

## **Environmental and Social Review Summary (ESRS) Xochi, Flower Road – Guatemala**

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### **1. General Information of the Project and Scope of IDB Invest's Environmental and Social Review**

This transaction consists of a long-term loan to Fondo BPS S.A., a special purpose company established in Panama by IDC Overseas LTD (“IDC Group” or “IDC”) and Bicapital Corporation (the “Company” or the “Client”), with the purpose of executing construction, operation, and maintenance of a private 31 km toll highway from km 142.6 of CA-2 Occidente Road, San Antonio Suchitepéquez Municipality, to km 172.5 of CA-2 Occidente Road, San Andrés Villa Seca Municipality, department of Retalhuleu, Guatemala (the “Project”). The expected useful life of the asset is 40 years and is expected to be completed in approximately two years.

The highway will pass through the municipalities of Mazatenango, San Antonio, San Lorenzo, Santo Domingo, and Cuyotenango in the Department of Suchitepéquez, and the municipality of San Andrés Villa Seca in the Department of Retalhuleu. The objective of the project is to reduce traffic congestion in the region by providing an alternative (i.e., bypass) to traveling along Route CA-2 through San Bernardino, Mazatenango, and Cuyotenango. The Client already has agreements in place to purchase all the land necessary to build the highway. The Project, however, will require the resettlement of nine families in Anexo Palo Gordo of the Municipality of San Antonio, whose homes are located adjacent to the track of the old Guatemala Railroad (“FEGUA”).

### **2. Environmental and Social Categorization and Rationale**

The Project has been classified as a Category A operation according with IDB Invest’s Environmental and Social Sustainability Policy since it will likely generate the following impacts and risks among others during its construction and operation and maintenance (“O&M”) phases: i) soil erosion due to soil and topsoil removal; ii) pollution of water bodies during the construction of bridges, vaults, culverts, and minor drainages; iii) dust generation and combustion gas emissions from vehicle and heavy machinery; iv) increase in ambient noise levels due to the use of heavy machinery and increased traffic; v) generation of hazardous, non-hazardous, and special solid and liquid waste at work fronts, camps, and crushing and asphalt plants; vi) soil contamination from handling hazardous materials; vii) visual and aesthetic impacts due to landscaping modification; viii) involuntary resettlement of nine families; ix) generation of employment expectations in neighboring communities; x) vibrations; xi) water and energy supply pressures; xii) exacerbation of gender risks due to the influx of external personnel; and xiii) impacts on biodiversity due to hunting of animals and burning of firewood for cooking.

These impacts and risks are deemed to be of medium-high intensity, but manageable through the application of prevention, mitigation, and compensation measures.

The Performance Standards ("PS") triggered by the Project are: i) PS1: Assessment and Management of Environmental and Social Risks and Impacts; ii) PS2: Labor and Working Conditions; iii) PS3: Resource Efficiency and Pollution Prevention; iv) PS4: Community Health, Safety, and Security; v) PS5: Land Acquisition and Involuntary Resettlement; vi) PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources; vii) PS7: Indigenous Peoples; and viii) PS8: Cultural Heritage.

### 3. Environmental and Social Context

#### 3.1 General Characteristics of the Project's site

The Project, located in the southwest zone of the Republic of Guatemala, will cross the following municipalities: San Antonio Suchitepéquez, Santo Domingo, San Lorenzo, Mazatenango, and Cuyotenango in the Department of Suchitepéquez; and San Andrés Villa Seca in the Department of Retalhuleu. The Project's area of influence ("AOI"), however, includes the following four additional municipalities: San José el Ídolo, San Bernardino, and San Gabriel in the Department of Suchitepéquez; and Santa Cruz Muluá in the Department of Retalhuleu.

The Project is located within the Tropical Humid Forest (bh-T) and Very Humid Tropical Forest (bmh-T) biomes. Its area has a length of approximately 30.82 kilometers (km) and a width of 50 meters (m); the project area therefore covers 1,525,000 m<sup>2</sup> (i.e., 152.5 hectares, "ha"). An additional 6 hectares will be used by the four highway distributors and another 16.5 hectares will be used as material banks and excess material deposits (also known as waste dumps).

Land use within the right-of-way ("RoW") is mainly agroforestry (143.52 ha), dominated by sugarcane (*Saccharum officinarum L.*), rubber (*Hevea brasiliensis*), and oil palm (*Elaeis Guineensis*) monocultures, alternating with small patches of forest cover and fruit trees (6.93 ha) and river crossings and flooded areas (1.26 ha). The sites adjacent to the RoW have the same characteristics.

The Project will be located on private land acquired by the Client from individuals (families), small and medium-sized enterprises, and large companies in the area<sup>1</sup>. The Project, however, will require the resettlement of nine families living adjacent to the old railroad track in the town of Anexo Palo Gordo in the municipality of San Antonio.

Seventy-eight communities have been identified in the Project area: 21 in its area of direct influence ("ADI") and 57 in its area of indirect influence ("AI"). These communities, represented by Community Development Councils (*Consejos Comunitarios de Desarrollo*, or "COCODEs"), are characterized by the presence of individuals who, according to the XII National Population and VII Housing Census of the National Institute of Statistics<sup>2</sup> ("INE"), self-identify as Indigenous, although none of the communities are part of Indigenous groups or associations. There is a Peasant Development Council (*Consejo de Desarrollo Campesino*, or "CODECA"), however, in the community of Chacalté Aparicio Zone 1 of the department of Retalhuleu.

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<sup>1</sup> 96 plots of land acquired by FONDO BPS.

<sup>2</sup> 2018 census (INE 2019).

### **3.2 Contextual Risks**

At the turn of the century, Guatemala experienced moments of internal armed conflict and violence. This places it at a high contextual risk compared to other countries in the region.

Risk levels, however, vary considerably from department to department. Suchitepéquez and Retalhuleu rank above average in Guatemala in access to information and well-being, but significantly below average in group or collective violence, political instability, and municipal governance. Suchitepéquez ranks below average in violent crime, while Retalhuleu ranks slightly above average<sup>3</sup>.

## **4. Environmental Risks and Impacts and Proposed Mitigation and Compensation Measures**

### **4.1 Assessment and Management of Environmental and Social Risks and Impacts**

#### 4.1.a Environmental and Social Management System

The Client currently lacks an environmental and social management system ("ESMS") and will therefore develop an ESMS for the construction and O&M phases that includes the following components: i) policies; ii) identification of risks and impacts; iii) management programs; iv) organizational capacity and competency; v) emergency preparedness and response; vi) stakeholder engagement; vii) external communication and grievance mechanisms; viii) ongoing reporting to affected communities; and ix) monitoring and review.

The Project currently has an environmental license granted by the Ministry for the Environment and Natural Resources of Guatemala (*Ministerio de Ambiente y Recursos Naturales*, or "MARN") for its construction and O&M phases. The Client will update this environmental license prior to its expiration date to ensure the Project's operational continuity.

#### 4.1.b Policy

The Client currently lacks an environmental and social policy and will therefore develop a policy or policies that address environmental, social, and occupational health and safety ("OHS") issues, according to the magnitude and context of the Project, and will disseminate it among its direct and indirect workers (contractors and subcontractors).

#### 4.1.c Identification of Risks and Impacts

The Environmental Impact Assessment ("EIA") prepared by the Client for the Project's environmental licensing identifies the environmental, social, and OHS risks for both the construction and O&M phases. The Client will also develop procedures to identify and evaluate hazards, risks, and potential impacts on the community, workers, and the environment. These procedures will ensure timely planning for the implementation of prevention and management measures to control

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<sup>3</sup> IDB Invest Contextual Risk Tool developed in conjunction with the Fund For Peace.

risks that were not identified in the EIA, including work fronts, temporary camps, material banks, and excess material deposit sites.

Prior to the start of construction, the Client will ensure that permits are obtained for: i) quarries located on the Nimá and Sis 1<sup>4</sup> rivers; ii) material banks; iii) forest harvesting; iv) provision of water for construction and use at worker camps; and v) any required archaeological investigations.

#### 4.1.c.i Direct and Indirect Impacts and Risks

The EIA identifies impacts on the following as moderate: i) air quality and ambient noise, due to earthworks, the mining of material banks, the operation of crushing and asphalt plants, and the circulation of trucks and machinery; ii) surface and groundwater, as a result of the alteration of the morphology of surface water bodies (rivers), mining of material banks, the formation of dumps, and the production of fine particles in the crushing plants; iii) soil and subsoil, due to trees being felled in the remnants of secondary and gallery forests, plant cover removal for clearing and cleaning the RoW, and accidental hydrocarbon spills from machinery, workshops, and grease and fuel storage areas; iv) landscape, which will be affected by the presence of a new highway; v) OHS, due to the use of machinery, worker exposure to noise, and the handling of flammable materials; and vi) the community in the area of influence, due to the relocation of power, fiber optic, and telephone transmission lines, and the transportation of materials to the Project.

The EIA identifies impacts on the following as high: (i) flora, fauna, and ecosystems, due to plants being cleared,<sup>5</sup> which will negatively affect natural habitats by causing altered water flows, barriers to wildlife movement, removal of nesting sites, and habitat fragmentation, as well as visual and auditory disturbances due to the presence of machinery and workers; ii) archaeological, historical, and cultural resources, due to the potential disturbance of archaeological remains during earthworks; and iii) the community, due to the damage to infrastructure that will be generated by the intense transport of heavy vehicles during construction and the involuntary displacement of nine families currently living in Anexo Palo Gordo.

All these impacts will be managed by using the mitigation hierarchy (prevent, mitigate, compensate, and restore) and implementing the actions contained in environmental management plans. To refine measures to prevent undesired impacts on biodiversity and ecosystems, the Client will update the biotic baseline (flora and fauna) in identified secondary forest patches and aquatic ecosystems that are part of the Project's ADI.

#### 4.1.c.ii Analysis of Alternatives

The project planning process included the analysis of three alternatives: i) widening of the existing highway; ii) building partial bypasses near the towns of San Bernardino and Cuyotenango; and iii) laying a new four-lane highway between kilometer 142.6 and kilometer 172.5 of the Central American highway CA-2 West (the Project). The latter was selected because the magnitude and

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<sup>4</sup> The Client has already developed EIAs for the extraction of alluvial material from the Nimá and Sis 1 rivers, which have identified and evaluated the hazards, risks, and impacts that will be generated, along with corresponding management measures.

<sup>5</sup> Sugarcane, oil palm, rubber, and trees of some remnants of secondary and gallery forests.

intensity of the environmental and social impacts will be lower. The land to be acquired was private, land use was agricultural with a predominance of sugarcane, rubber, and palm oil monocultures, and the location of the highway is far from urban centers, construction within which would have exacerbated the community's exposure to air pollution, noise generation, and an increase in heavy vehicles, among others.

#### 4.1.c.iii Cumulative Impacts

The Client will develop a cumulative impact study following IDB Invest's Practical Guide for Cumulative Impact Assessment and Management in Latin America and the Caribbean<sup>6</sup>, which will consider the aggregate effect of past (e.g., Ixtacapa hydroelectric plant, CA-2, sugarcane crops and processing plants), present (i.e., imminent), and reasonably foreseen future projects on Valued Environmental and Social Components (“VECs”) such as air quality, noise, surface water quality, landscape, and biodiversity, among others. A cumulative impact mitigation plan will be developed from this process.

#### 4.1.c.iv Gender Risks

In Latin America and the Caribbean there is significant gender inequality, defined as differential and unequal access to labor, educational, economic, and political participation opportunities based on sex or gender. This inequality, which is reinforced by widespread cultural norms regarding acceptable roles for men and women, is exacerbated by weak legal protections or inadequate social response and generally leads to gender discrimination, unequal access to public services, educational differences, wage and labor inequality, and differential political participation. The gender inequality index for Guatemala (0.66) ranked 22nd out of 22 countries in the region in 2022.<sup>7</sup>

Gender-based violence and sexual harassment are also a major problem in Latin America and the Caribbean, which has the highest rate in the world. Brazil, Mexico, Argentina, Peru, El Salvador, and Bolivia account for 81% of global cases. Twelve women are murdered every day in the region. In Central America, two out of every three murders of women are due to their gender (i.e., femicide) and in half of the cases the perpetrator is their partner or former partner. There were 138 reported femicides in Guatemala in 2021, which ranked seventh out of 20 countries in the region<sup>8</sup>.

#### 4.1.c.v Gender Programs

The IDC Group Employee Handbook (Personnel Policies, Rules, and Processes Manual) prohibits sexual harassment and requires that related incidents be reported to management for immediate investigation. The Project's social investment program “Emprendex” (which involves developing nurseries and reforestation areas along the RoW using native species) is specifically designed to provide benefits to women.

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<sup>6</sup> <https://www.idbinvest.org/en/download/19140>

<sup>7</sup> [Gender gap index in Latin America 2022 | Statista.](#)

<sup>8</sup> [Number of femicides in Latin America by country 2021 | Statista.](#)

Prior to the start of construction, the Client will identify the gender risks of all Project activities and develop and implement measures to address them, including contractors and subcontractors. These measures will include, among others: i) policies concerning non-discrimination, inclusion, no sexual harassment, no gender-based violence, and cooperation with the judicial system in the investigation of complaints of gender-based violence; and ii) an Employee Code of Conduct that will express zero tolerance for gender-based violence, including street sexual harassment ("catcalls"), and will contain enforcement and monitoring procedures.

#### 4.1.c.vi Climate Change Exposure

Due to its location, the Project has a high exposure to physical risks, including geotechnical (seismic and volcanic) and hydrometeorological (moderate to high droughts and high exposure to heat waves). Some areas of the Project are prone to forest fires. The climate projections of different scenarios indicate that rainfall frequency will not change. However, the intensity of rainfall due to climate variability is expected to increase by up to 30%.

The Project is located near areas prone to river flooding and landslides. Its geographical location is exposed to cyclonic winds.

In order to build a functional infrastructure that is resilient to natural disasters and climate change impacts, the hydrological studies conducted for the Project have considered 50 to 500 year return periods for the hydraulic design of bridges, vaults and culverts, and minor drains and ditches, and to determine the safety factors and design of the structures.

As part of its hazard identification and risk assessment procedures ("HIRA") and the development of its contingency plans, the Client will consider the most likely physical risk scenarios (natural disasters and climate change) for the Project in its construction and O&M phases.

Although the transition risk is considered medium, the Project will prepare an annual inventory of greenhouse gas emissions ("GHG") and develop and implement a program for the reduction of such GHG emissions.

#### 4.1.d Management Programs

The Project's Environmental Management Plan ("EMP") has been designed to prevent, mitigate, and compensate for undesirable environmental and social impacts during the construction and O&M phases of the highway. The EMP includes the following programs: i) impact prevention and mitigation, which considers management actions for combustion gases and dust, ambient noise, soil and subsoil alteration, effects on biodiversity, impacts from the transport of materials, machinery, and equipment to the Project, odors, light pollution, occupational accidents and occupational injuries, accidents due to environmental emergencies, road accidents, inconvenience to the inhabitants of the area of influence, surface and groundwater pollution, riverbed alteration, soil pollution, protection of local biodiversity and cultural heritage, alteration of the landscape, and job creation; ii) emergencies and contingencies; iii) industrial safety; iv) COVID-19 prevention; and v) monitoring. The Project also has specific EMPs for each of the sites that will be used as material banks. The client will also develop an EMP for the excess material disposal sites or dumps.

#### 4.1.e Organizational Capacity and Competency

The Client has established an Environmental and Social Affairs Management Department, known as "Xinergia," in the organizational chart for the Project's construction phase. This department includes a senior position reporting directly to the Project Manager in the field and to the person in charge of environmental and social affairs at the corporate level, and is in charge of the following areas: i) stakeholder relations or public relations, responsible for the external grievance mechanism, media and social media, and external communications; ii) social management, responsible for the implementation of social investment programs; iii) environmental management, responsible for the development of reports and support to social investment programs; and iv) social relations, responsible for the execution of the stakeholder engagement plan and timely and effective communication to affected communities prior to the start or opening of each work front. In addition, the department has an environmental monitor responsible for contractor compliance with the EMPs and two support staff responsible for systematizing and verifying information, who will be the liaison and communications support with Project Management at the corporate level. Recruitment of the Environmental and Social Affairs Management Department staff for the construction phase is still pending.

The Project will have an OHS department that currently consists of a manager and a certified professional whose experience meets the requirements of current national regulations and who will carry out supervisory activities during construction, as well as verification of legal and contractual compliance by contractors and subcontractors. During the progress of the works, the incorporation of more specialized professionals is foreseen to carry out these activities.

#### 4.1.f Emergency Preparedness and Response

The Project's EMP contains a Contingency Plan based on the natural disaster response guidelines and recommendations issued by the National Commission for Disaster Reduction (*Comisión Nacional para la Reducción de Desastres*, or "CONRED"). The plan considers the following risk scenarios: i) earthquakes; ii) building fires; iii) forest fires; iv) road accidents; v) oil spills on the ground; and vi) occupational accidents or incidents. It also includes recommendations regarding the availability of resources to address each of the risk scenarios.

The Client will also develop and implement Emergency Preparedness and Response Plans ("EPRPs") for the construction and O&M phases of the Project, including administrative and operational actions to control and mitigate potential harm to direct and indirect workers, people in potentially affected communities within the Project's ADI, the environment, and infrastructure. These plans, which must be observed by contractors and subcontractors, will include the following: i) processes for identifying potential risks; ii) actions to be taken in each emergency situation; iii) roles and responsibilities for executing the EPRP; iv) internal communications protocols; v) external communications protocols with communities in the ADI, local authorities, and external support entities; vi) requirements and frequency of drills; and vii) training and education requirements.

#### 4.1.g Monitoring and review

The Project EMP includes a Monitoring Plan for its construction and O&M phases. The measures to be monitored during the construction phase will address: i) road safety (accident prevention signs); ii) occupational health (noise, dust, adequate facilities, and basic services for workers); iii) industrial safety (use of personal protective equipment, daily safety talks, first aid kits); iv) compliance with management measures for the disposal of excess material (dumps), material dumps, and temporary worker camps; v) particulate matter (PM<sub>10</sub> and PM<sub>2.5</sub>) production; and vi) ambient noise and water quality in the worker camps and the boundaries of the land where some of the material banks and dumps are located.

For the O&M phase, monitoring will focus on the following issues: i) soil and plant debris falling from unstable slopes; ii) hazardous, non-hazardous, and special waste management; and iii) incidents (road accidents, emergencies).

Regarding OHS aspects, the Client, through the Project's Occupational Health and Safety Plan, will follow up with contractors through periodic on-site audits or inspections, biweekly meetings, and OHS compliance reports. Contractor and subcontractor performance will be measured against predefined key performance indicators ("KPIs") and targets for reducing lost time rates ("LTIFR" and "LTISR").<sup>9</sup>

To monitor and evaluate social aspects, KPIs will include the following: i) number and status of complaints received from the community; ii) number of meetings with communities and number of attendees; iii) number of events to disseminate the use of the external grievance mechanism; and iv) environmental and social performance reports. The resettlement plan that will be developed for the relocation of the nine families from Anexo Palo Gordo will also be monitored and controlled and will include the analysis of: i) living conditions compared to prior to the resettlement; ii) reestablishment of livelihoods; iii) reestablishment of economic means; and iv) adaptation to the new environment.

To ensure the proper implementation of the EMP, the Client will also develop and implement: i) a procedure to evaluate the management of its ESMS that includes KPIs for the Project's construction and O&M phases; ii) a compliance matrix for legal and contractual obligations, which will include details on the control body that issued the permit or license, the dates of issuance and validity, the internal persons responsible for monitoring renewals, and the obligations demanded from the respective environmental instrument; and iii) a contractor management plan for the control and monitoring of the environmental and social performance of its main contractors (bridges, roads, toll stations), including temporary works and facilities such as worker camps, material banks, quarries, and surplus material storage areas.

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<sup>9</sup> LTIFR: Lost Time Injury Frequency Rate (injuries per million hours worked); LTISR: Lost Time Incident Severity Rate (lost days per million hours worked).

#### 4.1.h Stakeholder Engagement

##### 4.1.h.i Disclosure of Information

To date, the Project has carried out important outreach, dialogue, and public participation activities.<sup>10</sup> These activities are divided into three phases, the details of which are presented below.

##### 4.1.h.ii Informed Consultation and Participation

Phase 1 was implemented from January 2018 to December 2019 and involved the disclosure of information about the Project to governmental authorities. Material containing information about the Project was developed for this purpose, including an illustrated flyer showing its location and an animated video. This phase culminated with an article about the Project in the local newspaper (*Prensa Libre*) in which the mayors of the municipalities of Mazatenango, Santo Domingo, and San Lorenzo expressed their support for the Project.

Phase 2 was delayed until COVID-19 restrictions were lifted, which occurred in July 2021. Pending this, however, the Project hired a consulting firm to conduct a perception study in the first semester of 2020. Based on this study, which identified 226 population centers within 5 km of the bypass, the Project defined its area of influence, which ultimately included eight municipalities in Suchitepéquez and two in Retalhuleu.

The study also found that only 37% of the population was aware of the Project. Of these, 76% had a favorable opinion and 10% did not. Opinions on the advantages of the Project included: i) less traffic (43%); ii) better trade (18%); iii) access to the community (18%); iv) better living conditions (13%); and v) increased economic growth (8%). The major concern about the Project was the fact that it is private and not public. Specific opinions on the disadvantages of the Project included: i) toll payment (67%); and ii) misinformation (33%).

As a result of the study and considering the concerns of the population, the Project hired two social specialists from Mazatenango to lead its Socioenvironmental and Community Relations Unit at the end of 2020. In the second half of 2021, just prior to the start of Phase 2, the Project hired a consulting firm of local anthropologists to assist the Socioenvironmental and Community Relations Unit with Phase 2 dialogues and public participation.

Once the pandemic restrictions were lifted, Phase 2 held the following dialogue and public participation meetings: i) 10 meetings with mayors and their respective municipal councils; ii) 8 meetings with Municipal Development Councils (*Consejos Comunitarios de Desarrollo*, or "COMUDEs") in which the leaders of COCODEs also participated; and iii) 63 meetings with COCODEs. The Project also met with: i) municipal authorities; ii) civil and religious organizations; iii) people linked to the CODECA movement; iv) women and youth groups; and v) other local interest groups (merchants, transporters, businessmen, academia, landowners near or in the vicinity of the Project route, and neighbors in general).

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<sup>10</sup> See EIA and June 2022 Independent Public Participation Progress Report.

Each meeting, which introduced the Project through the illustrated flyer, an animated video, and a presentation, consisted of receiving and documenting concerns, suggestions, and other comments from the participants. The presentations included information on the following Project impacts: i) socioenvironmental aspects; ii) water management and availability; iii) solid waste management; iv) air quality; v) noise levels; vi) biodiversity; vii) social; and viii) construction time. The presentation also included information on benefits, specifically: i) direct and indirect employment; and ii) purchase of local materials and inputs. The meetings were documented through meeting minutes, agreements, signed attendance sheets, and photographs. The Project completed meeting with representatives of all communities in the ADI in the first semester of 2022.

Phase 3, which is ongoing, includes additional meetings to address concerns raised by stakeholders and follow up on commitments made during Phase 2. This phase involves providing stakeholders with information on the following Project social investment programs: i) Inviertex, which allows third parties to purchase a stake in the Project; ii) Empreindex, which is aimed at women and youth and involves the development of plant nurseries and reforestation with native species in areas along the RoW; and iii) Xamba, which involves the generation of local employment during construction. As of June 2022, Phase 3 had held: i) 10 meetings with mayors and their respective municipal councils; ii) 7 meetings with COMUDEs; and iii) 21 meetings with the COCODEs of the 72 priority communities of the Project.

Since June 2022, the Project has identified six additional communities within its ADI. This means that a total of 21 communities are located within 2 km of the Project's route (i.e., in its ADI) and 57 communities are located between 2 and 5 km from the route of the road (i.e., in its AII).

The Client will develop a Stakeholder Engagement Plan to summarize past Project stakeholder engagement activities, identify and map Project stakeholders, and describe future Project stakeholder engagement activities, including social investment programs.

#### 4.1.h.iii Indigenous Peoples

According to Guatemala's 2018 census, 38% of Suchitepéquez residents identified themselves as Indigenous and 1% as Afro-descendant, compared to 15% and less than 1%, respectively, in Retalhuleu. In terms of language, 8% of Suchitepéquez residents claimed to speak one of 23 Indigenous languages, the highest percentage being K'iche', and 5% of Retalhuleu residents claimed to speak one of 24 Indigenous languages, the highest percentage being Mam. The percentage of people in the Municipality of Mazatenango who identified themselves as Indigenous in 2019 was 14%, while people who identified themselves as Indigenous in the other municipalities in the Project's ADI ranges from 3.5% (Santa Cruz Muluá) and 66% (San Bernardino).

Although a high percentage of people identify themselves as Indigenous in many of the municipalities and communities in the Project's area of influence, no formal Indigenous communities (i.e., Traditional Indigenous Authorities or "*Alcaldías Indígenas*") have been identified. As a result, the Client has established and will maintain an ongoing relationship with these people

based on Informed Consultation and Participation per PS1,<sup>11</sup> implemented through meetings with community representatives (i.e., COCODEs) and community assemblies.

#### 4.1.h.iv Private Sector Responsibilities Under Government-Led Stakeholder Engagement

The Company is responsible for the stakeholder engagement process related to the Project.

#### 4.1.i External Communication and Grievance Mechanism

##### 4.1.i.i External Communication

Fondo BPS is developing a web page for the Project which, in addition to including specific information on the project and its progress, will include relevant environmental and social aspects.

##### 4.1.i.ii Grievance Mechanisms for Affected Communities

The Client will prepare and implement a Grievance Mechanism for Communities affected by the Project, which will include a specific protocol for handling complaints related to gender-based violence and harassment.

##### 4.1.i.iii Provisions for addressing vulnerable groups' grievances

The Community Grievance Mechanism to be developed by the Client for the Project will include provisions for addressing the grievances of vulnerable groups.

##### 4.1.i.iv Ongoing Reporting to Affected Communities

In addition to the past and current stakeholder engagement activities described above, the Client will provide information on the Project, including its environmental and social performance, through the following channels: i) digital media (Project-specific website, IDC LinkedIn, and Project social media); ii) scheduled follow-up meetings with communities in the Project's ADI, in line with the SEP; and iii) kick-off meetings to inform the start of works.

## 4.2 Labor and Working Conditions

### 4.2.a Working Conditions and Management of Worker Relationships

There are currently 12 workers dedicated to the Project in its main office (Guatemala City) and 24 in the city of Mazatenango (Project offices). During peak construction, 1,488 direct employees are expected to be hired and 4,960 additional indirect jobs are expected to be created. A total of 60 workers are expected to be hired during the operation phase.

The Client has already begun the process of selecting the main contractors. It will favor those that demonstrate a satisfactory environmental and social performance. The corresponding contracts will

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<sup>11</sup> Performance Standard 1, Paragraph 31.

contain specific clauses regarding labor compliance and will include requirements related to: i) the need to adopt a zero tolerance policy towards gender-based violence and sexual harassment in its workforce and that of its subcontractors; ii) the selection of security services to protect personnel and assets in a manner that aligns with the principles of proportionality and ensures that the guards to be hired are properly trained in the use of force and that they maintain appropriate conduct towards workers and communities; iii) the obligation not to use forced, compulsory, or child labor; and iv) non-discrimination of workers based on gender, race, religion, nationality, political opinion, or social or ethnic origin.

#### 4.2.a.i Human Resources Policies and Procedures

The IDC Employee Handbook describes the Company's working conditions, including: i) working hours; ii) environmental working conditions; iii) benefits (including salary, performance-based raises, wage increases, compensation for additional time worked, paid annual leave, sick leave, holidays, and overtime); iv) corrective action procedures; v) termination of employment; vi) payments in the case of voluntary or involuntary termination; vii) personnel recruitment, selection, and hiring (including hiring of external consultants); and viii) merit rating and performance appraisal.

#### 4.2.a.ii Working Conditions and Terms of Employment

All employees receive employment contracts that specify their working conditions and terms of employment. They are required to receive induction training upon hiring, which includes information on their labor rights and obligations.

#### 4.2.a.iii Workers' Organizations

The IDC Employee Handbook states that the Company complies with the Guatemalan Labor Code, which guarantees the rights of workers to join a union and of unions to bargain collectively with employers. The Client will develop a Human and Labor Rights Policy applicable to the Project's contractors that recognizes worker freedom of association.

#### 4.2.a.iv Non-discrimination and Equal Opportunity

The IDC Employee Handbook prohibits discrimination in employment for recruitment, hiring, training, promotion, and job classifications based on race, color, sex, religion, national origin, age, physical or mental disability, or marital status.

#### 4.2.a.v Retrenchment

The Client will develop and implement a Project Retrenchment Plan that will include measures to mitigate the impact of worker and contractor layoffs at the end of construction.

#### 4.2.a.vi Grievance Mechanism

The Client will develop and implement an Employee Grievance Mechanism open to all Project employees, including contractors.

#### 4.2.b Protecting the Workforce

##### 4.2.b.i Child Labor

The IDC Employee Handbook states that the Company complies with the Guatemalan Labor Code, which prohibits employing children under 14 years of age without the written consent of their parents or guardians and the General Labor Inspectorate. It also prohibits minors from working full-time or engaging in hazardous activities. Nevertheless, the Client will develop a Human and Labor Rights Policy, applicable to the Project's contractors, that prohibits child labor.

##### 4.2.b.ii Forced Labor

The IDC Employee Handbook states that the Company complies with the Guatemalan Labor Code, which prohibits forced labor as defined in Convention 29 (Forced Labor Convention, 1930) and Convention 105 (Abolition of Forced Labor Convention, 1957) of the International Labor Organization ("ILO"). The Client will develop a Human and Labor Rights Policy, applicable to the Project's contractors, that prohibits forced labor.

#### 4.2.c Occupational Health and Safety

The Project's Contingency Plan includes a basic Industrial Safety Plan for the construction phase, with provisions related to: i) the use of personal protective equipment; ii) order and cleanliness; iii) excavation of ditches and trenches; iv) work at heights; v) electrical installations; vi) machinery and vehicle operation; vii) tools and manual handling of loads; and viii) handling of liquid mixtures and emulsions (asphalt and concrete).

The Project will develop and implement: i) a more detailed Occupational Health and Safety Plan before starting construction activities; ii) a procedure for the provision of food services to ensure food safety in the construction camps, incorporating monitoring and control actions to verify compliance by contractors; iii) periodic monitoring of water quality for consumption by direct workers and contractors; and iv) procedures for the management and maintenance of worker camps.

#### 4.2.d Provisions for People with Disabilities

The IDC Employee Handbook prohibits discrimination in employment for recruitment, hiring, training, promotion, and job classifications based on physical or mental disability.

#### 4.2.e Workers Engaged by Third Parties

The Client will develop and implement a Project Contractor Management Plan that will include measures to monitor contractor compliance with the Company's environmental, labor, and health and safety policies, procedures, and plans.

#### 4.2.f Supply Chain

The Human and Labor Rights Policy to be developed by The Client will apply to primary suppliers.

### **4.3 Resource Efficiency and Pollution Prevention**

#### 4.3.a Resource Efficiency

##### 4.3.a.i Greenhouse Gases

The EMP has calculated the carbon footprint of the Project and, as a mitigation measure, includes restoring plant life to offset the carbon emissions associated with the construction of the road. The Project will also develop an annual GHG emissions inventory that will include the significant sources of its direct emissions (Scope 1) and will also consider indirect emissions from energy consumed (Scope 2).

##### 4.3.a.ii Water Consumption

To operate the two planned worker camps (main and secondary), two alternatives have been defined to supply water for human consumption: i) a connection to the municipal supply system of the municipalities of San Antonio Suchitepéquez and Santa Cruz Muluá, Retalhuleu; and ii) the purchase of water from the owners of estates within the area of influence that already have wells in place. For supplying the work fronts and ancillary camps (for the construction of each bridge), water will be supplied by means of water bottles purchased from local suppliers.

Industrial water will be purchased from farms, industries, or lots that have wells and will be supplied by tanker trucks. In addition, if necessary for minor activities, water will be abstracted from bodies of water (21 rivers and 10 streams) located within the area of the highway route, for which a record will be kept of the volume abstracted.

##### 4.3.b Pollution Prevention

The EMP includes a set of activities that seek to avoid, reduce, and mitigate air, soil, and water pollution and contamination, including: i) recording of the maintenance of internal combustion equipment, heavy machinery, trucks, vehicles, and asphalt and crusher plants; ii) measurements of particulate matter (PM<sub>10</sub> and PM<sub>2.5</sub>) in the worker camps; iii) measurement of ambient noise; iv) monitoring the use of lighting during night work; v) recording the volume of water consumed and its supply source; vi) recording the cleaning of portable toilets by the contractor company, which must have an environmental license; vii) measurements of the quality of domestic effluent prior to discharge into water bodies; viii) implementation of a management plan for each of the excess material disposal sites; ix) use of living barriers to prevent erosion from runoff during construction work; x) measurement of river water quality in the area of influence; xi) implementation of a spill collection pit followed by an API separator for oil changes in the main camp maintenance workshops; xii) recording of the volume of organic matter and excess material from earthworks; xiii) implementation of dikes across the riverbeds that receive large volumes of water, to favor

infiltration and erosion control; and xiv) shaping of slopes with terraces, replanting, and placement of geotextile membranes.

#### 4.3.b.i Waste

Although the EMP includes actions relating to waste management, the Project will develop and implement a management program for hazardous, non-hazardous, and special solid and liquid waste, including classification, separation, temporary storage, reduction, transportation, and disposal, depending on the activities to be undertaken.

To treat domestic wastewater (black and gray) generated in its worker camps, the Client will implement one of the following options: i) construction of septic tanks; or ii) implementation of biodigesters, as approved in its environmental instruments.

#### 4.3.b.ii Hazardous Materials Management

The Client will develop a procedure for handling hazardous materials (e.g., fuels, lubricating oils, paints, and solvents), which will include the following: i) storage conditions, maximum allowable volumes, required permits, and safety signage; ii) the use of Material Safety Data Sheets (“MSDS”) for each product; iii) substance incompatibility information; and iv) a contingency plan in case of spills or accidents.

#### 4.3.b.iii Pesticide Use and Management

The Project does not foresee the use of pesticides. If required, however, the Client will verify that these are not Class IA (extremely hazardous) or Class IB (highly hazardous) chemicals according to the World Health Organization (“WHO”) hazard classification of pesticides.

### **4.4 Community Health, Safety and Security**

#### 4.4.a Community Health and Safety

The EIA has identified the following social impacts: i) temporary interruption of electric power, fiber optics, and telephone service during relocation work; ii) damage to community infrastructure due to the transit of trucks transporting material, machinery, and equipment; and iii) inconvenience to neighbors in the area of influence (within a radius of 100 meters) due to the transit of trucks transporting material, machinery, and equipment. To manage these impacts, the EMP contains the following measures: i) notifying users well in advance of the work schedule when services will be interrupted; ii) carrying out the work in close coordination with water, electric power, and telephone service providers; iii) verifying that trucks are not overloaded; iv) regulating the maximum speed for loaded and empty trucks; v) prioritizing the use of internal roads in private farms; vi) establishing a transportation plan for materials, machinery, and equipment, including routes that avoid, as much as possible, passing through population centers; and vii) placing signage at different truck crossing points to alert users. In addition to these measures, the Client will develop a Road Management Plan for the Project, which will also consider: i) the potential risks associated with increased vehicular traffic during construction (e.g., traffic accidents); ii) a preventive plan in accordance with

the potential risks identified; and iii) protocols for monitoring and supervising vehicle routes, traffic in populated areas, frequency and schedules for moving loads, vehicle conditions, and driver health conditions.

The Client will also develop a plan to manage risks related to gender-based violence and harassment associated with the influence of external workers and the installation of temporary camps at various locations in the Project.

For the O&M phase, the Project will develop a Road Safety Program focused on: i) defining measures for the safe mobility of the communities surrounding the highway infrastructure; ii) promoting a culture of road safety among highway users, contributing to the prevention and reduction of highway accidents; iii) coordinating awareness-raising and education actions with the competent authorities in charge of road safety; and iv) promoting the development of appropriate behaviors among users and communities in the project's area of influence in relation to the use of the new highway infrastructure.

#### 4.4.a.i Infrastructure and Equipment Design and Safety

The Project's technical studies have considered a series of road safety measures as part of its design, including: i) vertical and horizontal signage; ii) preventive, informative, and tourist signs; iii) safety devices such as guardrails, reflective studs, highway delineators, and curve chevrons; and iv) crosswalks in towns and in the vicinity of schools and educational centers, among other places with pedestrian traffic.

#### 4.4.a.ii Hazardous Materials Management and Safety

The Project's main camp will have a fuel storage tank, which will be duly authorized by the Ministry of Energy and Mines ("MEM") and will have a retention pit with a volume of 110% of the capacity of the liquid to be stored. The Client will also develop a program for handling, storing, and transporting hazardous materials, which will contain measures and instructions to avoid, minimize, and mitigate the adverse impacts that handling such materials may entail, such as: i) management of fuels, machinery, and heavy equipment; ii) location of maintenance workshops; iii) manner and location for fuel and chemical storage; iv) the minimum distances from water bodies that these material storage facilities must have; v) MSDSs for all hazardous products; vi) protocols for handling and using flammable products; vii) protocols for the storage and handling of oils, lubricants, greases, paints, and solvents; viii) location and technical specifications for oil and grease filter tanks; and ix) required signage in each case.

#### 4.4.a.iii Ecosystem Services

The Project's EIA lacks an identification of the terrestrial and aquatic ecosystem services that could be affected by the proposed works. The Client will therefore identify the main ecosystem services (provisioning, regulating, cultural, and supporting) that could be affected by the Project and will establish measures to avoid, prevent, mitigate, and restore any material impact on these services.

#### 4.4.a.iv Community Exposure to Disease

The Project's EMP contains a protocol to prevent the spread of COVID-19 through the following biosafety measures: i) the implementation of a health self-declaration register for all persons entering the construction site; ii) the possibility of implementing different work shifts to avoid agglomeration of workers; iii) the establishment of duly adapted isolation areas for possible identified cases; iv) the designation of a coordinator to ensure strict compliance with this protocol; v) the creation of a database of all personnel, specifying where they live, the family they live with, and contact numbers; vi) preventive and informative talks at the work fronts; and vii) the provision of masks or mouth covers as well as regular supplies of personal hygiene products. The Project also intends to give preference to local labor. As a result, a significant influx of personnel from other departments is not expected.

#### 4.4.a.v Emergency Preparedness and Response

The Project's EPRP will include the communities in the ADI that will be potentially affected during construction activities as part of the risk identification process and will consider their participation in scheduled drills.

#### 4.4.b Security Personnel

The Client will develop a Security Management Plan for both the construction and O&M phases of the Project, which will be applicable to contractors and will include procedures for screening security guard applicants and ensuring that they receive training in the use of force and human rights.

### **4.5 Land Acquisition and Involuntary Resettlement**

#### 4.5.a General

The Project required the partial acquisition of 96 properties from 69 owners, the areas of which ranged from 200,000 m<sup>2</sup> (owned by a company) to less than 500 m<sup>2</sup> (owned by an individual).

The Project will also require the resettlement of nine families from the town of Anexo Palo Gordo, whose homes are located at the planned intersection of the Project's path with the existing CA-02 highway, along a currently disused railroad track. Although many of these families have lived in their homes for decades, none own the land.

#### 4.5.a.i Project Design

Of the three alternatives considered for the Project (widening the existing road from two to four lanes; expanding the existing road but constructing partial bypasses around the towns of San Bernardino and Cuyotenango; and the no Project alternative), widening the existing road from two to four lanes would have required the resettlement of more than 300 families. Although the need for resettlement would have been mitigated by the construction of partial bypasses around San Bernardino and Cuyotenango (alternative 2), it would still have been greater than the nine families

that the chosen alternative required, given that the latter, designed to cross mainly agricultural land, minimizes resettlement.

#### 4.5.a.ii Compensation and Benefits for Displaced Persons

The Project provided landowners with three compensation options: purchase; equity participation as a project partner; and land-for-land compensation.

The purchase option was selected by 51 owners. In the case of small properties, whose land transfer would have rendered the unsold portion unusable, the Project acquired the entire property, while in the case of larger properties, the Project only purchased what it required. The equity option was selected by 15 owners. The latter, according to the agreements reached, will participate as partners in the Project and will receive a percentage of the income received from the use of the road, depending on the amount of land sold. The land-for-land option was selected by three owners.

#### 4.5.a.iii Community Engagement

Landowners were a key stakeholder in the Project's public participation process. Once the process of transferring ownership of these lands was concluded, these former landowners, who continue to be a key stakeholder for the Project, will be included in the Project's Stakeholder Engagement Plan.

The Project has had extensive engagement with the nine families from Anexo Palo Gordo regarding their resettlement. Future commitment with these families will be covered in a Resettlement Action Plan.

#### 4.5.a.iv Grievance Mechanism

Post-acquisition surveys indicate that all former landowners are satisfied with the outcome of their land acquisition process. As a result, no specific grievance mechanism is considered necessary for land acquisition. Nevertheless, the former landowners will have access to the Project's Community Grievance Mechanism, which will be updated to capture and process grievances from the nine families to be resettled.

#### 4.5.a.v Resettlement and Livelihood Restoration Planning and Implementation

The Project will require the resettlement of nine families from the Anexo Palo Gordo community. The Project will therefore develop and implement a Resettlement Action Plan that will contain measures to ensure that the situation of these families after resettlement is equal to or better than those they had before being displaced.

#### 4.5.b Displacement

##### 4.5.b.i Physical Displacement

To house the new families to be physically displaced, the Client recently acquired a 14.3 cuerda<sup>12</sup> property (approximately 6,300 m<sup>2</sup>) in Anexo Palo Gordo. Each family will receive 0.8 cuerdas (approximately 350 m<sup>2</sup>) of land with a house including electricity, water, and sewage. The houses will be built by Habitat for Humanity. The remaining land will include an open green area for children. The Project will secure an agreement with the nine families on the details of their resettlement.

The Project will not result in any additional physical displacement (i.e., from the properties of former landowners).

##### 4.5.b.ii Economic Displacement

The Project's Resettlement Action Plan will include procedures to identify and compensate for any economic displacement associated with the resettlement of the nine Anexo Palo Gordo families, according to the baseline.

The price paid (in cash or land-for-land) to the owners of the land acquired by the Project also included compensation for any resulting economic displacement.

#### 4.5.c Private Sector Responsibilities Under Government-Managed Resettlement

The Company is responsible for acquiring the land necessary for the Project.

### **4.6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

#### 4.6.a General

The Project will develop a Biodiversity Management Plan that will include the following: i) guidelines for the design of biodiversity-friendly drainage systems; ii) construction details to reduce impacts to biodiversity; iii) plant removal guidelines; iv) actions aimed at reducing pollution; v) erosion and sedimentation control measures; vi) wildlife rescue measures; vii) instructions for locating and constructing wildlife crossings (e.g., ditch crossings or biological bridges in the case of linear infrastructure); and viii) suggestions for designing infrastructure to minimize impacts on biodiversity.

#### 4.6.b Protection and Conservation of Biodiversity

##### 4.6.b.i Modified Habitat

The Project, located in Humid Tropical Forest (bh-T) and Very Humid Tropical Forest (bmh-T) ecosystems, is in areas that have been heavily intervened by agricultural and livestock activities

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<sup>12</sup> One cuerda measures 25 by 25 varas, or approximately 21 by 21 meters.

(rubber, sugarcane, and oil palm plantations) with fragmented forest patches, highly disturbed gallery forest, and shrub thickets. The Project will conduct a biological baseline to determine the richness of the existing biodiversity in the ADI.

#### 4.6.b.ii Natural Habitat

The area of the Project that crosses the municipalities of Santo Domingo, San Antonio Suchitepéquez, and San José el Ídolo is devoid of blocks of Humid or Very Humid Tropical Forest.

#### 4.6.b.iii Critical Habitat

According to the red list of the National Council of Protected Areas (*Consejo Nacional de Áreas Protegidas*, or "CONAP") and the appendices of the Convention on International Trade in Endangered Species of Wild Fauna and Flora ("CITES"), the Project area is not a critical habitat or key conservation area for any species of flora or fauna.

#### 4.6.b.iv Legally Protected Areas and Internationally Recognized Areas

There are no protected areas recognized by CONAP in the Project's area of influence.

#### 4.6.b.v Invasive Alien Species

The Project does not and will not use invasive alien species.

#### 4.6.c Management of Ecosystem Services

Since the EIA does not identify any terrestrial or aquatic ecosystem services that could be affected by the works, the Client will undertake this process, identifying the main ecosystem services (provisioning, regulating, cultural, and supporting) and establishing corresponding management measures.

#### 4.6.d Sustainable Management of Living Natural Resources

The Client will update the Project EMP to include: i) biotic monitoring of flora and fauna on a semi-annual basis; and ii) compensation actions for the areas to be cleared through reforestation plans for the Project's excess material disposal or dump sites and material banks areas.

#### 4.6.e Supply Chain

The Client expects to use active material banks for the supply of aggregate materials, which have their respective environmental permits. The Client will also define administrative controls (such as clauses in contracts) and technical controls (such as field monitoring) to ensure that contractors comply with biodiversity conservation plans and programs.

## 4.7 Indigenous Peoples

### 4.7.a General

According to Guatemala's 2018 census, 38% of Suchitepéquez residents identified themselves as Indigenous; 15% in Retalhuleu; 3.5% in Santa Cruz Muluá; 14% in Mazatenango; 18% in San José el Ídolo; 22% in Cuyotenango; 26% in San Andrés Villa Seca; 26% in Santo Domingo; 46% in San Gabriel; 57% in San Antonio; 63% in San Lorenzo; and 66% in San Bernardino. In terms of language, 8% of Suchitepéquez residents claimed to speak one of 23 Indigenous languages, with K'iche' being dominant, and 5% of Retalhuleu residents claimed to speak one of 24 Indigenous languages, with Mam being dominant.

#### 4.7.a.i Avoidance of Adverse Impacts

While there is a high percentage of people who self-identify as Indigenous in many of the municipalities and communities in the Project's ADI, no Traditional Indigenous Authorities have been identified. The social baseline and dialogue and public participation studies indicate that none of the 78 communities in the Project's All identified the presence of Indigenous groups or associations in their community. One community (Chacalté Aparicio) recognized the presence of CODECA as a relevant peasant political group or movement in their community.

#### 4.7.a.ii Participation and Consent

Indigenous groups and associations were listed as a key stakeholder group to identify and dialogue with as part of the Project's public participation and dialogue process, but none were identified in the 78 communities in the Project's All. Nevertheless, the Client has established and will maintain an ongoing relationship with people who identify themselves as Indigenous, based on Informed Consultation and Participation per PS1, implemented through meetings with community representatives (i.e., COCODEs) and community assemblies.

### 4.7.b Circumstances Requiring Free, Prior, and Informed Consent

#### 4.7.b.i Impacts on Lands and Natural Resources Subject to Traditional Ownership or Under Customary Use

There are no lands or natural resources subject to traditional ownership or under customary use in the Project's area of influence that will be affected by the planned works.

#### 4.7.b.ii Relocation of Indigenous Peoples from Lands and Natural Resources Subject to Traditional Ownership or Under Customary Use

There are no lands or natural resources subject to traditional ownership or customary use in the Project's area of influence.

The nine families to be resettled by the Project live within the much larger community of Anexo Palo Gordo, which has over 6,000 residents. The families to be resettled live in Sector 3 of the community,

which has approximately 1,500 residents. Anexo Palo Gordo is not a Traditional Indigenous Authority and its inhabitants are represented by a COCODE.

None of these families identify themselves as Indigenous. They do not self-identify as members of a distinct, recognized Indigenous cultural group, they do not consider their territory (the area adjacent to the old railroad line) to be ancestral, and they have no cultural, social, economic, or political institutions of their own. The families to be resettled speak Spanish and most descend from earlier generations who came to the area to work on the old Guatemalan railroad that ran next to where they live today.

#### 4.7.c Critical Cultural Heritage

The Project will not affect critical cultural heritage. In interviews, people who identify as Indigenous in the Project's area of influence recognize several sacred sites in the region, but none of these are located within or near the Project's construction footprint. The nearest sacred site is the Santo de Piedra, located near the Palo Gordo Mill, which some Indigenous people visit periodically to perform Mayan rituals and is located 1,900 meters from the start of the new stretch of highway. This site will not be affected by the Project.

#### 4.7.d Mitigation and Development Benefits

The Client will implement a program, as part of the Stakeholder Engagement Plan, to support vulnerable groups, specifically people who identify themselves as Indigenous, to overcome any potential barriers that limit their ability to participate in the Project's engagement activities and social investment programs (e.g., Emprendex and Xamba).

#### 4.7.e Private Sector Responsibilities Where Government is Responsible for Managing Indigenous Peoples Issues

The Company is responsible for managing Indigenous Peoples issues relating to the Project.

### **4.8 Cultural Heritage**

#### 4.8.a Protection of Cultural Heritage in Project Design

An archaeological reconnaissance of half of the Project layout (15 km) identified 10 archaeological sites, two of which are located within the RoW. Salvage excavations have been completed at the Quila archaeological site and are underway at the San Lorenzo site. Archaeological reconnaissance of the remaining half of the Project layout is pending. The Project will not affect any historic structures or living heritage sites.

The Project will develop a Cultural Heritage Management Plan that will include: i) an archaeological monitoring program; ii) chance find procedures; iii) an archaeological site protection program; iv) a cultural heritage training program on chance find identification and chance find procedures for Project workers involved in ground disturbance and earthwork activities; and v) publication of the results of archaeological rescue excavations.

#### 4.8.b Project's Use of Cultural Heritage

The Project will not involve the use of cultural heritage.

### **5. Local Access of Project Documentation**

General information about IDC and its projects can be accessed at the following link:  
<https://www.idc.com.gt/index.html>.