

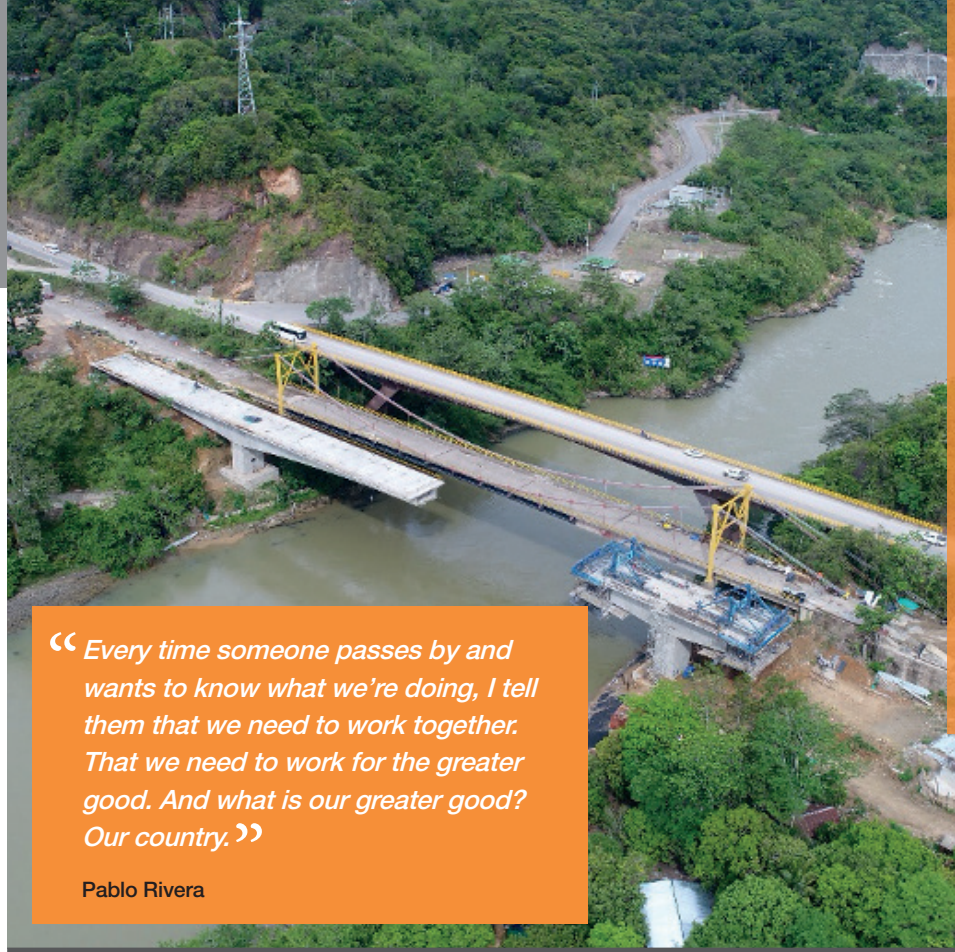
John Laing

making infrastructure happen

ROADS AND TRANSPORT:

Ruta del Cacao, Colombia

The Ruta del Cacao project involves the development of 236 carriageway-km of highway, providing a valuable connection between the cities of Bucaramanga, Barrancabermeja and Yondó in the Santander Department of North-Eastern Colombia. This investment demonstrates our commitment both to Colombia and to Latin America, and to delivering infrastructure that improves lives in Colombia and across the region.



“ Every time someone passes by and wants to know what we’re doing, I tell them that we need to work together. That we need to work for the greater good. And what is our greater good? Our country. ”

Pablo Rivera



“ My name is Pablo Rivera. I’m a Technical Inspector working on the Ruta del Cacao project. This project is very important to the Santander region. We’re linking completely different areas of the country. We’ve started at Barranca, practically at sea level, and gone towards Bucaramanga. It’s essentially a thousand metres difference in elevation. ”

Project background

The current government wants to improve the lives of Colombians, and Colombians themselves are becoming more demanding of their infrastructure.

The aspirations for the project are to improve connections between the eastern and central regions of Colombia. Colombia has historically lacked comprehensive road infrastructure; because it’s difficult and costly to build a road network across its mountainous topography. Poorly-built roads also affect safety, which in turn impacts the communities along the route.

Ruta del Cacao will deliver better transport links that increase investment and tourism in this beautiful part of the country. The road, along with other 4th generation road schemes, will improve the lives of thousands of people in the region and across the country.

Yet it is not without its challenges. Along with complex engineering, there needs to be a strong commitment and sensitive approach to working alongside local communities, many of whom depend on the existing road network for their livelihoods. Small businesses and communities have existed for many generations and the prospect of a new highway has naturally caused concern for some. Together with the potential environmental implications of the development, the project has required careful planning and regular discussions with the communities along the road.



Facts and Figures

Key financials

- 25-year Design/Build/Finance/Maintain/Operate, with option to extend for a further four years
- Total capex value: c. £400m
- Project now almost 50% complete
- John Laing acquired 30% for £62m
- SPV partners are Cintra/Ferrovial, Colpatría and Ashmore.

Key project facts

- 236 carriageway-km long
- Largely flat terrain for 181.2km and hilly terrain for 54.8km
- Upgrading 83km of existing roads from dual single carriageway to dual double carriageways
- 58km follows the existing road alignment while 25km is new greenfield
- 2 tunnels (3.2km and 2.2km), 83% of which runs through hard to soft rock
- 8 main bridges of between 100m and 600m in length
- Cut and fill of 6.9 million m³ of earth using less than 1.7 million m³ in embankment, resulting in disposal of 5.2 million m³
- Land stabilisation (shotcrete, bolts and anchorage)

This is a project that will transform the economic and social wellbeing of people in this part of Colombia. Improved infrastructure will protect villages from landslides, provide a reliable transport route and open the region to investment and tourism.

The scale and complexity of this project makes it ideally suited to our active project management expertise, where we can deliver practical added value on the ground as well as financial investment.

The clear community focus of the project is part of its appeal and fits well with our statement of purpose, which is to improve the lives of the communities in which we work. It's imperative to work closely with local people on this project because it presents such a huge change to the long-established infrastructure. It is challenging for those who perceive a threat to their small businesses or lifestyles – or to the environment around them. It's up to us as project partners to be on the ground, creating real, sustainable benefits for those communities, listening to their concerns and working alongside them to create a project everyone can be proud of.

Measuring our impact in the community

This project is measured against a range of ESG metrics:

- Greenhouse gas emissions
- Energy efficiency
- Water consumption
- Water efficiency
- Community engagement
- Community concerns
- Health and safety performance
- Road and rail safety
- Training
- Board meetings

The SPV for this project employs a dedicated ESG Manager and a dedicated team of 18 people who liaise with the community on a daily basis.

“ Back then I thought that I would lose clients, but then I focused on the clients of this side, where they built a new school. Because of that I am focusing more on miscellaneous products – this helps me to replace some of the business I used to have in the old shop with new business from the school. ”



Relocating Wilmer Ospina's shop

Wilmer Ospina ran his shop next to the existing road corridor for four years before the Ruta del Cacao project began. It was small, which meant customers were often crowded, but it was always busy, so Wilmer was worried that the new road might take away his customers.

The project helped Wilmer to relocate his shop to a bigger site. He already owned a parcel of land, but had not been able to afford to build a new shop. With legal help and compensation from the project, alongside his own proceeds from the original shop, Wilmer was able to build a bigger store. Wilmer will also benefit from the road development because it will reduce the time it takes him to get to and from his suppliers:

“ When I'm going to get merchandise, I have to go to Barrancabermeja and Bucaramanga mostly, though sometimes I also go to Medellin, so the road is going to be faster. Right now it is a bit hard because of the alterations on the road but in the long term it's going to be faster for us to run errands. My expenses may increase because of the tolls, but I will save a lot of time. ”

Wilmer Ospina



Construction challenges

Terrain is a key issue for this project. Construction involves removing substantial areas of forest and cutting into hillsides. This is not always supported by local and national groups and yet is essential for the construction of a safe, reliable road. Balancing the needs of the project and the concerns of activists and locals is a significant challenge.

The size and scope of the Ruta del Cacao project has meant that communities and businesses have raised concerns about the route, the construction process and the long-term effects of the road. As an active and concerned project manager, we listen to these concerns and take them seriously. We make concessions where appropriate and involve local people in planning and communications. It is essential to us to ensure that disruption is kept to a minimum and people who are worried about their livelihoods, the local environment or other community issues are reassured. This is how we work with communities across all our projects and reflects how we live our corporate values. It not only helps to give confidence to those directly affected; it also helps the project to run on time and to budget wherever possible.



Lisboa Water treatment plant built by the Ruta del Cacao project.

A community focus

With the sponsorship of Ferrovial Group the project built two new water facilities to improve the quality of and access to water for people in villages that have been adversely affected by armed conflict. Previously, these communities only had access to untreated water, which was causing stomach upsets and other health conditions. The new facilities built by the Ruta del Cacao concession provide clean drinking water to homes and to the local school, guaranteeing at least 20 litres of water per person per day.

“*Since you brought this great project, we have benefitted a lot because we are now ingesting clean water that is properly treated. The community is extremely grateful, since you are caring for both the kids and the senior citizens and it's a great contribution to the village. The fact that you take us into account is reflected in the wellbeing of all of the families in Santander and most of all here in San Benito village.*”

Ever Marino, resident, San Benito.





30 children from the Tapazón village in the municipality of Betulia can enjoy the benefits brought by this newly built school.



The school before renovation

In addition two new schools have been built to provide a regular and reliable education to children from remote villages along the route. These schools are already open and our Bogota team will offer to volunteer with the schools to help with painting and other maintenance so that they are looking their best for the new pupils.

Contributing to the improvement of the educational establishments of the Direct Influence Area of the Project ensures we:

- Improve the project's image across the community and territorial entities.
- Contribute to the improvement of the quality of life of the population
- Strengthen the relationship between the concessionaire and the community.
- Build bonds of trust and be a good neighbour to the AID communities.

“ Now we have more space for the kids. They have good recreational spaces and we have a better internet classroom. It's something new for the kids and we are in a green zone, so there are landscaped areas all around, we feel happier and we know our kids are safer since they kids are far away from the central road corridor. ”

Yorledy Garvan, Parent.



“ This is a unique project for John Laing in many ways. In addition to being our first project in the Latin American region, it is an example of the value of investing in much-needed infrastructure in a previously under-served and remote rural environment. The challenges are considerable, and the benefits are huge both for the local and national economies. Even more importantly, this road will transform the lives of those communities who live and work around it, and that is an essential part of John Laing's purpose – to improve lives with actively managed infrastructure projects. ”

Alex Yew, RMD, LATAM.

Resettling vulnerable residents

“ I used to live in Tienda Nueva; I had a very small, humble house of one floor – an unfinished building, without doors or windows and with bare concrete. When the Ruta del Cacao came along, I was really worried about what was going to happen to me, because it looked like I was a housekeeper rather than the owner, as I didn't have the right papers. I thought that I might not have a home, and have no compensation because I couldn't prove I was the owner.

Staying in Tienda Nueva was not possible, because there was nowhere to buy a house, so I decided to look for land in Las Vegas. First, I looked for the land and made sure the papers were in order; that was one of the conditions that Ruta del Cacao required because they did not want me to have another problem with paperwork.

There will be six people living in my house. In my old house there were three bedrooms and a kitchen; no other living space. In this house, everyone has their own bedroom and there is living space for us all. I am hoping to be able to build a second floor on the new house in the future.

The Ruta del Cacao people visited me frequently and I was told what was going to happen as the situation unfolded; the project has been very good to me.”

Luz Stella Alvarado Romero



Local resident, Luz Stella Alvarado Romero

“ I think the new road is going to benefit the area because hopefully there'll be more people – for example, on the side of the road I'm currently living on, you can see more people than where I used to live. So in my opinion the changes have been excellent.”

Seed Funding to Establish and Support Local Businesses



“ I sell limes, water, soda and farm products on the current road between Barrancabermeja and Bucaramanga in the La Fortuna township. I have had my business for around 35 years. We sell our products to the drivers that pass by and to the people that live in the village.

The Ruta del Cacao project told us that we would be relocated and that there would be funding to help us because the new road will take traffic away from our village. My wish has always been to set up a shop and I hope that this seed initiative project will help me to get a shop and that I will get more customers.”

Silverio Camacho Calderon

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John Laing: an investor and partner behind responsible infrastructure projects which respond to public needs, foster sustainable growth and improve the lives of the communities in which we work.