO - TC-9905031-BO) will provide consultants to support the compilation of the transportation data needed for the studies and implementation of the Corridor investments. Additionally, the consultant will perform maintenance of the transportation spatial data and will provide training to staff members of the VMTCAC and SNC.
 - 1.6 Swedish trust funds (ATN/SC-6565-BO TC-9905032-BO) will assist in defining actions for parcel delimitation and land titling for the indigenous population and other lower income individuals that fall within the area of influence of the corridor. This technical cooperation will consolidate an inventory of all parcels that fall within the area of direct influence.
 - 1.7 An Environmental Impact Assessment (EIA) of the corridor was carried out with considerable delay and with terms of reference that today would not result in a study that meets current standards for the type of project envisioned for the corridor. A Strategic Environmental Assessment (SEA) of the Project is needed, which would encompass much more than just an EIA for the specific highway construction.

II. PROJECT OBJECTIVES

- 2.1 The study to be contracted (SEA and update of the EIA) would conceive and develop in detail an adequate strategic environmental management framework to address all the identified indirect, long term and cumulative potential socio-environmental impacts of the Santa Cruz - Puerto Suárez Transportation Corridor. This framework would then guide the governmental and Bank actions related to the corridor. Also, the consultant would complete the analysis of the direct impacts that were covered in the EIA previously commissioned. The SEA study seeks to promote sustainable regional development, with strong private sector participation, and to maximize the benefits from this development for residents of the project's area of influence, particularly the lower income population.
- 2.2 The study and the integrated consultative process should demonstrate to civil society the awareness of all major socio-environmental issues involved in the project. It will also show the commitments of the Bolivian government and the Bank to address these issues in an adequate and timely fashion, ensuring the informed participation of civil society in all stages of project preparation and execution.
- 2.3 The study will update and complement where necessary the existing Environmental Impact Assessment (EIA) previously commissioned by the Bolivian Government.

III. DESCRIPTION

- 3.1 The study will be carried out by an international firm in environmental planning and management and will include three phases: (i) the discovery phase and definition of project scope; (ii) evaluation of impacts, alternatives and possible mitigatory programs; and (iii) the detailed reports for the Strategic Environmental Assessment and revised Environmental Impact Assessment.
- 3.2 The study will cover the following specific areas and will perform the activities indicated below:
- a. Conceive and implement a public consultation strategy that ensures an informed, timely and effective participation of civil society.
 - b. Evaluate all relevant potential socio-environmental impacts of the Santa Cruz-Puerto Suárez Transportation Corridor Project.
 - c. Evaluate the synergy of the project with other major existing or planned infrastructure projects in the region, as well as potential conflicts among these projects.
 - d. Evaluate (from the environmental and social perspectives) all project alternatives considered in the technical and economic feasibility studies carried out.
 - e. Evaluate the adequacy of existing institutional and legal framework in Bolivia to address the major issues involved in project preparation, execution and post-construction phases.
 - f. Identify opportunities for sustainable regional economic development.
 - g. Identify the basic conditions for participation of the private sector, particularly micro, small and median enterprises, in sustainable regional economic development and provide a strategy to encourage such participation.
 - h. Identify the benefits that would result from sustainable regional economic development, determining the allocation of these benefits among various groups and among geographical regions, and provide a strategy to ensure that a maximum amount of resulting benefits accrue to communities in the project's area of influence.
 - i. Evaluate the quality and degree of completeness of the existing Environmental Impact Assessment for the Project of the Santa Cruz – Puerto Suárez Highway and make the necessary modifications in the EIA in order to make it in full compliance with relevant Bank policies and requirements.
 - j. Summarize the results of the analysis of project alternatives, and the rationale for the selection of the recommended alternative.
 - k. Prepare an Action Plan to address all major issues identified to ensure that all relevant actions necessary to sound project implementation are carried out on a timely basis.

1. Make the necessary modifications in the existing EIA with special emphasis on the section deals with proposed mitigatory measures (Environmental Management Plan).
- 3.3 The tasks are further expanded in the attached terms of reference (TOR).

IV. PROJECT EXECUTION

- 4.1 The Finance and Basic Infrastructure Division 1 (RE1/FI1), as the unit with basic responsibility for the administration of this operation, will be hiring the consulting firm. The Division will be responsible for the supervision of the project execution and disbursements, in coordination with the Country Office in Bolivia and with the National Highway Service (SNC).
- 4.2 The project will need six to eight months for carrying out the activities specified in the Terms of Reference and the period for disbursement will be 12 months. Disbursements will be made in accordance with a schedule to be negotiated with the consulting firm that will be hired. Disbursements will coincide with the signature of the contract and upon acceptance by the Bank of the four reports indicated in the Terms of Reference.

V. THE BANK'S STRATEGY IN THE COUNTRY

- 5.1 The Bank's operative strategy in Bolivia seeks to support the efforts of the government in reducing poverty, which include: (i) economic development and creation of opportunities; (ii) development of human capital and access to basic services; and (iii) support to the government and consolidation of reforms.
- 5.2 Improvement of the Santa Cruz – Puerto Suárez transportation corridor will support the economic development and employment opportunities of the Bank's strategy for Bolivia. The corridor improvements are expected to result in substantial economic benefit to the eastern region of Bolivia.
- 5.3 The Bank's transportation sector strategy for Bolivia emphasizes the integration corridors and this study will support the Santa Cruz – Puerto Suárez transportation corridor, which is one of the most important projects to integrate the Bolivian economy with Brazil.

VI. BENEFITS AND RISKS

A. Benefits

- 6.1 The study will provide a coherent and well-structured framework for proceeding with the development of the area of influence of the corridor in a sustainable and equitable manner. The study is a critical element for the financing of the Santa Cruz – Puerto Suárez highway corridor and, as such, the completion of the study

will permit the project to progress and derive the economic development to the region.

B. Risks

- 6.2 The Strategic Environmental Assessment of the Santa Cruz-Puerto Suárez transportation corridor will be carried out as an integral part of the preparation of the Bank's financing. The Bolivian authorities are preparing two consultative committees, one with participation of the pertinent government agencies that have roles in the corridor development, and the other with key elements of civil society. These two committees will provide mechanisms for coordinating the efforts of the diverse groups that are needed to have an open, transparent process and to have the widest possible participation of the local population in the benefits of the project.
- 6.3 The consultants will interface with these two committees in the course of the study. The commitment of the pertinent authorities to have these committees function properly will be important in maximizing the effectiveness of the study. The effective operation of these committees is essential to achieve the benefits envisioned and to ensure an open consultative process and an equitable participation in those benefits by the different levels of society, which should avoid protests and enhance the viability of the project.

VII. PROJECTED COSTS AND FINANCING

- 7.1 The total cost of the study is estimated to cost the equivalent of US\$ 750,000, which will be provide through non-reimbursable financing from the convertible currency of the Bank's FSO resources, in accordance with the attached estimated budget summary.

VIII. ACTION PLAN

- 8.1 It is envisaged that an international firm in environmental planning and management, also employing local experts, will carry out the study. The study will cover a period of 6 to 8 months and will have two intermediate reports. The first will consist of the description of the work that has been carried out and summarizing all major findings, particularly the results of the public consultations that were carried out during the period. The second should include the draft version of the chapters concerning the evaluation of project alternatives, the evaluation of environmental impacts and the outline of the proposed mitigatory programs. Two final products will be delivered: (i) the Strategic Environmental Assessment and (ii) the revised EIA. The consulting firm will deliver a final version of the EIA after the public consultation process is concluded in the country.
- 8.2 In the execution of this Technical Cooperation, the Vice-Ministry of Transport, Communications and Civil Aviation (VMTCAC) and the National Highway Service (SNC) will provide logistical support and arrange for the cooperation of the central and regional offices of the SNC and other pertinent governmental agencies.

The consulting firm that will carry out the Strategic Environmental Assessment (SEA) and the updating of the EIA should be hired in October 1999 and will require six to eight months to complete the studies. This study is a key element of the critical path for approval during the year 2000 of the Pailón – San José road in the Santa Cruz – Puerto Suárez corridor. The announcement for study has been published in Development Business and the proposals have been requested from the resulting short-listed firms. It is expected that the study will be completed in April-May 2000.