Project Name: Design, Building, Financing, Operation and Maintenance of the "MONTECRISTI-LA CADENA" road

MONTECRISTI - LA CADENA

Overview

This road corridor plays a crucial role in national development, as it is part of the E482 axis, which is a very fluid road in the State Road Network. This importance is based on the high number of users that use it, coming from the coastal provinces of Ecuador. In addition, it is a road axis that connects the cantons of Montecristi, Jipijapa, Paján and the La Cadena sector (provincial boundary between Manabí and Guayas), with a permanent traffic flow and in constant growth as it is aligned with the Strategic Mobility Plan "PEM 2013-2037".

This road corridor has differentiated sections, two-lane and four-lane sections. In areas where the road goes from four to two lanes, especially in population centers, traffic speed decreases considerably, leading to congestion and increasing the risk of accidents during peak traffic hours. In addition, poor vertical signage, blocked culverts and accidents on certain sections of the road add to the complexity of the situation and highlight the urgent need to address these problems in order to improve road service.

Project Type

Brownfield

Fundamental Criteria

Priority project of the Delegating Entity and duly aligned with the objective, policy and goal of the National Development Plan and strategic planning at the sector level.

Delegation Model

Public-Private Partnership (PPP)

Potential Demand- Based on 2018 Studies

				Total
Year 2018	9.022 light	705 buses	2.210 heavy	12.027
Year 2023	10.705 light	903 buses	2.553 heavy	14.161
Year 2038	17.883 light	1.323 buses	3.938 heavy	23.144

Components

Alternative 1.
- Rehabilitation of the existing roadway (2 and 4 lane sections).

Alternative 2.
- Widening of the entire corridor to 4 lanes.

START: Abscissa: 0+000, East (longitude): 538,516.00, North (latitude): 9,883,936.00.
END: Abscissa: 96+200, East (longitude): 570.806,00, North (latitude): 9.807.772,00.

Current Status of the Project

Phase: Structuring

Registered in the National Registry of Public-Private Associations-Source Registry, on 04 June 2024.

Delegation Model

Public-Private Partnership (PPP)

Location

Provinces:

Manabí and Guayas

Cantons:

Montecristi, Jipijapa and Paján

Socioeconomic Information

Positive Impacts of the Project

* Improved road safety.
* Reduced vehicle maintenance costs.
* Improved transportation efficiency.
* Promoting economic development.
* Access to essential services.
* Development of local infrastructure
* Increased property values
* Improved access to emergency services.
* Reduced congestion.
* Reduced vehicular wear and tear.

Beneficiaries

Located in the area of affluence:
*Direct Beneficiaries: 219,933 inhabitants.
* Indirect Beneficiaries: 5'984.763 inhabitants.
* Induced Beneficiaries: 8,947 inhabitants.

Environmental Benefits of the project

* Reduction of Emissions.
* Reduction in the use of non-renewable resources.
* Minimization of Impacts on Sensitive Ecosystems.

Comparative Analysis of Alternatives

Detail	Alternative 1	Alternative 2
Advantages	Reduced project execution time, maintenance costs, state contribution and environmental impact since the existing corridor is rehabilitated.	Increased road capacity and safety, capacity and reduced travel times.
Disadvantages	Increased travel time, increased claims and reduced service levels due to congestion.	Increased state contribution, construction time, maintenance costs and environmental impact.
Preliminary Decision Justification	This would be complemented by a lower participation by the State. In addition, it is proposed that the results of the study do not require an extension.	It is proposed in the event that as a result of the prefeasibility studies it is determined that the traffic meets the requirements to widen the road. The proposed CAPEX avoids making the project more expensive and the OPEX avoids determining a socially acceptable toll rate. The share of state contributions is likely to be higher than in Alternative 1.

Suggestion: It is concluded that Alternative No. 2 best meets the project objectives and selection criteria.

Financial Information

Alternative 1		Alternative 2	
CAPEX (Referential)	$ 54'699.684,67 millions	CAPEX (Referential)	$ 127'684.036,75 millions
OPEX (Referential)	$ 95'990.888,45 millions	OPEX (Referential)	$ 62'867.397,50 millions
Total Project Value	$ 150'690.573 millions	Total Project Value	$ 190'551.434 millions

NOTE: It is important to point out that the investment amounts shown in the different alternatives are referential, since they come from an initial project profile. These amounts will be updated as the phases of the PPP cycle progress, i.e., prefeasibility and feasibility, respectively.

Implementation time in reference years

Alternative 1
CAPEX: 2 years
OPEX: 28 years

Alternative 2
CAPEX: 4 years
OPEX: 26 years

Potential Jobs Generated

3.412 approx.

Type of Infrastructure

Road Infrastructure

EL NUEVO ECUADOR

Secretaría de Inversiones Público - Privadas