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| **INTER-AMERICAN DEVELOPMENT BANK**    **Belize**  **George Price Highway Rehabilitation**  **(BL-L1019)**  **Environmental and Social Management Report**  **(ESMR)**  **August, 2014**   |  | | --- | | Project Team: Raúl Rodríguez Molina (INE/TSP), Team Leader; Leopoldo Montañez (INE/TSP), Alternate Team Leader; Jacob Veverka (INE/TSP); Caterina Vecco (INE/TSP); Isabel Granada (TSP/CCO); Brian McNish (TSP/CPN); Cassandra Rogers (RND/CBA); Colin Rees (VPS/ESG); Vanessa Lynch (CID/CBL); John Primo (CID/CBL); Taos Aliouat (LEG/SGO); and Andrés Suarez Sandoval (FMP/CCR). |   **Table of Contents** |

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**List of Acronyms**

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| AASHTO | American Association of State Highway and Transportation Officials |
| EIA | Environmental Impact Assessment |
| ESIA | Environmental and Social Impact Assessment |
| DOE  EAG | Department of Environment  ESG Environmental and Social Group |
| ESMP | Environmental and Social Management Plan |
| GoBL | Government of Belize |
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| MOFED | Ministry of Forestry, Fisheries and Sustainable Development |
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| MOWT | Ministry of Works and Transport |
| PEU  RMU | Project Executing Unit  Road Management Unit |
| ROW | Right of Way |
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1. **Basic Data**

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| --- | --- |
| Country: | Belize |
| Sector: | Infrastructure |
| Project name: | George Price Highway Rehabilitation |
| Borrower: | Government of Belize |
| Executing agency: | Ministry of Works and Transport |
| Transaction type: | Loan |
| Total Project Cost: | US$27 million |
| IDB A-Loan (if applicable) | n/a |
| B-Loan / co-lenders | n/a |
| Environmental Category: | B |

1. **Project Description**
2. **Key project infrastructure components and schedule**

2.1 **Project Objective**: The project objective is to substantially improve the road connectivity within Belize’s main districts and with Central America by rehabilitating the GPH road infrastructure between miles 47.9 in Belmopan and 67.3 in Santa Elena (the project) to national standards, decreasing travel time and costs,, reducing road fatalities and injuries, and ensuring road accessibility by improving climate change resilience of the corridor. To meet this objective the following components must be completed.

2.2 **Component 1.** Civil works & maintenance (US$25.5M). This component will finance: (i) the civil works for the rehabilitation of the GPH from mile 47.9 (Belmopan) to 67.3 (Beginning of Santa Elena Bypass); (ii) the civil works for the replacement of the Roaring Creek Bridge (mile 48); (iii) the supervision of the civil works of this component; (iv) two years maintenance of the civil works of this component once concluded; and (v) land acquisition, compensation, and utilities relocation required to execute the civil works of this component. The civil works of this component will include the above mentioned measure to address road safety, and climate change resiliency issues

2.3 **Component 2**: This component will finance activities to strengthen the MOWT, and particularly the PEU and the RMU in the following areas among others: (i) structuring of performance-based contracts for maintenance; (ii) environmental safeguards application in accordance with the Bank’s policies; (iii) utilization of national standards or another preferred highway design and testing code by staff and/or training/studies in other related areas; and (iv) training in the use of HDM-4.

2.4 **Component 3**: This component will finance activities that support the administration of the project, including: (i) the contracting of PEU´s key personnel fully dedicated to the project which are a project manager/engineer, a financial specialist, a procurement officer, and an administrative assistant; (ii) renting and furnishing office space for the PEU; and (iii) acquisition of equipment for project execution and oversight. This component will also finance: (iv) sector studies, environmental and social studies, technical studies, and additional engineering designs related to the project; (v) monitoring and evaluation; and (vi) financial audits.

2.5 It is expected that the loan will be disbursed over five years.

1. Environmental and social setting

2.6 An Environmental and Social Impact Assessment (ESIA) was done by local consultants and found to be satisfactory. The ESIA states that the Study Area for the GPH Project is defined as 4 km on either side of the center line of the GPH, beginning at the junction of the George Price and Hummingbird Highways at mile 47.9 and ending at mile 67.3 near Santa Elena. This segment of the Western Corridor is partitioned into two sections for the purposes of this ESIA:

1. Section I is 8.1 miles in length, running from mile 47.9 at the junction of the George Price and Hummingbird Highways, to Mile 56 at the junction of the Iguana Creek and Spanish Lookout Roads. This Road Section is the most densely populated with five established villages along the existing ROW. These villages are Roaring Creek, Camalote, Teakettle, Ontario and Blackman Eddy.
2. Section II runs from mile 56 at the junction of the Iguana Creek and Spanish Lookout Roads to mile 67.3 near Santa Elena. Along this stretch of the GPH is the Central Farm agriculture, education and research community and three established villages, namely Unitedville, Georgeville, and Esperanza.
   1. The alignment of the road to be rehabilitated traverses a combination of agricultural or fallow land and rural communities, portions of which are prone to flooding. A number of rivers and streams coursing through the current alignment are fed by a very large catchment area extending across the border with Guatemala. There are no natural habitats likely to be significantly impacted by the Project’s activities; in fact, the Guanacaste National Park adjacent to the existing road will benefit from a partial realignment and improved drainage. Cultural artifacts are known to exist in the Project area which, if discovered, will be subject to careful handling by recognized experts.
   2. Cayo District (embracing the road) is home to some 80,000 people and covers more than 2,000 square miles of tropical forest, rolling hills, rich pasture land, vibrant rivers and many Mayan archaeological sites. Dubbed the “breadbasket” of Belize, Cayo produces much of the country’s dairy, meat and agricultural products ranging from the traditional citrus, bananas, maize and vegetables, to newcomers such as mozzarella cheese, yogurt and pastrami. The Mennonite farming community of Spanish Lookout supplies an abundance of poultry and other produce, and the many small family farms supply local markets and shops. Cayo is also becoming one of the region’s most important tourism destinations, being easily accessible from Guatemala and less than two hours from Belize International Airport.
3. **Alternatives analysis**
   1. The evaluation of alternatives was undertaken covering a range of environmental and social considerations associated with the various available options, inclusive of the ‘No Action Alternative’. Information was specifically obtained on each of the alternatives being considered to address these most critical issues, while planning for projected climate change impacts and disaster risk management.
   2. The no-action alternative is not considered an economically viable option as it would result in the loss of socio-economic opportunities, such as the generation of employment, revenue, foreign exchange, improved road safety, etc. It would also result in the loss of opportunities to address the pressing issues of disaster risk and climate change.
4. **Roaring river crossing alternatives**
   1. An essential component of the George Price Highway Rehabilitation involved determining the most feasible option for crossing the Roaring River near the George Price and Hummingbird Highway junction. Currently, vehicular and pedestrian traffic cross over this section of the creek via the Roaring Creek Bridge. However, over the past years, the inefficiency of this infrastructure has been evident, particularly during periods of flooding. Flood waters constantly rise in the area and, in a few instances, cover the deck of the bridge. Three alternatives were evaluated, inclusive of the ‘no-action’ alternative:

* Alternative 1. Keep Existing Bridge.
* Alternative 2. Realign and Raise Roadway and Construct New Bridge Adjacent to the Existing One.
* Alternative 3. Detour around the Existing Bridge.
  1. **Recommended option**.The recommended option is Alternative 2: realigning the road section and constructing a new, elevated bridge meeting international standards with crossing adjacent to the existing Roaring Creek Bridge. The new elevated bridge would mitigate impacts of flooding and allow for year- round access during natural disasters. It would also improve access to Guanacaste National Park and reduce traffic risks to visitors. The new bridge will involve a higher cost but allow for maintaining the old bridge as a pedestrian crossing. Construction would minimally adversely impact the Roaring River embankment and water quality and recover given the application of known mitigation measures.

1. **Z-Curve** 
   1. The Z-Curve at mile 56 consists of a sharp "Z" curve around a steep rocky hill with a prominent drop towards the Belize River on the outside. The area is considered a safety risk because of the danger it poses to motorists, the precarious nature of the embankment on the river side and the instability of the steep adjoining hill side. Three alternatives are discussed in the assessment:

* Alternative 1: Widen Road by Shaving Hillside to Stabilize Hill and Re-contouring of Curve.
* Alternative 2: Cutting Through Hill for Realignment of Road.
* Alternative 3: Split the Road to Allow for 2 Single Lanes in Opposite Directions around the Hill.
  1. **Recommended option**.The recommended option is Alternative 2: it significantly reduces the risks to Belize River from chemical spills of road accidents. However, as it presents potential adverse environmental impacts (siltation and sedimentation to BZ River) during construction and moderate impacts to wildlife. Its social impacts include prolonged disturbances during construction and high occupational and safety hazard from cutting and blasting. Appropriate mitigation measures and on-site management will be deployed to reduce these impacts to acceptable levels.

1. **Compliance Status and Project Standards**
2. **Summary of the environmental and social licensing and appraisal process**

3.1 Based on the anticipated minor impacts and risks of the Project, and requirements set forth by the Bank, the Environmental Safeguards Group (ESG) confirmed a “B” environmental classification for the Project under the Bank’s Environment Safeguard Policy (OP-703).

3.2 The project is in conformity with the Bank’s OP-703 directives:

* B.1 Adherence to Bank policy: the Borrower will comply with Bank policy;
* B.2 Respecting Belizean law: the Borrower will conform to Belizean law;
* B.3 Screening and classification: the Project was screened and classified (Category B);
* B.5 Environmental Assessment: an ESIA was carried out for the Project, (including analysis of alternatives) and the production of an Environmental and Social Management Plan.
* B.6 Consultations: formal Public Consultations were held for the Project and key documents have been disclosed publicly according to GOBL legal requirements and those of the IDB.

1. **Compliance with other policies**.

3.3 Key Policies and Directives triggered include Directives B.4 (other risks), B.7 (supervision and compliance), B.9 (natural habitats and cultural sites), B.10 (hazardous materials), B.11 (pollution prevention and abatement) and B.15 (co-financing) of the Environment Safeguards Policy OP-703, the IDB Access to Information Policy (OP-102), the IDB Policy on Gender Equality in Development (OP-761) and the Disaster Risk Management (OP-704).

3.4 Policy B.4 (other risks, including governance capacity, sector-related risks, highly sensitive environmental and social concerns, and vulnerability to disasters) is triggered as portions of the highway are located in areas susceptible to flooding in addition to the country’s limited infrastructure and capacity to respond to disasters.

3.5 Policy B.7 (supervision): the Bank will carry out supervision actions (site visits, review of documentation, consultations with affected parties and third parties) as provided in the Loan Agreement.

* 1. Policy B.9 (natural habitats and cultural sites): is triggered because of potential impacts upon archaeological artifacts.
  2. Policy B.10 (hazardous materials) is triggered because of the use and disposal of hazardous materials.
  3. Policy B.11 (pollution prevention and abatement) is triggered because of the need to include measures to prevent, reduce or eliminate pollutants likely to result from construction and operational activities.
  4. B.15 (co-financing) is triggered because of the need for the IDB to collaborate with the CDB to assure consistent national and multinational safeguards standards are applied to the preparation and implementation of project activities.
  5. Policy OP-102: Access to Information: the MOWT has made the ESIA available to relevant communities and be posted as a Public Notice prior to Board approval in order for relevant stakeholders to be informed and have the possibility to comment on the Project.
  6. OP-761: Gender Equality: in the Implementation Manual, the Borrower clearly lays out its non-discrimination on the basis of race, gender, religion, political appurtenance and other criteria. The Borrower will prevent discrimination against women and comply with the Belizean Labor Code.
  7. OP-704: Disaster Risk Management: The Disaster Risk Managemente Policy requires that Bank-financed projects include necessary measures to reduce disaster risk to acceptable levels as determined by the Bank on the basis of generally accepted standards and practices.

1. **Compliance with Government of Belize safeguards policies.**

3.13The Environmental Clearance Process of the GoBL has been observed concerning screening, scoping/clearance, development of the ESIA, public consultation, decision-making and monitoring and compliance. An Environmental Compliance Plan for the Project will reviewed for approval by the National Environmental Appraisal Committee (NEAC).

1. **Key Environmental and Social Impacts and Risks and Mitigation**
2. **Summary of key impacts and risks and ESDD and Analysis findings**

4.1 Project impacts are expected to be modest and readily mitigated by known and tested measures; risks from flooding are to be addressed as part of design and partial realignment of the existing highway and siting of the Roaring Creek Bridge.

1. **Environmental and social impacts and risks**

4**.**2 While the proposed rehabilitation project is projected to have significant positive social and economic benefits, it also has the potential to temporarily adversely affect the surrounding air and water quality, exacerbate soil erosion and soil stability, and proximal hydrology and drainage as well as nearby or adjacent ecosystems during the construction phase. However, because the project involves the rehabilitation of an existing road, these issues are relatively limited in scope and duration.

4.3 In addition to these environmental issues, the activities of the proposed road rehabilitation activities will temporarily impact the lives of residents of communities along the ROW and road users. It will require the acquisition of small strips of public land for the western approach road to the new Roaring Creek Bridge. However, at the end of the Project there will be significant net positive socio-economic benefits and an improved quality of life of the members of the adjacent communities. No need for resettlement has been identify for the project implementation.

4.4The assessment provides abatement measures that are tailored to reduce these potential adverse impacts to the point where the impacts are insignificant or within acceptable limits, either through effective design and best practices or through sound Environmental Management System (EMS) of the road rehabilitation activities.

4.5 The analysis indicates that most impacts are classified as either minimal to medium, very localized and of short duration. The activities with the highest impacts are those associated with: realignment of the road section at the Z-Curve; upgrading of the temporary by-pass for the Z –Curve; and construction of the new Roaring Creek Bridge A series of recommended mitigation measures has been identified for each issue assessed.

1. **Climate Change Impacts and Disaster Risk Management**

4.6 The assessment examined to the extent possible the hazards, whether natural or man-induced, that could impact the project and which the road rehabilitation plans and activities must take into consideration. These include high winds, storm surges, torrential rains, flash floods/inundations, and tornadoes. These studies of risk indicate that sections of the GPH as well as several communities on the GPH ROW are vulnerable to both natural and man-made hazards and primarily flooding.

4.7 The assessment also examined the impacts that climate and climate change related effects and concluded they have had and will continue to have direct and indirect impacts on the GPH. Consequently, the assessment provides a number of recommendations to mitigate its predicted negative impacts which included mainstreaming risk reduction during highway upgrading and maintenance.

1. **Dam Break Risk**

4.8 Available information indicates that there are sections of the upgraded GPH that are at high risk to a dam break flood event, estimated to have a return period of 500 years that under a worst case scenario will inundate sections of the GPH and affect associated communities and interests downstream of the Chalillo Dam site.. Mitigation measures to reduce the impacts a dam break flood on the western corridor of the GPH are limited to increased durability and water-resistance of the road surfacing material used during re-construction, and firmness of the road foundation; and updating and simulating the Dam Failure Plan prepared by NEMO and BECOL

1. **Potential Archaeological Impacts**

4.9 The Project has the potential to negatively impact archaeological mounds within close proximity to the ROW as well as identified graveyards. However, archaeological points of significance are mostly located in the wider Study Area, with very few instances of mounds in close proximity to the existing ROW. Should disturbance of such sites occur, archaeological experts will provide the necessary precautionary and mitigation measures. Equally, the project has the potential to positively impact established sites though enhancement as tourist destinations, increased livelihood opportunities and overall added economic benefits/development of the wider area.

1. **Cumulative Impacts** 
   1. No significant cumulative impacts are expected from the project.
2. **G. Positive Impacts**

4.11 The section of the George Price Highway to be rehabilitated is critically important to the country’s social and economic fabric as it links a number of western towns and surrounding villages to the administrative capital in Belmopan and to the country’s commercial center in Belize City. The areas serviced by the road are also critical to the country’s agricultural and the tourism sectors. Of equal importance is the fact that this section of the highway is a part of the Mesoamerican Highway Network (RICAM), linking the rest of Central America and Mexico with Belize.

4.12 Additionally, parts of the highway in the Project Area are prone to flooding. Floodwaters have washed over the Roaring Creek Bridge at least twice in the last 10 years, possibly undermining its structural integrity. This is of serious concern, as the Roaring Creek Bridge is a crucial link in the evacuation route from east to west during the hurricane season and a crucial link in the commercial and tourism route and in conducting trade with Guatemala. The Belize National Evacuation Plan identifies these issues associated with the GPH as critical and in need of urgent attention.

4.13 Lastly, the section of the George Price Highway to be rehabilitated has earned Belize the unenviable distinction of having the highest incidence of road traffic fatalities in Central America and the Caribbean due its pavement being in poor condition, non-existent or unpaved shoulders, extremely limited pedestrian facilities in villages and towns, and limited markings and signage.

1. **Public Participation**.

4 14 The assessment details the process of community engagement and consultation followed during the ESIA preparation as well as offering broader guidance for continued engagement with the communities within the Study Area during the construction and operational phases of the Project

4.15 In the pre-feasibility phase of the Project, the consultants engaged the communities along the existing right of way through key informational interviews, focus group discussions, probability and purposeful surveys, community meetings and the required public consultation as per GoB EIA regulations and IDB safeguards policies. These communities were carefully studied so as to ensure the use of the most socio-culturally appropriate participatory approaches during the various consultations.

4.16 Information generated from the various community consultations identified overwhelming support for the proposed Project with anticipated positive local economic development benefits as a result of the road rehabilitation and the generation of local employment. High on the list, were anticipated positive benefits from improved design and road safety measures, especially for pedestrians and relief from long-standing flooding due to poor/non-existent drainage/culverts. The narrowness and potholes on the GPH were also identified as issues of concern. Notwithstanding the perceived positive benefits, residents express concern about: a) the potential increase in reckless driving, traffic flow, speeding and noise pollution as a result of improved road conditions; and, b) the potential disruption to community cohesion through influx of a predominantly male workforce. The latter was a critical concern among educators and women given the high risks of sexual exploitation of adolescent girls and sexual harassment of community members.

4.17 To address these matters, residents identified the need to ensure implementation of appropriate pedestrian crossings, signage, bus stops, lighting, and traffic calming measures (inclusive of highway police patrols) as well as the need to have contractors hire locals, with special consideration for the protection of women and youth in the communities. Additionally, the need for adequate drains and culverts were duly identified.

4.18 It is further recommended that the MOWT, through its PEU implement key social management mechanisms, ensure continued engagement during the construction and operational phases of the Project and to build on positive experiences. These mechanisms include but are not limited to: (i) a Grievance Mechanism, which provides the structure to respond either where the social impact mitigation measures are not functioning as envisaged, or when unanticipated social impacts arise for which mitigation measures have not been developed; and (ii) establishment of part-time Community Liaison Officers, one for each Road Section for the construction phase and at least one year into the operational phase of the Project. These mechanisms underpin the management of environmental and social risks associated with the Project by ensuring effective relationships and a feedback loop with Project stakeholders and project affected persons.

4.19 In tandem with the Belize EIA Regulations, public notification was scheduled for the week ending August 3, 2014 in the major print media.

**V. Management and Monitoring of Environmental, Social, Health and Safety and Labor Impacts and Risks**

5.1 The Environmental and Social Management Plan (ESMP) has the objectives of: enhancing the environmental and social benefits of the road rehabilitation project; avoiding, minimizing or remedying adverse impacts; and, ensuring that residual adverse impacts are kept within acceptable levels. These are to be accomplished through effective design, the use of green technologies and best practices, or through sound operational management of the Project and its accompanying activities. The Plan involves the close integration of an Environmental Impact Mitigation Plan (to prevent adverse impacts from occurring and keeps those that do occur within an acceptable level) and an Environmental Monitoring Program (providing information that can enable more-accurate prediction of the associated impacts and the necessary feed-back mechanism essential in adjusting the ESMP).

5.2 An important activity of the ESMP is the application of appropriate mitigation measures for an identified impact and consideration of their cost-effectiveness. Consequently, continuous mitigation measures will be implemented throughout the Project to protect and conserve the environmental and social conditions of the study area. The ESMP assesses the costs of mitigation and those associated with monitoring environmental impacts and reporting these activities to the DOE and PEU.

5.3 A Social Management Plan (SMP) describes the overall management and monitoring of mitigation measures to address potential social impacts. It specifies the responsibilities, timing, institutional structures, human resources and estimated annual costs required to effectively implement the SMP. It outlines management measures developed to minimize or avoid negative Project impacts and maximize Project benefits. This includes Social Impact Management Measures detailing specific mitigation and management measures for each impact identified in the Social Impact Assessment, with a description of the social performance targets that MOWT and its Contractors are to meet using specified Key Performance Indicators; and the Management of Social Risks to be managed through mitigation and a Participatory Public Participation Process. The latter is inclusive of a Grievance Mechanism, and developing good relationships with stakeholders and Project Affected Persons through effectively managing impacts.

5.4 Key environmental and social mitigation and management measures for the project cover the following major requirements: General Construction; Drains and Culverts Construction; Excavation and Borrow Pit; Material Storage and Handling; Workers Camp; Ecological; Archaeological; Vegetation Removal and Re-vegetation; Traffic Management; Utilities Management; Community and Worker Welfare, Safety and Health; New Roaring Creek Bridge Construction; Z-Curve Construction; and Santa Elena Roadway Construction Requirements.

5.5 An indicative costing is provided for the implementation of the recommended mitigation measures to address the potential environmental and social impacts associated with the Project. The costs are also associated with capacity building and institutional strengthening of the executing and regulatory agencies involved in ensuring compliance monitoring of the ESMP and the estimated costs for land acquisition and compensation. It should be noted that the major costs associated with mitigation measures have been included in the design features of the project and are part of the pre-feasibility and preliminary engineering design estimates provided in the ESIA. Many of the mitigation measures recommended are based on the implementation of best management practices and good industry standards which are intended to be included as conditions in the contracts that would be issued in respect to road rehabilitation project.

5.6 Indicators have been developed to evaluate the Project’s safeguard performance. A template specifies indicators to: (1) determine if effective mitigation is in place; and, (2) successful execution. For example, visual inspections for seepage around pit latrines, sedimentation at stream crossings, etc. A template will be used by the PEU/ DOE Officer assigned to the project to monitor compliance with the GoB’s Environmental Clearance Procedure and the ESMP and Environmental and Social Monitoring Plan.

**VI. Safeguards Requirements To Be Included In The Loan Agreement**

6.1 The IDB will require that the Borrower and the Executing Agency shall, at all times during the period of effectiveness of the loan agreement, comply with each of the following:

1. All applicable Belizean environmental, social, health and safety, and labor regulatory requirements.
2. All requirements associated with any environmental, social, health and safety, and labor related permits, authorizations, or licenses that apply to the Project, or any party responsible for executing the operation or the Project’s mitigation measures.
3. All aspects and components of all of the Project’s environmental, health and safety, social and labor documents, including the Environmental and Social Management Plan (ESMP) covering the Environmental Impact Mitigation Plan and the Environmental Monitoring Program (refer to Chapter 8 of the Environmental and Social Impact Assessment (ESIA)).
4. Ensure that all contractors hired for construction and operation activities of the Project comply with the applicable environmental, social, health and safety, and labor requirements set forth in Section 8.6 (Consolidated Environmental and Social Management Plan) of the ESIA.
5. Applicable aspects of the Bank’s Environment and Safeguards Compliance Policy (OP-703), Access to Information Policy (OP-102), Gender Equality in Development (OP-761), the Disaster Risk Policy (OP-704) and Involuntary Resettlement Policy (OP-710), and any other applicable Bank policies and guidelines cited therein, which the Borrower and the Executing Agency acknowledge in their entirety.
6. Consult with the Bank before approving or implementing any and all substantive changes to the Project components (including its environmental and social management and mitigation plans and outreach program) or its timetable which could potentially have negative environmental, social, health and safety, and labor effects.
7. Send written notice to the Bank of any and all noncompliance with any environmental, social, health and safety, and labor requirements of the Loan Contract and any significant environmental, social, health and safety, and labor accident, impact, event, claim or material complaint.
8. Implement ongoing information disclosure and consultation activities related to environmental, social, health and safety, and labor aspects of the Project, including disclosure of Environmental and Social Compliance Reports as set forth in paragraph J below and, participatory monitoring, as applicable.
9. In order to allow the Bank monitoring of the Project’s environmental, social, health and safety, and labor aspects, the Borrower agrees to the following:
   * 1. Direct Bank supervision actions (including site visits, review of documentation, consultations with affected parties and third parties);
     2. The Bank’s right to contract an external independent environmental consultant to perform more detailed supervision/monitoring actions during the Project’s construction and initial operation by the Borrower, and, as needed through the period of effectiveness of the Loan Contract;
     3. The Bank’s right to contract for the performance of an independent environmental, social, health and safety, and labor audit, if the Bank deems it necessary;
     4. To provide access to all relevant documentation, facilities and personnel and cooperate fully with any inspection or audit by the Bank or its designated consultants; and
     5. To cooperate fully with the IDB’s Independent Consultation and Investigation Mechanism (ICIM), provided that ICIM covers its own costs.
10. During construction and the first year of operations of the Project, the Borrower must prepare and submit semi-annual Environmental and Social Compliance Reports in form and content acceptable to the Bank. Each report should demonstrate how the Borrower has complied with the Bank safeguard policies and guidelines and health and safety and labor requirements for the reporting period. Furthermore, the report should address any outstanding questions or issues identified in previous reports. During the rest of the Original Disbursement Period or any extensions thereof, the Borrower must prepare and submit yearly Environmental and Social Compliance Reports, in form and content acceptable to the Bank.

**Annex**

