

El Dorado International Airport Colombia

Sectors: Aviation

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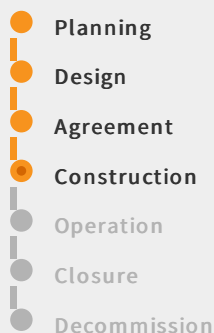


Sectors

Aviation

Location

Status



Website

<http://eldorado.aero/en/>

About El Dorado International Airport

El Dorado International Airport in Bogotá, Colombia is the busiest airport in Colombia and one of the busiest in Latin America, serving as the main international and domestic air gateway in the country. It is located adjacent to the densely-populated neighbourhood of Fontibón in the northwest of Bogotá. The airport has a long history of inadequate noise mitigation with noise levels frequently [exceeding national limits](#).

The airport is currently undergoing a significant expansion in order to increase the number of flights into the country. In 2006, the Special Civil Aeronautics Administrative Unit (Aerocivil), a government agency, awarded a 20-year contract to [OPAIN S.A.](#) to expand, modernise and operate El Dorado Airport. Among other activities, the contract included the construction and operation of new, extended passenger and cargo terminals and additional aircraft docking and platform spaces, to expand the airport's capacity. Under a separate concession, [Codad S.A.](#) (which constructed the second runway adjacent to Fontibón in 1997) undertook improvements to the runways, including improvements to and construction of rapid exit taxiways, to enable a higher rate of air operations. Air operations have already [increased dramatically](#), increasing 22% between 2008 and 2014. By the conclusion of the expansion project, the airport is expected to host [90 air operations per hour and 40 million passengers a year](#), up from 50 operations per hour and 27 million passengers in 2015.

Latest developments

MICI report links project to health harm

Jun 5 2017

What must happen

OPAIN, Codad, Aerocivil and the financial institutions supporting this expansion project have failed to properly investigate and mitigate the health risks associated with noise pollution generated by El Dorado International Airport. No further financing should be committed, and no further disbursements should be made, until the following demands are met:

Comunidades Unidas urgently seeks an independent investigation of the actual and anticipated health impacts associated with El Dorado International Airport. The outcomes of this Health Impact Assessment, together with other relevant investigations and proper community consultation, should then inform:

- The strategic alteration of flight routes;
- An updated census of the buildings that have received soundproofing in the Fontibón locality and an evaluation of the soundproofing's effectiveness;
- A guarantee that the Fontibón community will have permanent adequate resources to implement, maintain and update soundproofing;
- The preparation and maintenance of a permanent Noise Mitigation Plan with proper community consultation and evaluations of the effectiveness of that plan; and
- Adoption of the best available international noise mitigation technology and timely evaluation of any changes made.

Financers should make sure these demands are implemented by OPAIN S.A and Aerocivil.

Impacts

Human rights, social and gender impacts

The airport expansion project has contributed to a dramatic increase in the number of air operations at El Dorado International Airport. OPAIN has expanded, and continues to expand, the domestic and international terminals and aircraft docking and platform spaces, among other works, while Codad has designed, constructed, increased and improved runway rapid exits to reduce the time that each aircraft occupies on the runway. Between 2008 and 2014, these works contributed to an increase in air operations of 22%. Between 2015 and the conclusion of the expansion works (in 2018-2021), the airport's capacity is projected to increase from [50 to 90](#) air operations per hour and from 27 to 40 million passengers a year.

This increase in air operations exacerbates the environmental and social impacts on neighbouring communities. The noise experienced by those communities frequently exceeds national limits for residential areas: in one study, 84% of noise measurements in the areas violated the 65 dB national daytime standard, while 100% of noise measurements violated the 50 dB national nighttime residential standard.

Physical buffers around the airport's runways are almost non-existent with only a road and, for some, a mound of dirt separating Fontibón residents from the runway and aircraft. The insulation of homes and buildings is also incomplete and inadequate: a 2012 study of noise-affected areas by Bogotá's Secretary of Health (see documents) found that only 2.7% of study participants had partial sound insulation in their homes and only 1.1% felt protected from the noise.

A recent report by the Inter-American Development Bank's independent accountability office (known as MICI) describes their first-hand experience with the inadequate noise mitigation:

“During its visit to the Project area, the Compliance Review Panel ... was able to experience firsthand not only the impact of the noise on the daily life of residents (such as the need to interrupt a conversation or classroom activities when airplanes take off and land because it was impossible for the other person or the teacher to be heard, or the vibrations caused by some aircraft), but also the discomfort produced in some homes by the soundproofing, which in the Panel's experience is in poor condition, does not really reduce noise, and prevents, among other things, ventilation in the homes.” ([MICI Report](#), paragraph 2.99)

The World Health Organization [warns](#) that chronic exposure to high levels of environmental noise can lead to hearing impairment, cardiovascular disease, mental health problems, impaired cognition, and severe sleep disturbance, among other harmful effects. Children are particularly vulnerable to developmental harm, with studies finding a relationship between long-term exposure to aircraft noise and impaired reading comprehension and memory.

Some of these harms are already visible in the Fontibón community. Bogotá's Secretary of Health estimates that 67% of Fontibón's population sleeps poorly, while up to 37% suffers chronic insomnia, leading to related problems with headaches, irritability, anxiety, and difficulty concentrating. Neighborhood children are especially vulnerable to health harm.

Luisa, 15 years old, suffers from cardiac arrhythmia which she attributes to the noise and vibrations generated by the airport. She explained to Comunidades Unidas and Accountability Counsel:

“Because of the noise and the vibration I wake up scared, my heart accelerates more than it should, the arrhythmia makes me tired, causes pressure in my chest, I struggle to breathe. In college it does not happen so much, here in the house because I am scared more, it happens more frequently.

There are ways to help the growth of the city, the airport is undoubtedly necessary, but we must think a little about the people who live nearby, of the effects on us. There are children like me, there are students who cannot perform the same, then we cannot give the same professionally to the country, or at school. I think it also affects the standards of Colombia in education. Yes, it is good to invest, but also in us who live nearby and who already have a life in this place.”

Due to her condition, Luisa must reduce her physical activity. She suffers interrupted sleep, stress and difficulties concentrating and her academic performance is reduced. Multiple international studies have identified an association between elevated levels of air traffic noise, especially at night, and increased rates of heart disease and arrhythmia (see for example [here](#), [here](#) and [here](#)).

Although OPAIN asserts that noise mitigation is the responsibility of Aerocivil under the specific terms of the concession agreement, such an argument cannot negate the environmental and social responsibilities of OPAIN, Codad S.A. - and their investors - under those investors' environmental and social safeguards. Those responsibilities apply to the project as a whole; the client cannot "contract out". MICI dismissed the same argument, when it was made by the Inter-American Development Bank, in strong terms:

"The MICI considers that Management's argument that neither the Bank nor the Client is responsible for or has any influence on air activities and that the Bank is not involved in any activities on the Aerocivil side is an attempt to be relieved of responsibility and contradicts ... the essence underlying any Bank financing, as reflected in the standards set in Bank policies, particularly Operational Policy OP-703. This policy is a tool that should be used to achieve social and environmental success in any IDB project. There is an express requirement to identify, assess, and manage both direct and indirect impacts and risks, and it is the Bank's obligation to determine how to manage them, whether they are produced by the Bank's client or by a third party. It is also surprising that Management should attempt to disassociate itself from any aspect related to the Airport's air operations, which are the source of the Project's future financial success." ([MICI report](#), paragraph 2.88)

Similarly, paragraph 22 of [IFC Performance Standard 1](#), which also applies to equator projects under [Equator Principle 3](#), requires that: "Where the government or other third party has responsibility for managing specific risks and impacts and associated mitigation measures, the client will collaborate in establishing and monitoring such mitigation measures."

And the recently-released OECD Due Diligence Guidelines for Responsible Business Conduct advise that: "In cases where the enterprise is contributing to adverse impacts or risks that are caused by another entity, it should take necessary steps to cease or prevent its contribution as described above, and also, build and use leverage to mitigate any remaining impacts to the greatest extent possible ..."

It is incontestable that applicable international standards oblige OPAIN and its investors at the very least to evaluate noise impacts and to build and use leverage to collaborate with Aerocivil to establish and monitor effective mitigation measures. We are not aware of any such steps being taken.

Governance

Bank policies

The following bank investment policies apply to this project:

HSBC

Statement on Human Rights

Sep 30 2015 | HSBC

BNP Paribas

Statement on Human Rights

Dec 31 2012 | BNP Paribas

Applicable norms and standards

Equator Principles

IFC Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts

IFC Performance Standard 3: Resource Efficiency and Pollution Prevention

IFC Performance Standard 4: Community Health, Safety, and Security

Inter-American Development Bank Safeguard Policies

OECD Guidelines for Multinational Enterprises

Principles for Responsible Investment (PRI)

UN Guiding Principles on Business and Human Rights

Other applicable regulations

When it invested in this project, the Inter-American Development Bank was required to comply with its [Environment and Safeguards Compliance Policy \(OP-703\)](#), including obligations to:

- Conduct appropriate due diligence regarding project environmental and social risks, including, in this case, noise pollution and associated health risks;
- Ensure that the project effectively avoided, mitigated or compensated those risks;
- In this case, the IDB was required to recognize Aerocivil as a necessary third party for the effective mitigation of environmental and social impacts and analyze the risks associated with Aerocivil's role in the project;
- Develop a management plan in consultation with affected communities prior to project approval;
- And comply with Colombia's environmental laws, including national noise standards.

A [recent report](#) of the IDB's Independent Consultation and Investigation Mechanism ("MICI") concluded that the IDB violated multiple environmental and social obligations. Among its specific findings, MICI concluded that:

- The project should have been categorized as Category A rather than Category B;
- The assessments conducted did not even satisfy Category B standards. Among other flaws, the assessments failed to: evaluate the noise impacts that would be generated by the increase in air operations as the airport expanded; evaluate the risks associated with Aerocivil's responsibility for noise management; and evaluate the circumstances in which noise levels were exceeding national limits and whether noise monitoring and management systems were adequate;
- Neither IDB's nor OPAIN's risk management plans identified in any substantial way the risks or impacts of increased noise nor established appropriate mitigation measures for those, including a plan to manage the compliance risks associated with Aerocivil;
- There was no meaningful consultation of affected communities and ongoing difficulties exist in the flow of information between OPAIN, Aerocivil and communities; and
- These failures are linked to health and stress impacts suffered by adjacent communities.

Updates

MICI report links project to health harm

Jun 5 2017

On 5 June 2017, the independent accountability office of the Inter-American Development Bank confirmed that the Bank did not do enough to protect neighboring communities from serious harm when it funded the expansion of El Dorado International Airport in Bogotá, Colombia. The noise pollution suffered by those communities is grave and relentless, from the takeoff and landing of military as well as commercial aircraft at one of Latin America's busiest airports. Noise is a long-standing problem that has been made worse by the airport's expansion. The [report](#) found that the IDB violated its environmental and social safeguards in multiple ways:

- The Bank and its client, the company OPAIN, failed to recognize the scale and complexity of the noise risks. Fontibón has a population of more than 300,000 people and many of its residents live directly on the margins of the airport. The Bank and OPAIN failed to evaluate the impact that increased noise generated by the expanded airport would have on the residents there.
- The Bank and OPAIN failed to meaningfully consult communities before the project was approved and as it was implemented.
- The Bank and OPAIN failed to validate that appropriate systems and mitigation measures - including noise insulation - were in place to protect communities from the severe [noise](#).
- Noise levels in the Fontibón neighborhood have frequently exceeded national legal noise limits. Yet the Bank had no system in place to monitor or respond to these violations, and therefore had no way to ensure that the project it was financing complied with national law.
- These failures are linked to the [health and stress impacts](#) that communities are suffering from. Studies have found that at least a third of Fontibón residents suffer from chronic insomnia and that reports of hearing damage are higher in areas with greater exposure to the noise. Children are particularly vulnerable, with studies finding a relationship between long-term exposure to aircraft noise and developmental delays. Yet the Bank made no assessment of the health risks and impacts associated with the increase in air operations.

However, despite acknowledging the strength of these independent findings, the IDB does not plan to take any meaningful steps towards fixing the problems in Bogotá. The IDB Board of Directors [failed](#) to adopt MICI's recommendation that the IDB work with relevant Colombian authorities to analyze ways to improve the sustainability of the airport, claiming that such action is out of its control, following the repayment of the IDB's loan. See [here](#) for the full [blog](#) and [report](#).

Financiers

OPAIN has received financing from a range of Equator Principles Financial Institutions (EPFIs) and national and international development banks:

- The first round of financing took place in 2007, when OPAIN received financing from Bancolombia, an EPFI.
- Then in 2010, OPAIN received additional project finance from three national and international development banks: the Inter-American Development Bank (IDB), China Development Bank, and the Development Bank of Latin America (CAF).
- In May 2015, OPAIN closed a further round of financing, to refinance its debt to the development banks and to fund additional works. Four EPFIs - Bancolombia, BNP Paribas, HSBC and Sumitomo Mitsui Banking Corporation - each contributed USD 125 million as equal partners in a USD 450 million refinancing term loan and a further USD 50 million term loan.
- In December 2016, Financiera de Desarrollo Nacional (FDN), a Colombian infrastructure-focused development finance institution, began disbursing debt finance to OPAIN that was expected to total 190 billion pesos (approximately USD 66 million), to fund further terminal expansion works. Major shareholders in FDN include the World Bank Group's International Finance Corporation (IFC), the Sumitomo Mitsui Banking Corporation and the CAF. Communities were recently advised that OPAIN repaid this loan in December 2017 - only one year after it was signed - following communications from community members raising concerns about the impacts of the expansion project.

Codad also received international finance for its activities, including from the Ashmore Group (UK) and the IFC. In 2014, [Ashmore Colombia Fund I](#), a private equity fund, took an 85% shareholding in Codad. This fund is managed by Ashmore Colombia, part of the Ashmore Group. The IFC has an equity investment in Ashmore Colombia Fund I. Communities have been advised that Ashmore divested from Codad in 2017.

Banks

BNP Paribas France profile			Details ▼
Debt – project finance <i>source: IJGlobal</i>	USD 125 million	14 May 2015	
Bancolombia S.A. Colombia profile			Details ▼
Debt – project finance <i>source: IJGlobal</i>	USD 125 million	14 May 2015	
Debt – project finance <i>source: IJGlobal</i>	USD 201 million	14 September 2007	
China Development Bank China profile			Details ▼

Debt – project finance Repaid early, refinanced <i>source:</i> link	USD 175 million	2010
HSBC United Kingdom profile Details ▼		
Debt – project finance <i>source:</i> link	USD 125 million	14 May 2015
Sumitomo Mitsui Banking Corporation (SMBC) Japan profile Details ▼		
Debt – project finance <i>source:</i> IJGlobal	USD 125 million	14 May 2015
Equity – share owner/manager Equity investment in Fianciera de Desarrollo Nacional (financial intermediary). 8.84% shareholding (as of April 2015). <i>source:</i> link		20 April 2015

Multilateral development banks

Development Bank of Latin America (CAF) Details ▼		
Equity – share owner/manager Equity investment in Financiera de Desarrollo Nacional (financial intermediary). 8.48% shareholding (as of April 2015). <i>source:</i> link	USD 50 million	2014
Debt – project finance Repaid early, refinanced <i>source:</i> link	USD 50 million	2010
Interamerican Development Bank (IDB) Details ▼		
Debt – project finance Repaid early, refinanced <i>source:</i> link	USD 165 million	2010
International Finance Corporation (IFC) Details ▼		
Equity – share owner/manager Equity investment in Financiera de Desarrollo Nacional (financial intermediary). 8.84% shareholding (as of April 2015). <i>source:</i> link	USD 70 million	2014
Equity – share owner/manager Equity investment in Ashmore Colombia Fund I (financial intermediary). <i>source:</i> link	USD 20 million	2010

National development banks

Financiera de Desarrollo Nacional Details ▼		
Debt – project finance FDN provided senior debt finance to OPAIN. Although the loan is not specified as 'project finance', FDN states that the credit will be used to finance OPAIN's work on the expansion of national and international terminals of El Dorado Airport. <i>source:</i> link	USD 65 million	2016 - 2017

Related companies

Project sponsor

Grupo Operadora Aeroportuaria internacional S.A. (OPAIN) Colombia

Other companies

Compañía de Desarrollo Aeropuerto Eldorado (CODAD S.A.) Colombia

Codad S.A. constructed the second runway adjacent to Fontibón in 1997, and is currently undertaking improvements to the runways, including improvements to and construction of rapid exit taxiways, to enable a higher rate of air operations.