

PROJECT ABSTRACT

August 9, 2013

Country:	Argentina
Sector:	Transportation
Project name:	AUSA Road Safety and Urban Mobility Program
Borrower:	<i>Autopistas Urbanas S.A.</i>
Guarantor	<i>Ciudad Autónoma de Buenos Aires</i>
PTI/SEQ:	N/A
Total project cost:	Approximately US\$300 million
IDB A Loan:	Up to US\$130 million

I. OVERVIEW AND PROJECT DESCRIPTION

- 1.1 The AUSA Road Safety and Urban Mobility Program (AR-L1166) consists of IDB support for the execution of the three year capital expenditures program of *Autopistas Urbanas S.A.* (“**AUSA**” or the “**Company**”), the concessionaire responsible for the operation of an expressway system mixed between elevated and ground level highways, totaling 41.5 km, 54% of which being subject to toll and 46 % of freeways, that connects key residential, government and commercial areas within the City of Buenos Aires..
- 1.2 AUSA is a *sociedad anonima* owned by the City of Buenos Aires (99,99%) and *Subterranos de la Ciudad de Buenos Aires Sociedad del Estado* (0,01%) and is responsible for the operation, maintenance and expansion of the system, under a concession law (Law 3060) granted by the *Ciudad Autonoma de Buenos Aires*. AUSA has the rights and obligations to operate and maintain the system through September 2029.
- 1.3 The Bank is structuring a long-term senior secured corporate obligation to AUSA to support AUSA’s program for road safety investment as part of the Company’s broader investment program for 2013-2015. The rationale for the operation is driven by the fundamentals of the IDB’s Road Safety Strategy and, more specifically, SCF’s Private Sector Road Safety Program, known as “Highway+.” The capital expenditures program consists of the execution of a series of civil works for an estimated US\$300mm in total investment, US\$130mm of which will be set aside for specific road safety enhancements to be funded by the IDB Loan (collectively, the “**Investment Program**”). The Investment Program is designed to reduce road crashes, reduce trip times and improve emissions-related environmental problems for the citizens of BA.
- 1.4 The investments contemplated in the Investment Program were identified by AUSA and the *Ciudad Autónoma de Buenos Aires* as part of the Urban Development Plan approved pursuant to Law No. 2930 by the City. The Investment Program is expected to reduce the risk of collisions between automobiles and pedestrians with trains, thus reducing accident and fatality rates and increase the vehicular throughput in the urban area of the city of Buenos

Aires, with the effect of reducing congestion, trip times and associated vehicle emissions due to idling cars.

II. DEVELOPMENTAL IMPACT AND ADDITIONALITY

- 2.1 The Investment Program is part of a larger effort set forth in the Urban Development Plan to: i) eliminate all the level crossings between trains and automobiles; ii) reduce the severity of collisions of automobiles; and iii) improve the safety of commuters by improved signaling over the highway network. Other secondary benefits include a reduction in surface transportation time for cars, trains and buses due to reduced traffic congestion and, hence, a reduction in fuel consumption and net greenhouse gases emissions. In the long run, when there will be no level crossings with the railway system, which would be able to improve drastically the frequency and reliability of the train system as well, whereas today the urban rail system is limited by the need to have vehicles cross the rail tracks at-level.
- 2.2 The Investment Program is in line with IDB's country strategy for Argentina (GN-2687 for the timeframe 2012-2015) which contemplates the support from the Bank to promote urban road safety, through studies and investments aimed at reformulating existing infrastructure in areas with high numbers of accidents. The Program also directly addresses the strategic objectives outlined in the GCI-9 by expanding transport infrastructure for competitiveness and social welfare. The operation is driven by the fundamentals of the IDB's Road Safety Strategy and, more specifically, IDB's Private Sector Road Safety Program, known as "*Highway+*," which is the Bank's initiative for partnering with private operators to reduce road incidents and fatalities for users and pedestrians alike, throughout Latin America and the Caribbean.