











## 7.2 Equator Principles Analysis

The Concessionaire is having a satisfactory compliance for most of the Equator Principles. Principles 2 and 3 are on track to comply regarding the Action Plan and the evaluation of social and environmental assessment and the applicable social and environmental standards. Please refer to Section 7.1 for detailed information

Table 9 Equator Principles Analysis



Principle	Compliance	Observations
Principle 1: Review and Categorization		Satisfactory Compliance
Principle 2: Social and Environmental Assessment		On track to comply. Please refer to to Performance Standards and the Action Plan.
Principle 3: Applicable Social and Environmental Standards		On track to comply. Please refer to Performance Standards and the Action Plan.
Principle 4: Action Plan and Management System		Satisfactory Compliance
Principle 5: Consultation and Disclosure		Satisfactory Compliance
Principle 6: Grievance mechanism		Satisfactory Compliance
Principle 7: Independent Review		Satisfactory Compliance.
Principle 8: Covenants		Covenants has been defined in the contract agreement
Principle 9: Independent Monitoring and Reporting		Satisfactory Compliance.
Principle 10: EPFI Reporting		Satisfactory Compliance.



## 9 Action Plan



To June 2021, the Action Plan has eleven (11) activities. Ten (10) of them correspond to “on track” activities, five (5) are solved, and four (4) are new actions proposed after the document review and calls with the Concessionaire. It is important to clarify that some of the measures do not correspond to an ongoing non-compliance IFC Standards and Equator Principles III but are in the process of being implemented or are still pending implementation. The current status of the activities is shown in Table 10 and has been evaluated with the following color coding.




 Solved       On Track       Pending       New Action



Table 10. Environmental and Social Action Plan (2021)




No.	Proposed Action	Proposed Deadline	Status (Updated July 2021)	Color code
1	<p><b>Property Acquisition- Compensation mechanisms:</b> The Concessionaire is complying with the resettlement processes and land acquisition according to the national Resolution no. 545, 2008 - ANI and the appendixes 7 and 8 for the Concession Agreement. The Concessionaire should evaluate economic, legal and social aspects of the new resettlement properties and follow up the adaptation of their owners for at least one year.</p> <p>Arup request the Concessionaire to report in the next period all the strategies are being implemented for the relocation processes in UF 5, the approval of the EER regarding delays in the construction schedule and the results of the negotiation process (amigable componedor).</p> <p><b>UF: 5</b> <b>PS/EP:PS5</b></p>	Biannual – Next Envi. And social report.	The Concessionaire signed an agreement with the owner to offer seven (7) socioeconomic and legal compensations alternatives. To date, the alternatives have been applied to social units; however, <u>It is important to monitoring how the alternatives will be aligning to the Performance Standard in terms of guarantee security of tenure and avoiding the impoverishment.</u>	
2	<p><b>Archaeology:</b> On June 18th, 2019, archaeological rescue activities started in the area denominated “El Indial” (Tesalia intersection UF 2 – UF3.1).</p>	Biannual – Next Envi. And social report.	To date, the Concessionaire continues working on the archaeological prospection	





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	<p>Considering that it is not possible to estimate a date of termination of the archaeological activities, since it depends on the findings of each exploration, the Concessionaire has an EER approved on December 20th, 2019 that gives additional 2 months and 24 days to complete works once archaeological activities are completed. Arup request the Concessionaire to continue to report the progress and management of the archaeological activites and findings.</p> <p><b>UF: All</b> <b>PS/EP:PS8</b></p>		and has liberated almost 100 %, except in UF 5, of the area for construction works. Arup will continue tracking this process.	
3	<p><b>Environmental sanctioning process- Trompeta Bridge:</b> In November 2018, ANLA opened a punitive process related to the construction of the Trompeta’s bridge piles in UF 1. Which is within the licensed area, but the construction activity was not authorized in the environmental license. In Arup’s opinion considering that the UF 1 construction activities were finished, the sanctioning process does not represent a high risk in the development of the project. The Concessionaire must review the legal process and report the advances and response issued to the environmental authority in the next monitoring report.</p> <p><b>UF : 1</b> <b>PS /EP: PS1</b></p>	Biannual – Next Envi. And social report.	During the evaluated period, the Concessionaire did not receive or submit additional information to the environmental authority (ANLA). Arup will continue tracking this process until its official closure.	
4	<p><b>Materials disposal – ZODMES:</b> The Concessionaire has identified 40 ZODMES, from which 7 are in use, 9 ready to use when necessary, 16 are enclosure process, 5 desisted and 3 are in the authorization process. Arup evidenced that five ZODMES does not comply with the hydraulic and runoff protection established in the environmental management plans of the project. Therefore, the Supervisor opened a cure period requesting the Concessionaire to install sediment barriers and complete their drainage infrastructures.</p> <p><b>UF: All</b> <b>PS/EP:PS6</b></p>	Immediately – Next Technical report.	Arup evidenced improvements in the hydraulic systems of Zodmes as well as the Supervisor. For that reason, the Concessionaire was informed by Supervisor, that they have required ANI to end the cure period in regard to alleged non-compliance of the environmental management programs (including ZODMES) as they concluded all the comments submitted were implemented adequately by the Concessionaire.	

No.	Proposed Action	Proposed Deadline	Status (Updated July 2021)	Color code
			<p>However, ANI have not provided any answer back to date.</p> <p>Arup will continue tracking this process until ANI refers any response.</p>	
5	<p><b>Working conditions – work force layoff:</b> Due to the end of construction works some of the UFs, during the evaluated period the Concessionaire began to implement the staff layoff programs which included different trainings.</p> <p>Arup request the Concessionaire to report all the programs, activities, statistics and effectiveness of the implemented measurements.</p> <p><b>UF:</b> ALL <b>PS/EP:</b> PS2</p>	<p>Biannual – Next Envi. And social report.</p>	<p>Arup evidenced the Concessionaire has defined specific staff layoff programs. Arup request the Concessionaire to continue reporting all the programs statistics and effectiveness of the implemented measurements.</p> <p>Arup will continue tracking this process.</p>	
6	<p><b>Water treatment in Tesalia Tunnel:</b> Due to the increase of infiltration water flow in the Tesalia Tunnel, the Concessionaire must (i) redesign the water treatment system, (ii) request ANLA a modification of the environmental license and (iii) construct the new system to comply with the discharge flows amount and quality.</p> <p><b>UF:</b> 2.2 <b>PS/EP:</b> PS1, PS3</p>	<p>Immediately – Next Technical report.</p>	<p>The Concessionaire desisted about improving the water treatment system as an item included in the modification of license. By contrast, the modification finally incorporated (i) redistribution of the discharge flow from exit portal and (ii) change of receiving body of infiltration water pumping from Tesalia tunnel, as well as the (iii) inclusion of two temporary storage sites. ANLA already initiated the administrative procedure. Therefore, Arup will continue tracking this process until the final pronouncement and the proposed activities by the Concessionaire are fulfilled.</p>	



No.	Proposed Action	Proposed Deadline	Status (Updated July 2021)	Color code
7	<p><b>Water management – El Cairo aqueduct:</b> During the evaluated period, the Concessionaire received the PQR No. 10-78 (May 5<sup>th</sup>, 2019) related to the petition of information of the community El Cairo about the water flow of a waterbody near the entrance portal of Tunnel Tesalia. Arup request the Concessionaire to submit all the technical studies about the watercourse lithology and water quality characterization and a report all the implemented measurements that guarantee the water availability and quality.</p> <p><b>UF: ALL</b> <b>PS/EP: PS1, PS3</b></p>	Immediately – Next Technical report.	<p>The Concessionaire provided to ANLA the information related to the development of a hydrological study, not only for el Cairo but for all the impacted communities nearby the Tesalia Tunnel. For the next monthly technical report, Arup requests from the Concessionaire a copy of the communications with the authority and the studies sent.</p> <p>This aspect will continue to be evaluated in detail as part of the action no. 10 of this ESAP. Arup will continue tracking this process until the official closure of the PQRS and final notification from ANLA is related.</p>	
8	<p><b>Environmental sanctioning process- ready mix concrete plant:</b> The Concessionaire has an environmental sanction procedure with ANLA (Resolution 02094, October 21<sup>st</sup>, 2019) that have not ended in economic sanctions but are a risk for the project's environmental compliance and reputation. Corresponding the operation of a ready mix concrete plant not approved in the environmental license of UF 2.</p> <p><b>UF: ALL</b> <b>PS/EP: PS1, PS3</b></p>	Biannual – Next Envi. And social report.	The Concessionaire did not receive or submit additional information to the environmental authority (ANLA). The Concessionaire has received legal advice and is working on a strategy to solve the issues. In addition, corrective actions were taken at this site. Arup finds this procedure has not resulted in economic sanctions or direct impacts on the construction works. Arup will continue tracking this process	
9	<p><b>COVID-19 outbreak:</b> Arup request the Concessionaire to continue to submit information about the results of the implemented measures according to the government and national authorities, how Covid 19 outbreak has impacted the</p>	Biannual – Next Envi. And social report.	Arup finds that the Concessionaire has taken appropriate measures in response to the COVID-19 outbreak, all of which have been in accordance with the instructions	

No.	Proposed Action	Proposed Deadline	Status (Updated July 2021)	Color code
	<p>Project and its environment and which programs are being included in the project in compliance with IFC PS 1, 2 and 4.</p> <p>UF: All PS/EP: PS1</p>		<p>and standards of the relevant authorities. As of December, 2020, the Concessionaire reported seventy eight (78) confirmed cases, all recovered.</p>	
10	<p><b>Flow rates decrease near Tesalia Tunnel:</b> In August 2020, the communities (including El Cairo) raised several PQRS related to an alleged decrease in groundwater flow rates and the water supply near the Tesalia Tunnel. Immediately, the Concessionaire activated the mitigation measures approved in the Environmental License to guarantee communities water access, and start developing a hydrogeological study to determine if this impact is caused by the construction of the Tunnel. Arup requires the Concessionaire to continue to provide the information related to (i) the hydrological and technical studies that determine the cause, impacts, and risks, (ii) mitigation and compensation implemented measures, (iii) interagency strategies, and the (iv) communications with environmental authorities, communities, and stakeholders. Also is necessary to consider a scenario analysis and action plan in case of this issue is scaled up to a Court and the precautionary principle is declared.</p>	<p>Biannual – Next Envi. And social report.</p>	<p>The Concessionaire is carrying out the appropriate control measure. Concerning to the first semester of 2021, last workshops were held with the communities from entrance portal and exit portal on April 30 and June 11,2021, respectively. The Concessionaire continues providing physical resources and labor supply in order to guarantee the availability of water to the communities nearby who may be affected by decrease in flow rates. However, the Concessionaire is still looking forward to the ANLA’s pronouncement according to the information submitted about piezometric network. In Arup’s opinión, this item will be on track until there is a definitive notification from ANLA.</p>	
11	<p><b>Watercourse protection nearby new toll construction:</b> During the site visit Arup identifies a body of water nearby the new toll construction that must be protected in order to prevent any harm and/or reduce impact. The above is required, considering the fact that the Concessionaire must preserve all water resources which are inside the licensed area and fulfill the environmental management plan in regard to watercourse protection. Important to notice this waterbody is placed no more than 20 meter from the new toll.</p> <p>UF: 2</p>	<p>Biannual – Next Envi. And social report.</p>	<p>New Action</p>	

No.	Proposed Action	Proposed Deadline	Status (Updated July 2021)	Color code
<b>PS/EP: PS3</b>				
12	<p><b>Waste Management:</b> As a result of the site visit, Arup requires the Concessionaire to ensure that the collection of all types of wastes take place properly, in particular, wood and demolition wastes. The action should include recollection from all sites of the project such as temporary camps, plants, and facilities in order to fulfill the environmental management plan. Important to mention that Arup understands the current situation about irregular settlements, however, leaving wastes and construction material in worksites is not the best way to avoid this kind of settlements. Therefore, the Concessionaire should find a suitable way to deal with this inconvenience.</p> <p><b>UF: All</b> <b>PS/EP: PS3</b></p>	Biannual – Next Envi. And social report	New Action	
13	<p><b>Soil contamination:</b> Consecuently to the site visit, Arup evidenced spillages of hazardous liquid products coming from equipment and machines that have not soil protection measurements, in particular, placed in Bridge A, UF 5. Hence, Arup requires the Concessionaire to propose and implement preventive procedures in order to prevent spills as well as demonstrate evidence of treatment, removal and accurate disposal for spills that have already occurred.</p> <p><b>UF: 5</b> <b>PS/EP: PS3</b></p>	Biannual – Next Envi. And social report	New Action	
14	<p><b>Organization of monitoring campaigns (water, air and noise)</b> Arup is aware that the Concessionaire has submitted all reports about water, air and noise monitoring biannually where it is clear the compliance in regard to quality standards. However, it is difficult to follow up the periodicity of these reports due to the unawareness of how often each one of them should be developed. For this reason, Arup requires the Concessionaire to report from now on the detailed schedule for water, air and noise monitoring campaigns in order to analyse the fulfillment of their periodicity which should be half-year basis according to the environmental licenses.</p>	Biannual – Next Envi. And social report	New Action	

No.	Proposed Action	Proposed Deadline	Status (Updated July 2021)	Color code
15	<p><b>Land acquisition near the Tesalia tunnel:</b> During the last field visit carried out by Arup, the Concessionaire reported that it was contemplating the acquisition of land near the Tesalia tunnel to reduce water pressure in the area due to crop cultivation. They also commented on implementing environmental compensations in that same property. The Concessionaire proposes this measure as a way to contribute to the prevention of future impacts to the water body. This is also expected to contribute in some manner to the ecological restoration of the area. Arup recommends impact indicators for this measure if it is authorized and compensations for forestry use are implemented. They can be considered for water quantity and flows as well as for the development of plant species (e.g. percentage of survival).</p>	Biannual – Next Envi. And social report.	New Action	
16	<p><b>Quarterly Social Management Program (PGSC):</b> According to “Technical appendix 8: Social Management”, Arup requests to the Concessionaire the updated information about “Plan de Gestión Social Contractual’ quarterly reported to ANI.</p> <p>UF: All PS/EP: PS 1, 2, 4, 5 and 8.</p>	Biannual – Next Envi. And social report.	New Action	
17	<p><b>Quarterly land acquisition report, appendix 7:</b> According to “Technical appendix 7: Land acquisition management”, Arup requests to the Concessionaire the updated information about land acquisition process quarterly reported to ANI.</p> <p>UF: All PS/EP: PS5</p>	Biannual – Next Envi. And social report.	New Action	
18	<p><b>Monitoring and evaluation of resettled social units:</b> For the next period, Arup recommends that the Concessionaire implement indicators to measure the housing conditions in the social units already resettled. In this way, they can ensure that housing conditions have improved or worsened and require additional assistance.</p> <p>UF: All</p>	Biannual – Next Envi. And social report.	New Action	



No.	Proposed Action	Proposed Deadline	Status (Updated July 2021)	Color code
<b>PS/EP: PS5</b>				
19	<p><b>Update on Environmental Compensations:</b> For this period, Arup did not receive an update on the progress status of the Concessionaire's environmental compensation decreed by ANLA and local authorities. This is important for compliance with both national and international standards. Even though there are no effects on the schedule or fines in this regard up to June 2021, Arup must receive this information to validate the development of each of the compensation measures agreed by the Concessionaire.</p> <p>UF: All PS/EP: PS5</p>	Biannual – Next Envi. And social report.	New Action	
20	<p><b>Control over forestry use:</b> For this period, Arup conducted a field visit and did not find evidence that the control measures for forestry use are being applied. The concessionaire is requested to validate this situation and report it for the next monitoring period.</p> <p>UF: All PS/EP: PS6</p>	Biannual – Next Envi. And social report.	New Action	
21	<p><b>Free, Prior, and Informed Consent with indigenous community:</b> For the next period, Arup recommends that the Concessionaire should update the status of prior consulting respond given by Minister of Interior.</p>	Biannual – Next Envi. And social report.	New Action	